

# KiwiSaver balances at 31 Dec 2022

## SUMMARY

Te Ara Ahunga Ora (TAAO) commissioned Melville Jessup Weaver (MJW) actuaries to collect demographic data on KiwiSaver as at 31 December 2022, to provide an update to the data collected as at 31 December 2021 (see their [paper](#) and our [Policy Brief 01](#)).

MJW's 2023 report contains data on 3,058,230 members with total balances of \$83.73 billion as at 31 December 2022. This represents approximately 94% of the total KiwiSaver member base. All providers from the previous report participated again, as well as new providers.

The average KiwiSaver balance is \$27,379, a drop of 5.7% from 2021. This likely reflects poor financial market conditions over the 2022 year. For males, the average balance fell 3.2% (to \$31,496), while for females, the average balance fell 7.1% (to \$25,144). The average KiwiSaver balance gap between males and females has grown from 20% to 25%.

KiwiSaver providers were also asked to provide additional information about member balances across age and gender by fund type. Given the greater complexity of this data collection, a reduced sample of providers covering 2,147,944 members with total balances of \$54.14 billion responded. This data collection represents approximately two thirds of the KiwiSaver membership base. The MJW study only collected fund data broken down by age cohort and gender. It was not possible to collect member numbers because of the prevalence of members splitting their accounts across multiple funds. All analysis therefore represents differences in the amount of funds invested in different asset classes, and not the number of people invested in different asset classes.

More than one third of all funds under management are invested in growth funds. The allocation to growth assets decreases with age. A greater proportion of male balances are invested in growth funds, while a greater proportion of female balances are invested in conservative and moderate funds, this difference is smaller at younger ages and more pronounced for those nearing age 65 and those over age 65.



## KEY POINTS

- The average KiwiSaver balance is \$27,379 (a fall of 5.7% from 2021)
  - Men's average balance is \$31,496 (a fall of 3.2%)
  - Women's average balance is \$25,144 (a fall of 7.1%)
- Women's balances are on average 25% lower than men's (compared to 20% lower in 2021).
  - The gap between women's and men's average balances has widened across all age cohorts and the largest are still between men and women in their 40s and 50s.
  - The widening gap does not appear to be explained by fund choice, withdrawal, or suspension behaviour of women compared to men in this time period.
- 41% of KiwiSaver members have a balance of less than \$10,000
  - two thirds of people with balances less than \$10,000 are age 35 and younger
  - a quarter of those over the age of 35 have balances under \$10,000
  - 1 in 5 of those aged 51-65 have less than \$10,000
- 38% of KiwiSaver funds are invested in growth funds
  - For the under 50s, this is around half of investment balances, decreasing to 30% for those aged 50-65 and less than 20% of investment balances for those over 65.
- Women have more assets invested in conservative portfolios, while men have more assets invested in growth portfolios.
  - This difference is small at younger ages and more pronounced at older ages.
  - This does not necessarily reflect different risk profiles; it could relate to balance size, as those with lower balances may be invested in lower risk funds.



**Table 1**  
Average balances by age cohort and sex:  
31 December 2022

Age	Total	Female	Male	Male/ Female
17 and under	2,449	2,423	2,463	102%
18-25	7,589	7,088	8,694	123%
26-30	15,046	13,950	16,963	122%
31-35	18,554	16,985	21,535	127%
36-40	23,825	21,703	27,950	129%
41-45	30,527	27,269	36,114	132%
46-50	37,716	33,189	45,036	136%
51-55	42,866	37,414	51,428	137%
56-60	47,016	41,074	55,995	136%
61-65	51,054	45,017	60,067	133%
66-70	54,112	51,088	59,875	117%
71-75	57,464	53,913	63,696	118%
76-80	55,403	51,855	60,951	118%
81-85	166,214	187,987	151,824	81%
86 and over	178,441	226,920	131,275	58%
Unknown age	11,129	9,878	16,624	168%
All ages	27,379	25,144	31,496	125%

Average balances by age cohort and sex:  
31 December 2021

Age	Total	Female	Male	Male/ Female
17 and under	2,677	2,638	2,681	102%
18-25	7,971	7,586	8,804	116%
26-30	16,088	15,256	17,646	116%
31-35	20,269	19,141	22,738	119%
36-40	26,138	24,335	29,805	122%
41-45	33,331	30,072	38,715	129%
46-50	40,335	35,902	47,422	132%
51-55	45,212	40,023	53,420	133%
56-60	49,206	43,798	57,518	131%
61-65	53,579	48,457	61,606	127%
66-70	60,773	57,687	66,753	116%
71-75	64,529	61,363	70,358	115%
76-80	66,881	64,579	71,801	111%
81-85	213,928	212,261	216,979	102%
86 and over	228,903	259,586	190,636	73%
Unknown age	14,395	13,163	19,516	148%
All ages	29,022	27,061	32,553	120%

Source: MJW 2023; MJW 2022

## DETAIL ON BALANCES

The average KiwiSaver gender gap has widened by 5% in 2022 from 20% to 25%

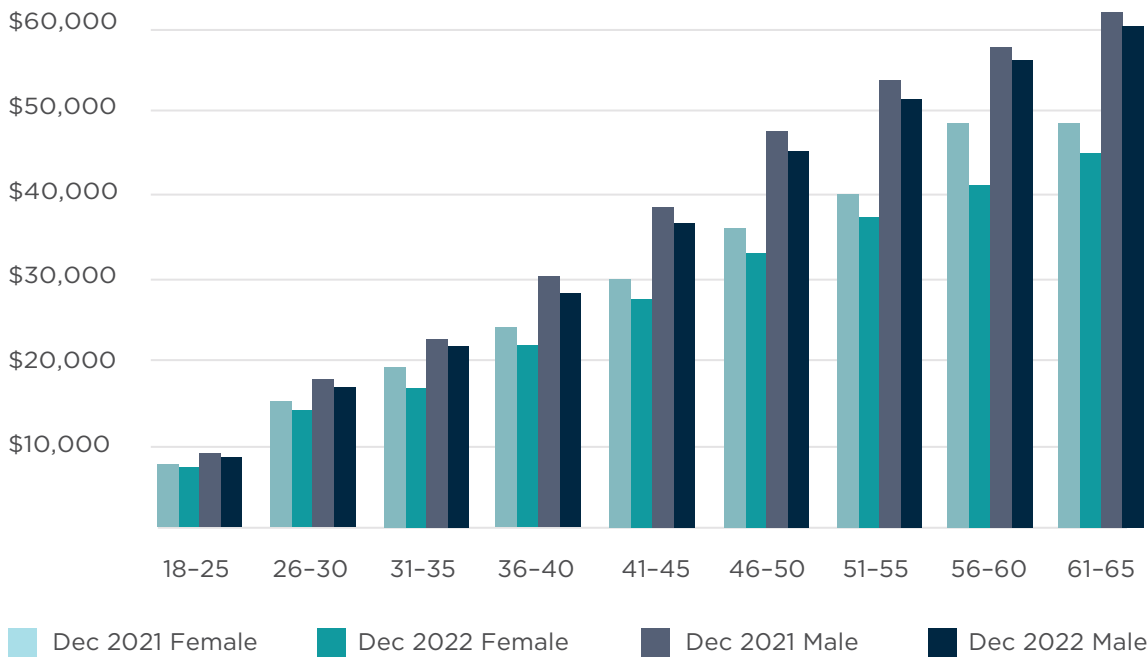
- Men continue to have higher average balances than women across all groups (except over age 80). Balances have dropped across all age cohorts, and both genders have been impacted, but balances for women have fallen more on average than for men (see Figure 1)
- The KiwiSaver gender gap has widened across all age cohorts. The gap widened the most for those aged 31-35 (8% widening from 19% to 27%) and for those aged 18-25 (7% widening from 16% to 23%) (see Figure 2)
- The widest gaps are still between men and women in their 40s and 50s
  - On average, women in their 40s have approximately \$10,000 (or 34%) less KiwiSaver than men
  - On average, women in their 50s have approximately \$14,500 (or 37%) less KiwiSaver than men
  - This likely reflects the combined impact of the gender pay gap, time out of paid work, and the higher percentage of women than men that work part-time



Many members continue to have low KiwiSaver balances. At the end of 2022, 41% of KiwiSaver members have a balance of less than \$10,000

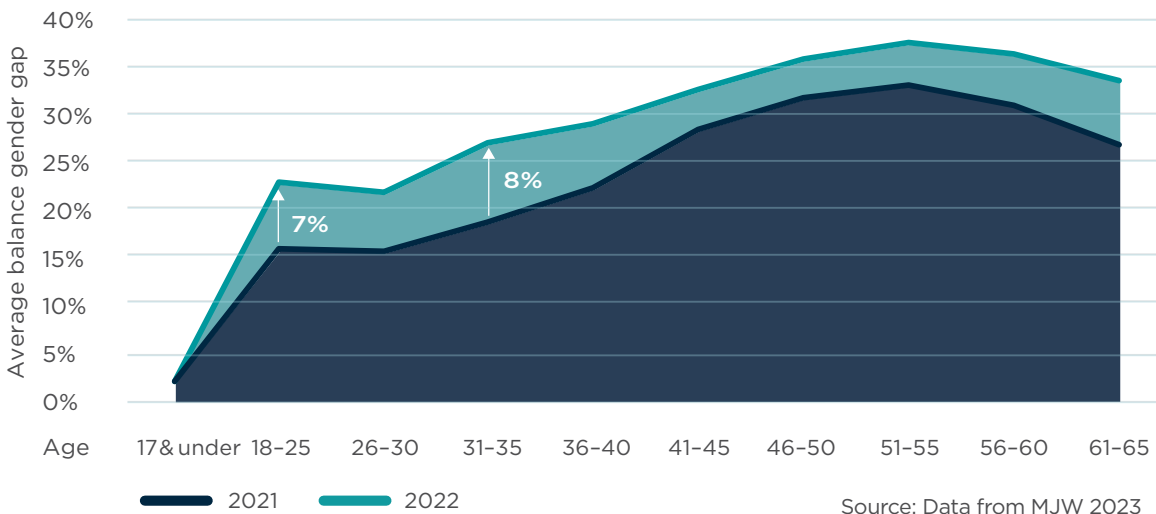
- Lower balances are mostly concentrated among those age 35 and younger who represent two thirds of all KiwiSaver members with balances less than \$10,000.
  - 80% of those aged 25 and under have less than \$10,000
- While those over the age of 35 generally have higher balances than younger cohorts, a quarter still have balances under \$10,000
  - 1 in 5 of those aged 51-65 have less than \$10,000 and they may not have saved as much as they would have liked for their retirement.

**Figure 1 – Average balance by age cohort and sex: 2021 compared to 2022**



Source: Data from MJW 2023; MJW 2022

**Figure 2 – KiwiSaver average balance gender gap 2022 compared to 2021**



Source: Data from MJW 2023



## DETAIL ON INVESTMENT

Growth funds have the greatest funds under management in this study (38%).

- For those aged under 50 growth assets represent approximately half of investment balances, decreasing to 30% for those aged between 50 and 65 and less than 20% of investment balances for those over age 65.

Women have more assets invested in conservative portfolios, while men have more assets invested in growth portfolios, this difference is small at younger ages and more pronounced at older ages (see Figure 3).

- While this appears to indicate more risk seeking behaviour by males, another potential explanation is that the higher average balances of males may have led them to be more risk-seeking on average.<sup>1</sup>

**Figure 3 - Comparison of fund type across age cohorts and gender**

Percent of age group total (males minus females)

Fund type	Total	Under 30	31-50 years	51-65 years	Over 65
Shares	0.46	0.08	0.39	0.63	0.50
Aggressive	0.39	0.20	0.31	0.43	0.40
Growth	5.63	1.33	3.84	6.58	7.03
Balanced	-0.62	0.28	-1.01	-0.64	0.99
Moderate	-1.52	0.06	-1.58	-1.72	-1.01
Conservative	-3.76	-1.74	-1.80	-4.84	-5.90
Defensive	-0.01	0.03	-0.01	0.00	-0.03
Fixed interest	-0.57	-0.25	-0.13	-0.44	-1.97

Source: Adapted from MJW 2023

## KIWISAVER GENDER GAP ANALYSIS

We consider a range of explanations for the larger fall in average balances for females versus males in 2022.

**Fund type:** average returns were negative across all fund types in 2022, with growth funds on average delivering worse returns than conservative funds.<sup>2</sup> Given that the MJW analysis indicated that a greater proportion of investment assets of women were in conservative funds, while a greater proportion of the investment assets of men were in growth funds, this does not appear to provide an explanation for a larger drop in average balances for women compared to men. It should be noted that the fund type data represents the position at the end of December 2022, however it does not provide insights into fund switching behaviour during the course of the year.

<sup>1</sup> [Insights-into-current-KiwiSaver.pdf \(actuaries.org.nz\)](#)

<sup>2</sup> [MJW Investment Survey](#) Median return % (after fees, before tax) 12 months ended Dec 2022: Conservative -8.5%; Moderate - 9.7%; Balanced -12.7%; Growth -13.3%

**Withdrawals and suspensions:** To understand the potential explanations for lower average balances we also considered the gender split<sup>3</sup> for significant hardship withdrawals, first home purchase withdrawals, and savings suspensions, using additional data from IR<sup>4</sup>.

- Significant financial hardship withdrawals
  - Slightly more women than men withdrew funds from KiwiSaver for significant financial hardship in the calendar year 2022 (51% versus 49%).
  - However, the total dollar amount withdrawn by men exceeds the total dollar amount withdrawn by women. Men withdrew \$60.2 million for financial hardship, compared to \$57.5 million withdrawn by women.
- Withdrawals for first home purchase
  - Slightly more men than women made first home withdrawals in the calendar year 2022 (51% versus 49%)
  - The total dollar amount withdrawn by men exceeded the total dollar amount withdrawn by women. Men withdrew \$540 million for first home purchase, compared to \$423 million withdrawn by women.
- Savings suspensions
  - In total, more women than men were on hardship suspensions (these are suspensions in the first 12 months of membership), representing 51% versus 49% of approximately 1,000 hardship suspensions.
  - However, there were more men than women on ordinary savings suspensions for the full calendar year (51.5% versus 48.5% of approximately 100,000 savings suspensions).
- The above analysis of withdrawals and suspensions does not provide an explanation for the widening gap in KiwiSaver balances as men have withdrawn more money from KiwiSaver compared to women in the calendar year 2022, and more men than women are on savings suspensions. However, it should be noted that the data does not capture those who have left paid work and are no longer contributing to KiwiSaver (as this is not categorised as a savings suspension).

**Other explanations** for the widening gap may therefore be linked to labour market participation and changes to paid work patterns for females compared to males in 2022. There may also be differences in contribution rates for men and women which explain some of the differences observed in average balances. Further research is required to understand how these factors may be influencing the KiwiSaver gender gap.

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<sup>3</sup> IR doesn't specifically collect gender. For statistical purposes, they use the title as a proxy. Gender has been allocated in following manner: Male Includes Mr, Master, Lord, REVFR, Sir; Female Includes Miss, Mrs, Ms, Lady, RMTHR, Sister, Dame. Other Includes Capt, Col, Dr, Mx, Prof, Rev, Hon, Judge, Major. For the purposes of the statistical data presented in this report, "Other" is excluded.

<sup>4</sup> IRD customised data request 26 May 2023 (PR-640 Results to Retirement Commission).

