

Feedback summary and changes

Shared financial wellbeing measures and tool



 Changes made to the shared measurement tool



 No changes made to 10 shared financial wellbeing measures

FEEDBACK RECEIVED

14 submissions were received between 28 February – 6 April 2024.

Submitters included: industry associations, not-for-profit community organisations, representatives from banks and government agencies, along with financial mentors and financial advisors.

OVERALL SENTIMENT

10 shared financial wellbeing measures: All submitters either **'agree'** or **'agree with changes'**

Shared measurement questionnaire tool: All submitters either **'agree'** or **'agree with changes'**.

Key Feedback themes	Amount of times suggested
Changing KiwiSaver fees doesnt make much difference compared to return and fund	2
Suggest knowledge of products and or confidence question	2
Suggest locus of control measure (critical for those to have hope)	2
Suggest a question around income	2
Questions could be better framed for Māori or Pacific People worldview	2
Questionnaire less suitable for those who are more vulnerable, don't have financial choices, or struggling	2
Might not always be relevant asking full set of questions	2
Questionnaire might be too in-depth/long for the clients we work with	3

NB: Feedback is labelled as a 'theme' when there was more than one suggestion



Consultation activity

Feedback was invited on the shared financial wellbeing measures and measurement tool between 28 February and 6 April 2024. To support consultation, Te Ara Ahunga Ora:

- Released a research and background paper “What are good outcomes for financial capability and how do we measure them?”
- Hosted one webinar on 15 March 2024 with 88 registered
- Sent 2 emails to 500+ financial capability partners inviting feedback
- Engaged industry associations in advance of consultation opening
- Posted on Te Ara Ahunga Ora LinkedIn channel

Key changes made as a result of feedback

1. Phrasing in the measurement tool has been changed to be more inclusive of different household ways of managing money and now says “Do you or your whānau...” throughout all survey questions.
2. Suggested demographic questions have been added to the measurement tool which covers: income, gender, age, ethnicity, who makes most money decisions, and an open-comment box on whether the participant would like to comment on their financial situation or if something has changed.
3. Modules in the measurement tool have been reordered to the following: 1. Savings and emergency fund, 2. debt and borrowing, 3. reducing fees and interest paid, 4. KiwiSaver and investing, and 5. protecting what’s important. This is as a result of feedback suggesting some investment questions may be less relevant to those who don’t have financial choices so we have the more advanced questions featured later in the survey with the debt module featured earlier.
4. Questions related to the debt and borrowing module have been rearranged to enquire about debt products first, then followed by the question “typically I borrow to” which flows more logically as feedback suggested.
5. The question enquiring about number of debt products has been better clarified and now specifies “Not including home loans, business loans, or student loans” given these are more productive forms of debt.
6. For the KiwiSaver and investing module, we have emphasised KiwiSaver first in all questions to limit confusion on whether this counts as an investment and be more relevant to those who don’t have other investment products.
7. The question enquiring about insurance cover has been further clarified given feedback suggested it could be confusing to know if someone was ‘fully’ or ‘partly’ insured for things that were important to them. It now asks whether someone has insurance for none, some, or all things that are important to them, or whether they are in the process of getting insured.
8. In the reducing fees and interest paid module, an additional answer has been added to the question asking whether actions had been taken to reduce interest charged on debts. The additional answer added says “I/We don’t owe any money”. This is added as a result of feedback suggesting that the question reads to assume everyone has debt.
9. In the KiwiSaver and investing module question where it’s asked if the participant has increased the amount they contribute or invest, an additional answer was added to include “No, I wasn’t/we weren’t able to”.



All feedback and responses to suggestions raised

Feedback	Times suggested	Te Ara Ahunga Ora response
Questionnaire might be too in-depth/long for the clients we work with	3	We have reordered the modules to be most relevant to those at the start of their financial journey. While it would be great if providers could ask the full set of questions to understand full programme impact, later modules can be dropped by providers if they think it could possibly be insensitive to where clients are at.
Might not always be relevant asking full set of questions	2	Practitioners could focus on a particular set of questions if the tool is being used to track progress on that subset and if there are reasons (such as motivation, self-confidence) for not asking all of them.
Questionnaire less suitable for those who are more vulnerable, don't have financial choices, or struggling	2	It's understandable this may not be suitable for all clients. This tool enables providers to be able to measure financial progress but does presume someone is able to make some change. Some clients may need more wraparound support and not yet at a point they can progress financially.
Definition of financial wellbeing could include "allowing choices for the enjoyment of life"	1	We appreciate choices and enjoyment of life is a really important wellbeing measure but measuring this alone won't help us design better interventions that help people financially. We therefore opted not to include more subjective wellbeing measures in the shared tool but expect if people grow their money and build resilience then choices and enjoyment of life should accompany.
Income support from MSD – disadvantaged if save in any way, so 'saving' and 'investment' not a fit with vast majority of clients accessing financial mentoring; financial mentoring often working with clients with very low income.	1	This is a systematic challenge that is important to consider. We have reworked the questionnaire to bring debt and borrowing modules up sooner and amended the 'investment' module to talk about KiwiSaver first given KiwiSaver is the most relevant investment product to most New Zealanders.
Helping people enforce consumer rights not captured.	1	This is a systematic challenge that is important to consider however we haven't been able to address this within the tool.



Feedback	Times suggested	Te Ara Ahunga Ora response
Would have concern suggesting participants/mentors need to fill out two questionnaires (client voices and this tool)	1	We agree. This is an optional tool to measure financial change as a result of financial capability interventions. This is not intended to increase burden on people but if we don't measure we can't learn and improve our services.
Questions could be better framed for Maori/Pacific People worldview	2	Thank you for raising this, we reconsidered how we could make sure the survey resonated with different households and amended all questions to be from the dual default position of 'You or your whānau' – depending how money is managed.
Framing of the questions or language used could be exclusionary for some people using the tool- could be reworded to be more inclusive.	1	We reworded many of the questions for simplicity – especially in the KiwiSaver/Investing module and the insurance one.
The outcome 'Increasing saving regularly' - it may be helpful to clarify whether this is increasing your savings balance regularly, or increasing the rate at which you are saving. Perhaps "Increase savings regularly"? That also goes for other similarly worded outcomes.	1	It's a great point. The 10 outcome measures are a summary for providers and aren't consumer-facing so may be a little less plain language. The questionnaire is what is used for participants of financial capability programmes where saving regularly is clarified as 'have you or your whānau increased the amount of money you regularly set aside?'.
With the Financial Growth Measures No.3 and No.7, if the market returns are reduced or in a negative cycle, there is little control for the respondent to increase return potential or reduce interest paid in some financial areas, as defined by the market/regulator.	1	We measure what participants can control through reducing fees paid, and whether they have checked if KiwiSaver/investments are in line with goals – (considering fund type, timeframe and risk). These enable us to capture whether the participant is able to maximise their return potential regardless of what the market is doing.
Financial Resilience Measure No.2 implies a level of knowledge of the 'relevant' insurances and that some insurances may, therefore, be 'irrelevant'.	1	Hopefully providers can help client make decisions based on unique circumstances. We have amended the insurance question for clarity given people won't always know what 'fully' or 'partly' insured would be but they may know if they have insurance for 'none', 'some', or 'all' things important to them.



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Return potential - for many this would be complex and hard to understand	1	We agree – return potential can be a complex phrase. This phrasing is not within the questionnaire tool that consumers would see and is used to summarise the 10 measures which isn't consumer-facing.
Suggest a question around income	2	This has been added.
Suggest a locus of control measure (critical for those to have hope):	2	We acknowledge the essential role psychological factors play – however, these are a means to an end (enablers), and don't in themselves create financial growth or resilience (the outcomes we want to see from financial capability). We cannot measure this subjectively and consistently across providers.
Knowledge of products and confidence	2	How people feel about money is important. We are measuring the end result (this measures a means to get there). Financial knowledge measures have also been seen in some studies to disadvantage women who are more likely to answer 'I don't know' when they may know the answer compared to men.
Suggest a question around budgeting and revising budget	1	budgeting and revision are a means to an end and don't in themselves create financial growth so aren't included in the tool.
Suggest question around paying all bills on time	1	Pay all bills by due date is covered in question 8 under the 'reducing fees and interest paid' module.
Include demographic questions	1	Agree – these have been added.
Recommend swapping the order of Q7 and Q8, as Q8 will help frame the thinking about debt, then Q7 unpacks the respondent's debt habits further.	1	Yes, agree. The debt module now shows earlier in the questionnaire and we have swapped these questions around.
Could we have fewer measures with broader outcomes - i.e) income	1	We added demographic questions including income, age, and who in household manages money.



Feedback	Times suggested	Te Ara Ahunga Ora response
KiwiSaver and investing - not always relevant to our clients (running before they can walk) and maybe not need to be grouped together	1	We have better clarified the KiwiSaver and Investing module to start with KiwiSaver in each question given that is the most common investment product. While it would be great to ask all questions, we also moved this to later in the survey and is up to providers on relevance to clients.
Could we ask "Do you regularly save and, if No, why not?" - this would cover decumulation phase	1	We haven't added a 'if no, why not' answer option to the saving question as people in decumulation phase won't be penalised in scoring. Their answers will say 'no' both pre and post survey so scoring will just stay flat for this one which won't be a problem.
Should points be given for maintaining savings and KiwiSaver/investment contributions given cost-of-living crisis.	1	They won't <i>regress</i> - answers will stay flat so not a problem if this doesn't move. We have added an option to ask an open ended question at the end for any comments about their finances or if circumstances had changed. That information can be used by the provider to understand the context of score change (or lack thereof).
Emergency savings seems on the low side (is there a difference between \$100 and \$300) categories should be a) \$0, b) 0-\$500	1	To ensure the survey is inclusive to different financial starting points we think it's important to still check for progress here even if seen as small changes objectively. This change can be really impactful to those who are saving more - even if \$100 at a time. Given many NZers don't have \$1000 saved it is useful to see progress in the sub \$1000 category.
Like the relevance to different demographics of differing amounts for emergency savings	1	Good to hear, the interviews we held with providers were really helpful to understanding what progress looks like for different journeys.
Add option that allows those not currently working to answer KiwiSaver part	1	We want it to be able to be completed on paper and keep it simple. Not having money answer option still covers off those not working that can't afford to do so.
Q4 and Q5 logic - Q5 not relevant if Q4 they say "no I don't have any spare money to invest"	1	We agree adding dynamic answers/ logic would be great, however many financial capability programmes need to use paper surveys so we haven't added this capability to the survey to keep it universally useful.



Feedback	Times suggested	Te Ara Ahunga Ora response
Investments and KiwiSaver financial literacy gap - distinguish these questions?	1	Agree, we have better clarified the KiwiSaver and Investment module questions to suggest KiwiSaver first in each question given it's the most common investment product
Add "No, I don't have spare money to invest" option to increase KiwiSaver/ Investment question	1	Yes, added a 'we weren't able to' answer when asked whether contributions had been increased - we didn't want to use terms like 'can't afford to' to avoid triggering feelings of shame.
change heading to 'non-housing debt' when asking about debt products	1	Agree - we added to the question 'not including home loans, business loans, or student loans' to better capture that this question should exclude capturing the more productive forms of debt.
Q8a: suggested specifying for the number of debt products question: "excluding mortgage or student loan"	1	Agree - we added to the question 'not including home loans, business loans, or student loans' to better capture that this question should exclude capturing the more productive forms of debt.
q10 & 11 assumes all respondents have debt. Q10 needs a 'no' option	1	Agree, added an answer option "I/We don't owe any money"
Realistically changing KiwiSaver fees doesn't make much difference - focus should be on average long term returns and fund allocation	2	Answered in "I have actively determined I am getting value for money with my fees". Considered impact of fees on their choice.
Insurance questions onward should have an option like 'I prefer not to answer' to accommodate those who do not understand what these things are, or do not have them and feel uncomfortable	1	Have added 'Don't know' to these questions.
suggest there is a question that says, 'Do you have insurance' and 'If so, which' chosen from a list.	1	We aren't testing for appropriateness of the insurance due to the complexity of individual circumstances and level of cover differing. We have removed 'partly' and 'fully insured' and instead ask if participants are covered for 'none', 'some', 'all' things important to them to simplify.



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