



# Sorted Money Week 2021: What Kiwis were wondering



**TE ARA  
AHUNGA ORA**  
Retirement Commission

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

# He aronga noa nei

## Just wondering

Sorted Money Week is the annual public awareness and engagement campaign from Te Ara Ahunga Ora, the latest edition of which was held 9–13 August 2021. Aligned to the National Strategy for Financial Capability, the campaign's purpose is to help demystify key money topics, bring them to the forefront and provide an inclusive platform for engagement on a subject matter too often seen as taboo.

This year's theme built on last year's success – 'Just wondering' was back to keep the kōrero going on money questions, and once again we were encouraging people to talk more openly about money and ask for help. As always, every money question was a good question.

By all accounts, people responded positively to the useful, non-judgmental, trusted information across a wide range of topics. We trust that all the efforts of the stakeholders involved were able to nurture the taonga, the treasure, that financial wellbeing is – for ourselves, our whānau and the wider community.

This report to stakeholders shares themes and learnings from the 'Just wondering' campaign, including an analysis of the prevalent topics and examples of the questions asked. It gives an aggregate view of the public's self-selected interest areas, and can inform future campaign and content decisions as we continue to respond to and serve their needs.

### A campaign to build confidence

#### '1 in 4 Kiwis lack confidence in managing money'

Te Ara Ahunga Ora's Financial Capability Survey 2021 showed that one in four Kiwis lack the confidence to manage their money day to day, plan their financial future or make decisions about financial products and services. Sorted Money Week was aimed at increasing knowledge of and confidence in financial matters, and tackling negative habits such as procrastination or impulsivity. By doing so, the survey results confirm that New Zealanders can improve their financial wellbeing.



## 6 FAQ topics covered on Sorted



**Investing  
& saving**



**Debt  
& loans**



**Retirement  
planning**



**KiwiSaver**



**Budgeting**



**Pūtea  
Sorted**  
(entirely in  
te reo Māori)



**875**

questions raised during  
Sorted Money Week



**53%**

of questions submitted  
requested a **personalised**  
response



**3964%**

increase in views of Sorted's 'How to  
shop smarter using buy now, pay later'  
(BNPL) guide during Money Week



**9 key  
themes**

These 9 themes surfaced in submitted questions:

**Investing, KiwiSaver, Retirement  
Planning, Mortgages, Saving, Budgeting,  
Debt, Insurance and Property**

## 4 audience needs



Direction for  
**where to begin**  
(‘How to...’)



Advice for  
**comparing** two options  
(KiwiSaver vs mortgage)



Opportunities for higher  
investment **returns**  
(and risks)



Adjustments to  
**optimise** their finances  
(and **grow**)





# The top 10 questions Kiwis were just wondering

‘There’s no such thing as a silly question.’ We may tell our children that, but when it comes to money matters, one in three adult Kiwis shy away from finding out more and improving their financial wellbeing.

Te Ara Ahunga Ora research clearly shows that knowledge, behaviour and an individual’s mindset influence their financial wellbeing. During Sorted Money Week we encouraged New Zealanders to put any embarrassment aside and ask those money questions they’ve been ‘Just wondering’. With hundreds of questions pouring in, it wasn’t difficult to see the common answers people were after.

## Here are our top 10:

1. Where do I start with investing? How do I start investing with little money?
2. Should I invest or save or do both?
3. I’ve got money in the bank getting next to nothing in interest. But I have no idea about investing – help!
4. How many pay-later deals can I have going at one time?
5. What if I miss or can’t pay an Afterpay payment?
6. How can I make a budget that I can stick to?
7. How much money is needed to retire? Do I really need \$1 million?
8. Do I pay my debt off faster or put that money aside into savings?
9. How does KiwiSaver work? Is KiwiSaver taxed?
10. Should I increase my mortgage payments or my KiwiSaver contributions?

You can see the answers at [sorted.org.nz/must-reads/10-money-week-answers-kiwis-are-chasing/](https://sorted.org.nz/must-reads/10-money-week-answers-kiwis-are-chasing/)

 <b>Just wondering</b>	about investing
<b>Just wondering</b>	where do I start with investing?
<b>Just wondering</b>	what should I invest in?
<b>Just wondering</b>	how much risk should I be taking?



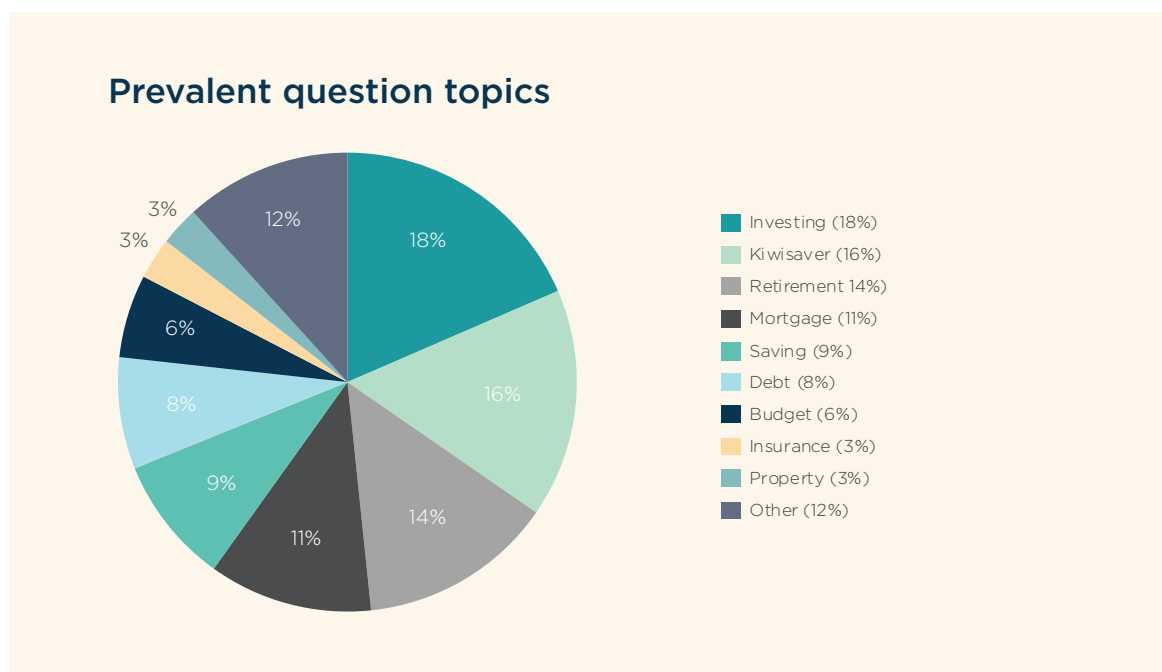


## Raising the questions

By encouraging Kiwis to ask questions about any and every part of their finances – from big decisions like buying a first home, managing debt and saving for retirement through to everyday budgeting and understanding how to read the terms and conditions in financial products like BNPL schemes.

We understand that many people feel uncomfortable talking about money or do not know where to begin. Sorted's 'Just wondering' campaign during Money Week provided a safe, inclusive place for people to reach out with questions, and find answers they could trust.

Following is an analysis of the prevalent topics and examples of typical questions asked.



# 18%

## Investing

One particular focus for Sorted Money Week 2021 was providing answers to questions around investing. In the past 12 months, 17 percent of 18-34 year olds have made a new investment, and this one of the areas Sorted gets the most questions about. Many are piling into DIY platforms such as Sharesies, Hatch, Kernel, Stake or InvestNow, and many are doing so influenced by FOMO, the fear of missing out. That said, these behaviours are also driving questions about why investing is essential and how to improve, which is a welcome trend.

### What it means to invest and how one can begin investing

- Where to invest now?
- How and where to start investing?

### Which investment suits best?

- Is investing in gold a good investment?
- Best return for 100k investment?
- I have \$200,000 available to put into either shares or an investment property and I'm trying to see what the pros and cons are for each scenario, are you able to help?

### Property as investment

- Is it worth investing in property now?
- I was wondering if it's possible to purchase an investment property with 20% deposit or does it have to be 40%?

# 16%

## KiwiSaver

Many KiwiSaver questions involved how the scheme is structured, including what it can be used for, when withdrawals can be made, and more essentially, what it is.

### How KiwiSaver works

- How is my KiwiSaver paid out?
- Can a 16-year-old have KiwiSaver?
- When can I access my KiwiSaver account, what are my options for using the money?

### KiwiSaver contributions

- Should I increase my mortgage payments or increase my KiwiSaver contributions?
- I am 65 next year, should I put it all in KiwiSaver? Or should I invest some?

### KiwiSaver fund types

- How do I know if my KiwiSaver is the right account for me?
- Hi, I'm 57 and need to be in the best KiwiSaver plan to get slightly ahead. Can you please tell me which KiwiSaver is the best performing provider? I'm very happy for high risk.

# 14%

## Retirement

People were wanting to know how much money they needed in order to retire, and expressed uncertainty about how to manage their investments (including KiwiSaver) once retired.

### How much is enough?

- How much saving needed for retirement?
- Do I need a million dollars to retire?
- I'm always confused about how much money is needed for when we retire?

### Investing in retirement, decumulation

- What's a good, diversified investment portfolio for retirees - given that fixed term deposit rates are currently so low?
- Is KiwiSaver a good investment following retirement once one reaches the end of the retirement?

# 11%

## Mortgages

Many asked questions regarding how they can reduce their mortgage quicker, whether for financial motives or generally to increase their wellbeing.

### Paying off the mortgage faster

- Should I save more for my retirement or pay my mortgage down faster first?
- Does it make more financial sense to pay off mortgage faster or to put that money in managed funds? I have heard inklings from both sides of the story but would love to see the numbers!

### Mortgage structure questions

- I'm wondering how long I should refix my mortgage for, given that rates are current low and are set to rise later in the year
- My questions relate to advice on how she should structure her mortgage. Do you have any guidance on how long she should fix for and if you recommended splitting the loan between fixed and floating?

# 9%

## Saving

Questions on savings can be split into two types. Many had questions regarding their savings accounts not earning enough interest and wanting to see a better return. On the flip side there were a wide variety of questions regarding how to start saving, whether to prioritise saving over paying off debt or investing.

### Where to put savings

- Should I put all savings into KiwiSaver?
- Should I put my saving into my mortgage?

### Debt vs saving

- Do I pay my debt off faster or put that money aside into savings?
- Shall I pay off debt first before I start saving?





8%

## Debt

‘Buy now, pay later’ schemes have seen explosive growth in New Zealand recently, a trend we are closely following. In the first two quarters of 2021, their popularity grew 26% for those under 35, 30% for women and 32% for Māori.

### Buy now, pay later

- What is the maximum limit for Laybuy?
- Is Afterpay a loan?
- How many pay-later deals can I have going at one time?
- What if I miss or can't pay an Afterpay payment?

### Debt consolidation

- How can I consolidate debt?
- I want to sort out my finances to see if I should consolidate my debt or leave as is, as we are stuck now.
- I want to pay all my loans all in one payment.
- When consolidating debt, is the initial interest added into the new loan?

### Student loans

- Pay off student loans first?
- When do I need to pay back student loan?
- Is it better to pay off student loans as soon as possible? Or as slowly as possible?

6%

## Budgeting

‘How to budget’ represented over half of all the budgeting-related questions. Many people are unsure where to start regarding budgeting and what tools are on offer to help.

### How to budget

- What free resources are available to help me budget better?
- Where can I access a budget template or spreadsheet please, so I can do my household budget?







**3%**

## Insurance

Life insurance was the most common type of insurance asked about. Questions typically involved the costs of insurance and whether it makes sense to continue paying premiums.

### Weighing up insurance

- Is insurance worth it?
- How important is insurance?
- I wonder about what level of insurance I really need if I don't have any.

### Life insurance

- At what point does life insurance become a losing proposition?
- I'm just not sure what the risk to benefit calculation should be for life insurance and how to determine if we're getting value for money.

**3%**

## Property

Many sought advice about rental properties or help in deciding whether to put money into property as an investment.

### Property as investment

- Is it worth investing in property now?
- I was wondering if it's possible to purchase an investment property with 20% deposit, or does it have to be 40%?

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#### Dataset note

The question percentages shown are based on 546 questions that were submitted during the first 4.5 days via the campaign landing page and email. Any duplicates or non-relevant topics have been excluded. Some overlapping occurred between topics, as a number of questions included more than one.





**TE ARA  
AHUNGA ORA**  
Retirement Commission

*Live*  
**sorted**

Level 15, 19 Victoria St W, Auckland and Level 6, 11 Chews Lane, Wellington.  
PO Box 106-056, Auckland City 1143. Phone +64 9 356 0052.  
[retirement.govt.nz](http://retirement.govt.nz) [sorted.org.nz](http://sorted.org.nz) [sortedinschools.org.nz](http://sortedinschools.org.nz)

