



Decumulation May Final results digital survey



Commission for
Financial Capability

2016
CFEC

REVIEW OF RETIREMENT
INCOME POLICIES



Introduction

As part of the 2016 Review of Retirement Income Policies the Commission for Financial Capability has undertaken digital surveys on monthly review topics.

In May the theme for the month was decumulation.

Survey research method:

- SurveyMonkey self-directed survey on cffc.org.nz
- Results from April – November 2016
- 15 questions
- Total responses: 1,240
- Base size varies by question number
- Due to rounding, percentages may occasionally not add up to 100%
- For questions where respondents are allowed to select multiple answers
the total response percentages do exceed 100%



Age of retirement

Q1: At what age do you plan to retire or, did you retire at?

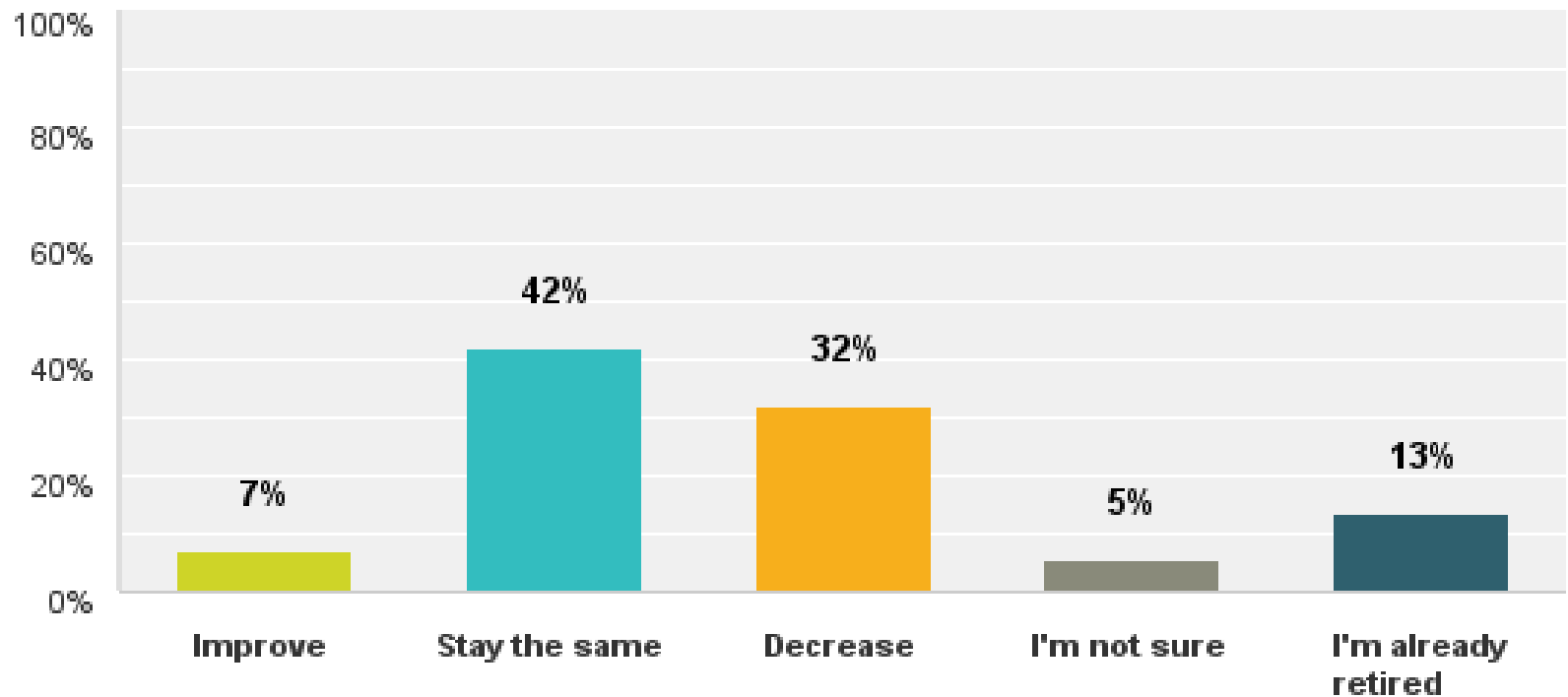
Answered: 1,213

Under 65	26%
65	35%
66 - 69	18%
70+	20%

Standard of living expectations

Q2: Do you expect your current standard of living to improve, stay the same or decrease in retirement?

Answered: 1,231

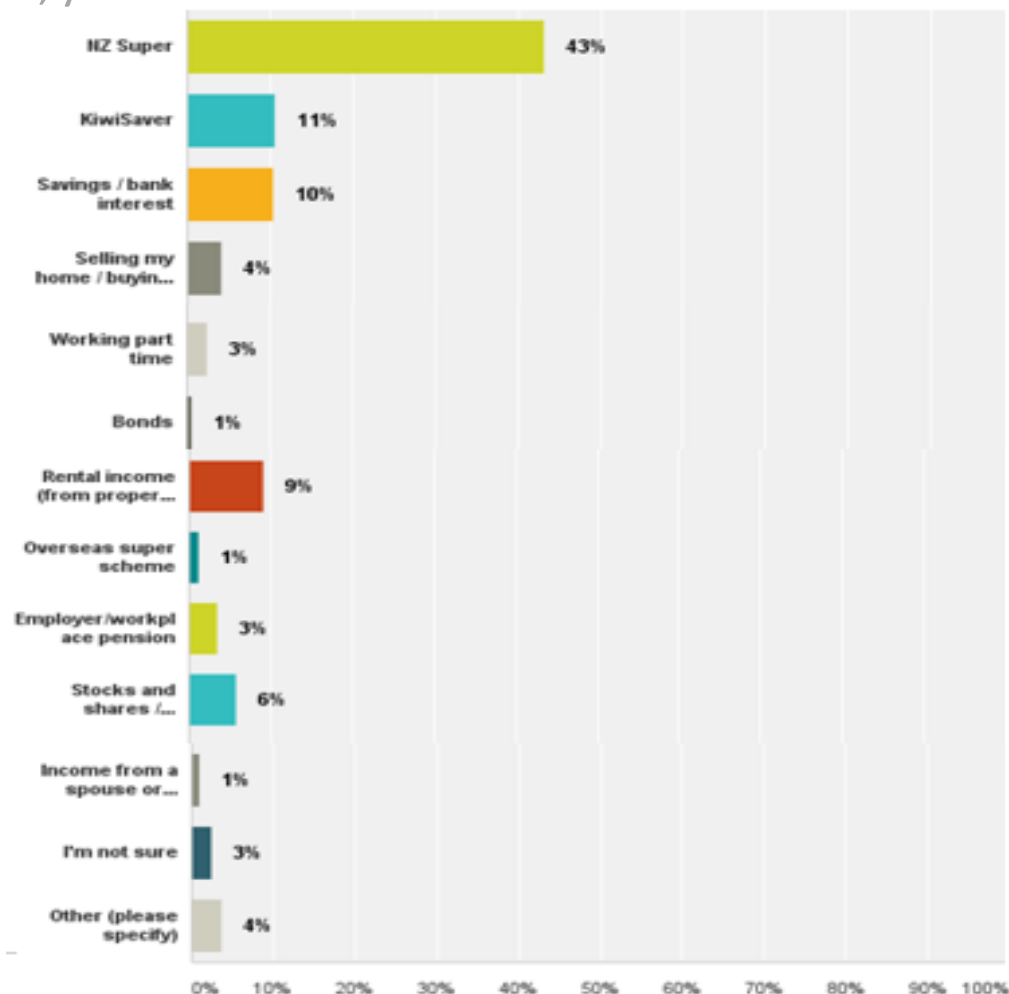


Main source of retirement income

Q3: What is, or what do you expect to be, your main source of retirement income?

Answered: 1,070

NZ Super	43%
KiwiSaver	11%
Savings/bank interest	10%
Selling my home/buying a smaller one	4%
Working part time	3%
Bonds	1%
Rental income (from property you own)	9%
Overseas super scheme	1%
Employer / workplace pension	3%
Stocks and shares / dividends	6%
Income from spouse or partner	1%
I'm not sure	3%
Other (please specify)	4%
Selling other assets (car, art, jewellery, antiques etc)	0
Support from children/family	0
Income from spouse/partner	0
Inheritance	0

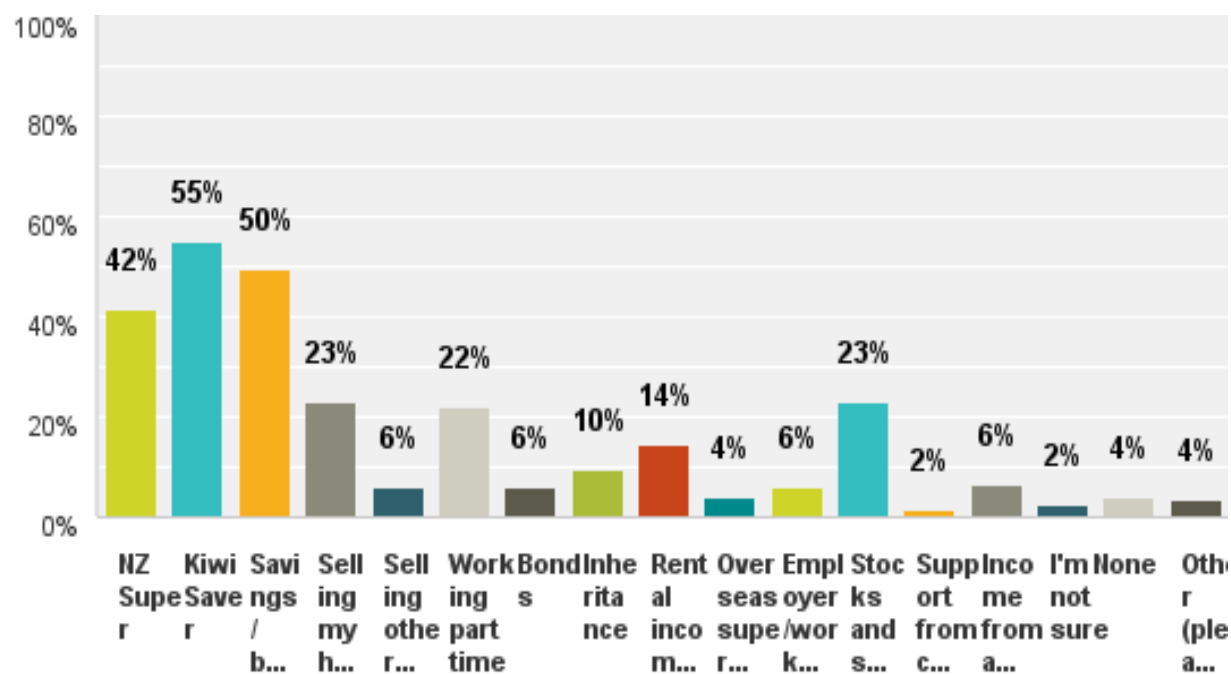


Other source of retirement income

Q4: And what other sources of retirement income will you have?

Answered: 1,067

NZ Super	42%
KiwiSaver	55%
Savings/bank interest	50%
Selling my home/buying a smaller one	23%
Selling other assets (car, art, jewellery, antiques etc)	6%
Working part time	22%
Bonds	6%
Inheritance	10%
Rental income (from property you own)	14%
Overseas super scheme	4%
Employer / workplace pension	6%
Stocks and shares / dividends	23%
Support from children/family	2%
Income from spouse/partner	6%
I'm not sure	2%
None	4%
Other (please specify)	4%

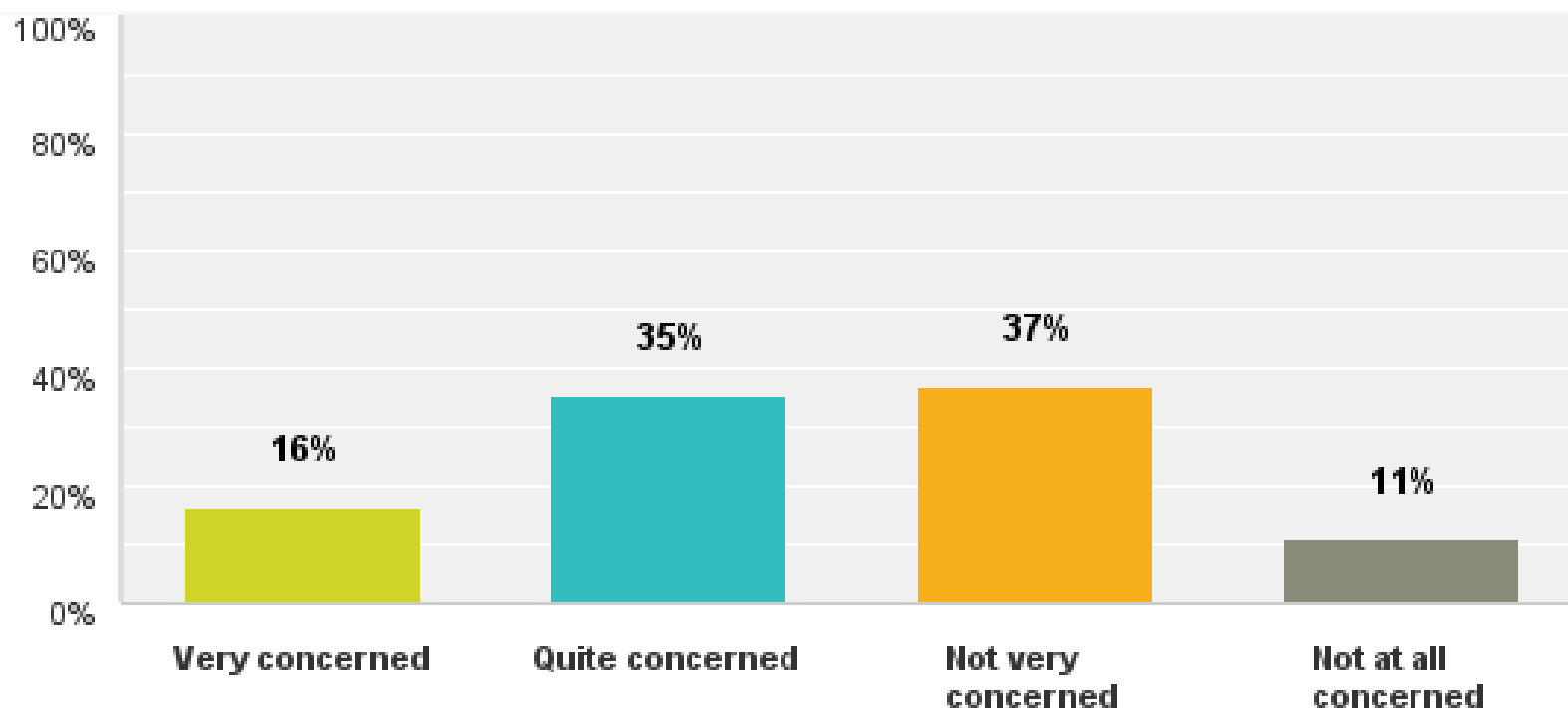


Response % exceeds 100% as respondents could select more than one answer

Concern about living longer than your savings

Q5: How concerned are you about living longer than your savings?

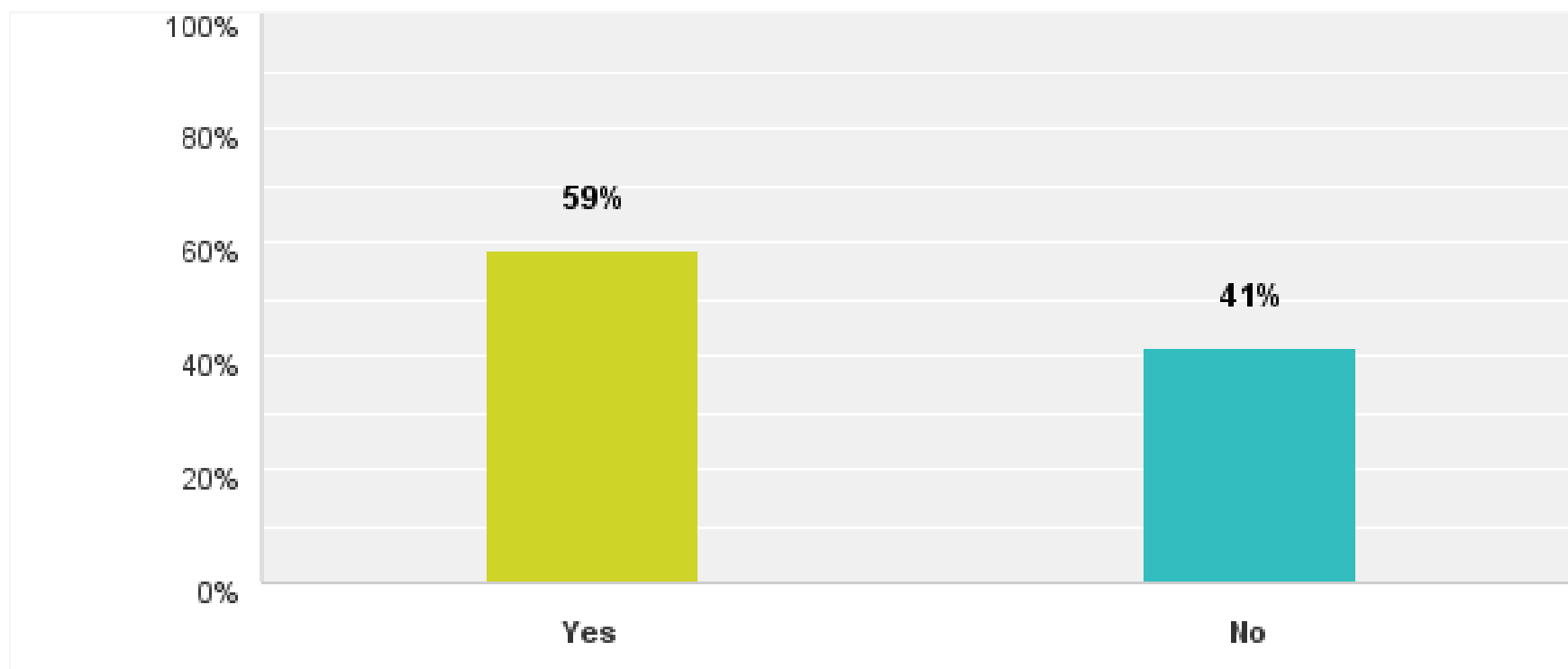
Answered: 934



Financial plan for funding your retirement

Q6: Do you have a financial plan for funding your retirement?

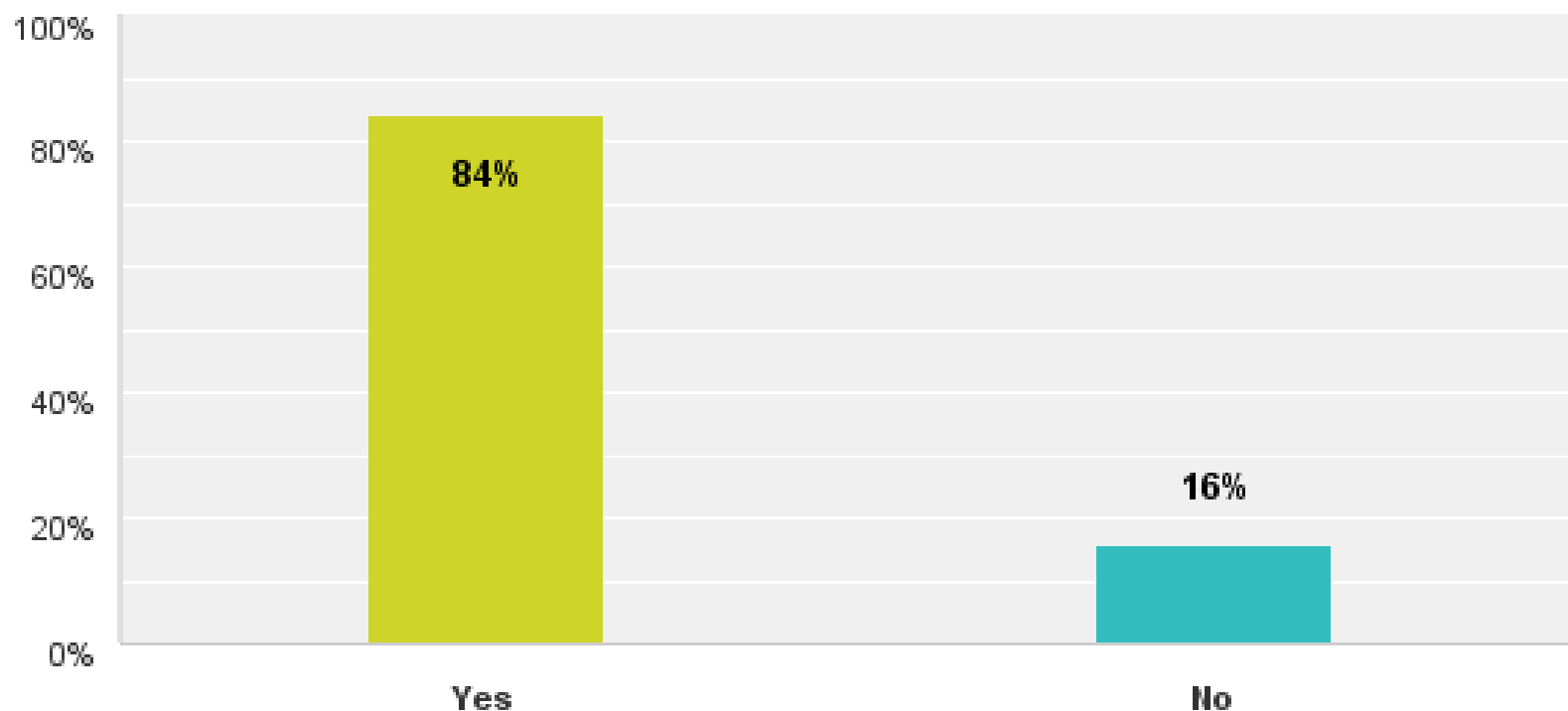
Answered: 946



Should government provide more incentives?

Q7: Do you think the government should provide more incentives to save for retirement?

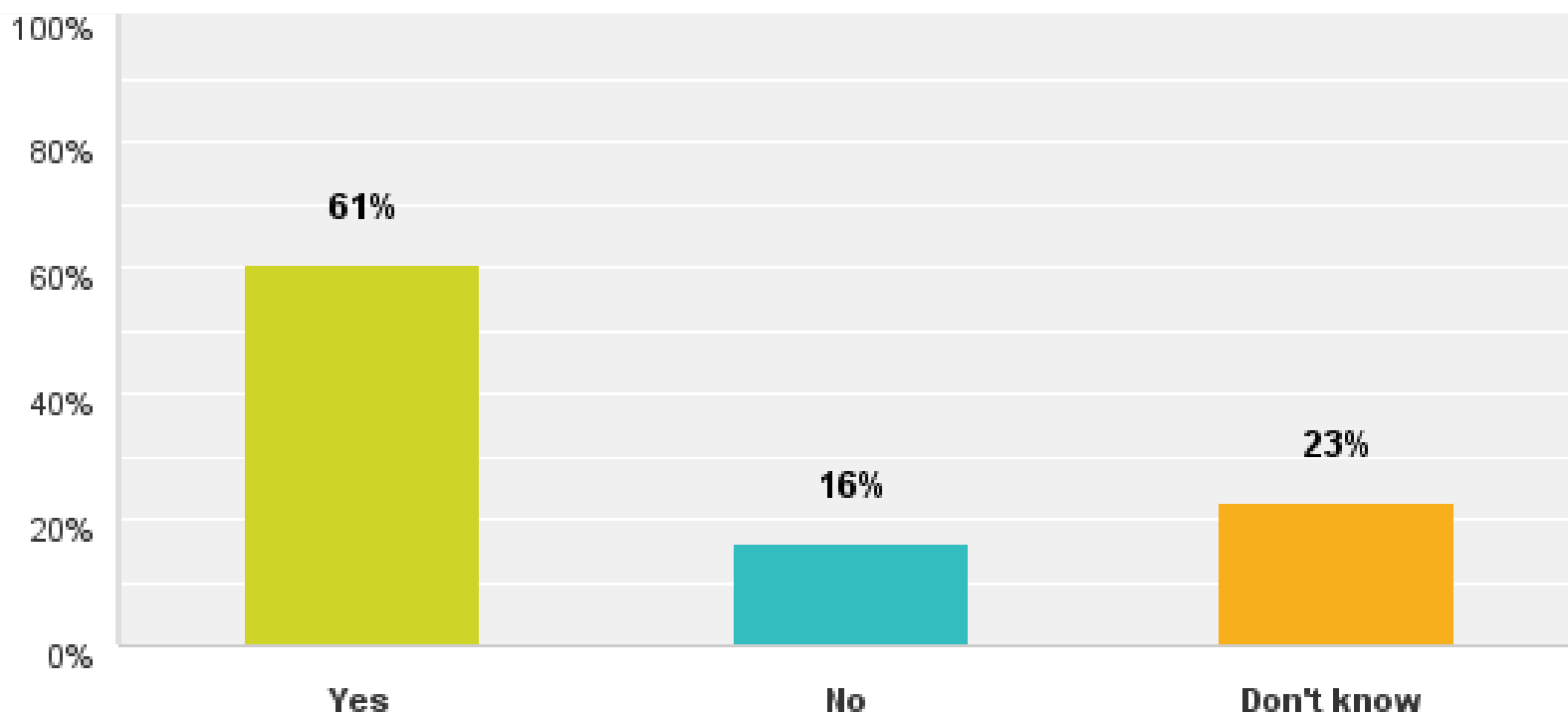
Answered: 953



More investment options for a regular retirement income?

Q8: Would you like more investment options that provide a regular retirement income?
For example, products such as annuities which provide a guaranteed income for your retirement.

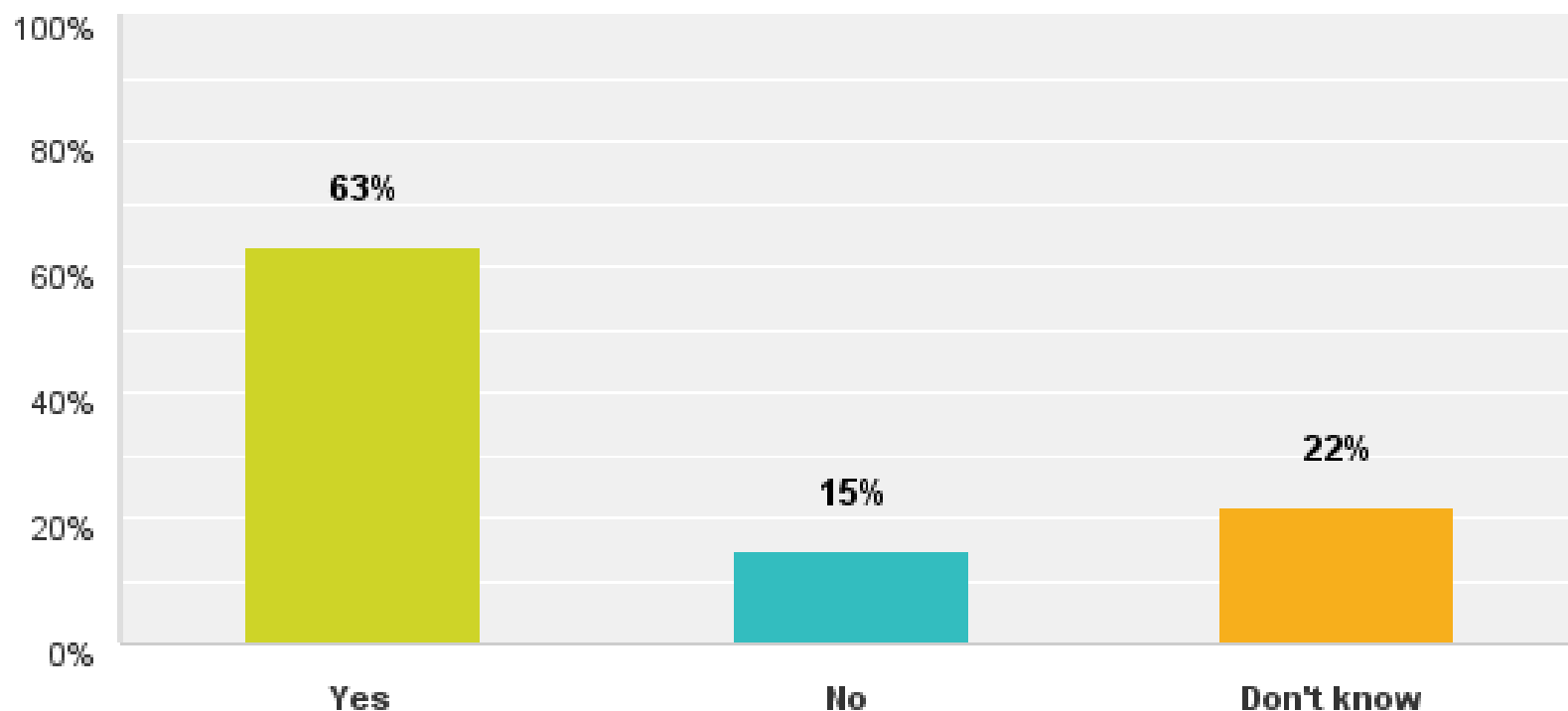
Answered: 966



More incentives for financial providers?

Q9: Do you think the government should provide incentives to encourage financial providers to offer more investment options that provide regular retirement income?

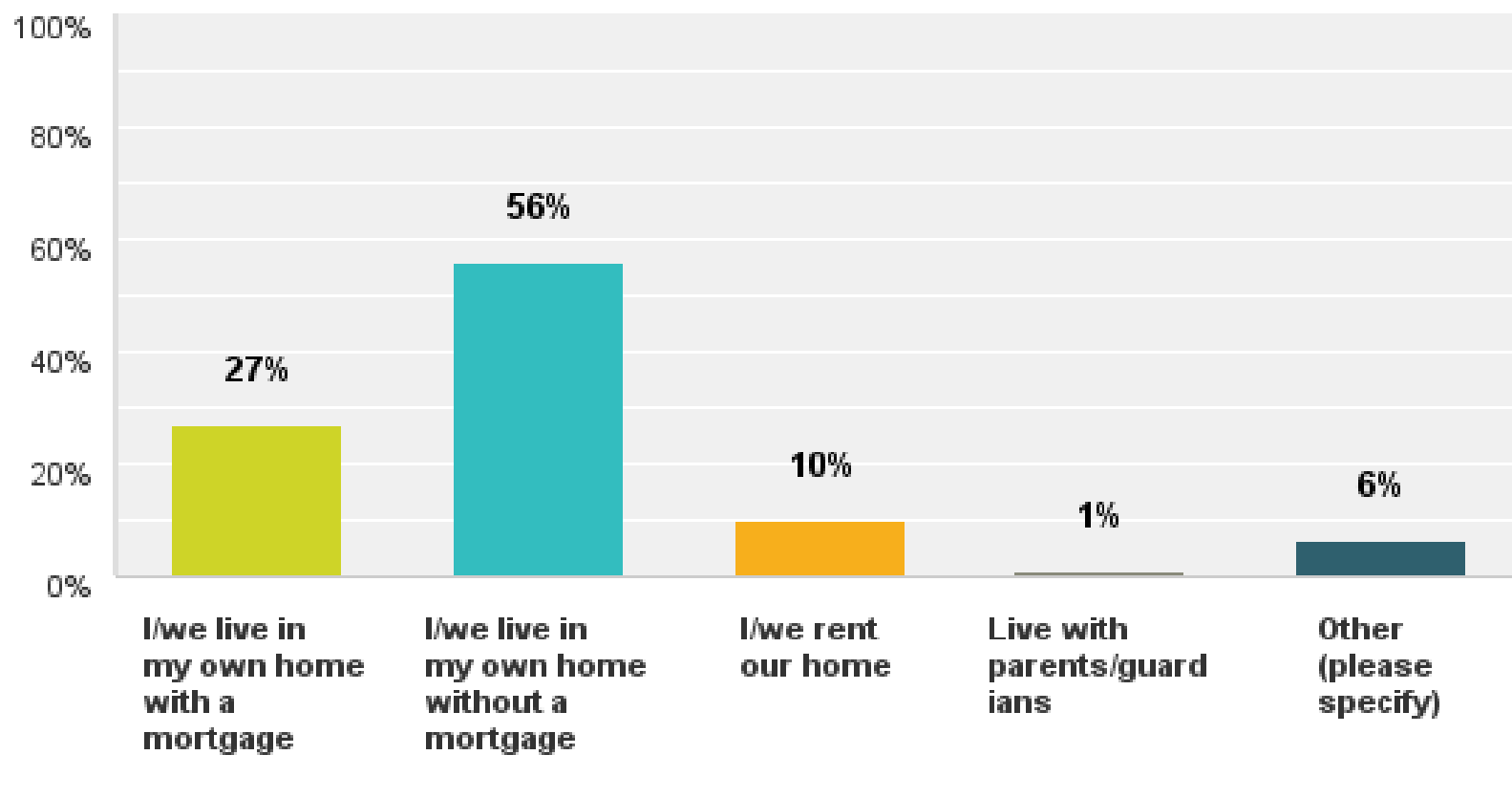
Answered: 968



Housing situation

Q10: Which of these best describes you?

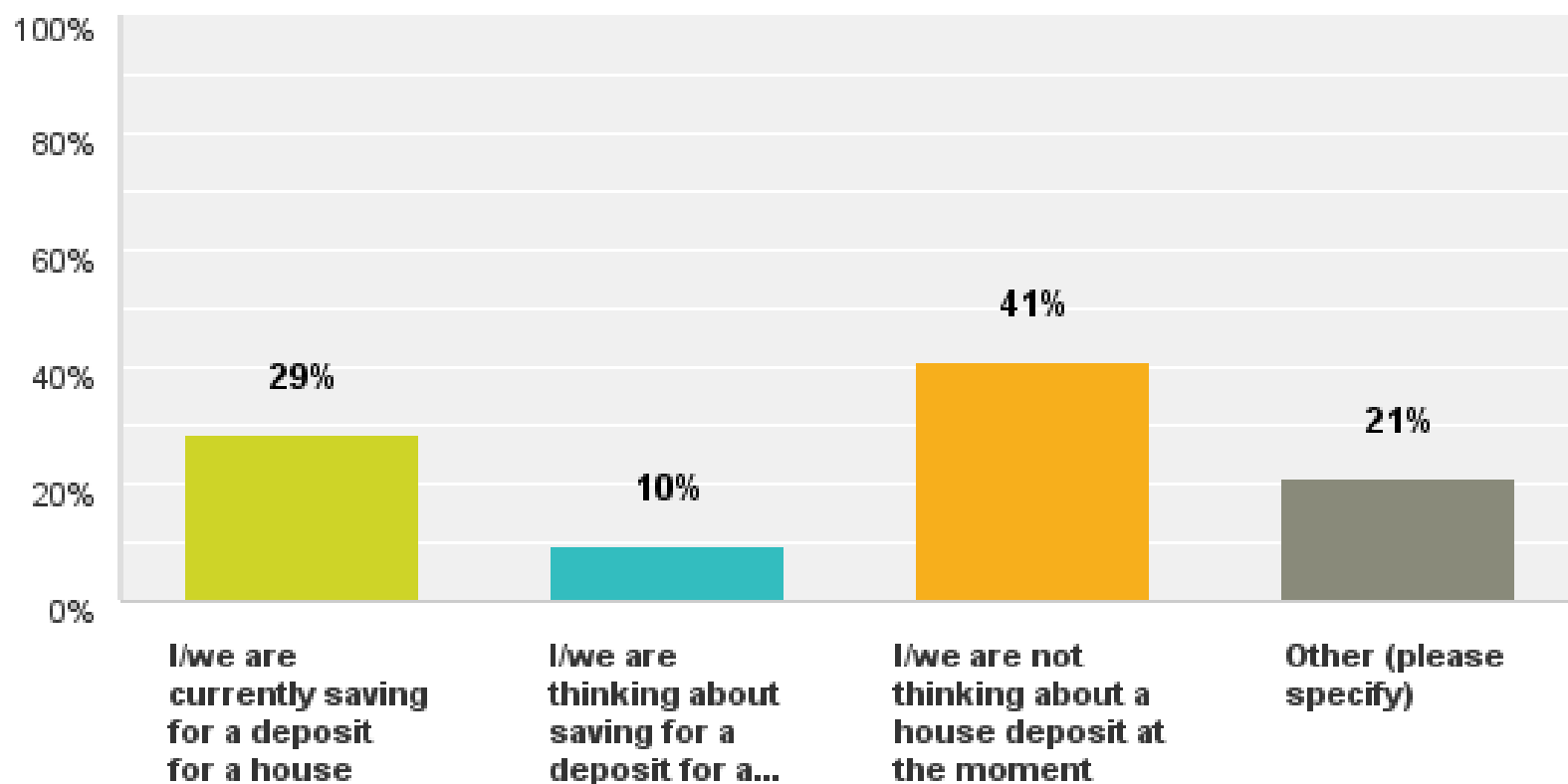
Answered: 986



Home ownership

Q11: Which of the following describes your housing situation?

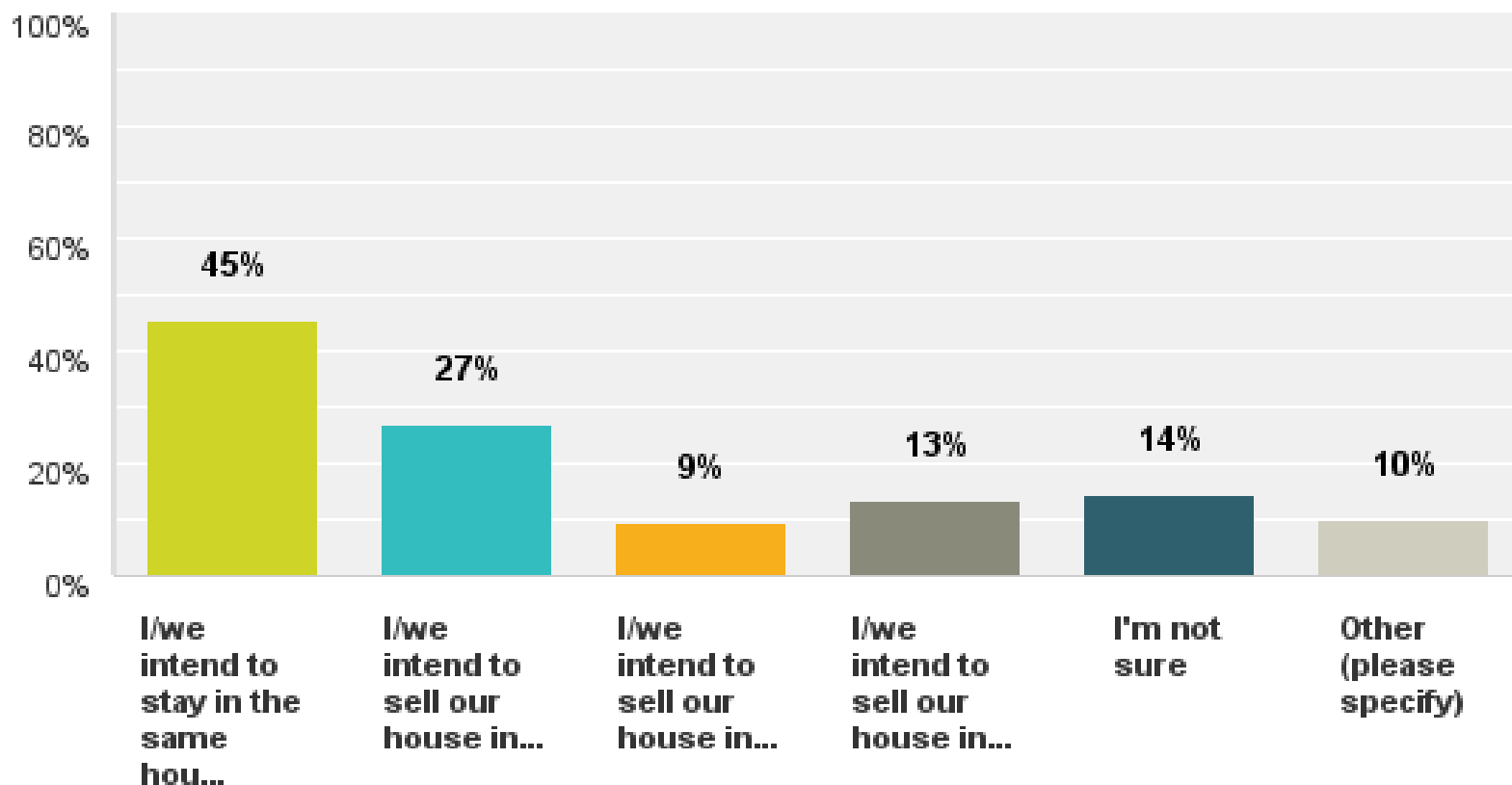
Answered: 105



Home situation intention

Q12: Looking at the list below, please tick those that you agree with when thinking about the house you are currently living in?

Answered: 785

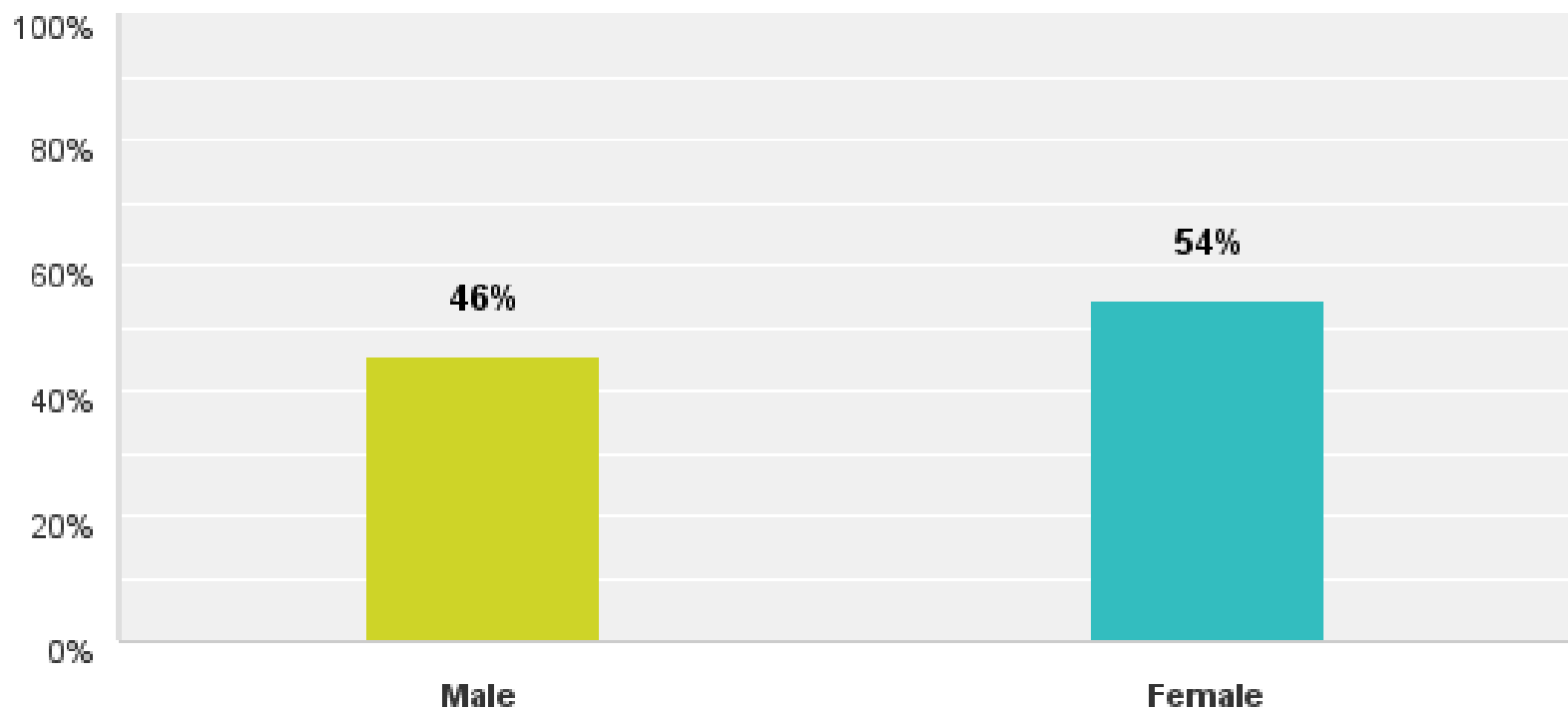


Response % exceeds 100% as respondents could select more than one answer

Gender

Q13: Are you...?

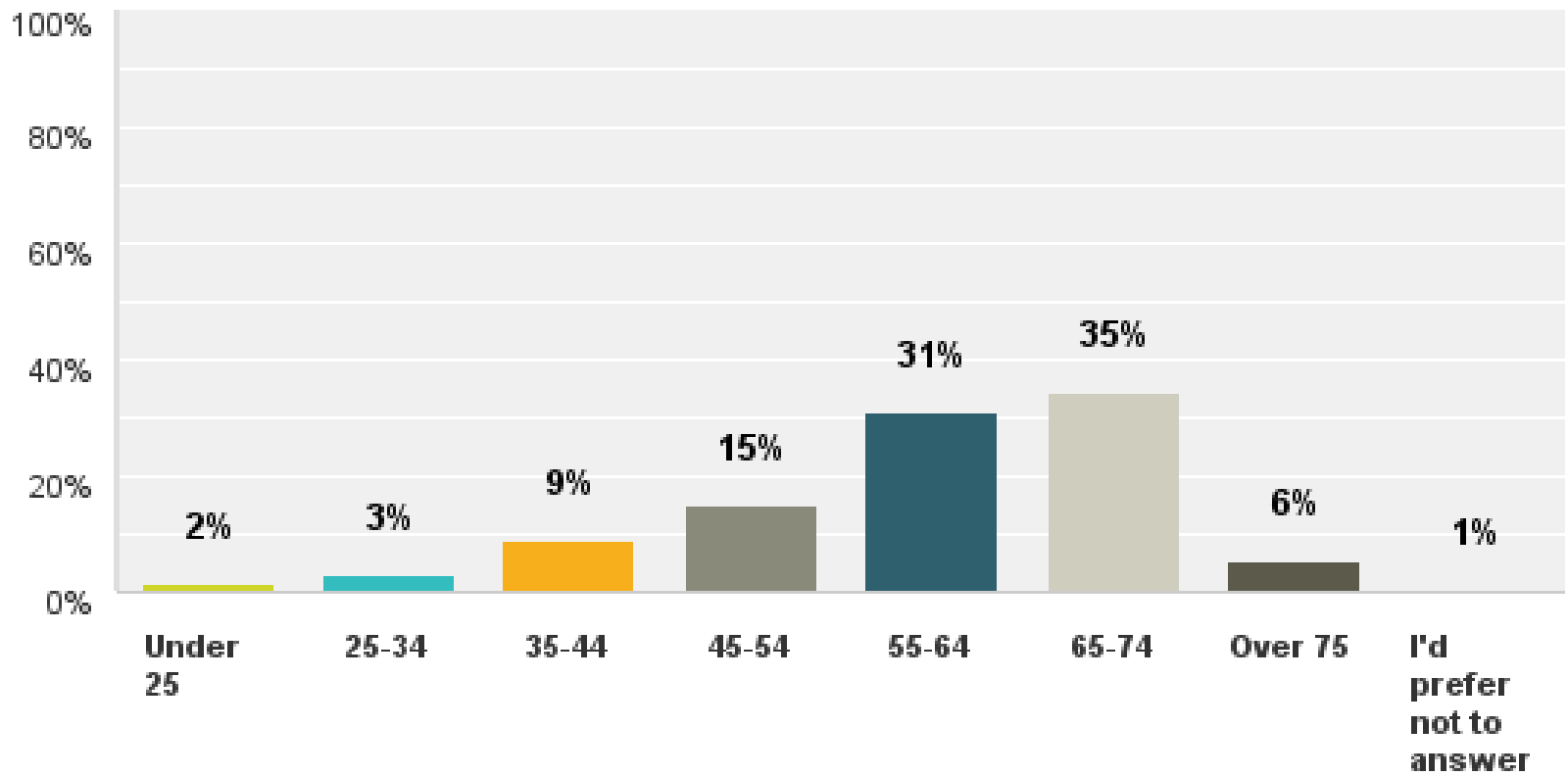
Answered: 894



Age

Q14: How old are you?

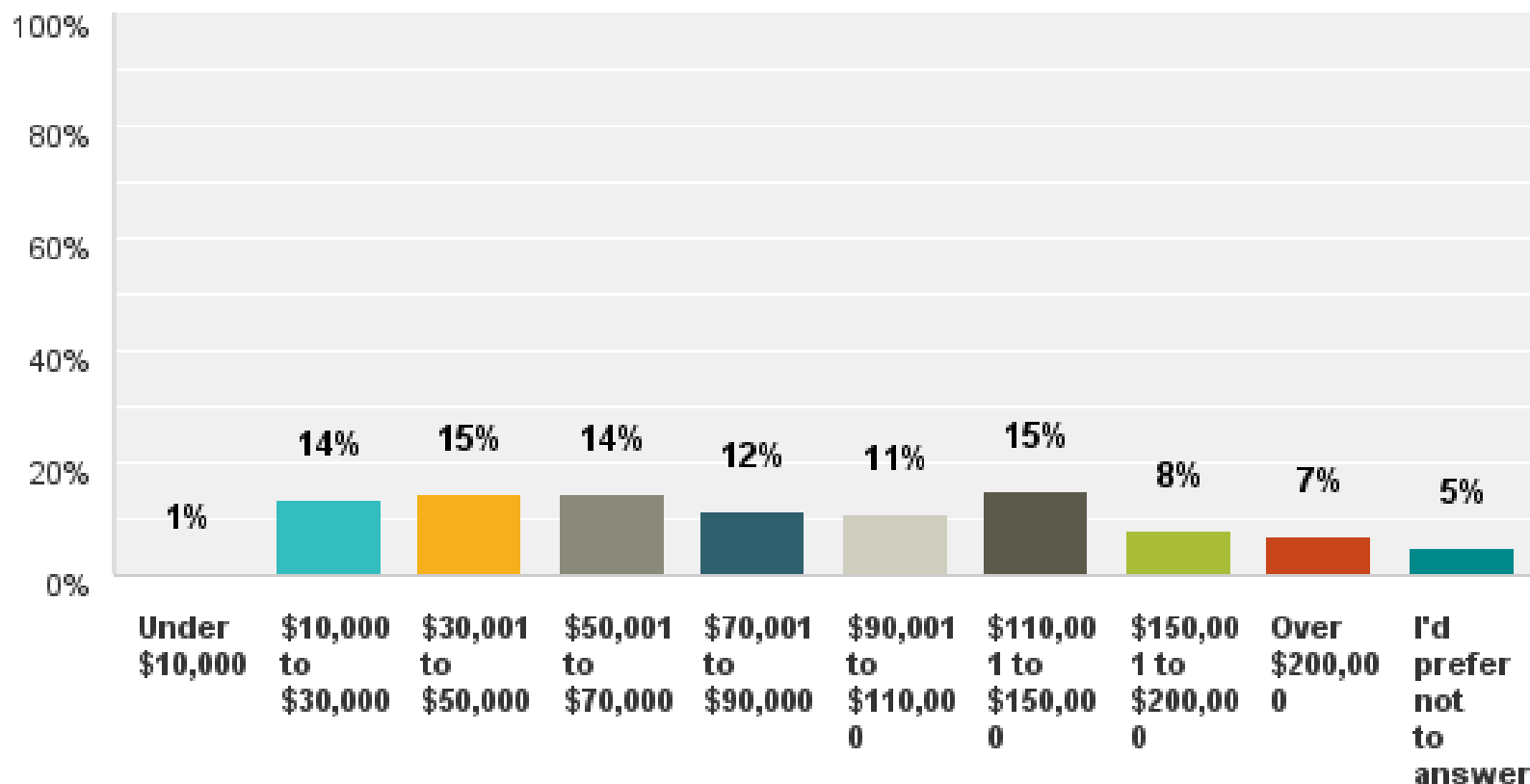
Answered: 928



Household income

Q15: Which of the following best describes your household income before tax?

Answered: 933





Comment method

- As part of the 2016 Review of Retirement Income Policies the Commission for Financial Capability has undertaken surveys on monthly review topics
- In May the theme for the month was decumulation
 - SurveyMonkey self-directed 15 question online survey included options for comments
 - The survey ran from April to November 2016
 - These are the emerging themes from (408) comments
 - Verbatim comments illustrate the findings.

Do you think the government should provide more incentives to save for retirement?

Yes 84%

- Incentives should start from a young age
- Minimise tax / lower tax rate / tax incentives
- Make KiwiSaver compulsory
- Make KiwiSaver more attractive
 - Higher employer contribution to KiwiSaver
- Self-employed contribution similarly tax exempt to an employer

No 16%

- Can't save / don't earn enough to save
- Government provides incentives already
- Up to the individual not the government
- Don't trust the government to maintain incentives

Verbatim comments

There should be no tax on the interest accruing from savings intended for retirement as income tax has already been paid on the money that was invested into the retirement savings.

Incentives exist now. More education possibly needed.

KiwiSaver should be compulsory from the moment a person starts work.

Provide more education and let people work it out for themselves.

Do you think the govt should provide incentives to encourage financial providers to offer more investment options that provide regular retirement income?

Yes 63%

- Requires a guarantee/fear of loss of retirement savings/distrust of financial providers
- Tax incentives
- Encourage annuities
- Will support retirement savings/be helpful
- Yes if fees are kept down

No & don't know 37%

- Can't save/no money to save
- Already available, people don't know about them
- Private financial providers earn excessive profits
- Distrust financial providers
- Govt should provide such products directly

Verbatim comments

There is always that fear of losing the much-needed retirement savings.

It is really difficult to know who to trust with savings.

A review of the tax regime so that savers are not taxed twice on the same money.

Our money should not be given to large corporations to encourage them to put in a programme that they will then get profit off.



**Commission for
Financial Capability**

Building wealthy lives