Less Than 20 Per Cent Of Australia’s Baby Boomers Can Afford To Retire

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Fewer than 20 per cent of Australiaâ€™s baby boomers have adequate superannuation and private insurance cover to fund their health care in retirement, a new study finds.

The study by Fujitsu Consulting paints a bleak picture about the healthcare systemâ€™s ability to handle ageing baby boomers. It found nearly 60 per cent of the 6000 people surveyed did not have private health insurance and many did not know how they would pay for medical care in their old age.

Many thought they would get by in retirement with the help of government or inheritance, director Martin North said.

â€œThere are about 5.6 million people between 45 and 65 years of age and less than a million of those have a secure future in terms of their superannuation and their health funding,â€• Mr North told ABC radio. â€œI think itâ€™s pretty concerning for ma baby boomers.â€•

Nearly 90 per cent of those surveyed were less confident today than they were a year ago about the outcome of their superannuation. â€œBut also quite a few of them now recognise that superannuation isnâ€™t going to provide them the financia platform that they need when they retire.â€•

Less than 50 per cent had private health insurance cover and fewer, it seemed, would have it in the future, Mr North said. â€œIn terms of thinking about other sources of funding to fund old age including health, you know some said: â€˜Well, weâ€™ll probably rely on the state or potentially on family or indeed personal assetsâ€™.â€•

Nearly 20 per cent said they didnâ€™t know where funding would come from.

A combination of factors was to blame for the bleak outlook, including the fact that 26 per cent of the population would retire during the next 20 years. â€œThe traditional approaches to dealing with old age and health care, which is basically to try and support people â€¦ in their homes, but then move them into various institutions, just wonâ€™t work anymore,â€• Mr North said.

â€œAnd then, of course, youâ€™ve got the ever-increasing costs of health care, and the fact that people are living longer and are, therefore, going to need more serious care for much longer. â€œNone of that, I think, has been adequately addressed, and to be honest, the healthcare system is struggling, even today, to manage todayâ€™s issues let alone thinking 20 years ahead.â€•

Baby boomers were wanting to stay in their homes longer, rather than move into retirement homes, requiring a different attitude to in-community care and monitoring. There needed to be discussion about how people would be cared for in late old age, Mr North said. â€œBecause the private health sector is going to be quite happy to provide further services for people who can pay, but what about the four million who canâ€™t?â€•

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