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WHITEPAPER

Four ways Australians navigate retirement

Building better outcomes for a more secure retirement

AUGUST 2026

Contents

Foreword

Retirement is one of life's most significant transitions. After decades of saving, planning and working towards financial security, Australians enter retirement with the hope of enjoying the lifestyle they have worked hard to achieve. Yet retirement is not a single experience, nor is there one path that defines a successful retirement.

The findings in this report highlight the diversity of retirement experiences across Australia. While some retirees embrace retirement as a time of freedom, travel and new opportunities, others find satisfaction in a simpler lifestyle. Some approach retirement with caution, carefully balancing spending today against uncertainty about tomorrow, while others face genuine financial pressures that shape their day-to-day decisions. These differences are influenced by financial resources, but they are also driven by confidence, mindset and expectations about the future.

Importantly, this research reinforces a theme that we continue to see across Challenger's Retirement Happiness Index: confidence matters. Retirees who feel confident about their financial future are more likely to enjoy the lifestyle they want and make decisions that support their wellbeing. Yet confidence is not solely determined by the size of a retirement balance. It is also influenced by access to advice, guidance and information that helps people navigate an increasingly complex retirement journey.

The report also highlights that retirement is dynamic. Spending patterns, priorities and concerns evolve over time as circumstances change. For many Australians, retirement planning does not end on the day they leave the workforce. Instead, it becomes an ongoing process of balancing the desire to enjoy life today with the need to prepare for future uncertainties, including health, aged care and changing living costs.

Encouragingly, most retirees report confidence that they can afford their desired lifestyle, and many are enjoying the opportunities retirement brings. At the same time, there remains a clear need for greater support. Whether through financial advice, education or practical guidance, Australians consistently tell us they want help making informed decisions about their retirement.

In particular, having enough income is the most sought-after topic, underscoring how central reliable income is to confidence and wellbeing in retirement This demand spans both those approaching retirement and those already living it.

The insights in this report build on our understanding of retirement wellbeing by exploring not just how happy retirees are, but how they make decisions about spending, saving and living throughout retirement. By recognising the diversity of retirement experiences and supporting Australians with the confidence to make the most of their retirement years, we can help more people achieve the retirement they aspire to.

Mandy Mannix
Principal Advocate, Retirement, Challenger

Challenger has partnered with Susan Bell Research for this report. Susan Bell Research is a Corporate Partner of the Research Society and specialises in research on the new lives of older Australians – a demographic that's wildly diverse, rapidly evolving and too often misunderstood. Over the last 30 years, the agency has conducted qualitative and survey research for many of Australia's largest financial services organisations such as AMP, Australian Super and Aware Super, as well as for ASIC and the ACCC. The agency lead Susan Bell is a Fellow of the Research Society, and past Board Director.

Executive summary

This research report considers how the lifestyles of Australians change in retirement. Retirement is often viewed as a single life stage. This research suggests otherwise. Australians are experiencing retirement in four distinct ways: Carefree, Content, Cautious and Concerned. While wealth plays a role, confidence, mindset and expectations often have a greater influence on how retirees spend, save and plan for the future.

Asking people how they have changed and planned to change their spending patterns highlights that there are differing approaches to the lifestyle people live in retirement. Some retirees are carefree and spending to maximise their enjoyment, while others are cautiously spending to make sure their money lasts. This contrasts with others that are spending less than they used to but are content with a less complex lifestyle in retirement that they expect to maintain. There are also retirees that are doing it tough, cutting back on spending and falling short of the retirement lifestyle that they would like.

The research also highlights that spending patterns change throughout retirement. While some people increase spending in the early years in retirement and others reduce spending, changes occur later as well. This means that not everyone is locked into the same spending needs throughout retirement, and this appears to be creating a need for updated advice and guidance for retirees.

There is strong evidence that Australians need more help as they navigate their finances in retirement. This includes financial advice, but there is also scope for better education and guidance to assist retirees to get the most out of their retirement. It was interesting to hear that whether or not a retiree had taken advice in the lead up to retirement, most retirees could still name a topic they would like more help with. The needs change as they progress through retirement.

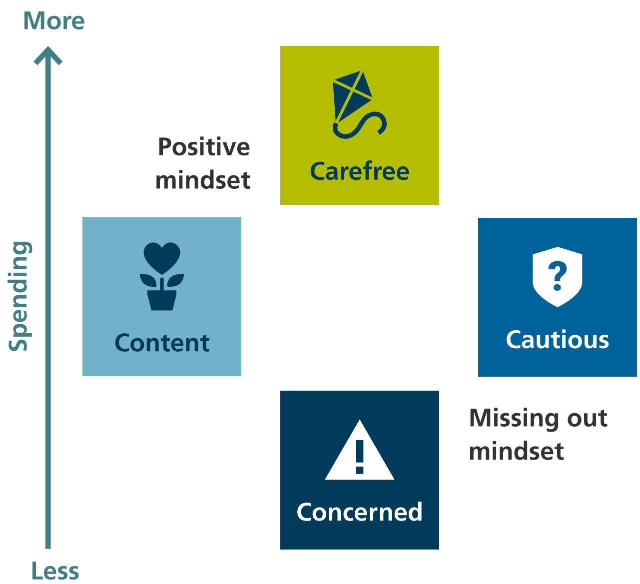
People's expectations about the future are limited and uncertainty reduces confidence. Lower confidence results in more cautious spending and the risk that retirees don't get to enjoy the lifestyle they want and, in many cases, could afford. Help to resolve future uncertainties could improve the lifestyle of retirees.

The research was also clear that retirees are not cutting spending for the purpose of leaving money to the next generation. While there are some (a minority) that have an intention to leave an estate, most of these expect to maintain their lifestyle and don't think they need to reduce their spending to leave support for their children.

The research has highlighted four different lifestyles that define retirement for many people. These were not completely exhaustive, but they define the differences between retirees that should be catered for. These groups can be described as:

- **Carefree:** retirees spending, and focusing on enjoying their life
- **Content:** retirees that have reduced spending, and are content with a simpler lifestyle
- **Cautious:** retirees that have reduced spending out of caution so that their money will last
- **Concerned:** retirees that have cut back spending and are still concerned that their savings will run out too early.

Figure 1: Four retirement lifestyle personas



These differences are highlighted in this report, and while wealth levels have some impact, the research highlighted that mindset can be a more important driver of the differences. Understanding these four retirement lifestyles provides a new lens through which retirement behaviour can be understood.

01.

The different lifestyles that define retirement

Retirement is not one-size-fits-all and the way people spend in retirement, both their time and money, varies across individual retirees. Yet, one thing is consistent: for 80% of retirees the way they spend money changes in their golden years (Figure 1). For one in four (24%) retirees this means spending more on enjoying life, while one in three (37%) spend less.

Predictably, those with higher superannuation balances tend to spend more than those with limited savings. However, the story is more nuanced for those retirees in the middle. In fact, people with similar means are living very different lifestyles with spending patterns shaped by lifestyle changes over time and differing expectations about the future.

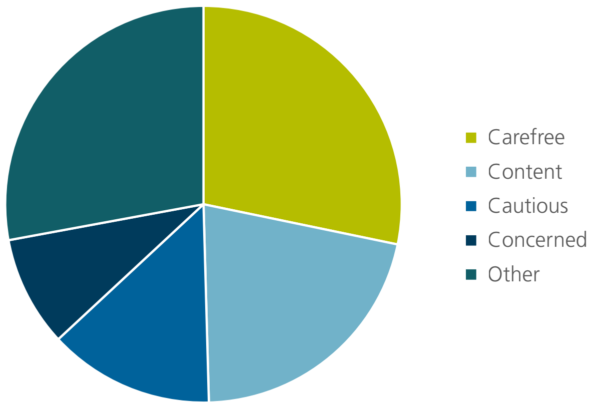
Using an open-ended question about changes in spending, the researchers observed a range of different lifestyles which will influence how people live and approach their retirement lifestyle.

The research revealed four lifestyle personas – Carefree, Content, Cautious, and Concerned. Each persona has a unique approach to retirement with varying financial needs and expectations of the future.

Wealth influences retirement lifestyles, but mindset often determines how retirement is experienced.

Overall, the research classified 72% of retirees to one of the four retirement lifestyles based on the reason their spending changed. 20% did not indicate any change in spending and the other 8% could not be classified. The composition across retirees with more than $100,000 in superannuation is shown in Figure 2.

Figure 2: Retirement lifestyle personas



Base, all retired N=712, more than one option could be selected

Persona		Mindset	Spending behaviour	Confidence
Carefree	28%	Enjoy life now	Spending more	Very high
Content	21%	Simpler lifestyle	Spending less by choice	High
Cautious	14%	Protect future	Spending less from caution	High
Concerned	9%	Fear money won’t last	Cutbacks necessary	Low

Carefree

For Carefree retirees, retirement is a time of freedom. A time to enjoy themselves with more time, and fewer responsibilities. This is 'me time'.

> *Our spending has changed. Since retiring we purchased new cars and a caravan, we've done a few overseas trips and spend more money eating out and meeting friends for coffee, etc.*
>
> *More spent on comfort such as more space if flying and a more spacious hotel room if away.*
>
> *It changed when we retired as we finally had some debts paid off and significantly more accessible money each month, more on going on holidays and meeting friends.*

Travelling, socialising with family and friends, and spending time with grandchildren (travelling to see them too) were important to this group.

Retirees who are enjoying life are confident in their financial future and focused on getting the most out of life. 92% of Carefree retirees were very or fairly confident they can afford their lifestyle in retirement.

This cohort represented 28% of retirees in the survey and they were more likely to have over $500,000 in superannuation.

Content

Many retirees were content with a simpler lifestyle in retirement. While focused on doing what makes them happy, this cohort have discovered that happiness doesn't have to cost a fortune.

> *Our spending has significantly slowed down as our needs are much simpler.*
>
> *Money that was spent to support working is no longer required and the more relaxed pace is easier to support financially.*
>
> *We have had some short getaways, do more gardening, 1 overseas vacation, living a slower lifestyle.*

Mindful spending was a characteristic of this group with many voluntarily cutting back on things that seem wasteful or unnecessary. For example, only having one car, choosing to stay home more, and socialising less. However, content retirees don't feel they are missing out. They categorise spending less as a choice, not as a necessity.

About 20% of retirees in the survey identified with this lifestyle. While not as confident as Carefree retirees (77% v 92% confident of affording their retirement lifestyle), Content retirees also expect their superannuation to last for life (67% expect to leave some superannuation after they die). Content retirees were seen across retirees with a range of superannuation balances and evenly represented across demographic indicators. Spending patterns change, so there might be retirees that are Carefree in the earlier years of retirement but are content with a simpler lifestyle as retirement progresses.

Cautious

For some, retirement is a time to be cautious and careful.

> *Retirement has made me think a little more carefully about what I purchase and if I really need it.*

These retirees are still spending, but they are doing so wisely.

> *Now our kids are all grown up and living their own lives, our money is spent on the household and us. We live within our means and still run our lives to a budget. Although comfortable, we live in a controlled and stable economic spending environment.*

It can be difficult.

> *When you retire you still spend money but have not as much income. So, it is quite difficult to juggle everything.*

Uncertainty is a key theme for Cautious retirees. While they have savings, there is still a fear of running out of money. This group is cutting back on spending to help them navigate the unexpected and ensure their money will last.

About one in six (15%) retirees fit this category, being 'mindful' or 'cautious' with their spending. The Cautious cohort were more worried about their investments falling from market movements. While only half expected to have any superannuation left for their estate, the majority (74%) were confident that they could afford their lifestyle. Cautious retirees were more likely to have less than $500,000 in superannuation within the household, but 10% of those with more than $1 million had a cautious approach to their spending.

Cautious retirees have broadly similar demographics to Content retirees. The key difference is that the Cautious were more pessimistic in their attitude to spending and worried about what might happen to their investments. Content retirees, in contrast were less worried and happy with spending less than they did before retiring. This difference in mindset has the potential to impact on the quality of life in retirement. Cautious retirees can feel like they are missing out, cutting back to make sure their money lasts which can reduce how much they enjoy their lifestyles. Content retirees can spend their energy enjoying their time, happy that they have what they want in retirement.

Concerned

For some retirees, retirement is a time of constraint with real concern that their money will not last.

> *I have to watch every bit of spending and am tightening up further.*

These retirees say they have a "tight" budget and live on much less income than they used to. This is not just a choice. Many with this lifestyle are on the age or disability pension and know that they have to stretch their savings to make it last. Like Cautious retirees, Concerned retirees are cutting back on their spending, but they are more worried that it won't be enough. They might feel like they cannot afford the minimum lifestyle that they expected in retirement.

The higher cost-of-living has further compounded the challenge for these retirees, making accessing what they want in retirement even more difficult.

Many of these retirees are doing it tough.

> *More inclined to shop around for a purchase, and that means sometimes second hand is OK for purpose. Perhaps buying less stuff.*
>
> *Vehicle insurances, health insurance (increased by a lot), home insurance and rates have all gone up faster than the interest income from my superannuation retirement fund. We are finding it difficult to make expenditure cuts to meet our income, we have got used to a certain lifestyle.*
>
> *Energy costs make budgeting very necessary. Splurges are few and far between.*

This is the reality for about 10% of Australian retirees with more than $100,000 in superannuation who are living on a tight budget to stretch their modest retirement savings further.[1] Concerned retirees were more likely to have less than $500,000 in superannuation across their household and only 50% were confident that they could afford their lifestyle in retirement. Concerned retirees are more worried (73%) about market movements and the majority (56%) were worried about running out of money or having enough for aged care expenses. In contrast, only one in three of the Content and Cautious retirees were worried about aged care costs.

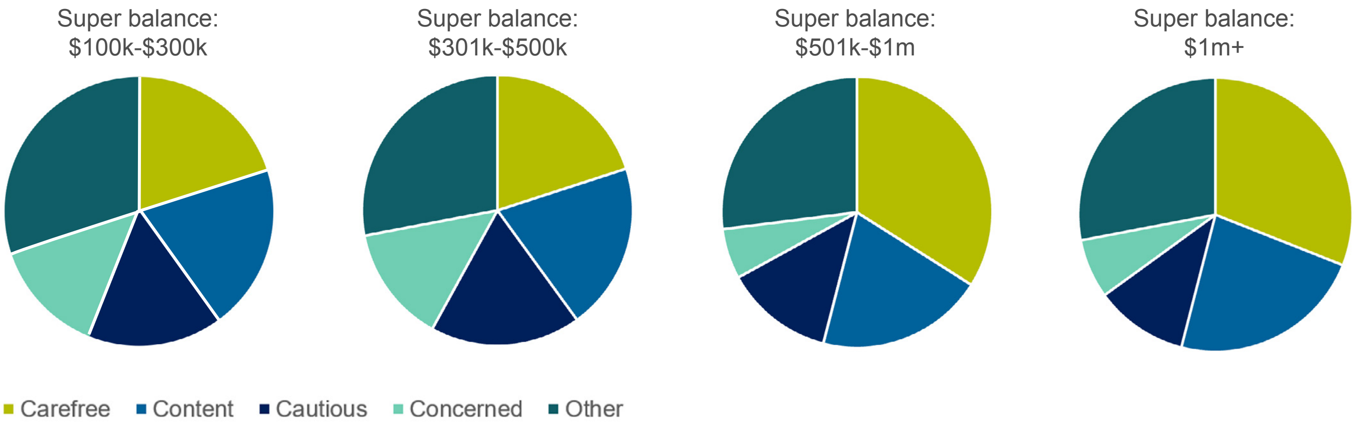
1 The survey did not include people with less than $100,000 in super which represents 45% of the population aged 60 to 69 and 70% of those aged 70 or more based on the 2023-24 ATO Taxation Statistics and ABS population by Age for June 2024.

Wealth has a (partial) influence on lifestyle

Wealth has a clear influence on lifestyle. A Carefree retirement is more likely for those with more than $500,000 in superannuation. As can be seen in the lower sections of Figure 3, Carefree retirees were the largest segment for those with more than $500,000 in superannuation. However, superannuation balances do not tell the whole story. Lifestyle distinctions were evident across all wealth levels. Some retirees with limited means still maintain a carefree approach, while others (albeit a small number) with more than $1million were cutting back on spending, concerned that they didn't have enough money to support their lifestyle. The differences in the mixes in Figure 3, are relatively small.

Other demographic groups were equally represented across the four lifestyle personas. Gender and retirement status did not have significant differences and were represented across each of the spending lifestyles observed.

Figure 3: Composition of lifestyles by household super balance



Base: All retiree households N=712

02.

Spending patterns change in retirement

The research reveals that spending patterns generally change after people enter retirement. These changes occur in different ways. Increased spending on necessities was reported across the four retirement lifestyles. The spending that was considered necessary ranged from renovations to set the home up for retirement to increased health costs and the general increase in the cost of living.

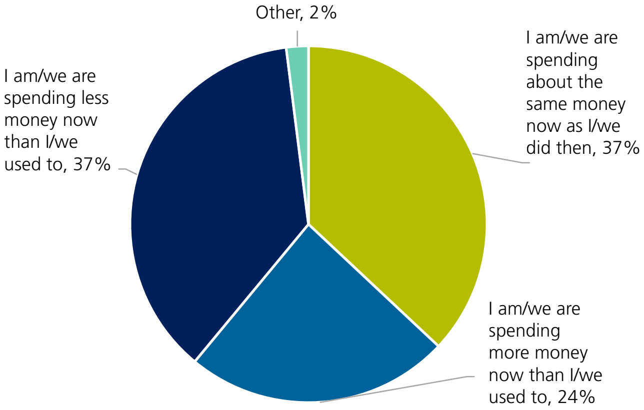
Spending patterns indicate that people's lifestyles can change through retirement. This might be driven by a mindset shift. Someone who has been Cautious in their late 60s might switch to Carefree spending in their 70s with increasing confidence that their money might last. Other retirees, might do the reverse, switching from Carefree to Cautious as their worries increase.

The cost of living is one the greatest uncertainties in retirement, with many retirees unsure about how much they will need to spend, especially in later years. One of the differences for retirees is their spending relative to what it was before retirement.

When asked about their spending in retirement, the responses across retirees are seen in Figure 4.

37% of respondents said their spending was about the same as pre-retirement, and an equal proportion said they were spending less. A quarter of respondents (24%) were spending more. While, on average, spending falls in retirement, the experience for individual households can vary significantly.

Figure 4: Spending in retirement relative to before



Base: All Retired, N=712

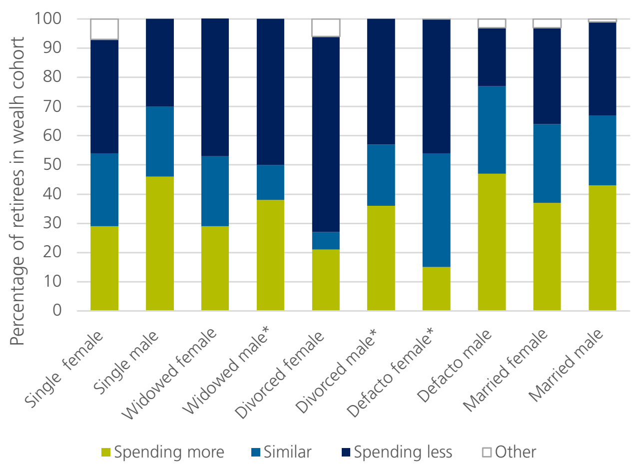
Differences in spending were strongly influenced by balance, but it wasn't the only factor. Retirees with lower wealth were more likely to spend less, while those with more than $500,000 in savings were more likely to spend more. For those with more than $1,000,000 (Figure 5), half were spending about the same as before retirement.

Other cohorts more likely to be spending less in retirement were women, divorcees, and widows. While single retirees were more likely to be women, the impact on reduced spending was cumulative across all categories so single women were more likely to spend less than single men. (Figure 6).

Figure 5: Spending changes by wealth band

Base: All Retired, N=304 (<$500k); 193 ($500k-$1m) =; & 145 (>$1m)

Figure 6: Spending changes by gender and partnership status



Base: All Retired, N=350 (female); 362 (male); * small sub-group sample (<30)

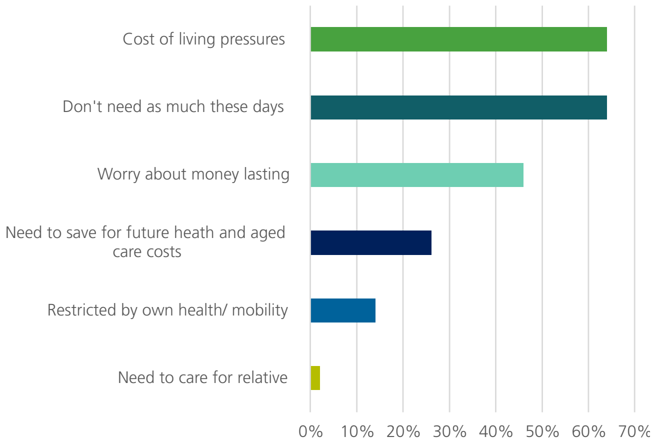
Drivers of lower retirement spending

The rising cost of living drove two in three retirees to cut back their spending, while fear of running out was the concern for almost half (46%) of respondents. Health and family obligations also impacted the ability to spend.

However, almost two-thirds of retirees (64%), noted they simply don't need to spend as much in retirement. These include those who are Content with the reduced spending as well as others that were still being Cautious or Concerned about their money lasting.

> *Spending has reduced with less demand for formal wear, work wear and travel.*

Figure 7: Proportion citing reason for spending less in retirement



Base: All Retirees spending less, N=262; multiple answers permitted

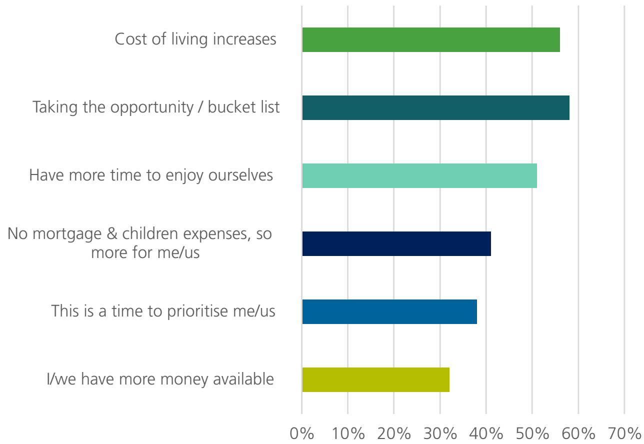
Retirees spending more are focused on enjoyment

The cost of living is one reason many retirees cited for spending more, choosing to maintain their lifestyle rather than cut back as prices go up. For many retirees this can reflect a Carefree attitude where they are focused on enjoying themselves while they have the time and resources.

Having more time for leisure, no longer having a mortgage, or ticking off their bucket list were further reasons for increased spending. As noted in Figure 5, retirees in a household with more than $500,000 in superannuation were more likely to be spending more, reflecting both the increased desire and the ability to spend more in retirement.

> *We have made several trips to UK to see relatives and now fly Premium Economy rather than Economy which obviously costs more.*
>
> *At retirement we bought a caravan, so we spend some time wandering about our state and interstate. …. As time permits, I regularly play golf with friends, a game that seems to require ongoing expenditure. I have time to spend in our garden, which also requires spending. We have time now during the day to meet with friends for coffee or lunch.*
>
> *I am spending more on self-development learning languages, musical instruments and gymnasium.*
>
> *We used to pay private school fees for our grandchildren and finish last year. Now we can save much more money for our travels.*
>
> *Having no debts I spend freely on anything that takes my fancy.*

Figure 8: Proportion citing reason for spending more in retirement



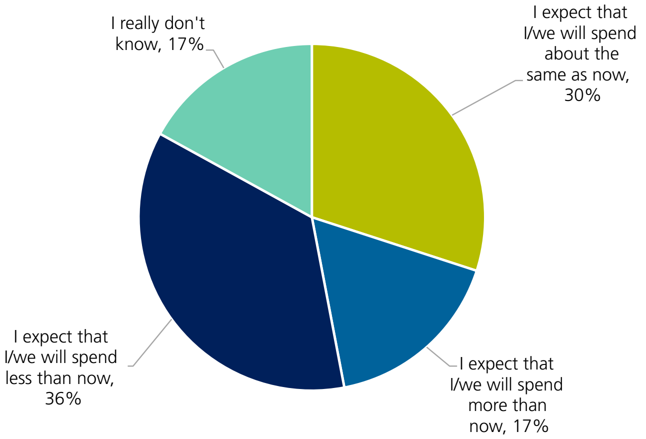
Base: All Retirees spending more, N=172; multiple answers permitted

Spending expectation for tomorrow's retirees

For Australians approaching retirement, there is an expectation their lifestyle will change once they retire. As with retirees, pre-retirees had a mix of expectations about whether this will come with an increase or decrease in spending. Over one third (36%) expect to spend less than they do now, with only 17% expecting to spend more.

Pre-retiree spending expectations broadly mirror the pattern of actual changes reported by retirees. However, for 17% of respondents there was no understanding or expectation about how spending might change in retirement (Figure 8). Without a clear expectation of how their spending will change, these people are under-prepared for retirement. Guidance and education about retirement is likely to assist this group prepare for retirement.

Figure 9: Expectations of spending in the first 5 years of retirement



Base: All not retired who expect to retire, N=290

Overall, pre-retirees are more worried than retirees:

- 46% of pre-retirees are worried about running out of money too soon (vs 21% for retirees)
- 45% of pre-retirees are worried about having enough to cover unexpected health costs or aged care expenses (vs 26% for retirees)
- 30% of pre-retirees are worried about having enough for daily expenses (vs 12% for retirees).

There were clear differences in why people expected spending to either rise or fall. Those expecting an increase in spending were focused on improving their lifestyle, embracing opportunities to enjoy themselves in retirement. Pre-retirees who expected spending to decline after they retired had a more negative view of lifestyle in retirement. 44% were worried about their money lasting and 31% were saving for later health and aged care costs. This mindset was reflective of Cautious and Concerned retirees with 55% of pre-retirees expecting that lower spending would fund their retirement lifestyle. Both of these cohorts reported a majority (51% and 56% respectively) retiring after age 65, while Carefree (35%) and Content (38%) were less likely to keep on working. The differences among pre-retirees indicates that mindset matters before retirement too.

Figure 10: Comparison of why people expect to spend more or less in the first five years in retirement

Reason for change	Expect to spend more	Expect to spend less
More time to enjoy ourselves	88%	42%
Taking opportunity to do things	67%	31%
Cost of living pressures	57%	42%
Time to prioritise me/ us	45%	23%
Need to save for health/ aged care	22%	31%
No mortgage or costs of children	20%	40%
Worry about money lasting	18%	44%
Have more money available	12%	18%
Not needing as much	10%	55%
Restricted by health / mobility	4%	6%
Need to care for relative	4%	6%
Other	12%	7%
Don’t know	0%	1%
Base: Pre-retirees	**49**	**104**

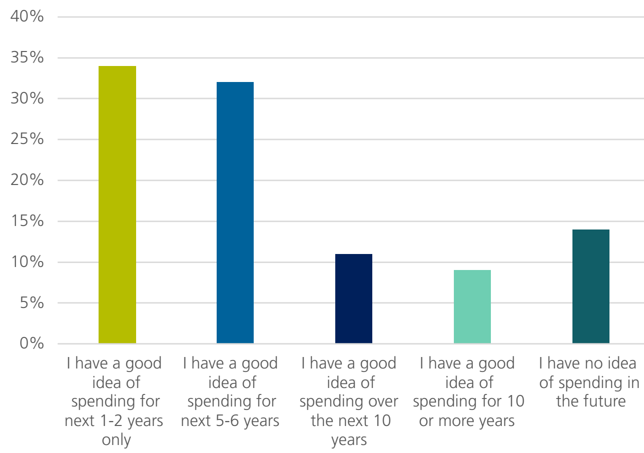
03.

Predicting future spending is difficult

Spending in later retirement is difficult to predict. Respondents were asked about how they expect their spending to change later in retirement. For many it was difficult to project too far into the future, indeed for the majority of retirees, clarity was limited to only a few years ahead. While a third of retirees (34%) were confident they could predict their spending for the next 1-2 years, only 1 in 10 (11%) were confidently able to predict their spending over a decade (Figure 11).

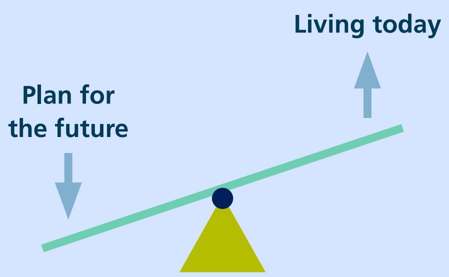
At ages 75-80, predictions on spending were more likely to be 5-6 years rather than 1-2 years, but they were less likely to predict out more than 10 years. Once retirees have some experience of their lifestyle in retirement they can extend their planning horizons, but it doesn't extend to longer term planning.

Figure 11: Expected spending horizons for retirees



Base: All retired, N=712

Striking the right balance: Living today and planning for tomorrow



The variety of retirement lifestyles highlight the different experiences and expectations that people bring into this new phase of life.

Australians have planned and saved for retirement their entire working lives, aided by Australia's world-class superannuation system. But for many, that planning doesn't stop. Some retirees keep budgeting out of necessity, while others choose to maintain the habit of saving.

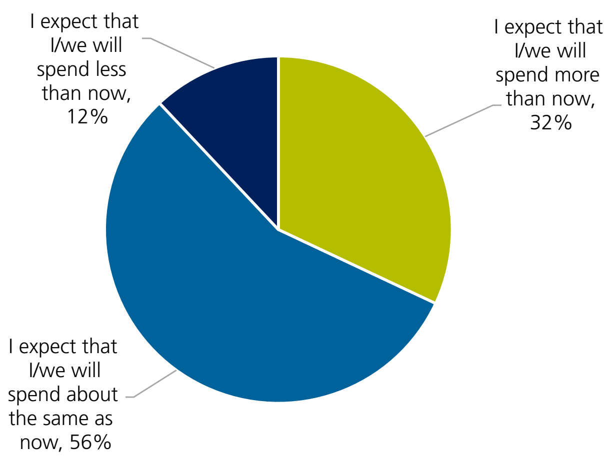
Balancing competing objectives of planning for the future versus living for today can impact retirement lifestyles across households. The balance can also change within households over time.

For some retirees, the confidence to spend grows over time as they settle into this new lifestyle. For others, they report cutting back as circumstances change.

> *I spent like drunken soldier for the first 12 months, bought a caravan and travelled around Australia, upgraded some things around my house, etc. Last 6 months I've restricted my spending.*
>
> *It [spending] has changed frequently. At first I become quite conservative and paranoid about spending as I could see a finite amount of money, I had not been in the position of not having money coming in since I was 13yrs old. I eventually saw a financial adviser who established a pension payment plan from my Superannuation. It was adequate for me to return to my pre unemployment spending pattern.*
>
> *Over the last few years our health hasn't been as good, and inflation hit, and we've been worrying more about having enough money for the future. Especially if we need medical treatment, or care at home or in care. So we are definitely a lot more cautious with our spending, eat out less, look around more for bargains, for savings, and have cut back on things that aren't essential, e.g. manicures, haircuts less frequently etc.*

For those confident about their future spending, most expected to spend about the same as they currently do. It is easier for people to project a continuation of their current lifestyle than to accurately predict changes. Of those expecting a change, it was more likely to be an increase than a decrease – Figure 12.

Figure 12: Retiree expectations for spending later in retirement



Base: All retired who had a good idea of likely spending in the future, N=615

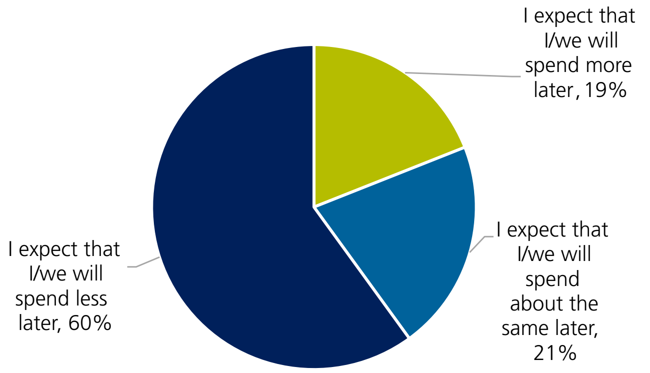
Health and aged care costs were also top of mind, cited by 47% of those expecting to spend more later in retirement. Among those expecting to spend less, motivations differed by mindset. Content retirees were more likely to expect lower spending because they felt they would not need as much in later retirement (54%). By contrast, Cautious retirees were more likely to cut back because they were worried about running out of money (43%).

Spending expectations were markedly different for pre-retirees, with 19% saying they did not know how much they will spend in later retirement, and the majority expecting to spend less than they do in early retirement years.

This is consistent with expectations of an active phase of retirement that gives way to a more passive lifestyle. Perhaps this is learned through observation of previous generations, but it contrasts to current retirees, who were more likely to see their lifestyle and spending continuing at similar levels. This is also an indication that people can adjust their mindset. It appears easier to anticipate changes that might occur as people transition into retirement, but harder to see the transitions as they occur in retirement.

For pre-retirees, retirement is filled with greater uncertainty and their spending expectations vary widely (Figure 14). Retirees expected more spending stability (Figure 12), perhaps because they have had time to settle into this new way of life. Australians could step into retirement with greater clarity, confidence, and certainty if there was more guidance and advice in the lead-up to retirement.

Figure 13: Expectations of retirement spending changes by pre-retirees



Base: All not retired with an expectation of spending later in retirement, N=235

Figure 14: Comparison of why pre-retirees expect spending to be higher or lower in later retirement years

Reason spending will change	Higher later	Lower later
Cost of living pressures	87%	39%
Need to save for health/aged care	47%	27%
More time to enjoy ourselves	33%	27%
Taking opportunity to do things	31%	28%
Restricted by health/mobility	29%	32%
Time to prioritise me/ us	27%	17%
Worry about money lasting	22%	43%
No mortgage or costs of children	16%	30%
Need to care for relative	13%	7%
Have more money available	9%	12%
Not needing as much	7%	54%
Other	2%	3%
Base: Non-retirees	**45**	**141**

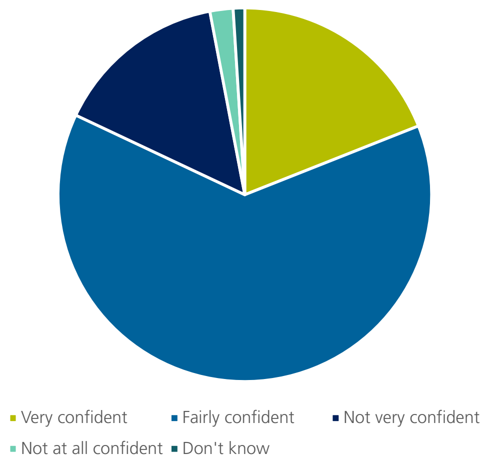
The differences between the drivers of expectations of spending later in retirement again highlights the differences in lifestyle expectations. Those expecting to spend more later cited the cost of living (87%) or the need to cover health and aged care costs (47%) as the reason they expect to be spending more. There were two differing primary reasons for why spending was expected to decline. One group, associated with the Content lifestyle, indicated that not needing as much in later retirement would lead to lower spending (54%) while another was represented by a higher (43%) level of worry about running out of money. The implication is that fears of running out will lead to reduced spending to stretch their savings further.

04.

Retirees are confident they can afford their desired lifestyle

While there are plenty of issues for retirees to worry about, the critical question is whether or not they believe they can afford to enjoy the lifestyle they want. Pleasingly, most retirees indicated they were confident they could afford their desired lifestyle with 63% fairly confident and 19% very confident (Figure 15).

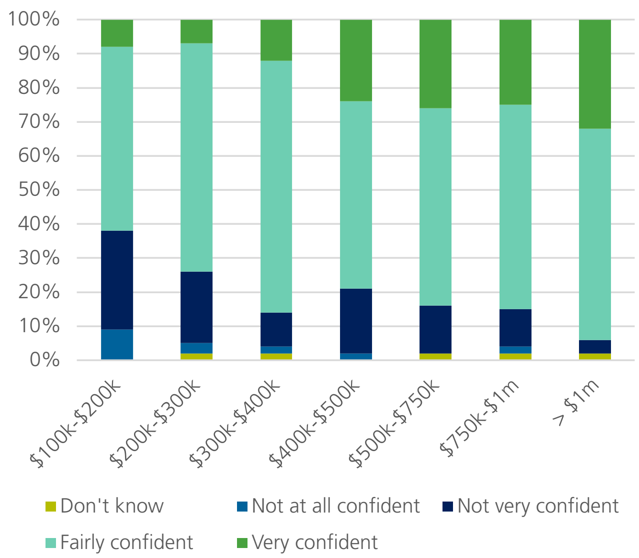
Figure 15: Confidence to afford retirement lifestyle



Base: All retired, N=712

Beyond superannuation balance, demographics had little impact on reported confidence. Retirees with higher wealth levels, more than $1 million in household superannuation, were more likely to be confident of affording their lifestyle As indicated in Figure 16, 32% of retirees with more than $1million in household superannuation were very confident. For those with only $100,000- $200,000 38% were either not confident or not very confident of affording their lifestyle. The research only included people with more than $100,000 in superannuation.

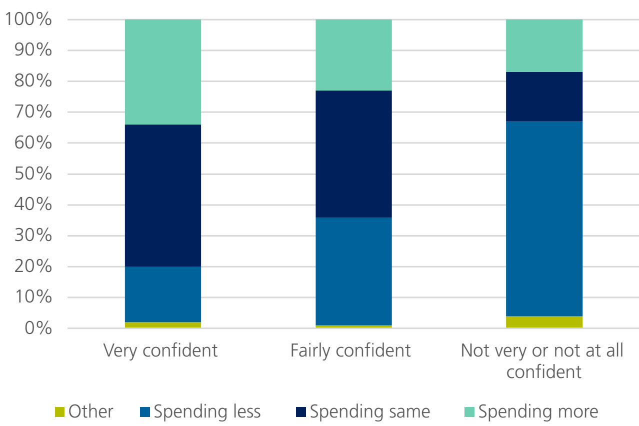
Figure 16: Retirees confidence to afford their desired lifestyle



Base: All retired personal superannuation balance in indicated range, N=642

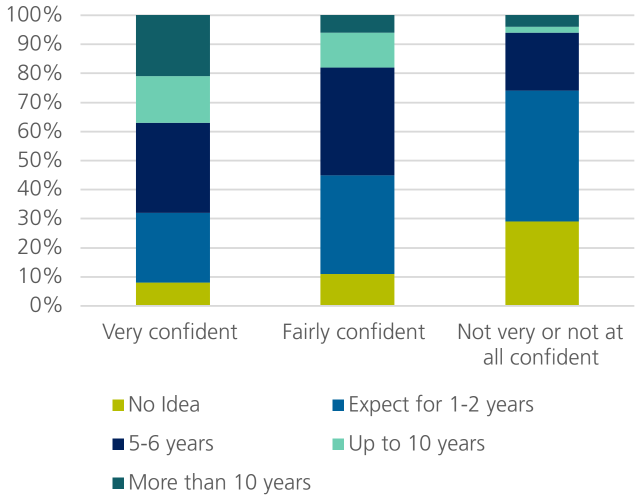
Perhaps unsurprising, there is a strong relationship between confidence and spending. Those who were less confident were more likely to be spending less than they had previously (Figure 17) and were less likely to project future spending for longer periods (Figure 18).

Figure 17: Changes in spending by confidence of desired lifestyle



Base: All retired, N=702

Figure 18: Expectation of future spending by confidence of sustaining lifestyle



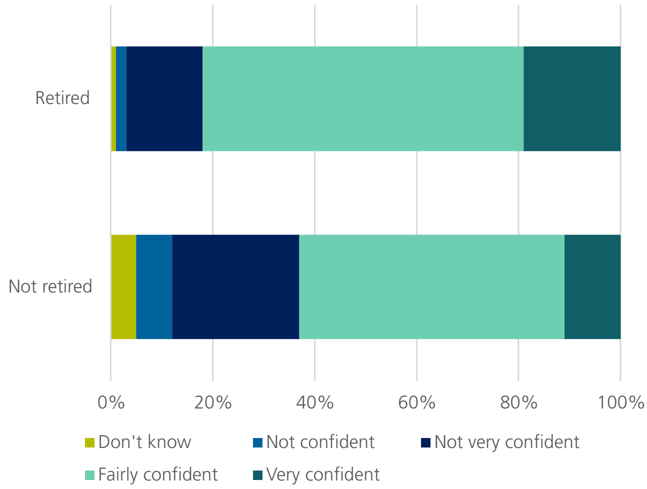
Base: All retired, N=702

Retirees with higher confidence are more likely to maintain their lifestyles. While saving and building a bigger balance for retirement can help confidence, other factors such as increased guidance and education can lift confidence and sustain lifestyles through retirement.

Confidence is not as high before retirement

Pre-retirees are less confident they can afford their desired lifestyle in retirement. Pre-retirees are more likely to have a mortgage and they are still accumulating super savings, with balance again correlated with retirement confidence. Homeowners without a mortgage were 13% more likely to be fairly or very confident of their retirement compared to those with a mortgage (72% v 59%). This aligns with pre-retirees seeking more guidance on mortgage debt.

Figure 19: Confidence comparison retired v not retired



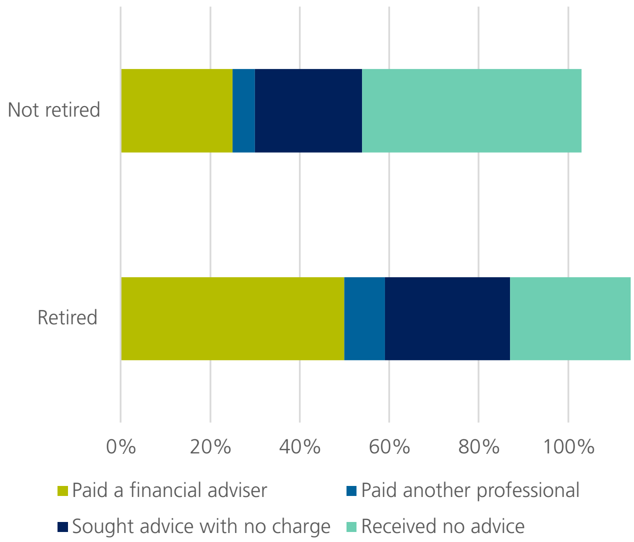
Base: Not retired, N=290; Retired, N=712

05.

Retirement advice is an ongoing need

Retirees are more likely to have received financial advice, whether paid or free, compared to pre-retirees. While 27% of retirees had not received any form of advice, this rose to 49% for those not yet retired. Those under 65 and not retired were slightly more likely (56%) to have not sought any advice, suggesting Australians seek advice at retirement stage (Figure 20). Retirees were also more likely to have received advice from multiple sources (14%) compared to only 3% of pre-retirees.

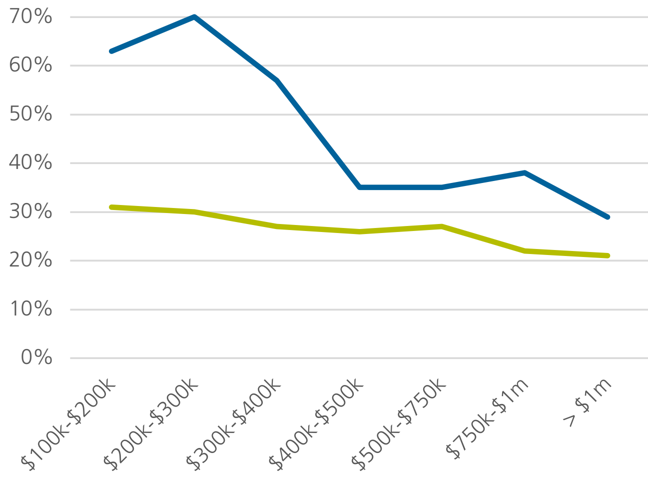
Figure 20: Advice sought by retirees and people not yet retired



Base: Not retired, N=290; Retired, N=712 respondents might have received more than one type of advice

For retirees, their current superannuation balance made little difference to whether someone had received advice. However, for those not yet retired, balance had a significant impact. Those with less than $400,000 were least likely to receive any form of advice, while pre-retirees with balances over $1 million received advice at a rate close to retirees (Figure 21).

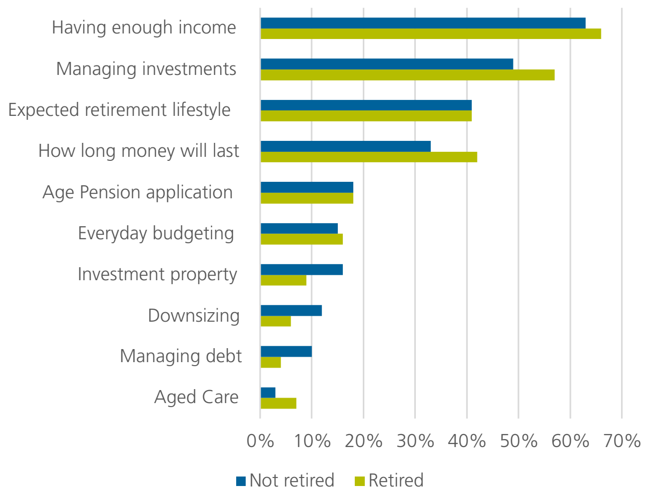
Figure 21: People who have not received advice, by superannuation balance and retirement status



Base: Not retired, N=290; Retired, N=712

The topics of advice were broadly similar across both retirees and pre retirees, with the leading topic being 'having enough income'. (Figure 22). Across almost every category this topic dominates. Other topics retirees had sought more advice about included managing investments, making their money last, and aged care expenses. For pre-retirees, the priority topics outside of having enough income were investment properties, managing debt, and downsizing.

Figure 22: Topics people have already sought help/ advice for



Base: People who had sought help/ advice; Not retired, N=147; Retired, N=522; top ten responses included

More help and advice needed

Half of those surveyed are interested in getting more help or advice (paid or unpaid) across a range of topics.

Interestingly, 55% of retirees who had previously sought advice said there was a topic they would like more advice on. For those who hadn't previously sought advice, 48% had a topic they wanted advice or help with now.

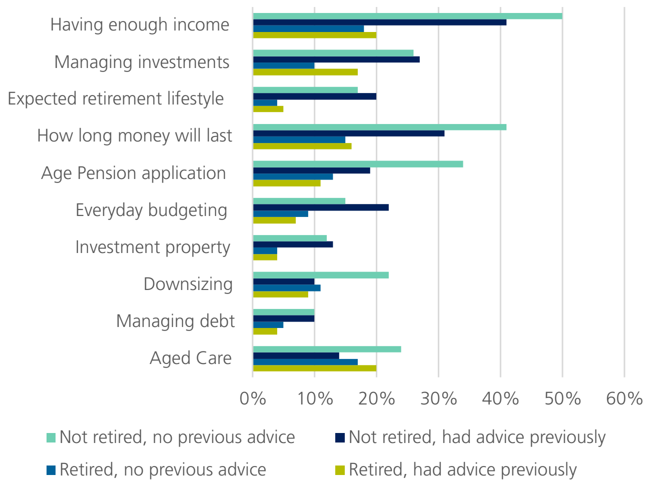
Among pre-retirees, the interest in advice was stronger. 71% of pre-retirees who had already sought advice would like more. For those who hadn't already sought advice or help, 78% could nominate a topic they would like support with now.

For those who had previously received advice, there were differences in the topics they would now like advice on compared to the topics they had previously discussed with advisers (Figure 23). This reflects that retirement needs change over time, such as an increased interest in aged care expenses in later retirement.

This also reflects the changes that people see through retirement. In many cases, retirees need advice after a change has happened, to get back (or keep) on track.

Both retirees and pre-retirees clearly recognise the value of help, guidance, and advice. For pre-retirees, especially, retirement is filled with uncertainty. Advice can help provide assurance and lead to better outcomes for many Australians. However, the challenge for the system is to keep up with demand – making sure these resources are available for those who want them.

Figure 23: Topics people want more help or advice on



Base: Not retired, previous advice N=147; Not retired, no previous advice N = 143; Retired, previous advice N=522; Retired, no previous advice N = 190

06.

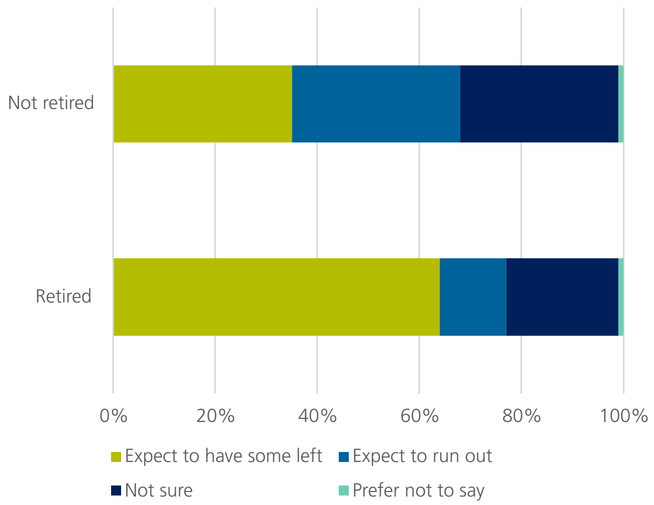
Plans beyond retirement – leaving an estate

A large percentage of retirees (64%) don't expect to exhaust their retirement savings before they die. Conversely, 36% of retirees with more than $100,000 in superannuation, were either unsure, or expected to run out of money. Pre-retirees were less confident, with a broadly even split between those who thought savings would run out; those who expect to leave an estate (Figure 24) and those who could not say either way.

Most retirees appear to prioritise living well in retirement rather than deliberately sacrificing lifestyle to maximise an inheritance.

These expectations are closely linked to superannuation balance. Among retirees with more than $1 million in super, 86% expect their savings to last for life. By contrast, 41% of those with balances between $100,000 and $200,000 do not expect their money to last. Even so, balance is not the whole story: 30% of retirees in this lower-balance group still expect to leave some savings behind.

Figure 24: Expectations of savings at the end of life



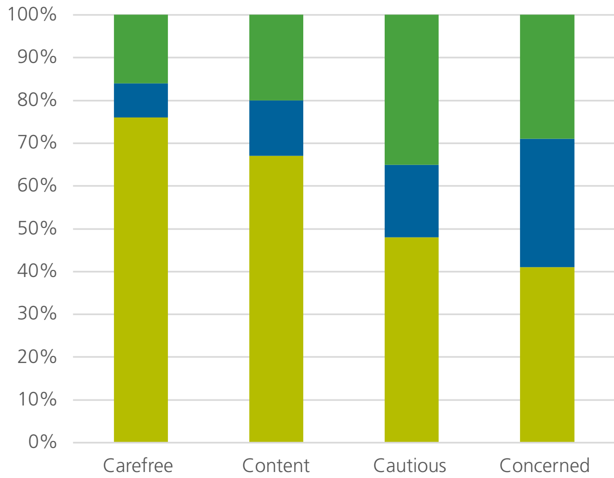
Base: Not retired, N=299; Retired, N=712

Expectations differed noticeably across gender, with males (66%) more likely than females (44%) expecting to have savings left over. There were age differences also. Older retirees, aged 75-80 (70%), expect to have money left over, while expectations were mixed for those aged 65-69, with 32% saying they expect money to run out, while 39% think it will last.

Lifestyle impacts estate expectations

There were stark differences in expectations about residual savings across retirement lifestyles. Retirees living a Carefree or Content lifestyle were much more likely to expect to have superannuation left over. Cautious retirees were more unsure, while those living a concerned lifestyle were most likely to expect money to run out. However, 41% of Concerned retirees still expect to leave some money behind (Figure 25).

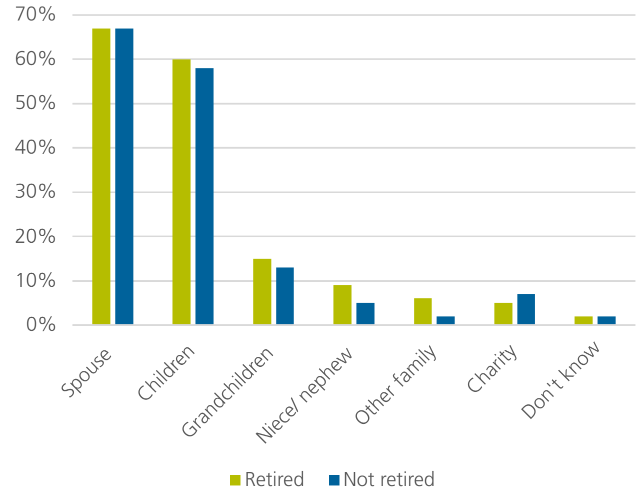
Figure 25: Expectations of saving at the end of life, by stylised lifestyle



Base: Retired, allocated to a lifestyle; N=577

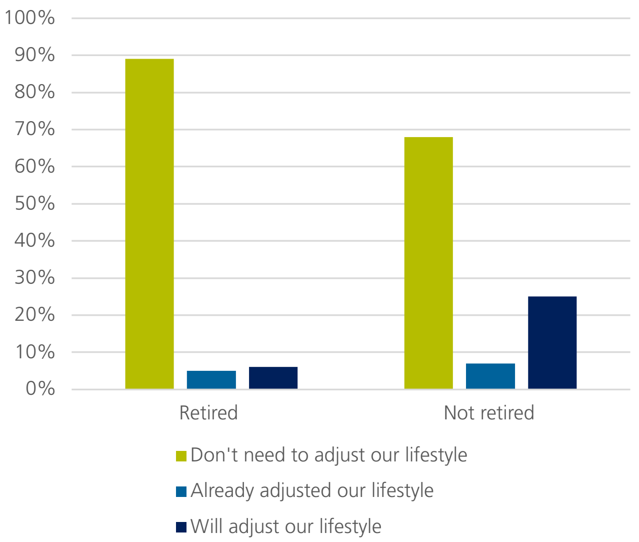
While many retirees (89%) expect to have some savings left over, they are not overly worried about estate planning. Most indicate they are not adjusting their own lifestyle in order to leave an estate. (Figure 27). Any remaining savings will be left to spouses or children, with a few respondents indicating grandchildren or other family are likely to inherit (Figure 26). Interestingly, pre-retirees were more likely to consider adjusting their own lifestyle to leave something to the next generation.

Figure 26: Expected beneficiaries of estate for superannuation



Base: People expecting to leave savings on death; Not retired, N= 104, Retired N=452 multiple responses included

Figure 27: Lifestyle adjustments to leave an estate



Base: People expecting to leave savings to children; Not retired, N= 60, Retired N=273

Concluding comments

This research demonstrates that retirement is not a single, uniform experience. Australians enter retirement with different resources, expectations, priorities and levels of confidence, which translate into distinct lifestyle patterns. Some retirees use retirement as a period of freedom and enjoyment, while others are content with a simpler pace of life. For many, however, spending decisions are shaped by caution, uncertainty or financial constraint. These differences are not explained by wealth alone; mindset, confidence and expectations about future needs also play a critical role.

There are three clear implications for retirees:

- **Mindset matters.** Retirees who feel more confident about their financial future are better placed to enjoy the lifestyle they want, while uncertainty can lead to unnecessary caution and lower spending than they may be able to afford.
- **Spending needs evolve.** Retirement is not static: priorities, health, family needs and the cost of living can change over time, so spending plans need to be flexible enough to adapt.
- **Retirement planning continues.** The need for guidance, advice and retirement income solutions does not stop at retirement; it continues as retirees make decisions about how to balance living well today with preparing for tomorrow.

Retirement success has, so far, been measured by how much people have saved. But saving is only the first act. The real measure of success is whether those savings can be converted into confidence, choice and the freedom to live well. Helping Australians know how to spend in retirement could be the key to unlocking the fullness of retirement itself. Saving gives Australians the means to retire; confidence gives them permission to live.

Appendix

Methodology

The research was designed and conducted by Susan Bell Research, using the Ovation survey panel to source a nationally representative sample of 1,011 people. The sample was evenly split by gender. All:

- Were aged between 60 and 80
- Had at least $100,000 in superannuation.

The research was conducted between 7 April to 24 April 2026, in accordance with ISO 20252 and with the Research Society Code of Professional Behaviour. A cognitive pilot was conducted ahead of the survey with 10 preliminary interviews conducted by Susan Bell Research. These interviews were up to 20 minutes.

Respondent demographics:

Age	
60 - 64	31%
65 - 69	29%
70 - 74	25%
75 - 80	15%
	N= 1,011

Gender	
Female	50%
Male	50%
	N= 1,011

Marital status	
Single	12%
Widowed	6%
Divorced/separated	11%
In relationship/de facto	8%
Married	62%
	N= 1,011

Retirement status	
Currently retired and do no paid work at all	58%
Currently retired and do some paid work	13%
Currently in the workforce – working full time and not retired	16%
Currently in the workforce – working part time or casual and not retired	11%
I am not working and I am not retired	3%
	N= 1,011

Location	
New South Wales	29%
Victoria	28%
Queensland	15%
Western Australia	10%
South Australia	10%
Tasmania	2%
Australian Capital Territory	2%
Northern Territory	<1%
	N= 1,011

Personal current superannuation balance		
	Not retired	**Retired**
Between $100,000 and $200,000	17%	12%
Between $200,000 and $300,000	17%	14%
Between $300,000 and $400,000	15%	8%
Between $400,000 and $500,000	12%	8%
Between $500,000 and $750,000	10%	14%
Between $750,000 and $1,000,000	11%	13%
$1,000,000 or more	11%	20%
$100,000 or more (not specified)	5%	10%
N= 1,011	299	712

About the authors

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Aaron Minney, CFA, F Fin, is Head of Retirement Income Research at Challenger. He leads research into retirement income, decumulation, portfolio construction and longevity risk, and is a frequent contributor to industry research, media commentary and policy discussion on Australia's retirement system. Aaron has held senior investment roles at major Australian financial institutions. He has been an Adjunct Fellow at Macquarie University since 2017 and is a Chartered Financial Analyst.

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About the Institute

Institute for Lifetime Income
RESEARCH. INSIGHTS. ADVOCACY.

Why the Institute for Lifetime Income exists

The Institute for Lifetime Income is a research body dedicated to providing financial and longevity literacy focused on lifetime income, retirement plan design and lifelong financial well-being.

Established by Challenger Limited - Australia's largest retirement income provider - the Institute publishes research, data, and practical guidance on income in retirement. Our work is designed to inform pre-retirees, retirees, financial advisers, and policymakers navigating one of the most consequential financial decisions a person will ever make.

Australia has one of the world's great superannuation systems. But accumulating wealth is only half the challenge. The harder question - how to convert that wealth into income that lasts a lifetime - remains underserved. Too many Australians enter retirement without a plan for longevity risk, sequencing risk, or the steady erosion of inflation. The Institute exists to close that gap.

Our evidence-based research draws on Challenger's deep expertise in retirement income, annuity markets, and the regulatory landscape governing superannuation.

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