



WCD

CONNECTING FINANCIAL LITERACY & THE HEALTH BENEFITS OF GOOD WORK

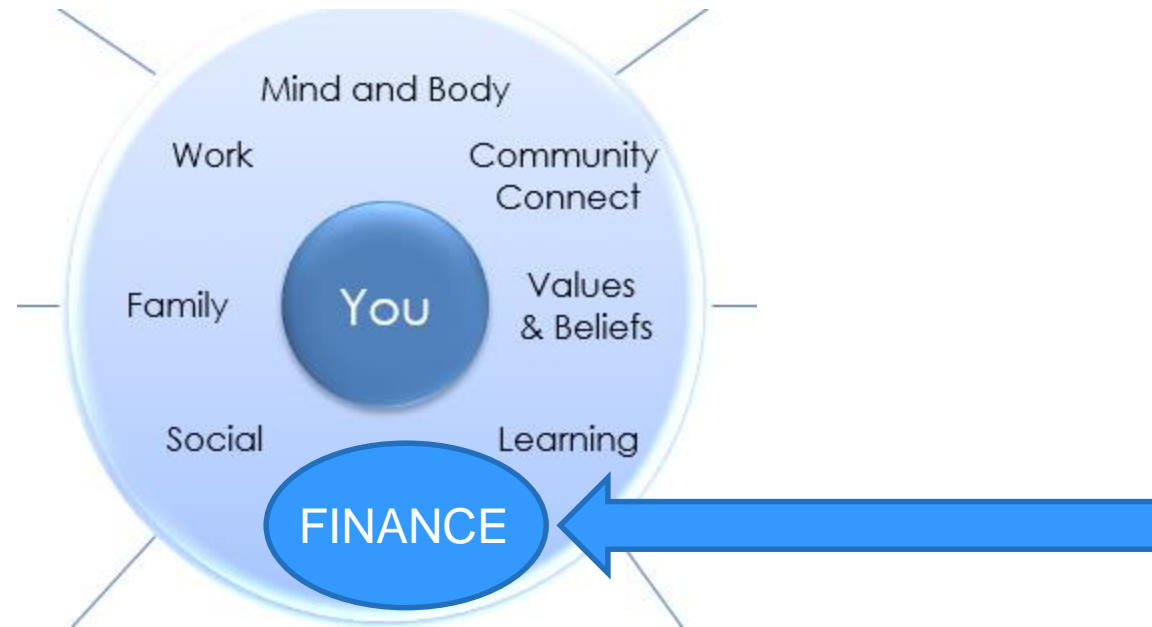
20TH NOVEMBER 2015

The Health Benefits of Good Work



Considerations for Mature Individuals

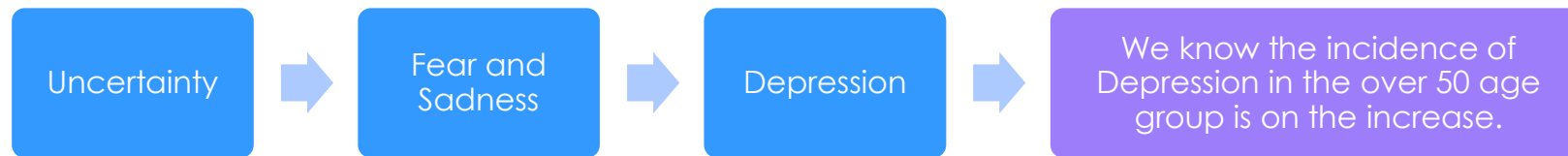
The Health Benefits of Good Work



Considerations for Mature Individuals

The Importance of Educating in Financial Literacy

- No Plan – No Knowledge (a sense of helplessness)



- A Plan Brings Peace of Mind
- It prevents people turning to punitive measures to maintain income
- Forward Looking, Future Focused, A Sense of Wellness

Risk Management and Mature Workers



Successful organisations share common characteristics:

- They integrate workforce and talent management into core business strategies through a holistic approach to human capital management
- They embrace a systemic approach to workforce management
- They also identify gaps between supply and demand for talent through strategic workforce planning.

• REF: Aberdeen Group 2012, Human Capital Management Trends

Increased Participation of Mature People in the Workforce

OLDER WORKERS A NEW WILL TO WORK

AGE		2001	Workforce participation	2011	Workforce participation
60-64	Men	184,000	47%	366,000	62%
	Women	90,000	22%	268,000	44%
65-69	Men	62,000	19%	155,000	33%
	Women	28,000	8%	87,000	18%

Life!

- There are two major transitions in life:
 - Student to workforce
 - Workforce to retirement
- In planning the next phase in our lives, whether we like it or not, most of us will have to come to terms with a “transition to retirement”.
- The term “retirement” requires a review. It implies ‘withdrawal’ or ‘idleness’
- The word “retirement” comes from the old French verb, “retyrer” which means **“to go off into seclusion”**
- As the current generation of mature workers move into this category, the concept of retirement may need re-defining to ensure that we are not losing productive and dynamic human potential.

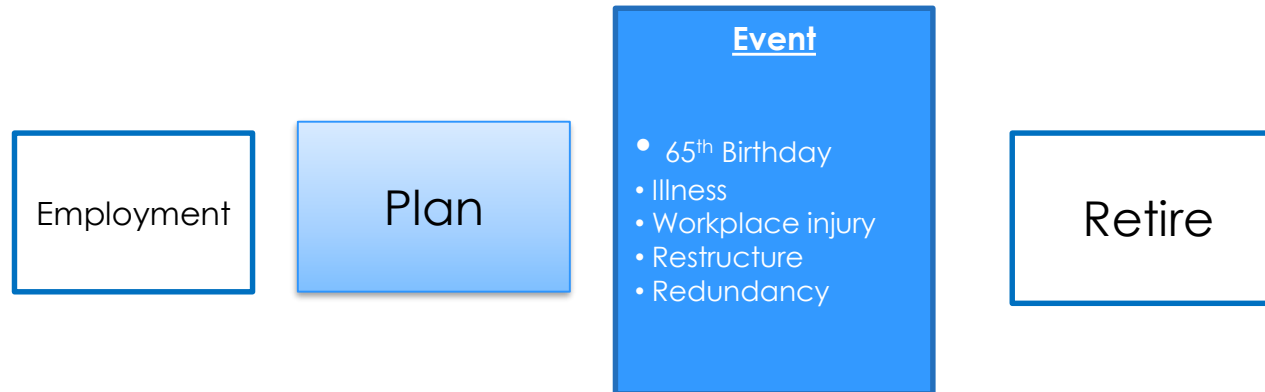
Mature Workforce Solutions

Lets change the order and the outcome



Mature Workforce Solutions

Proactive



The Financial Case

REF: Feb 2013 research, Wellbeing Insight Report AFS, Ernst & Young

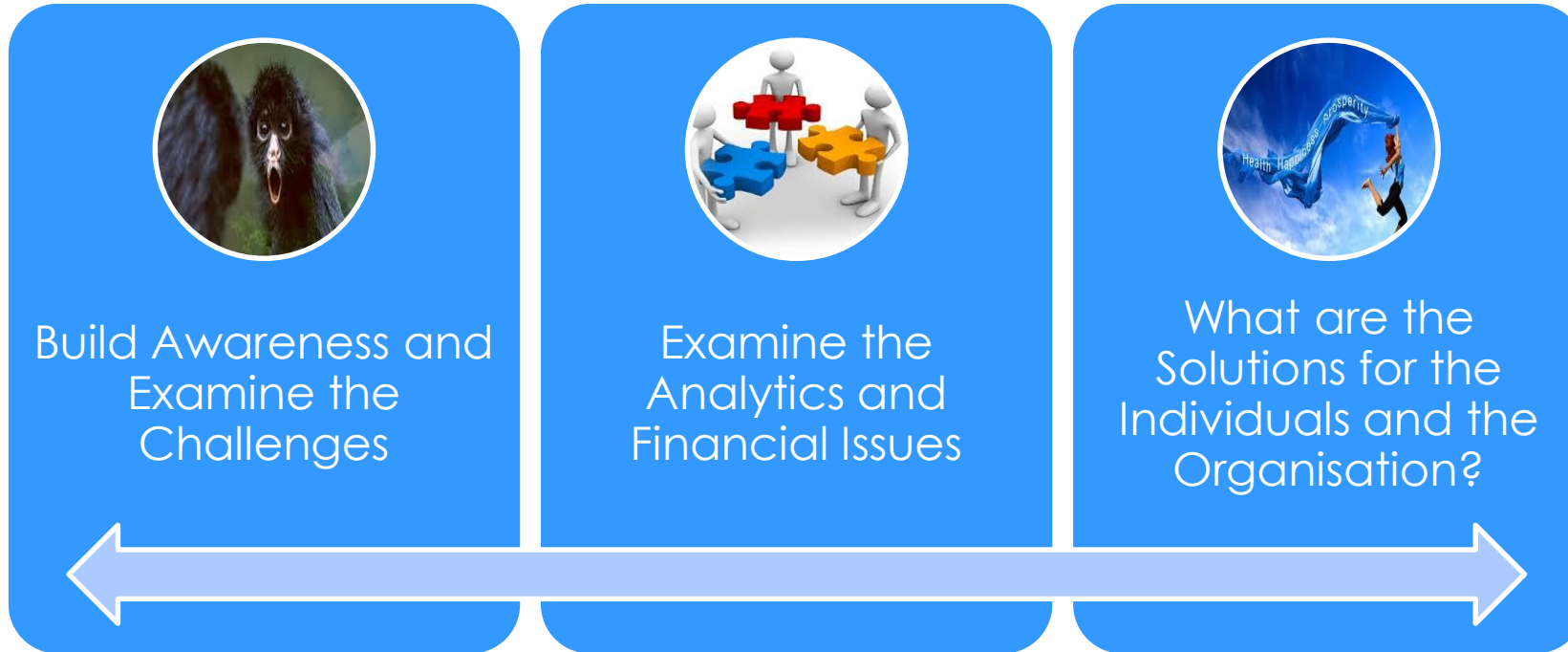
- Focus – mature employees.
- In the financial services sector the cost of reduced wellbeing is 74.4M per annum. Improving the wellbeing of 1 in 5 employees will deliver a cost benefit of 11.7M per annum.
- Supporting the wellbeing of employees and giving them greater choices around extending their working life, can increase their earning potential and retirement savings.
- Providing Australians with the opportunity to work three additional years can increase the labour pool by an average of 160,000 people per year over the next 10 years.



So How Can We Address This?

The answer is in having a sound organisational strategy to address the needs of mature workers, demonstrating leadership in social responsibility and tapping into available resources.

Steps to Solutions



The HOW

Strategic Considerations for Employers

- What is your strategy? Short and Long Term?
- You might consider including the following objectives:
 - **Enhancing financial literacy**
 - Removing barriers to flexibility in working arrangements
 - Increasing people leader awareness of the issues and the financial story related to these
 - Reducing the number of sick days taken by targeting wellbeing risks
 - Increased access to training and development, upskilling
 - Reverse mentoring
 - Consider more targeted mental health interventions for those in risk profile groups



Life Stage Planning

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Case Study

■ The process

Completed
Analysis of workforce demographics including workers' compensation data.
A workshop with a cross section of staff over the age of 45.
One to one Career and Life Planning Sessions with individual participants on a voluntary basis

Experienced, Knowledgeable, Trusted



Considerations

- Pension was designed for 7 years of life financing, now it needs to last another 35+ years.
- The Government is concerned about financing pensions.
- Mercer research (2014) states that an “alarming 40% of Australians are forced into retirement because of redundancy or illness before they were ready to call it quits”. *REF Anderson 2014*

“ half of female
Boomers aged
between 50 and
64 have less than
\$30,000 in super ”

Ref: Butler M, 2015, The Politics of Ageing

Insurance Claims – A Reality Check

- **Since 2005 – Large Super Funds have been competing for market share**
- **They improved products – GREAT!**
- **They dropped pricing for cover – GREAT!**
- "Five years ago, the people who took up those policies started to get sick and make claims, especially mental health claims, and the life insurers took a big hit to their bottom line."
- Insurers have responded by tightening up terms, raising premiums and more closely scrutinising claims.

Transition to Retirement



Transition to Retirement

Transition to retirement with an Income Stream while you are still working

Retirement

Tools



Online calculators












Workplace education
sessions



One-on-one
personalised
consultations

Resources

 Parental From birth to teenage years.	 Disability In the workplace and at home.	 Transition Entering and leaving the workforce.
 Flexibility Best practice and support.	 Mature age In the workplace and into retirement.	 Health & wellbeing Mental and physical.
 Carers Looking after children, the sick, elderly or disabled.	 LGBTI Inclusive content supporting the LGBTI community.	 Millenials Supporting a personal life beyond work.