KiwiSaver Demographic Study

February 2024

MELVILLE JESSUP WEAVER

WTW Alliance Partner

Contents

Appendices

1   Executive Summary

1.1   Purpose

Melville Jessup Weaver (**MJW**) has been engaged by the Retirement Commissioner to collect demographic data on KiwiSaver (see Appendix A). This report presents that data.

1.2   Method

MJW approached several KiwiSaver providers asking for aggregated data covering the membership of their schemes. Providers were asked to fill in a simple spreadsheet giving the number of members for different age and gender combinations, and the average savings balance (see Appendix B). Data was provided in early 2024 giving a snapshot as at 31 December 2023.

This is the third such report, with the previous editions[1] collecting data as at 31 December 2021 and 31 December 2022.

1.3   Universe and data

Providers covering 3,274,618 members with total balances of $104.21 billion responded.

According to the IRD[2], in December 2023 there were 3,335,323 KiwiSaver members in total, meaning that this survey covered approximately 98% of the total KiwiSaver member base. This is a reasonable increase compared to the previous report which had approximately 94% coverage by number of members.

One provider from the previous report (which at that stage represented approximately 7,000 members) declined to participate in this year's edition. In addition, eight new providers (representing approximately 160,000 members) were added in this year's report.

While a large sample, it is possible that the results reflect some biases and due caution should be applied to interpreting the results.

Also, it should be noted that some gender information was unavailable. In this report, total figures include data relating to members where gender is unknown or non-binary. However, the analysis of males and females only includes data where gender is known to be male or female.

1.4   Author

Ben Trollip, FNZSA, FIAA
+64-9-300-7315
Ben.Trollip@mjw.co.nz

1.5   Data sources

Data has been provided from KiwiSaver providers. While quality control checks have been performed, MJW is unable to certify the accuracy of the analysis presented in this report. MJW is not liable for any action taken as a result of this report.

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[1] See https://mjw.co.nz/ for previous editions.

[2] https://www.ird.govt.nz/about-us/tax-statistics/kiwisaver/datasets

2   Results

2.1   Number of members

Number of members

Age	Total	Female	Male	% Female	% Male
17 and under	196,289	94,289	99,270	48.7%	51.3%
18-25	447,784	200,793	207,094	49.2%	50.8%
26-30	347,147	158,990	165,792	49.0%	51.0%
31-35	394,238	181,478	182,911	49.8%	50.2%
36-40	350,367	162,401	159,932	50.4%	49.6%
41-45	302,597	143,297	137,329	51.1%	48.9%
46-50	278,648	135,646	125,369	52.0%	48.0%
51-55	287,572	144,090	127,889	53.0%	47.0%
56-60	261,504	131,943	117,484	52.9%	47.1%
61-65	228,439	116,278	102,921	53.0%	47.0%
66-70	106,255	54,203	48,256	52.9%	47.1%
71-75	51,551	26,264	23,743	52.5%	47.5%
76-80	20,162	10,218	9,405	52.1%	47.9%
81-85	1,425	665	719	48.0%	52.0%
86 and over	355	190	157	54.8%	45.2%
Unknown age	285	61	113	35.1%	64.9%
Total all ages	3,274,618	1,560,806	1,508,384	50.9%	49.1%

For some members, gender is unknown. Therefore, the sum of the Female and Male columns is less than the Total column. The percentage columns exclude members where gender is not known to be either female or male.
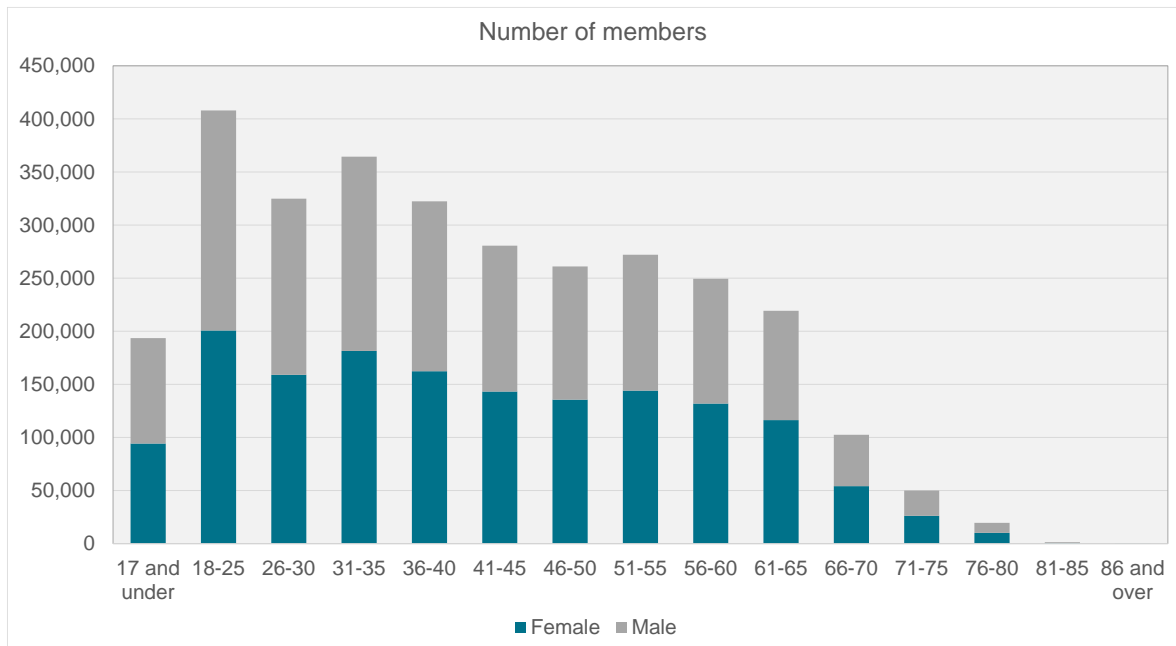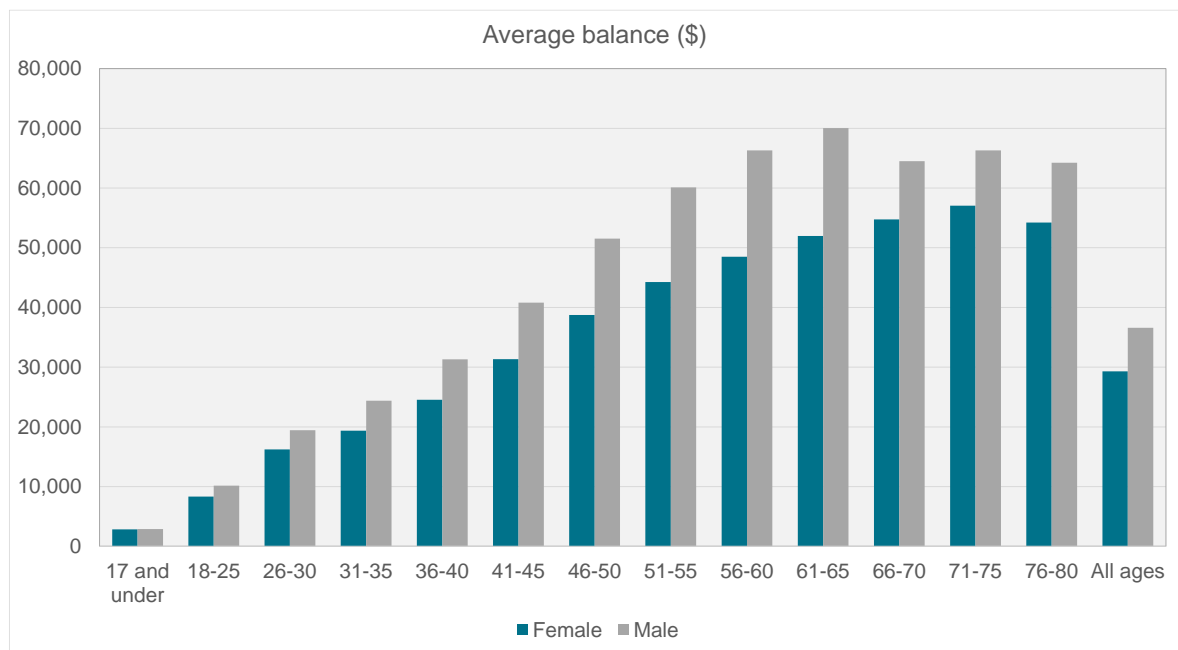

We make several observations of interesting features.

- In total there are more female members (50.9%) than male members (49.1%). This difference in percentage of male and female members is less significant than in last year's report (females: 51.2%)

- The age bracket with the most members is 18-25 years, after which there is a fairly uniform distribution of members. Unsurprisingly, the number of members falls away above age 65 as this is typically when members can access their savings.

- Approximately 180,000 members (5.5%) are aged over 65, and appear to be using KiwiSaver as an investment vehicle in their retirement. This is an increase on last year (165,000 and 5.4%).

2.2   Average balance

The average balance for each cohort is shown in the following table. The final column gives the ratio of the male balance to the female balance.

Average balance ($) Age	Total	Female	Male	Male / Female
17 and under	2,869	2,825	2,889	102%
18-25	8,867	8,319	10,168	122%
26-30	17,326	16,218	19,430	120%
31-35	21,086	19,367	24,372	126%
36-40	26,829	24,534	31,303	128%
41-45	34,741	31,325	40,806	130%
46-50	43,600	38,732	51,514	133%
51-55	50,446	44,263	60,100	136%
56-60	55,632	48,489	66,312	137%
61-65	59,329	51,971	70,045	135%
66-70	58,125	54,746	64,505	118%
71-75	60,240	57,033	66,288	116%
76-80	58,282	54,222	64,244	118%
81-85	113,807	129,518	104,291	81%
86 and over	156,039	187,996	124,830	66%
Unknown age	12,537	10,534	19,742	187%
All ages	31,823	29,291	36,605	125%

Ages 81 and over have been excluded because these cohorts account for a small proportion of members and are distortive to the chart.

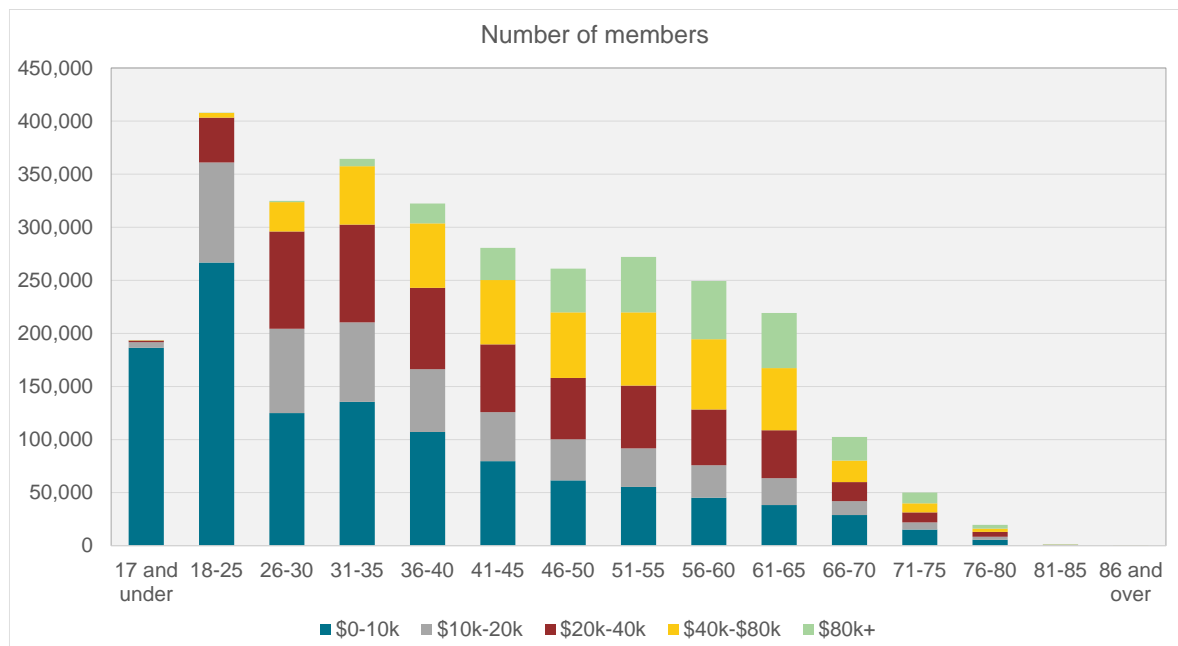We make several observations of interesting features.

● The average KiwiSaver balance is $31,823. This is $4,444 higher than last year (an increase of 16.2%). This likely reflects the strong recovery financial market experienced over 2023.

● There continues to be a notable gap between males ($36,605) and females ($29,291). The average balance for a male is 25% higher than the average balance for a female, a gap of $7,314. While expanding in monetary terms, the ratio of the average male balance to the average female balance has remained around 25%.

● For males, the average balance increased $5,109 (16.2%), while for females, the average balance increased $4,147 (16.6%) from last year's report.

3 Cohort analysis

In these sections, we present the breakdown of the number of members in each age cohort, categorised by the savings balance.

3.1 Cohort analysis: all members

Number of members

Age	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+
17 and under	186,490	5,228	1,465	285	91
18-25	266,692	94,375	42,243	4,295	282
26-30	124,989	79,452	91,574	27,612	1,155
31-35	135,575	74,858	92,105	54,967	6,884
36-40	107,084	59,199	76,571	60,879	18,600
41-45	79,630	46,226	63,845	60,519	30,406
46-50	61,467	38,744	57,753	61,913	41,138
51-55	55,377	36,313	59,073	69,054	52,162
56-60	45,198	30,550	52,535	66,237	54,907
61-65	38,248	25,397	45,041	58,640	51,873
66-70	28,940	13,045	17,956	20,335	22,183
71-75	15,214	6,686	9,420	8,594	10,093
76-80	5,685	2,707	4,597	3,152	3,482
81-85	315	155	290	213	411
86 and over	90	26	32	49	150
Unknown age	107	19	26	16	6
Total all ages	1,151,101	512,980	614,526	496,760	293,823

We make several observations of interesting features.

- The cohort with the most members is 18 to 25 year olds with $0 to $10,000 saved. Approximately 9% of those surveyed fall into this category.

- As we move into the older age groups, the spread of balances becomes wider, although there are members with less than $10,000 in each cohort. Of those aged 61 to 65, 17.4% have less than $10,000 saved.

The following chart shows the same data but in proportions for each age cohort.
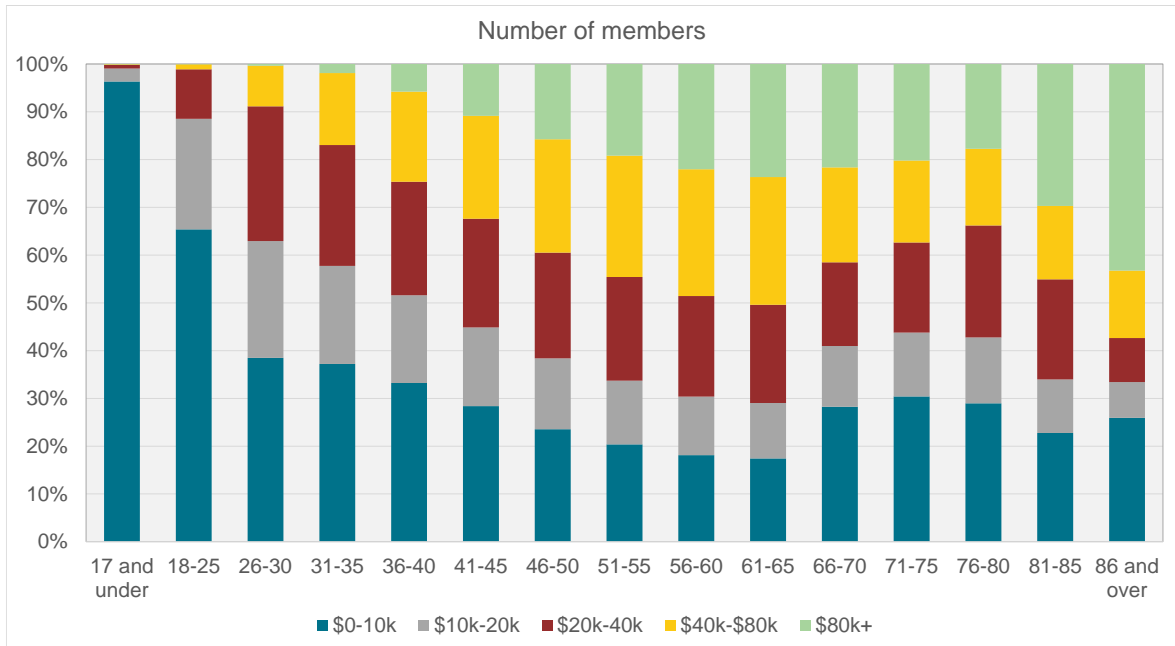
Finally, we group the data into broader age bands in the following table.

Number of members

Age	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+
30 and under	578,171	179,055	135,282	32,192	1,528
31-50	383,756	219,027	290,274	238,278	97,028
51-65	138,823	92,260	156,649	193,931	158,942
66 and over	50,244	22,619	32,295	32,343	36,319
Unknown age	107	19	26	16	6
Total all ages	1,151,101	512,980	614,526	496,760	293,823

3.2   Cohort analysis: females

Number of members: females

Age	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+
17 and under	90,903	2,505	701	139	41
18-25	138,924	44,972	15,627	1,149	121
26-30	65,498	41,072	42,438	9,678	304
31-35	73,412	39,944	44,334	21,780	2,008
36-40	58,451	32,171	38,744	26,632	6,403
41-45	43,743	25,659	34,084	28,444	11,367
46-50	33,481	22,159	32,496	31,376	16,134
51-55	30,506	20,871	34,078	37,150	21,485
56-60	24,474	17,531	30,465	36,291	23,182
61-65	20,689	14,447	26,023	32,429	22,690
66-70	14,846	7,109	10,182	11,457	10,609
71-75	7,727	3,718	5,335	4,639	4,845
76-80	2,853	1,573	2,650	1,579	1,563
81-85	131	74	140	107	213
86 and over	31	14	20	31	94
Unknown age	45	4	6	5	1
All ages	605,714	273,823	317,323	242,886	121,060
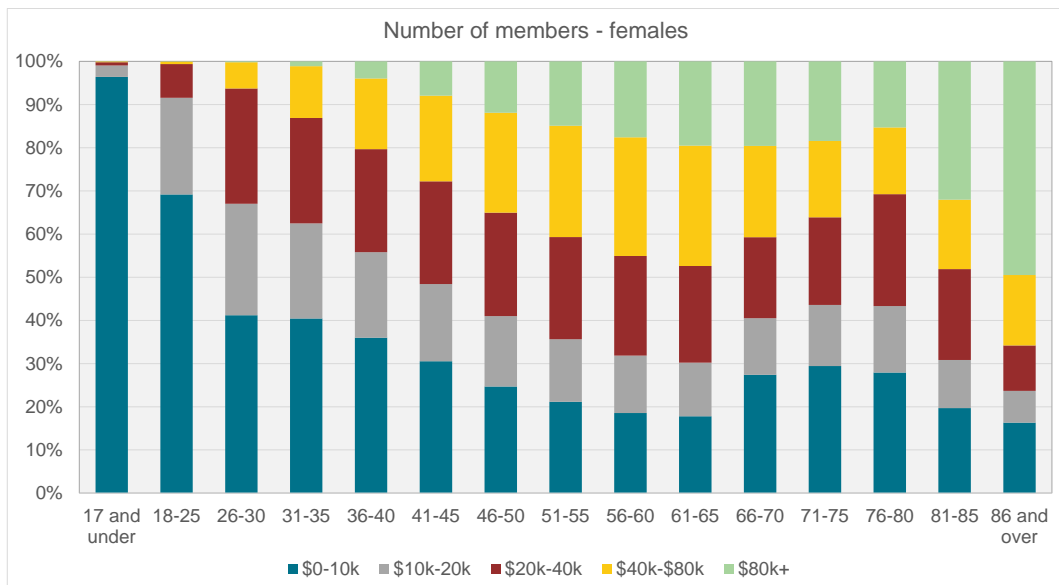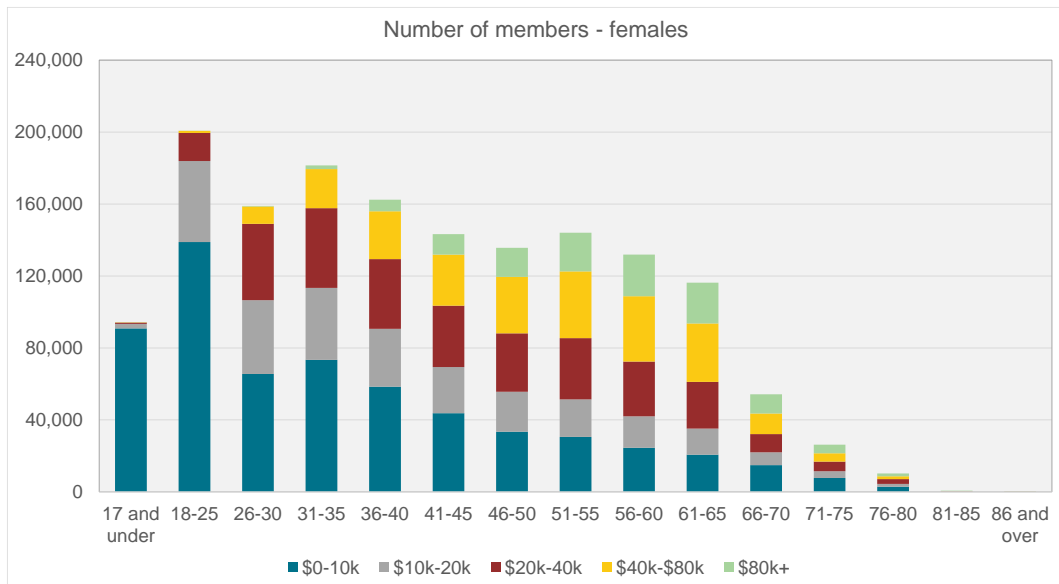
3.3   Cohort analysis: males

Number of members: males

Age	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+
17 and under	95,587	2,723	764	146	50
18-25	127,768	49,403	26,616	3,146	161
26-30	59,491	38,380	49,136	17,934	851
31-35	62,163	34,914	47,771	33,187	4,876
36-40	48,633	27,028	37,827	34,247	12,197
41-45	35,887	20,567	29,761	32,075	19,039
46-50	27,986	16,585	25,257	30,537	25,004
51-55	24,871	15,442	24,995	31,904	30,677
56-60	20,724	13,019	22,070	29,946	31,725
61-65	17,559	10,950	19,018	26,211	29,183
66-70	14,094	5,936	7,774	8,878	11,574
71-75	7,487	2,968	4,085	3,955	5,248
76-80	2,832	1,134	1,947	1,573	1,919
81-85	184	81	150	106	198
86 and over	59	12	12	18	56
Unknown age	62	15	20	11	5
All ages	545,387	239,157	297,203	253,874	172,763
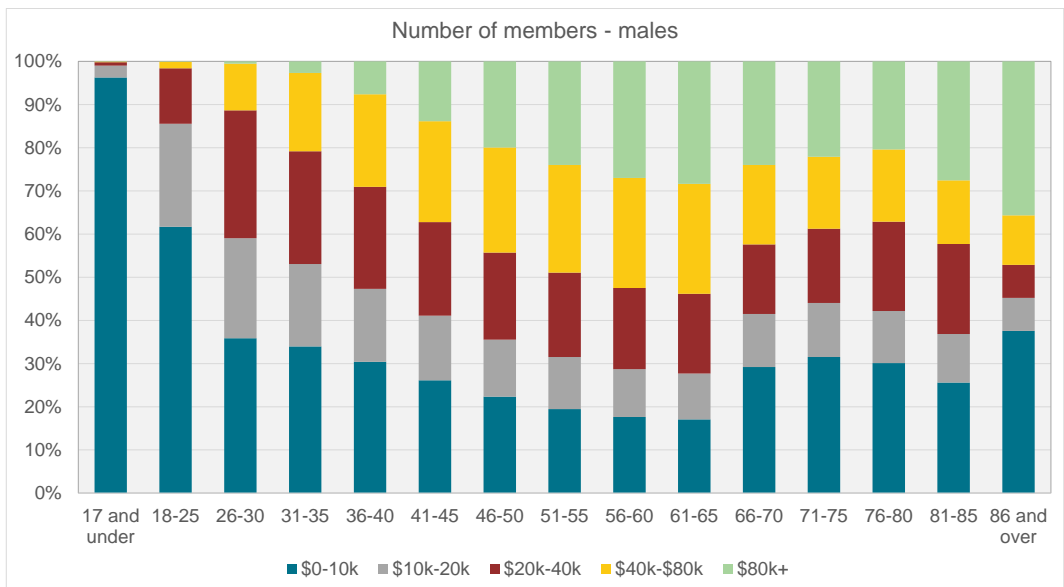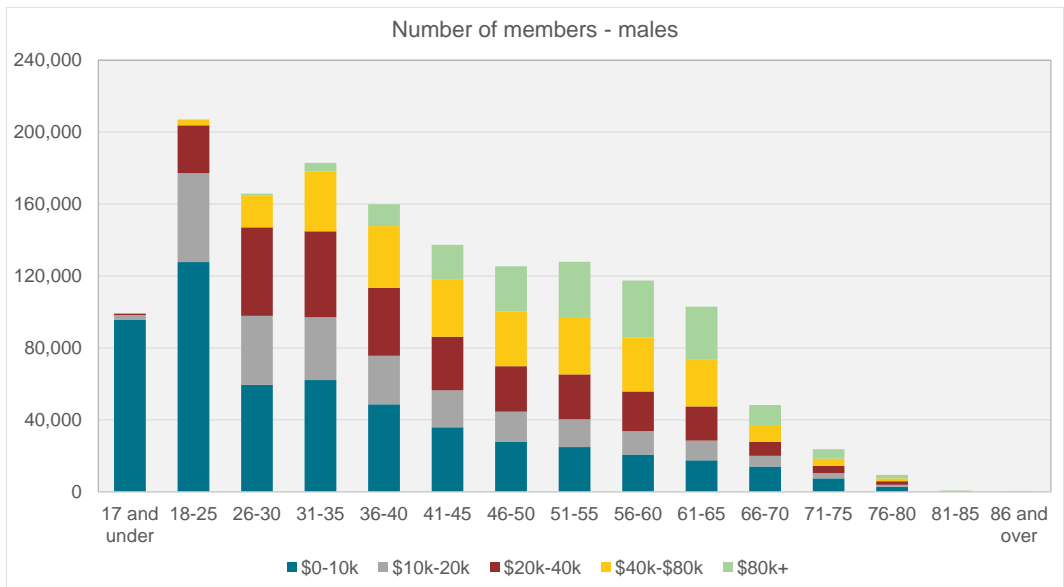
3.4   Cohort analysis: males - females

This analysis shows the difference in numbers (number of males minus number of females) in each cohort. A positive number means there are more males in a particular cohort, a negative number means there are more females. We have used a heat map to highlight the biggest differences.

Number of members: males - females

Age	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+
17 and under	4,684	218	63	7	9
18-25	-11,156	4,431	10,989	1,997	40
26-30	-6,007	-2,692	6,698	8,256	547
31-35	-11,249	-5,030	3,437	11,407	2,868
36-40	-9,818	-5,143	-917	7,615	5,794
41-45	-7,856	-5,092	-4,323	3,631	7,672
46-50	-5,495	-5,574	-7,239	-839	8,870
51-55	-5,635	-5,429	-9,083	-5,246	9,192
56-60	-3,750	-4,512	-8,395	-6,345	8,543
61-65	-3,130	-3,497	-7,005	-6,218	6,493
66-70	-752	-1,173	-2,408	-2,579	965
71-75	-240	-750	-1,250	-684	403
76-80	-21	-439	-703	-6	356
81-85	53	7	10	-1	-15
86 and over	28	-2	-8	-13	-38
Unknown age	17	11	14	6	4
All ages	-60,327	-34,666	-20,120	10,988	51,703

We make several observations of interesting features.

- There are significantly more females than males in the $0 to $10,000 balance cohort. This holds for almost all age cohorts.

- By contrast, there are more males than females in the $80,000 plus cohort for almost all age brackets.

A   Appendix A – Letter from the Retirement Commissioner

TE ARA AHUNGA ORA
Retirement Commission

Ben Trollip
Principal
Melville Jessup Weaver
Auckland

Dear Ben

I am pleased that you have been engaged by my office to undertake an important project, which will provide unique insights into KiwiSaver membership and funds under management, across age cohorts and gender.

Towards the end of 2020 I released a statement defining the purpose of New Zealand's retirement income system. As part of the purpose statement, which was developed in collaboration with my Expert Advisory Group, we identified that a retirement income system's purpose was twofold:

1. To provide NZ Superannuation to ensure an adequate standard of living for New Zealanders of eligible age. NZ Super is the Government's primary contribution to financial security for the remainder of a person's life.
2. To actively support New Zealanders to build and manage independent savings that contribute to their ability to maintain their own relative standard of living.

KiwiSaver plays a crucial role in terms of the second aspect and has become an important part of the New Zealand retirement landscape over the past 14 years.

We know at an aggregate level that we have a large amount of people enrolled and participating in KiwiSaver schemes. However, there is very little data available that allows us to determine important details about participation and funds under management across age cohorts and gender. This level of detail is crucial to inform policy recommendations for our upcoming Review of Retirement Income Policies. In addition, it will help us understand what type of information may be helpful to various cohorts who access the guides and resources on our Sorted website, and will help us to fulfil our purpose of empowering the people of Aotearoa on their journeys to a better retirement.

I hope that KiwiSaver fund managers will assist you by providing the requested information. The data will remain securely held by MJW but the output will be shared publicly. The output will be a collation of data from all participating providers. It will show the total range of funds under management across age cohorts and gender in a completely anonymised form.

This work will be invaluable from a policy perspective.

Thank you for your cooperation on this project.

Yours sincerely

Jane Wrightson
Mana Ahungarua / Retirement Commissioner

retirement.govt.nz | sorted.org.nz | sortedinschools.org.nz

B   Appendix B – Spreadsheet template

As at	All members*		Females								Males						
31-Dec-23	Number of	Average	Number of members with balance						Average	Number of members with balance						Average
Age	members	balance ($)	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+	Total	balance ($)	$0-10k	$10k-20k	$20k-40k	$40k-$80k	$80k+	Total	balance ($)
17 and under								0							0	
18-25								0							0	
26-30								0							0	
31-35								0							0	
36-40								0							0	
41-45								0							0	
46-50								0							0	
51-55								0							0	
56-60								0							0	
61-65								0							0	
66-70								0							0	
71-75								0							0	
76-80								0							0	
81-85								0							0	
86 and over								0							0	
Unknown age								0							0	
Total all ages	0	#DIV/0!	0	0	0	0	0	0	#DIV/0!	0	0	0	0	0	0	#DIV/0!