



Supporting the Retirement Income  
Policies Review for 2019

# WEALTHY AGEING RESEARCH

Stage 1. Findings – What is  
retirement to New Zealanders?

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GAME CHANGERS



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A background image showing a close-up of an elderly person's hands. One hand is holding a coin, and the other is holding a small, light-colored pouch. Several coins are scattered on a white surface in front of them.



## BACKGROUND

# Building wealthy lives

### COMMISSION FOR FINANCIAL CAPABILITY



The Commission for Financial Capability (CFFC) leads the government response to building wealthy lives for New Zealanders. Ensuring New Zealanders are financially capable is more than just what they know about money.

### WHAT IS FINANCIAL CAPABILITY?



Financial capability is about the decisions New Zealanders make throughout their lives to ensure they are able to provide for their families, achieve their goals and reach retirement able to support themselves adequately.

## BACKGROUND

# The Retirement Income Policy review

Every three years, CFFC undertakes a review of retirement income policies.

The purpose of this review is to advise the government on options to ensure all New Zealanders are set up for a good standard of living as they enter their older years. The review is a foundational piece of work for CFFC that will play an important, long-term role in ensuring that New Zealanders are adequately supported as they age.

There are a number of changes to the way New Zealanders live that are affecting retirement and income:

- The way we are working is changing. Long-term careers are becoming less common as flexible working solutions increase in popularity. Also the skills needed from workers are changing with increases in automation and new and different jobs available.
- New Zealand's population is changing, including our ethnic mix and growing proportion of older people.

- Declining rates of home ownership mean more people are renting, including during retirement.
- Definitions of family / living situations are changing with sole / shared location parenting, blended families. Children are staying at home longer and the changing ethnic mix is making inter-generational homes more common.

In order to remain relevant, this review will need to look into the future, including taking into account the voices of those who may be a minority today, but could grow to a larger contingency in the future.



## BACKGROUND

# Understanding retirement fundamentals

The Terms of Reference for the review include a variety of aspects that impact on retirement.

There are some key, fundamental elements that need to be fully understood before the review can be carried out. These elements will form the foundation of the review. They include:

### WHAT DOES RETIREMENT ACTUALLY MEAN TO NEW ZEALANDERS TODAY?

There are a number of academic definitions of retirement, but what does retirement actually mean to New Zealanders? What is it that they retiring from? What will life look like after they retire? How will it change? What does an ideal retirement situation look like?

### HOW DO WE BEST SUPPORT OUR MORE FINANCIALLY VULNERABLE GROUPS?

Those on low incomes are an obvious group who are more vulnerable in retirement and one that is often observed. But women who earn less, work less and live longer are another group who have less ability to prepare for retirement. Retirement planning is also different and often more difficult for those who have recently separated from a partner or raise children on one income.

### WHAT OTHER RETIREMENT MODELS IN NZ CAN WE LEARN FROM?

The older generations play different roles in different cultures. In some cultures elders play an important leadership role in the community, others have a duty to care for their older citizens and bring them into their homes, where they play important roles in caring for grandchildren. As New Zealand's cultural diversity expands, what can we learn from our different cultures and communities that could help shape our models?

**CFFC**

# THE APPROACH

GAME CHANGERS





## THE APPROACH

### An overview

We propose an approach that is phased for flexibility. To begin with, a small number of focus groups have given us the fundamental understanding of what retirement means to New Zealanders. This will be followed by a more in-depth exploration of our more vulnerable groups to get to the heart of their struggles. And finally we will conduct interviews with different ethnic groups of the population to explore the role of the older people in their culture, both to understand the different ethnicities that are growing and to give us an understanding of alternate models to our most common.

The approach can evolve as we progress, adding more groups to explore if and when identified.

**1**

**What is retirement for  
New Zealanders?**

**2**

**Supporting our more  
vulnerable groups**

**3**

**Learning from other  
models**

## APPROACH

# Phase 1: What is retirement for New Zealanders?

In order to help New Zealanders prepare for retirement, we must have a good understanding of what retirement means to them and what they aspire to. There are a number of academic definitions and descriptions on what retirement is; however, the real views of New Zealanders will give CFFC a better understanding to help them prepare for it.

The purpose of this phase is to explore these themes, giving us a foundational understanding of the different views of retirement to ensure we are clear on what we are assisting New Zealanders to prepare for.

This stage included an exploration of:

- What they are retiring from – the things they anticipate they will stop doing once they retire.
- What they are retiring to – the things they expect they'll continue doing or start doing; the way in which they'll be using their skills and / or contributing to society.
- The ideal retirement – what this looks like and how it might differ from what they're expecting their retirement to look like (especially for the older age group as retirement is nearer).
- Retirement planning – what have they been doing in preparation for retirement? What do they plan to do and when?

## THE DETAIL

We conducted 2-hour focus groups among different age groups:

- 20–35
- 36–45
- 46–55
- Already retired (range of ages 65+)

Each focus group had 6 participants.

Groups were held in Auckland with respondents living across the region and inclusive of a range of genders, ethnicities and income.

Respondents received a koha of \$100 for taking part.



# KEY SUMMARY: Stage 1. General Public



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## FINDINGS

# What does retirement mean to New Zealanders today?

Key themes emerging from the group discussions around retirement and what influences their attitudes and behaviours

### Home Ownership

Participants saw home ownership as a key part of a financially secure retirement, with retirees expressing concern for the welfare of those who didn't own their home.

- The challenge of home ownership was discussed by all the groups. Younger participants questioned whether home ownership would be an option for them in their lifetime due to unaffordability, and some older participants worried over still having a mortgage as they head toward retirement.
- Some participants accepted that home ownership was not something they would easily be able to afford, and others spoke of living in the regions rather than cities to save money in the future.

### Family

At all stages of life we saw the impact that family can have over retirement.

- Adult kids at home / starting home ownership and parenting later drove parental concern for what retirement would be like for their children.
- Aging and unwell parents were a concern for older participants – how will they be looked after?
- Parenthood was a trigger for younger people to start thinking about their financial future.
- Most saw their parents as the primary role models for financial literacy, with varying levels of success. Some had parents with very low levels of financial literacy or stability, which had created a need for a greater control over their own financial destiny.

### Work & Income

The groups expressed a fluid attitude to work and income as they aged, with younger groups expecting that people would have multiple jobs and sources of income at any one time.

- While some people looked forward to leaving 'the daily grind' behind, others expected to do less strenuous work or fewer hours as they reached retirement age, but couldn't imagine not working.
- Retirees found that their working life had been an important part of creating their sense of self and mana, and found retirement challenging for its lack structure and purpose.
- Younger respondents imagined technological developments to have a large impact on what work will look like in 30+ years' time.



## FINDINGS

# What does retirement mean to New Zealanders today?

Key themes emerging from the group discussions around retirement and what influences their attitudes and behaviours

### Financial Education / Information

A need was expressed in the groups for practical, easy-to-understand financial education at all stages of life, beginning in primary school.

- People felt that learning about such issues would help prepare society for better decisions around money and better planning when it came to savings and financial goals.
- Most people's financial experiences had been learned as and when needed from a variety of sources and situations including employment, buying a home, becoming a parent, banks, family and financial planning books.

### (Not) Talking About Money

Money was not seen to be a socially acceptable topic – it is 'personal' and 'private' and therefore not often discussed openly.

- Also hindering our education and progress with regard to saving is the stereotypical 'she'll be right attitude' that New Zealanders are perceived to possess – that it will all work out in the end despite a lack of planning.
- Some participants mentioned that New Zealand's history as a 'welfare state' and the expectation of Superannuation providing income in retirement allowed for a certain level of relaxation around retirement planning, although all pre-retiree groups expressed uncertainty whether NZ Super will still be available when they retire.
- None of the non-retired groups actually knew how much the pension was.

### Lack of Awareness & Planning

Across all groups we saw low levels of planning for retirement and low levels of awareness with regard to how to plan and what to plan for.

- Barriers to planning: retirement is too far away; trying to survive the now; not sure how much to save; future is unpredictable; planning retirement means thinking about when you die.
- Younger age groups wanted a detailed picture of a retiree's budget and where their money comes from. No respondents had a clear idea of what their income will / needs to be during retirement.
- Younger participants tended not to foresee complications, like a sick partner, that could impact their retirement, while that was the reality for some of the retirees.

## FINDINGS

# What does retirement mean to New Zealanders today?

Key themes emerging from the group discussions around retirement and what influences their attitudes and behaviours

### Health & Wellbeing

Maintaining and having the financial means to maintain good health was important to all groups. Respondents reflected that:

- Poor health can restrict the freedom of retirement and make one dependent on others – and freedom and independence are what makes retirement attractive for many participants.
- Mobility is an essential component of good lifestyle in retirement; not being able to drive, or even not being able to drive after dark, is a major restriction on accessing people / activities.
- The cost of health insurance is an issue as people age, many cannot afford it when they need it most.

### Interventions / Incentives to Saving

People expressed a need for help and encouragement when it came to saving. Ideas included:

- Financial coaches / planners to help you make the best of your money throughout your life.
- Financial incentives to successful saving.
- Compulsory saving once you start earning an income.
- Compulsory KiwiSaver once you start earning an income.
- Rent-to-own schemes.
- Bringing back the \$1,000 KiwiSaver kick-start.

### Language

The word 'retirement' was used and understood by the groups to mean the period of time when you are no longer in full-time paid employment and you begin receive Superannuation from the government.

At times the word 'pension' was used instead of 'Superannuation'.

## FINDINGS

# What does retirement mean to New Zealanders today?

Key themes emerging from the group discussions around retirement and what influences their attitude and behaviours

### What Will Retirement Look Like in the Future?

The following were seen to impact what retirement will look like in the next 20–40 years:

- The traditional journey of buying and owning a home before retirement and leaving any accumulative value left to the next generation is changing.
- A perception that there will be lower levels of home ownership and therefore potentially different ways of living.
- A sense that people may not want to stop working entirely in retirement.
- A sense that the retirement age will increase as people live longer.
- A change in the way we derive income in old age, with Air BnB, part-time jobs, passive incomes and rental properties all discussed.

### Why Retirement?

The younger group was the only group who were directly asked why they thought we retire.

Discussion centred around retirement being a social construct that we all opt into, but interestingly there was no discussion in any of the groups about retirement being anybody's right or entitlement given their contribution to the economy and taxes over their working life.

### Poverty / Low Income

In the groups we were about to explore at a top-line level the impact that coming from a background of poverty has on one's expectations of what retirement could be.

- We could see the differences that financial stability would have on retirement outcomes, i.e. living in a bus vs. having an investment property to fund one's lifestyle.
- Those on higher incomes talked about leveraging the money they had through investments while low-income talked about needing to make sacrifices to save currently.
- Those on low incomes could be hungry for knowledge about how to earn and grow money, making them more susceptible to 'quick fix' or potential risky ways of thinking on this subject.



# PROVIDING CONTEXT – WHAT LIFE IS LIKE

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## FINDINGS

# What life is like – 20–35

### Living at home and flatting – A time of consolidation and laying foundations



*Well, for me it's about building my career, and saving for the future is part of that and definitely paying off my student loan.*

*Just self-discovery and re-discovery, I guess.*

*I think finding a good balance between having loads of fun and being careful financially and saving as much as you can and spending enough to do the things you want to do.*

### Growing up



*Wouldn't wake up before mid-day on a Sunday... Got things to do now.*

*There was more take it as it comes, I think, 5 years ago, and then now it's like you can take it as it comes, but you have to have more structure around life, I think.*

*Just being in a decent place in life. Somewhere happy and stable and you've got friends and stuff around you. Just a happy place to be.*

### Educating themselves about money – currently spend on food, rent, car, kids



*I've just read this book called, 'The Richest Man in Babylon' just being on the tip of the moment of reading, trying to get understanding of what money is because I came from quite a poor family, so it wasn't like a talk to me how to use money, and then I've just been – it seems logical now – but every bit of money you earn I'm just putting 10% aside and just trying to build up constantly and still if I can do more than 10%, do it, but every week, every bit of money I receive I'm trying to put some away. Yeah, trying to, I mean I have KiwiSaver as well, that's still building up but just reading about investment and how it functions. I've got really no idea.*

*Mine's pretty similar too, but I was reading the 'Seven Steps to Financial Freedom', it's like a budgeting thing and all that stuff and like the first step is building like your emergency fund, so that's what I'm working towards right now.*

### Parenthood awakens responsibility



*Yes, I think I agree with him, it adds a lot of responsibility because you know that now you're not living for yourself, you have a life with you, so like they come with a lot of needs, like it starts as soon as they are born, so small things like clothes and food and stuff, so and when they are bigger, then like the education and everything.*



## FINDINGS

# What life is like – 36–45

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### Time is spent...

Working

Spending  
time with  
family

Saving for a  
home

Travel

Caring for  
family

### Stress in life caused by:

#### Cost of living

*Just making mortgage repayments every month, paying your bills.*

#### Looking for happiness, freedom and financial security

#### Responsibility is about kids, finance, mortgage, rent, bills

### An awareness of the importance of good health



*Just being older and being more aware that you've got to look after yourself more, and if you have kids, you want to be around for them.*

### Making things manageable, considering the 'what ifs'



*I suppose it makes you think about have you got a safety net. For me I've just started thinking about loss of income insurance in case something happens and I can't really work.*

### Some making proactive change to the way they were raised around money



*Yeah. [With my family] There's no goals, there's no goal setting, there's no dreams, there's no holidays. I just wanted to change that for me and my son. Started paying the debts off and got a second part-time job.*

Meaning in life delivered by helping to develop the future, contributing to the economy, being there for your family both older and younger.

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## FINDINGS

# What life is like – 46–55

### A range of work approaches including:



*Long working hours – 70hrs per week.*

*Maybe thinking about slowing down.*

*I am thinking about restarting because my children have got a bit older, so I had a break and now I'm thinking about going back into it.*

*I suppose I am thinking about full-time to get ready cos my husband is at the age to retire so yeah just trying to get retirement ready."*

### Awareness of ageing



*Feeling old and trying to wind the clock back, trying to keep fit.*

*A lot of it is that balance, when you are older you can learn how to say no. You are not so social.*

### At different stages of parenting and / or caring for elderly parents



*Just making that split between them being quite independent and still living at home and you trying not to interfere in their life but giving them a little bit of a nudge, it's quite a balancing act. And what they should pay for, what you should pay for and what say you should have in their lifestyle.*

*I was just going to say that with our kids they are independent now, so they are sort of doing their own thing cos even though they are downstairs, they are still paying rent, so the focus is really on having social time with the grandkids just like, just having that pleasure of caring for them so it's more that social side. We are not having to financially support so then it is like you have got the money now to just focus totally on getting ready for retirement.*

### The wisdom of experience



*Money is not everything sometimes.*

*And life is too short.*

*Specifically, for me, my partner had some seizures a while ago at work and basically, she's got to slow down at work and then we are basically moving to Central Otago, so we are going to leave the Auckland commute.*





## FINDINGS

# What life is like – currently retired 65+

### General level of acceptance, humour and honesty

*I've got grandchildren, great grandchildren and I'm happy with my life. It could be better, but it could be worse.*

*I just think it's another stage in my life. When I was a kid, I was a kid. When I was a teenager, I looked through old people. When I was married and had kids, I brought them up. Now I'm old, it's another stage of life. I feel no different. I'm still myself. Probably more grumpy.*

### Cost of living?

*It's funded 50/50 by my savings and Superannuation.*

### Life is filled with:

Being busy – filled with catching up with friends and family, hobbies and the benefit of free public transport

Spending time with grandchildren, children and pets

*Two children live overseas... We use the opportunity from time to time to travel and they travel with us. Enjoying life and look forward to a few more years.*

Volunteer work in the community

Continuing to work in some capacity

*I am a retired Queen's Council. I retired at 76 through ill-health. I've had problems with cancer and heart attacks and various other things. I intended to go on working because law's a profession that doesn't really matter. One of my former partner's worked till he was 90.*

### Things that make life tougher:

Money is tighter, some on one income, many paying people to do things for us that we can no longer do

*Someone was saying to me yesterday she wonders if it's worth owning your own home anymore because she's having her roof done. It's virtually impossible now for her. I really don't know what she's thinking. I'm in a similar situation.*

This group values independence and dislike asking for help

*I've always been independent. I've always been the one carrying the stretcher, not the one riding on it.*

Caring for an unwell partner / parent takes effort and resource

*It is very hard to cope with. In fact my children have even said, 'Dad if you want to leave, that's fine.' But no, I feel committed.*

Can feel invisible to or not valued by the younger generation

Health issues / ageing bodies create challenges

*You see yourself in a mirror and think, 'Who the hell is that?'*

# ATTITUDES TO RETIREMENT

GAME CHANGERS



## FINDINGS

# Thoughts on retirement – commonalities across the groups

### Will the retirement age be raised?

Many people felt it would increase due to people living longer and wanting or needing to work longer



*Just thinking on the point of retiring at 65, the first thing that sprang to mind is I wonder if we'll still be around when we get to that age. Maybe it's not 65 anymore, maybe it's 75. People become healthier and they live on longer as well. Probably needing more money than you think you need now when you get to that point in 30–40 years' time. (36–45)*

*We don't know what age we will be alive to retire at or whatever. They're going to be pushing that up, I'm sure. (20–35)*

### The affordability of Auckland living



*I think living in Auckland is gradually becoming a privilege not a right. If you want to retire comfortably in a big, big city like this, same like New York, same like Shanghai, Tokyo, anywhere, it is going to be very hard to be comfortable, very hard. (46–55)*

### General positive view of retirement and what it will offer – travel, more time spent with family, friends and on personal interests



*More time. And that was for hobbies whether new or old, time for family, time for friends, time for travel. (20–35)*

### Will home ownership be achievable?



*Whether we'll actually be able to afford a house or not because like my Mum doesn't own a house, so like she's 2 years off retirement, she's still just renting now. (20–35)*

### Lack of awareness of the financial thinking / planning required for retirement – amounts guessed at for retirement ranged from \$500 per week to a million dollars overall.



*As much as possible when possible. (20–35)*

## FINDINGS

# Thoughts on retirement – commonalities across the groups

**Health is a concern as is the cost of health insurance relative to age – the healthier you are, the more you can enjoy your retirement**



*That is just so unfair for older people and a lot of them don't have it [health insurance] now. (46–55)*

**Consideration required regarding new ways of living and home ownership**



*I wonder if it will be more families staying together. So, children living with their parents longer and then the grandchildren living longer. (46–55)*

*Could be travelling in like a bus. (20–35)*

**Assumption of some type of Super, but how much and when is in question**



*I think a lot of the younger people though are actually concerned that when it's their turn to retire, there's not going to be anything. It's almost like we've got this baby boom. We've got a lot of older people at the moment. Some of my own children haven't had children, you know what I mean? That sort of wage earners aren't there in a way to provide, to put the money into the pot. (Retirees)*

*At the moment you get Superannuation, will that still be around by the time we get there and the money that I've saved for as part of my retirement scheme, is that going to be enough? (46–55)*



## FINDINGS

# What impacts retirement – answers across the groups

### Not having enough money and / or the Kiwi attitude towards money



*She'll be right. We don't think about it as much as we probably should, and again, I guess it comes down to education on money. (20–35)*

**The younger generation are perceived to have higher expectations with regard to home ownership and possessions.**



*They want to start with what their parents have got now. (Retirees)*

### Societal attitudes – putting \$ ahead of people not being valued (Retirees)



*I don't think that people, the general public value retirees as much as they used to. I'm sort of thinking about my grandparents now and how they were always sort of respected, whereas now a lot of the younger ones in particular feel that you're a bit useless. Why don't you sort of dry up and die and go away somewhere?*

### Technology developments – the hopeful unknown



*From our parents' generation to now, 30–40 years, the technology improvement. Although it's been quick, it hasn't been that quick that they haven't been able to keep up. But from this point forward, say fast forward 30 years, technology increases, the speed goes like this, it's faster and faster and faster. **I think we'll be facing quite a different world in 20–30 years' time. Who knows by that time what your normal average worker is going to be earning or what kind of jobs are available at that time.** There's all sorts of interesting talks right now about automation, AI and all that coming to replace workers from doing mundane roles. So what's the world going to look like then? When I come closer to that retirement age, will we still be in the same role that we're currently in or a similar kind of thing, or would everybody have to adapt along the way and jump to do something else through new opportunities? (36–45)*

## FINDINGS

# What impacts retirement – answers across the groups

### The attitude of employers toward older people (Retirees)



*.... Then of course I was also diagnosed with Parkinson's the same year. You could feel your employer saying, 'Mm, I think she's about to fall off her perch.' I mean he didn't make me redundant, but I chose to retire at the end of that year because it was quite a responsible job. But you did feel like they were kind of half looking at you thinking, 'Mm.'*

### Not owning your own home



*The people that don't own their own home. It must affect them terribly. Each year the price of renting a house goes up and up. If you're not earning money, the amount the government pays isn't enough. (Retirees)*

### Staying mentally and physically active – use it or lose it



*Boredom kills. I've known some people who retired, they just shut down and died faster because they'd been doing what they're doing for so long, now they've got nothing to do. (36–45)*

*It depends on how healthy you are I think, that's going to impact on a lot of what you are going to be able to do. (46–55)*

*Less stress, but you have to be more careful with your mental health to make sure you're still using your mind enough, because like my grandfather was really good right up until he was like 95 because he always liked reading and everything, always learnt new things. (20–35)*

## FINDINGS

# The retirement dream – answers across the groups

Being happy  
and healthy

Having  
money to  
travel the  
world

No stress

Making sure  
my family  
doesn't worry  
about me

Being  
peaceful and  
content

Spending  
time on  
hobbies and  
interests

Spending  
time with  
family and  
friends

A bach and a  
boat and a  
barbecue

Owning a house  
and also having  
an investment  
property



ATTITUDES TO  
RETIREMENT:  
CURRENTLY  
RETIRED





## FINDINGS


### Attitudes to retirement – currently retired

**Retirement has meant starting:** Probus / community groups, volunteering. More socialising, a daily siesta, walking, joining the gym, more leisure time.

**And it has meant stopping:** driving, active sport, travel, gardening, reading (eyesight failing), driving at night, “*structure and expectation*”.

#### Retirement wasn't given a great deal of consideration prior to finishing work

Their approach appeared to be about rationalising spending, working to being debt- and mortgage-free and potentially downsizing their home to an easier, more affordable lifestyle – the focus was on financial stability rather than a consideration of mental health and wellbeing.

 *I mean, I didn't know what on earth to do with myself to begin with, because I'm so used to going to work and doing all these things and working quite late into the night and weekends and that sort of it, as most teachers do. With all of this time now, what do I do with it? So I became a volunteer stroke coordinator.*

*You cut your cloth.*

However, **nobody knew what would financially be required for retirement** and the reality has been unsettling for some – they felt they should have planned better, which in their minds equated to saving more.



*L: Yeah, it must be hard when you've also gone from having a husband-wife pension down to a one person. That must be difficult. I had thought looking ahead.*

*G: It's very difficult.*

*L: Because like your rates and insurance and all that stuff.*

*B: I know, same. Then they give you an extra living alone allowance, but that doesn't begin to cover it.*

## FINDINGS

### Attitudes to retirement – currently retired

The group saw many **benefits of retirement** including pleasing yourself, peace and time to relax, more time to travel and to reflect.

However, on the **downside**, retirement also meant “*less money and more to pay for*”, being physically weak, being alone, having to watch your finances and forgetfulness.

Respondents spoke about the hidden or previously unknown cost of **having to pay for others to do things they would have done themselves previously** (changing lightbulbs / gardening / DIY) but now lacked the strength / ability to do.

Retirement was seen as the **responsibility of the individual to manage**, with support from hospitals, community groups, banks and social welfare.

The group had little idea about how long their retirement would last.

Some also mentioned the internal pressure that parents can feel to leave money to their children.



*I think it's our generation that feels like that. I'm not sure whether my son or my grandchildren are going to feel that way because they've got to have something first to be able to leave it. A lot of them don't think they're going to have anything.*

## FINDINGS

### Attitudes to retirement – currently retired

#### Changes to their role in society and access to community due to transport and technology barriers

##### Friendships between men may lessen



*I knew when I retired I'd miss relationships with men because I was an electrician. I always worked with men.*



*[RE CENSUS 2018] I knew a lot of those people didn't have computers and it's all very well them saying, 'Oh, but they can go to the library.' But they've taken the Te Atatu South library away now... But I mean a lot of these people who are affected have no vehicles, and public transport is minimal out West. It's one of those things.*

##### Missing having a 'purpose'



*I miss the helping people and the people contact.*

*You feel like you're making a difference.*

*I felt useful. I'm still useful I think because I've got grandchildren that I look after and run around after. But it's not the same. I don't know what it is. It's just not the same.*

#### In the next 5 years? Changes to home, family and way of living



*I doubt whether in five years' time my husband will still be alive, so you see, that's a major change. I don't think I would want to be in my house.*

*I'm looking at about going into a retirement village. I haven't researched it yet, but I want to free up my family.*

*I've seen other people living in retirement villages who are very, very happy. I know they're licence to occupy and you're going to lose a certain amount of capital if you do do that. The other thing in the back of your mind is you're trying to leave what you can to your children coming on. It's a bit ridiculous because they're earning big money and earning more than I ever earnt in my life. But you still have that thing of trying to leave it for them when you go. But they would all say we want you, we don't want any money.*

## FINDINGS

# Learning from the currently retired – messages for those not yet retired

Save as hard as you can

Utilise KiwiSaver

*"I would say to anybody though before they retire, make sure like take advantage of the KiwiSaver and put as much as you can into it because you're going to appreciate it when you do retire."*

Have a smaller family and have your family younger

Be less generous with family members throughout your life and consider your future needs

*"Oh, the financial implications were enormous. We probably wouldn't have. I don't know. I'm glad she did it in a way, but I was planning on working and probably not retiring."*

Consider retiring regionally in order to live a more affordable lifestyle

Don't spend money on 'stuff'

Get funeral cover from as young as you can

Make sure you have a good medical support team

Save from the day you start work



## FINDINGS

# Learning from the currently retired – messages for those not yet retired

*“My husband got quite sick and so I gave up earlier than I would have liked to have retired to look after him.”*

**Never think that there won't be interruptions to your working life**

*“When you do retire, don't just sit on your backside. Keep as fit as you can and plan for the extra leisure time you're going to have.”*

**Look after your health**

**Buy a house if you can**

**It can be hard to leave behind the status of work and the sense of identity it creates**

**Think about what might happen if you or your partner dies**

ATTITUDES TO  
RETIREMENT  
20–35





## FINDINGS

# Attitudes to retirement – 20–35

CFFC

Retirement will mean **starting**: *“Potentially a new realm of possibilities because you also get that time aspect ideally”, “Explore new things, making a conscious effort to do new things to find those things.”*

And it will mean **stopping**: *“Working, contributing, making like a name for yourself, doing what you want to, no personal or professional development and you’re staying at home unable to utilise your time, no brain growth or brain development, limitations.”*

Like all the groups, most still **coming to terms with the concept of retirement and funding this life stage**



*I didn’t really understand the question about how much to save because I don’t really know why people have such a big thing about saving for retirement, I guess. Because everyone says you have to, but no one ever quite says why or how much you need to.*

*I feel like focus would shift even more towards family and friends, because it is easier to be so occupied with what you’re driven to do and succeeding in what ever your idea of success is and then assuming you can retire at whatever age that is then your focus will shift again, because that doesn’t matter anymore.*

## Why does retirement exist?



*I guess if you’ve been working like most of your life, giving like to the community or society or the world and then they give you a chance like have a break from it and then admire what you’ve contributed to.*

*I guess it’s also partly something that is drilled into society. That’s what everybody else does so 65 is an age and you go well, that’s what I’m aiming for and all your stress revolves around that one age.*

GAME CHANGERS





## FINDINGS

# Attitudes to retirement – 20–35

CFFC

### Assume that retirement will be paid for by...



*Superannuation's pretty high I reckon, so....*

*Just got to live frugally and get a side hustle, I guess.*

*Oh. Investments, dividends, shares, rental income, they own more than the property they are living in.*

Unlike other groups, 20-34-year-olds had a **more global view on influences**. They perceive the political environment, global warming and developments in technology will all impact their retirement.



*Yeah, but technology, it's crazy what's going on right now, they've just printed the first 3D heart.*

*But when we probably get to that age being older probably be not too bad because of all the technological advancements.*

### Well-versed in KiwiSaver's uses...



*Saving for retirement.*

*An emergency fund for something.*

*First-home owners.*

*Like for long-term goals ideally.*


*A short cut to more income because you've got business matching what is it, up to 3%?*

### ...but not necessarily in saving...



*Because no one knows how to save money... Kind have just been taught to like consume almost, or everything's really expensive as well at the moment. So, it's not that we don't want to save, we can't.*



A smiling man with dark hair, wearing a brown and black checkered button-down shirt, stands in a workshop or studio. The background is filled with shelves of various items, a workbench with tools and materials, and a window with a plant. A large green circle is overlaid on the left side of the image, containing the text.

# ATTITUDES TO RETIREMENT 36–45



## FINDINGS

### Attitudes to retirement – 36–45

Retirement will mean **starting**: craft, hobbies, gardening, travel, new revenue streams.

And it will mean **stopping**: spending unnecessarily, the daily grind, stress and rushing around.

Retirement is about financial stability – debt reduction and making sure your family is looked after



*Better savings. **Able to live comfortably** so you're not having to worry about that. **Owning a home.** At this point in time I'm looking to purchase a home so definitely want to own a home when I am retiring. Definitely before then. Living expenses, again living comfortably to having those expenses paid for. **And being looked after, medical needs if required.***

*I've got security, **having that financial security and owning your own home.** I'm thinking more having a bus, don't think I can afford a house by myself, so a bus would be the go. Freedom to enjoy life, having more time to pursue your interests. Spending time with grandkids. Haven't got any at the moment, hopefully it's a long way off.*

It will be important to have health and time on your side to enjoy retirement



*I've said having no debt, being able to travel, being stress-free, being able to enjoy life and hopefully being able to spend time with grandkids, and being healthy so that I'm around long enough to enjoy a retirement. Don't want to retire at 65 and cark it at 70.*

*I also put down I want to spend more time with grandkids if there is any, and being able to spend more time reconnecting with family and friends. Probably scattered all around the world by that time.*

Some are considering alternate or additional income



*Just thinking about how to grow our income, if it's through growing your financial knowledge and also through different sources. On the opposite side of that, how to cut down on expenses.*

*Made me think about income, too. Maybe a passive income or for example my mum and her partner, he owns a house and she's renting hers out so they can live off the rent. It's a good way to keep the money coming in and topping it up as you go so you can afford to go out and have a couple of... have dinner or do things like that, go to the movies.*



## FINDINGS

### Attitudes to retirement – 36–45

#### Retirement will not be the same as their parents' generation



*That generation, they worked and they got a house quite cheap and they worked their ass off and all that. But these days you **have student loans, the cost of living is a lot higher**, you work your ass off and...*

*To be honest, when it comes to retiring I guess it depends on your definition of retirement. I've slowly changed, not really **believe that I'll be able to live what's known as the common retirement where you hang up your boots and go to the golf course all day sort of thing. I think my life will always be continuously doing something**, whether that's doing our adventures or looking at other things to latch onto.*

*Again, I think we're the f\*\*ked generation **where we got stung with student loans, we got stung with the whole KiwiSaver that only came in after we'd worked for 15 years**. All of a sudden these people who are this age are going to start working with KiwiSaver and they'll have twice as much as what we've got, with maybe cheaper house prices and everything else, maybe free education. You've already got one year free education. We're the generation that just got nailed.*

#### Reality may not be rosy



*I don't think it's realistic because I look at my parents and most of them from that generation, they don't have mortgages or they have very little mortgages. But I feel because I got married a lot later than they did, I've **bought a house a lot later than they did, so I'm going to have a mortgage a lot longer than they did. I don't know even by the time I'm retired I'm going to be mortgage-free, probably not**. So I feel like it's a dream and that I'm really going to have to work my ass off to get anywhere close.*

*I think I've got to really set my sights a lot lower. I had kids young, I've got two kids, I think I was a dad of two at 23 so I've never really had any money. All the child support and that is finished now, student loan is finished, but **once you finish paying the student loan and child support, then the house prices are way up here and you've got no savings. It's like, what's realistic here?** I do want to have a place to call home that you're not always renting until you die type thing. Maybe set the goals a lot smaller in how you want to see your life. Spending a month at a different beach through your retirement would be nice.*





## FINDINGS

# Attitudes to retirement – 36–45

CFFC

### But some feel optimistic



*As for being able to afford it, I've got another 28 years before I'm 65, so I haven't really thought about it much. KiwiSaver is kind of like, that's my little put my toes in the water and start saving up, but for me I haven't put as much in-depth as you have because for me it's so far away, I've got so many things I need to do first before I can even consider that. Maybe in ten years I might go, okay. Or when I have children because that's probably a big wake-up call. But it's just interesting how you think quite a lot differently.*

### An awareness of some of the possible negatives of retirement



*Having a regular income, knowing that much is coming in each week. I suppose I'll miss the social side of work as well if you're not going to see those different people every day, and it's just the same person or yourself. Can get lonely, I suppose.*

*The weekly income. Just being old. Just being looked down on on the bus and the train.*

### Retirement is not given much thought – living in the now



*For me it would be my health because I expect that I'll last forever. I didn't think about that one.*

*The saving. I never thought of it. I just thought again just KiwiSaver and your life is sorted. But... yeah being 65 in 20 years, yeah, it's... really good to think about it today.*



# ATTITUDES TO RETIREMENT 46–55





## FINDINGS


# Attitudes to retirement – 46–55

**CFFC**

**Retirement will mean starting:** socialising, maybe travel, more rest, more exercise, to volunteer, to be helpful in the community, to be generous with my time in a way that I haven't been able to before because I have been working on the family, crafts, baking, focusing on my spiritual life, downsizing, the things I have always wanted to do.

**And it will mean stopping:** working long hours, being defined by family roles, being part of the paid workforce.

Adult and teen children still at home or in some way dependent

 *My children say they are never leaving home.*

*I am just thinking with my kids, it is all their cost cos even though they've got the KiwiSaver, for them to save it is just really hard for them cos they only just have enough to live off after rent and mortgages and food and then if they are paying childcare costs, they only have \$20 left to save.*

### Greater awareness of 'life's surprises' or the things that could happen



*With my mother, her husband died just before they retired and they travelled together. I am mindful of that sort of thing, you've got to do things because you just don't know what is going to happen.*

*I guess what I would struggle with is my husband is terrible, we just, if he is left alone, he just watches TV and plays computer games, so I would be motivating him and then hopefully the hope would be that we are doing things that we enjoy.*

*I would say also maybe losing your partner and whatever that comes with, some people might have debt that you don't know about. Life surprises.*

*My mum is 76 and she has quite bad dementia and she is living at home with my dad still and he is her 24/7 carer.*

*I think I will struggle being with my husband 24/7.*

## FINDINGS

### Attitudes to retirement – 46–55

If anyone had made plans for retirement, it was in the last 10 years and largely in the form of property



*Financially we should be okay, we are not savers and we've never saved any money, if we want something, then we just buy it and that is because we have been investing in property. If you have more income, then the spending will be taken care of. To cut corners and to save is very hard for both me and my wife.*

As the closest group to retirement age, they had varying attitudes towards retirement



*Will I be safe? Will I survive? Will I have enough money? Will I be healthy? And when will I retire?*

*Looking forward to a break – I think because I am hopefully getting there, it is like a different mindset, so yeah, even like now I have been thinking when we move into our apartment I am thinking we will be able to go for walks, maybe I can get a kayak so I am just thinking already.*

Discussion about the lack of financial discussions in society and why this is the case



*I suppose we live in a society where, well, for me anyway, there is that kind of 'oh, well, when I retire there will be the pension' and I think growing up that was just kind of **the expectation that we don't need to think too much about retirement or savings because the government will look after us** because we will get our pension and possibly, I don't know if that was easy to live on, but certainly now it is not easy to live on the pension and then of course there is KiwiSaver, but it is just sort a historical attitude that we are part of the welfare society.*

***The banks don't talk about that, they don't talk about if you've got money what you should do with it sensibly. So, it's a conversation about savings, in New Zealand we haven't been a culture that talks about savings, so that's where I think KiwiSaver has been quite valuable in terms of just getting you to think if you put away a little bit every week or every month or every year and that does accrue and yeah, I don't think we are used to having that kind of conversation here.***

*When you are younger you just think 'oh, that is forever away and she'll be right'.*

*And also, it is probably privacy, you don't want to tell other people whether you've got properties or not properties, you've got this or you've got that.*



## FINDINGS

### Attitudes to retirement – 46–55

#### Low expectation of being left money by their parents



*I mean you want to, you think that, but I think maybe it's not so much like with our parents, we are just wanting them to be more happy and enjoy their life and not worry about saving it for us.*

*They [parents] have worked hard their whole lives and for what? It is their money and they can do what they want for it, and so they should. Also, I know some people in their 70s and they are not getting on with their adult children at all and there is a huge, massive rift in the families and so they've told us that they are actually **SKIING** [spending the kids' inheritance] so they are spending their kids' inheritance. So, I think wow, good on you, cos the kids were counting on the money.*

#### Younger generations do have issues around debt and housing affordability, but...



*But they are also a generation that want a lot or have a lot of stuff and need the best of and I think our parents' generation certainly didn't have that, they started out pretty limited and we are all getting a bit spoiled, aren't we, really. Your wise retirees talked about yesterday having less stuff and **I think people at the moment are just so big into accumulating stuff** and big houses to put their stuff in, but actually we can be quite happy with a lot less.*

# GROWING EDUCATION & AWARENESS



GAME CHANGERS





## FINDINGS

# A need for information & advice to support financial education

### A focus on financial literacy in schools – starting at primary school

Respondents across all groups felt that more needed to be done to educate people from a young age about the basics of money and finance



*More education in schools. Because from school you make the decision, that kind of leads you in those early years as to what's going to happen financially for you, whether you choose to study and what you choose to study to then have that career, or whether you go working straight from school, but what do you do. I think if they target you when you're about even 13–14 so you can even pick the right subjects to do what you want to do. (36–45)*

### Financial advisory services – accessible and affordable



*Just putting a comprehensive plan in place to meet goals and then maybe, I don't know, checking in with you every six months to see how you're tracing to see if you're actually going to meet those goals. Having someone on your back might be helpful because you might actually get close to achieving those goals. (36–45)*

*If somebody came to your workplace, you're there on a daily basis, it would help. (36–45)*

### More government support regarding saving and home ownership



*I think that perhaps the government needs to look at helping young people. When my husband and I first got married, we rented to buy under a scheme. I can't remember the name of it, but you paid rent for five years. I don't know what it's called. (46–55)*

*Capital gains tax on everything including your own home... I reckon that the money coming in will stop the people owning 20 houses making a killing and the money going in the pot should lower everybody's taxes and the government should have more for Superannuation. But they're all too scared to do that. (Retirees)*



## FINDINGS

# A need for information & advice to support financial education

### Information on saving and retirement delivered in an easy and entertaining manner



*The **language, a lot of that around finance needs to be simpler.** Because there's a reason why, like in your case people don't look into switching their KiwiSavers because all the jargon that surrounds that is corporate and hard to read. When I was switching my KiwiSaver I looked through all the documents, the prospectus. It just blew my mind, what are they talking about here? Then eventually I ended up finding a company which deliberately tried to simplify that language. (36–45)*

### And we want to know about:



***A breakdown of costs. Maybe even a retirement calculator.** Like they've got a mortgage calculator. Calculating how much you've got to save and putting it into perspective. I'm a numbers person, so if you give me a list of numbers...*

*How much percentage of outgoings is your pension and what's your savings. Okay, cool, I can live for ten years, calculate that accordingly.*

***How much are retirement villages for example,** so if you need medical care or you get to a point where your family can't look after you or you're a burden really, and too much work. Then how much do you have to save in order to be able to have that option?*

***Or what you can do with the pension. How many hours you can work,** I don't know. Can you work 12 hours? It would be interesting to get what subsidies you can get as well. You have senior citizens and stuff like that where you can save money.*

*I think one thing that would be really nice to know is **what is out there for you to get**, my mother and my husband's mother, I don't think they know about those rates rebates. What can you get a pensioner and what you are entitled to?*

*(36-45 year olds)*

## FINDINGS

# A need for information & advice to support financial education

### Incentivised learning or saving – many people are struggling to make ends meet now



*Bring back the \$1,000 start for KiwiSaver. (20–35)*

### Holistic approaches



*Just probably encouraging to be healthier. Gym memberships and things like that are expensive, so maybe they want to encourage you to be healthier and be less taxing on the system as you get older, and maybe they should also offer incentives to get you to stay healthy. (36–45)*

### Learning from other countries or living in other countries



*Living in different countries rather than – like when I looked at that question – where will you be living? Unless you’ve lived somewhere for a very long time, you go, well, New Zealand, but where in New Zealand. If you move to Thailand it’s going to be a helluva lot cheaper, you know. People might move because of the finances. (20–35)*

### Banks having to review the way they do business



*I work with a young lady about 29 and she has worked her butt off and saved to buy her first home, but when she went to the bank initially they said, they didn’t quite have enough deposit and the bank said go ask your parents, go to your parents. That attitude stinks, that is not on. (46–55)*

### Utilise social media



*Maybe they need to start thinking about, you know, they advertise on Facebook and things like that, so young people do get it that way. (20–35)*

# SUMMARY

GAME CHANGERS



## FINDINGS

# Key Summary – Stage 1

### What is retirement to New Zealanders?

In this stage we have explored what retirement means to people and the aspects or themes that they feel impact what retirement is or will be.

This stage has delivered a **foundational understanding of the different views of retirement** to ensure we are clear on what we are assisting New Zealanders to prepare for.

It is clear that the New Zealanders represented in the groups we spoke to:

- Understand retirement to be about finishing work and enjoying a more relaxed lifestyle.
- Have an awareness that there will be financial pressures at this age, but do not have a clear idea of the preparation required to enter this stage of life.

- Have a need for support and education at all life stages with regard to financial planning and management.
- See that an ageing population, rates of homeownership, technological advances, financial literacy, delayed parenting, rates and (timing) of home ownership, student loans and the increasing cost of living will all impact their retirement.
- Would like to see a wider societal discourse around finance and saving in order to build financial confidence.
- Were conscious that their knowledge and capability were low, but they didn't know or were apathetic about what to do about it.





# Stage 1a. A Māori & Pasifika View

GAME CHANGERS



## APPROACH

# Phase 1a: What is retirement for New Zealanders? A focus on the Māori & Pasifika view

Whilst Māori and Pacific people were included in the initial groups, CFFC wanted to ensure the research delivers a clear view of the voices of these people.

This stage included an exploration of:

- What they are retiring from – the things they anticipate they will stop doing once they retire.
- What they are retiring to – the things they expect they'll continue doing or start doing; the way in which they'll be using their skills and / or contributing to society.
- Retirement planning – what have they been doing in preparation for retirement? What do they plan to do and when?
- The language used to talk about retirement and ageing.
- The cultural considerations and norms that influence retirement.

## THE DETAIL

We conducted 2-hour focus groups among different age groups:

- 1 x Urban Māori (Auckland)
- 1 x Rural Māori (Opotiki)
- 1 x Pasifika (including Samoan, Cook Islanders and Fijian) (Auckland)

Each focus group had 6 participants.

Groups were inclusive of a range of ages (35+ years), genders and incomes.

A range of connections to their culture (self-described) across the groups.

Respondents received a koha of \$100 for taking part.



## WHAT WAS THE SAME?

### Similar points of view to initial groups

People are expecting a change to the retirement age and to pension amounts



*The way the government's going, that's going to be changing. **They've talked about it for the last 10 years that they're going to be pushing that up.** By the time you get to 65, it could be 70 retirement. (Rural Māori)*



*Will we still get a pension when we retire, because pensioners are now struggling on what they get even now. Our population has grown as well. **For me it's like, when I get to 65 I hope they don't change it up and put it up to 70, I'll be gutted. When you get to 65, will I get a pension or will I have enough money in my KiwiSaver or enough money in my savings to still have an enjoyable life.** (Pasifika)*

We are all looking for financial security and stability in retirement which can encompass family



*What do I think I'll enjoy? I think it will be just able to kick back with my grandchildren and that. What do I think I'll start doing? I think it will be a good time for me to start learning some Kaupapa from where my home town and that. (Urban Māori)*



***Retirement is about age, money and security.** Yeah, and just having your family around. The sense that you're safe, being in your home and what not. (Rural Māori)*

## WHAT WAS THE SAME?

### Similar points of view to initial groups

We are mindful of inclusion – helping the elderly to keep up-to-date with life / technology so that they are a part of the community and self-sufficient



*Well, things that they have for the elderly like the bingos and the knitting clubs and just **little things that allow them to be able to leave their homes and get out amongst it** because I do wonder like I look at my elderly neighbour, she don't go out much and she don't get many visitors, so I hope there's a bit more, I know there's Aged Concern and stuff, but I hope there's a bit more community interaction. (Urban Māori)*



***The resources and making those resources a lot easier to access...** You are making it too hard for these people who don't have internet access, don't know how to use computers, can't print off the form, can't fill out the form, can't get the form back, it's too difficult, so that's that. (Urban Māori)*



*I believe some older people are probably lonely from my experience. Isn't the government's job to say okay, all these people that are retired or about to retire, what are we doing with them? They're sitting around, they probably don't feel worthy because no one's going and knocking on the door... Better use. **Not only recognising us, but putting us to work.** Put us to work and get these things done. (Pacifika)*



## WHAT WAS THE SAME?

### Similar points of view to initial groups

The importance of purpose (both self-determined and within society) in old age is noted



*Whereas other people say, okay, I need to get more money, need to be working as often as I can within my means and my enjoyment. **Others give up, I'm a hopeless cause, no one wants me, no one loves me, my kids have all buggered off, I've got a house with a swimming pool and the sapling is now a gigantic tree, my friends are all fair-weather friends. I've seen those people.*** (Pasifika)



*[The thought of retirement] makes me uncomfortable. I like to fill my mind and **I wouldn't like to get stuck in a rut or something just doing nothing. I'd like to keep living until the last minute.*** (Pasifika)

Some people have their head in the sand and hope that it will all work out



***But I have no plans to how I'm going to pay for my retirement and I'm okay with that. But like my parents own their home, you know they always say that they'll, they are leaving it to me in their will and I certainly don't base my retirement on them dying and leaving their house to me, but I'm just not going to worry about it, just I'm just going to keep working and hope that it all works out.*** (Urban Māori)



*We were brought up they were old age pensioners and they were called old-age pensioners. Some of them had blue hair, some of them were from the Second World War and you were very respectful to them. Now I see them and I recognise them and it's, oh my God, that's me. **But I don't associate myself with those old people and I realise actually I am an old person.*** (Pasifika)

## WHAT WAS THE SAME?

### Similar points of view to initial groups

Many feel that compulsory savings should be encouraged and explored to help people be in a stronger financial position

*But for the future generation, that's where their money should be put or somewhere that their savings are put away. It's got to be drilled into their heads somehow.*  
(Rural Māori)

*My house is always full, sounds like a circus. What about the person who doesn't have their kids or a big family? Just by themselves. Where are they going to go if they can't afford a thing? We have a lot of commitments if we want to take them on, it's not mandatory, **but I think the government could look at us and say from an early age, something that would give us either a break in buying these properties or forcing us to put some money aside.***  
(Pasifika)

The cost of living continually increasing means saving is not an option at the moment for many

*Cousin of mine who's a bit sick, he pays \$750 a week rent. He was paying \$680, his landlord said, 'Your son is staying there', went up another \$40, it went up to \$720. Then last week he said, 'I'm raising it again to \$750.' He rang up the Tenancy Tribunal, they said there's nothing you can do about it because that's Auckland. That is \$3,000 a month just like, bang, gone. Then you've got electricity, food, petrol and if you want to be on the Internet, so it adds up... It's not even a nice house. He lives in a garage.* (Pasifika)

## WHAT WAS THE SAME?

### Similar points of view to initial groups

The importance of health and wellbeing in retirement is understood



*Health is terribly important in the things I do. I've helped look after quite a few of my elderly relatives and as they've slid downhill, you can see how their health changes so quickly. **That to me, health and wellbeing is inexplicably bound to having a good life.** Some of that's about your own attitude, but mobility and that mobility was about physical mobility and the ability. To be able to mobilise and go anywhere else as well. (Rural Māori)*

We want to plan ahead and educate ourselves



*Never really taught the value of money, so **I think it's good to have honest conversations with your children about money and debt and not to get into debt and just even at the moment I'm sort of interested in the shares** that's out at the moment, which is sort of like investing money. Being financially secure for myself, but making sure that they have an understanding of money and what's out there. (Urban Māori)*



*Major changes in my life would be with regard to again health and finances. High prices and price of living. That will be a major change, which is one of the reasons **why I want to move out of Auckland. The price of living here will just expand and get higher and higher. You know we can't sustain it** when we get to our age. (Urban Māori)*

## WHAT WAS THE SAME?

### Similar points of view to initial groups

Family can be a reference point for expectation and stress – if retirement is difficult for some now, what will it be like for me?



*My mum suffered a head trauma on Easter Monday and was in hospital for 3 weeks, and then while my mother was in hospital, my father collapsed with, he has pneumonia and a collapsed lung, and so he was in hospital as well for 2 weeks and you know like both of them, my dad is 85, my mum is 75, so they are well into their retirement and of course they get the government Sup, whatever it is, I don't know much about it, because I mean that's sort of that KiwiSaver only came in 10 years ago I suppose, and I don't have it, so they rely on that for their retirement and you know **like things like getting the bill from St Johns, can they afford it? Can they afford to live in Auckland on what they are getting from the government?** And that sort of makes me wonder how am I going to cope when I retire? (Urban Māori)*



## WHAT WAS DIFFERENT?

A greater sense of these issues in the Māori & Pasifika groups

A higher sense of mortality, poor health and the reduced lifespans of their ethnicities

Thus people may have a shorter-term view of this life stage and might not feel the need to plan

Poor health may make them feel that retirement might be unpleasant



*I'm planning ahead, trying to invest in security. **My family, we have a heart condition, so planning ahead security for my wife and my kid in case something happens.** Trying to think investments and Superannuation and stuff like that. (Pasifika)*



*I want to ensure that my wife is taken care of. **For me it's a big priority to make sure that if something should happen to me, that financially she'll be, you know, okay. And that my children will be okay, you know.** To me that's a big thing on my list, that financial security. Just making sure I provide for them. But yeah, it's providing that security for her because our time could just come any time, you know. (Urban Māori)*



*My father in law, he's worked for APM, as the Property Manager in NZ, got to 65 and died in May the next year from pancreatic cancer, so to me it's like, **even if I get to retirement at 65, am I going to be healthy and am I actually going to be alive?** (Urban Māori)*

## THE DETAIL – AUCKLAND MĀORI

# The idyll of rural life – moving back to what matters

Retirement for many was about going back to where they grew up as well as a return to traditional values and ways of living. This was viewed as an ideal.

*Back to the whānau land. Lifestyle. Hoping that your mortgage is paid off. **Blue skies and happiness.** Less stress. Not so much stress but... Not so much the hustle and bustle.*

*I've got my own house here, but I don't want to retire here and why? Because you know, at the end of the day, I've got land down in Taupo, back down King Country where I'm from and it's whānau land, so we can build on it any time I want to, but **it's going back to the roots and how I was brought up.** Brought up on a farm, and I want my children to be a part of that which they are now.*

*It just feels like our kids are brought up in this superficial bubble where nothing is real. But it's like their whole world and it's like that's not real. That's all crap. **And it feels like the only way to reconnect them to what's real is to unplug them and to, you know, put them back into the land and to, you know, get their hands dirty and get back to basics.***

## THE DETAIL – AUCKLAND MĀORI

### Familial reciprocity

Retirement is about having a place where family can gather and about looking after each other. Part of prepping for retirement is teaching children how to look after themselves



*And that's why it's important for me in retirement that I know that my children can, they've got a place to go to, not just here, they can actually go home.*



*Raising kids to be good humans, decent people – this will be repaid in retirement by your kids looking after you.*



*Pay the bills. You know, debt and all those sorts of things you go through and you try and teach your kids. At the end of the day, your kids have to make their own choices, but if you are there to sort of guide them along the way, then you know you're achieving something with your children and then they do learn. My kids have bungled up, but right now I'm proud of them because they do, all of them are doing really well, so they've learnt something, they've gone through the hard times. Even when they went to Uni and had to put 2 in through, God, it cost me a bloody arm and a leg. **I worked my arse off to get them through, but now they repaid that.** They reciprocate what I've given to them, not just take, take, take, they come around and you know they are just do little things for me which I don't want their money or anything, but just the little things they do for me that I appreciate. You know that's where it pays off in the end.*

# THE DETAIL – AUCKLAND MĀORI

## A whānau perspective

Retirement is inclusive – involving more than myself and my own needs

One of the things that struck me when I was talking with someone who was not Māori, and they were saying how they noticed how there's all these kids around and there's family always around with this Māori elderly couple that she knows and stuff. And she was like, 'I can't think of anything worse.' She wants time to herself and all that kind of stuff. And it's like, oh, okay, and I'm thinking – to them, the opposite would be death. **Like it would be like, oh, my god, I need my mokos around me and I want my family visiting** and you know, being here and all the rest of it. **It's like to not have life happening around you, it's like, yeah, from a Māori perspective that is what isn't acceptable.**

You know, I'm extremely fortunate that I know every single person who surrounds my home and I, we spend time with them, we share what we have, whether it's fruit and veg or whatever, and those are the things that is important, is the land and it is the people. And it's something that definitely I notice, not everyone has the same culture in that respect.

**Whānau. Okay, all the dynamics that surrounds your family, your children, your tamariki, your grandchildren, that's all involved.** I've sat down with my own children and told them, when it's my time this is where I want to go. This is what you've got to do. And my children have no problem with that.

So you've got to, it's not just a one, two people here, it's not just me and my wife, we include everyone.





## THE DETAIL – AUCKLAND MĀORI

### The value of older people

Older people are part of society – a taonga, not a burden. Respecting them is paying back the investment of time that older people have put into society



*They are Taonga, they are to be looked after and respected. They have, what they hold just by being who they are and what they've lived through... Yeah, the knowledge. Is precious and it is to be looked after and treasured, and also they are paying back of everything they've lived in, for us to be here and it's our chance to give back in a way that is meaningful for them.*

*It's a cultural thing. I think it's like, our friends, I talk about this with my friends, my Pākehā friends too, about, because they go to me, 'Oh, how come you don't put your people into rest homes?' And I go, 'Oh, that's just because it's just like it's tapu, you don't do that to your old people, you don't, oh, here you go, let these people who you don't know look after you.'*

## USING KIWISAVER IN A DIFFERENT WAY

The urban Māori Group was asked - How would you feel about accessing your KiwiSaver to buy a rental property in the area you want to retire to prior to your retirement?

### What worked about the idea

- Have already got KiwiSaver – nothing new needed to sign up to / start
- Gives you a ‘security blanket’ now
- Feels like a known and good investment
- Allows me to start planning now
- Allows me to bring back ties / reconnect
- Solidifies my plan to ‘go back home’
- Using the money – it’s not just sitting there

### What didn’t appeal

- Might have whānau land to return to – may want to build on this
- What if you need to access the property prior to retirement?
- The cost of maintaining and renting a property may be high
- What would be the return on investment outside of Auckland?
- What level of flexibility is there in this arrangement?

# THE DETAIL – AUCKLAND MĀORI

## Key themes to explore

### Connection to people & place – a realistic goal or an assumption of a better life?

- Living on the land – who is doing this now? How did they make it happen? What is the impact on community?
- What should people know about this lifestyle choice?

### Support & encourage financial strength – at a personal level...

- **Via community conversations about family**  
*And that's the worry for a lot of people, particularly Māori, because of Māoridom, a lot of our people are sometimes whakama or they are shy. They are shy about talking about these things and it's up there, my mum and dad never spoke about, my grandparents never spoke about, **but now that we are in this society here, we have to. The reality is we have to because otherwise our kids are going to suffer in the end.***
- **Via conversations about financial options** – e.g. having insurance / funeral cover is good AND you can do this to put yourself in an even better position...

### ...and at a governance level – government & iwi leaders

*Let the government step in. When you have these settlements done through the course of the Waitangi Trust, Te Tiriti O Waitangi and they have all these millions given out to the iwis, why couldn't, **if they are going to be settle for 300 million, why couldn't 5 million of that be put aside for the kaumatua or something? Why can't they do that instead of sustaining their credibility by buying assets and buying farms and buying this and that? I don't see a hell of a lot of it went back into the people...***

## OPOTIKI MĀORI – A RURAL PERSPECTIVE

# The financial circumstance of the area impacts life view

Limited or unstable employment opportunities stifle most types of planning



*I've been a caregiver for just over 20 years, but recently something happened with my wife medically and I had to resign to look after her. I've been unemployed for the last six months. That's where I'm at right now.*



*I'm 38, a mother of eight ranging in age from 19 to one, and I'm a stay-at-home mum, but my main work is out in the orchards, pack house, wherever I can.*



*Then they've got no financial security like a house or anything either. They're renting. The only thing we do have is funeral plans.*



*I'm talking about genuine Opotiki people who are totally dependent on the seasonal work to even exist and how can they possibly plan any sort of or be capable of, how can you be creative about something that you have no idea about. If you've got eight kids and you earn x amount and some days the pack houses work, some days they don't. They have to get top-ups and benefits and that exist. Where on earth are they going to stay? **It's hard enough to bring up their kids and pay for their kids to be healthy, to have full meals. To have time on their hands. I bet you don't have time to breathe.***



## OPOTIKI MĀORI – A RURAL PERSPECTIVE

# Financial circumstance of the area impacts life view



*For places like this... because a parent can't be creative about something that they actually don't know about. **They can't say, well, we take the saving and they'll go, 'But Dad, I can't go on the school trip because you couldn't afford it', or 'Dad, I wanted a jersey because I'm a bit cold, but you can't afford it.'** How can they be creative about something that they don't have the knowledge about themselves, so school maybe. Some form of economics at a low level taught at school.*



*Sadly, it's got to the point where we actually need to be able to encourage people in not having children, because **having children and trying to succeed is virtually impossible because the way that the system is set up now, we're encouraged to be in debt.** We're encouraged to carry Visa cards, to be in debt. We are encouraged, we see it all the time. Buy this, buy that. You look at TV and you're encouraged to buy, buy, buy, be consumers.*



*That stuff that comes through your mail. Here, instant \$2,000. Instant \$4,000, stuff like that is rubbish. If you get people that are desperate and got no money and they see that, they go, 'Wow.' And of course, there's nothing on there except in that very fine print you can't see. However, you have to pay this back.*

# OPOTIKI MĀORI – A RURAL PERSPECTIVE

## The impact on physical labour

This group provided a perspective on the impact of physical labour in employment on retirement

Some of the physical ill-health that others might experience in old age hit them during their working lives – this leads them to be less optimistic about retirement



*The income is there if we want it. We're still at that age where you can go and work. That's the whole thing. I'll just give you an example. My neighbour's 73 and he just went and spent four months in the pack house coz he's off to Europe and that's the reason why he did it.*



*So 65, you ain't got many more years after that before you're probably spending the rest of your life in hospital.*



*Obviously it's easier for people to say to push it up because they sit on their arses all day. They don't work hard out with their lives and when you work hard, you're expending yourself, therefore, you're shortening your life. Like us, we actually started working when we were 15 at the latest. **I mean, I started work when I was 5 years old mowing lawns. I've been working hard ever since. That's why I say, by the time I got to 25, I was pretty much buggered. Back and everything, so to tell someone that you've got to wait until you're 70 to retire, I think that's a humanitarian issue.** Like I said, it's easy for a politician to sit there and make these laws. No sweat. He hasn't worked a day in their life.*

# OPOTIKI MĀORI – A RURAL PERSPECTIVE

## Where does support come from?

Could whānau be contributing to not moving forward? People can feel that there is a lack of positive role models and influencers to model another way of being and living

*Which means, especially Māoris, they have to condense themselves. When you're younger, you probably get a job, you're working, you pay your own rent, but as you retire, you've got no work and you can't work, well then, you'll probably have to go and live with your kids or your grandkids. To condense yourselves... **Not very good because you're probably sharing your bedroom with your grandkids and stuff like that or bunking up with your cousin or something.***

*Whānau doesn't... living together is not the same as being the mother of necessity having to bunk and be stuck in a very small area... That in fact could actually erode the whole thing of whānau because that's not **whānau**. That's surviving. I'm quite distinct in my mind as the difference between enjoying whānau and surviving...*

*Whatever they learn is from home, whether it's nothing or something or part. **It all begins in our home.***

Local iwi trusts can support older people financially – a positive shift but still waiting for any meaningful trickle-down impact

*That's compulsory through the trust, Whakatōhea, once you hit 65, you are Kaumatua, you received a \$200.*

*My grandmother got that and my Dad also. Of course, myself and everybody else that's a trustee of Whakatōhea, but the title, it's a responsibility, too.*

# OPOTIKI MĀORI – A RURAL PERSPECTIVE

## Manageable information, help & support

Financial stability, like any problem, can feel overwhelming



*How to eat an elephant is how they put that. Your problem you call the elephant, so your problem or your issue and in this case, the issue is retirement. So if you try and the whole objective of the exercise is if you say how to eat the elephant, so that's how to cure the problem or how to have the input so that it's manageable. If you take two smaller steps and say I'm going to save five cents here, five cents there, your retirement's going to look pretty sad. But if you say, I must have saved a million here and a million there, you're going to choke on that one because there's no way you'd have that, so you try chunking it down, so that it's a manageable step, so you say, you eat the elephant with not too many small things so that you can actually see the progress towards your retirement and you aren't going to take the large steps because it's going to choke you like you would if you took too big a mouthful of the elephant, so you take it and you chunk it down.*





# OPOTIKI MĀORI – A RURAL PERSPECTIVE

## Key themes to explore

- Assume people are not thinking beyond the here and now – how can we support them to ensure that their day-to-day living becomes more tenable now?
- Multi-generational strategies, starting with children – building good habits
- Having conversations at a community and family level – how can we look after each other? How can we access the support we need? What is the plan and how do I fit into the plan?
- Cultural norms can sometimes challenge any attempt at financial planning. How can we both challenge and support whānau support?
  - Can lead to people putting the needs of family before their own – to their detriment
  - Poverty is a cycle that is really hard to break – but it can be done
- Work at an iwi level – top-down – utilise kaumatua / kuia to support and encourage the community

## AUCKLAND PASIFIKA

# A long & healthy retirement?

An awareness of and the lived experience of the challenges to health and ageing faced by this community mean retirement may not be a given



*I'm actually looking forward to retiring. I've still got many years, but also for me is – will I make it to retirement? I lost my mum at 57 to cancer, so she never got to enjoy any retirement. That's my concern because she died so young, will I die that same age as well?*



*I think the biggest problem we have in recent times is health, particularly the lower-paid people. Their health is a huge problem and for Islanders as well. If they live past 50 and look well and are still in good health, fine. But more often than not, a lot of these people are getting to that stage when they're approaching that and their health is in a terrible state. 65 it's a struggle for them to get to that age without passing because... when they get to that stage, they can't enjoy it because they're of no use to anybody in terms of they can't do a lot of things themselves.*



*Realise that a lot of Islanders probably die a bit younger. Older than Māori people, but a bit younger. They have different diseases and they're very, very strong diseases...*

## AUCKLAND PASIFIKA

# Cultural or family obligations can require a new approach to saving

A proactive approach by some to financial planning for cultural / social financial obligations and a desire for more knowledge and support



*Given the Island community, there's always funerals. I've had a meeting with my family. I said to them – look, we put money together in a little account, what's it for? Funerals. Listen here, you put some money away for your funeral, you put some money away for your funeral. If that's what's going to be the situation, you prepare yourself for funerals. I'll do my own funeral. Otherwise it just taxes the family.*



*My mum has brothers and sisters. Me and my sister and our children, we've been for the past 4 years putting \$5 per person into this account. Whenever someone in our family dies, go and get some money so we don't have to worry about it. We've still got money in that account. It will help if we've got wedding in our own family, 21<sup>st</sup>, whatever. I'm so glad my sister and I put our heads together 4 years ago and asked our children let's do that so when someone dies, we're not going, 'I need \$100, I don't have that money.' We go get the money out and give it. **Because of what my family went through with my mum and also seeing my other cousins passing way too young and their family struggling to get the money together, 4 years ago we changed our way of thinking.***



*It's just typical because there's always something popping up... When someone else has a funeral, someone else has a funeral, three in a row. Someone has to pay for those airfares. I would say to myself 'Prepare to save, save'. **Enter in a system where you cannot touch the money, so it comes out automatically, then you can say to everybody I can't touch that, my hands are tied, it's in a trust. An ironclad gate you can't access, otherwise you will access it...***



*I'm thinking of financial literacy and capability type programmes. If we could have more of those out in the communities and tailor them to suit the ethnics.*

# AUCKLAND PASIFIKA

## Family shaping retirement

An acknowledgment of the sacrifice that has come before

*So the lucky ones that came here and the people we beautifully call FOBs, the Fresh Off the Boats, the hard-out people, but we love them so much, these FOBs hardest, toughest people in the world, tougher than any of us will ever be. Work two, three jobs doing tasks that nobody wants. When we talk to our people, we say the heroes of us aren't the boxers or the rugby players, they're the cleaners, the people that do those jobs. We love them and we cry for them because they're so beautiful.*

This is often expressed in provision of time and resource

*We have that mindset too that once my parents get older that my wife and I will discuss, we're happy to look after them. We can buy a much larger house and just live something on the same property. But my mum and dad, they just made it clear they wouldn't want to live in the same house with you, but as long as you're close by. So when we invested in a property, bought a house, we bought in the same street... At this time they support me more than I support them, they're always there just for my son.*

This may not always be the case!

*My generation just went out and saw everything, experienced a lot of things. And of course made up their own minds as to how they want to do things, they're now at that age where they're saying, 'I'm going to spend all my money, I'm not going to leave it to these horrible children'. But I would ensure that they get the best education they can that money can buy while I'm able to support them, and they're going to be kicked out the door, go out and look after yourself. Don't worry too much about us, we're happy to ride our Harley Davidson into the sunset.*



## AUCKLAND PASIFIKA

### Family shaping retirement

Family – Setting children and grandchildren up for success is important currently

– will this change for future generations who encourage self-sufficiency?



*For me, I've been encouraging my nieces and nephews to do well at school, to find proper employment, to look for their future and start building on that. Because in the future I'm not expecting any of them to look after me. I keep saying to them, 'Because I work in health, I understand the health system, I know where the rest homes are. I'll go there, but I want you to carry on with your life. I'll be satisfied when I can see that you guys have succeeded in life and are doing well going forward.'*



*I do have super and KiwiSaver, but I think for me it's making sure that the people if anything happens to me now, that the people around me are taken care of. I focus on life insurances, so I have life insurance for both my parents, one for my aunty, I have one and I made sure my one was a big bulk, so it can pay for the house and have some money for my parents if I go before them.*

## AUCKLAND PASIFIKA

# Communities provide strength but can also keep us confined

*I see a lot of communities, Samoans live as communities, Cook Islands' little communities, Niueans' little communities. Which is fine, and means they can keep their culture, but in so doing the community can become a real burden on the individuals that make up that community. But I'm looking at this perspective, my parents are Rarotongans, when they were young they decided to break out from that community that was together. They broke out and all their friends broke out from that community and they went this way, that way and bought their own houses. They had to learn to survive in a hostile environment they weren't used to. But they survived it and grew and strengthened, but their children, which is us, were able to know how to survive in that environment because it was an environment you had to adjust to, figure things out. So all of us have succeeded in our own properties, we can retire gracefully now. But a lot of those people are still in those communities, they haven't got out of that mindset. The churches are taking their cut-out and all these other things. That's a big problem, they still can't break out of it. I go to my relatives in Otara, the same situation, I go to Mangere, the same situation... Yeah, a sense they're trapped. A sense of recycling all the same problems.*



## AUCKLAND PASIFIKA


# Key themes to explore

- Be mindful of the role that family and community plays in shaping retirement; there is support, but there is also a sense of obligation that is largely unspoken but assumed.

- What is the role that community influencers / leaders can play in supporting healthy financial behaviours?

- Encouraging the proactive saving that is already taking place – sharing techniques and methods in the context of culture.

- How can we recognise and support the ageing and health-related issues that these communities face?



## Stage 2. Vulnerable People

GAME CHANGERS





## APPROACH

# Phase 2: Supporting our more vulnerable groups

There are groups of New Zealanders for whom retirement preparation is more difficult than for others. These include low-income earners but also women who may earn less on average, work for fewer years (to raise children) and live longer than males. Women who have raised children solo or have recently separated from a partner would also fit in this group.

This phase consisted of one-on-one in-depth interviews to create a safe place for respondents to discuss these more sensitive topics.

The purpose of this phase was to explore the more financial preparedness side of retirement, to understand:

- Their understanding of what they need to do to be prepared for retirement.
- Their current approach to retirement planning vs. what their ideal approach might be in a different circumstance.
- The current barriers in place for their retirement planning, what they are struggling with and how they get by.
- What they predict will happen in their retirement, the support and finances they will have access to (community, family, government, etc.) and where they think they might struggle.

## THE DETAIL

We conducted 1.5-hour interviews among each different key group, allowing for a mix of ages and genders; dealing with health-related issues affecting their ability to work:

- 2 x Low-income earners / those with unstable incomes
- 2 x Solo parents
- 2 x Professional women
- 2 x Pasifika
- 2 x Māori

Across the sample, these factors were interconnected, e.g. a person may be Māori, a solo parent and have health issues.

Interviews were conducted in Wellington, Tauranga and Auckland.

Respondents received a koha of \$150 for taking part.

## KEY FINDINGS

# What is 'vulnerable'?

Some of the people we spoke to could on paper be classified as 'vulnerable'; in reality, they were capable and resilient, both emotionally and financially. This appeared to be due to:

- A solid understanding of finance and money, how to save, how to budget – this may have been self-taught or learned via family
- A desire be confident / comfortable with money, to progress
- The ability and confidence to negotiate the system and entitlements – to get what they need and to understand what they need
- Life not having always been hard – a solid base to draw upon in times of crisis



*If you don't think you're entitled to anything else but survive, then survive is what you'll do. If you think, and I was aware it was going to be a lot more difficult on my own, but I look in the mirror and I think, well, you were brought up [by] my parents who loved you, who taught you self-respect, respect others. So you don't have to stand on others to get to where you need to be to look after yourself. (Rural Māori)*

## KEY FINDINGS

# What is 'vulnerable'?

### Vulnerability was about...

- Having the capacity to only live day-to-day – one change can cause a catastrophe that is too hard to recover from
- Multiple issues happening at once to impact finances, e.g. redundancy, illness, sole parenting
- Not seeing or being able to see beyond day-to-day existence
- Future plans are based on assumptions and hope – not discussion



*I have no idea of what my mum is going to do about her retirement (she is 63), I would hope she has a plan, but I know she doesn't have any savings as yet.*

**The people we spoke to at this stage all had a desire for a better life. There is hope and motivation to prepare themselves that we as a Commission can work with**

## FINDINGS

# What does retirement mean to New Zealanders today?

A **vulnerable lens** on the key themes emerging from the group discussions around retirement

### Home Ownership

Participants saw home ownership as a key part of a financially secure retirement, and for many their home was their sole source of planning for retirement.

A home of one's own was seen as crucial to mental health and wellbeing.

A home delivers to the need for security.

Those who didn't have a permanent housing situation could feel more vulnerable and scared.

### Family

With vulnerable people we saw the tension between wanting to support and provide for family whilst also wanting to teach them how to be independent and financially capable.

However, many were not putting their own needs first, to their detriment.

We saw more strongly the burden of family on finances.

There were more examples of multi-generational poverty cycles – which were seen as hard to break.

Vulnerable people may be disconnected from family and culture.

### Work & Income

As with most people, employment contributes to a sense of self-worth.

Those who cannot work felt that they were making less of a contribution to society and did not feel supported by the system to find ways to contribute.

Sometimes the physical nature of the work that vulnerable people do causes long-term issues and makes working in later life not an option.



## FINDINGS

# What does retirement mean to New Zealanders today?

A **vulnerable lens** on the key themes emerging from the group discussions around retirement

### Financial Education / Information

We saw the same need for education and information at all life stages as in the initial groups.

Information must be easy to understand and easy to access.

Information is most impactful when it focuses on the here and now. If this information and support also leads to a stronger financial position in retirement, this is a bonus but should not be the lead item.

We need to work to combat a defeatist attitude that we can see in some vulnerable people – it's not too late to make a start.

### The Here & Now

People are in need of help in the here and now in order to be able to shift their priorities to retirement planning.

The physical and mental grind of long-term poverty makes it hard to keep waging the battle.

*That's another thing. I would really love my KiwiSaver money to be taken out and help with not having to pay so much on my mortgage. But they won't allow that. But that would be really wonderful.*

### Retirement as Reward for a Lifetime of Work

Some respondents felt that retirement was their due for working hard and contributing to taxes.

Vulnerable people can feel like they spend more of their adult life working.

*Isn't that what tax is for? Work hard and pay tax all your life. I think it's quite sad that when old people retire and don't get free medical or free bus trips, free train, that's quite sad that we don't look after them that well. We put them into retirement homes and push them aside and the poor things just, their life's over.*

*So for me, I look forward because I've worked since I was 15 years old and I worked so long and brought up three children, got married, did everything.*

# FINDINGS

## What does retirement mean to New Zealanders today?

A **vulnerable** lens on the key themes emerging from the group discussions around retirement

### Health & Wellbeing

Vulnerable people had a strong awareness of the impact of ill-health on retirement – they have seen the impacts first-hand.

*I planned a lot in my life in financial stability, but a lot of bad things have happened in my life and that just stopped that dead. A lot of things have been very costly in my life. I've not been able to get ahead and like I say, if you get physically hurt in some way, you can't do full-time work and if you're partner gets sick or something, they can't work, so then you just continue struggling.*

### One Size Doesn't Fit All

Experience has taught them that they don't 'fit' into society in some way. This makes life hard, more of a constant negotiation – a complex and complicated life – flexibility is key in any solution or offer.

*It goes back to syndrome. That one glove fits all. We know. We can't do it. I thought parliament wouldn't go down that road. I know they're trying to.*

*One size fits all doesn't really impact the people at the top – it impacts the people at the bottom.*

*Yeah, the problem is that the government will set one rule and it will have to suit everyone and it won't.*

### Security

Guarantees / security are really important – a lot of their lives are uncertain and feel out of their control – they want things they can be sure of.

*Although I'm on KiwiSaver, I've been into right from the beginning, so there's a good lump sum there, but as you say, the KiwiSaver's dictated by the market. The market crashes, so does your KiwiSaver. It's one, zero. There's no guarantee with KiwiSaver. No guarantee for any financial. So unless you've got some other savings somewhere underneath your mattress somewhere.*

*I wouldn't want to rent in retirement, it's too unstable, and state housing is unreliable – the Govt can change their mind at any time.*

## CASE STUDY

# Meet Maisie

Maisie is 54, owns her home with a mortgage and lives with her 13-year-old daughter and their dog.

- They have a Japanese student living at home to contribute to the finances.
- Maisie receives a benefit as she cannot work due to illness – she has various autoimmune issues and is due to have her knees replaced shortly.
- Maisie used to work full-time for the government, she earned a good salary and had several rental properties as investments.

*"I never had to watch it, so I didn't."*

## Then

- Her marriage broke up.
- She fell pregnant unexpectedly – the pregnancy made her too ill to work.
- Maisie then sold her rental properties in order to afford to not work and separated from her husband.
- Later, Maisie's mother moved in with her so that she could be cared for during her terminal illness.
- Up until 2016 Maisie was an artist who worked and studied at the local arts centre – she was able to do this due to a legacy left to her mum.
- Her health then failed her and she cannot work and won't be able to in the foreseeable future.
- She struggles with not contributing to society in a way that she would like.

*"I would love to work and to not feel pain and to not take 36 pills a day."*

*"It's soul destroying, I had grown to be independent and worked hard, so to suddenly be dependent..."*

## CASE STUDY

# Considerations for Maisie

*"You learn how to do things on a benefit."*

- She is savvy with money.
- She has a fund for her daughter's tertiary education.
- But there is no buffer for her if anything goes wrong.
- Her house is her financial security – how can we help her keep this safe?
- What are the ways that beneficiaries can contribute to the community leading up to and including their retirement – helping to create a sense of self and value?



## CASE STUDY

# Meet Debbie

Debbie is 52, living in her own home.

CFFC

- Up until 3 years ago, Debbie had a successful career and was in a good place financially – she even had an investment property which was her nest egg for retirement. Unfortunately Debbie suffered a series of medical events which forced her to stop working. She struggles to breathe and has mobility issues due to a damaged knee and serious obesity.
- She has gone from being at the peak of her career to living a day-to-day existence, reliant on the sickness benefit. She has no KiwiSaver, no savings, and had to sell her investment property. Her daughter is returning home after a break-up, which will put a significant strain on Debbie's finances.
- Debbie used to view retirement as 'the prime of your life', with lots of free time and independence. Now she worries that she might end up being one of the 'have nots' in retirement, i.e. people who have super and nothing else. She would like to be debt- / mortgage-free by retirement, but does not think this will be possible unless her health improves. If this is the case, her back-up plan is to rent a room out or do a job on the side. She will also inherit when her mother dies.
- She has modest aspirations for retirement, saying she doesn't want to travel but just wants to enjoy her daughter and friends. She only expects to live till around 70, so views retirement as a short-lived phase.

*"Things can change in an instant."*

*"70 is too old for the retirement age. You are worn out by the time you get to 65, you need 5 years of respite to enjoy it. So many people don't make it."*

## CASE STUDY

# Considerations for Debbie

- Peace of mind that she will be looked after in her old age, no matter what happens, with no changes to the current retirement age.
- Help to get back on her feet as soon as possible, and support so she doesn't go further backwards.
- Financial security is her home – how can we support her to stay in her home?
- How can we help her to find suitable employment?

## CASE STUDY

# Meet Helen

Helen is 42 and has sole custody of her daughters aged 12 and 14.

CFFC

- She works full-time in a senior management position.
- She did not sign up for KiwiSaver when it was first introduced; back then she had a different relationship with money, she was a spender with debt, money was about buying what she thought she deserved, and looking back she sees she was out of control.
- Redundancy was a game changer for Helen – it meant she could live a year without working if she needed to and almost allowed her to reset herself.
- The other game changer has been *The Barefoot Investor*. Helen credits this book with bringing back control and self-respect when it came to finance.
- Helen now contributes 3% to KiwiSaver, she has dropped this down from 8% as she wanted to invest the other 5% – it makes her feel like she doesn't have all her eggs in one basket and allows her access to funds if she needs it. Despite her strong financial planning, Helen feels her retirement is underfunded. Her key focus is securing the present and the future for her children; once they leave home it will be time for her to focus on herself.
- Helen is philosophical about retirement – she currently rents with flatmates and wonders if tiny homes, communal living / home ownership and self-sufficiency are all future options. Her main worry is health – this is something she feels she can't control.

*"I think my marriage made me feel I didn't deserve to be wealthy."*

*"I have a little bit of my head in the sand when it comes to retirement, it seems so far away."*

## CASE STUDY

# Considerations for Helen

- Looking after yourself is looking after your kids.
- How can we challenge the perception that uncertainty (inflation / ill-health) can't be accommodated in financial planning?
- People like her could be great financial coaches for others.

## CASE STUDY

# Meet Keta

Keta is 48 and has no children. He is a carer for elderly people.

CFFC

- He part owns a home with a friend (the friend's rent pays the mortgage), his partner also owns a home and she has adult children. They keep their finances separate.
- He would like to look at investing money but feels that it's all too hard to comprehend – he asked his bank and they talked about savings bonds and investing. He felt out of his depth.
- He'd like to retire out of Auckland on what he calls an acreage, and would like to retire sometime after 60; his family has a history of poor health, heart issues, diabetes, and he has 2 siblings who died in their 40s – he isn't sure he will make old bones.
- He wants really simple, easy-to-understand saving and investment plans that would make him feel smart about his money.

*"To pay everything off so my family don't worry."*

*"The end goal is to keep money safe and make money work."*



## CASE STUDY

# Considerations for Keta

- Where can he go for easy-to-understand information and support to make his money work better for him?
- This would best be delivered face-to-face.

## CASE STUDY

# Meet Cara

Cara, 27, is a single mum with a young daughter.

CFFC

- She currently lives with her mum, brother and child, but her dream is to have her own place.
- She has complex relationships with whānau and an absence of role models financial or otherwise; however, she does have a desire to learn and to get herself in a better financial position – she just doesn't know from whom or where to get this support.
- She has recently returned to work – her hours aren't fixed. The first week she had 80 hours allocated, the second 40 and the next 8.

- Each time she is allocated hours she has to liaise with WINZ and IRD to change her childcare subsidy and her benefit.


*"I don't have an obligation to work until she is 3, but I feel I was pressured. It actually costs for me to send her to day care and it means I'm not spending time with her. Currently I make it work, but financially I would be better off on a benefit and I could spend time with my daughter."*

- Retirement saving and planning is not a priority at present – rent and day-to-day living take precedence.

## CASE STUDY

# Considerations for Cara

- How can we mitigate a lack of positive role models – not only financially but also in life? Cara doesn't have a clear idea of what retirement is or could be because she doesn't see it around her.
- Absence of advice and where to turn to for advice – there is an appetite, but it needs to be relevant, contextual advice.
- We need to show that we understand her current priorities.

A woman with dark hair, wearing a grey jacket, is seated at a dark wooden table. She is looking down at a smartphone held in her hands. Her eyes are closed or looking down. In the foreground, the arm and hand of another person are visible, also holding a smartphone. The background is a blurred indoor setting with a window and curtains. A large teal circular graphic is overlaid on the left side of the image, containing white text.

## Stage 2. Summary – Vulnerable people

GAME CHANGERS



## KEY FINDINGS

# The main barriers to retirement planning for vulnerable people

- Vulnerable people are often **struggling to live in the here and now**; it is challenging for them put energy and resource into something that won't impact their immediate situation.
- **Retirement is too far away to be real** – or they believe that they might not need to consider it as they might not live that long.
- **A sense of fatalism** – you can't plan anything or you never know what might happen, so why bother?
- **People need help to navigate their finances**, they don't know how to get to where they want or need to be.
- **There is a lack of knowledge about where to get advice from** – what do I need to ask? Who can help? People often default to their bank or friends and family for advice which is not always fit for purpose, or they default to less effective methods such as bank savings account – not moving forward or having money work for them.
- **Vulnerable people's sense of worth / self-esteem has often taken a battering**, leaving them less able to face anything more than survival.
- **Most people believe that retirement is their own job and responsibility – but they don't know how to do this.**



## KEY FINDINGS

# What initiatives may help vulnerable people?

**People with a desire for financial capability can be empowered by easy-to-understand methods and strategies for financial literacy. A hand-holding approach is needed. Small steps are more manageable.**

Education must be:

- Easy to understand
- Easy to access
- Often delivered face-to-face
- Fit for purpose and adaptable to my life



*I need someone to help me through it – this is going to make me more motivated rather than keep putting it off.*



*We need to think about what financial assistance we can get, what is the gap for me, how might I get a better return for my money?*

## KEY FINDINGS

# What initiatives may help vulnerable people?

**Real stories and real people can be an effective way of messaging:**

- What I wish I had known / what I did to make it better
- The reality of retirement
- Positive role models

**The idea of compulsory savings was well received – healthcare and associated costs are a big driver for vulnerable people to support this behaviour.**



*I think we need compulsory health insurance – \$5 per week and it goes into a health fund that you access when you retire, with it you could buy anything you need, e.g. wood to keep warm.*

**Compulsory KiwiSaver was also well received – people acknowledge that they can't or won't save unless it is made easy and compulsory.**

## KEY FINDINGS

# What initiatives may help vulnerable people?

How can we support people when **the big life events happen** – get them back up and running, protect their home if they have one? Can we provide accessible information to support these times of crisis?

How can we help people create a **sense of certainty and security** – people feel they can't plan – who knows what it going to happen with inflation, etc?

How can we provide **support from within the systems they already deal with** – WINZ, IRD, etc? Currently they are not helping break the cycle of poverty, not strengthening people in the here and now.



*I really hope that we have contributed our voice about what we think and what we feel can make a difference. I really hope so. For me, that's such a scary thing, thinking and knowing that when I come to retirement or even prior, my KiwiSaver is going to be zero. That's scary to me. Because even my banks, I've talked to the banks and they said no, yeah, that's right, if it crashes, you're going to have nothing. Nobody talks about that. The government doesn't talk about that to us.*

# RESPONSE TO SPECIFIC QUESTIONS

## How is it all going to work?

We also asked the Maori and Pasifika groups and the Vulnerable depths questions around possible policies that might impact retirement:

### Should Superannuation be asset tested?

Most respondents were not supportive of asset testing – it was seen to be unfair to those who had worked hard to get in a solid financial position for retirement.



*Not fair, it should be the same amount for all, if you work hard you shouldn't be penalised. (Vulnerable)*

### Should Māori and Pasifika access Superannuation earlier than the rest of the population due to their lower life expectancies?

This idea had a mixed response from participants - some who felt that it **would cause inequity...**



*That will cause a lot of problems, let me tell you now. It will cause major problems. People talking about this and that and that we are taking on the favouritism of... (Urban Māori)*



*I think that's unfair on the Māori people who die early. I think it's unfair if you did a study on the life expectancy or mortality rates. It's not fair on a palagi person. (Pasifika)*



*Maybe it's not about being Māori but more for people who sit on the poverty line? (Vulnerable)*

... or **fuel negative thinking.**





*But I think to the forefront it will be I'm going to die... (Urban Māori)*

# RESPONSE TO SPECIFIC QUESTIONS

## How is it all going to work?


**What about staggering the amount that you receive in Super as you age – e.g. receive less in your 60s, more in your 70s and 80s?**

 *Well, it's just that from that scenario pulling out the, putting the super, the retirement age up higher, that just means Māori are working basically to the day they die. They won't have a retirement. (Urban Māori)*

 *No. One guy could be 65. I could be as crook as a dog, and health and the system handicaps takes it in balance. You've only got to fall over the next day. (Rural Māori)*


**What about receiving KiwiSaver at 65 but Super at 67?**

Didn't feel like a long-term solution for some.

 *It's just robbing Peter to pay Paul. (Vulnerable)*

**Should we raise the length of time that someone has been in NZ before they get their Superannuation?**

This idea was supported by all respondents.

 *Earn your retirement here. If you haven't earned it here, then go back. (Rural Māori)*



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## GAME CHANGERS

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**GAME CHANGERS**

