

The impact of moving from a modest lifestyle in retirement to a comfortable lifestyle

The modest budget allows for the basics but very little else. For example, both eating out and entertaining at home is very restricted, and no overseas travel is possible. The extra expenditure associated with a shift from a modest lifestyle to a comfortable lifestyle in retirement adds a lot to enjoyment, comfort, style, holiday travel, health insurance cover, and the ability to more fully participate in modern Australian society. At the modest budget level many retirees would not be able to participate in a range of sport and social activities that involved out of pocket expenses of various sorts.

Enjoyment

The "comfortable budget" allows for entertaining at home on a fortnightly basis, seven glasses of wine (or equivalent refreshment) a week and eating out three times a week at a club restaurant or once a week at a more expensive restaurant.

The comfortable budget also allows another \$20 a week or so per person in total for expenditure on items such as drinks at the club, some gambling on lottery tickets or the like, tobacco purchases (if a smoker), or gifts to family or organisations if this is the preferred form of enjoyment.

The comfortable budget also allows for the purchase of some magazines, compact discs and DVDs allowing greater enjoyment of printed material, music and movies.

Comfort

The more adequate budget provides for purchase and running of an air conditioning unit and a dishwasher. It also provides greater comfort and security by allowing for expenditure on a home security system and a pest control service.

The more adequate budget also allows for more and better personal care items, which covers items such as hairdressing, cosmetics and accessories. This contributes to style as well as comfort, with greater access to department store rather than chain store cosmetics, and use of a stylish hairdressing salon rather than taking advantage of the pensioner special day.

Style

The comfortable budget allows for a greater number and range of clothing purchases. This also can be more stylish and expensive clothing and from an upmarket department store, rather than relatively cheap clothing from a discount chain of stores. For a woman, it is, for instance, the difference between a \$150 dress and a \$50 dress.

The comfortable budget allows for replacement of a bathroom and kitchen during the retirement years rather than these items being left untouched for 20 or more years. Better quality whitegoods for the kitchen and laundry can also be purchased every 15 years or so. The comfortable budget also allows for the purchase and operation of a more modern motor vehicle.

Health

The more comfortable budget allows for top grade private health insurance and a range of non-prescription items such as vitamin pills and blood pressure monitor. The budget amount would allow for other equivalent cost items where appropriate.

Holidays

The modest budget only allows for an annual holiday in cheap accommodation not far from home, costing no more than \$450 for a single person. The more comfortable budget allows for a budget overseas trip every five years, and up to 10 domestic trips each year to visit family, friends or to holiday.

Participate in modern society

The comfortable budget allows for purchase and operation of a personal computer (and accessories), a mobile phone and a digital camera. It also provides for the making of STD phone calls.