

# MONEY & YOU

BREAKING THROUGH  
THE ADVICE BARRIER

## CONTENTS

01	Introduction .....	02
02	Foreword Trustees Executors .....	03
03	Key findings .....	04
04	Research in the shadow of Covid-19 .....	05
05	Getting advice, the barriers and the perceived benefits.....	06
06	Starting the advice journey and the overall benefit of long term advice .....	13
07	The role of advice in preparing for retirement .....	23
08	Financial advice delivers more than financial security .....	27
09	Annex A: Finding help and advice .....	36
10	Annex B: Methodology .....	37
11	Annex C: What is Life Insurance? .....	38
12	Annex D: What is KiwiSaver?.....	39
13	Annex E: Demographics tables .....	41
14	About the Financial Services Council .....	45



## 01

## INTRODUCTION

The 2020 Financial Services Council research series is focusing on Money and You, taking a look into how New Zealanders think about money and how it affects decisions and wellbeing. The research surveyed 2,000 New Zealanders about their views on KiwiSaver, Investment and Life Insurance just as the global Covid-19 crisis was hitting our shores in March 2020.

In the first part of the research, *Money and You – It's not about money*, it's about you, we saw that there is a strong relationship between wellbeing and money, with money worries causing great stress, affecting mental and physical health.

In the second part of the research, *Money and You – Literacy, Insight & Advice*, we saw that those that seek help and advice about their finances gain 4% more returns on their investments, have more than 50% in their KiwiSaver and have more disposable income. We also saw that obtaining financial advice reduces stress and improves confidence and overall wellbeing, with those that get support sleeping better at night.

Overall, New Zealanders are underprepared for a personal financial shock caused by, for example, losing their job or a health issue and indeed many are ill-prepared for retirement. Despite a recognition of the risks we face living in New Zealand, we are poor at managing them. This is driven, in part, by a lack of understanding of the language of money which is

preventing many of us becoming financially resilient and making sustainable financial decisions.

In this, the third part of the research, *Money and You – Breaking through the advice barrier*, we reveal the small percentage of those that take financial advice in New Zealand, the barriers to those that don't take advice, the relationships formed and the benefits found when advice is taken. It is prudent to note that those that have more wealth are more likely to seek advice in comparison to others with less wealth.

This research has shown that KiwiSaver is the gamechanger with over three-quarters of New Zealanders investing via KiwiSaver. Of note, two-thirds of the respondents indicated they know that a financial adviser can help with KiwiSaver and planning for retirement but continue not to seek advice, despite considerable concerns that retirement will not be affordable.

This research is a wake-up call for the financial services community and New Zealand about how we shift the dial on making sure that all New Zealanders get access to financial advice.

As we continue through Covid-19, we have seen many New Zealanders turn to the financial services industry, and now is the time to widen the conversation across the country and break through the advice barrier.



Rob Flannagan  
Chairman, FSC



Richard Klipin  
CEO, FSC

\*Financial Markets Authority KiwiSaver Annual Report 2020



## 02

FOREWORD  
TRUSTEES EXECUTORS

Trustees Executors is delighted to support and participate in the third and final phase of the Financial Services Council's "Money and You" 2020 consumer research series. The final part of this research highlights how important the access to advice is for all New Zealanders.

The value of advice was well established prior to it being highlighted in part two of this excellent series. Our current challenge is to make advice available to everyday Kiwis, as well as encourage financial education and foster financial literacy among the broader population.

One of the continuing themes underlining the importance of this issue is the perception that many of us believe we must have created some wealth before seeking advice. This is akin to waiting to become ill before you start to look after yourself. We need to "break through the advice barrier", and this research again shows the link between advice and greater financial and general wellbeing.

As is the case with creating more awareness around healthier lifestyles, New Zealand will benefit from everyone adopting a "wealthier" mindset. As it applies to almost every adult, perhaps the logical place to start is the wealth journey within KiwiSaver and insurance.

Over time, KiwiSaver will make a significant contribution to every New Zealander's wealth and this can be further enhanced through sound decisions based on good advice. This can be encouraged through a combination of incentive and mandated activity that targets more KiwiSaver members receiving advice much earlier in their accumulation journey. This research shows that KiwiSaver balances are up to 52% higher for investors that seek advice.

It is obvious that waiting to have "enough" assets before seeking advice is a myth that needs to be dispelled. However, it is clear there is still a lack of trust from consumers about whether fees are fair and whether advisers care about their families. I am confident that if the financial services community can come together as one via the Financial Services Council, we can lead New Zealanders in helping our community connect their health to their wealth.

I'm very pleased that Trustees Executors is playing our part through our partnership with the Financial Services Council and look forward to continuing our support for many years to come.



Ryan Bessemer  
Chief Executive Officer  
Trustees Executors

## 03

## MAJOR FINDINGS

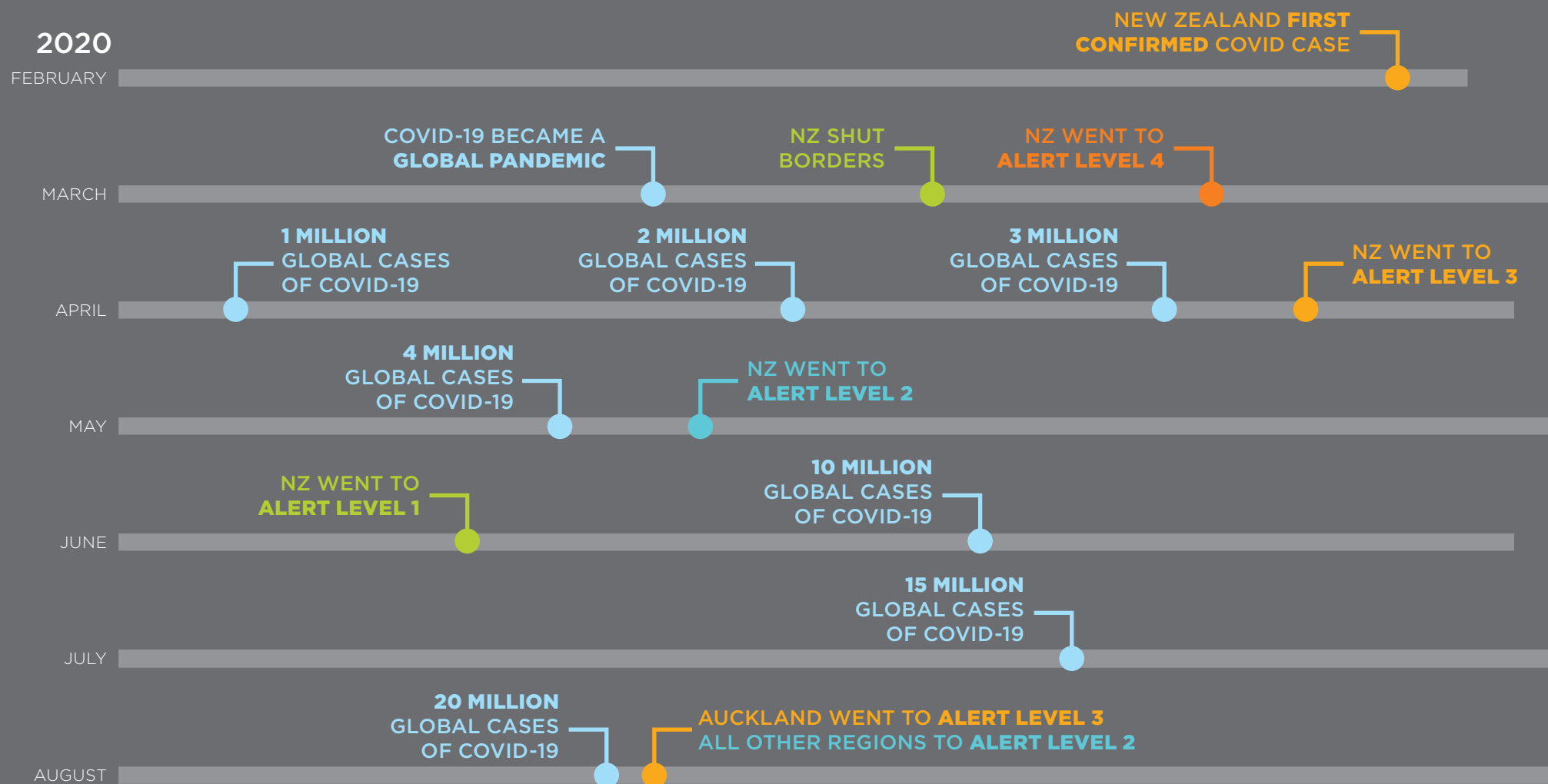
1. **Major life events trigger advice:** Buying a property would trigger Kiwis to get advice, along with financial distress and coming into an inheritance.
2. **The advice gap is real:** 35% of New Zealanders would consider advice, however perceived lack of wealth, affordability of advice and trust concerns act as barriers.
3. **Advice and wellbeing are linked:** 38.6% of those advised rated their wellbeing high or very high. Yet only 20% of New Zealanders take advice, 40% don't see any benefit and most (75%) don't recognise its positive impact on wellbeing.
4. **Advice is valuable:** Advice delivers on average 4% in increased returns. Advised clients are on the whole more wealthy, have approximately 52% more in their KiwiSaver and save 3.7% more of their income than unadvised New Zealanders.
5. **KiwiSaver is a game changer:** 76% of Kiwis invest through their KiwiSaver, making it a significant part of their retirement plan. However, most don't seek retirement advice.
6. **Risks are better managed with advice:** Advised clients manage their risk better by using financial products to protect them should the unexpected happen.
7. **Long-term advice drives confidence, understanding and financial literacy:** Clear goals, money confidence and the language of money is better understood by those that seek help and support for their finances.



04

## RESEARCH IN THE SHADOW OF COVID-19

This survey was in field in March 2020.



\* Overall New Zealand Budget 2020/21 = \$129BN

\*\* Source: Stats NZ Labour Market Statistics March 2020 Quarter

05

## GETTING ADVICE, THE BARRIERS AND THE PERCEIVED BENEFITS

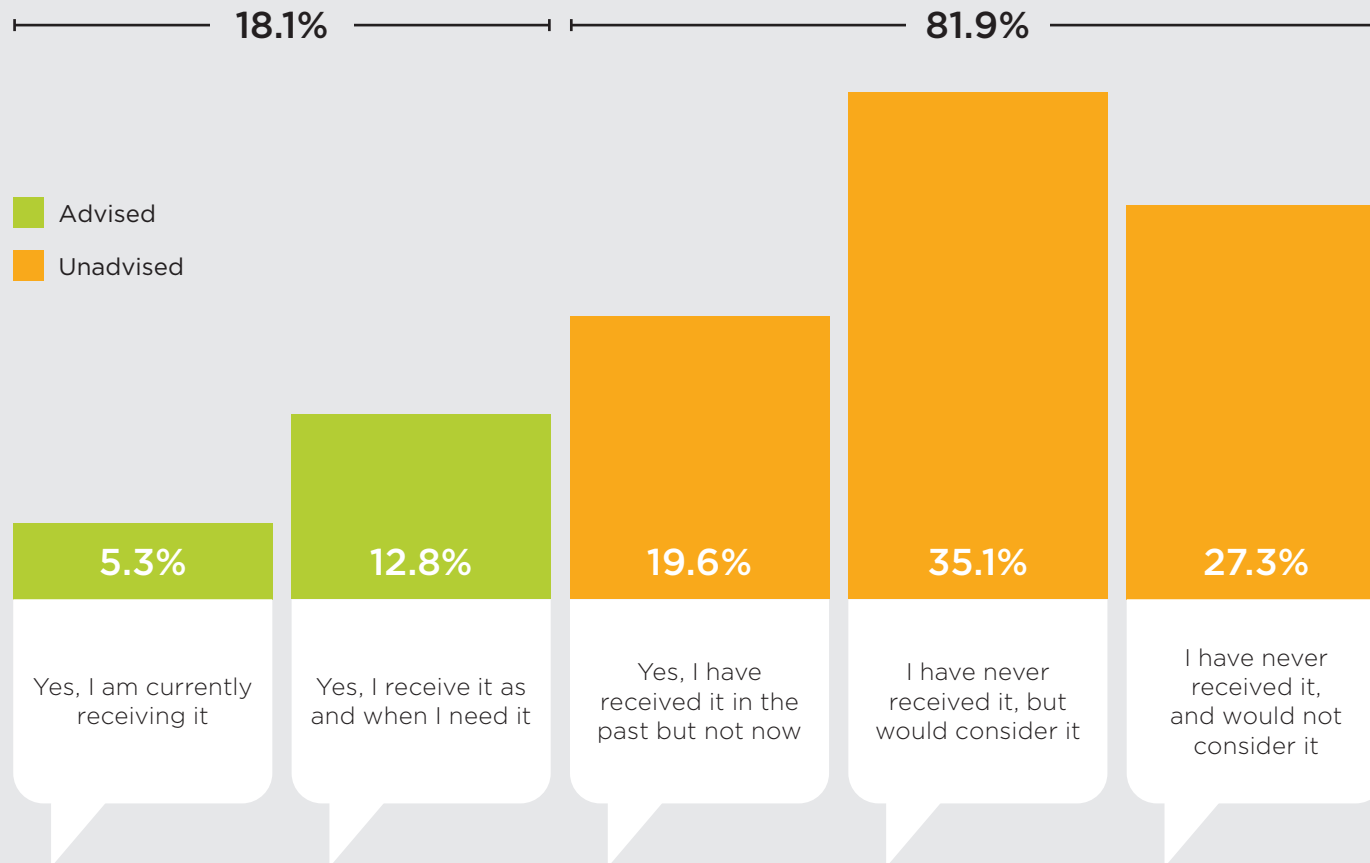




## MANY NEW ZEALANDERS DON'T TAKE ADVICE

Advice uptake in New Zealand is low, with 18.1% of New Zealanders currently receiving advice, or receiving advice as and when they need it.

Have you ever received professional financial advice from a financial adviser?



[Advice has given me] a better understanding of my financial position and relative benefits of making changes to satisfy current and future needs.

**MALE, 46 YEARS OLD, AUCKLAND**



**GETTING ADVICE, THE BARRIERS AND THE PERCEIVED BENEFITS**

## ALMOST TWO IN FIVE UNADVISED NEW ZEALANDERS DON'T THINK ADVICE WOULD HELP IMPROVE ANYTHING

**Which of the following do you think could improve as a result of receiving professional financial advice?**

Financial wellbeing

50.1%

Mental health

25.3%

Overall wellbeing (holistic wellbeing that includes your physical, mental, emotional and social health factors)

23.9%

Relationships with family and/or friends

15.4%

Physical health

14.5%

Nothing, I don't think receiving professional financial advice could improve anything

38.3%

%YES

## GETTING ADVICE, THE BARRIERS AND THE PERCEIVED BENEFITS

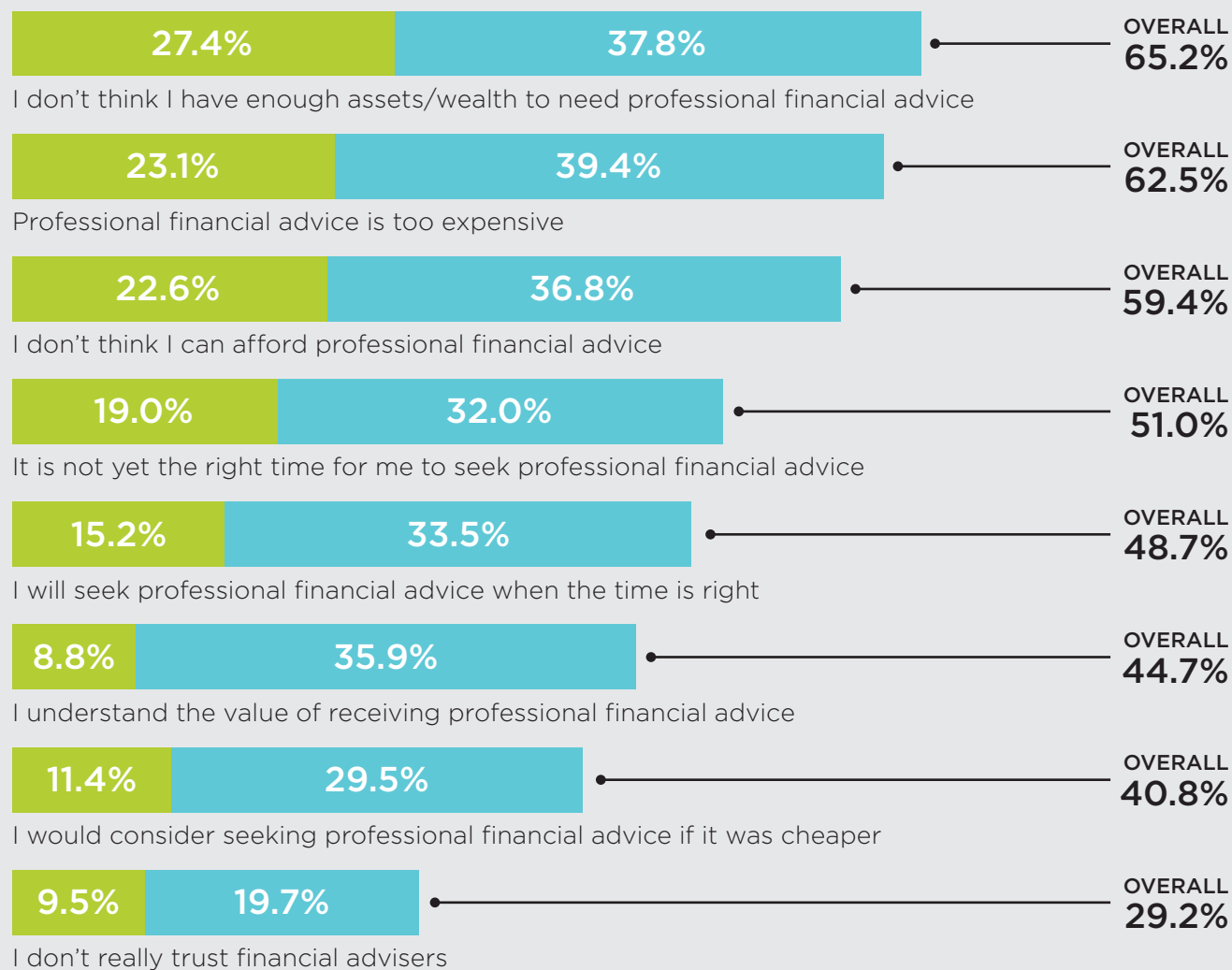
## THE BIGGEST BARRIER TO ADVICE IS PERCEIVED LACK OF WEALTH

How much do you agree or disagree with the following statements on receiving professional financial advice from a financial adviser?

Strongly agree Agree

Make it clear whether those on low income would benefit from an adviser. Also what the fees actually are.

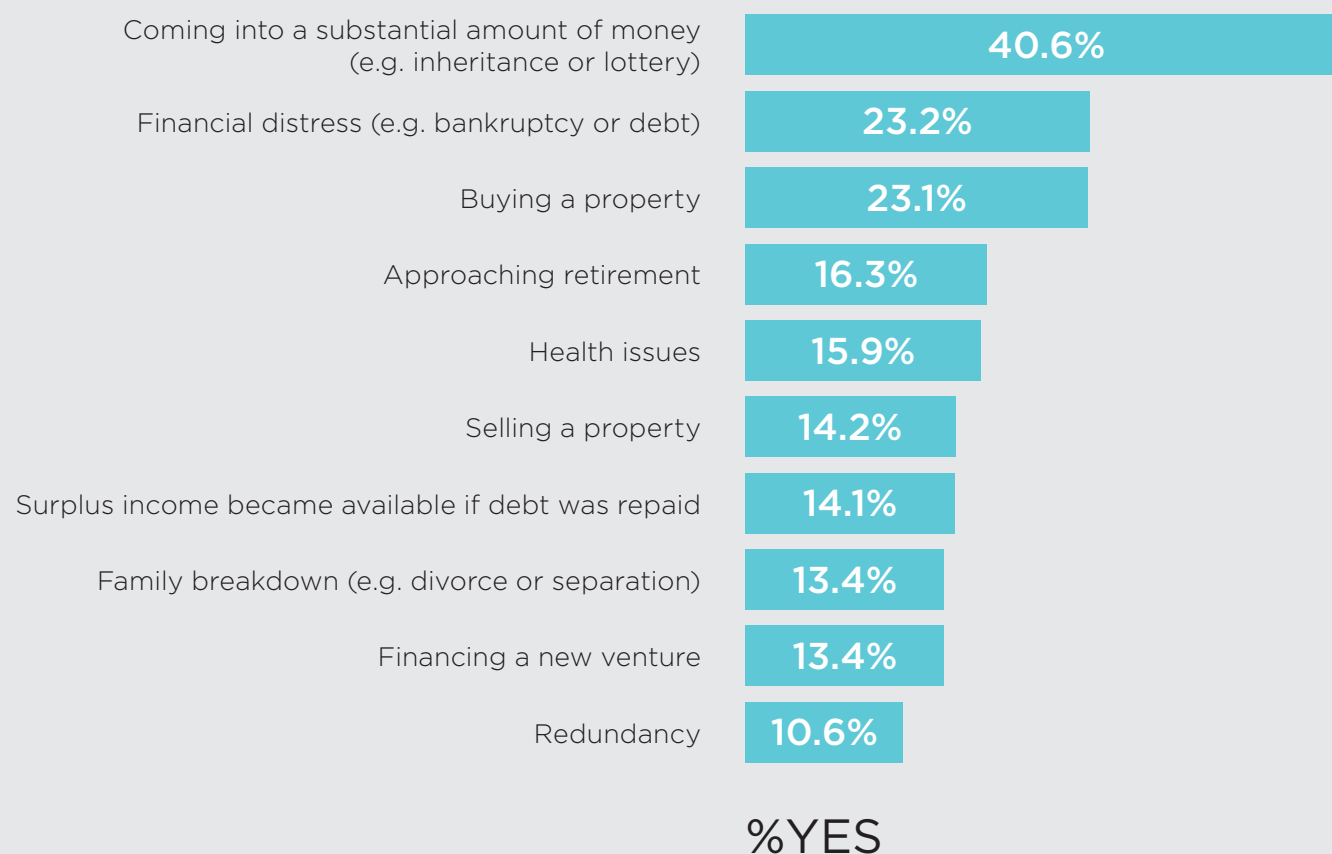
**FEMALE, 53 YEARS OLD, NORTHLAND**



## GETTING ADVICE, THE BARRIERS AND THE PERCEIVED BENEFITS

## MASSIVE SWINGS IN INCOME WOULD BE MOST LIKELY TO TRIGGER SEEKING ADVICE FOR THE UNADVISED NEW ZEALANDER

Which of the following could trigger you to start seeking professional financial advice from a financial adviser?



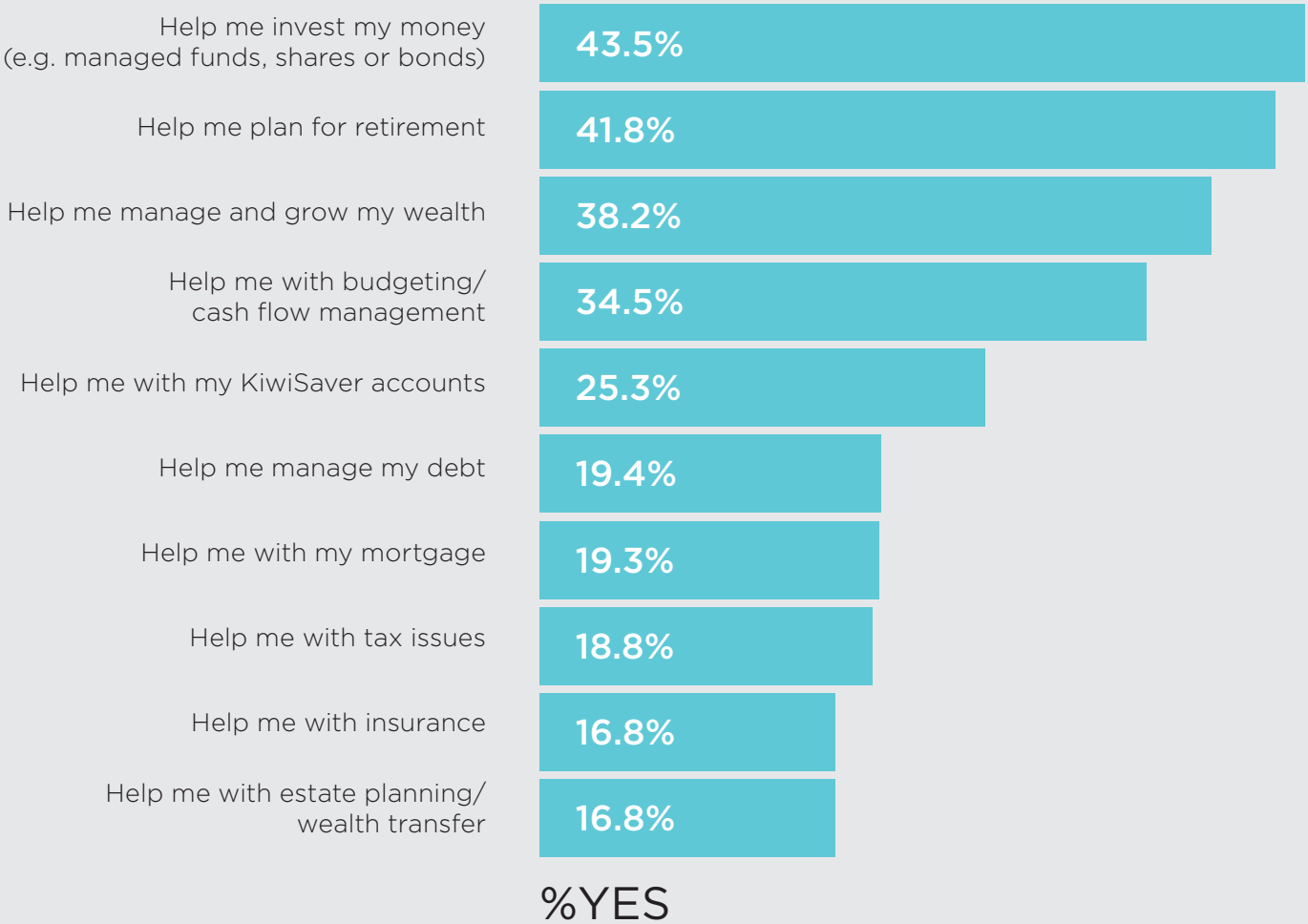
That there's someone [an adviser] I trust to assist me in making the best decisions when in financial strife because they know what they're talking about. Also they genuinely care for me and my family's welfare.

**FEMALE, 50 YEARS OLD,  
AUCKLAND**



INVESTMENT AND RETIREMENT MANAGEMENT ARE SEEN AS ADVICE’S MAIN BENEFITS BY THOSE THAT AREN’T ADVISED

Which of the following areas do you think a financial adviser can potentially help you with?

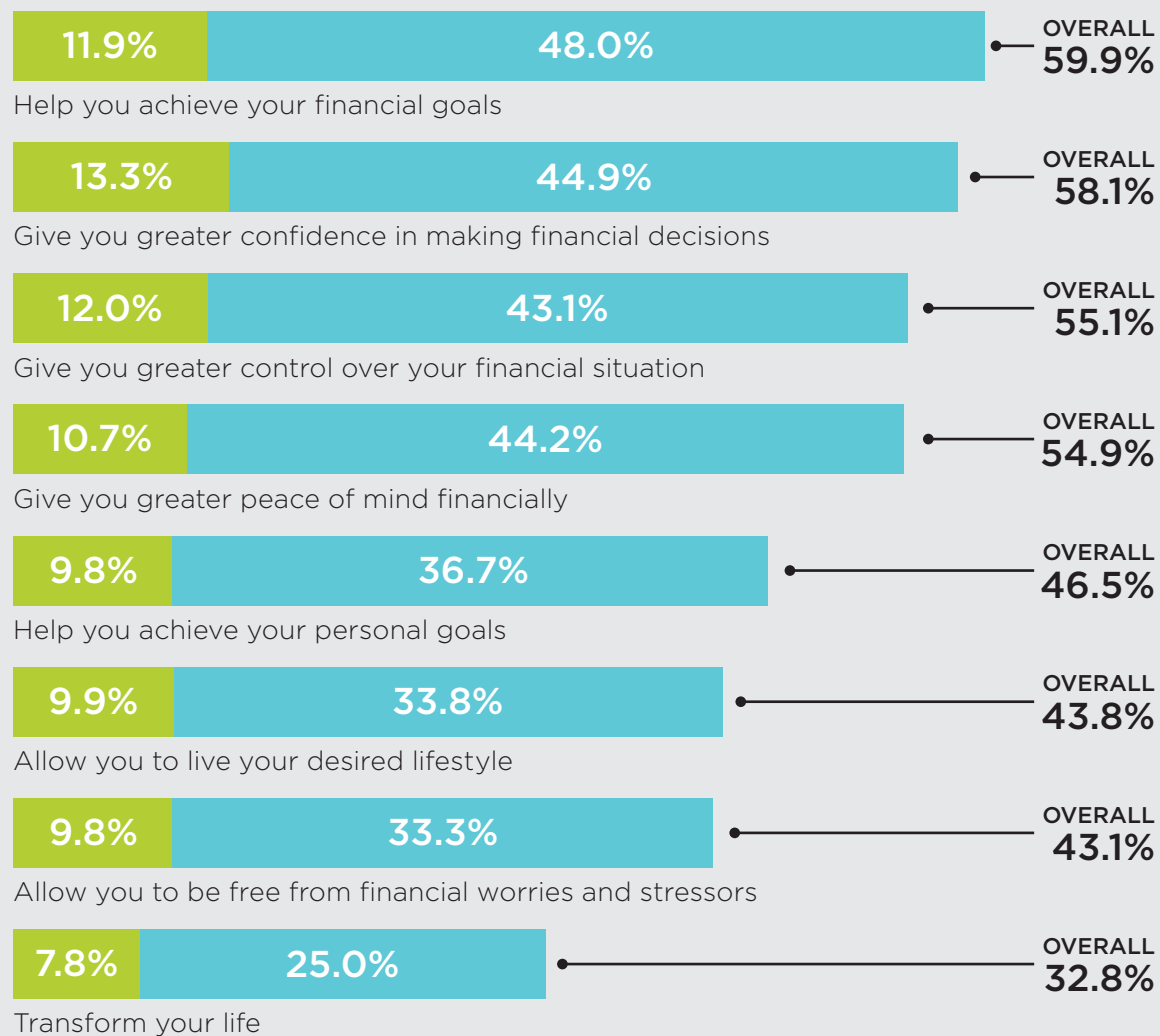


n = 1,618 (Unadvised)

## GETTING ADVICE, THE BARRIERS AND THE PERCEIVED BENEFITS

MOST UNADVISED NEW ZEALANDERS  
THINK ADVICE WOULD HELP WITH GOALS

Overall, do you think receiving professional financial advice would ...?



n = 1,618 (Unadvised)

■ Yes, to a large extent
 ■ Yes, to some extent

Having someone give me the confidence to make decisions knowing I have the benefit of their experience too.

**(FEMALE, 27 YEARS OLD,  
CANTERBURY)**

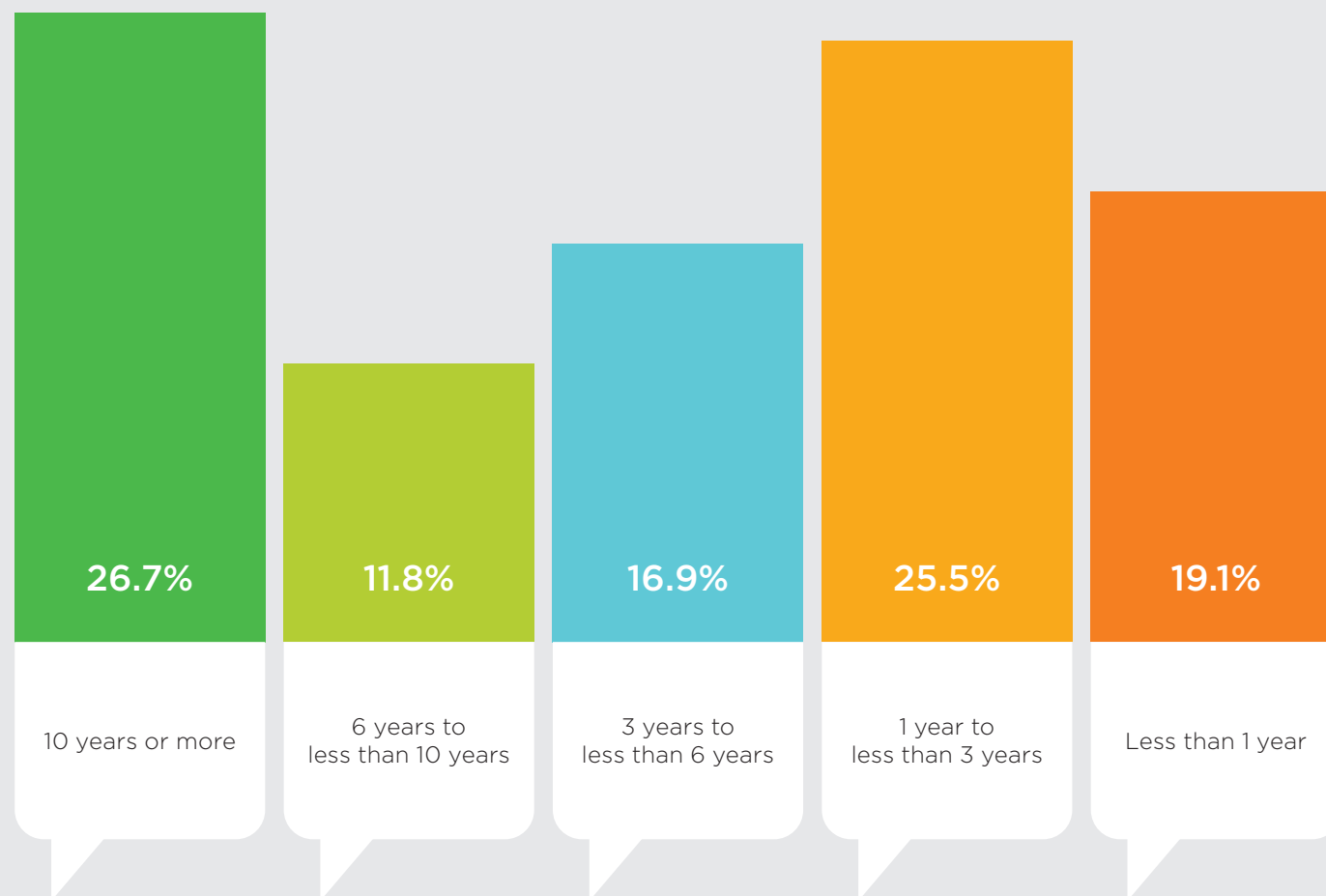
06

## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE



## ADVICE RELATIONSHIPS ARE STRONG AND LONG LASTING

How long have you been receiving professional financial advice from a financial adviser?



n = 382 (Advised)

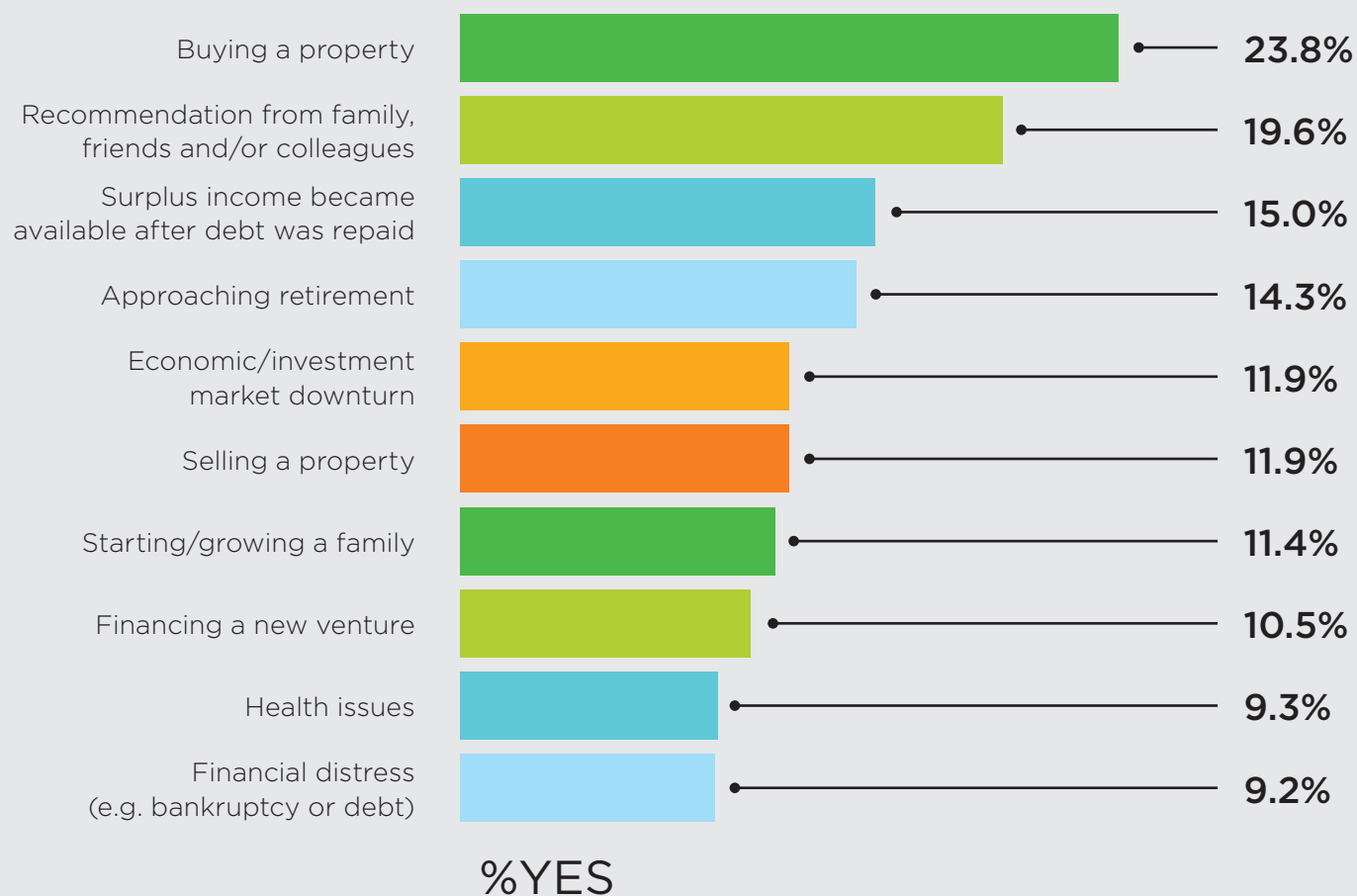
Having a mentor-like figure to seek advice from helps.

**MALE, 60 YEARS OLD, AUCKLAND**

## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## PROPERTY, MONEY AND RETIREMENT ARE KEY ADVICE MOTIVATORS

Which of the following triggered you to first seek professional financial advice from a financial adviser?



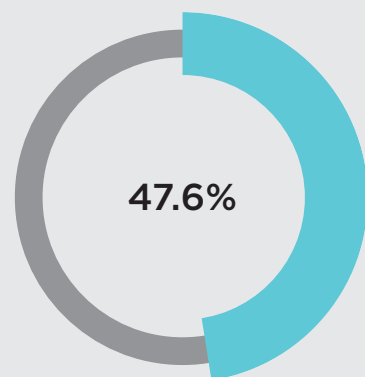
I just had a meeting to discuss house deposits and I am way closer than I expected so [my adviser] helped me start organising things I need to buy a house.

**FEMALE, 22 YEARS OLD, WELLINGTON**

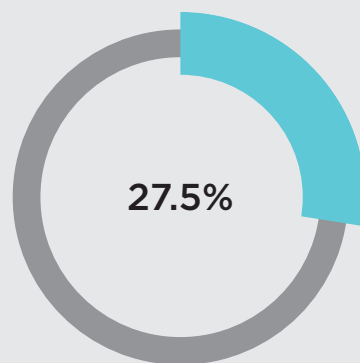
## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## ALMOST HALF OF PEOPLE FIND AN ADVISER THROUGH PERSONAL REFERRAL

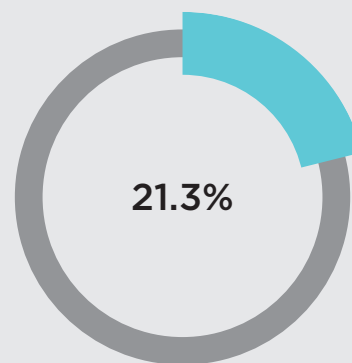
How did you go about finding your financial adviser(s)?



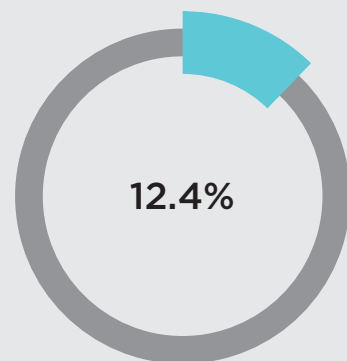
Family's and/or friend's recommendation



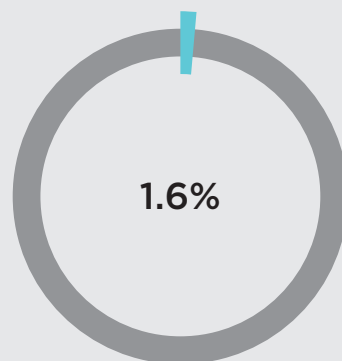
Through a bank



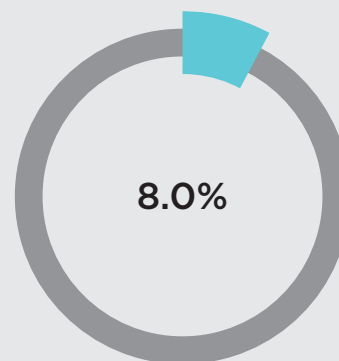
Through another financial institution



Online search



Through work



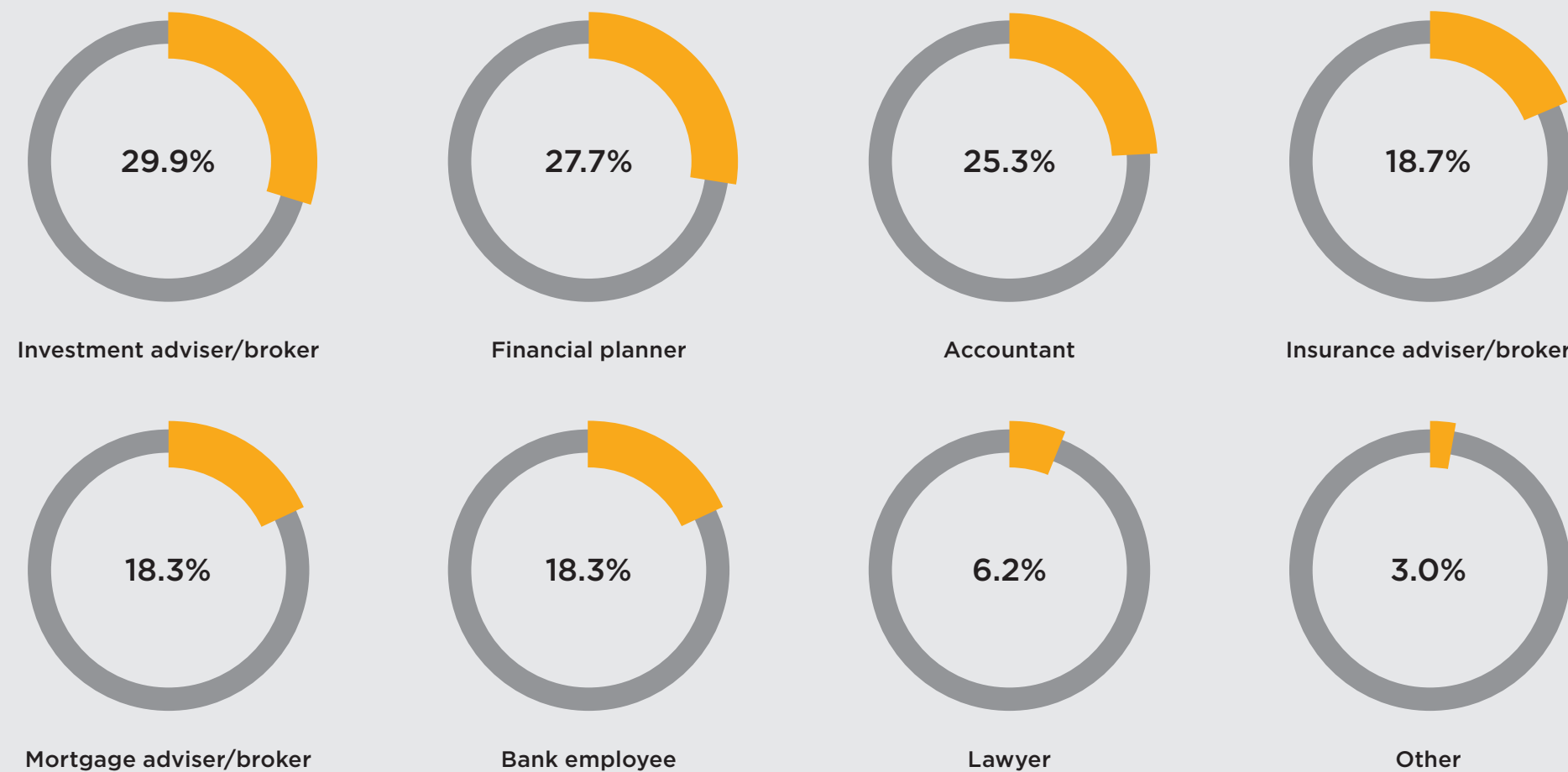
Other



**STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE**

## INVESTMENT ADVICE IS MORE COMMON THAN PROFESSIONAL FINANCIAL ADVICE

Which of the following best describes your financial adviser(s)?

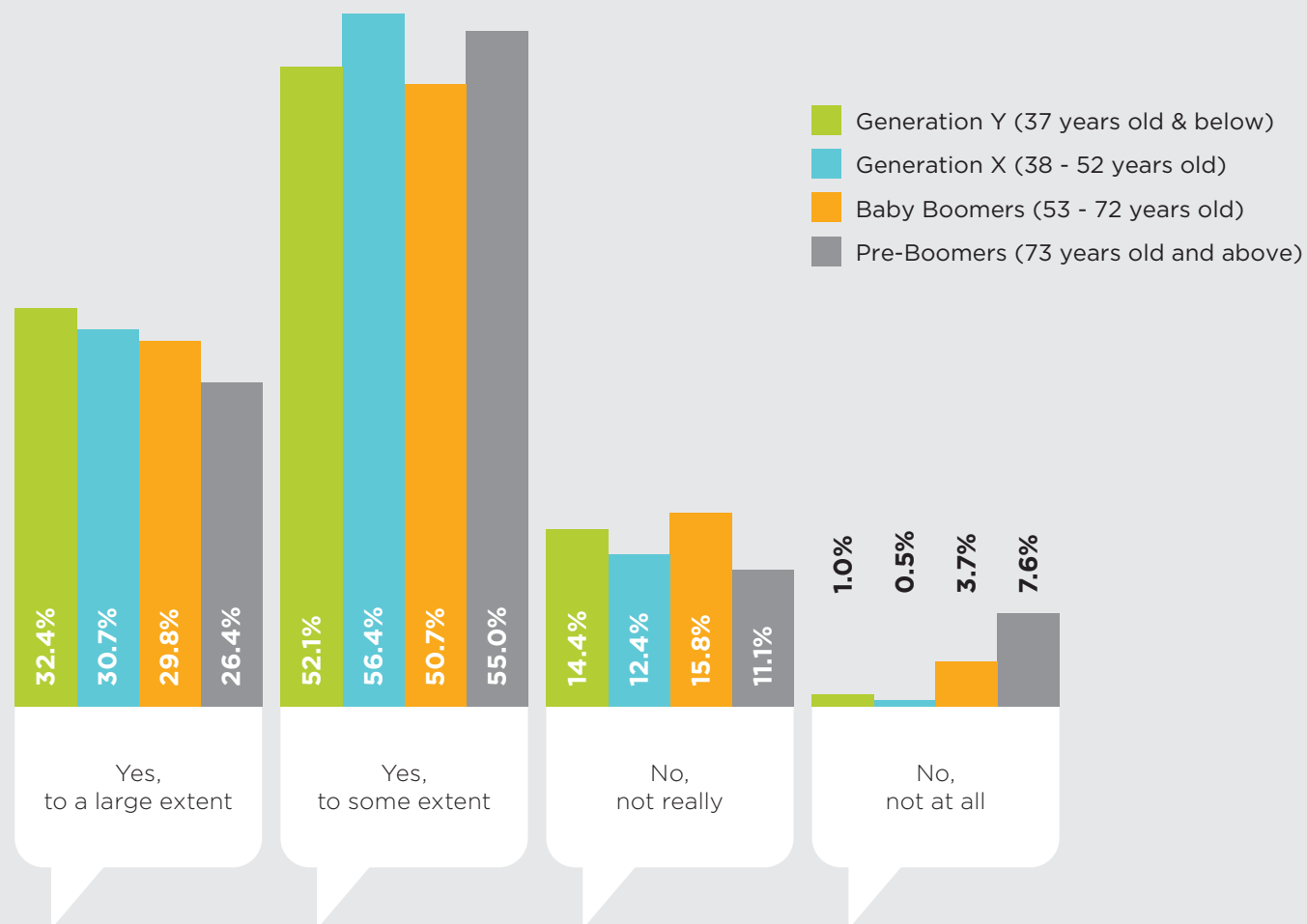


n = 382 (Advised)

## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## EVERY GENERATION HAS AT LEAST 80% SAYING ADVICE IS WORTH IT

Overall, has professional financial advice provided you with more value than what it costs?



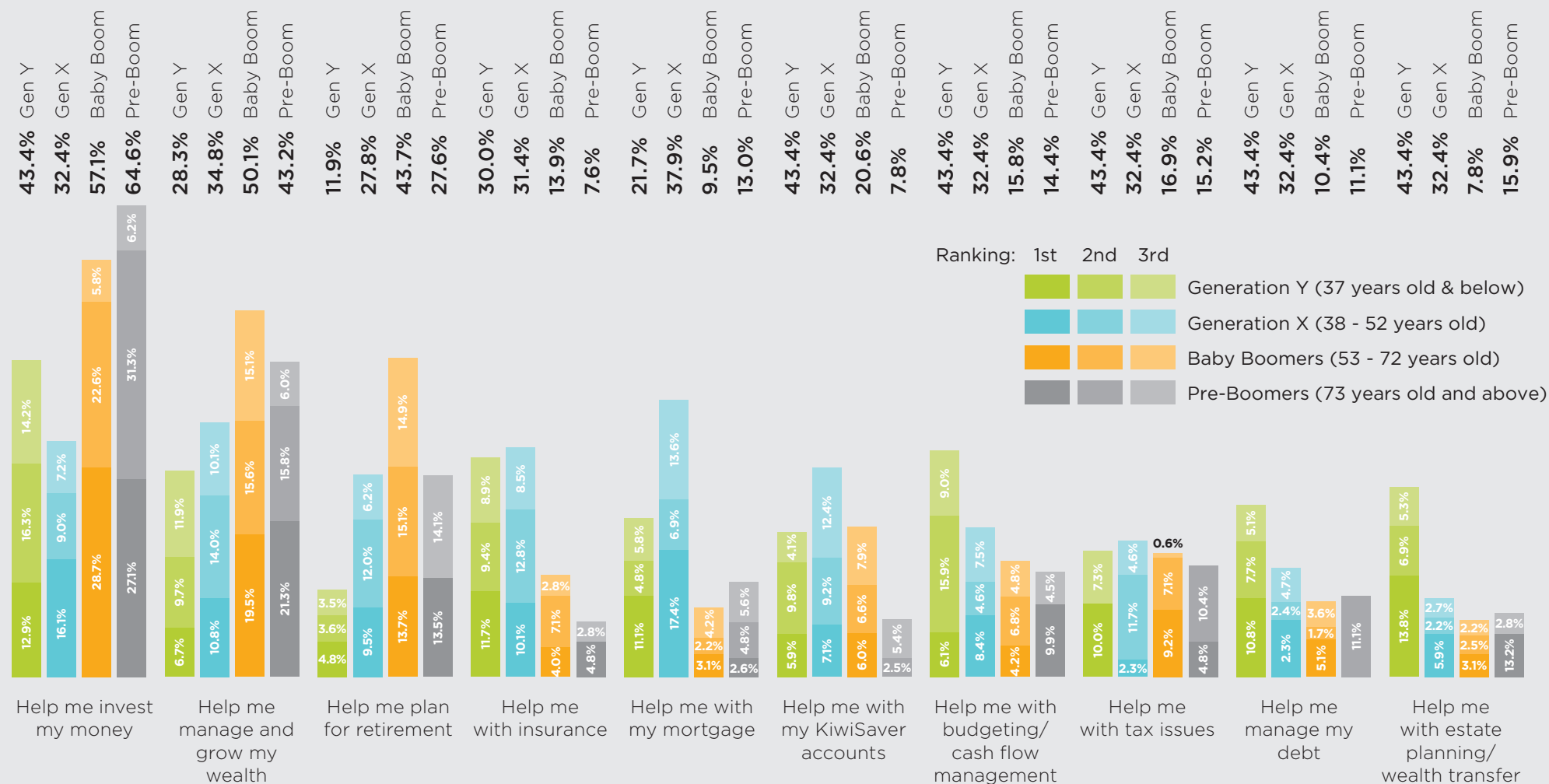
Their advice makes  
my decisions more  
accurate.

**MALE, 79 YEARS OLD,  
OTAGO**

## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## ADVICE HELPS ACROSS ALL FINANCIAL DECISIONS

Which of the following areas has/have your financial adviser(s) been helping you?

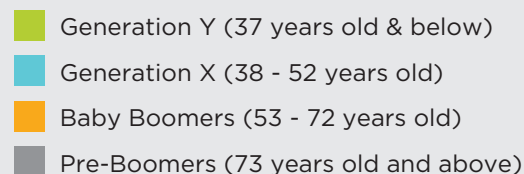


n = 382 (Advised)

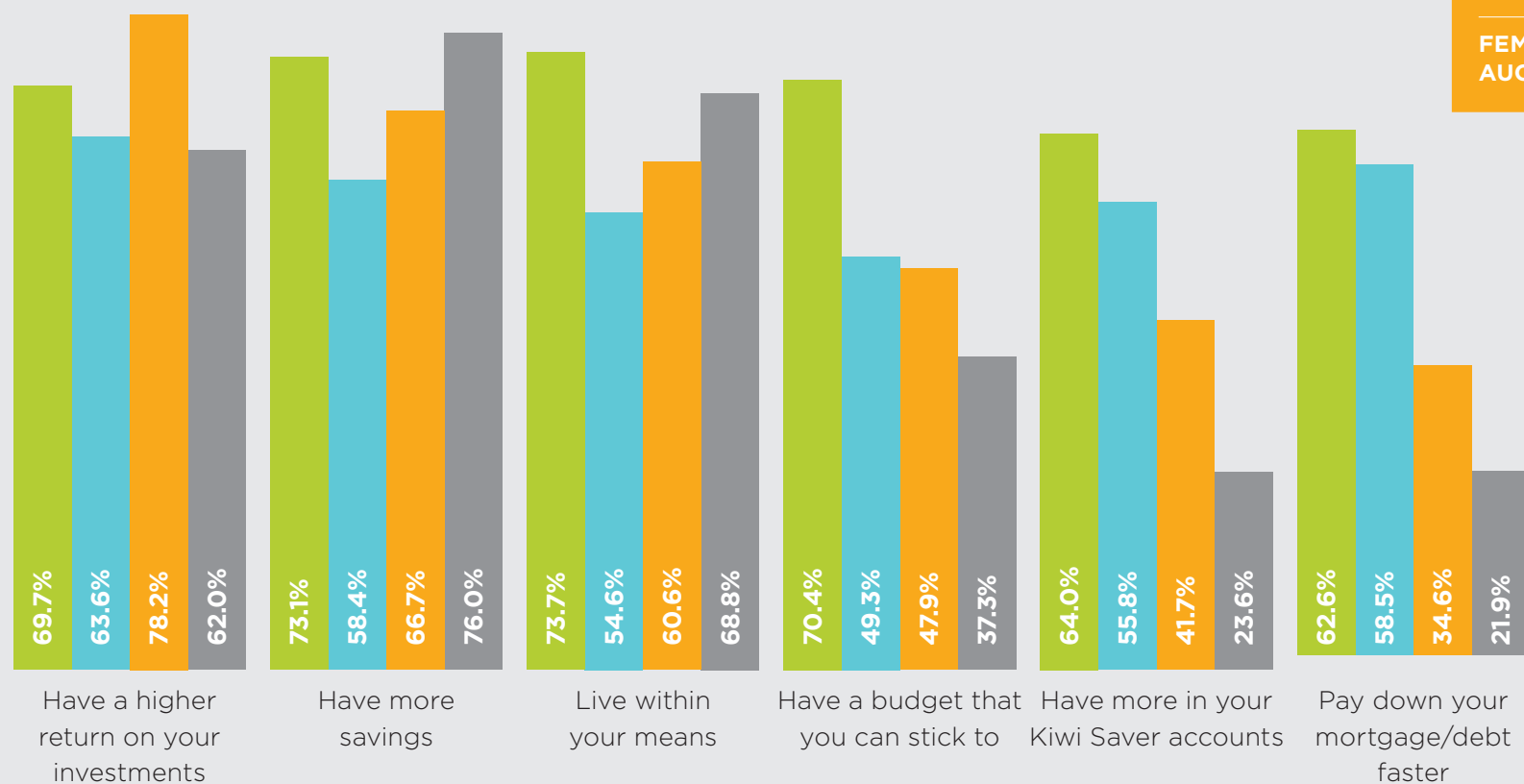
## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## DELIVERING TANGIBLE BENEFITS

This support has helped to deliver both tangible and intangible benefits. Those that have taken advice are more able to live within their means, have more savings and are able to pay down debts quicker.



Do you believe receiving professional financial advice has allowed you to ...?



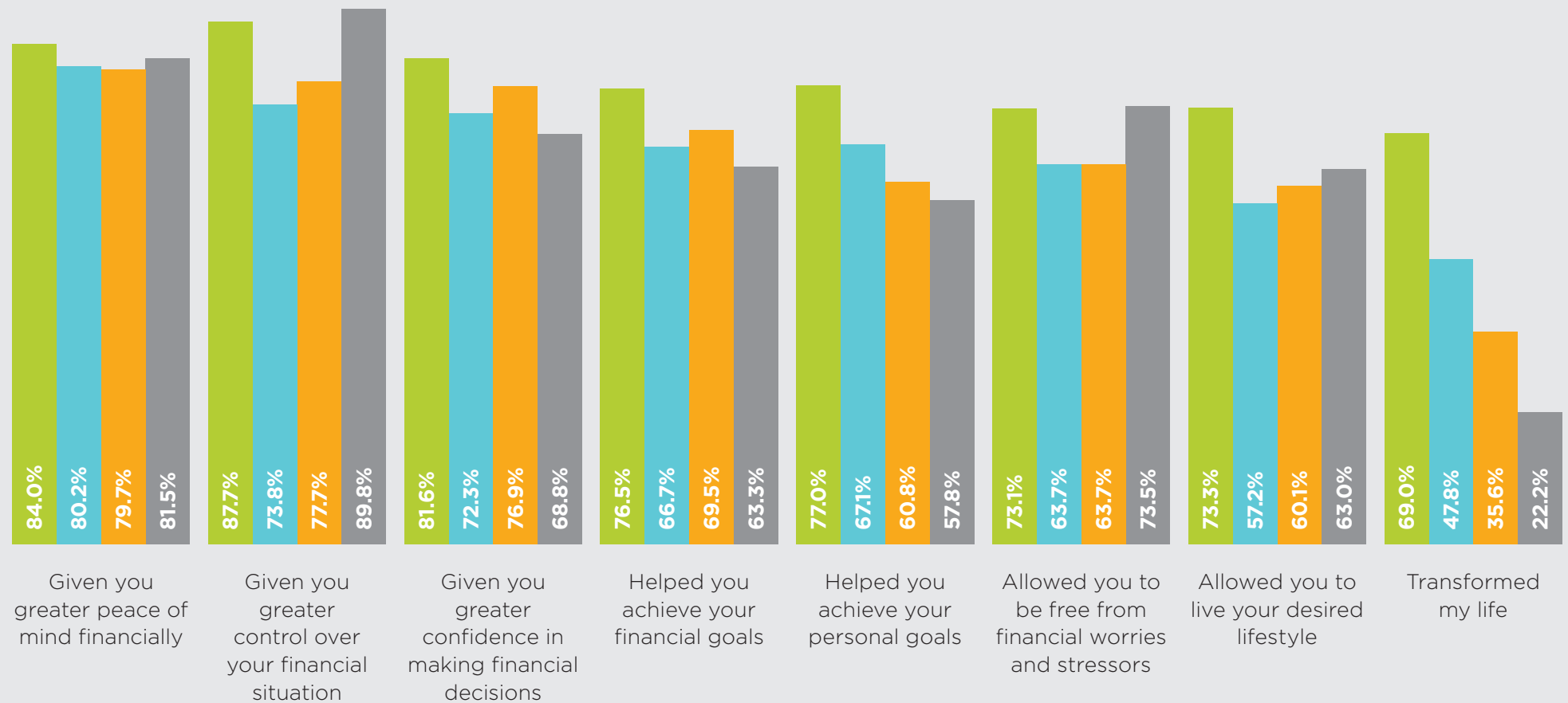
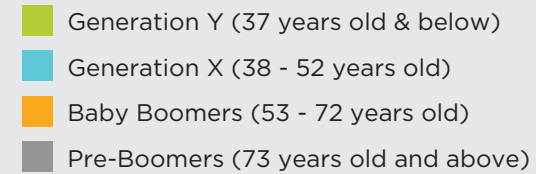
Helped me organise my life and allow me to pay off my debts in small amounts preventing further detrimental action to my credit rating.

**FEMALE, 29 YEARS OLD, AUCKLAND**

## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## DELIVERING INTANGIBLE BENEFITS

And those tangible benefits result in the majority of advised respondents having peace of mind, greater control, confidence and being free from financial worries and stress.

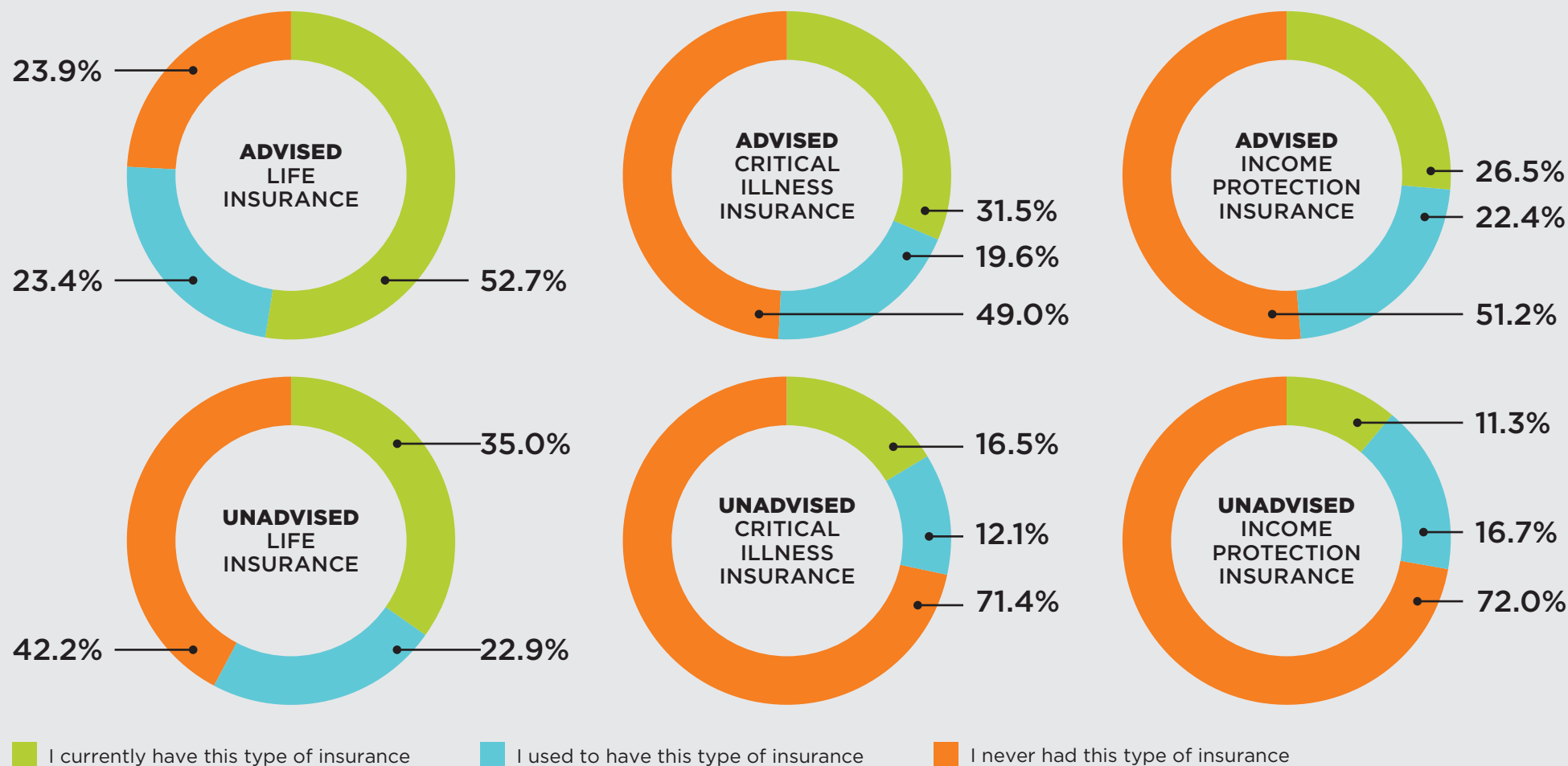




## STARTING THE ADVICE JOURNEY AND THE OVERALL BENEFIT OF LONG TERM ADVICE

## ADVISED NEW ZEALANDERS ARE MORE LIKELY TO HAVE RISK MANAGEMENT INSURANCE IN PLACE

Which of the following best describes your situation with regards to the following types of insurance?



n (Life insurance) = 198 (Advised); 596 (Unadvised); 794 (Overall)  
 n (Income protection insurance) = 99 (Advised); 196 (Unadvised); 295 (Overall)  
 n (Critical illness insurance) = 120 (Advised); 276 (Unadvised); 396 (Overall)



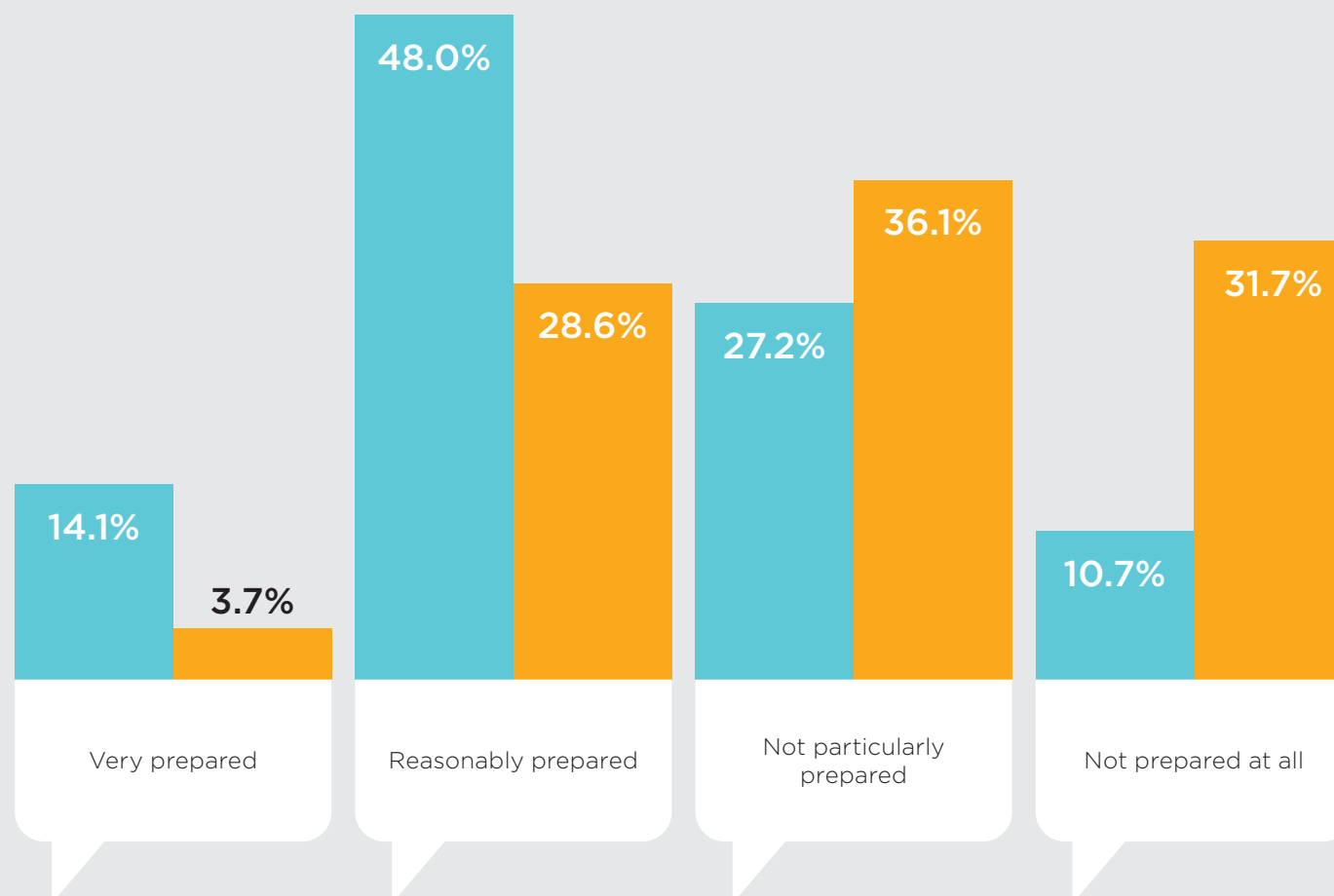
07

## THE ROLE OF ADVICE IN PREPARING FOR RETIREMENT

## THE ROLE OF ADVICE IN PREPARING FOR RETIREMENT

## RETIREMENT CONFIDENCE IS A CLEAR BENEFIT OF ADVICE

How financially prepared do you feel you are for retirement?



[My] goal [is] to financially start preparing for my retirement in 20 years' time.

**FEMALE, 44 YEARS OLD, OTAGO**

■ Advised ■ Unadvised

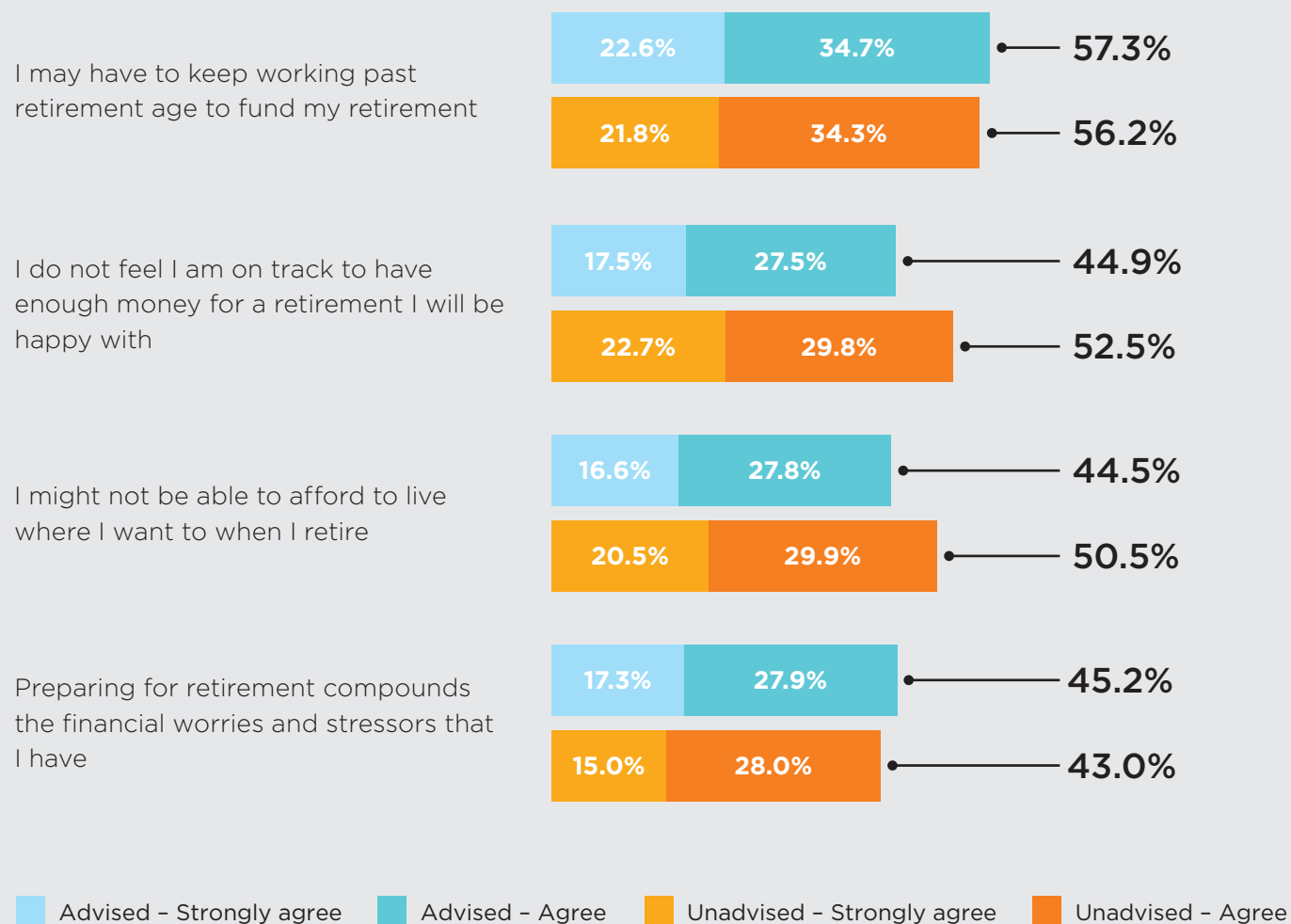
n = 307 (Advised); 1,311 (Unadvised); 1,618 (Overall), non-retired respondents



## THE ROLE OF ADVICE IN PREPARING FOR RETIREMENT

## RETIREMENT EXPECTATIONS

How much do you agree or disagree with the following statements on preparing for retirement?



[Advice gives an] understanding [of] the need to use money wisely so that the superannuation and what I can provide for myself for the next 30 years will result in pleasant retirement.

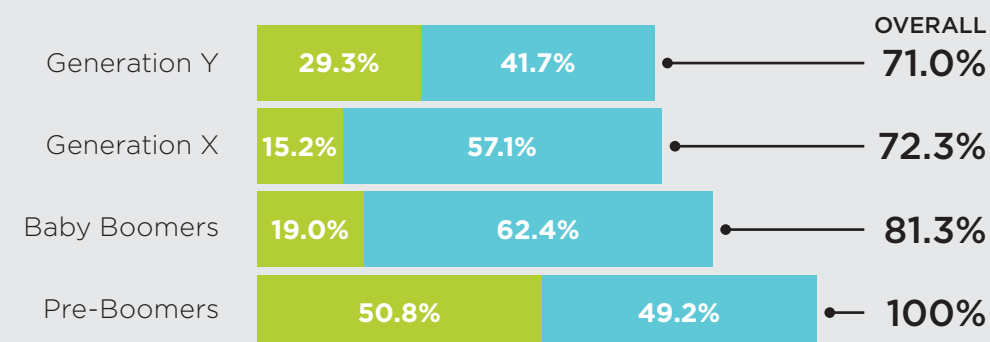
**FEMALE, 62 YEARS OLD, WAIKATO**

## THE ROLE OF ADVICE IN PREPARING FOR RETIREMENT

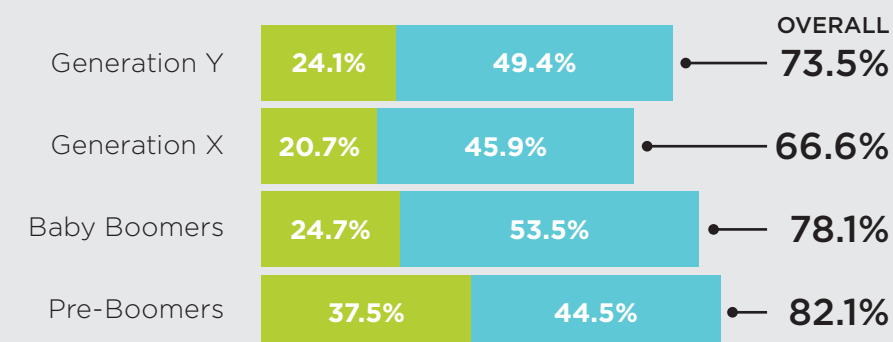
## AN OVERWHELMING MAJORITY OF NEW ZEALANDERS IN EVERY GENERATION CLEARLY SEE THEMSELVES AS BETTER OFF WITH ADVICE

Compared to if you weren't receiving professional financial advice, do you think receiving professional financial advice ...?

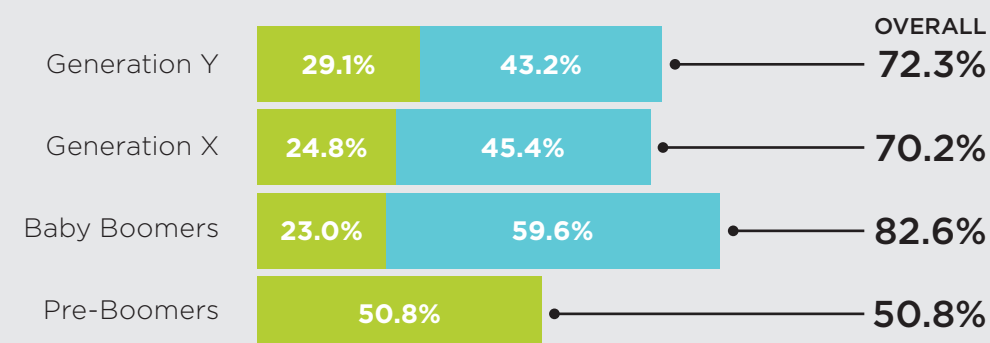
## Has [or did] help you plan for a more comfortable retirement



## Will allow you to live a better lifestyle in retirement



## Will allow [or has allowed you to have more money in retirement]



Yes, to a large extent  
Yes, to some extent



08

# FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY



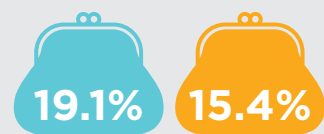
## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## OVERALL, THOSE THAT GET ADVICE ARE BETTER OFF

Advice can give New Zealanders the confidence and to weather difficult and unanticipated events from a global to personal scale.

Advised New Zealanders travel more, save more, invest more, and overall have more. However, it is prudent to note that those with more wealth tend to seek advice in comparison to others with less wealth.

Approximately what proportion of your after-tax income would you estimate you save each pay cycle, after paying your mortgage/rent, debt repayments and all other living expenses?



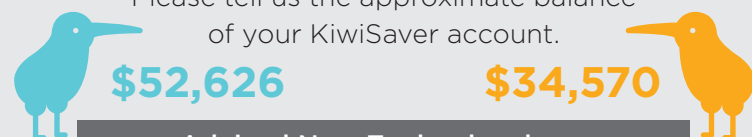
Advised New Zealanders save 3.7% more of their income

Approximately how many times have you gone travelling on holidays (alone or with family/friends), whether locally or overseas, over the past five years?



Advised New Zealanders travel six times more per decade

Please tell us the approximate balance of your KiwiSaver account.

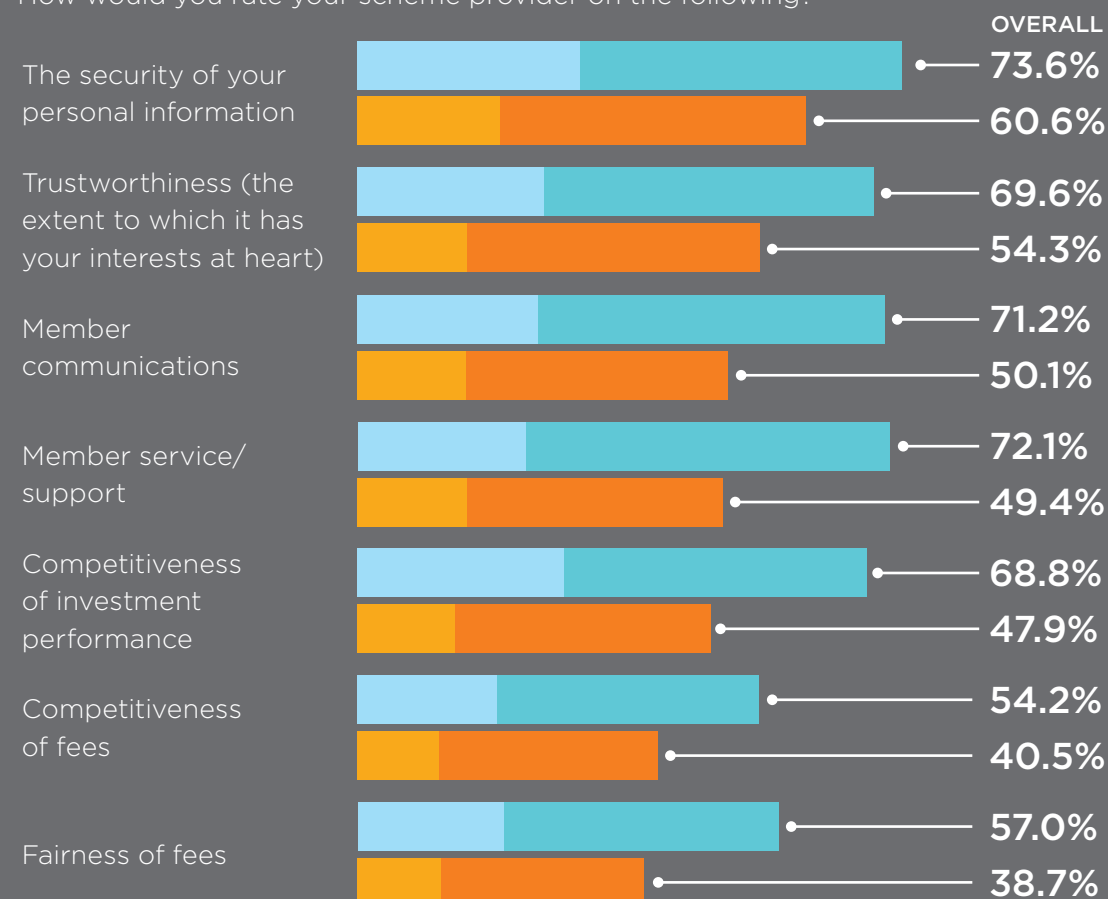


Advised New Zealanders have approximately 52% more in their Kiwisaver

Advised Unadvised

## ADVISED NEW ZEALANDERS ARE MUCH MORE SATISFIED WITH THEIR KIWISAVER

How would you rate your scheme provider on the following?



Advised - Very good Unadvised - Very good  
Advised - Good Unadvised - Good

## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

Please tell us the approximate annual return on your HOUSEHOLD's total amount of investment portfolio over the past five years (excluding your residential property, net of fees and tax)



12.9%



8.9%

Investment returns are 4% better on average under advice

Approximately how much cover do you have for the following types of insurance?

## LIFE INSURANCE



\$189,708



\$167,770

## INCOME PROTECTION INSURANCE



\$51,435



\$35,081

## CRITICAL ILLNESS INSURANCE



\$97,687

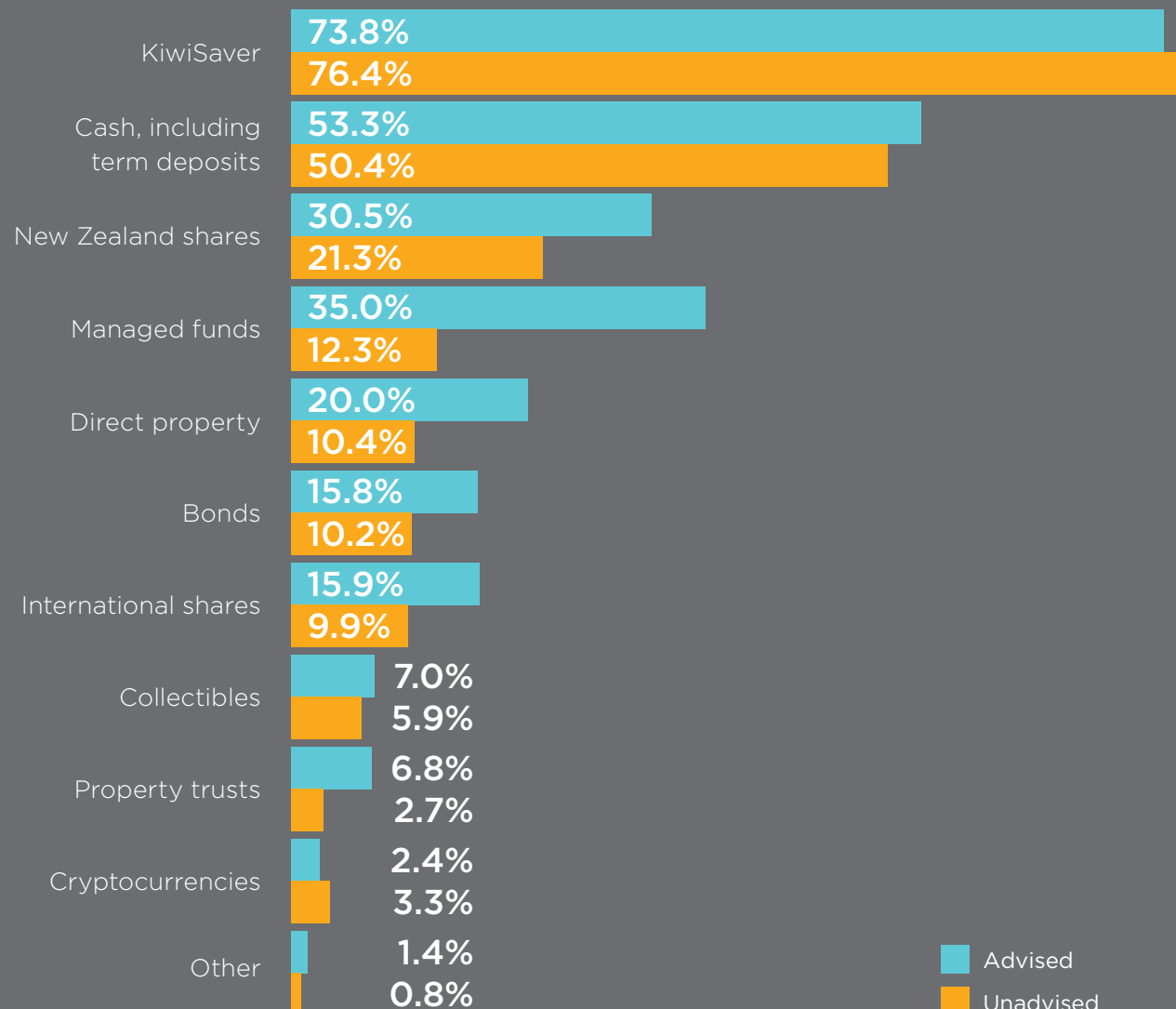


\$92,244

New Zealanders are more likely to have more insurance cover if advised

Advised Unadvised

## WHICH OF THE FOLLOWING TYPES OF INVESTMENTS DO YOU CURRENTLY HAVE?



Advised  
Unadvised



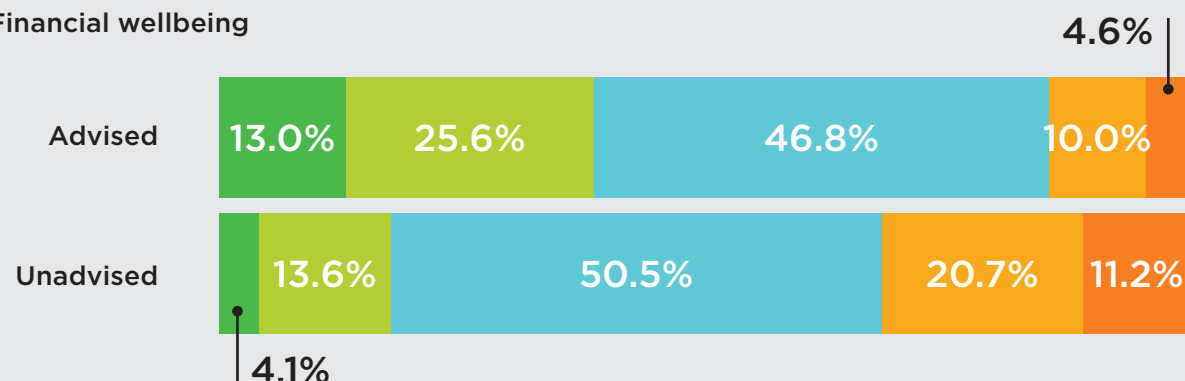
## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## FINANCIAL AND OVERALL WELLBEING ARE STRONGER WITH ADVICE

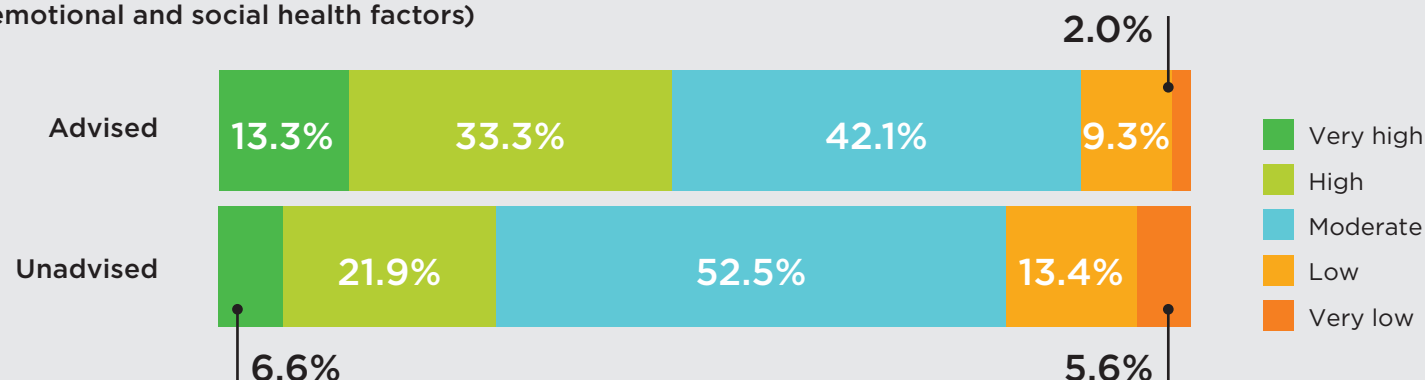
Those that are advised are tend to rate their overall wellbeing higher, although the majority of those that tend to seek advice have more assets than those that do not seek advice.

## Overall, how would you rate your level of ...?

## Financial wellbeing



## Overall wellbeing (holistic wellbeing that includes your physical, mental, emotional and social health factors)



In my past I have not had the money for investments, but after selling my home and retiring from work due to physical health, things have improved greatly especially with peace of mind.

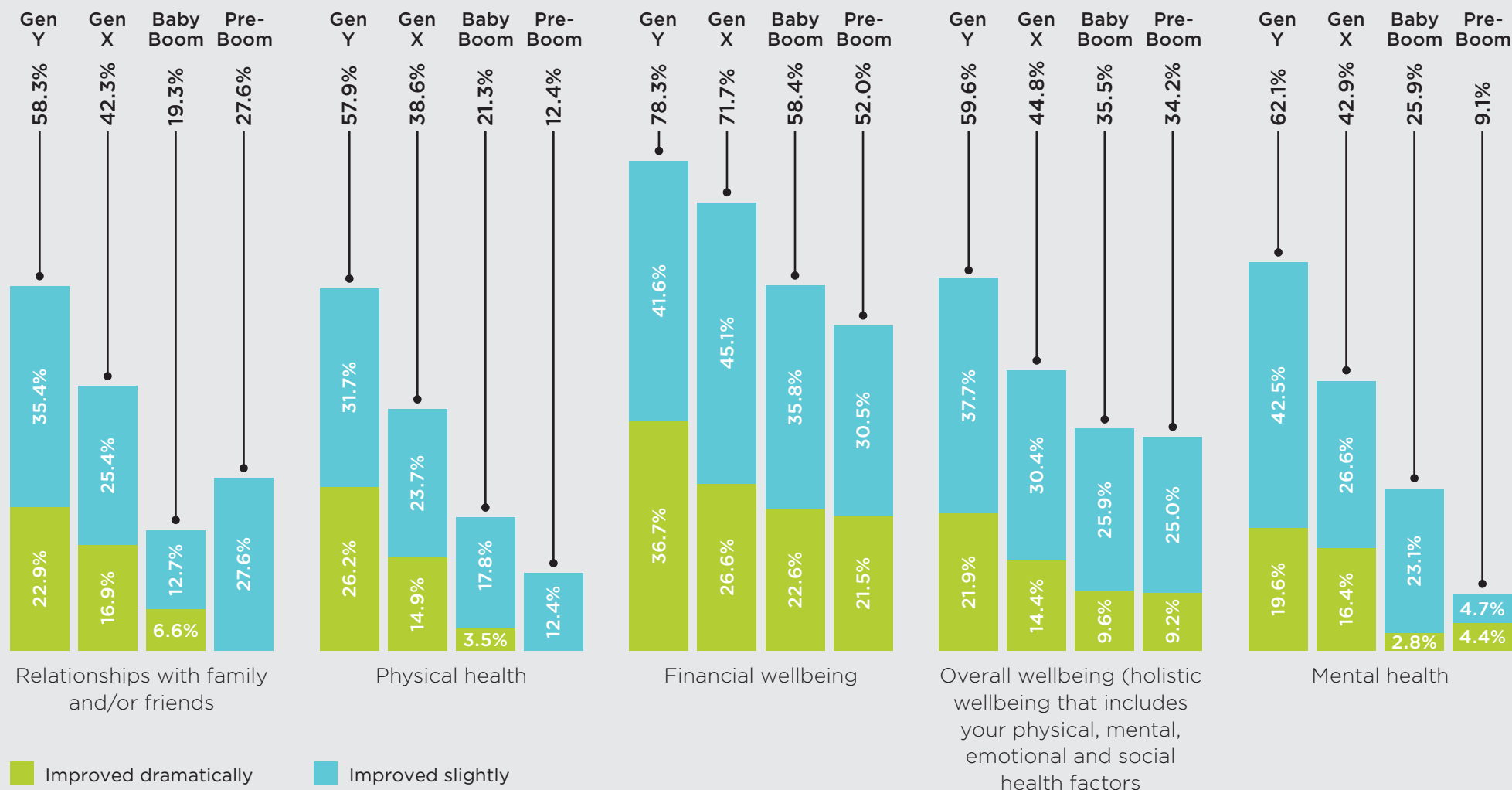
**FEMALE, 66 YEARS OLD,  
MANAWATU-WANGANUI**



## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## ADVICE HAS CLEAR BENEFITS TO A PERSON'S WELLBEING

How have the following changed since first receiving professional financial advice?

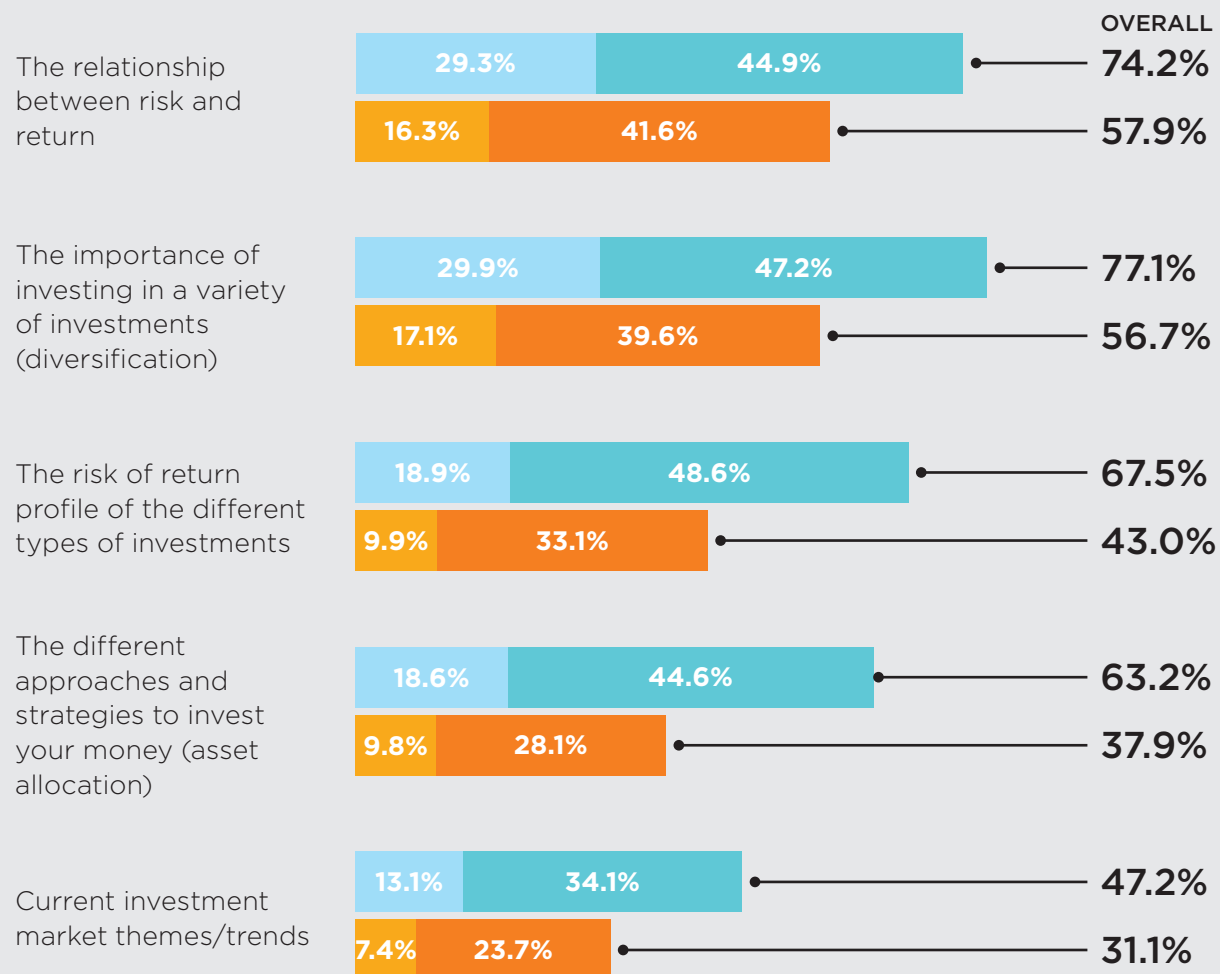


n = 307 (Advised), non-retired respondents who are currently receiving advice

## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## FINANCIAL LITERACY IS IMPROVED BY GETTING ADVICE

## How would you rate your understanding of the following?



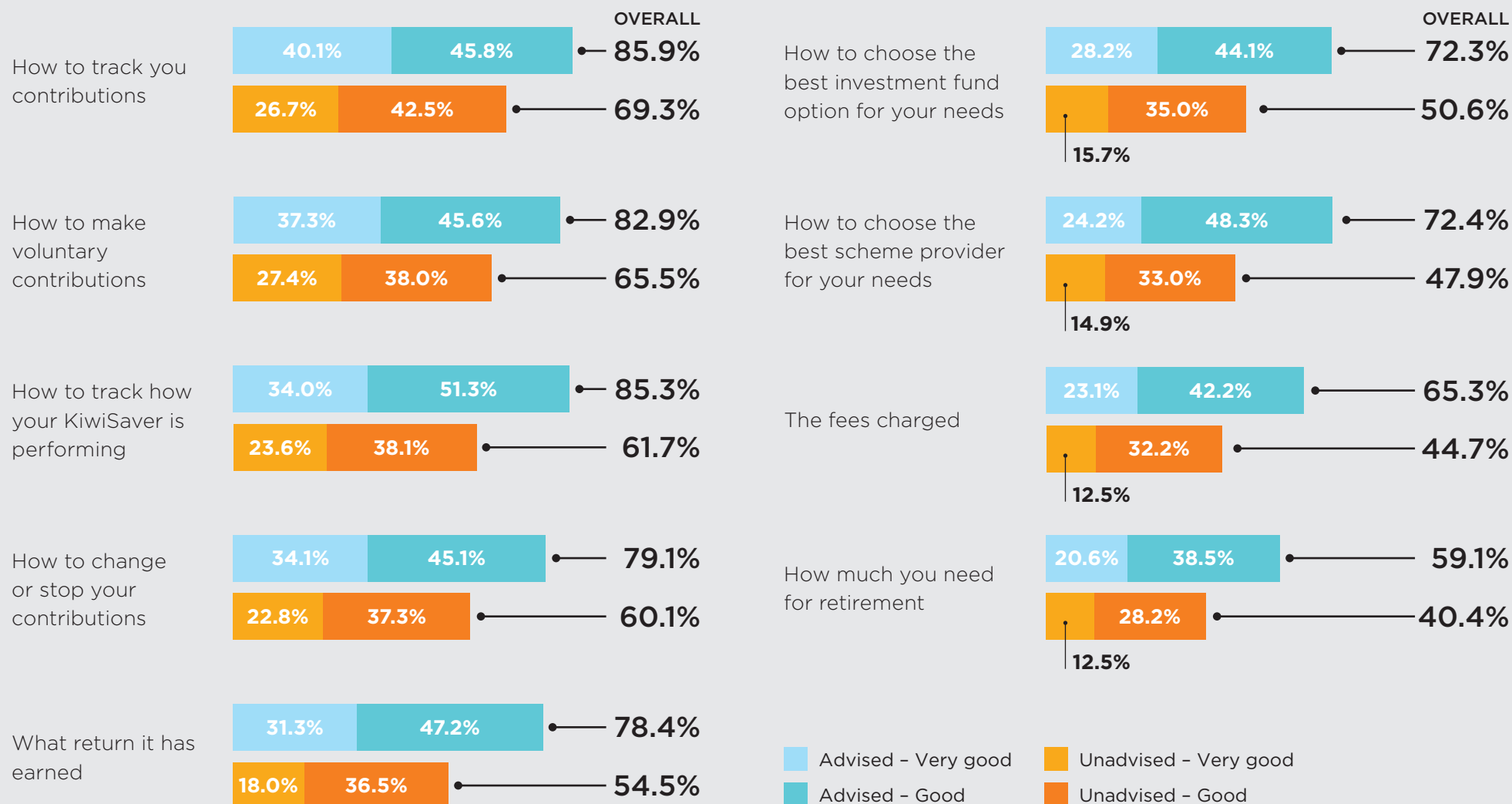
My broker is transparent & honest who explains things well giving me a much better understanding so I feel comfortable making other investments on my own.

**FEMALE, 64 YEARS OLD, TASMAN**

## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## How would you rate your understanding of the following with regards to your KiwiSaver account?

Advised New Zealanders are about 20% more likely to understand different components of their Kiwisaver account.

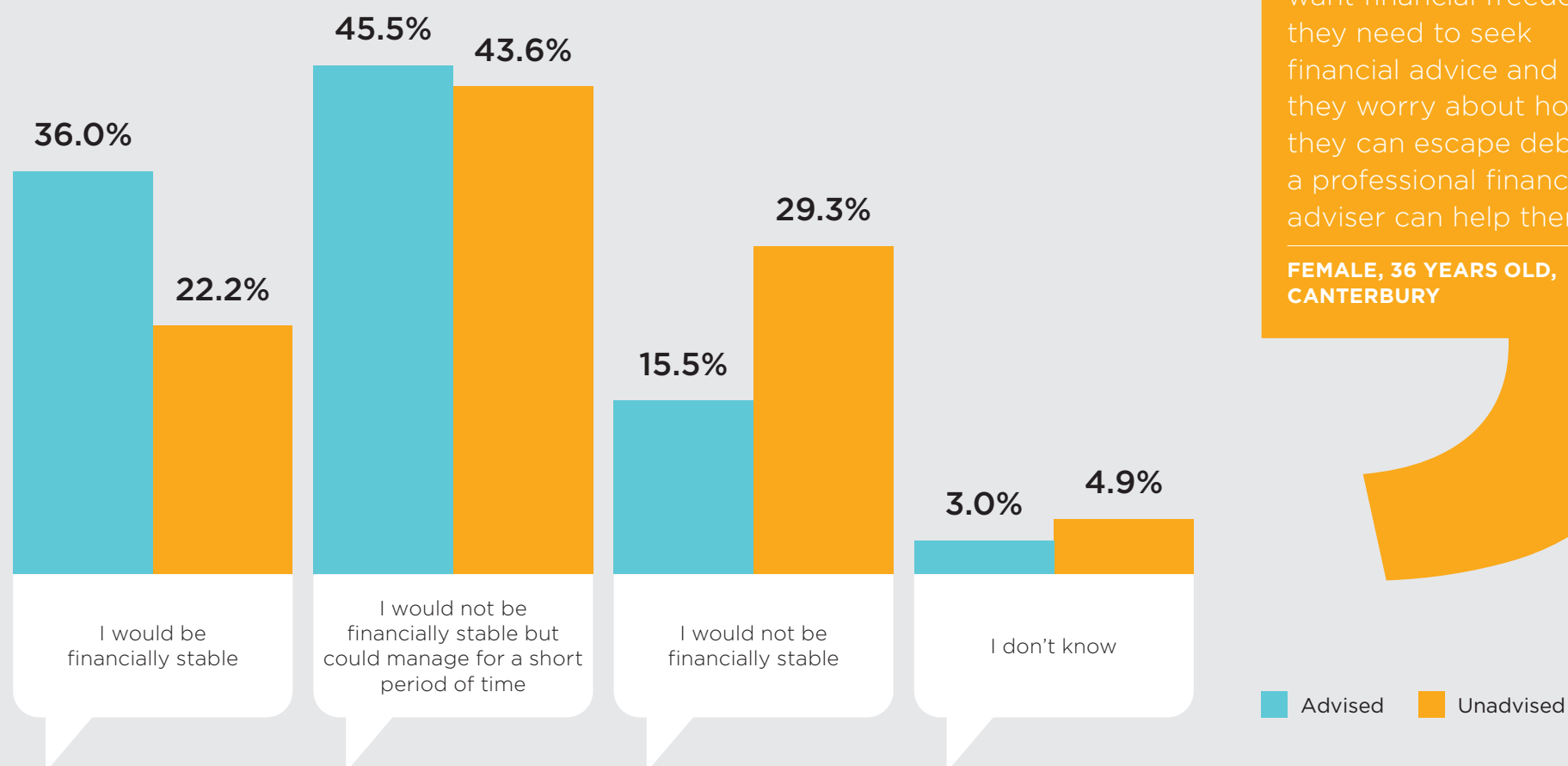


n = 251 (Advised); 959 (Unadvised); 1,210 (Overall), respondents who have investments in KiwiSaver

## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

## FINANCIAL STABILITY OVERALL IN THE FACE OF INCOME SHOCKS IS BETTER WITH ADVICE

If you were to lose your job tomorrow, how financially stable would you be in meeting ongoing financial commitments, such as mortgage/rent and bills?



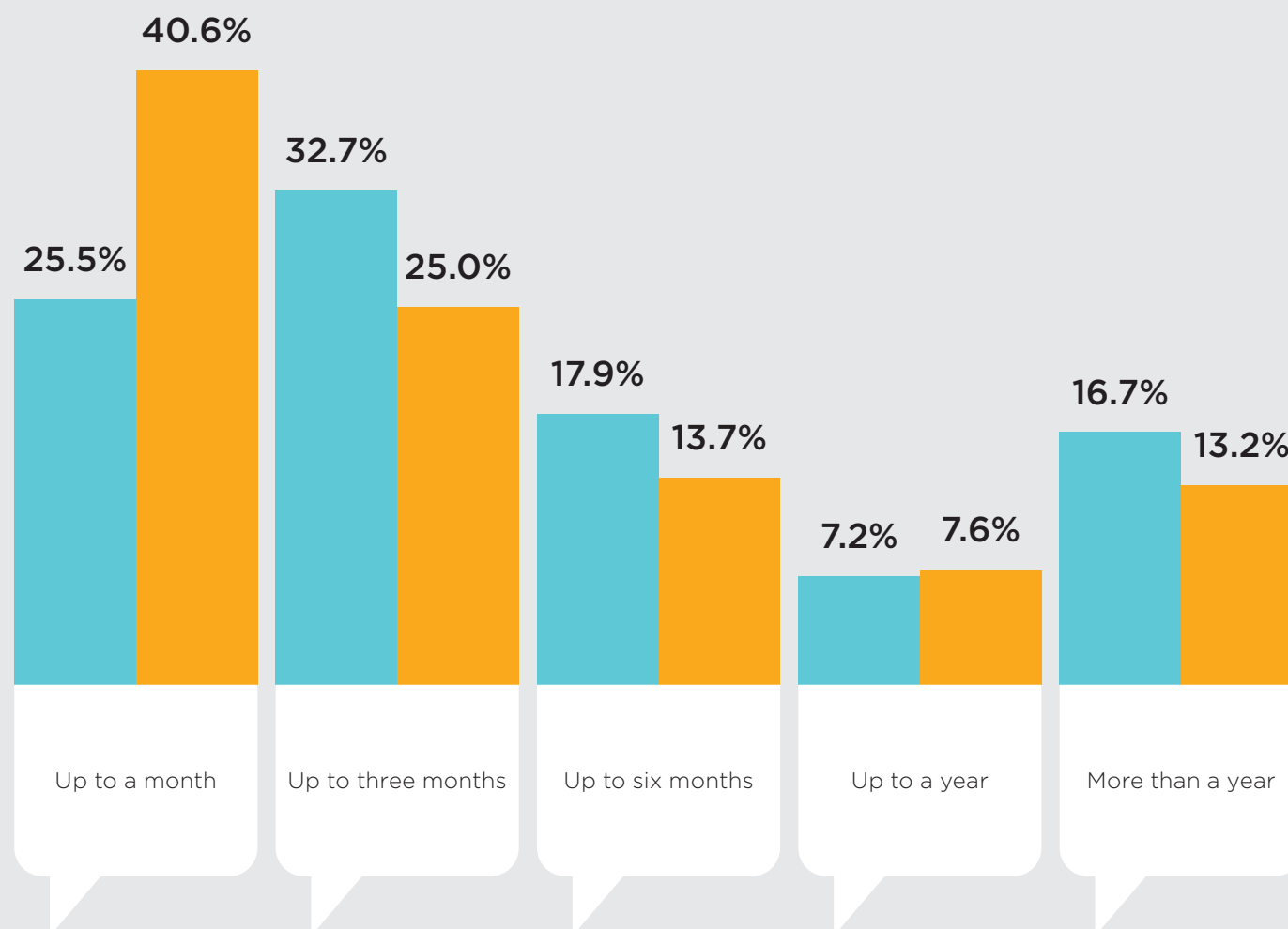
If [New Zealanders] want financial freedom they need to seek financial advice and if they worry about how they can escape debt, a professional financial adviser can help them.

**FEMALE, 36 YEARS OLD,  
CANTERBURY**



## FINANCIAL ADVICE DELIVERS MORE THAN FINANCIAL SECURITY

How long do you think you would be covered for if you were suddenly unemployed/unable to work?



Having someone independent who can help me map a strategy for my insurance and investments across both work and personal life, focusing on not just one area but giving a big picture view and showing me how changes in one area can influence the others.

**MALE, 49 YEARS OLD, AUCKLAND**

Advised New Zealanders are 15% more likely to survive an income shock for longer than one month.

■ Advised ■ Unadvised

n = 279 (Advised); 1,052 (Unadvised); 1,331 (Overall), employed respondents

## ANNEX A: FINDING HELP AND ADVICE

### 1. Government Advice

The Government continue to offer a wide range of help and advice including support to look after your emotional and mental wellbeing.

For more information go to [covid19.govt.nz/](https://covid19.govt.nz/)

### 2. Provider help and support

Your life insurance, KiwiSaver and investment provider will have support in place to help you. These will range from payment holidays to advice on accessing your investments or KiwiSaver should you be in difficulty.

They are also there for you if you have less urgent queries about your policies and investments, and now is a great time to check-in that you have the right levels of protection and are in the right type of KiwiSaver or investment funds.

Access our member websites by clicking on the member logo at [www.fsc.org.nz/About/Members](https://www.fsc.org.nz/About/Members)

### 3. Online resources to help you manage your finances

The Sorted website has a whole range of resources to help you in plain English. From tailored tools to help you decide how to best manage your money through to making decisions about KiwiSaver and insurance, the site has case studies, helpful articles and provides real, practical help.

Visit [sorted.org.nz](https://sorted.org.nz).

### 4. Getting help from a financial adviser

A financial adviser will help coach you through your financial situation and support you in getting the right financial plan to meet your needs. Advice is available and accessible for all and by getting advice, you are more likely to be confident about money and improve your wellbeing.

The Financial Markets Authority regulates advice in New Zealand, and more information about advice and where to find advisers can be found at [www.fma.govt.nz/investors/getting-financial-advice/](https://www.fma.govt.nz/investors/getting-financial-advice/)



## 10

ANNEX B:  
METHODOLOGY

The research was conducted via an online survey developed and hosted by CoreData. Data was collected between 12 March and 20 March 2020.

A total of 2,000 valid complete responses were collected, which formed the basis of the analysis and the report.

The sample is representative of the New Zealand consumer population in terms of age, gender and income based on the latest Stats NZ data.

The purpose of this survey was to understand how financially prepared New Zealanders' are.

**CORE DATA**  
research





## 11

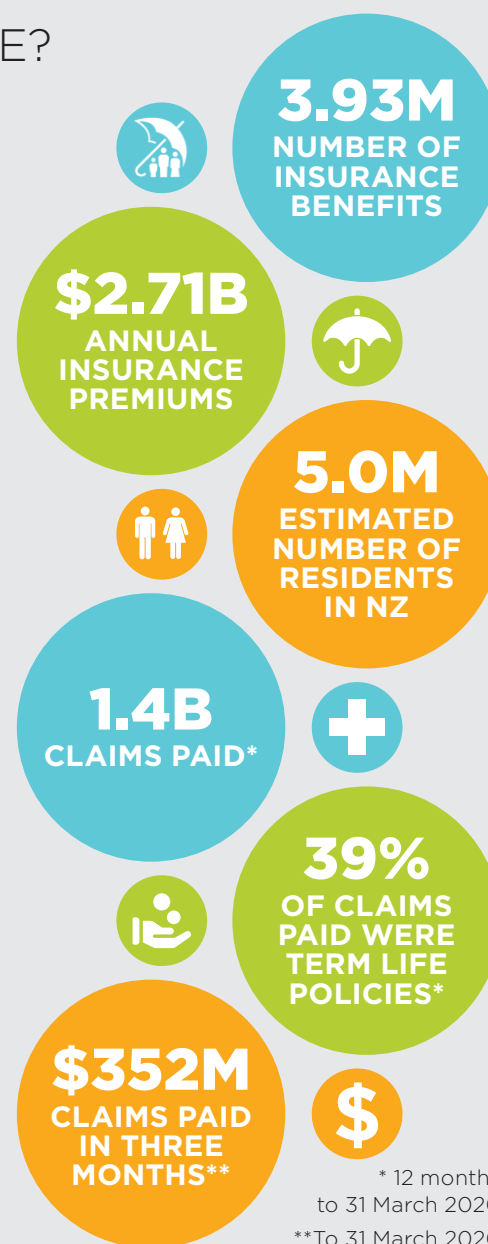
## ANNEX C: WHAT IS LIFE INSURANCE?

Insurance transfers the risk of financial losses (as a result of specified but unpredictable events) and is transferred from an individual to an insurer in return for an insurance premium. If a specified event occurs, such as loss of income, critical illness or death, an insured or nominated individual can claim compensation from the insurer, subject to the terms of their policy. Insurers pool the individual premiums of policyholders, in relation to insured events, which allows the financial impact of an event that could be disastrous for an individual to be spread among a wider group.

Insurance benefits society in a number of ways, including:

- It provides a means for individuals to reduce financial uncertainty in relation to insured events, e.g. where an accident occurs leading to an inability of an individual to work.
- It allows individuals to manage their own financial risk by transferring risk of loss, resulting from an insured event, to an insurer. In return for buying an insurance policy for a smaller, agreed premium, the possibility of a larger loss is removed.
- Without insurance, people may be less likely to engage in some activities of modern life because the potential financial costs they would be exposed to would be too great. For example, people might be less likely to buy their own home, since they would be responsible for the cost of a mortgage, even if there was no longer household income to pay it, due to an unforeseen event such as an injury or illness.

### Annual Snapshot\*



### The main types of life insurance available in New Zealand:



#### Life insurance

Provides a lump-sum payment in the event of death.



#### Critical illness insurance

Provides a lump-sum payment if you suffer one of a large number of critical illnesses eg cancer, heart attack or stroke or a major head injury. This may also be called serious illness, trauma or total and permanent disability insurance.



#### Income protection / mortgage repayment insurance

Provides a regular payment if you are unable to work due to illness/injury and ACC does not fully apply. This may also be known as mortgage or loan repayment insurance.

## 12

ANNEX D:  
WHAT IS KIWISAVER?

KiwiSaver is a defined contribution scheme funded by a mix of employer, employee, and Government contributions. The objective of KiwiSaver, as set out in its legislation is to “encourage a savings habit and asset accumulation among individuals who may not be in a position to enjoy standards of living in retirement, similar to those in pre-retirement”.

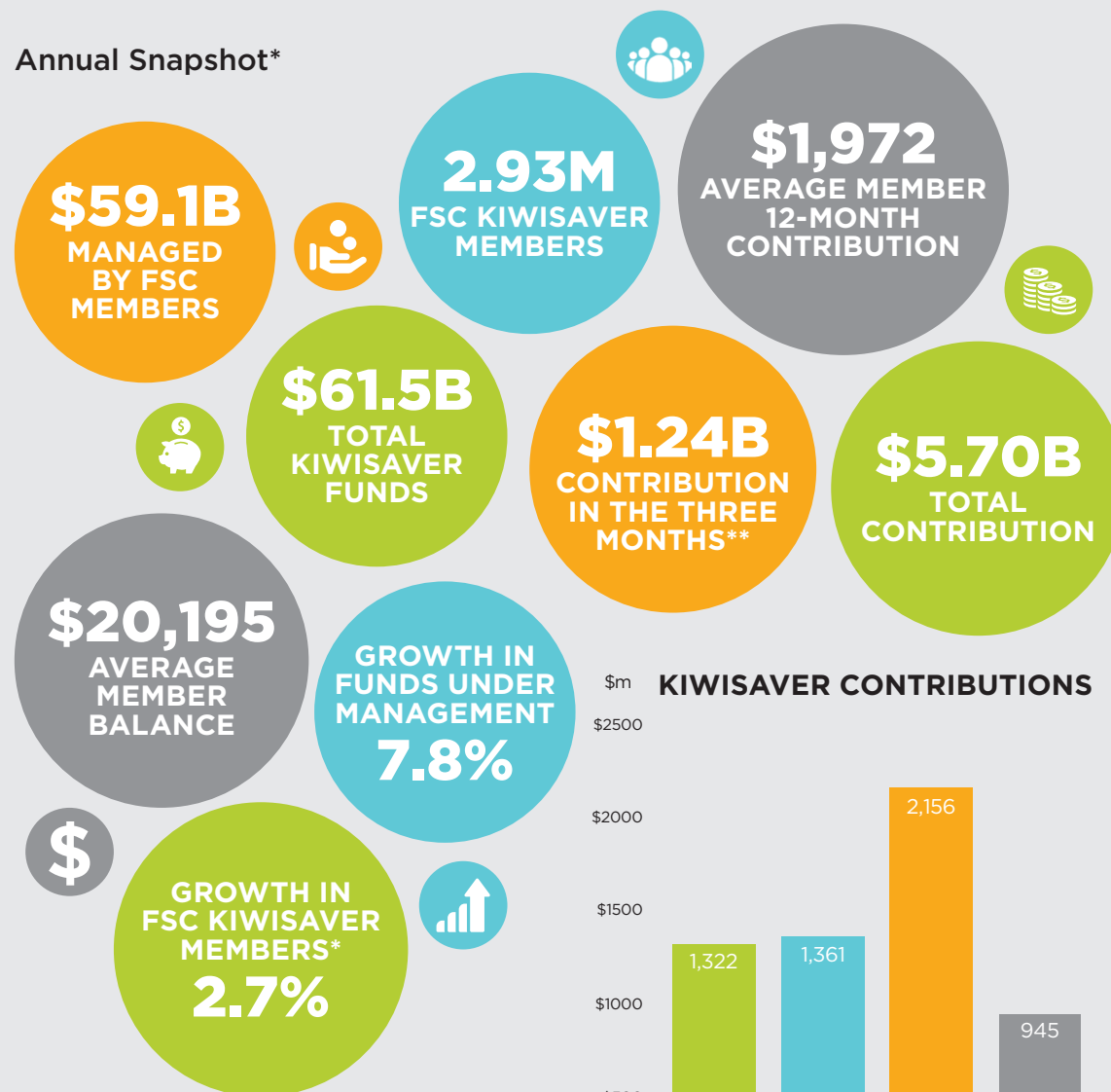
The KiwiSaver 2019 annual report highlights 2.9 million members with total assets over \$57 billion (FMA, 2019).

From its inception, KiwiSaver was seen as making retirement easy through its comparatively simple scheme design. This is a crucial reason for its success and why very quickly KiwiSaver became the dominant retirement savings scheme, leading previous employer-based schemes, to slowly decline.

Underpinning KiwiSaver are several innovative features including auto-enrolment where workers aged 18-65 years are enrolled automatically into KiwiSaver on the start of new employment and can choose to opt-out if they wish between 2-8 weeks. If they do not opt-out, the employer is then compelled to contribute.

Savers can choose which KiwiSaver provider they want to administer their product, and which fund they want to be in, whether it is conservative, balanced, or growth. An auto-enrolled member does not have to choose as he or she will be allocated to one of the default funds and the KiwiSaver member can make their choice and switch between funds at any time.

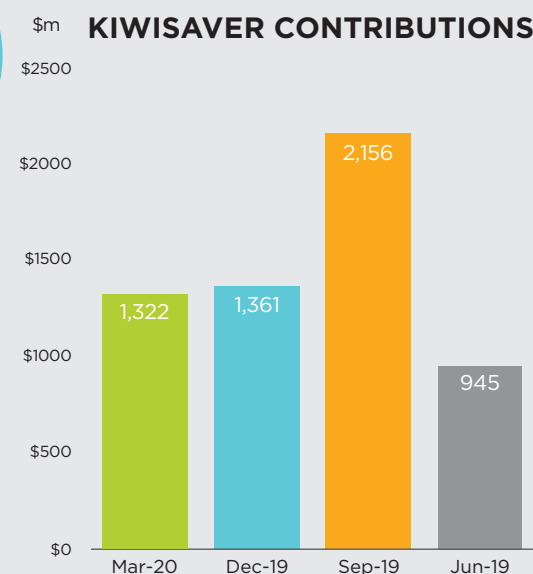
## Annual Snapshot\*



\* 12 months to 31 March 2020

\*\*To 31 March 2020

Source: FSC Quarterly KiwiSaver Survey, 31 Mar, 2020





KiwiSaver members also have the choice of how much they save, choosing to contribute more either directly or by increasing their contribution through their salary (3%, 4%, 6%, 8% or 10%).

For contributing member employees, employers are required to provide an amount equal to at least 3% and the Government matches individual contributions by up to \$521 a year.

KiwiSaver members can take some of their KiwiSaver savings to help towards a first home deposit and after three years of contribution, members may be entitled to a subsidy, up to a maximum of \$10,000.

There is also provision for the withdrawal of KiwiSaver funds if the KiwiSaver member falls into hardship.

KiwiSaver is administered by the Inland Revenue Department, find out more at <https://www.ird.govt.nz/KiwiSaver>



## 13

ANNEX E:  
DEMOGRAPHICS TABLES

## Gender

Female	52.1%
Male	47.6%
Prefer not to say	0.1%
Other/non-binary	0.2%
<b>Total</b>	<b>100.0%</b>

## Age Generation

Generation Y (37 years old & below)	33.9%
Generation X (38 - 52 years old)	27.3%
Baby Boomers (53 - 72 years old)	30.8%
Pre-Boomers (73 years old and above)	7.9%
<b>Total</b>	<b>100.0%</b>

## Marital Status

Single	27.7%
Living with partner/married	61.0%
Separated/divorced/widowed	10.8%
Other	0.5%
<b>Total</b>	<b>100.0%</b>

## Level of Education

Primary	0.4%
Part of high school	10.0%
Completed high school	20.4%
Diploma or certificate qualification	28.9%
Degree qualification	27.1%
Postgraduate qualification	13.2%
<b>Total</b>	<b>100.0%</b>

## Employment Status

Business owner	2.2%
Self-employed	7.0%
Full-time employee	35.9%
Part-time employee	15.5%
Casual employee	2.4%
Contractor/freelancer	1.1%
Not employed at present	14.3%
Retired	18.3%
Other	3.2%
<b>Total</b>	<b>100.0%</b>

### Ethnic Group

European	73.0%
Maori	6.0%
Pacific People	1.8%
Asian	15.1%
MELAA (Middle Eastern, Latin American and African)	1.2%
New Zealander/Kiwi	1.7%
Pakeha	0.3%
Australian	0.2%
Other	0.6%
<b>Total</b>	<b>100.0%</b>

### Current Living Arrangement

Living alone (never had children)	10.9%
Living with flatmate(s) (never had children)	8.0%
Living with parents/siblings (never had children)	9.0%
Living with partner only (never had children)	11.2%
Living with your children (under 18 years) at home	26.2%
Living with your children (over 18 years) at home	6.2%
Living with your children (both over and under 18 years) at home	2.9%
Children have all left home	23.4%
Living with partner only (had children)	0.4%
Other	1.8%
<b>Total</b>	<b>100.0%</b>

### Personal Income

\$20,000 or less	28.9%
\$20,001 to \$30,000	14.6%
\$30,001 to \$40,000	11.4%
\$40,001 to \$50,000	10.4%
\$50,001 to \$60,000	9.0%
\$60,001 to \$70,000	6.9%
\$70,001 to \$80,000	4.8%
\$80,001 to \$90,000	3.1%
\$90,001 to \$100,000	2.8%
\$100,001 to \$125,000	3.6%
\$125,001 to \$150,000	1.6%
\$150,001 to \$200,000	1.5%
More than \$200,000	1.4%
<b>Total</b>	<b>100.0%</b>

## Household Income

\$20,000 or less	8.8%
\$20,001 to \$30,000	10.6%
\$30,001 to \$40,000	10.2%
\$40,001 to \$50,000	8.3%
\$50,001 to \$60,000	7.5%
\$60,001 to \$70,000	7.6%
\$70,001 to \$80,000	7.0%
\$80,001 to \$90,000	5.0%
\$90,001 to \$100,000	6.8%
\$100,001 to \$125,000	8.9%
\$125,001 to \$150,000	9.0%
\$150,001 to \$200,000	6.2%
More than \$200,000	4.2%
<b>Total</b>	<b>100.0%</b>

## Household Debt

I have no debts	36.7%
\$50,000 or less	32.5%
\$50,001 to \$150,000	9.1%
\$150,001 to \$250,000	6.1%
\$250,001 to \$350,000	4.7%
\$350,001 to \$450,000	3.9%
\$450,001 to \$550,000	2.5%
\$550,001 to \$650,000	1.8%
\$650,001 to \$750,000	0.8%
\$750,001 to \$1 million	1.0%
More than \$1 million	1.0%
<b>Total</b>	<b>100.0%</b>

## Household Investment Portfolio

I have no investments	24.9%
\$50,000 or less	34.4%
\$50,001 to \$150,000	20.7%
\$150,001 to \$250,000	6.0%
\$250,001 to \$350,000	3.7%
\$350,001 to \$450,000	1.9%
\$450,001 to \$550,000	2.0%
\$550,001 to \$650,000	1.2%
\$650,001 to \$750,000	0.9%
\$750,001 to \$1 million	1.6%
More than \$1 million	2.7%
<b>Total</b>	<b>100.0%</b>

## Region

Auckland	32.6%
Bay of Plenty	6.9%
Canterbury	14.2%
Gisborne	0.6%
Hawke's Bay	3.7%
Manawatu-Wanganui	6.1%
Marlborough	0.7%
Nelson	1.0%
Northland	2.8%
Otago	4.3%
Southland	2.2%
Taranaki	2.8%
Tasman	0.7%
Waikato	9.1%
Wellington	11.8%
West Coast	0.5%
<b>Total</b>	<b>100.0%</b>

## Region Banded

Auckland	32.6%
Northland, Waikato, Bay of Plenty, Gisborne	19.4%
Wellington and Surrounding Regions	24.4%
Canterbury and the Northern Regions	16.6%
Otago, Southland, West Coast	7.0%
<b>Total</b>	<b>100.0%</b>



## 14

# ABOUT THE FINANCIAL SERVICES COUNCIL

The Financial Services Council is a non-profit member organisation and the voice of the financial services sector in New Zealand. Our 83 members comprise 95% of the life insurance market in New Zealand and manage funds of more than \$83bn. Members include the major insurers in life, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.

Find out more at [fsc.org.nz](http://fsc.org.nz)

## Other Research

### Life Insurance:

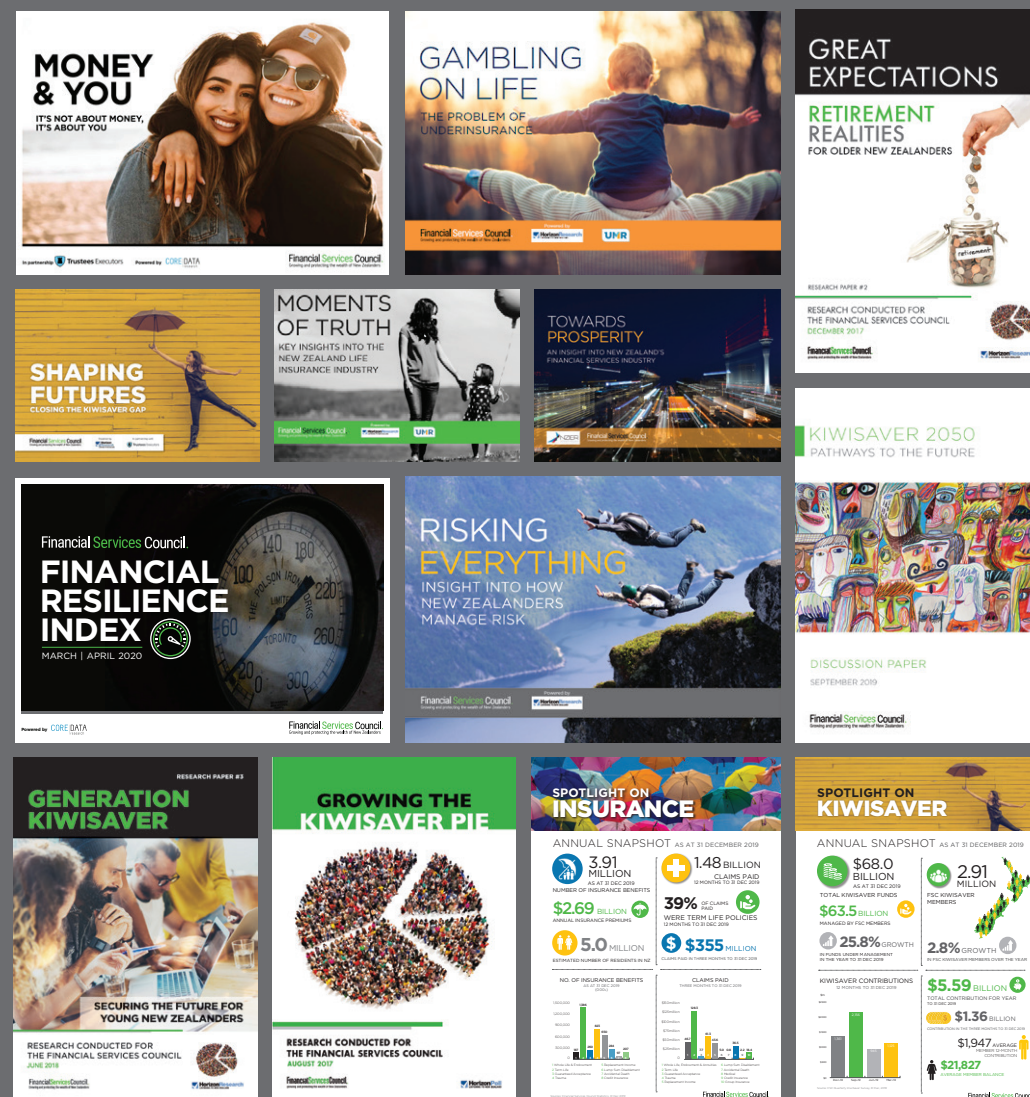
Gambling of Life  
Moments of Truth  
Risking Everything

### KiwiSaver:

Generation KiwiSaver  
Great Expectations  
Growing the KiwiSaver Pie  
KiwiSaver 2050 – Pathways to the Future  
Shaping Futures: Closing the KiwiSaver Gap

### Financial Services Industry:

Money and You  
Financial Resilience Index  
Spotlight on KiwiSaver  
Spotlight on Life Insurance  
Towards Prosperity



To find out more visit [fsc.org.nz](http://fsc.org.nz)

# FINANCIAL SERVICES COUNCIL MEMBERS

## FINANCIAL SERVICES COUNCIL MEMBERS

AIA Insurance	AMP Financial Services	ANZ Bank	AON	ASB
				
Asteron Life Ltd	BNZ Investments and Insurance	CIGNA Life Insurance NZ Ltd	Civic Financial Services	Consilium
				
Craigs Investment Partners	Fidelity Life Assurance Co Ltd	FNZ	Forsyth Barr	Generate KiwiSaver
				
Imperial New Zealand Superannuation Fund	KiwiWealth	Mercer (NZ) Ltd	Milford Asset Management Limited	Momentum Life
				
nib	New Zealand Post Superannuation Plan	Partners Life	Pinnacle Life	Resolution Life
				
SmartsharesNZ	Southsure Insurance	Te Rūnanga o Ngāi Tahu	The New Zealand Anglican Church Board	Westpac Bank
				

3M Superannuation Scheme | Baptist Union Superannuation Scheme | BECA Super Scheme | BOC NZ Retirement Plan | BP New Zealand Retirement Plan | Colgate-Palmolive Superannuation Plan | Dairy Industry Superannuation Scheme | DXC (New Zealand) Staff Superannuation Fund | Maritime Retirement Scheme | MERBP Trustee Limited | MISS Scheme | mysuper Superannuation Scheme | Nestlé Pensions (New Zealand) Limited | NZAS Retirement Fund | NZ Fire Service Superannuation Scheme | Police Superannuation Scheme | Ports Retirement Plan | Reserve Bank of New Zealand | Sealed Air (New Zealand) Superannuation Fund | The Presbyterian Church of Aotearoa New Zealand Beneficiary Fund

\* As at November 2020

## FINANCIAL SERVICES COUNCIL ASSOCIATE MEMBERS

Anthony Harper	Bell Gully	BNP Paribas	Bravura Solutions
			
Chapman Tripp	Chatswood Consulting Ltd	Davies Financial & Actuarial Ltd	Deloitte
			
Dentons Kensington Swan	DLA Piper	Ernst & Young	Guardian Trust
			
GenRe	Hannover Life Re	KPMG	Link Market Services
			
Mahony Horner Lawyers	Melville Jessup Weaver	Minter Ellison Rudd Watts	MMC Limited
			
Mosaic	MunichRE	Price Waterhouse Coopers	Public Trust Corporate Trustee Services
			
RGA Reinsurance	SCOR Global Life	Stratigi Group	Swiss Re
			
Trustees Executors Limited			
			

Ivanov Consulting Ltd | New Zealand Automobile Association

The Financial Service Council of New Zealand's reports and publications are available on our website.

© The Financial Services Council of New Zealand Incorporated.  
All rights reserved.

This publication is subject to copyright with all rights reserved.

Reproduction in part is permitted if the source reference  
“The Financial Services Council of New Zealand” is indicated.

Courtesy copies are appreciated.

Reproduction, distribution, transmission or sale of this publication  
as a whole is prohibited without the prior authorisation of  
The Financial Services Council of New Zealand.

The information provided is for information purposes only and in  
no event shall the Financial Services Council of New Zealand be liable  
for any loss or damage arising from the use of this information.

**fsc.org.nz**

 Financial Services Council

 @FSC\_\_NZ

 Financial Services Council New Zealand

**Financial Services Council.**  
Growing and protecting the wealth of New Zealanders

DECEMBER 2020