

He Rautaki-ā-motu mō te Āheitanga Ahumoni

The **National Strategy.** for Financial Capability

The **National Strategy.**

“ Working together to
help New Zealanders
understand money ”

NS.



ANNUAL REPORT

2021-2022



Te Pūtake Purpose

We will better serve
New Zealanders with an aligned
financial capability community



Te Whakakitenga Vision

New Zealanders
understand money

Ngā Whāinga | Goals

Uniting as a community we will work
collectively to achieve three key goals

Consistent content

Work together

Demystify money

Te Kaupapa Mātāmua Mission

To unite the financial capability
community to work together



RETIREMENT COMMISSIONER OVERVIEW

It has now been a little over year since we launched the National Strategy for Financial Capability in Parliament. We couldn't have done it without our many partners working together tirelessly across community, iwi, government, and commercial spaces to help New Zealanders understand money.

One of the many highlights this year includes witnessing the impressive mahi of the Financial Services Council who took up the challenge to shift the dial for women and their financial capability. The 'It Starts With Action' campaign launched in May 2022 as a call for the industry to come together and make impactful change. Women are one of our three target audiences in the National Strategy and women's hunger for relevant, targeted information and support is clear. My personal thanks to Tracey Cross and Clarissa Hirst for leading the charge and the FSC's newly minted diversity and inclusion committee for jumping into this project so quickly.



We look forward to the New Zealand Bankers' Association leading a similarly challenging project for Māori next year. Te Ara Ahunga Ora completed a significant project looking at what retirement looks for Māori this year which reinforces, among other things, that targeted and different financial capability system responses are crucial.

Other highlights this year include joining forces with our partners to encourage safer spending and collaborating on a new industry glossary of consistent financial terms which will help demystify money for New Zealanders. The glossary was repeatedly asked for in our consultations as we developed the National Strategy - it's a hard ask, and will only be effective if adopted and used by most entities in the sector. Please help us with this.

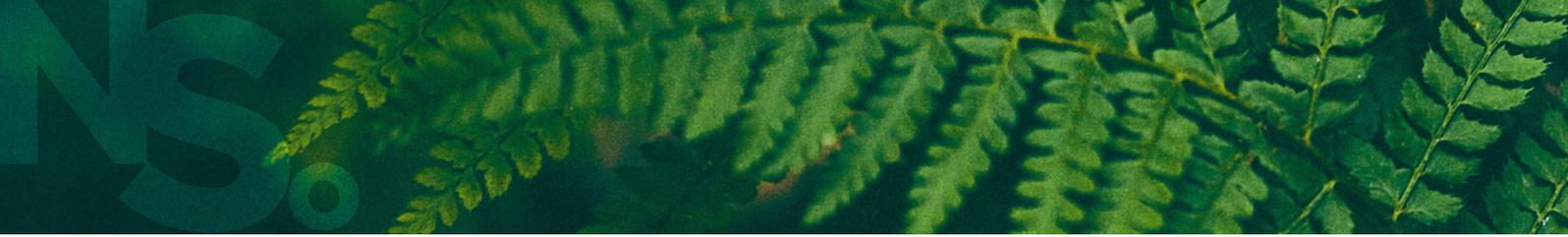
And we shared new research, engaged with partners through webinars, ran Sorted Money Week, reached more schools and workplaces through our Sorted programme, and launched an evaluation framework steering group. The long overdue face-to-face time at the National Strategy Conference on 24-25 August 2022 is an excellent opportunity for us all to test our thinking and to plot the next steps for the National Strategy

This last year wasn't without its challenges, namely: a pandemic, record inflation, and growing inequities which highlights the need for a joined-up financial capability community more than ever. We have too many 'thankyous' to name here but know we are eternally grateful for all the support, mahi, and kōrero from National Strategy partners who go above and beyond in contributing to meaningful change across Aotearoa. We look forward to achieving more together as we move into the second year of the strategy.

My personal thanks to National Strategy Lead Rachel Beckett, a one-woman band supported by many of you, who has created miracles with virtually no resource. We'll be working on that too!

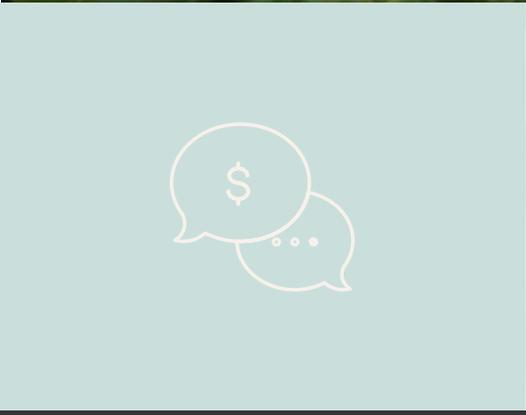
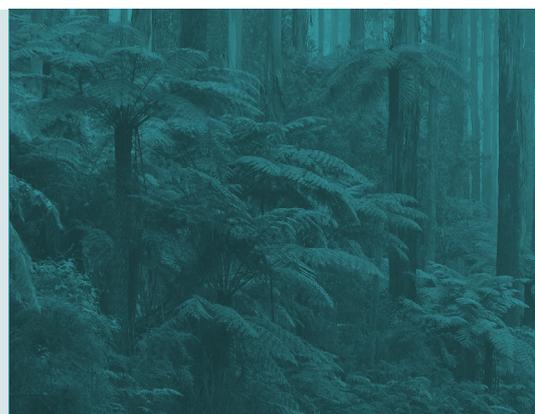
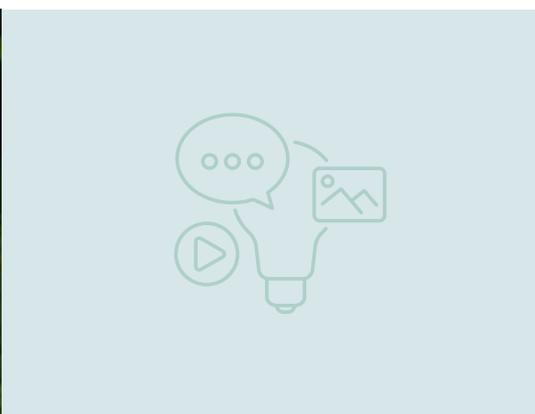
A handwritten signature in black ink, appearing to read 'Jane Wrightson'. The signature is stylized and fluid.

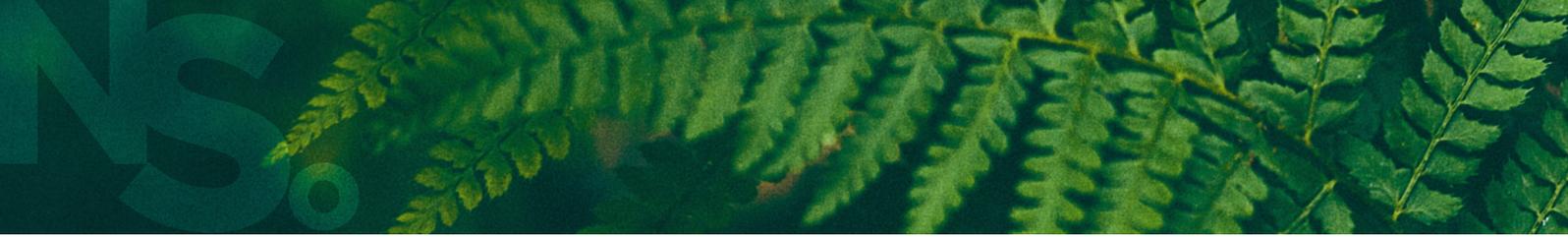
Jane Wrightson
Mana Ahungarua / Retirement Commissioner



He whakarāpopototanga o te rautaki-ā-motu The National Strategy in a nutshell

| | | | | |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | ACTION | | | |
| GOALS | <p>Consistent content</p>  <p>Clear, people-centred and consistent language is used across the financial capability community.</p> | <p>Work together</p>  <p>Through shared data and resources we understand what works, where the gaps are and what we need. Putting systems in place to support collaboration and improve communication.</p> | <p>Demystify money</p>  <p>People learn and talk about money, understand debt and saving. The FC community understands the different cultural practices that inform behaviour around money in Aotearoa.</p> | <p>Shifting the dial</p> <p>2-3 ambitious change projects are supported each year that get concrete results.</p>  |
| | PRIORITY AUDIENCES | Women | | |
| Māori | | | | |
| Pacific Peoples | | | | |





HIGHLIGHTS

Work together

500+

National Strategy partners involved across community, iwi, government, and commercial spaces working together to help New Zealanders understand money.

5 Industry body partners are part of the National Strategy Governance Group to provide their guidance and input overseeing the National Strategy in action. Five governance meetings have taken place this year.

580

Registered for five webinars where we shared new research, co-designed where to for the glossary and Money Week. We also heard from our partners on how New Zealanders finances were faring during the late 2021 lockdown.

FinCap facilitated a sixth webinar to share 'what is happening on the ground'.

Annual partners conference

The conference was delayed this year due to the pandemic meeting restrictions in place earlier in 2022. This is now scheduled for August 2022.

6 Partners formed a steering group developing sector-wide impact measures for financial capability activity



SCAFI aligned

The Safer Credit and Financial Inclusion Strategy (SCAFI) has been wrapped up and is now embedded into the National Strategy. We aim to explore further opportunities for Safer Credit and inclusion workstreams in the coming year with our partners.





Demystify money

70+

Partners took part in Sorted Money Week to demystify money for NZers.

95+

Partners got behind the FSC led initiative to shift the dial for women. #ItStartsWithAction.

6 This included research on New Zealanders financial capability, barometer findings, and deep dive research on the financial capability of Māori, women and Pacific Peoples. Kiwi Wealth also released one on the KiwiSaver gender gap.

10+

Partners took part in World Investor Week led by FMA.

Consistent content

20

Partners involved in a glossary working group to co-design a plain English financial glossary for the industry to demystify money for NZers. Seven working group meetings held so far with one more to go. This will go out to wider industry consultation in August to get further feedback before it is launched.

9.5m

109m impressions of a joint campaign with 6 partners to promote safe spending and where to go to for help.

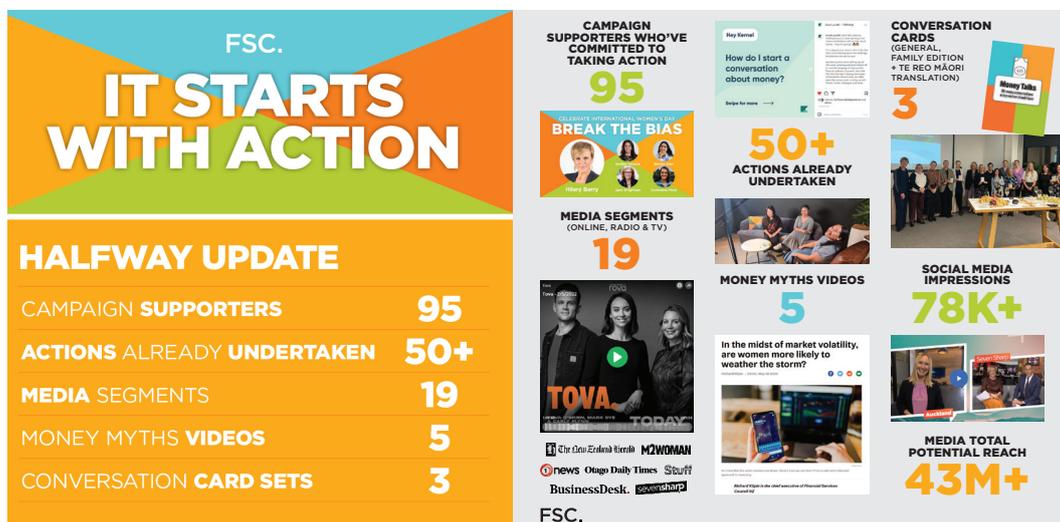
CASE STUDIES OF THE STRATEGY IN ACTION

Industry

Shifting the dial for women #Itstartswithaction

The Financial Services Council's It Starts With Action campaign has galvanised 95 supporters into action to help shift the dial for wāhine and their financial wellbeing.

So far, over 50 activities have taken place, ranging from webinars and in-person conversations to blog articles, podcast episodes and family kōrero.

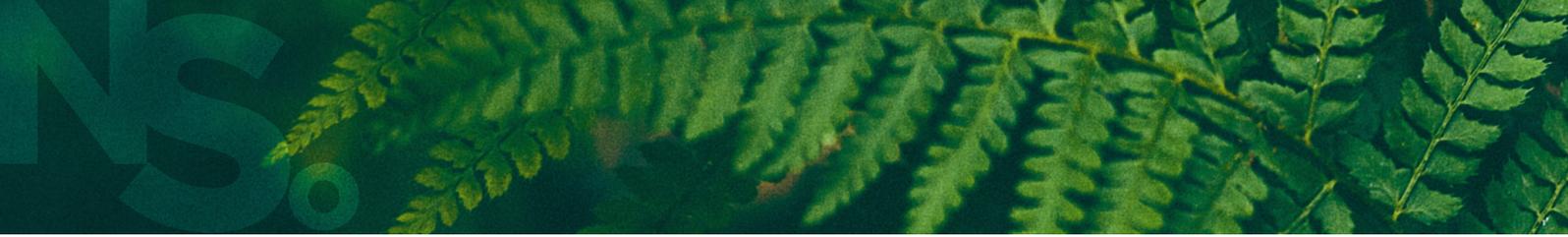


Massey Fin-Ed Centre

The Massey Fin-Ed Centre hosted a well-attended webinar with National Strategy Partners on “What role does culture play in young people’s lives when it comes to building their financial future?”

The webinar touched on different financial influences and young people shared their diverse experiences. This provided further insight to the financial capability community on better catering to diverse New Zealanders and the target audiences within the National Strategy.





Community

Buy Now Pay later and Help campaign

Ngā Tāngata Microfinance, Good Shepherd NZ, Christians Against Poverty (CAP), FinCap, Debtfix and Te Ara Ahunga Ora Retirement Commission's Sorted joined forces to make sure those who need some extra financial help and advice know where to turn to. The agencies had witnessed concerning trends with Buy Now, Pay Later changing the lending landscape by increasing access to credit without the regulations of traditional lending.

A joint campaign promoting the services available of each of the agencies, along with safer ways to shop to avoid a '#buynowpainlater' situation, kicked off in late 2021 within the lead up to Black Friday sales and Christmas. The campaign continued through to 2022 with partners seeing a big increase in people reaching out to them to get help, and a reach of over 100m impressions.



Is Buy Now, Pay Later looking tempting?

Be careful. Learn safer ways to spend at sorted.org.nz

Live sorted



Good Shepherd

“To support the goal of demystifying money within the National Strategy, Good Shepherd NZ created a healthy financial relationships hub on our website to remove barriers and give people the confidence to start talking about money with their partners.

Money for many Kiwis is a ‘taboo’ subject that is well known to cause relationship stress. Generally speaking in male-female relationships, women can find it more difficult to discuss money with their partner because they feel less self-assured and view their level of financial capability lower than men. The new hub provides accessible information and tools about identifying what a healthy relationship is and isn’t, why it’s essential for financial wellbeing and how to strike up the conversation.”

- Saravinder Pannu, Good Shepherd NZ



KiwiSaver, Annuities, New Zealand Superannuation Protection Society Incorporated (KASPANZ)

“The National Strategy is an overlay platform for us on financial issues relating to retirement. We look to find evidence-based articles and information, and to challenge commentator/political rhetoric on subjects like New Zealand Superannuation, which are inaccurate or not reflective of our members experience. We challenge Policymakers to act on their policy approach to NZ Super, in our view poor policy and not reflective of need of consumers.”

- Alec Kynaston Waugh, KASPANZ



Budgeting Service North Canterbury

“The webinars have been relevant and timely, giving us an insight into the challenges and issues facing New Zealanders. They provided insights, and the opportunity to think outside the box, more than we usually do. We have since re-designed some of our budget worksheets; with the emphasis on easier reading and understanding. These have been well received by our clients, particularly those who are struggling to cope, both emotionally and financially. We have teamed up with CAB and offer fortnightly “Drop-in Clinics” in an effort to reach more of the community. We have a programme for year 11 and 13s, which is well received at the schools we work with.”

- Sharon Grant, Service Manager



Christchurch Budget Service

“We run building financial capability stalls and promotions at community events to encourage people to think and talk about money, debt and to take advantage of the many ways that they can have fun while saving money. The National Strategy has helped to justify work underway with a recognition of Māori inequity in financial capability being important. Māori and Pacific Peoples are accessing services in greater numbers than they represent in local demographic data, and women are now more than 50% of primary clients. We would also love to see a focus on culturally and linguistic diverse communities.”

- David Marra, Service Manager





Government

MBIE

As strategy partners, our consumer protection and financial markets policy work is informed by the Commission's research, and the priority audiences identified in the National Strategy. Embedding the Safer Credit and Inclusion Strategy into the National Strategy carried forward a focus on demystifying money through the design and accessibility of financial products, services and support. We look forward to building on this work together.

Pacific Peoples Pathways to Homeownership

The Ministry for Pacific Peoples has partnered with Te Ara Ahunga Ora who are working with Skills Update Training and Education Group to deliver a new programme to raise financial capability in Pacific households, a target audience in the National Strategy. The programme is called Pacific Peoples Pathways to Homeownership which focuses on building the financial capability of 1200 Pacific households over three years to assist them in achieving their home ownership aspirations. So far over 300 families have completed the programme.



Many thanks to all our partners who contributed to this mahi. A special thanks to the following partners who contributed their time and brainpower on the following National Strategy working groups.

National Strategy governance group



Glossary working group contributors



Evaluation framework steering group



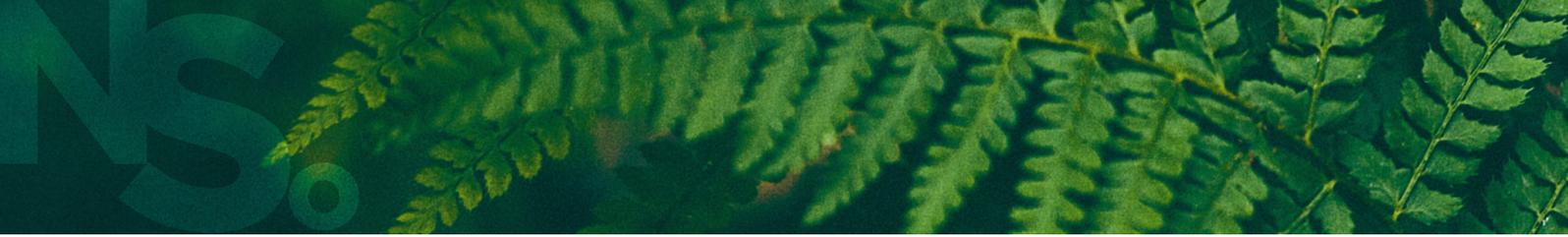
WHAT WE'VE ACHIEVED IN YEAR 1 OF THE STRATEGY:

| | 2021-22 | What is it | Status |
|---------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Consistent Content | Develop a sector glossary and use it sector-wide for consumer clarity Lead: Te Ara Ahunga Ora | The sector glossary aims to align language across the finance sector to help demystify money for New Zealanders. Using more consistent language and less jargon will lead to improved financial wellbeing outcomes and make it easier for NZers to engage with their money. We are grateful to the many skilled partners who collaborated with us across 7 working group meetings to explore consistent plain English terminology. The glossary will go to consultation later in the year for wider industry feedback before launching. | ✓ In progress: ETA August 2022 for industry consultation |
| Work Together | Annual stakeholder conference to review strategy progress Lead: Te Ara Ahunga Ora | The National Strategy partners conference is a chance for the financial capability community to come together, share mahi and kōrero on where financial capability approaches are working – and where they need to change. Due to the pandemic the conference has been delayed until August 2022. | ✓ In progress: Delayed to 24-25 August 22 |
| | Online seminar series Sharing stories, learning and networking Lead: Te Ara Ahunga Ora | Webinars offered a valuable chance to connect together as partners and discuss topical issues and research useful to the financial capability community. 5 webinars were hosted this past year which included: sharing research, collaborating on glossary terms and Money Week, as well as hearing perspectives from partners on how NZers finances are faring. Breakout sessions for each webinar were held to connect with one another and provide a platform for partners to input into each discussion. | ✓ Achieved |
| | What's happening on the ground? Mid-year webinar on trends and insights from NGOs Lead: FinCap | FinCap hosted a webinar in November 2021 to share with partners 'what is happening on the ground'. This webinar attracted 120 partners who got an insight into some of the topical issues facing New Zealanders. | ✓ Achieved |
| | Align SCAFI Ensure the future SCAFI work programme is informed by the National Strategy Lead: MBIE | The Safer Credit and Inclusion Strategy (SCAFI) was a partnership between MSD, MBIE, and Te Puni Kōkiri, alongside the financial services industry and community partners. Work on the strategy is now aligned to the National Strategy for Financial Capability. We will be working with partners to seek out new opportunities as a focus area in the coming year. There is a lot more to do to better advocate for the needs and aspirations of customers with low incomes or in vulnerable circumstances. | ✓ Achieved |
| | Shared FC impact measurement framework Lead: Te Ara Ahunga Ora | Impact measures on whether we are shifting the dial through financial capability initiatives differs widely throughout the financial capability community. We are exploring consistent measures that we can recommend to partners that are simple to administer, culturally responsive, research-led, and explores behaviours where appropriate. We are grateful to the steering group helping guide this work. We will be seeking feedback and input from partners as the measures are developed. | ✓ In progress: Steering group launched |



| | | | |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Demystify Money | Industry working group to devise, fund and run a substantial pan-sector campaign or project: Target=Women Lead: FSC | The Financial Services Council launched the #ItStartsWithAction campaign which is a collective effort to make impactful change in growing women's financial wellbeing and confidence. This was the first 'shift the dial' initiative in the National Strategy for Financial Capability which ran from May- July 2022 and had more than 95 partners take part. Everyone across the finance industry and beyond was encouraged to take action - big or small. | ✓ Achieved |
| | Money Week Theme: Just Wondering? Lead: Te Ara Ahunga Ora | Money Week is the annual public awareness and engagement campaign coordinated by Te Ara Ahunga Ora in partnership with the financial capability community. Aligned to the National Strategy for Financial Capability, the campaign's purpose is to work together to help demystify money. Money Week took place on the 9th-15th August 2021 with the theme 'Just wondering' where any money question is a good question. | ✓ Achieved |
| | World Investor Week Lead: FMA | World Investor Week is a global campaign to raise awareness of investor education and protection, hosted by FMA. This year New Zealanders were encouraged to take a mo before they jump into an investment using the 5 D's of investing. 10 partners joined in to take part over the week of 4-10 October 2021. | ✓ Achieved |





YEAR 2 OF THE STRATEGY: WHAT'S NEXT

An essential part of the National Strategy is gathering together at an annual National Strategy Partners Conference to share knowledge and trends and co-design the next steps. The conference was delayed to the 24-25 August 2022. We will hear from industry, community partners, entrepreneurs, government, and Ministers on what they are seeing and what is shifting the dial for New Zealanders and their money. We will explore how we can better effect change for the Strategy's three target audiences: Māori, Women, Pacific Peoples. We will also think more about the power of telling a collective financial capability story and co-design what we, the sector, need to do from here.

In the meantime, we will continue working on a consistent evaluation framework with our steering group and will be seeking input from partners. We also will be engaging with the wider sector to seek feedback on the industry glossary before launching it. The New Zealand Bankers' Association will be busy refining an industry working group to devise and run a substantial campaign or project focusing on shifting the dial for Māori which follows on from the impressive FSC led initiative focused on wāhine that launched in May 2022. FMA will be scoping a shared resource library for the benefit of our partners across the financial capability community. We will also run our usual series of webinars, Money Week, and preparing a great programme for next year's conference alongside any new opportunities that no doubt will arise.

Additionally we would like to spend more time meeting face-to-face with partners and identify new opportunities to help New Zealanders. Specifically advancing the work of what was formerly SCAFI, and exploring more ways we can work to advance the capability of our target audiences.



MRS

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