



KIWISAVER PARTICIPATION AND FUTURE PERCEPTIONS
OF RETIREMENT SURVEY COMBINED VIEW

Final Report prepared for the Commission for Financial Capability
May 2016



Table of Contents

- OVERVIEW
- DEMOGRAPHICS AND SUMMARY OF FINANCIAL SITUATION AND ATTITUDES TO MONEY
- BASIC FACTS ABOUT KIWISAVER
- AWARENESS OF KIWISAVER BENEFITS AND INFORMATION SOURCES CONSULTED
- WHY JOIN KIWISAVER ?
- WHY NOT JOIN KIWISAVER AND WHY STOP CONTRIBUTING ?
- ALTERNATIVE FORMS OF INCOME
- HOME OWNERSHIP STRATEGY
- LIKELIHOOD TO RECOMMEND KIWSAVER AND WHO WOULDN'T
- HOW CAN KWISAVER BE IMPROVED ?

SUMMARY

- THE PATHWAYS OF DIFFERENT KWISAVER SEGMENTS
- IDEAS FOR RE-ENGAGEMENT
- FUTURE ISSUES AND CONSEQUENCES



The Commission has a mandate to review retirement income policy every three years and to report to Government.

The Terms of Reference for the 2016 review include *reporting on trends and developments in KiwiSaver and private savings schemes for retirement, including:*

- a. *The impact of policy settings (such as employer contributions, default contribution rates, early withdrawal and the inability to belong to more than one scheme) on KiwiSaver participation and contributions; and*
- b. *Any gaps in KiwiSaver participation information and how data reporting could be improved.*

OVERVIEW | What do we need to know?

The Commission for Financial Capability sought up to date information :

- To understand New Zealanders' use of KiwiSaver and why they have made those decisions and how those perceptions and decisions vary by key member groups and demographics including self employed, and parents acting on behalf of children.
- To understand why some people have not joined KiwiSaver and what alternative plans they have made instead (if any).
- To start to explore New Zealanders' views of retirement to help inform future policy discussions.
- To provide a benchmark to understand the impact of future communications and possible future changes to KiwiSaver.



OVERVIEW | Research Approach

As per the brief, the Commission needs to get **quantitative** data to make effective decisions with confidence across a range of KiwiSaver segments.

KiwiSaver status incidence	Sample quota
Non contributing KiwiSavers	N= 471
Active KiwiSavers	N= 1035
General population 18-64 who don't have any KiwiSaver fund	N= 518
Over 65 who still have KiwiSaver	N=176

TOTAL N=2200

All the interviews were conducted online via Research Now's online panel. The online survey samples were drawn:

- *Representatively across all regions of New Zealand (metro, provincial, rural)*
- *With quota by age and sex based on the 2013 census*
- *With minimum quota by ethnicity*

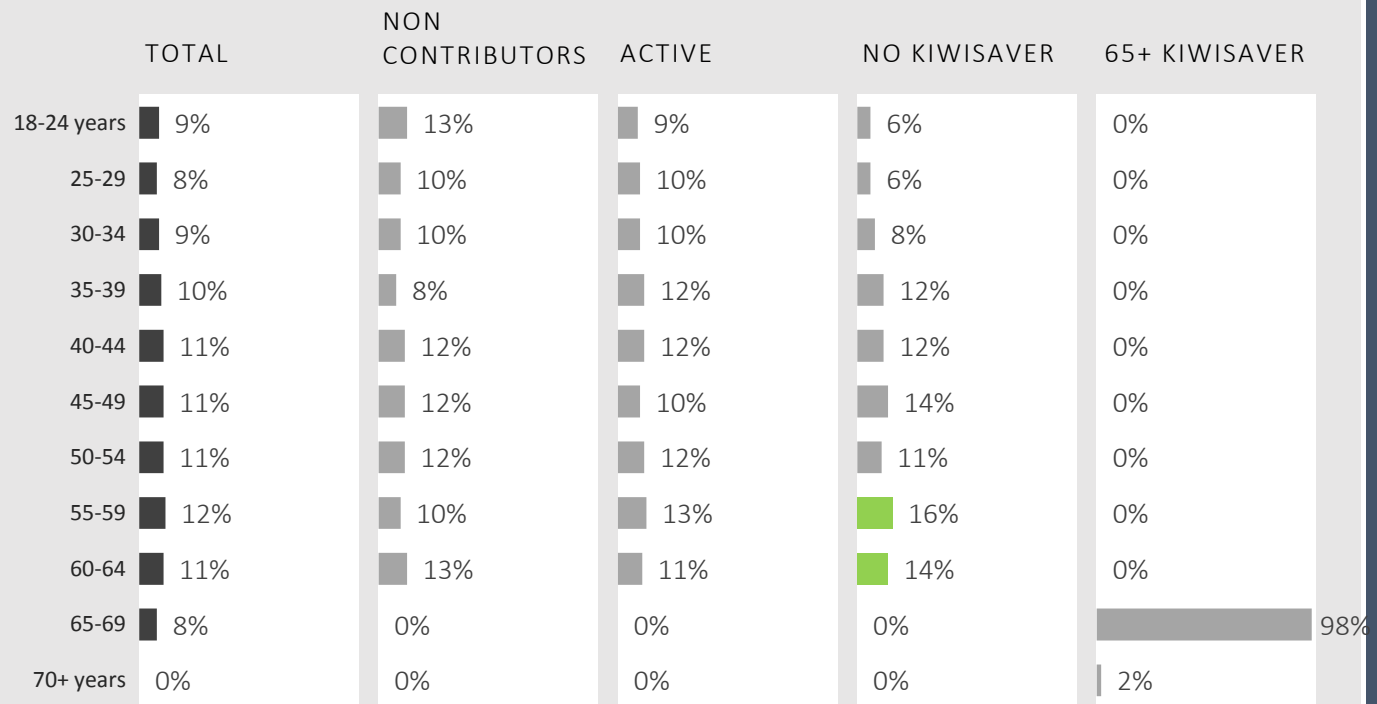




DEMOGRAPHIC PROFILE

DEMOGRAPHICS | Age

NZers with no KiwiSaver are older, more likely to be aged 55-64 (30%). The non-contributors have a **slightly** younger and older age skew than the actives. But these differences in their age don't by themselves completely explain their lapsed usage or reasons for no involvement.



BASE

2200

471

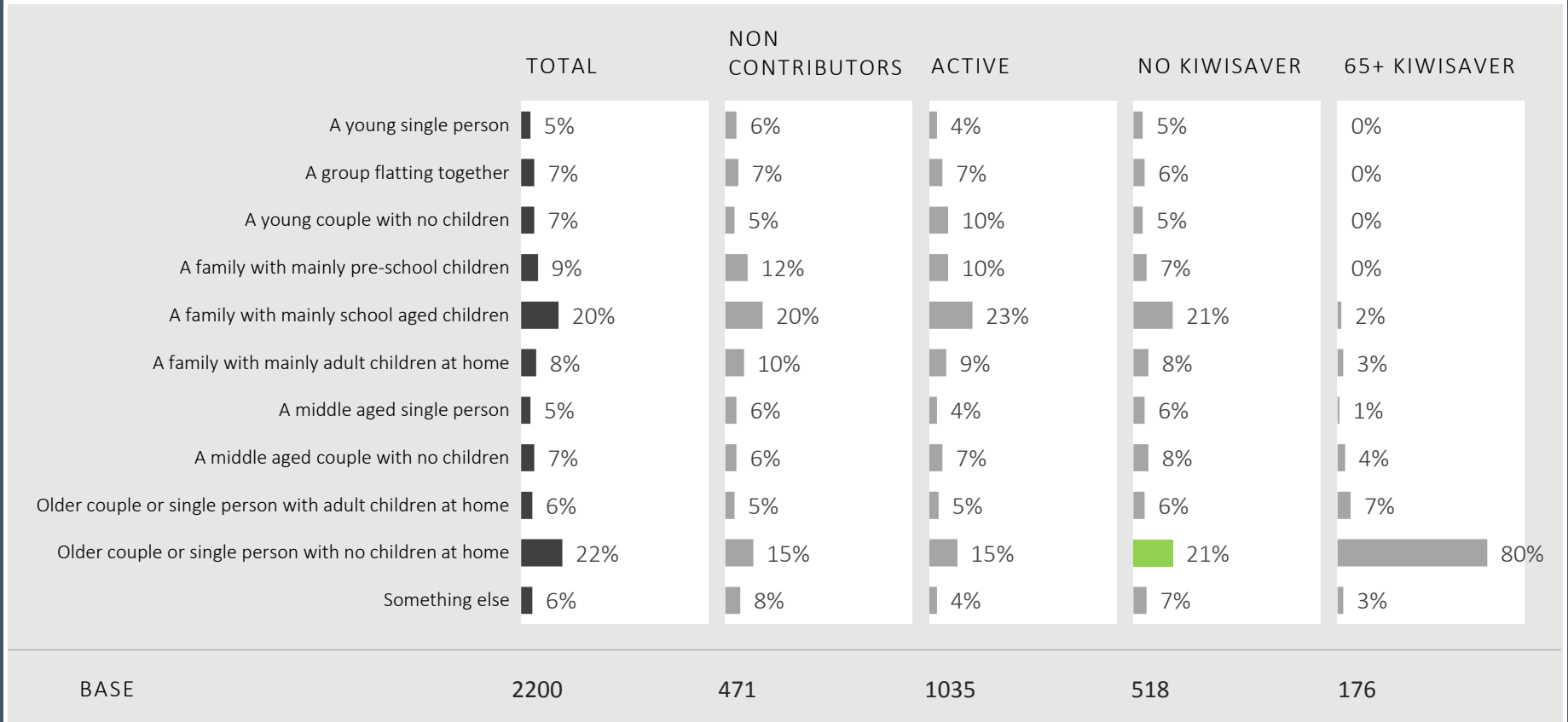
1035

518

176

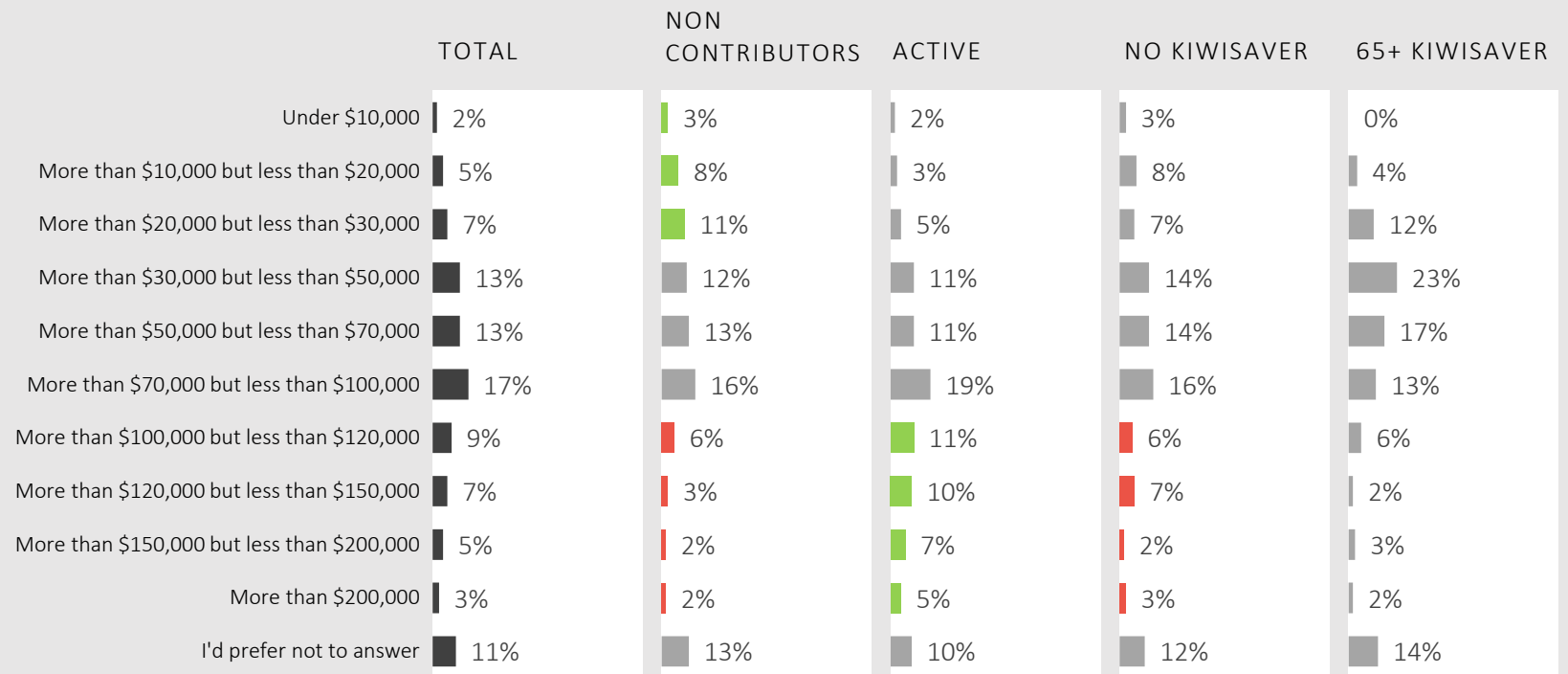
DEMOGRAPHICS | Household Type

NZers with no KiwiSaver are also more likely in the empty nest phase (21%) than those in KiwiSaver. The household profile of the non or lapsed contributors are little different from active contributors.



DEMOGRAPHICS | Income

Non or lapsed contributors have the **lowest** level of income across all 3 segments aged under 65... Those with No KiwiSaver also have lower incomes than active contributors who have the highest with 33% earning over \$100k.



BASE

2200

471

1035

518

176

Household Income : Sample compared to Stats NZ

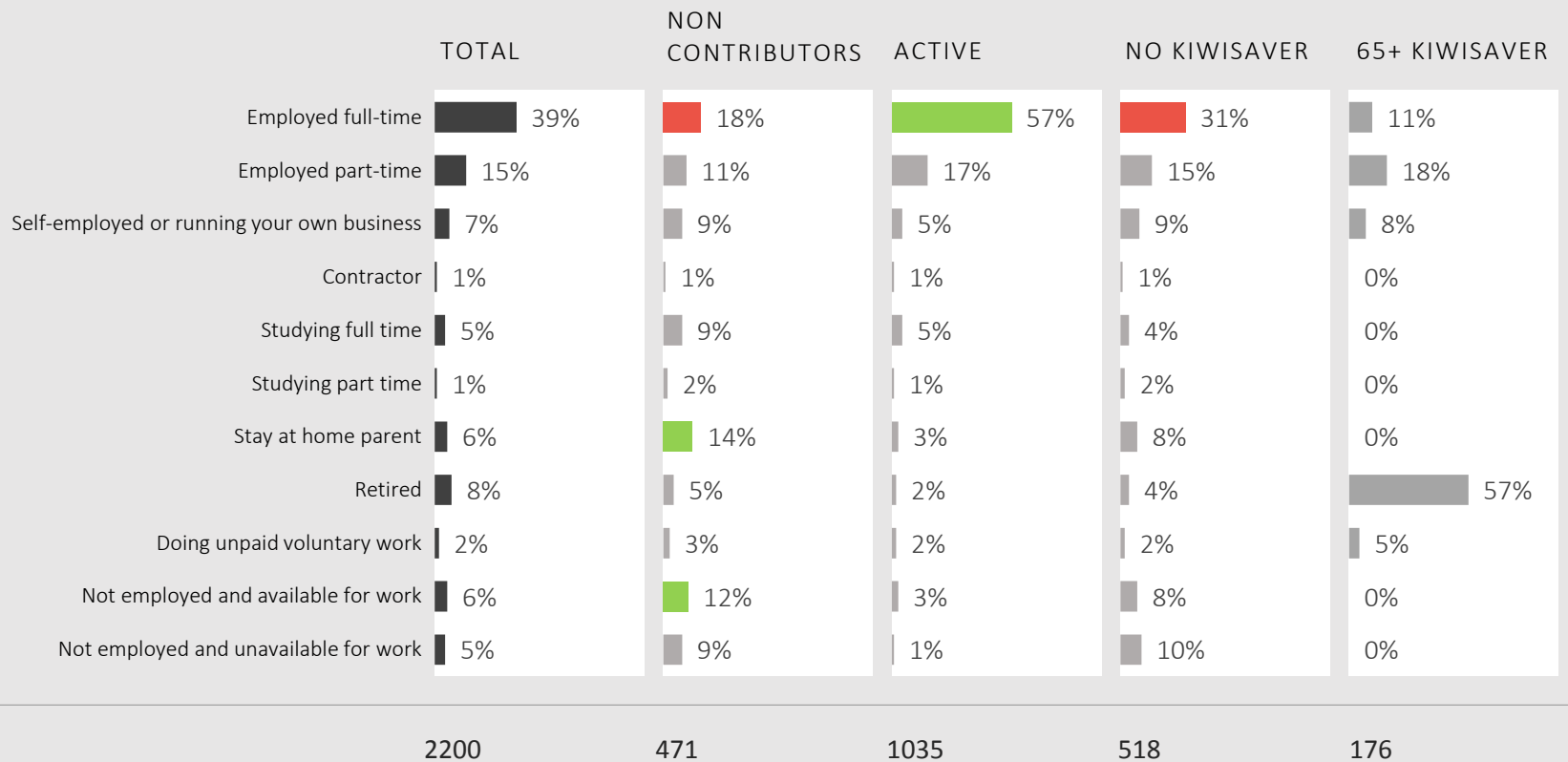
There is a very good match between the household income data collected from the online survey and the Stats NZ household data collected from the 2013 census.

In most income categories the CFFC survey was within 2 points of the census data.

	Stats NZ census	Total
Base	1,549,890 Households	2200
Under \$10,000	3%	2%
More than \$10,000 but less than \$20,000	7%	5%
More than \$20,000 but less than \$30,000	9%	7%
More than \$30,000 but less than \$50,000	15%	13%
More than \$50,000 but less than \$70,000	12%	13%
More than \$70,000 but less than \$100,000	15%	17%
More than \$100,000 but less than \$120,000	13%	9%
More than \$120,000 but less than \$150,000		7%
More than \$150,000 but less than \$200,000	10%	5%
More than \$200,000		3%
I'd prefer not to answer	15%	11%
I'm not sure	Not specified	8%

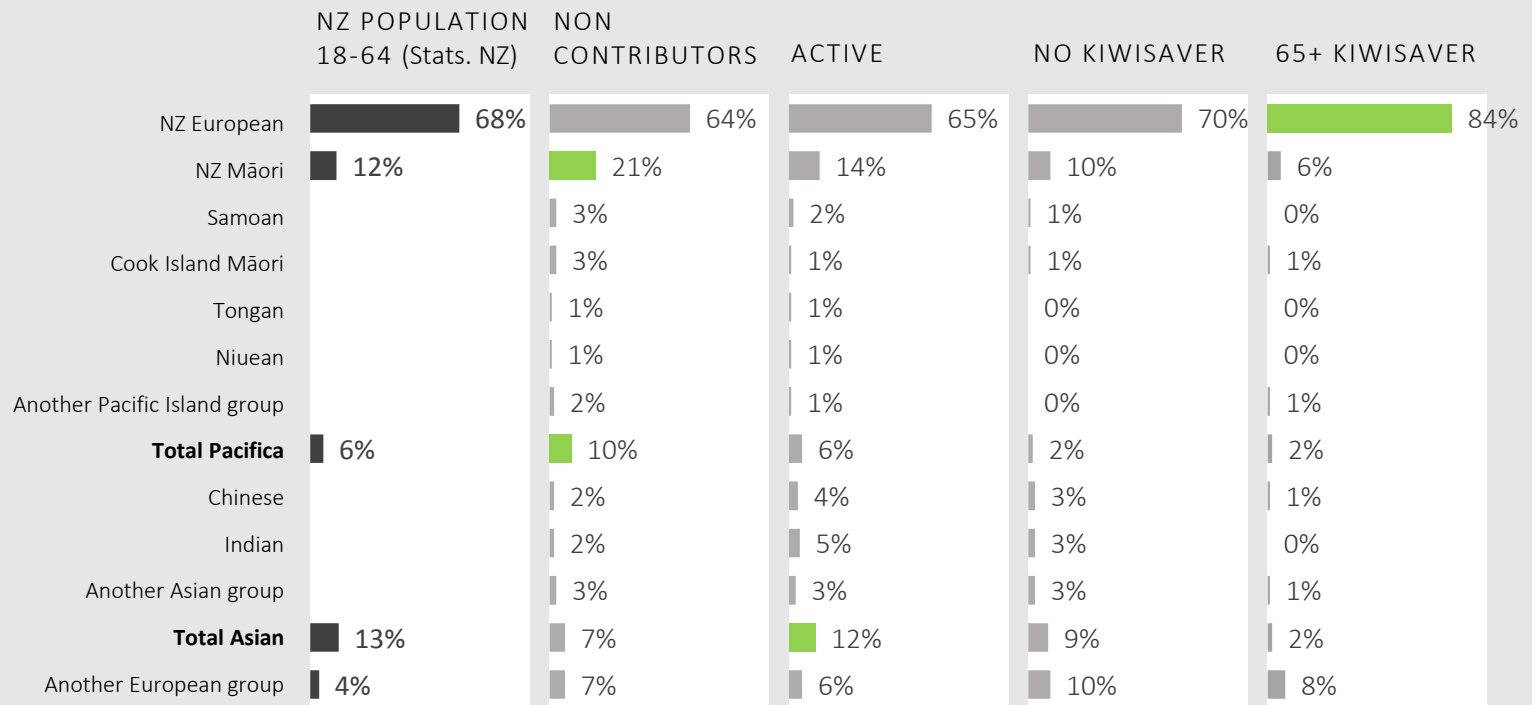
DEMOGRAPHICS | Employment

Not working fulltime is perhaps one of the biggest drivers of why some people aren't current contributors : only 18% of this group are employed full-time compared to 57% of the Active KiwiSavers and 31% of no KiwiSaver. The lapsed contributors are more likely to be stay at home parents or not employed but only slightly more likely to be contractors compared to active contributors.



DEMOGRAPHICS | Ethnicity

The ethnic profile of the Active KiwiSavers are very similar to the ethnic composition of the NZ population at large (with a slight Māori skew). Non contributors also have a skew towards Māori (21%) and Pacifica (10%). Those over 65 still with KiwiSaver are predominantly Pākeha (84%).



BASE

2,473,629

471

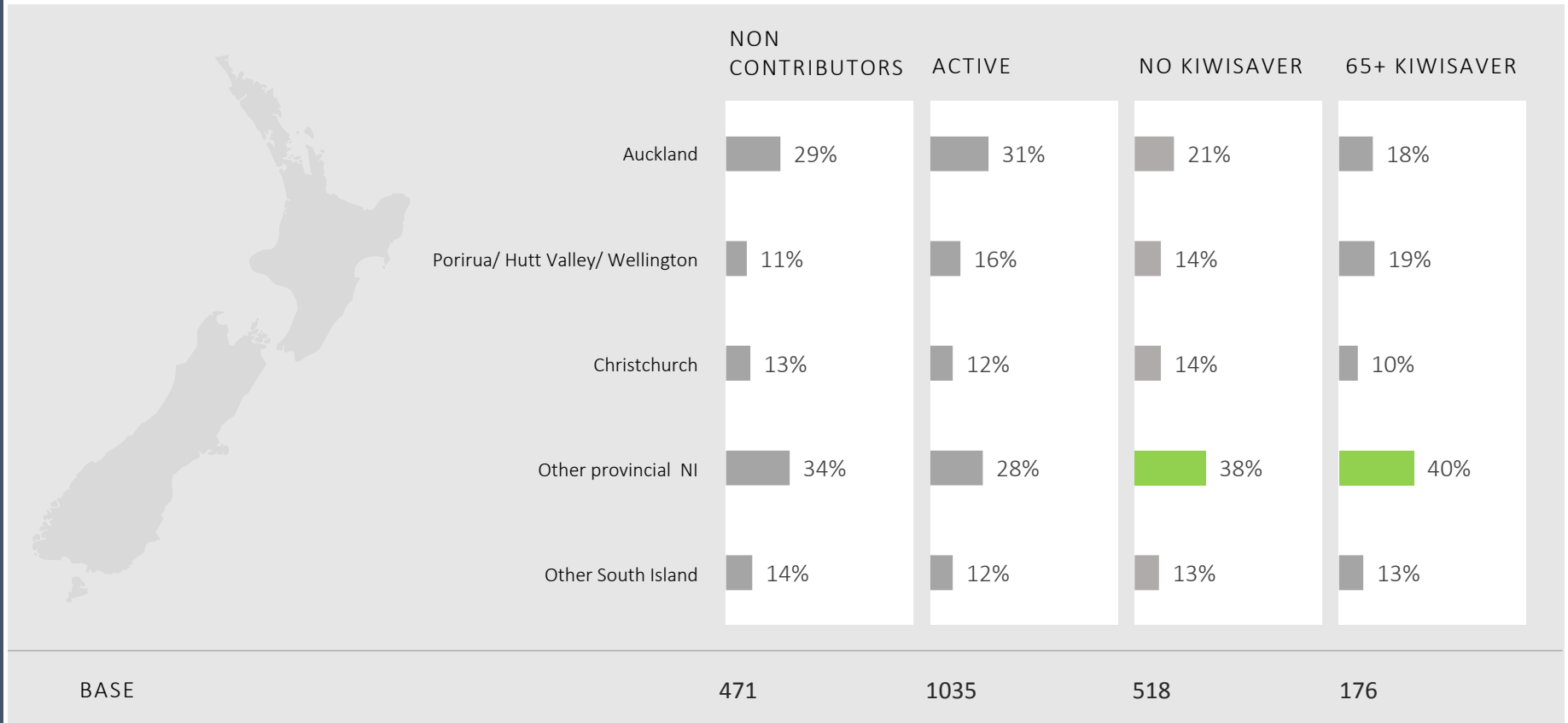
1035

518

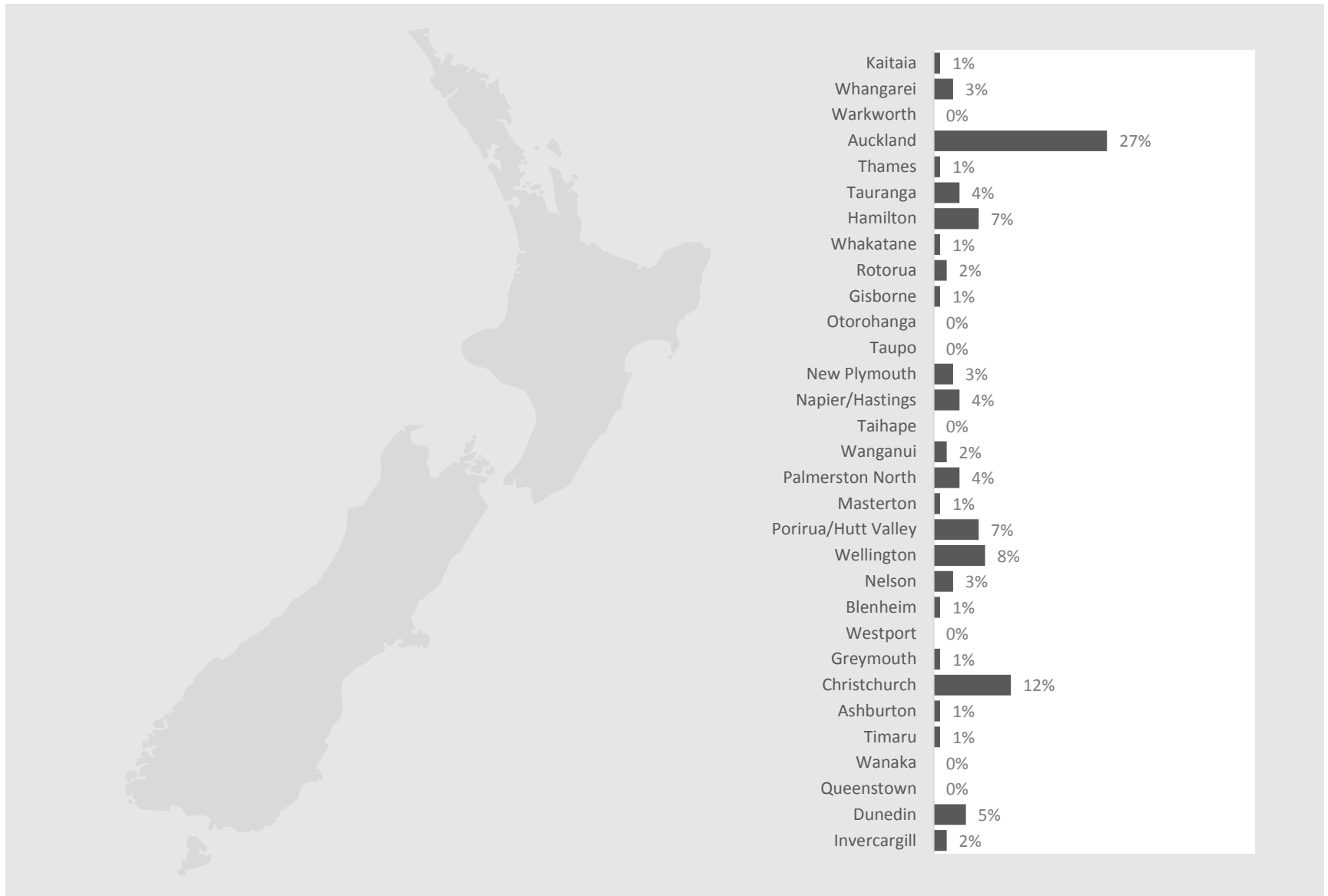
176

DEMOGRAPHICS | Location

Non KiwiSavers are more likely to live in North Island provincial centres (such as Whangarei or Hamilton or Palmerston North) than Metro centres such as Auckland and Wellington. And this is very similar profile to the over 65's who still have KiwiSaver.



Full location profile



DEMOGRAPHICS | Demographic Summary: Defining Characteristics

	LAPSED KIWISAVER	ACTIVE KIWISAVER	NON-KIWISAVER	65+ KIWISAVER
AGE AND HOUSEHOLD TYPE	Very similar in terms of family household type. Lapsed are slightly younger than active		Age skew towards 55-64 21%/empty nesters	Over 65
EMPLOYMENT INCOME	Lowest income earners of all 4 groups. Only 18 % FT employment 21% not employed	Highest with 33% earning over \$100k 57% employed FT	18% not employed 31% employed FT	57% have retired 11% FT 18% PT
ETHNICITY	Lowest Euro 64% Highest Māori 21% Pacifica 10%	65% Euro 12% Asian	70% Euro	Highest Euro 84% Lowest Māori 6% Pacifica 2% Asian 2%
LOCATION	40% main metro	47% main metro Auckland or Wellington	35% main metro Skew towards provincial NI (38%/40%)	
NOT ENROLLED CHILDREN IN KIWISAVER	42%	43%	64%	25%



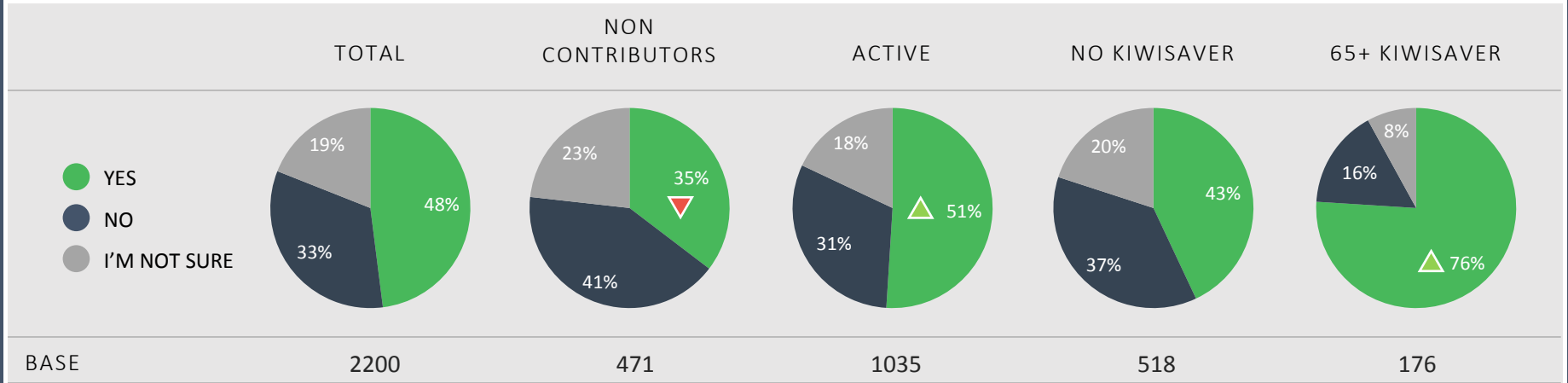


SUMMARY OF FINANCIAL SITUATION AND ATTITUDES TO MONEY

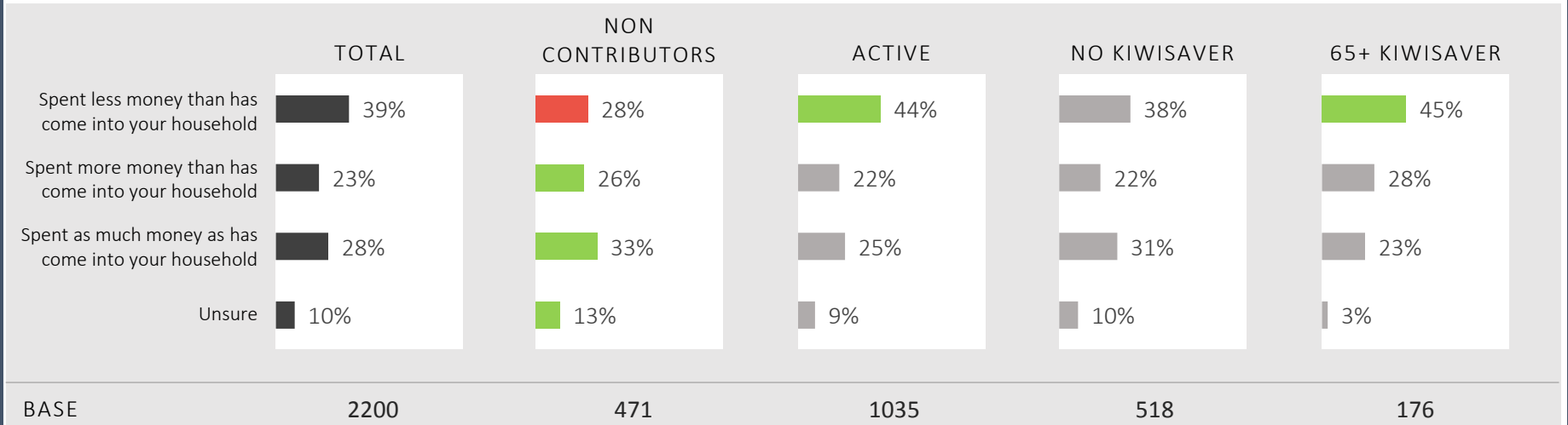
Financial Situation: Savings in Reserve and Savings Capacity

The lapsed and then the non KiwiSaver households are in the potentially weakest financial situation; they are the least likely to have up to 3 months worth of household income and the least likely to spend LESS than they earn.

If there was an emergency, could you access up to three months' worth of your household income?

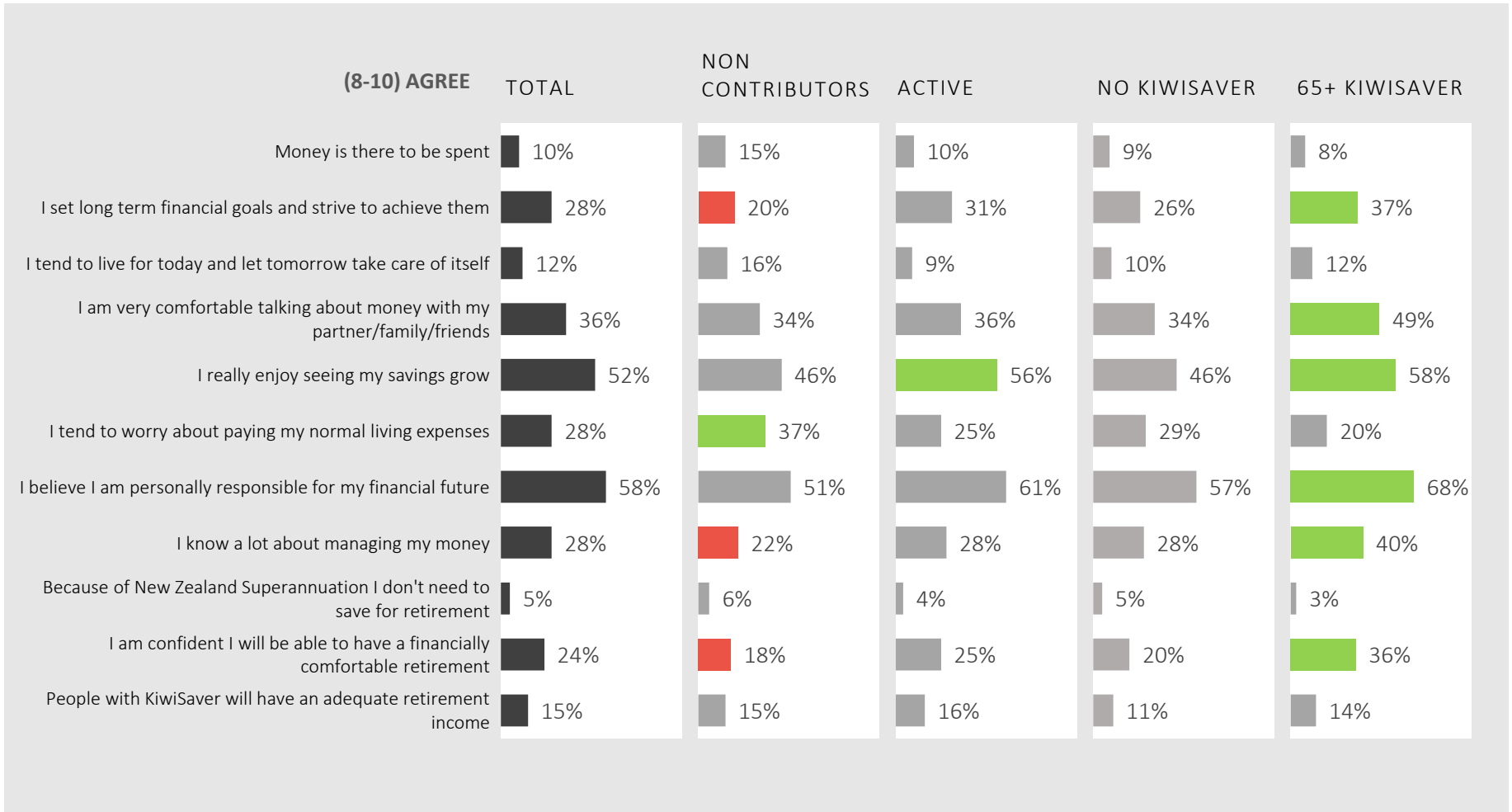


Thinking only about the last three months would you say you (and your partner) have you:



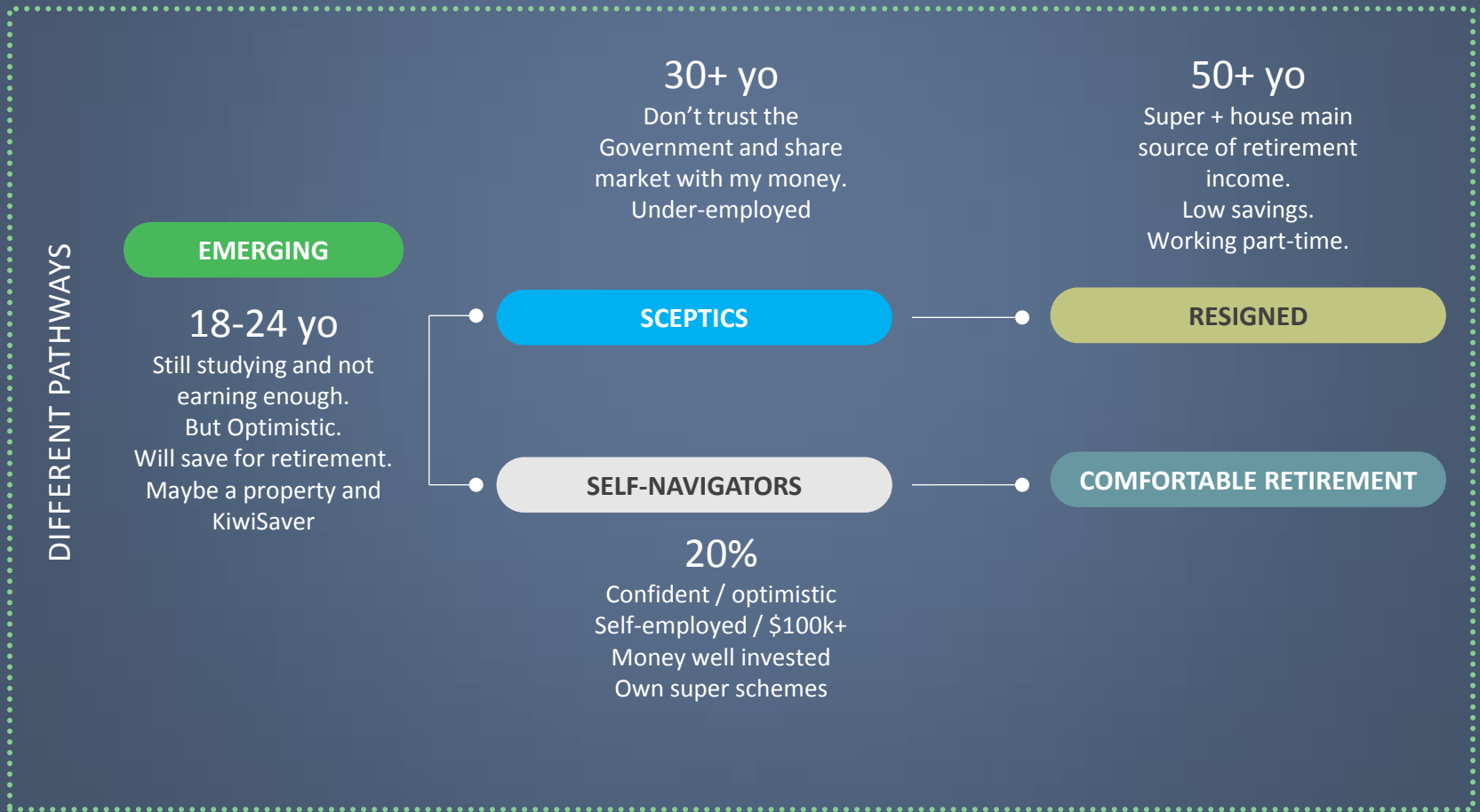
ATTITUDES TO MONEY |

Consistent with the previous slide Lapsed KiwiSavers are the LEAST likely to set long term financial goals, feel they know a lot about managing money or feel confident about their retirement position. And they are the most likely to worry about paying their normal living expenses.



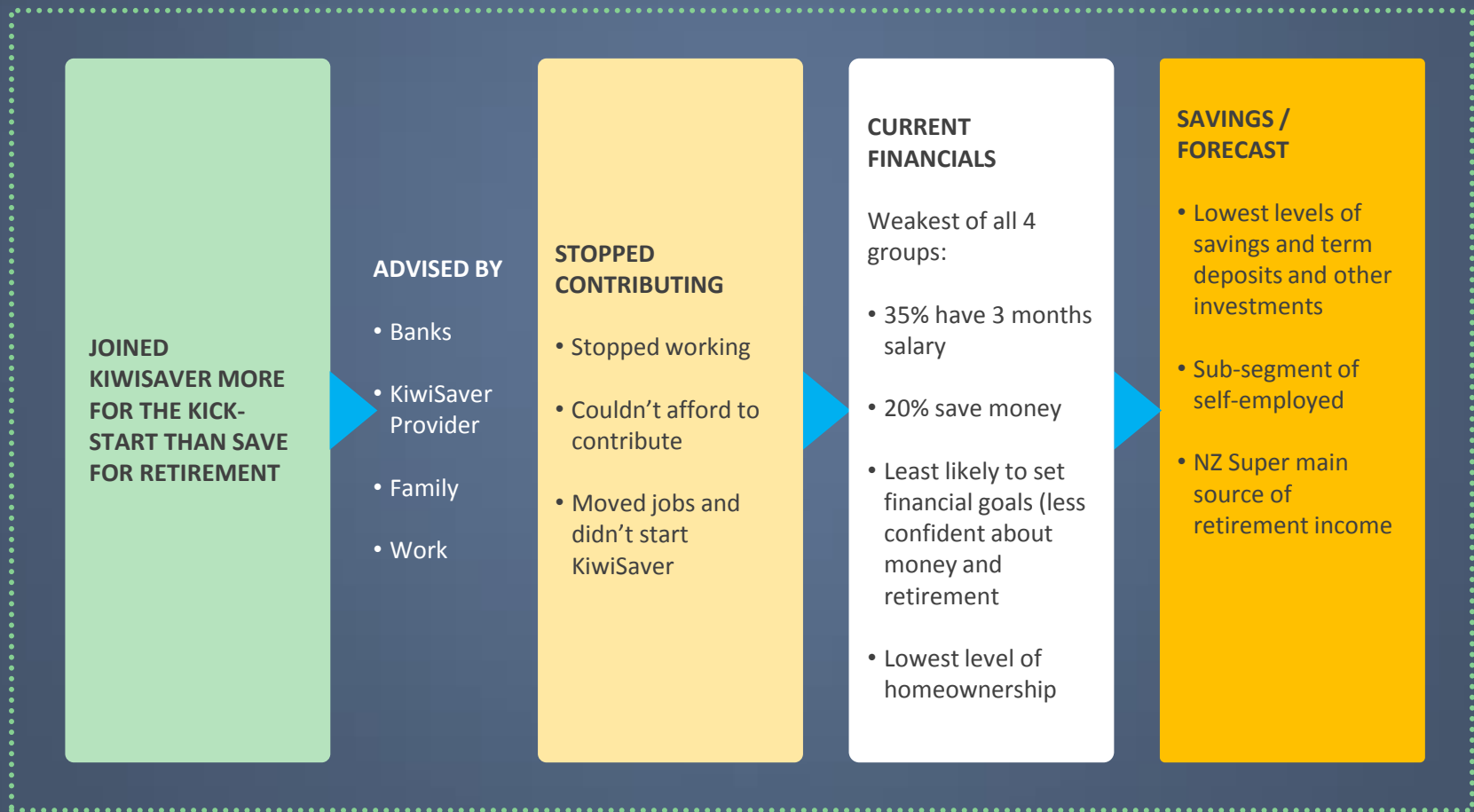
UNDERSTANDING NON-KIWISAVERS

- OVERVIEW:**
- More European, less Asian or Māori
 - More North Island Provincial
 - Less money in reserve and less likely to set financial goals
 - Sceptical



UNDERSTANDING THE LONGER TERM LAPSED CONTRIBUTORS

- OVERVIEW:**
- Slightly younger than ACTIVE contributors
 - Highest % of Māori (21%) and Pacifica (10%)
 - Lowest income earners of all groups, only 18% FT employed
 - 21% not employed, or stay at home parents (14%)

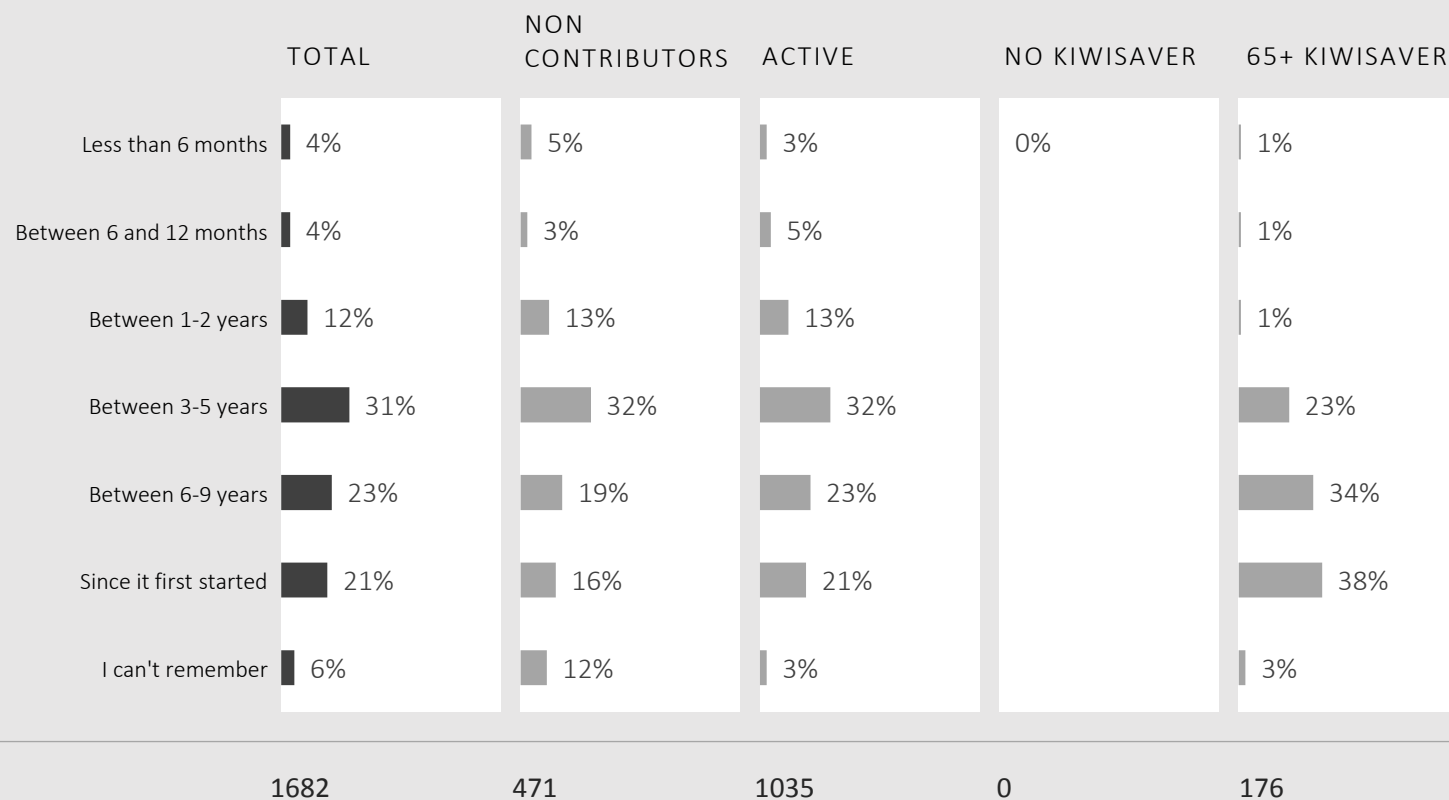




BASIC FACTS ABOUT KIWISAVER

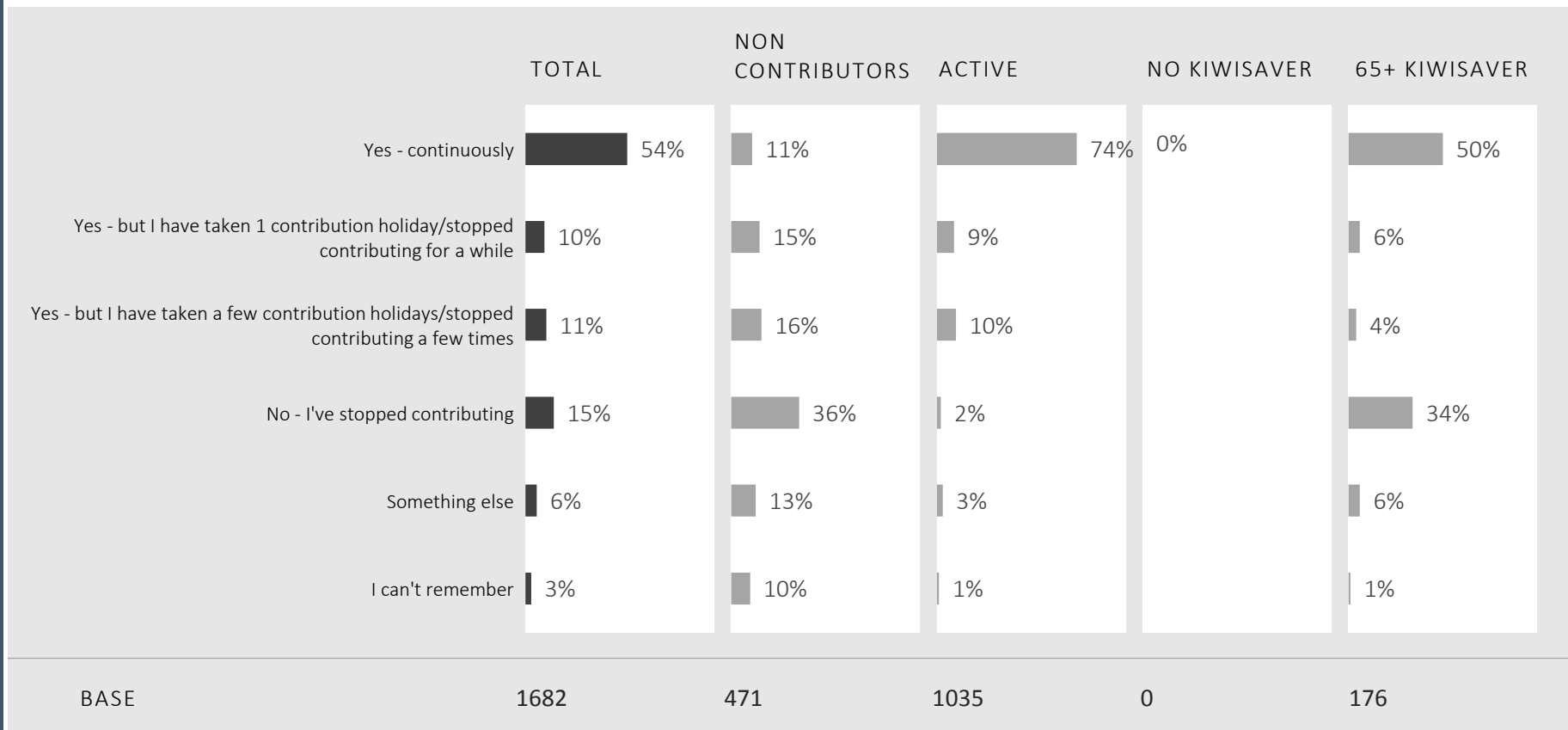
KIWISAVER BEHAVIOURS | How Long with KiwiSaver

Most have been with KiwiSaver at least 3 years



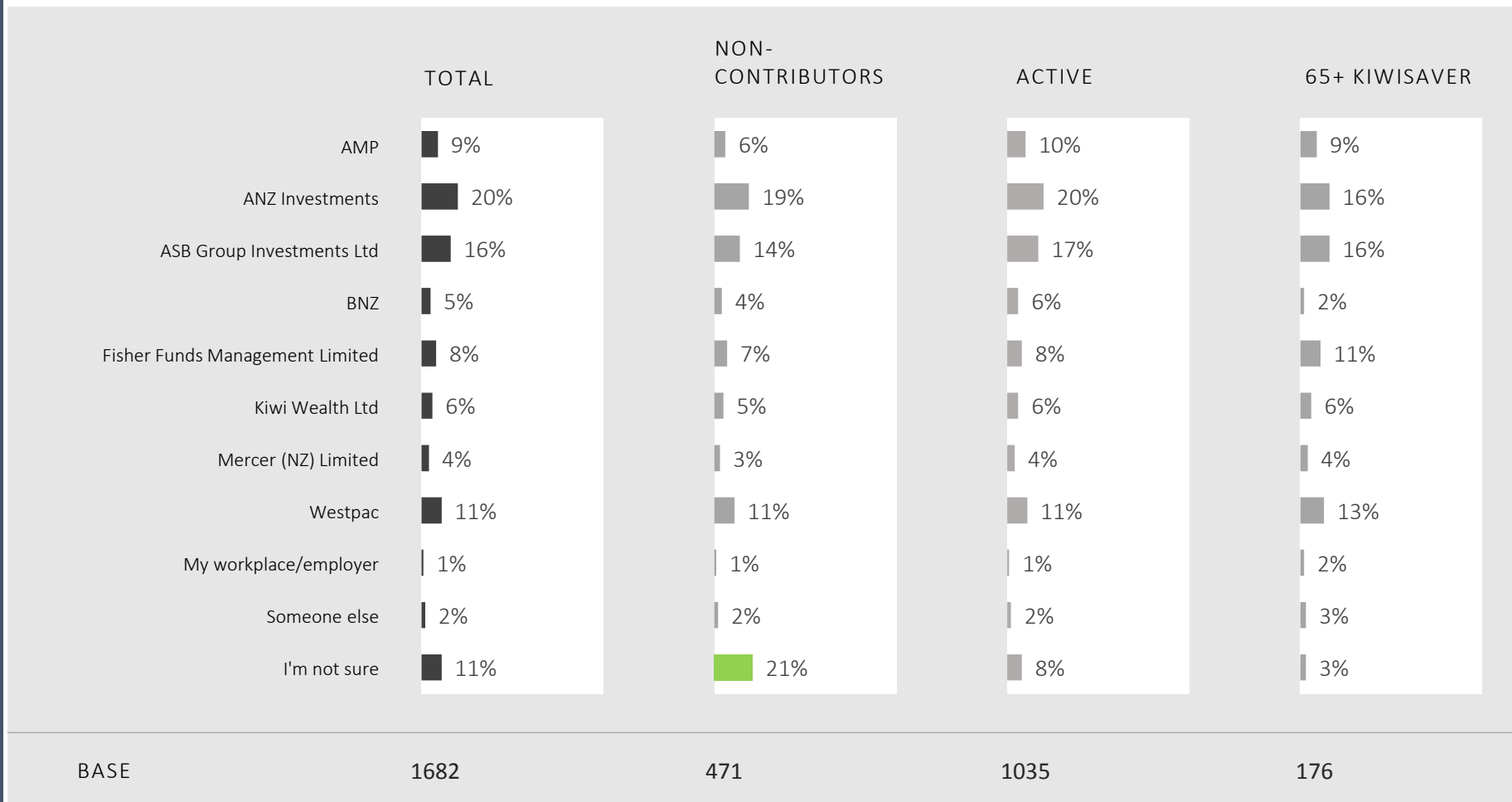
KIWISAVER BEHAVIOURS | Consistency of Contribution

The two main reasons why some people stopped contributing is because they stopped working (while still being of working age) or/and they couldn't afford to maintain contributions



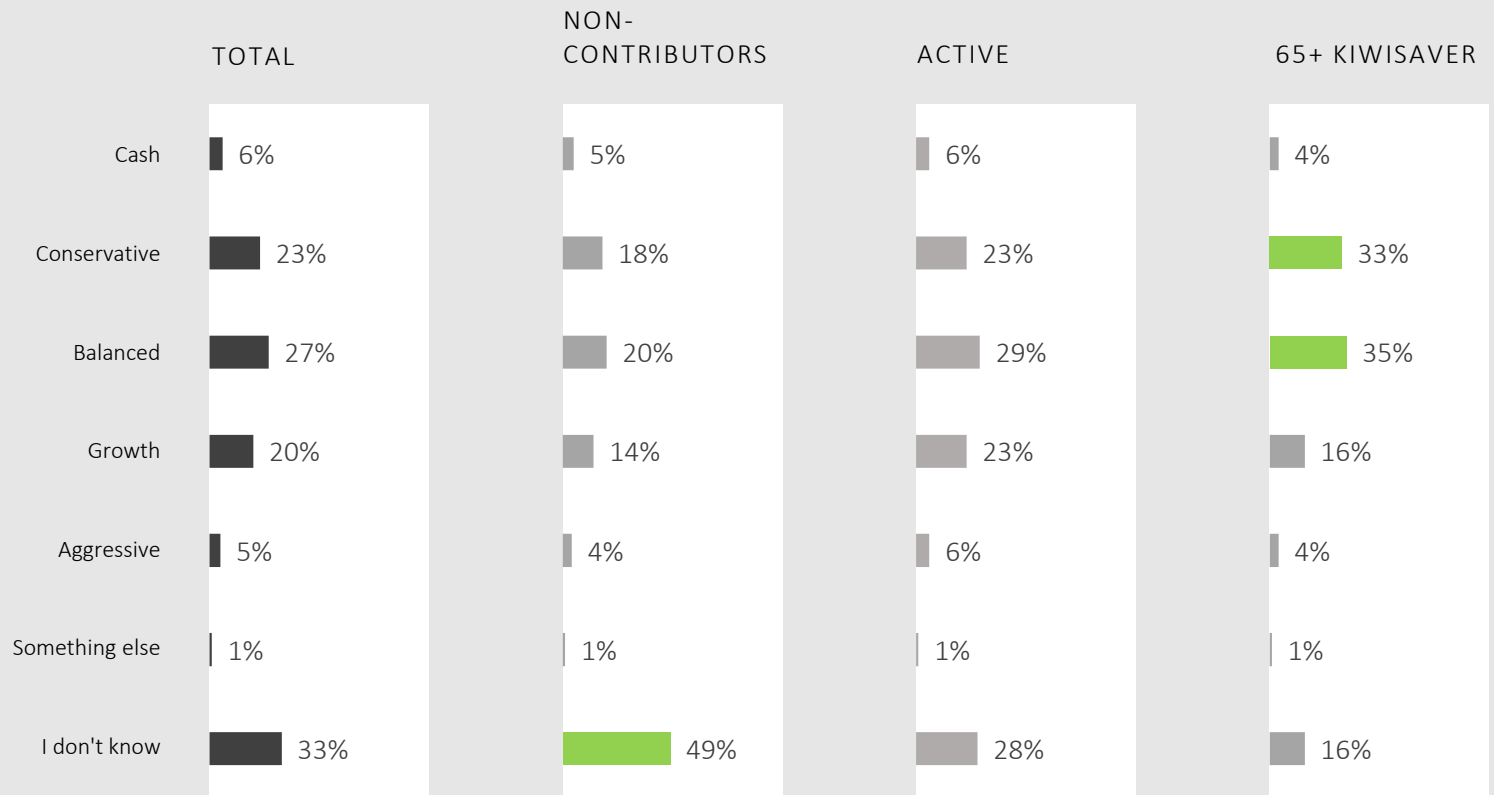
KIWISAVER BEHAVIOURS | Which KiwiSaver Provider?

Banks, particularly ANZ, are the main KiwiSaver providers. Fisher funds and AMP also feature.



KIWISAVER BEHAVIOURS | Which Fund and Why?

Not surprisingly the non – contributors are the most likely not to know what fund they are in. Compared to the active (52%) the over 65's are skewed towards (68%) the conservative and balanced fund types. This reflected their stated desire for the safest fund for their money.



BASE

1682

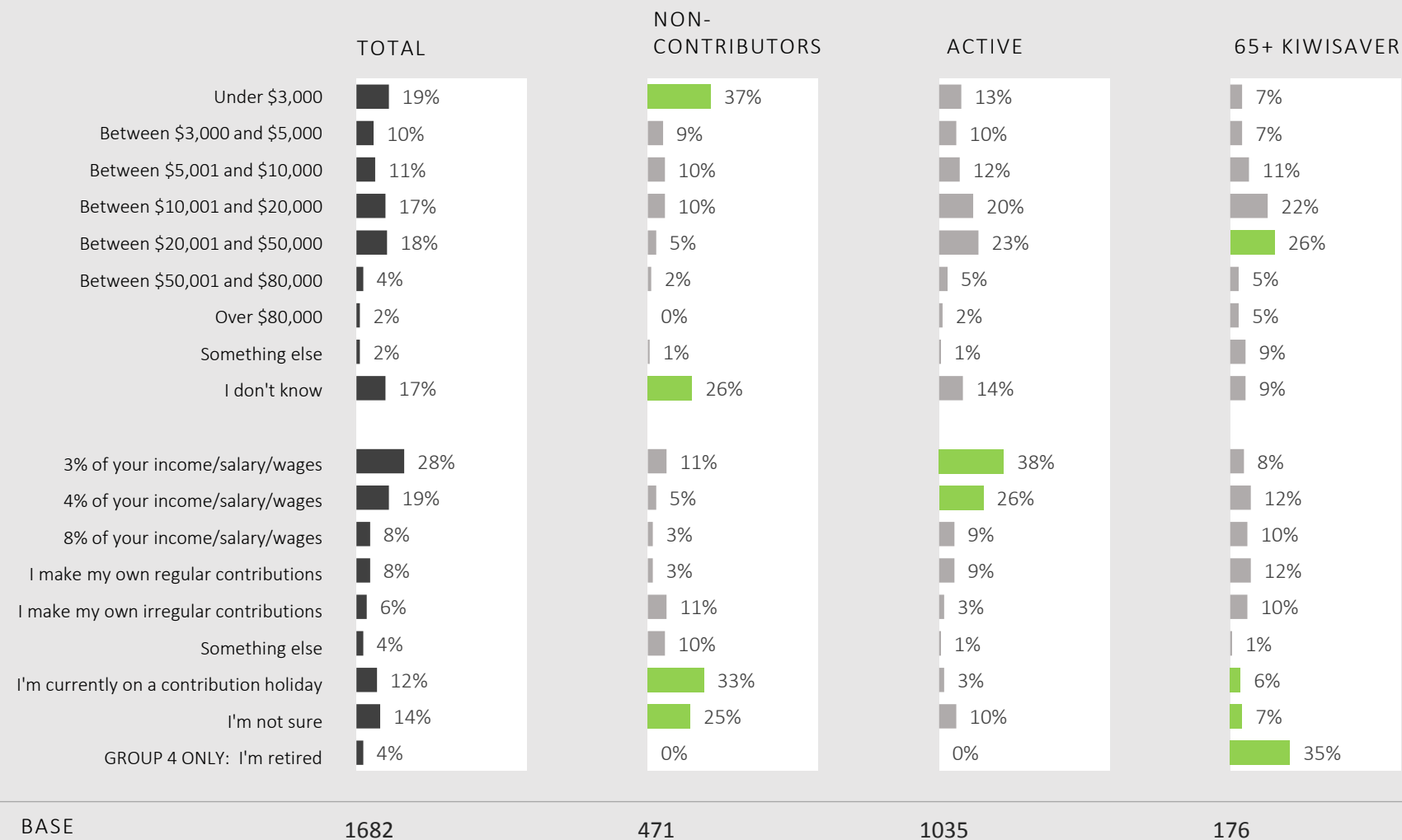
471

1035

176

KIWISAVER BEHAVIOURS | Value of KiwiSaver Funds

Predictably the lapsed or non contributors have the lowest level of savings and the over 65s the highest... Interestingly over 50% of the over 65s are still contributing to their KiwiSaver fund. Few (9%) current members are making the maximum contribution of 8%...most are on 3% or 4%.



BASE

1682

471

1035

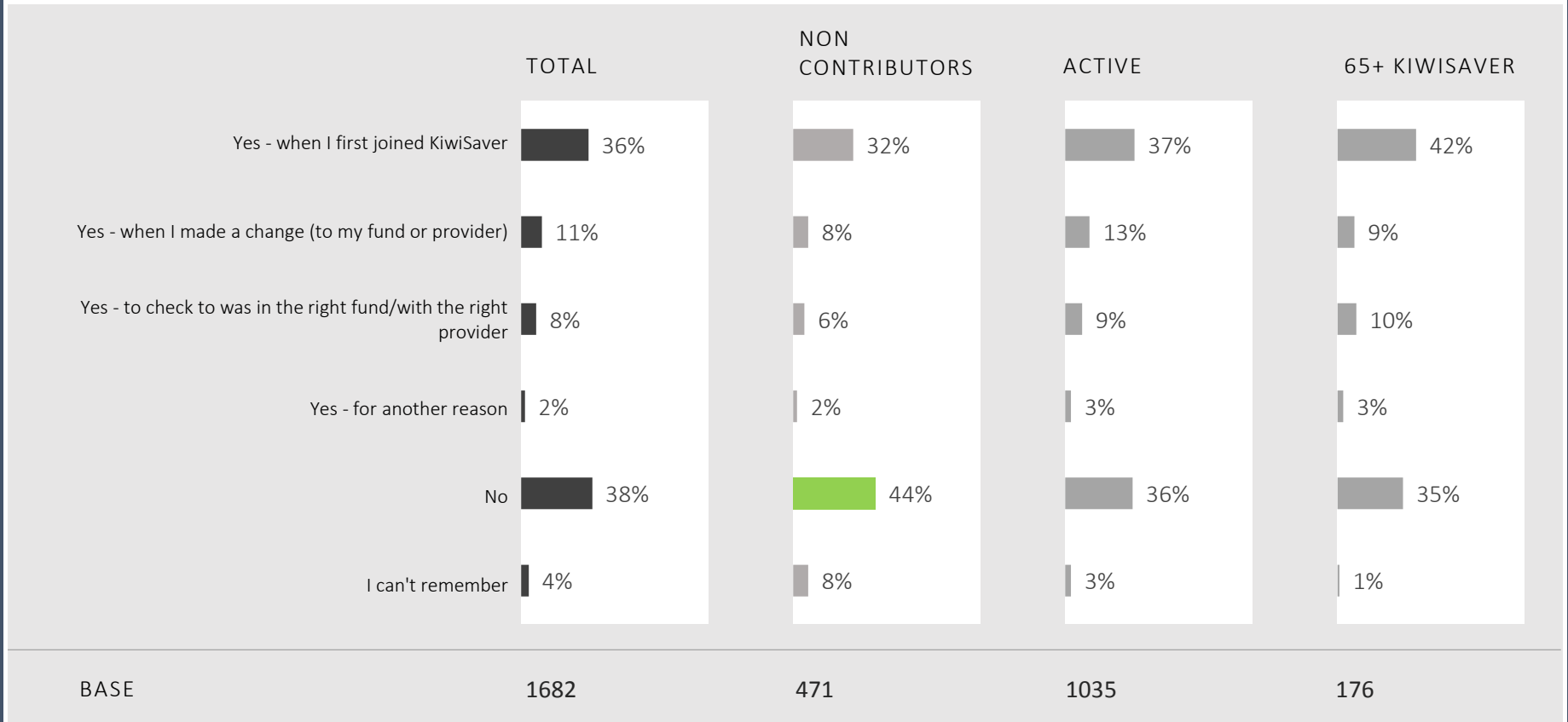
176



AWARENESS OF KIWISAVER BENEFITS AND SOURCES OF INFORMATION CONSULTED

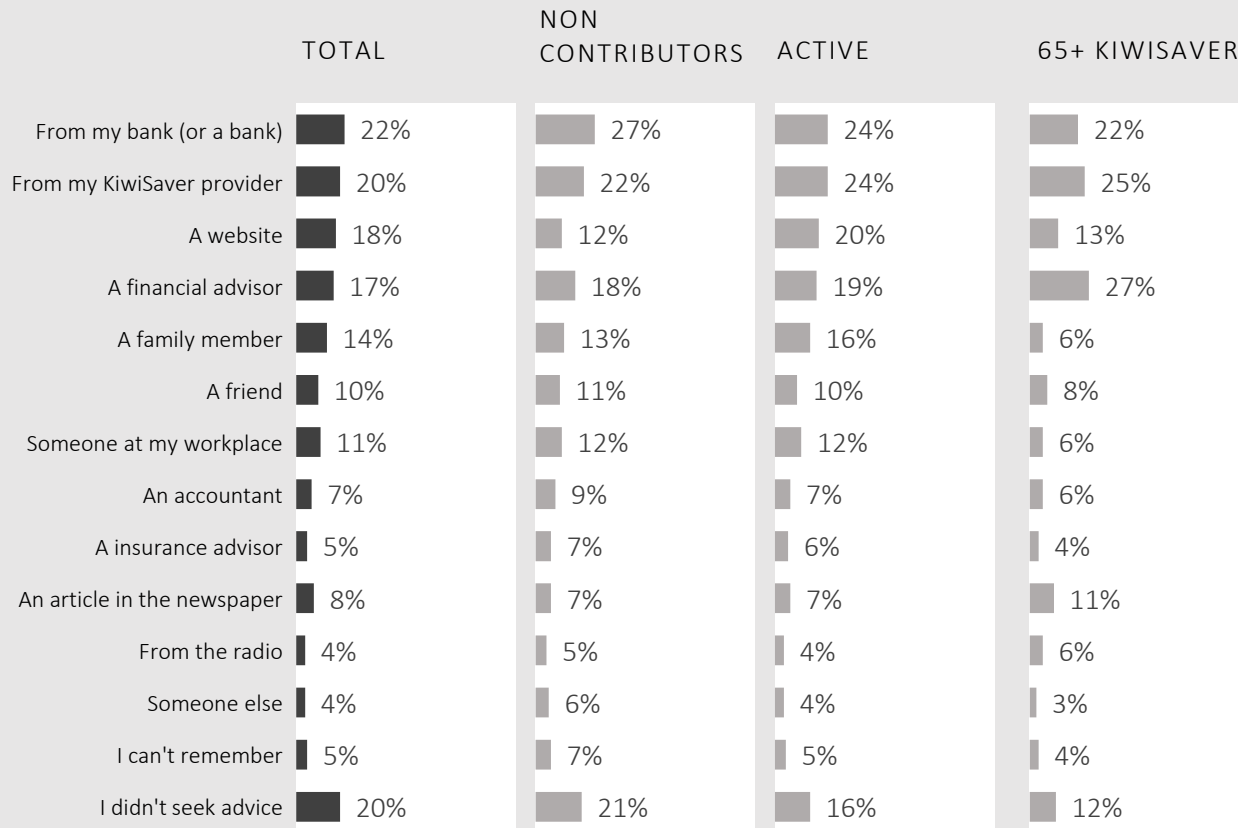
KIWISAVER BEHAVIOURS | Received Advice on KiwiSaver

The lapsed contributors were most likely to have **not** received any advice about KiwiSaver and the least likely to have visited any websites on KiwiSaver. Family, banks and KiwiSaver providers were the most likely source of advice.



KIWISAVER BEHAVIOURS | Who provided advice on KiwiSaver

Banks and or their specific KiwiSaver provider are the two main sources of advice on the scheme. The over-65's were most likely to have also received advice from financial advisors



BASE

1195

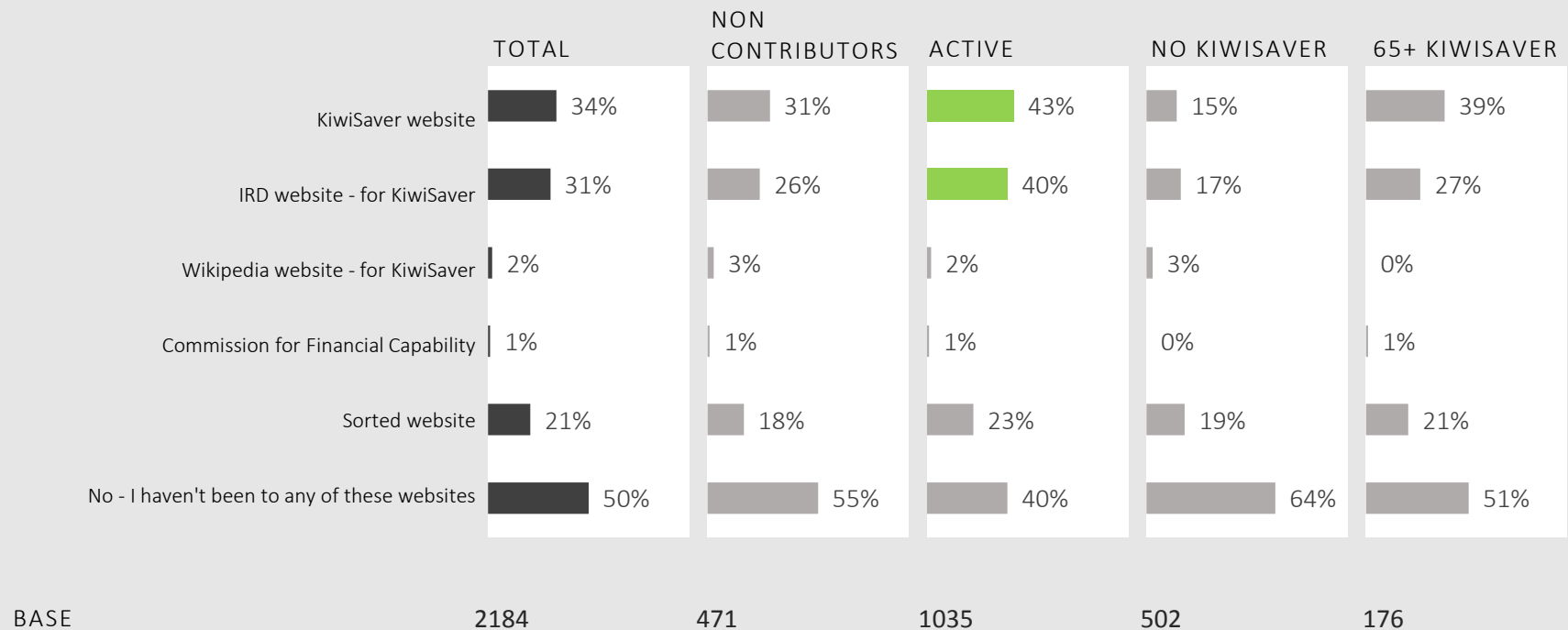
225

630

113

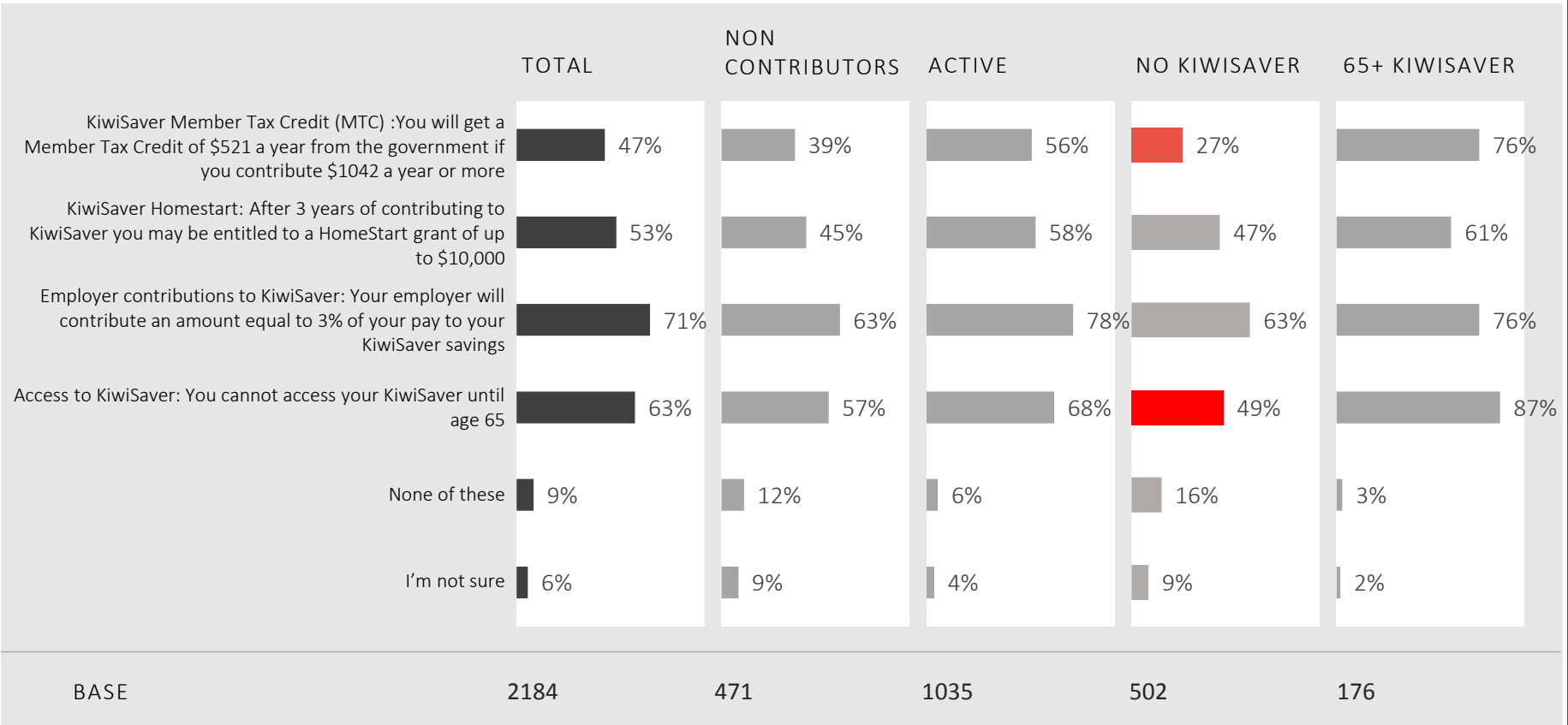
KIWISAVER BEHAVIOURS | Websites consulted

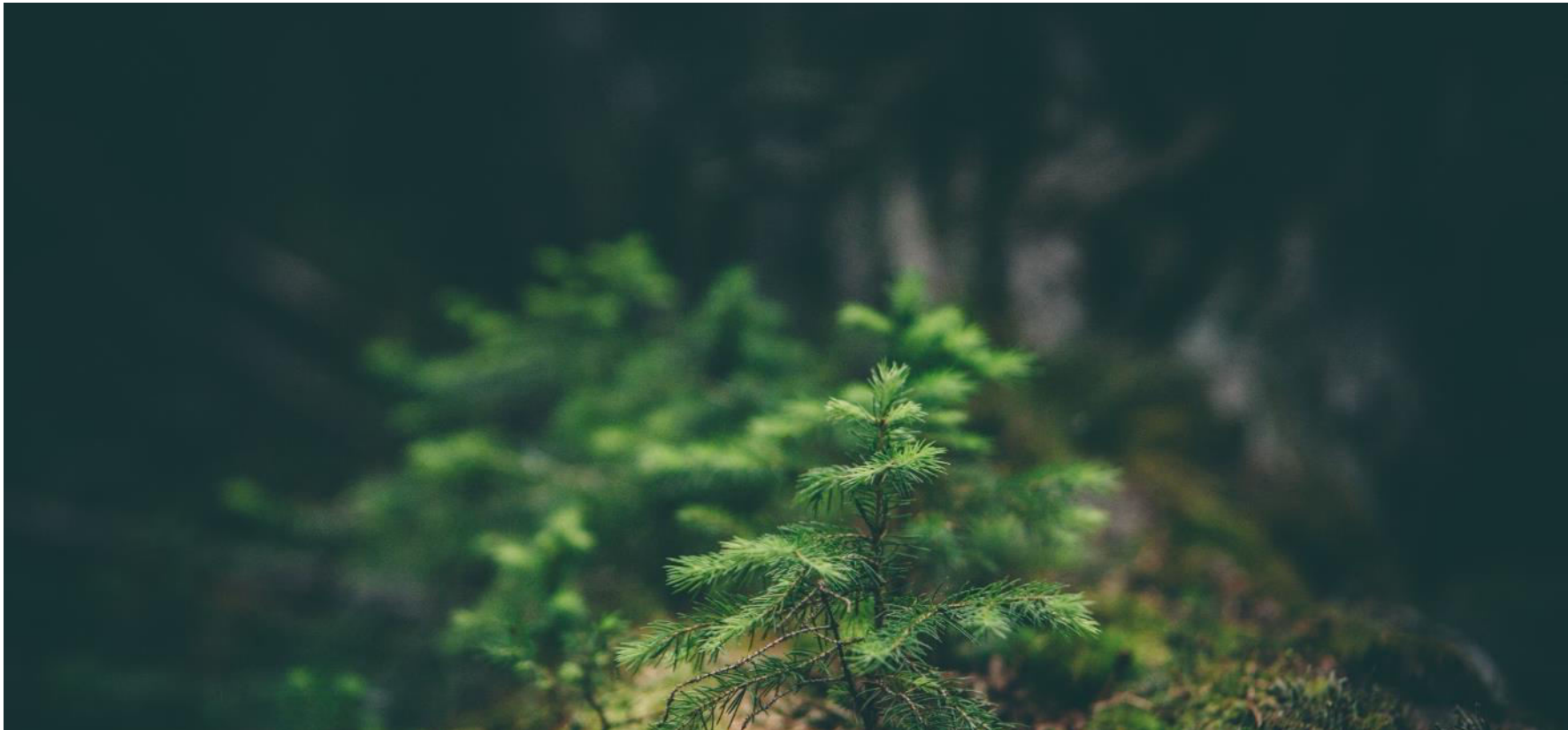
Not surprisingly the non KiwiSavers group and the lapsed contributors were most likely to have **not** to have gone to any websites. The Sorted website was visited by a fifth of the total sample.



KIWISAVER BEHAVIOURS | Awareness of KiwiSaver Benefits

Most people (91%) across the 4 segments were aware of at least ONE of the benefits of KiwiSaver....particularly employer contributions. But few people had a comprehensive knowledge of ALL 4 benefits. Awareness of these benefits typically increases with age

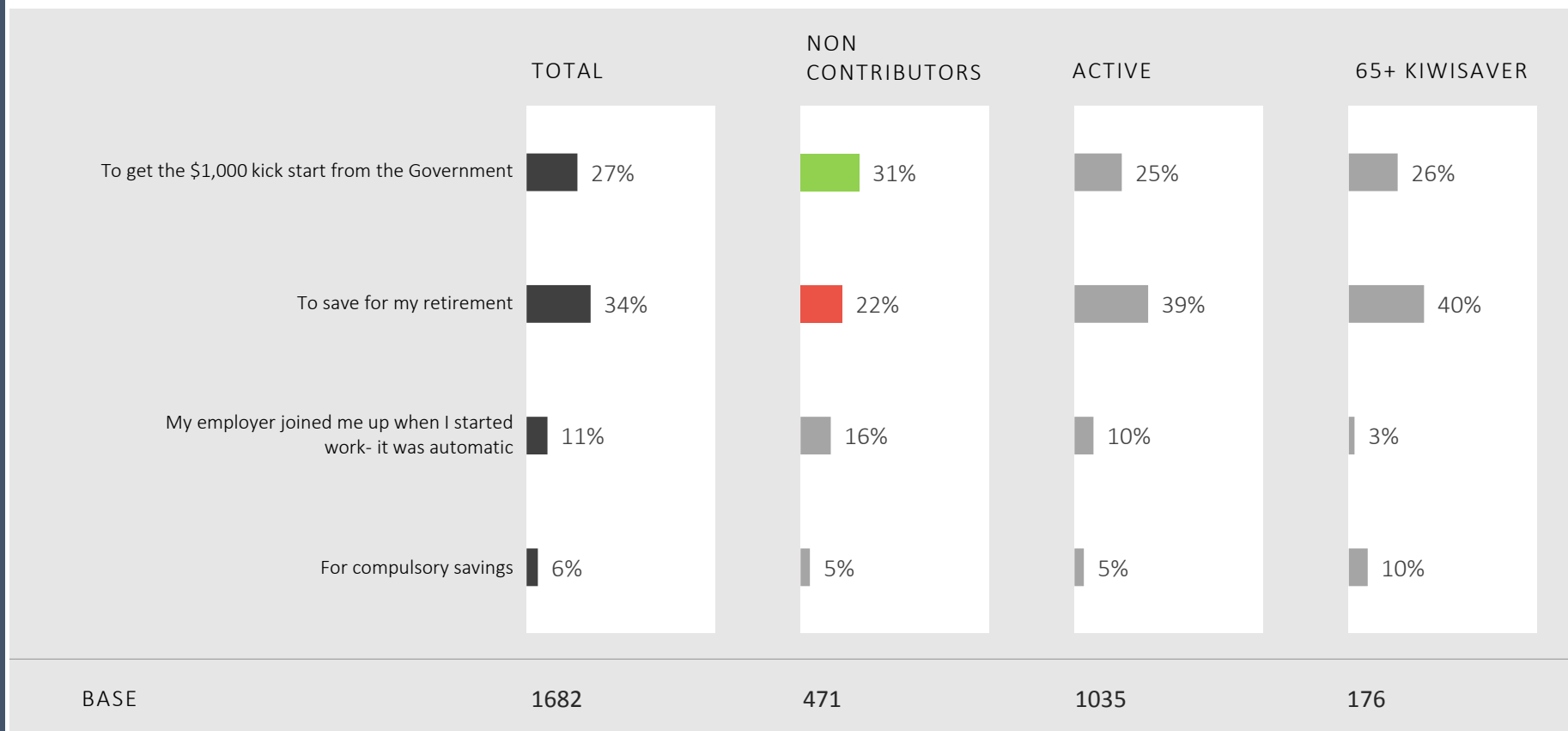




WHY DID PEOPLE JOIN KIWISAVER?

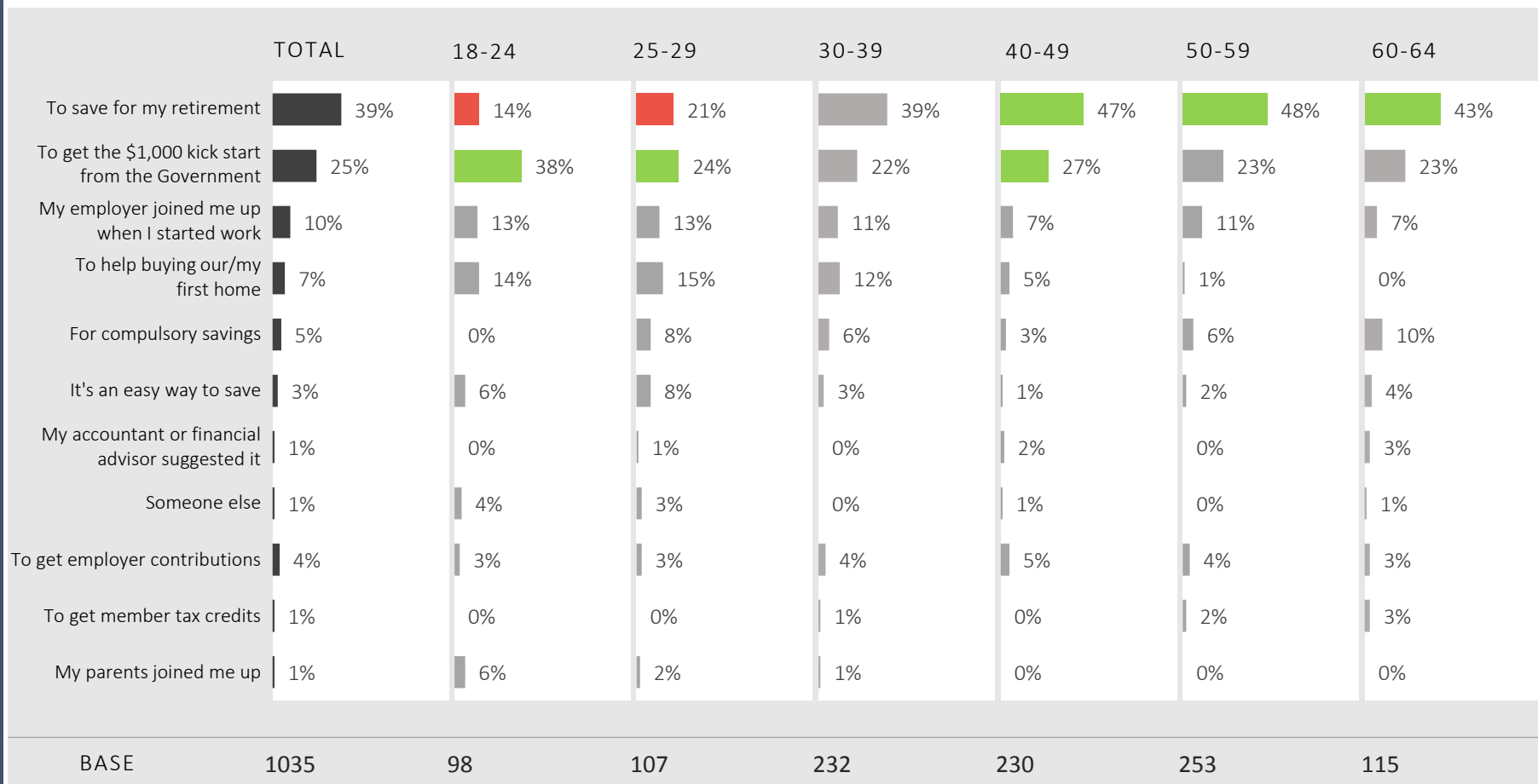
KIWISAVER BEHAVIOURS | Main Reasons for Joining KiwiSaver

The lapsed contributors were more driven by the \$1,000 kick start (31%) than the desire to save for their retirement (22%). The Active and the over 65 are more motivated by the longer term goal of saving for their retirement



KIWISAVER BEHAVIOURS | People's claimed motivation for Joining KiwiSaver varies significantly by age

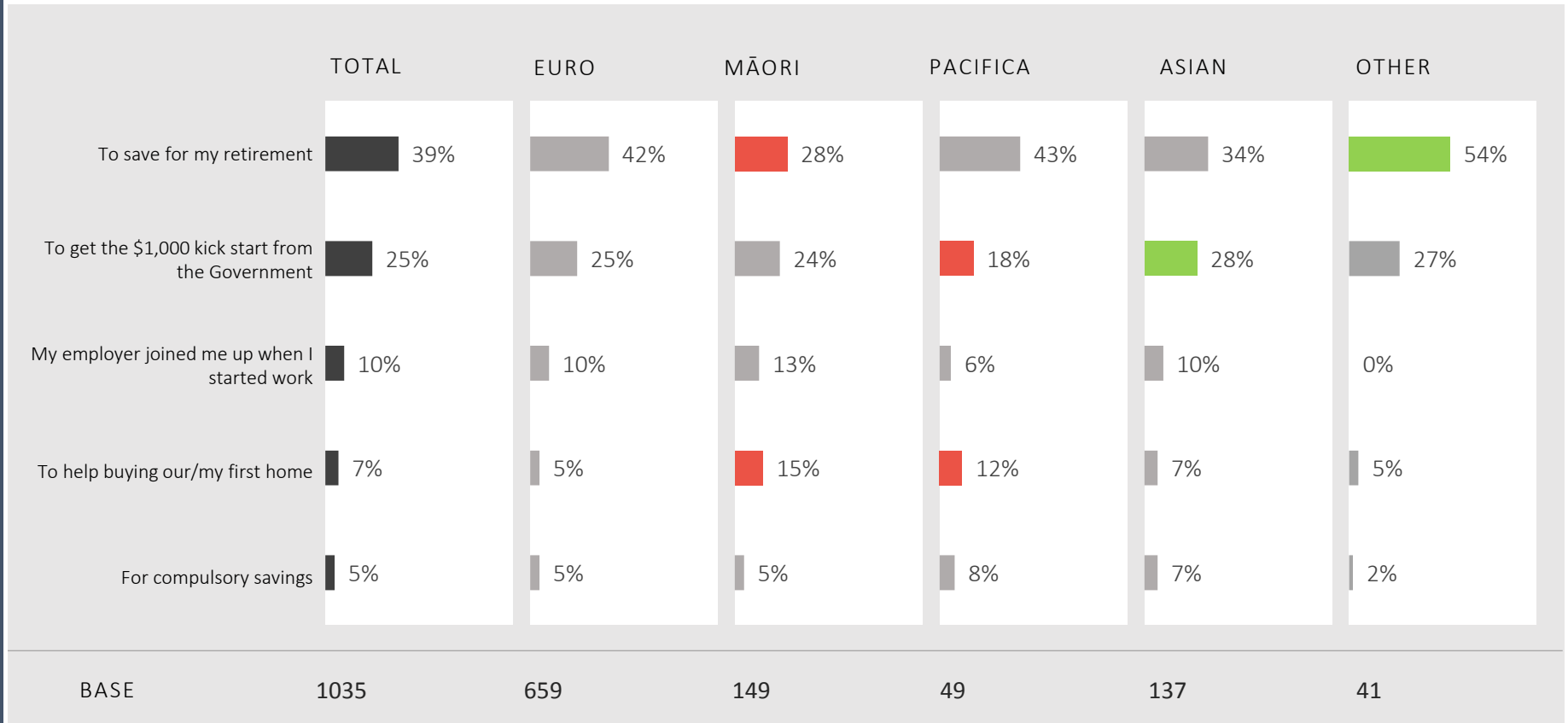
Younger people (18-24) were primarily attracted by the \$1,000 kickstart (38%). The “claimed” need to save for their retirement starts to develop in their late 20’s (21%) and then really takes off in their 30’s (39%) and 40’s (47%). Using KS as a means to save for their first home is strongest for the under 30’s...but it is typically a secondary or tertiary reason for joining the scheme in the first place. Parents appear to play a minor role.



KIWISAVER BEHAVIOURS | Joining KiwiSaver by Ethnicity

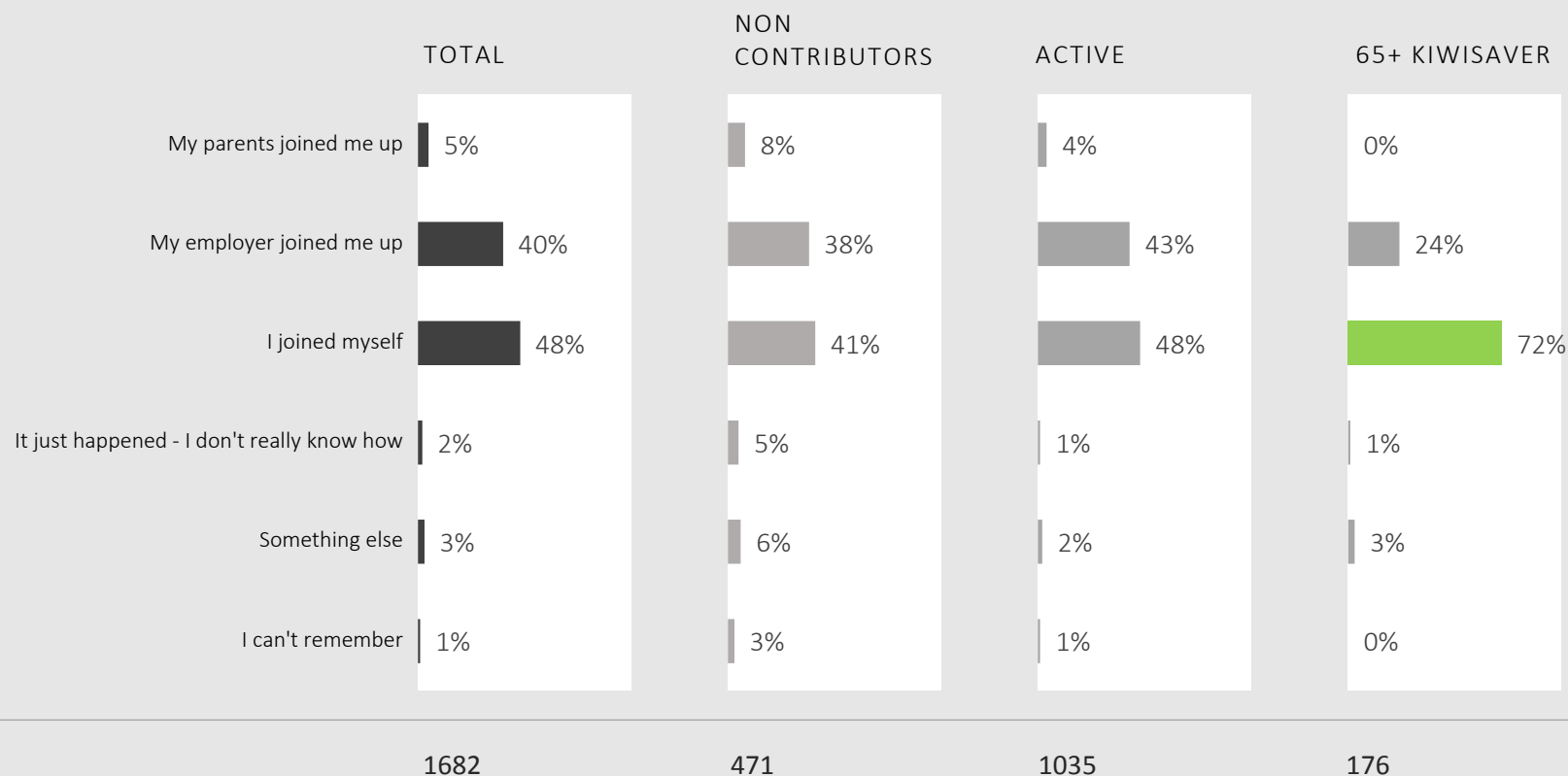
Saving for their retirement is the number one driver across all ethnicities... but

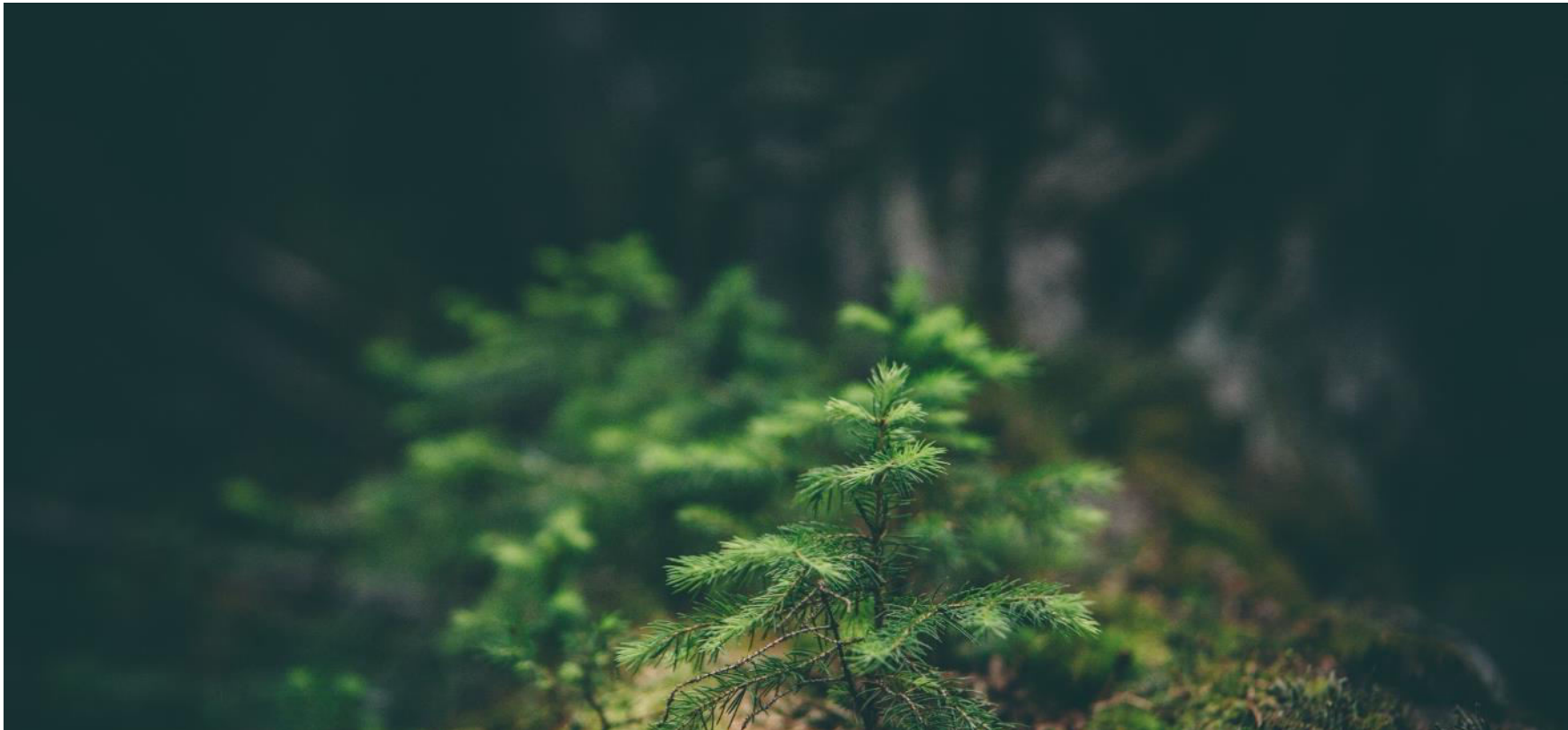
Relative to other groups Māori are least likely to get into KiwiSaver to save for their retirement and more likely to do help buy their first home, and Asian people are also strongly motivated to get the \$1,000 kickstart.



KIWISAVER BEHAVIOURS | How did People Join KiwiSaver

More people (particularly the over 65's) claim they have joined up themselves rather than via their employer...but both are vital channels for recruitment.





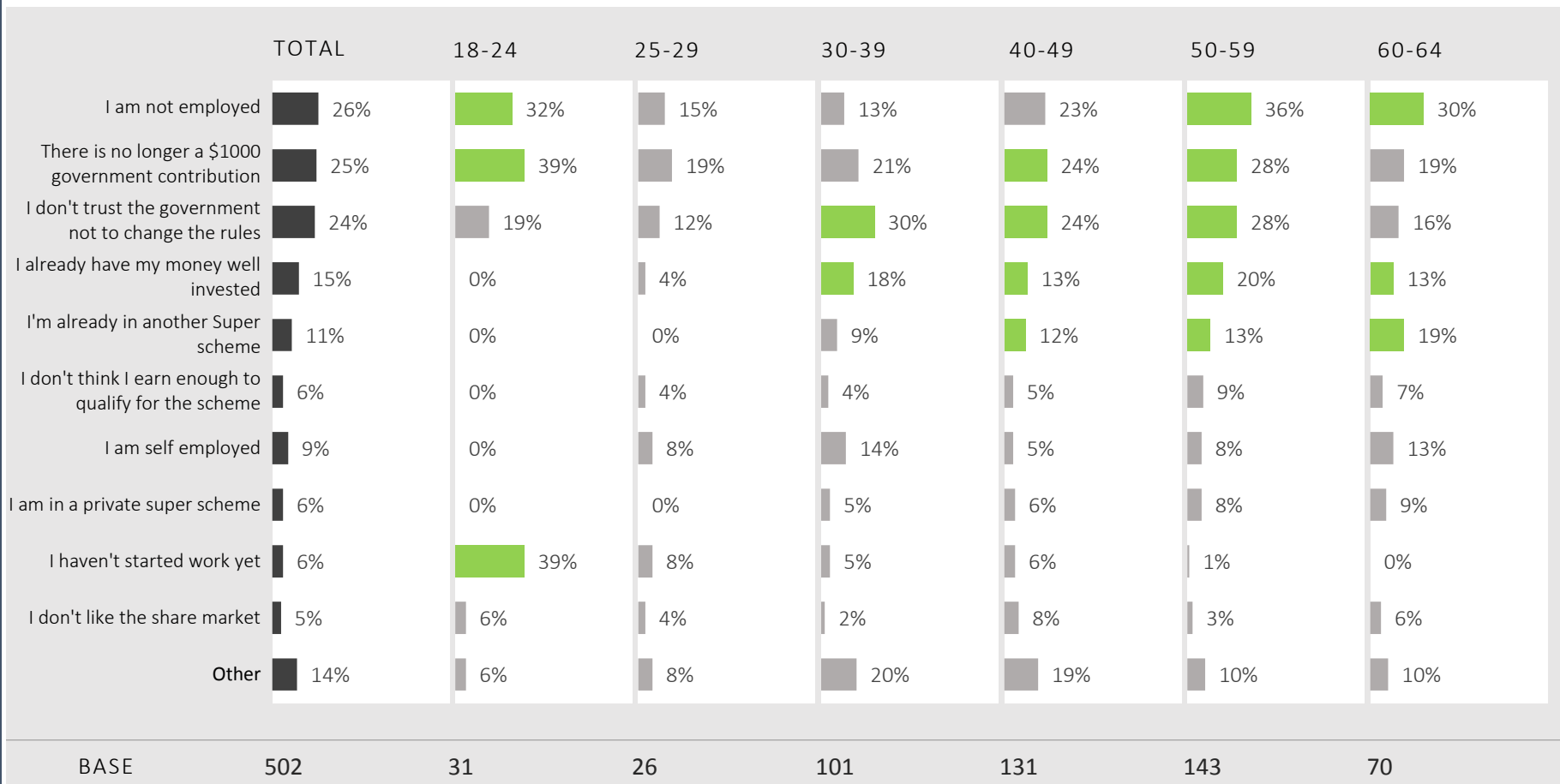
WHY NOT JOIN KIWISAVER?

Why Not Join KiwiSaver ?

- **Circumstance** 26% (still a student, unemployed ,stay at home parent),
- **Lack of incentive** 25% (no \$1,000 kick start) especially for 18-24 year olds and
- **Scepticism** (24%) about the Government changing the KiwiSaver rules (30-50's) are the three main reasons why some NZers have not yet joined KiwiSaver...
- **The high % of unemployed in their 50's and 60's is a big cause for concern particularly for those who live in provincial centres with few jobs available.**
- Only a minority (15%/11%) felt that they had better alternatives already in place.

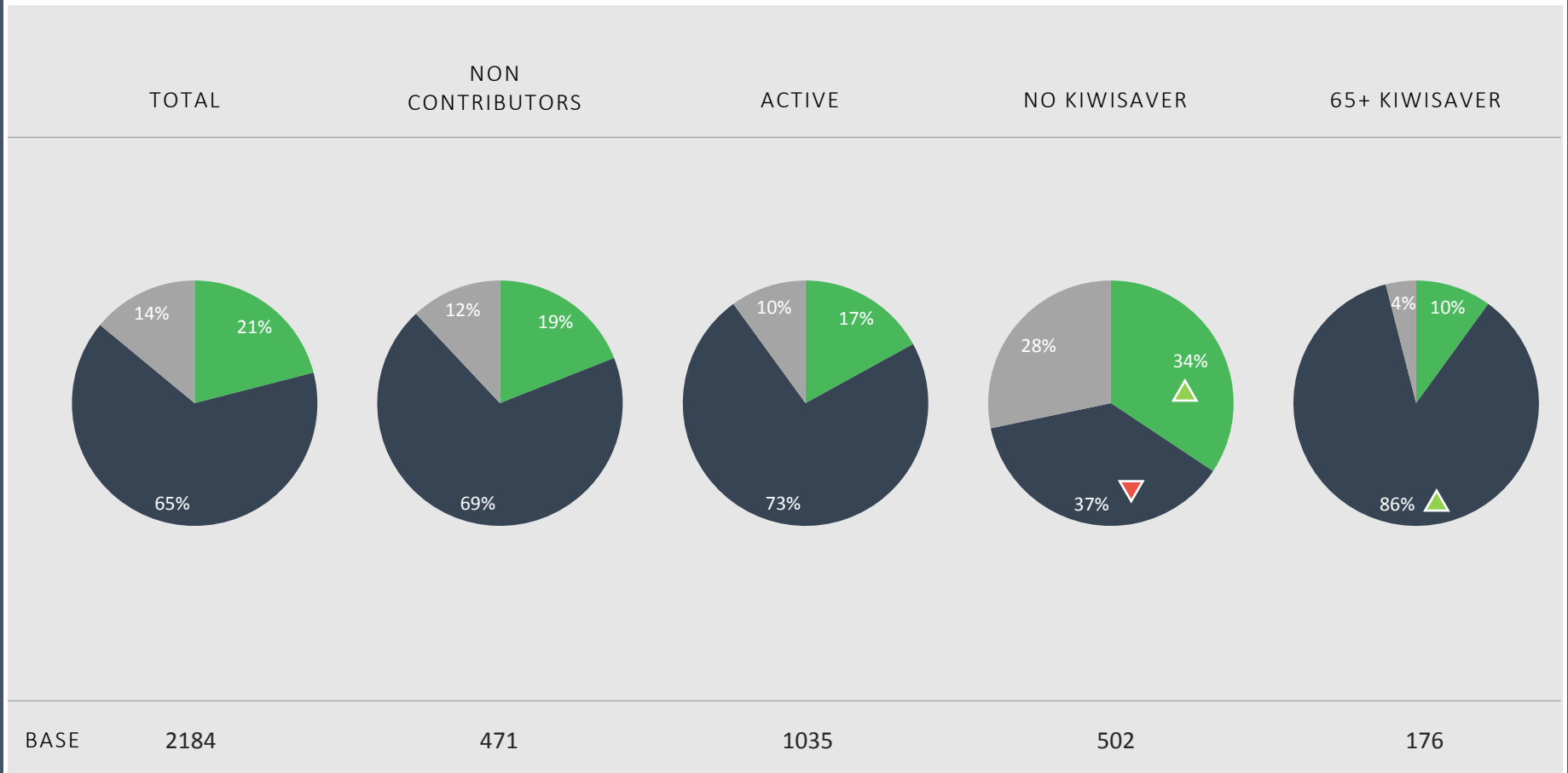
Main Reasons for not yet Applying for KiwiSaver

Circumstance 26% (still a student, unemployed, stay at home parent), **lack of incentive** 25% (no \$1,000 kick start) especially for 18-24 year olds and **scepticism** (24%) about the Government changing the KiwiSaver rules (30-50's) are the three main reasons why some NZers have not yet joined KiwiSaver. Only a minority (15%/11%) felt that they had better investment alternatives already in place or were in another super scheme. The high % of unemployed in their 50's and 60's is a big cause for concern particularly for those who live in provincial centres with few jobs available.



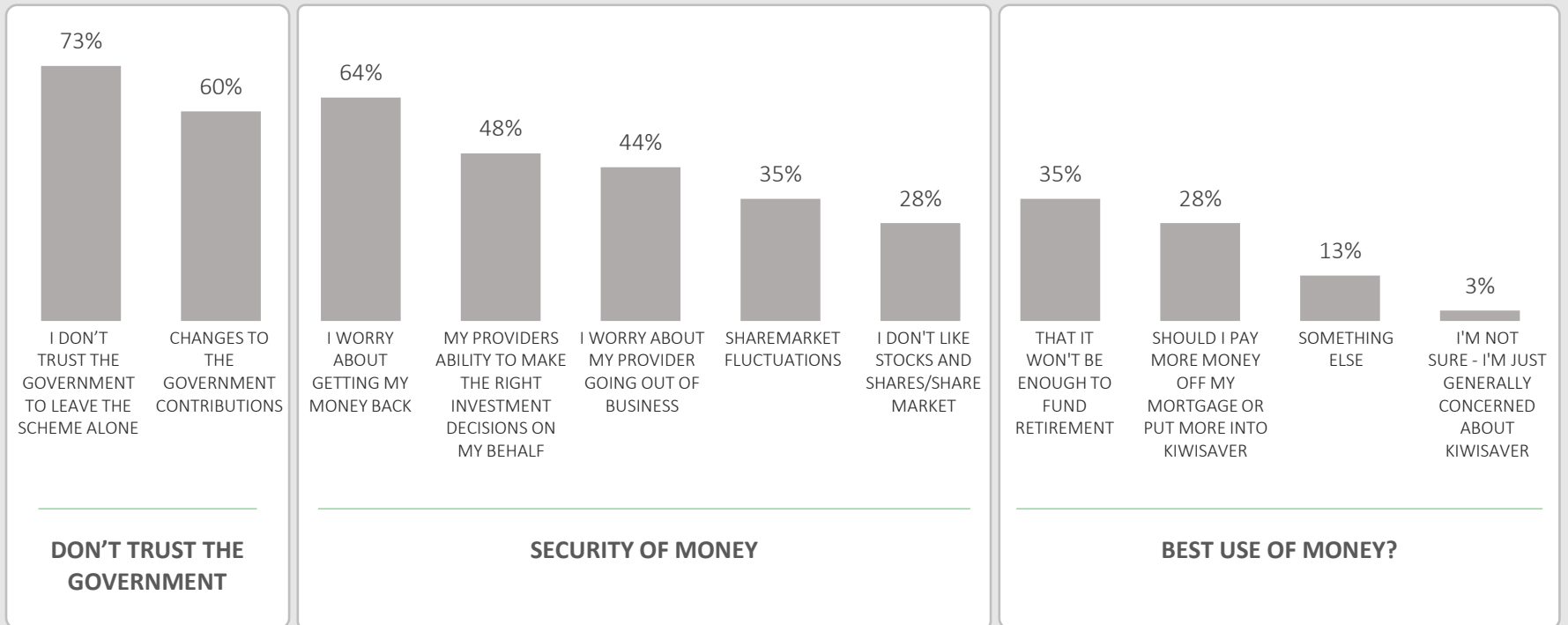
Concerns about KiwiSaver

More than 8/10 of the over 65's still on KiwiSaver have no concerns about KiwiSaver, more than twice the level of certainty than those not on KiwiSaver. Concerns typically relate to the role of Government and the hope that their provider are making the right decisions on their behalf.

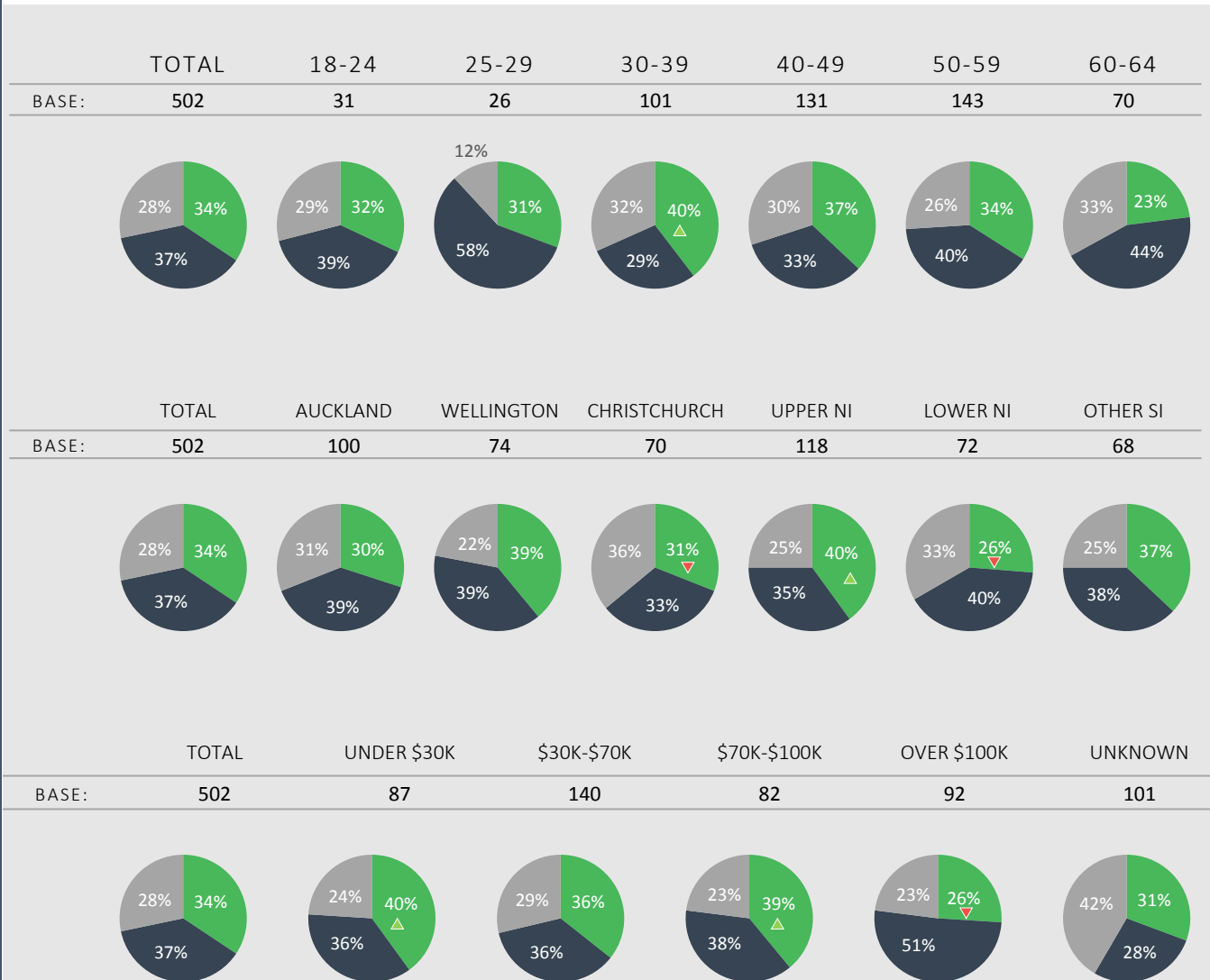


- YES
- NO
- I'M NOT SURE

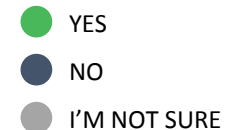
Specific Concerns About KiwiSaver are Similar to Their Reasons for not Taking up KiwiSaver in the First Place... Lack of trust in the Government, concern about the security of money.



Who has Concerns about KiwiSaver Amongst Non-KiwiSavers ?

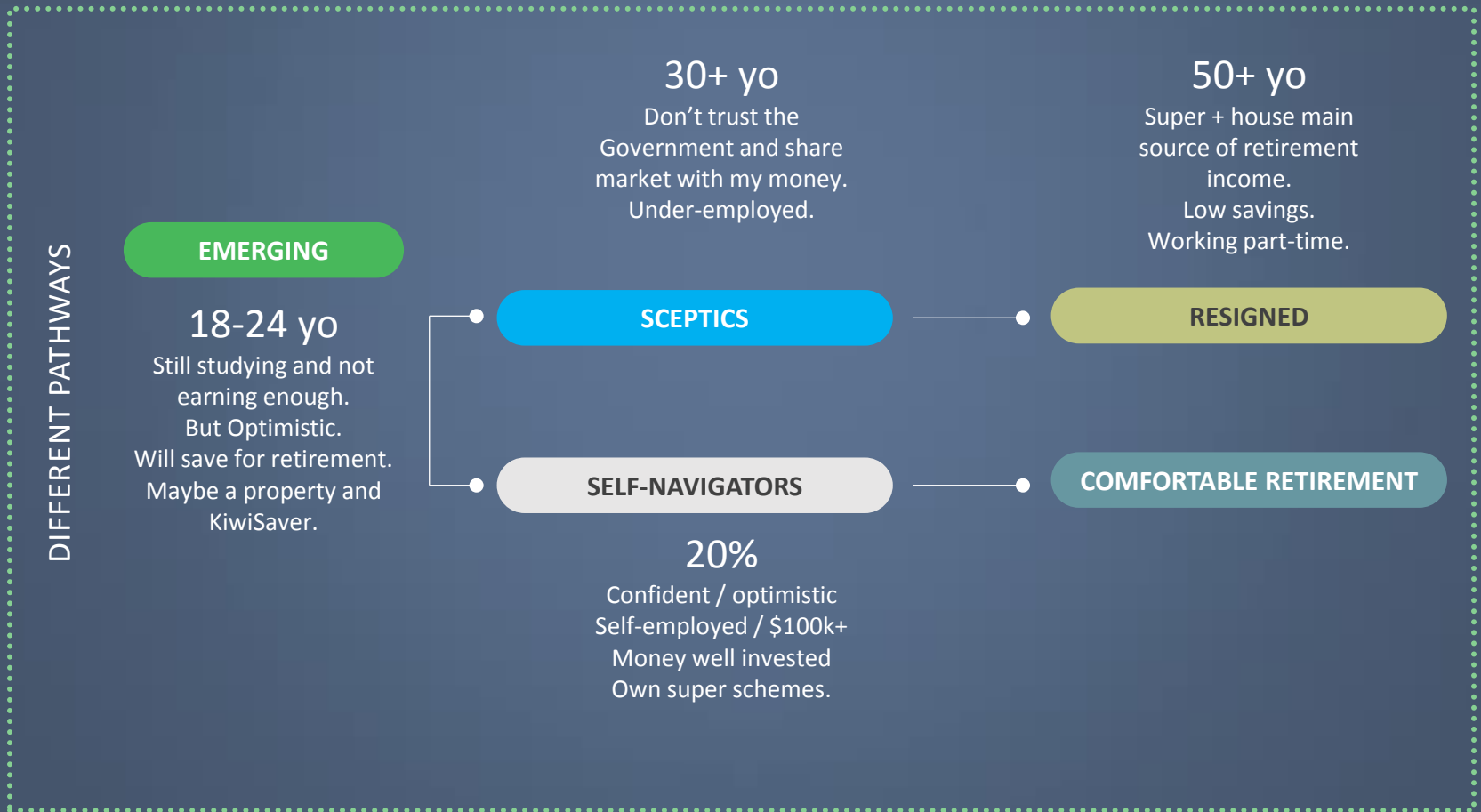


Those who have never joined KiwiSaver and have specific concerns about the scheme are more likely to be aged 30- 40's, living in Upper NI provincial areas and earning either less than \$30k or between \$70 to \$100k. Those earning more than \$100k, aged over 60 and living in Auckland or Lower NI provincial had the fewest concerns about KiwiSaver.



UNDERSTANDING NON-KIWISAVERS

- OVERVIEW:**
- More European, less Asian or Māori
 - More North Island Provincial
 - Less Money in reserve and less likely to set financial goals
 - Sceptical

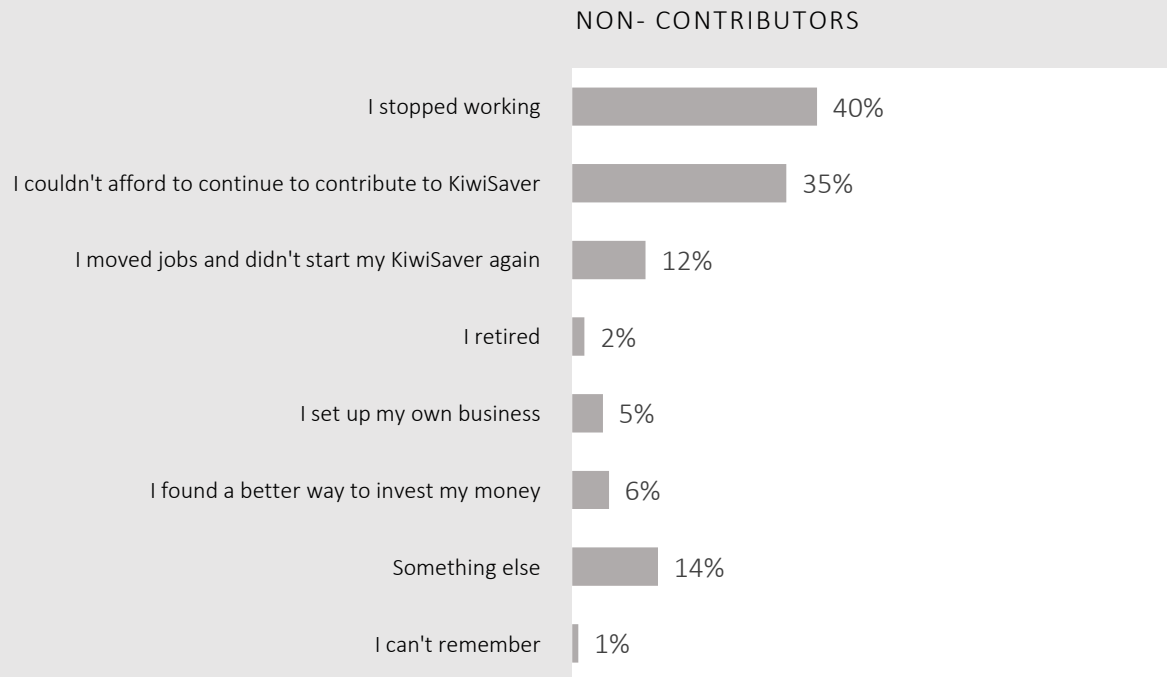




WHY STOP CONTRIBUTING TO KIWISAVER?

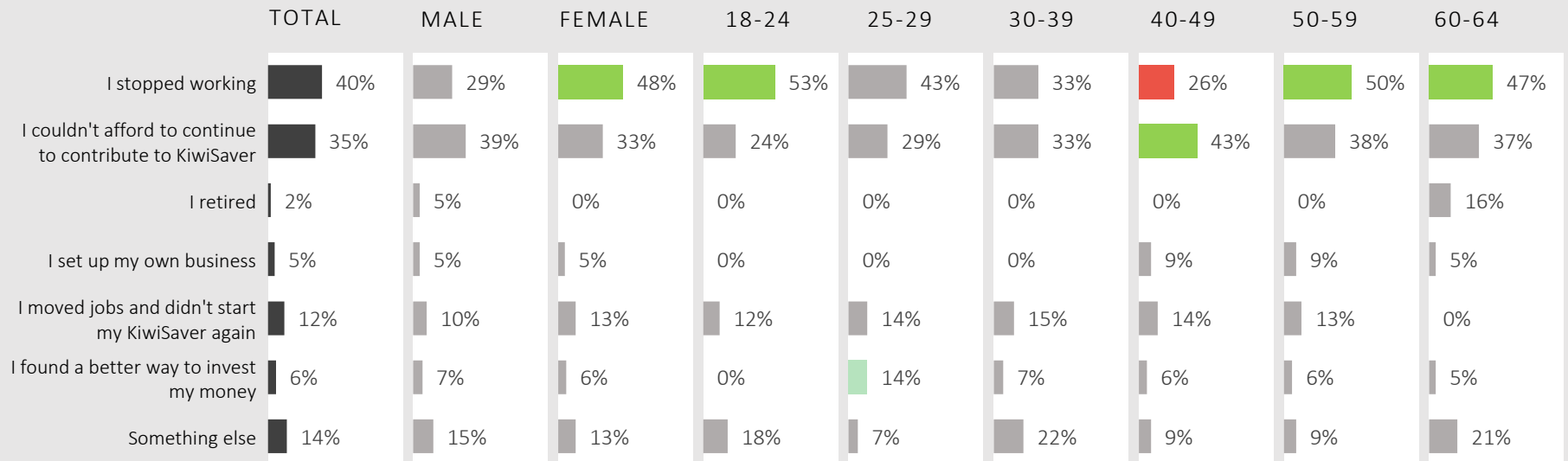
Why are you currently not contributing to KiwiSaver?

These people stopped contributing to KiwiSaver mainly out of circumstance : they stopped working altogether (before 65) or became a stay at home parent, or couldn't afford to maintain the payments while in employment, or shifted jobs and didn't re-engage KiwiSaver. A minority came up with a better way of investing their money or set up their own business.



Reasons for Stopping Contributions

For females it was because they stopped working. This was also the main reason given by the 18-24's and the over 50's. Not being able to afford KiwiSaver was highest for those in their 40's. Finding a better way to invest money was strongest amongst the 25-29's.

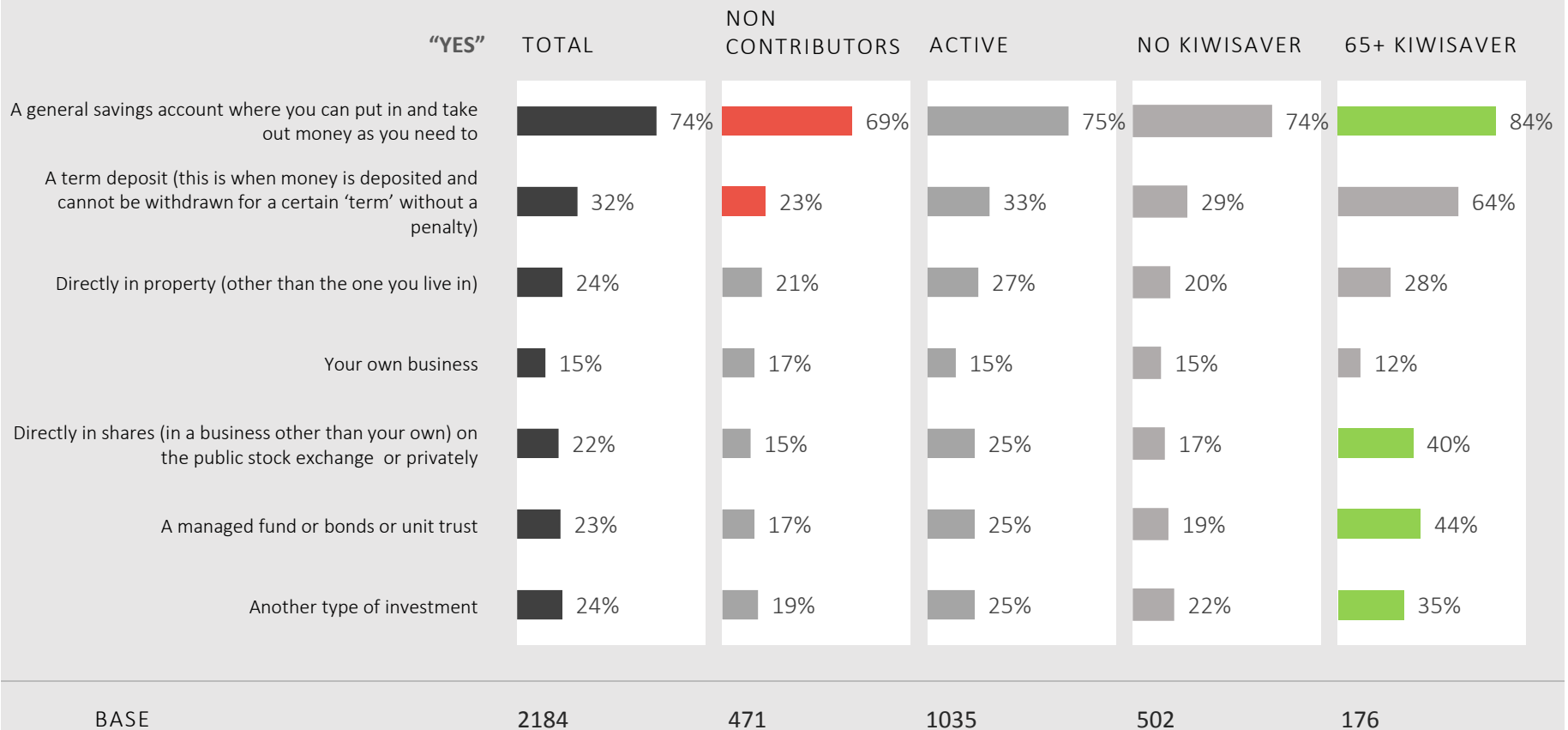




IF THEY DON'T HAVE KIWISAVER WHAT
ARE THEIR OTHER FORMS OF INCOME ?

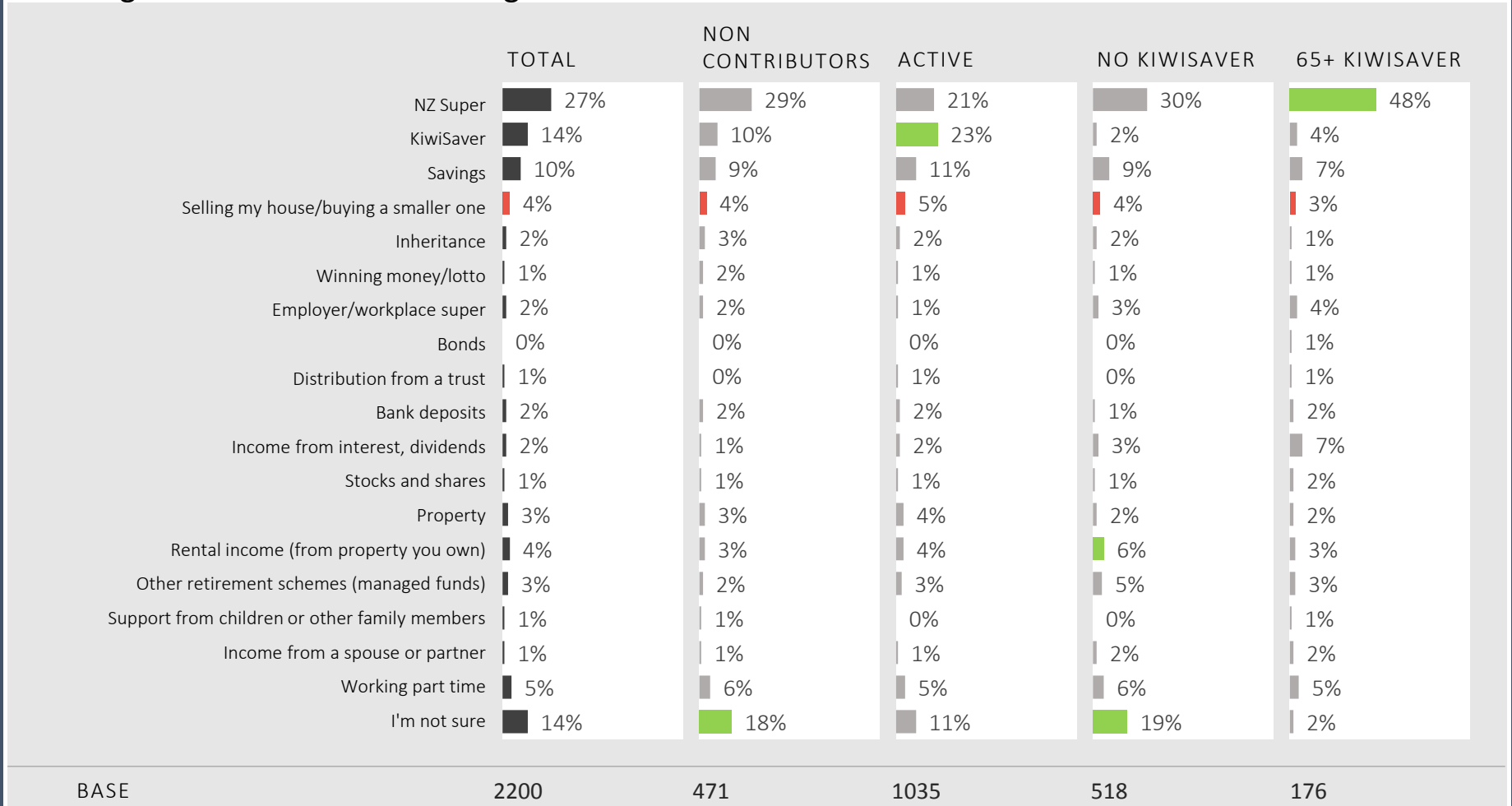
KIWISAVER BEHAVIOURS | **Current** forms of saving and investing money

The over 65s still in KiwiSaver appear to have the greatest and most diverse savings instruments including shares and term deposits and managed funds. Non or lapsed KiwiSavers are comparatively less geared up for saving and investing their money. The absence of KiwiSaver is not compensated by any other alternatives forms of savings or investments.



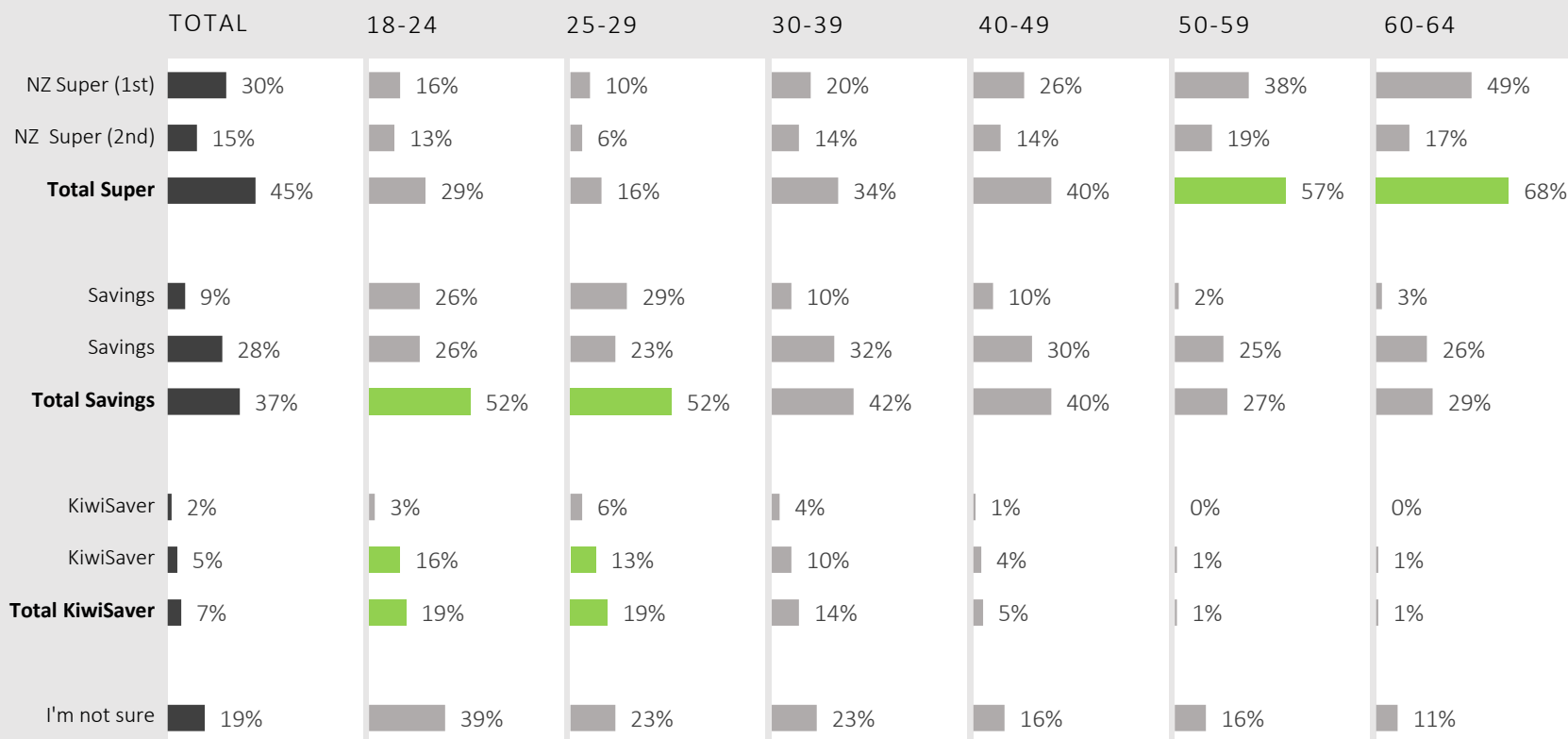
KIWISAVER BEHAVIOURS | Main Sources of Retirement Income

Active KiwiSavers are most likely to see KiwiSaver as their main source of retirement income, and they will have more time to save through KS than those who have already retired. The over 65's see the Super as their MAIN source (but NOT their SOLE source). Surprisingly few from any of the 4 segments mention downsizing their house as their main source of retirement income.



No KiwiSaver Members – Retirement Income Combined sources of income – Age breakdown

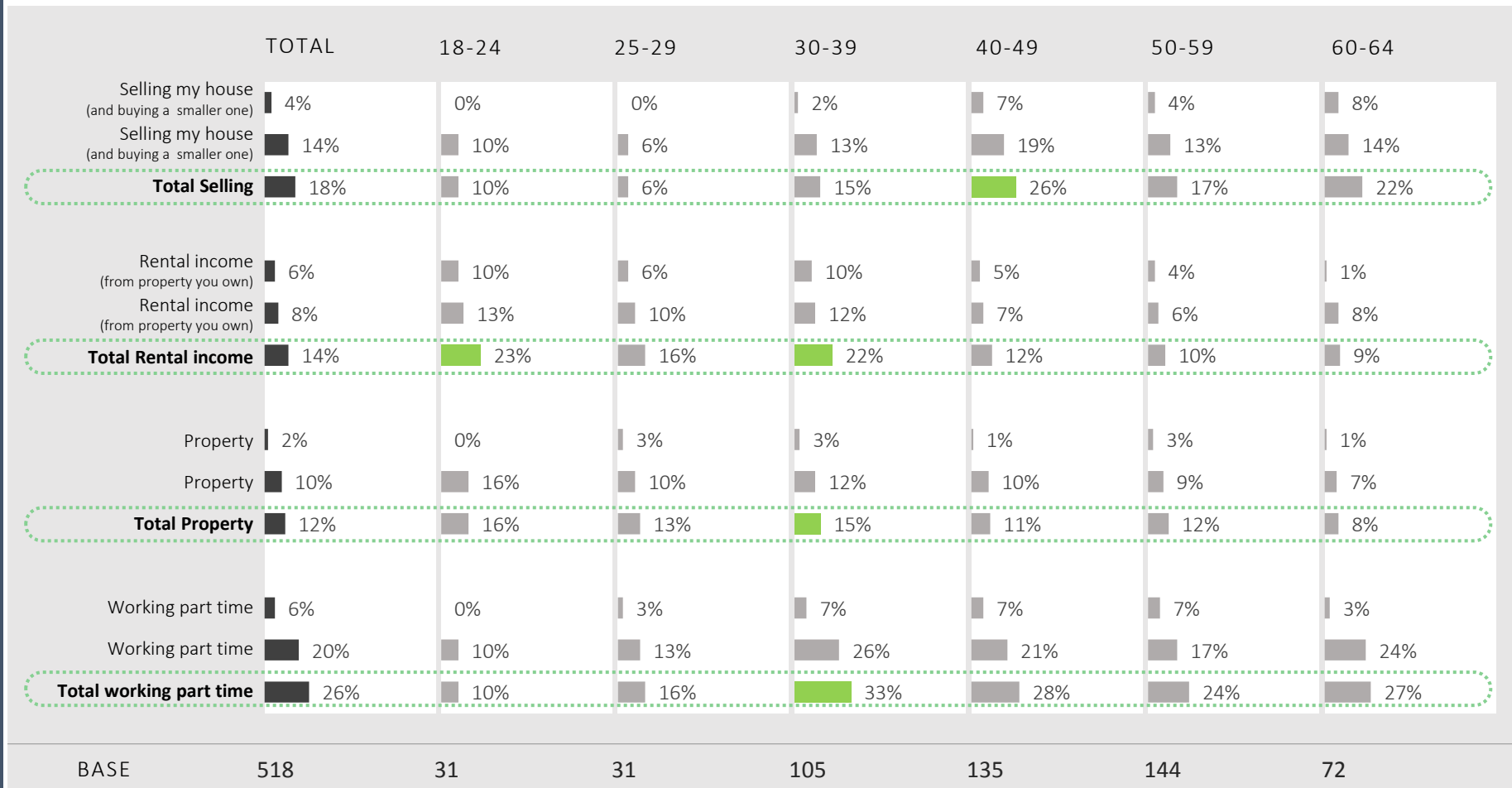
The younger the person the more likely they feel they can save enough for retirement. By the time they are in their 50's only 2-3 % see their savings as their main source of retirement funds, another 25% see it as a secondary source. For the over 50's without KiwiSaver 38% to 49% see NZ Super as their main \$ source. About a fifth of those under 30 see KiwiSaver as a source of retirement income.



BASE 518 31 31 105 135 144 72

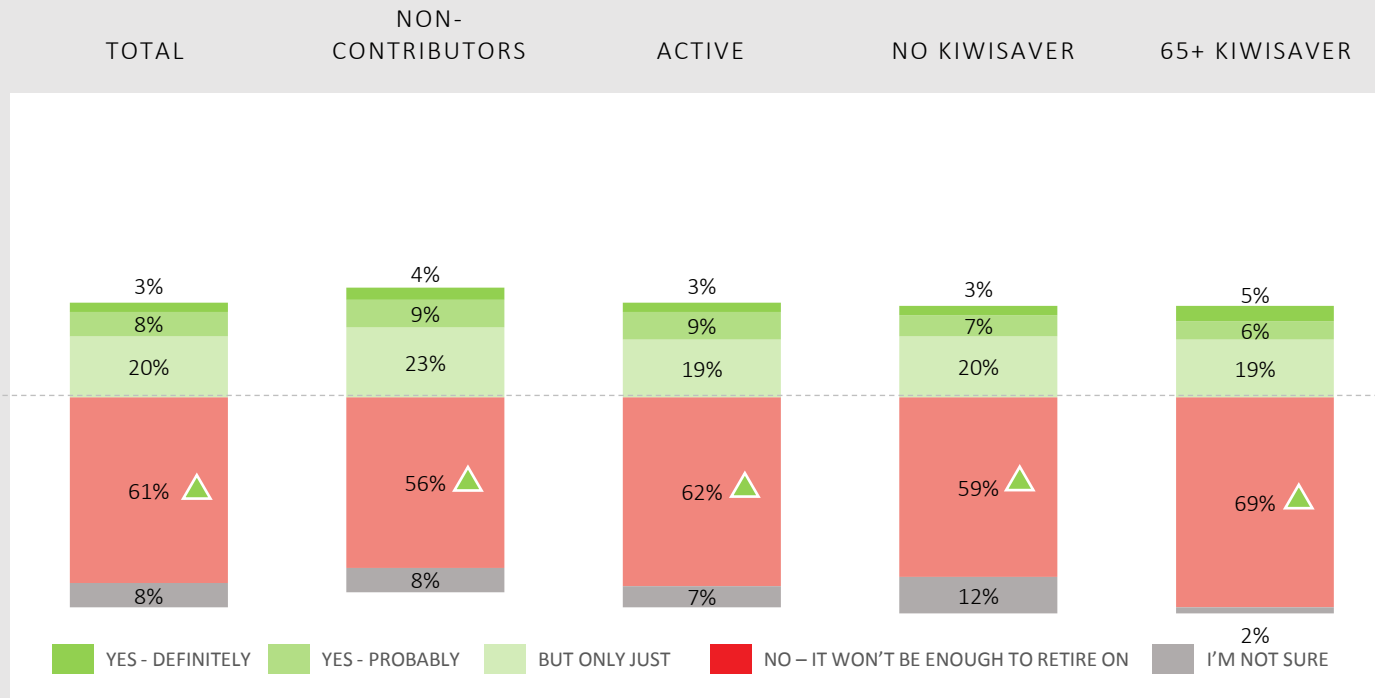
Non KiwiSaver Members – sources of Retirement Income by age

For about 20% of the over 40's without KiwiSaver down-sizing their home is an important part of their retirement savings strategy. For the under 40's, their strategy is more about earning rentals from the property they (hope to) own. Continuing to work part-time is also an income stream for about a quarter of the sample but the desire to do so appears to reduce with age.



KIWISAVER BEHAVIOURS | Is the current NZ Super enough to retire on?

Most (69%) of the over 65s still in KiwiSaver know that their super will not be enough to retire on. The majority of lapsed and no KiwiSavers also know that the super will not be enough to retire on even though they state that this will be their main and sometimes sole source of income.



BASE

2200

471

1035

518

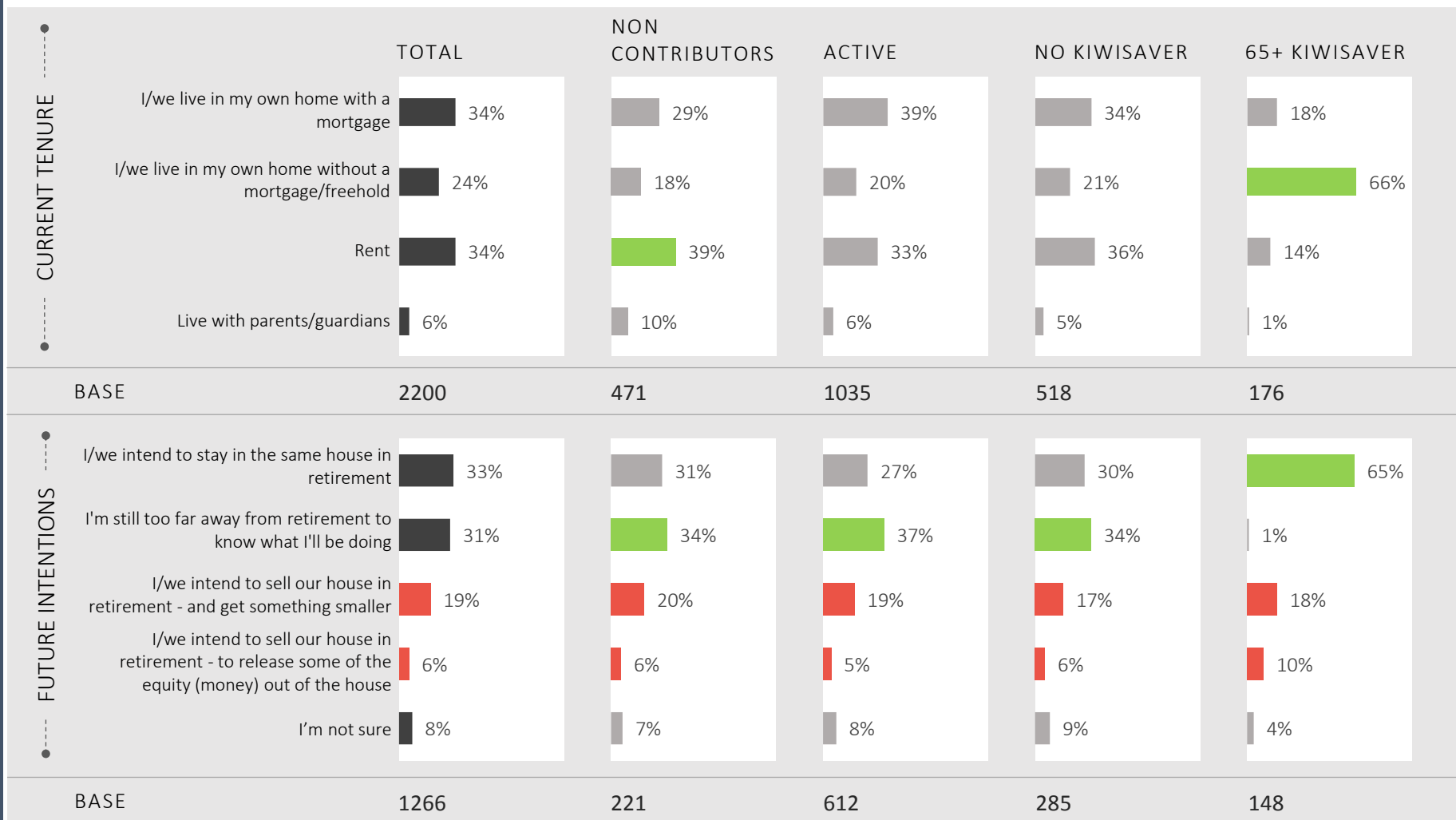
176



HOME OWNERSHIP STRATEGY
staying or selling ?

KIWISAVER BEHAVIOURS | Taking a Closer look at Home Ownership

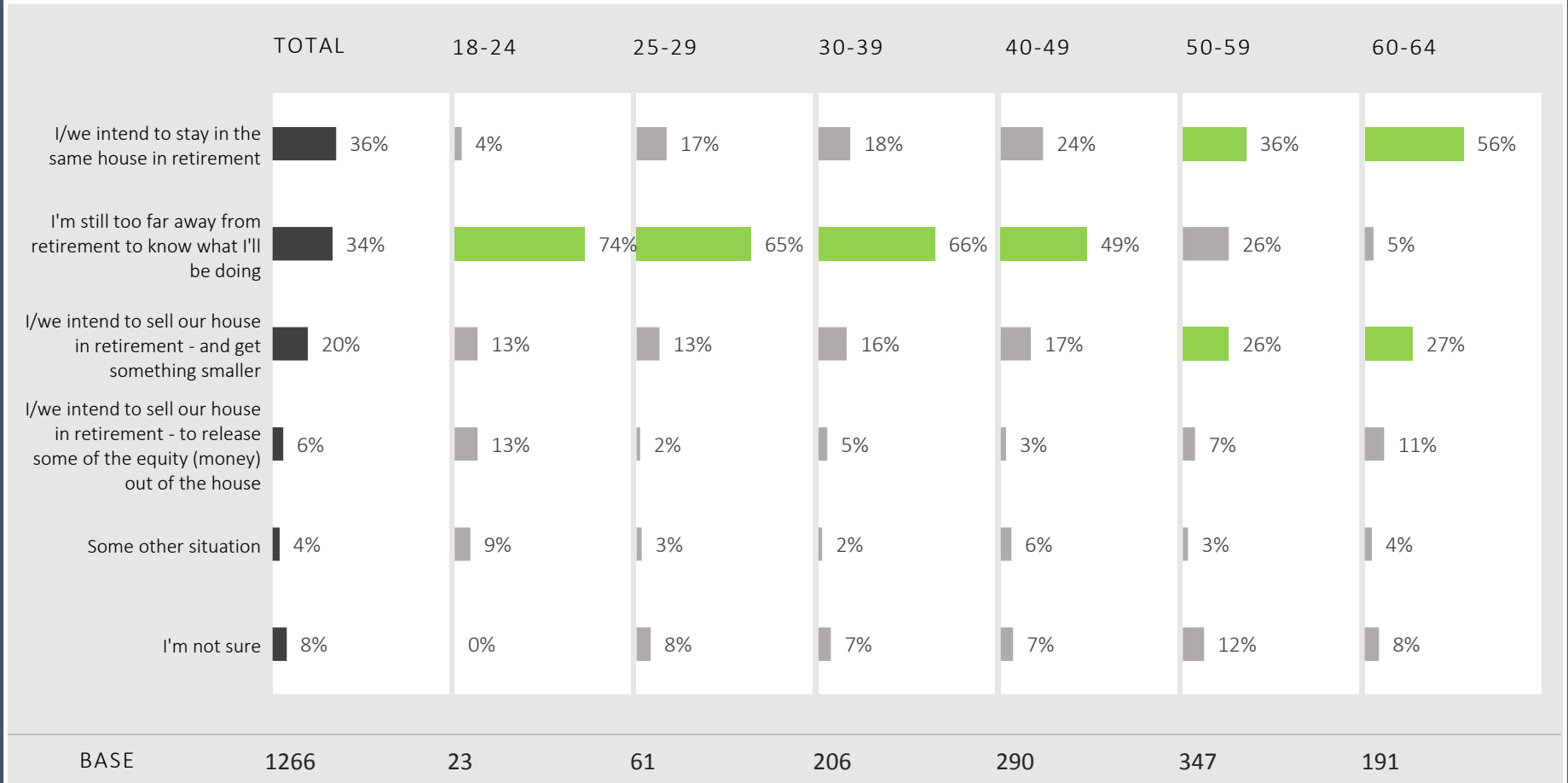
Almost 60% of the sample own their own home (85% of over 65s do but only 47% of the lapsed KSers own their home). Of that group of homeowners only a quarter actively plan to see their home in retirement to get something smaller (19%) and release some of the equity (6%).



HOME OWNERSHIP STRATEGY | OVERALL – Sell House or Stay?

Age breakdown

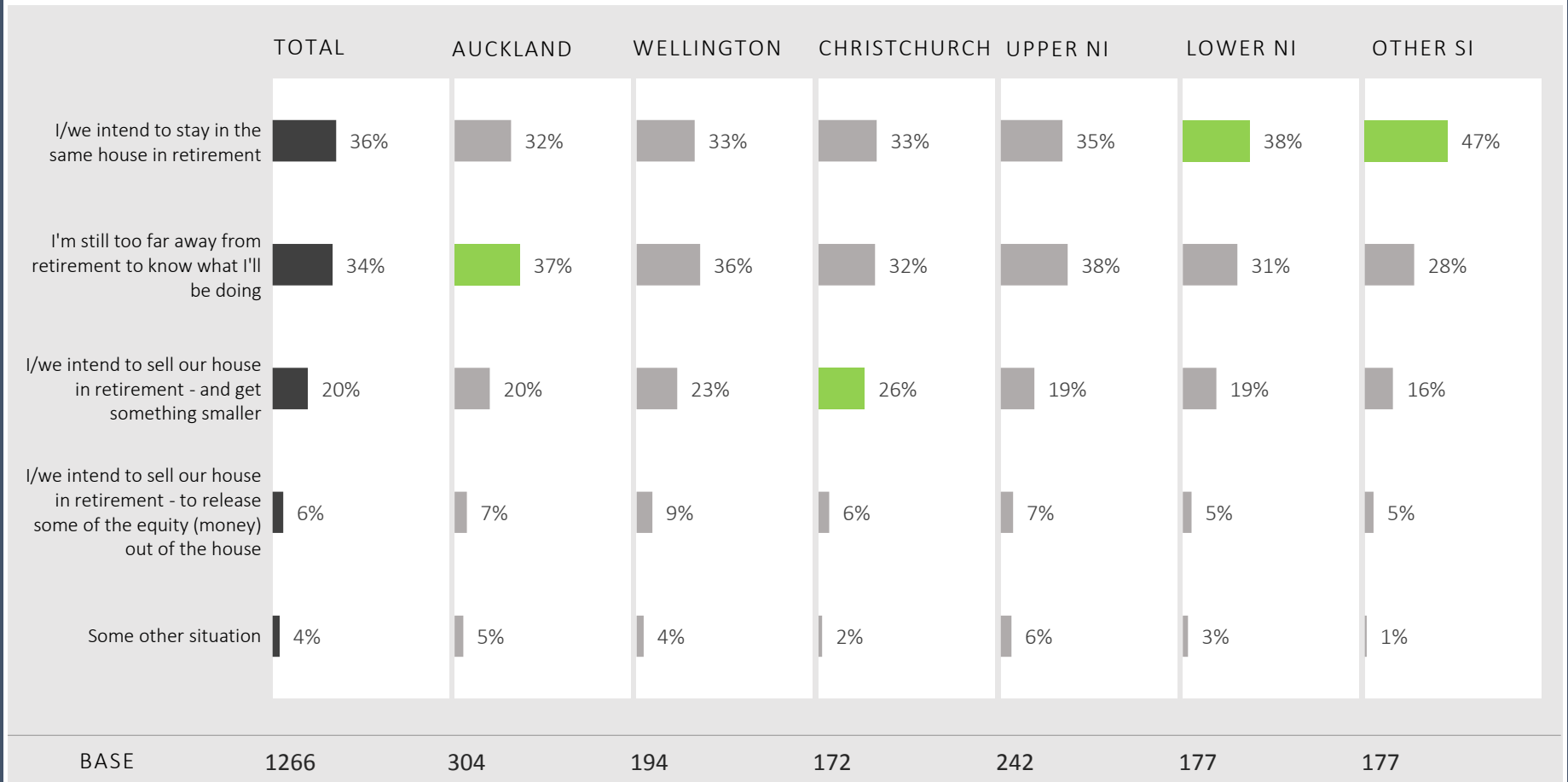
Overall, the strategy of home ownership for both members and non-members, shows that a majority of 50 to 64 year olds intend to retire in their same house compared to those who intend to sell and get a smaller house. The younger groups (18 to 49) have not thought that far ahead.



HOME OWNERSHIP STRATEGY | Overall – Sell House or Stay?

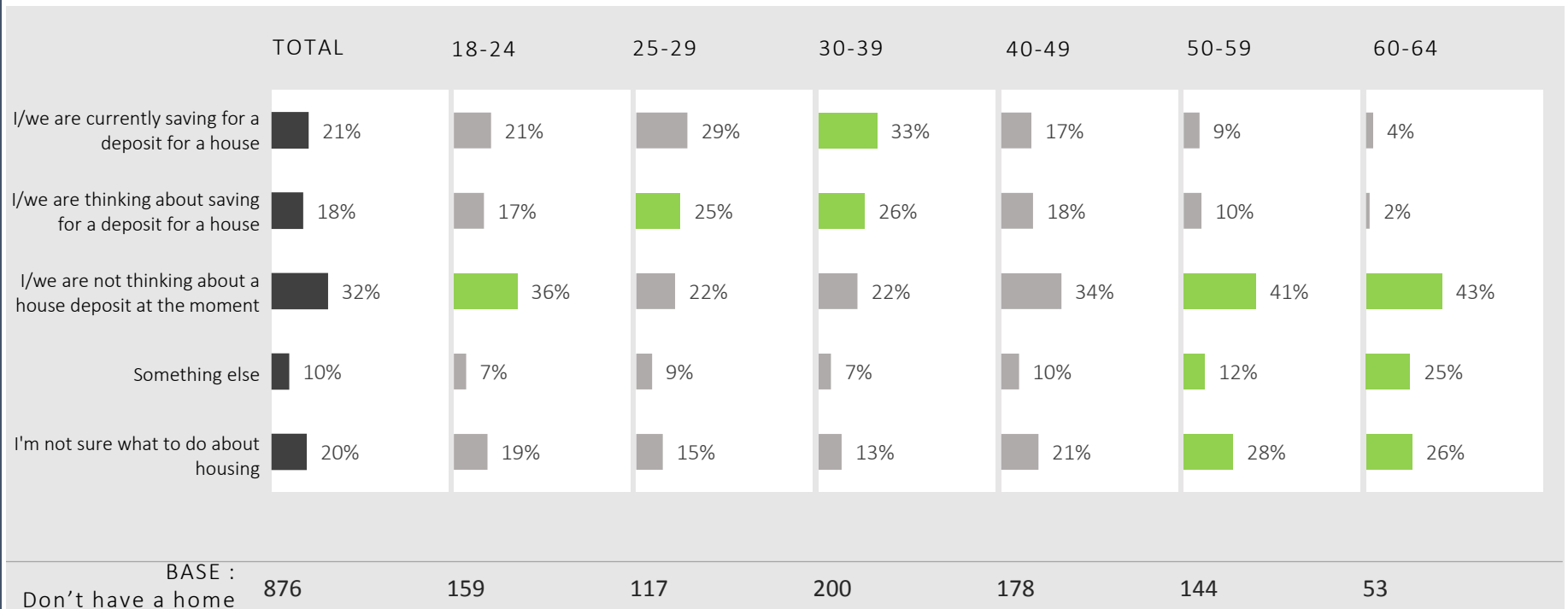
By region

There is no evidence of strong skew amongst Aucklanders to fund their retirement by selling their house than any other region. Of all places, Christchurch residents are most likely to sell their house to get something smaller.



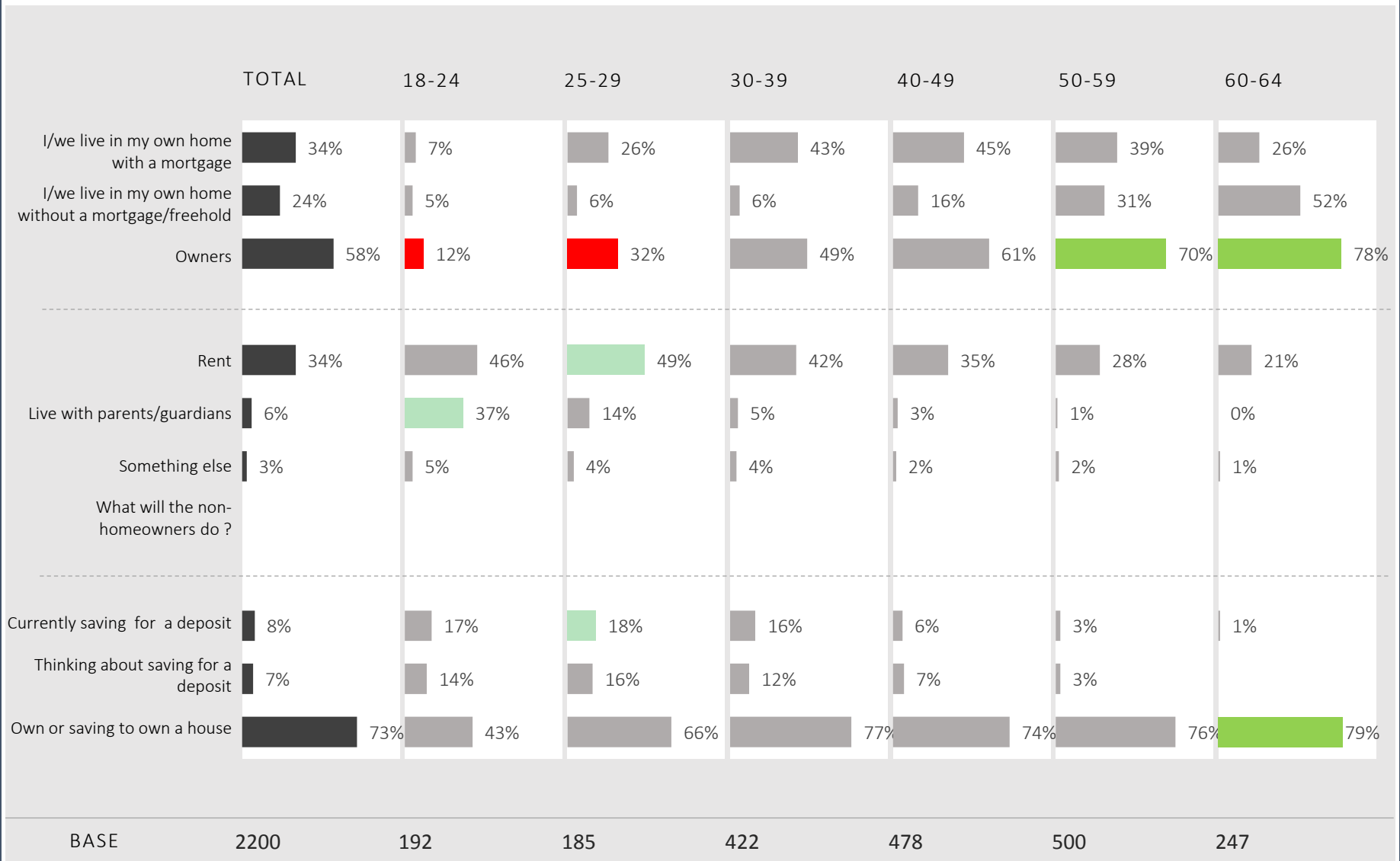
What's the strategy for those who don't yet own a house ?

There is a significant group of NZers aged over 50 who don't have a house and are unlikely to buy one and thus will still be paying rent when they retire... with the NZ Super as their main source of income. This will place a lot of pressure on them and the Government. About a third of those aged between 25-39, who don't yet have a house, are actively saving for one. Only a quarter are thinking about doing so in the future. The remainder (40% approx.) have no real plans for homeownership. As the number of NZers approaching retirement who don't have a house increases does more emphasis need to be placed on KiwiSaver as the alternative means of building equity for their retirement



Current and intended Homeownership.

The rise of the life time renter?



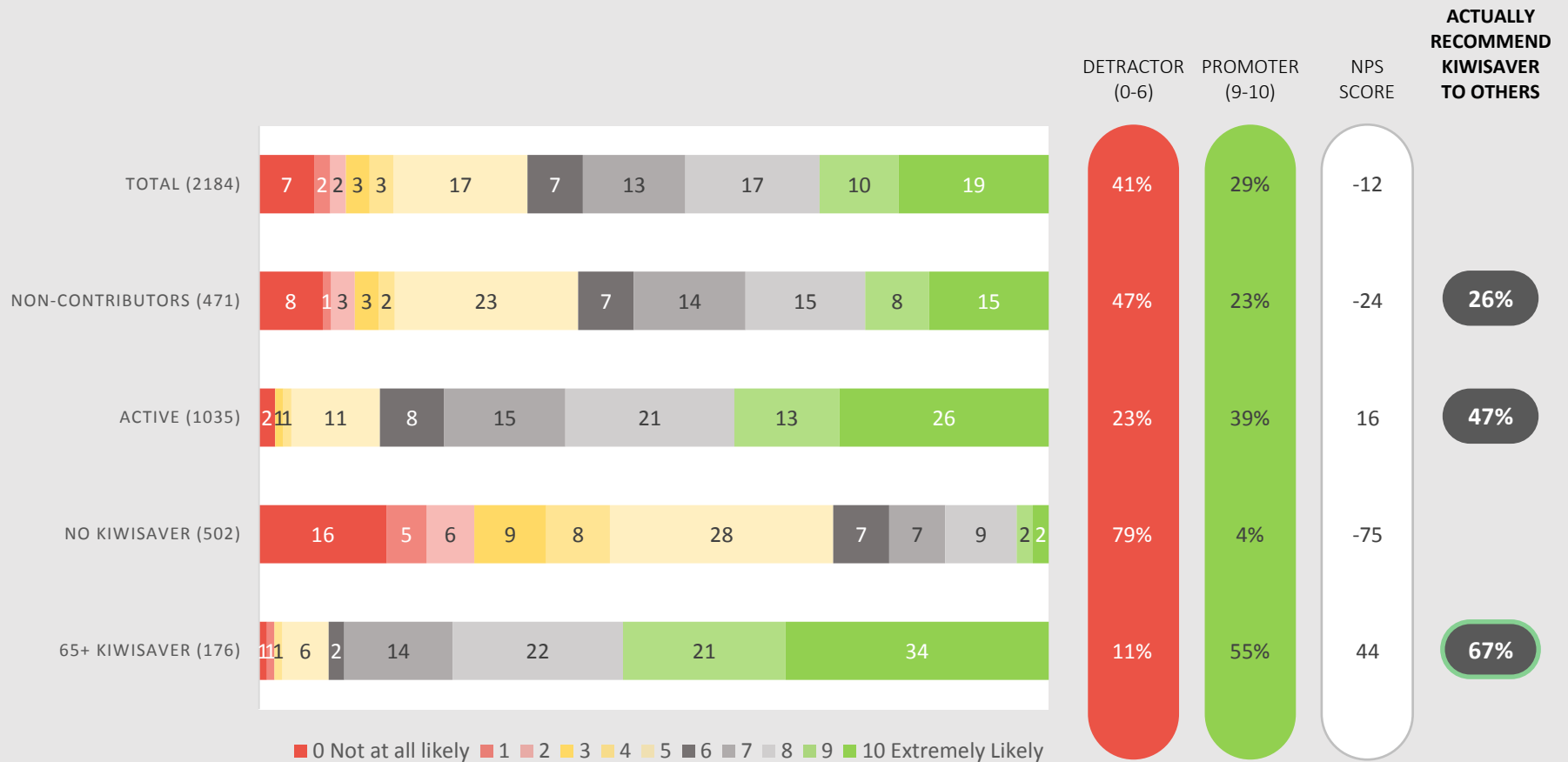


LIKELIHOOD TO RECOMMEND KIWISAVER

KIWISAVER BEHAVIOURS | Non KiwiSaver Members – Retirement Income

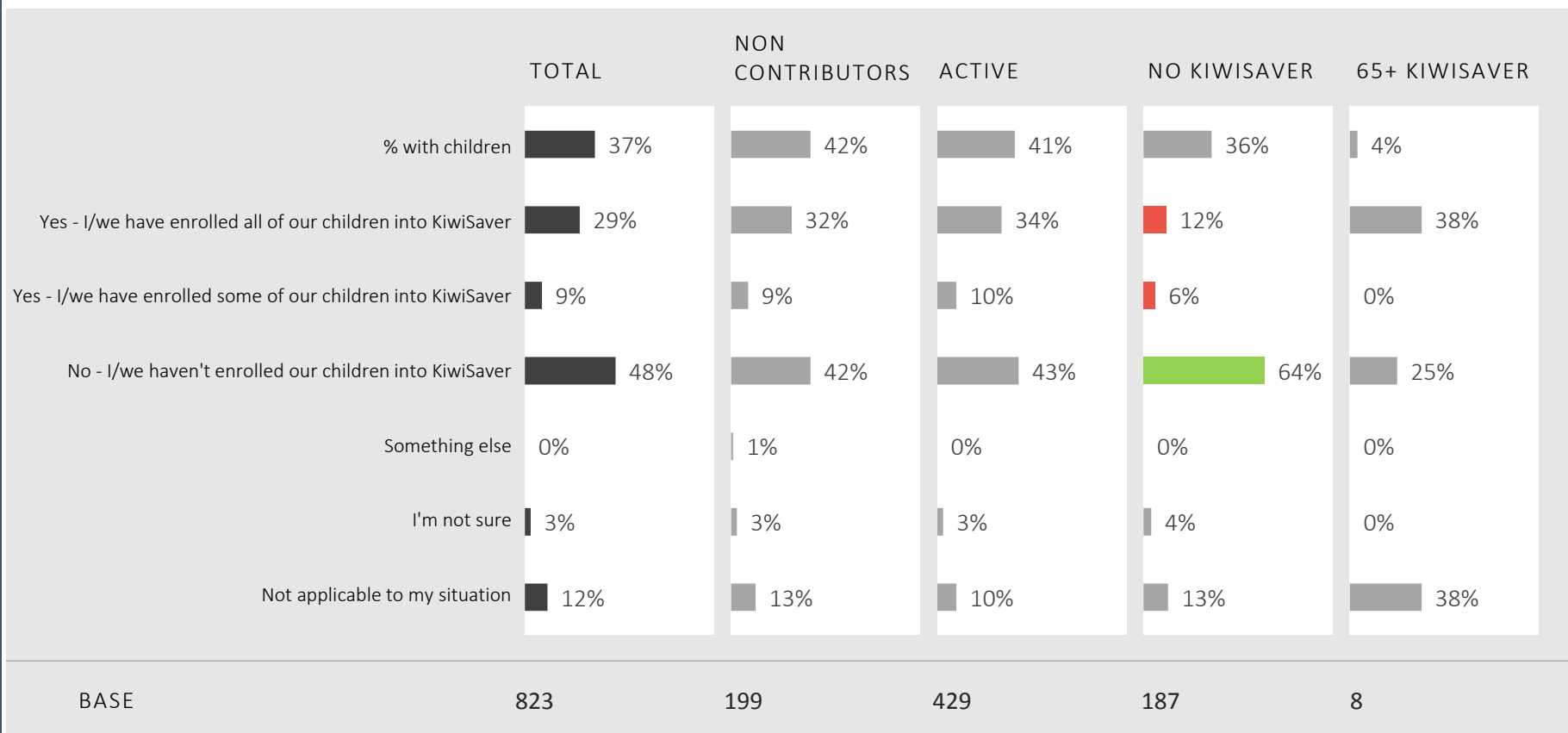
Likelihood to recommend KiwiSaver

People over 65 years who still have KiwiSaver are evangelists for the scheme : 67% claim they have recommended KiwiSaver to other people. Compulsory savings, employer contributions, and tax credits are three top benefits they talk about to others.



DEMOGRAPHICS | Enrolled Children in KiwiSaver

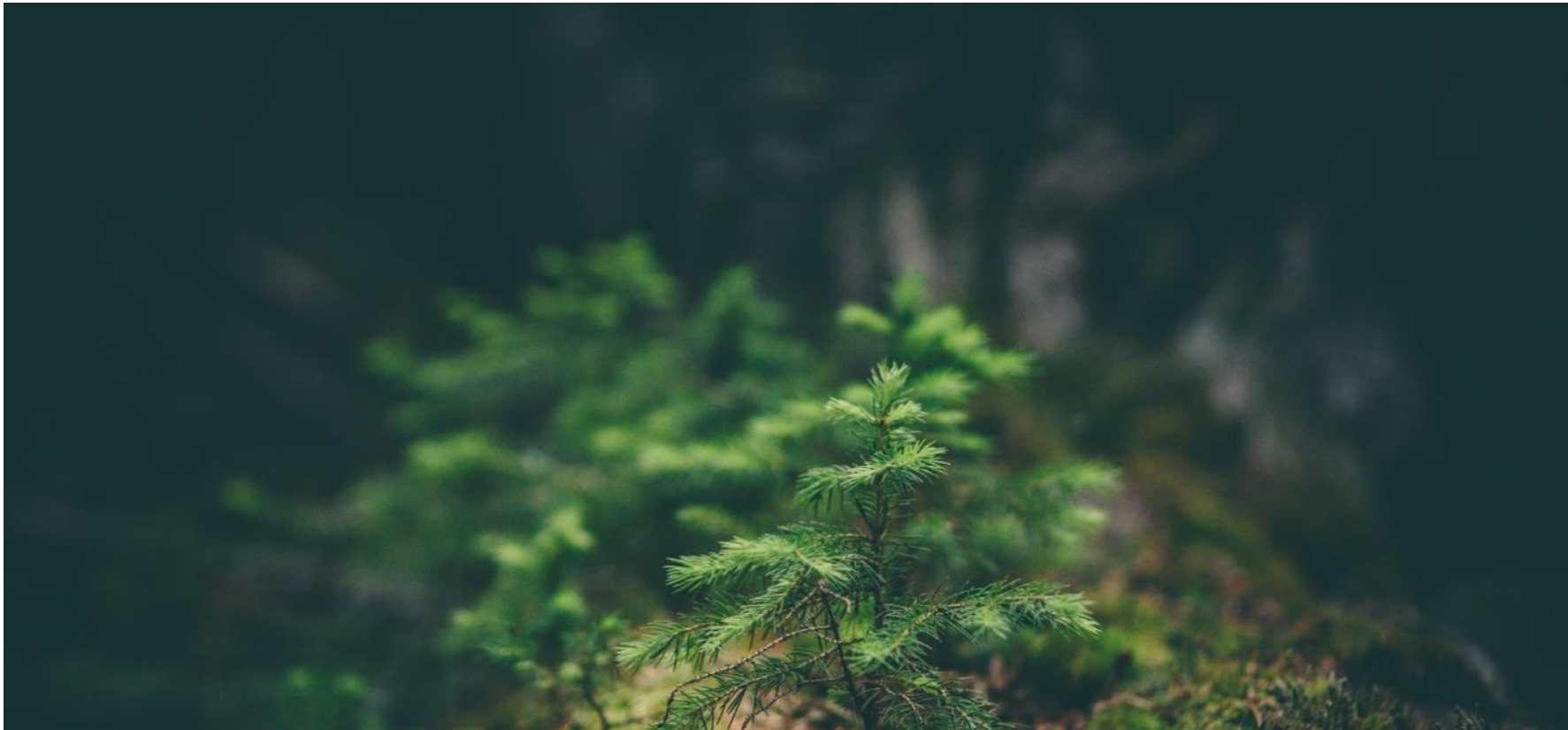
Parents who aren't on KiwiSaver are unlikely to have enrolled their children in the scheme (18% vs 44% Active savers). Partly this is due to this segment having older children who have left home and partly it is due to their sceptical attitude to KiwiSaver. Clearly it is important that this rejection of KiwiSaver is Not handed on to the next generation.



KIWISAVER BEHAVIOURS | Profile of non KiwiSavers who would not recommend KS to others.... (like their children)

Those who would still promote KiwiSaver (even if they aren't in the scheme) earn slightly more than the detractors and probably have higher disposable income. They are also more confident about their retirement, comfortable talking about money and claim they access 3 months reserves of income. Their propensity to save however is only slightly better than the Detractors.

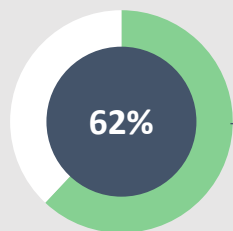
Characteristics	Detractors (0-6)	Neutral / Promoter (7-10)
Household type/Age /location		Slightly younger, and more DINKs and middle aged empty nesters
Income and employment	35% earn under \$50k	24% earn under \$50k
	18% \$100k +	23% \$100k +
	32% FTE	37% FTE
	21% studying full or part time	16% studying full or part time
Financial attitudes and behaviours		
Confident they will have comfortable retirement	30%	46%
Enjoy seeing my savings grow	57%	70%
Comfortable talking about money	43%	69%
Can access 3 months income	41%	55%
Spent less money than has come into your household	38%	40%



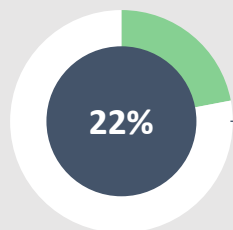
WHATS CHANGED AND HOW CAN KIWISAVER BE IMPROVED?

From the perspective of current KiwiSaver Contributors

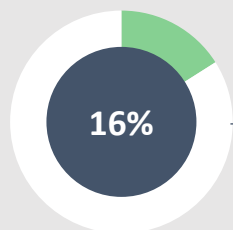
A Minority have made changes to their KiwiSaver scheme. For many its “set and sit back”



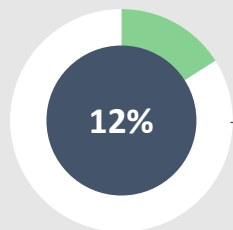
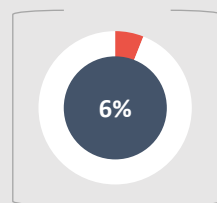
Have made **no changes at all**



Only 22% have made **one or more voluntary contributions**



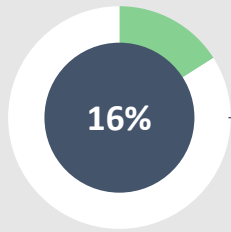
Have **increased their contribution** vs 6% decreased



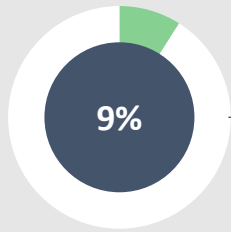
Have had **contribution holidays**

Those earning above median HH income (\$70k plus) are **LESS** Likely to have made voluntary contributions

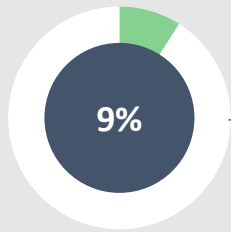
If people could make one change or improvement what would it be ...?



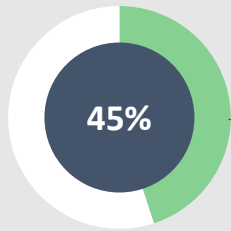
Have more flexibility in making contributions



Have money with more than one provider



Be able to manage my own funds



None or don't know

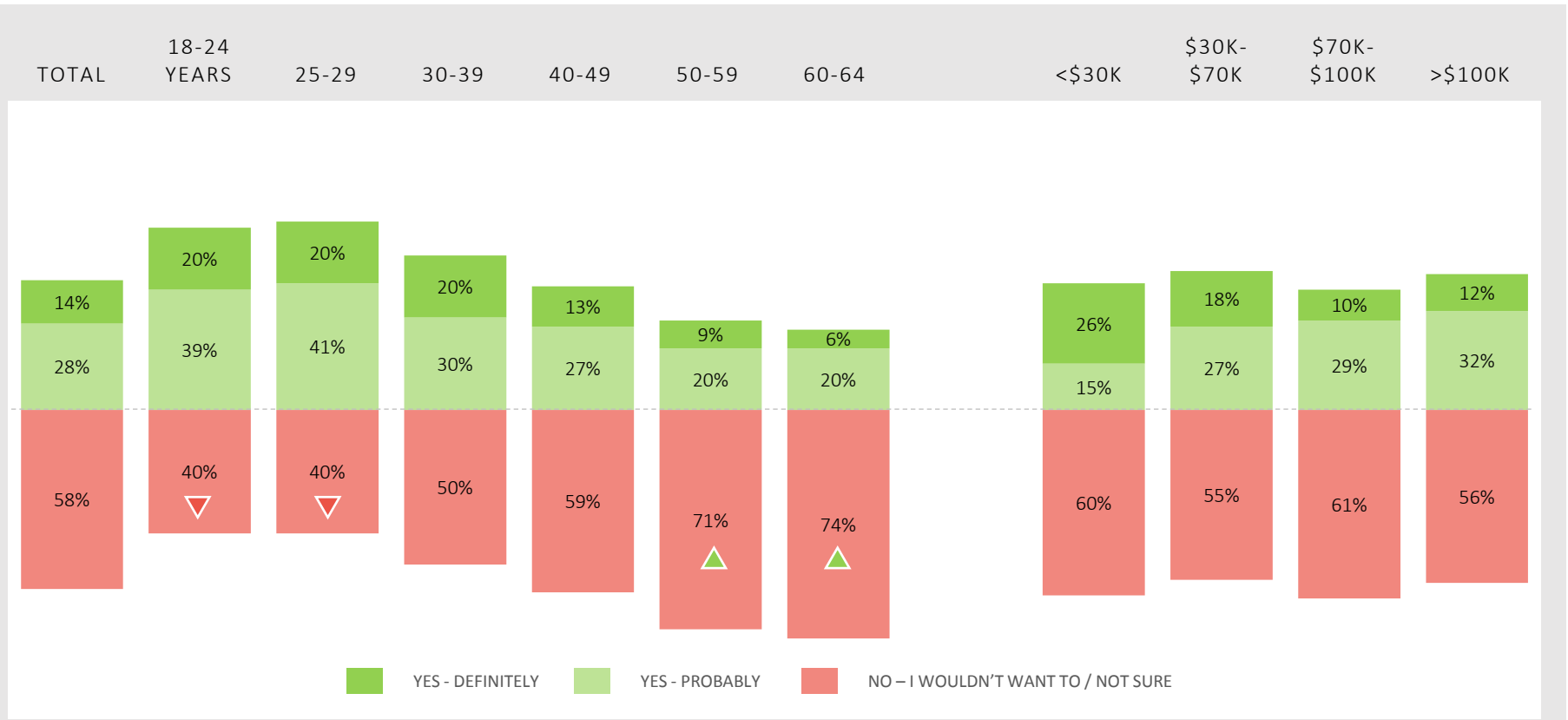
DESIRED CHANGES TO CONTRIBUTIONS ?

Higher income (+\$100k) contributors were the most likely to want a higher minimum and maximum contribution level (34%).

	Minimum contribution of 3 %	Maximum contribution of 8%
Stay the same	54%	41%
Be lower	4%	5%
Be higher	26%	32%
I'm not sure	16%	23%

Few (14%) would definitely want to actively manage their KiwiSaver funds

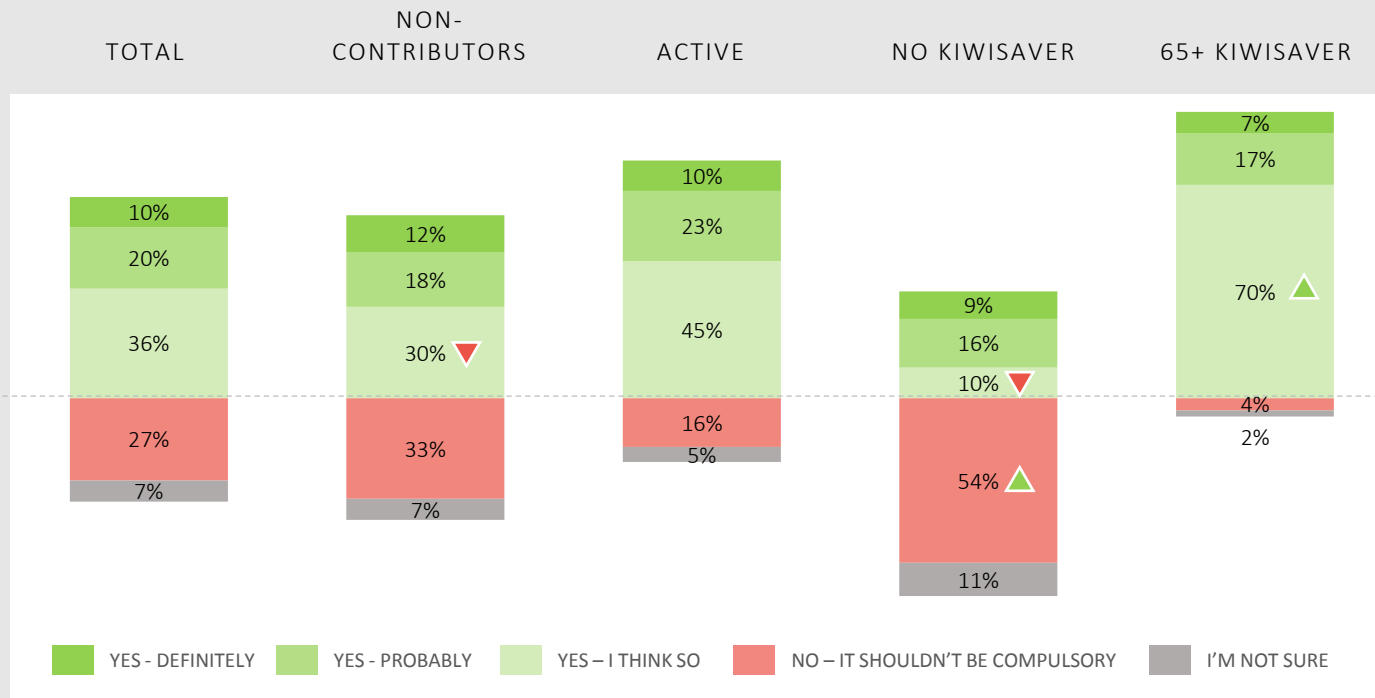
Younger/lower income households have the most confidence to definitely want manage their own KiwiSaver funds. Those earning \$100k plus are more tentative (32% would probably want to manage their KS funds). But most (70%) of those over 50 years would NOT want that responsibility.



BASE 1035 98 107 232 230 253 115 101 233 193 346

KIWISAVER BEHAVIOURS | Should KiwiSaver be Compulsory?

The answer to this question varies hugely from the evangelical over 65's (95% yes) to only a third of the non KiwiSaver segment.



BASE

2184

471

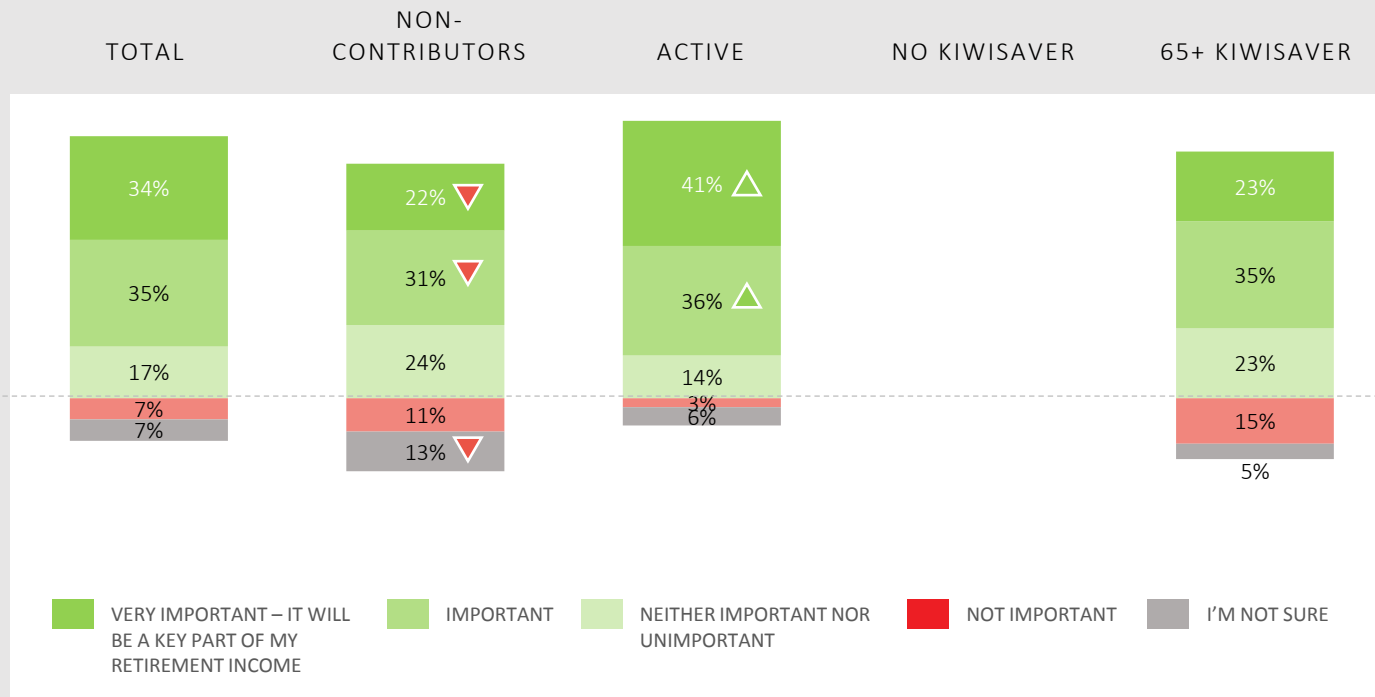
1035

502

176

KIWISAVER BEHAVIOURS | How important is KiwiSaver to meeting your retirement income needs?

Although the over 65's are the most supportive of KS because the scheme was only recently introduced less than quarter see it as being very important to their retirement. The active KiwiSavers under 65 place a higher store on KS for their retirement (41% very important).



BASE

2200

471

1035

518

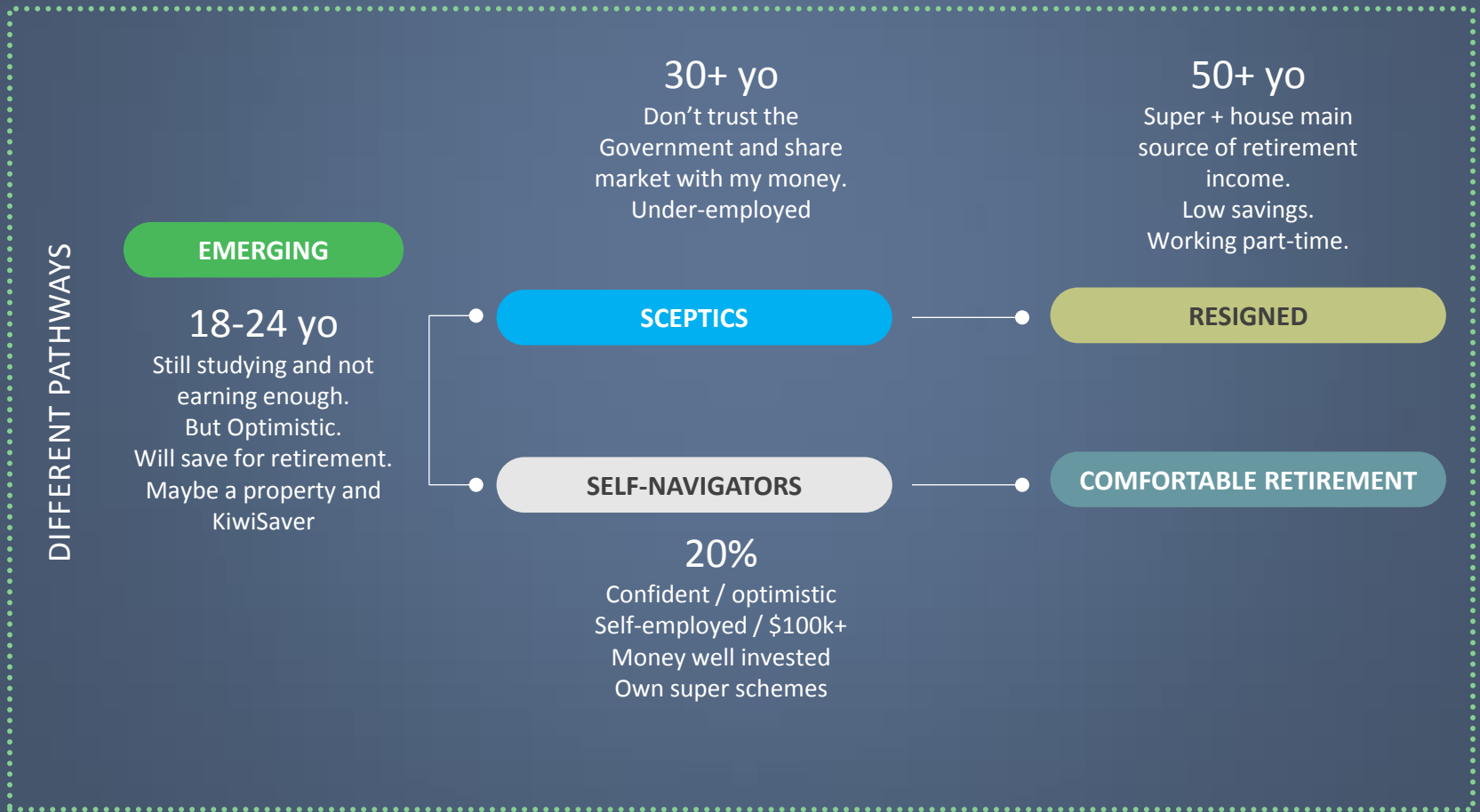
176



Key themes and future trajectories

UNDERSTANDING NON-KIWISAVERS

- OVERVIEW:**
- More European, less Asian or Māori
 - More North Island Provincial
 - Less Money in reserve and less likely to set financial goals
 - Sceptical



HOW TO ENGAGE WITH NON KIWISAVERS

YOUNG EMERGING

On campus/online banking
Employer benefits
Self reliance and financial independence

30 YEAR + SCEPTICS

DIRECT INTERACTION MAY BE THE BEST OPTION BECAUSE OF ENTRENCHED SCEPTICISM AND POSSIBLE LOW OPTIMISM

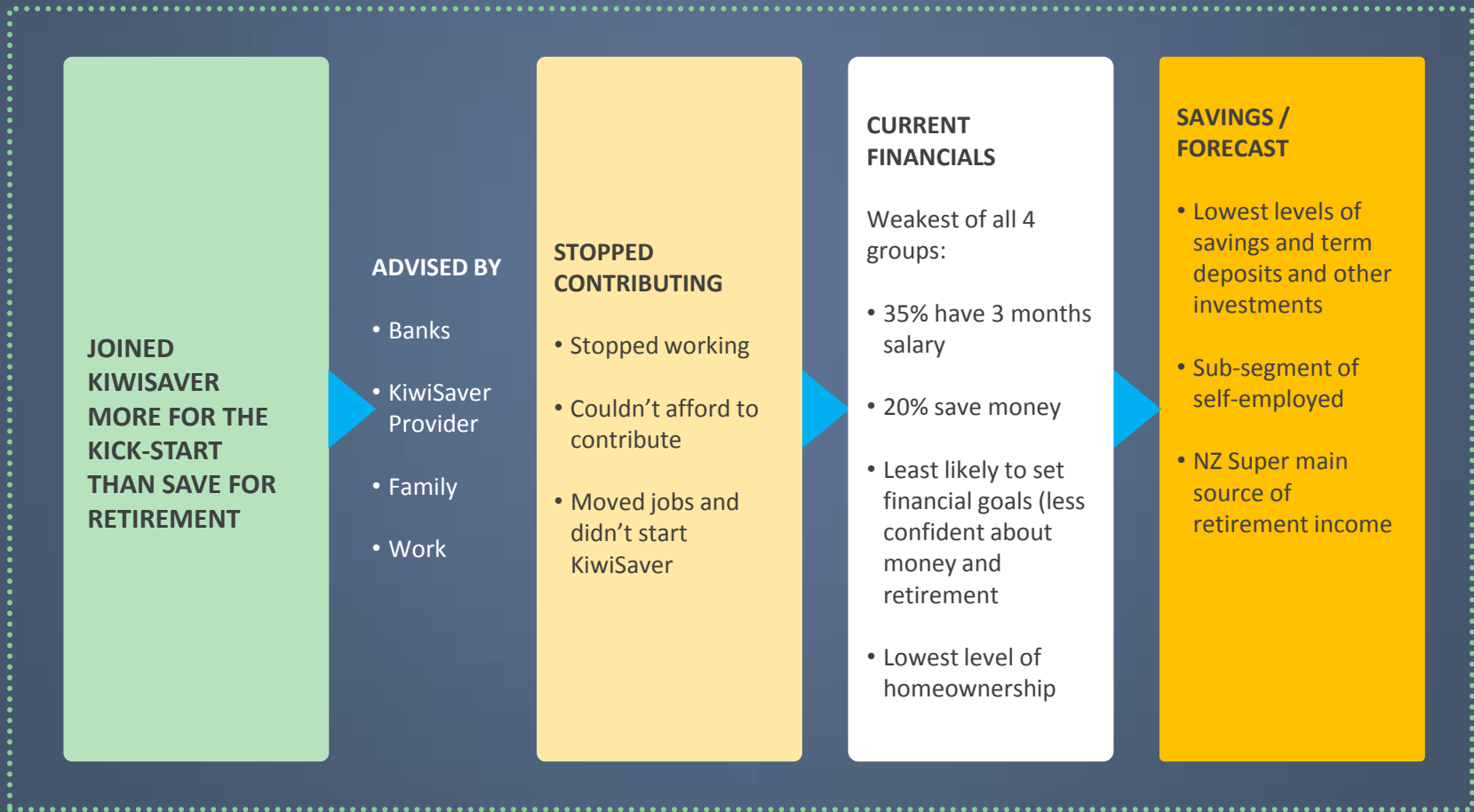
- Work place communication and programmes
- Networking with active /positive over 65's who still have KiwiSaver. Many of these people live in the same provincial centres as the sceptical Non KiwiSavers

50+ RESIGNED

Possibly too late . Emphasis might be on getting more working full or part time and budgeting advice

UNDERSTANDING THE LONGER TERM LAPSED CONTRIBUTORS

- OVERVIEW:**
- Slightly younger than ACTIVE contributors
 - Highest % of Māori (21%) and Pacifica (10%)
 - Lowest income earners of all groups, only 18% FT employed
 - 21% not employed, or stay at home parents (14%)



HOW TO RECONNECT WITH THE LONGER TERM LAPSED USERS

CIRCUMSTANTIAL AND ATTITUDINAL

01.

Get more back into employment (FT or PT)

02.

Reconnect with the self-employed (and those who are stay-at-home parents)

03.

Most are still very open to KiwiSaver

- Only 19% have concerns about KiwiSaver
- More than half (53%) of them would recommend (7-10) KiwiSaver to other people

HOW TO RE-ENGAGE WITH LAPSED USERS:

01.

Bank, KiwiSaver Provider, Family Member, Employer, Financial Adviser

BUT NOT

Strong reliance on financial website

02.

Network with over 65s who still have KiwiSaver and would recommend it to others

The future You concept

CURRENT KIWISAVER MEMBERS

[SET AND SIT BACK]

Most are 'satisfied' with their KiwiSaver Scheme and see it as an important part of their retirement income. But few (9%) are on the highest contribution level and only a minority make voluntary or increased contributions (even amongst the top income earners)

WHY JOIN?

- Save for my retirement
- \$1000 kick-start
- Buy 1st house
- Get employer contribution

WHO & WHAT?

- Banks
- Split between con/bal/growth
- Heavily skewed toward low and mid-contribution
- Only 9% on 8% contribution

CHANGES OR SET & SIT BACK

- Fifth make vol. contribution, 16% increased contributions
- 29% changed Provider to banks
- Only 14% would definitely want to self-manage their Fund

RATINGS

- Few have concerns (high level of reassurance)
- 80% rate KiwiSaver as important to their retirement
- But only 25% are confident they will have a comfortable retirement

INVEST MORE IN YOUR KIWISAVER

HOW TO **MOTIVATE** CURRENT KIWISAVERS TO INVEST MORE

- Most are open to advice from formal and informal sources and websites
- But they need to be motivated to lift their % contributions and make more voluntary contributions, particularly amongst the big income earners who will find it harder to adjust to 'post-employment' spending restrictions
- Can Sorted answer their Question.....



HOW CAN KIWISAVER GIVE ME A

COMFORTABLE RETIREMENT?

Future questions and issues

01.

Impact of decumulation between main metro and provincial centres on house prices in metro and provincial areas:

- We need to understand the segments of winners and losers.
- Provincial aspiring homeowners in late 20's and 30's on average incomes may be priced out of the smaller centres as well as the larger.

02.

Will the rising number of life time renters be saving fast enough to pay their rent when they stop working?

03.

Will they also be saving in KiwiSaver an equivalent amount to the equity they could realise from down sizing their home?