

Here are some common reasons that our sources of income can change at each stage



1.

Post-secondary stage

In the post-secondary stage, people's sources of income tend to be smaller than at the family and career building stage. Some reasons for this are:

- People who have recently left school tend to have less experience than people in the family and career building stage, so they may not be eligible for jobs that require experience or specific qualifications.
- Students often need to do jobs that have flexible hours so that they can meet the requirements of their courses. Casual or part-time jobs tend to pay less per hour than full-time or salaried jobs.

- Working too many hours can mean that students lose their student allowance, so students often look for jobs that only involve a few hours each week.
- Students are often competing with lots of other students for student-friendly jobs.
- Some students have access to government support that provides income through a student allowance or a student loan.



2.

Family and career building stage

For many people, the family and career building stage is the time they earn the most money. However, it's also a time when many people are raising children or decide that they want a change of career.

“Midlife is often a time when family structures and relationships are changing. Parents of teenage or adult children often have more time to themselves, especially if their own parents do not need to be cared for or live in a different place. Many in midlife are at the peak of their earning potential which allows them to live a comfortable lifestyle, especially if they own a home mortgage-free.

Some midlife adults decide to change direction. They may embark on a new career path, travel overseas for extended periods or undertake tertiary study. Midlife women are more likely to study than men.

Some reasons that sources of income change in family and career building are:

- People are more likely to have the experience or qualifications they need to apply for a wide range of jobs. This provides greater flexibility in terms of the type of work they do and access to better-paid jobs.
- People may be in a relationship that gives them an opportunity to work part time or to return to studying.
- People who have children often need to juggle the demands of raising children and working. Finding a job with flexible hours and family-friendly work values can be challenging.
- People in the family and career building stage may be earning enough to have money to invest in retirement schemes, shares, property or other investments. As a result, they might have unearned income that adds to their wages or salary.

- The family and career building stage can bring some big costs, for example having a mortgage and/or raising a family. Some people choose to work more than one job to cover their costs and be able to save.
- Some people in the family and career building stage are eligible for government support, for example, the Working for Families benefit.



3.

Retirement stage

The retirement stage often involves a reduction in sources of income because people are no longer working. People who are retired generally need to live off their existing sources of income and the pension paid by the government, which is called NZ Super.

“Many older people are grandparents – grandchildren are often described as a ‘gift’. Grandparents often care for grandchildren on a part-time basis, if they live nearby. Sometimes they become the main caregivers for their grandchildren. Some cultures highly value the way older people pass on traditions to their grandchildren or mokopuna. Older Māori men and women are important tribal leaders.

In the 2010s, a third of older people did volunteer work. Many of them also joined community organisations such as sports or cultural clubs.

Some older people take the opportunity of a work-free life to travel round the country or overseas. Some stay in touch with family overseas via the internet.”


(Peggy Koopman-Boyden, 2018, retrieved from <https://teara.govt.nz/en/older-people>)

Key factors that impact people’s income at this stage of life are:

- whether or not they have invested in KiwiSaver. People who invested in KiwiSaver while they were working can access their money from the age of 65. They can also choose to leave some or all of their money in their KiwiSaver account so that it continues to grow over time.
- how much money they have saved or invested during their working lives. Some older people have shares or other investments that continue to give them income.

There are lots of factors that contribute to this:

- societal factors such as a person’s access to education or to a well-paying job

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- the personal circumstances that affect whether someone had income that they could set aside in their family and career building stage, for example, it's often much easier for someone without children to save or invest money in the family and career building stage of their lives than someone who has several children
 - the financial situation of their whānau
 - a person's financial capability, in other words, the skills and knowledge needed to make decisions earlier on in life that can benefit you at retirement.
 - the assets they have. For example, if someone owns their own home, they might choose to sell it to move to a smaller house to free up some money. Not everyone is in this position by the time they retire.

