

GENERATION KIWISAVER



SECURING THE FUTURE FOR YOUNG NEW ZEALANDERS

RESEARCH CONDUCTED FOR
THE FINANCIAL SERVICES COUNCIL
JUNE 2018

FinancialServicesCouncil.
Growing and protecting the wealth of New Zealanders



HorizonResearch
LISTENING TO NEW ZEALAND



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Horizon Research conducted this survey online between June 15 and July 5, 2017,
with a total of 2,199 respondents.

A source diversity approach was used, with respondents drawn from Horizon Research's own
national panels and an external respondent database to match the New Zealand adult population.

Post sample weighting was used as necessary to ensure the sample was representative of the
New Zealand adult population at the 2013 Census.

The overall margin of error for the survey is - 2%.





EXECUTIVE SUMMARY

This is the third of three parts of a White Paper, commissioned by the Financial Services Council, to discover what retirement means to – and will look like – for New Zealanders.

Part One uncovered what New Zealanders want from government and the industry.

Part Two dealt with the circumstances and hopes of those aged 65+, both still working and retired. The research explored their current circumstances and what they intend to do with their assets as they step into retirement, their regrets, their general satisfaction with their lives and the advice many still want to make the most of their assets.

Part Three focuses on younger New Zealanders, those aged 18-34 and their attitudes towards retirement planning. It examined what they expected in their retirement, how this would be funded, and their confidence towards future planning.

We discovered that younger New Zealanders are increasingly reliant on KiwiSaver as their main source of income when planning for retirement and want more support with their financial planning. For younger New Zealanders, only 54% of respondents aged 18-34 expected to have their own home, and only 30% expected to have New Zealand Superannuation at retirement. Millennials will be Generation KiwiSaver. This is a significant change from the findings of our earlier research which found that owning a mortgage-free home was the extent of retirement planning for many.

Despite having a lower asset base Generation KiwiSaver has a higher expectation on the income needed to retire than the primary working age group – 2% higher at \$754 a week. This means there is likely to be a \$205 weekly shortfall between expected retirement income and actual retirement income for under 35s. Perhaps unsurprisingly we therefore found that young people are more worried than not over their prospective lives when they stop work – even though they still have plenty of time to plan and prepare for it. 18–24 year olds are less concerned than average, but concerns increase for those aged 25–34.

Given this, the research has a clear message about the need for continued strengthening of KiwiSaver and improvement in financial advice. An overwhelming number of under 35s want the law changed so that minimum contributions to KiwiSaver are lifted gradually. There is also a strong desire for greater visibility of how KiwiSaver funds are performing.

The research shows that millennials more than any other age group support financial advice being provided in new ways such as via robo-advice, and want a personalised financial plan. The industry challenge is to help younger New Zealanders diversify away from a pure KiwiSaver approach and into other wealth building products.

The findings of the 'Generation KiwiSaver' research are a wake-up call for all. Getting KiwiSaver settings right will be vital for the future of young New Zealanders, and they will need better financial advice delivered in different ways. As an industry we must rise to that challenge.



Rob Flanagan
Chairman
Financial Services Council



Richard Klipin
Chief Executive Officer
Financial Services Council





ABOUT THE FSC

The FSC represents New Zealand's financial services industry having 33 members at 30 April 2018. Companies represented in the FSC include the major insurers in life, disability, income, and trauma insurance, and some fund managers and KiwiSaver providers plus law firms, audit firms, and other providers to the financial services sector.

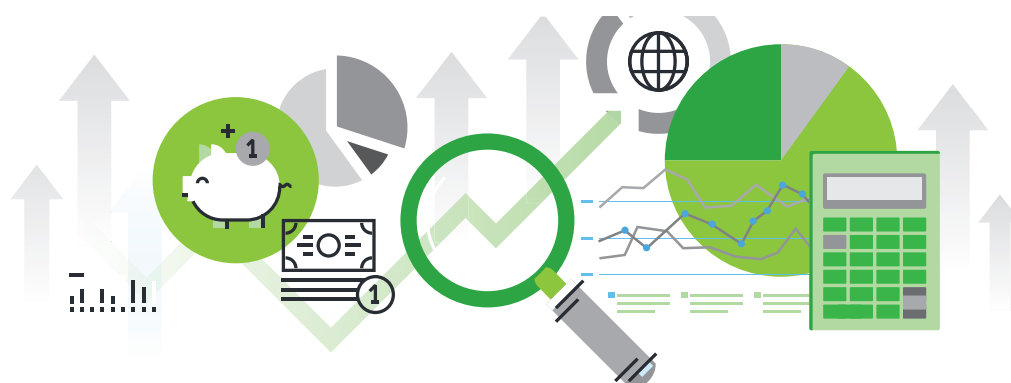
OUR VISION:

The FSC's vision is to be the voice of New Zealand's financial services industry, with three areas of strategic intent:

1. Strong and sustainable consumer outcomes
2. Sustainability of the financial services sector
3. Increasing professionalism and trust of the industry

OUR PURPOSE IS TO:

- + Be recognised as an organisation that represents the interests of the New Zealand financial services industry, including to regulators and Government
- + Promote best practice and integrity in the financial services industry, including through the institution of codes of conduct, standards and the publication of guidance for industry participants
- + Promote the financial services industry for the economic benefit of New Zealand and to enhance the sustainability of the industry, whilst recognising the primacy of the interests of consumers
- + Develop and promote evidence-based policies and practices designed to assist New Zealanders to build and protect their wealth
- + Promote the financial services industry as a medium for investment





KEY FINDING 1

THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Ten years since the launch of KiwiSaver, younger generations are growing up with a view that KiwiSaver is a 'semi-compulsory' way to save for their first home and, eventually, their retirement¹. It is their expectation that KiwiSaver will be the asset that will help fund their retirement lifestyle. Owning a house and relying on New Zealand Superannuation are not options that our younger people seem to be counting on.

This is clearly a very different environment to that faced by older New Zealanders. For those who entered the workforce 40 years ago, there is a strong reliance on property and on having a mortgage-free home to fund their retirement lifestyle.

As an industry, we can do better to help our young people discover additional ways to build their wealth – from insurance to annuities, there are opportunities to broaden the conversation beyond KiwiSaver and housing. Despite having a smaller pool of assets to draw on, our young people have higher expectations of what their retirement lifestyle will cost. When compared to the working population between 35 and 65 years of age, those aged 18-34 years feel they need a little more income to live a comfortable retirement – an average of \$754 vs \$740.

However, with a likely \$205 weekly shortfall between their expectations and reality, young people have lower confidence levels than older cohorts - 38% of under 35 year olds are concerned they won't have enough, with 26% who "don't know".

Comments from our young people indicate that they don't know where to start. They are calling out for help to better engage with their KiwiSaver savings so as to understand (1) how much they will need by the time they retire, (2) how to make their savings work harder for them while they are accumulating, and (3) how to make their assets last them to an expected average age of 83.



1. A person is defined as "retired" in this document when they are no longer in paid employment.



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Millennials have high expectations

The under-35 year old respondents in the survey currently have an average individual income of just \$470 per week. This is below the average for all respondents of \$599 per week and the average for all those under 65 years of \$808 per week.

However, despite their earnings being below that of the other cohorts, those aged 18 to 34 have higher expectations of the amount of income necessary for a comfortable retirement: \$754 per week. This is 2% higher than the expectations of all those aged under 65 who have not yet retired who felt that they would need \$740 per week to allow them to live comfortably in retirement.

The under-35 year old respondents expect that when they retire they will have \$551 per week – this is also 2% higher than the average expectation of all those aged under 65 years who are not retired.

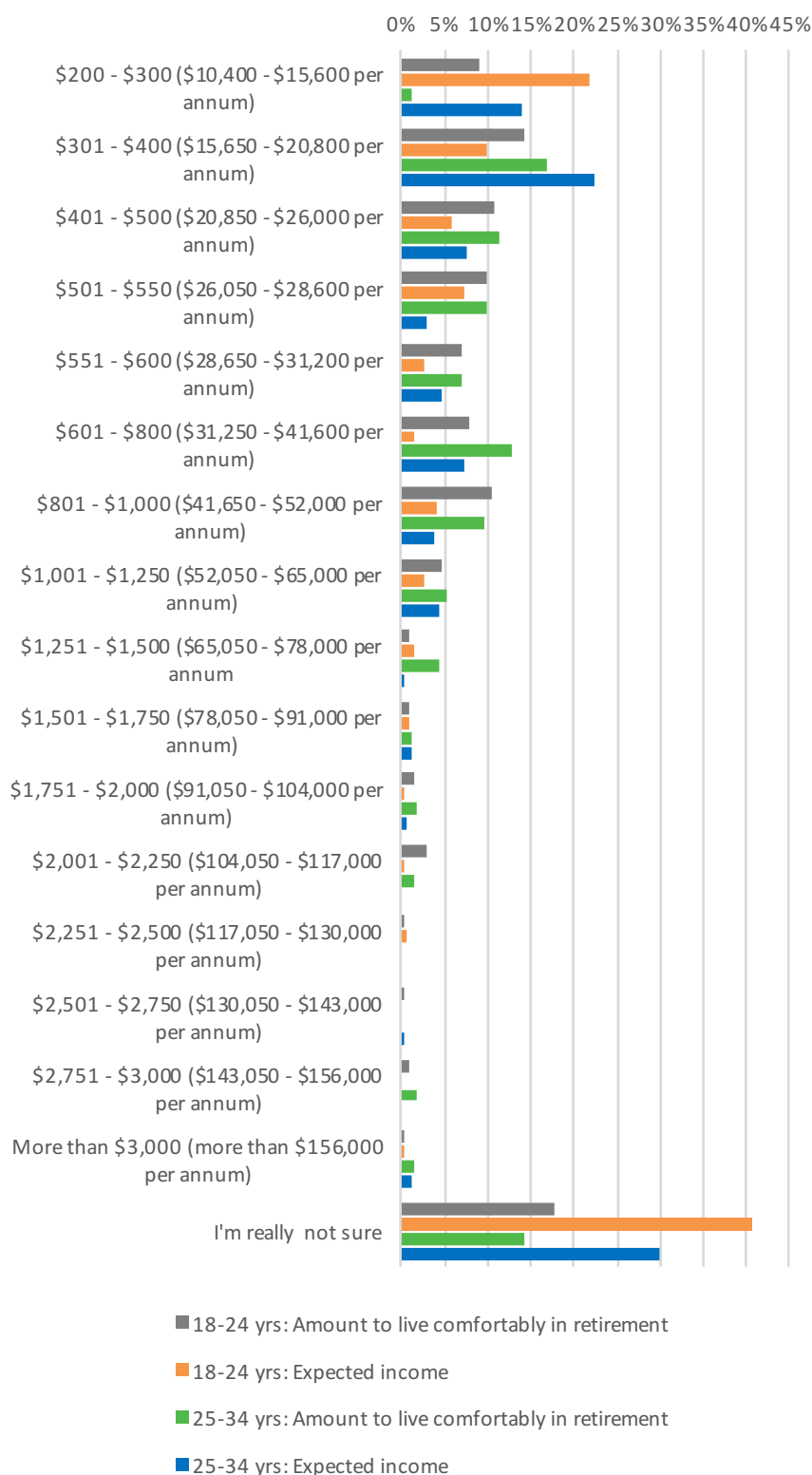
Interestingly, the gap between expectations and reality is similar to the average, at \$205 per week.

Regardless of your current or potential future income, what level of weekly income after tax do you think you personally need to live comfortably in retirement?	ALL	AGE GROUP		
		18-34 years	35-64 years	65 years or over
\$200 - \$300 (\$10,400 - \$15,600 per annum)	3%	5%	2%	1%
\$301 - \$400 (\$15,650 - \$20,800 per annum)	12%	13%	11%	8%
\$401 - \$500 (\$20,850 - \$26,000 per annum)	12%	11%	11%	15%
\$501 - \$550 (\$26,050 - \$28,600 per annum)	9%	9%	7%	13%
\$551 - \$600 (\$28,650 - \$31,200 per annum)	10%	7%	11%	12%
\$601 - \$800 (\$31,250 - \$41,600 per annum)	14%	11%	15%	22%
\$801 - \$1,000 (\$41,650 - \$52,000 per annum)	13%	13%	13%	15%
\$1,001 - \$1,250 (\$52,050 - \$65,000 per annum)	6%	5%	8%	5%
\$1,251 - \$1,500 (\$65,050 - \$78,000 per annum)	3%	2%	3%	2%
\$1,501 - \$1,750 (\$78,050 - \$91,000 per annum)	2%	2%	2%	1%
\$1,751 - \$2,000 (\$91,050 - \$104,000 per annum)	1%	2%	1%	1%
\$2,001 - \$2,250 (\$104,050 - \$117,000 per annum)	1%	2%	1%	0%
\$2,251 - \$2,500 (\$117,050 - \$130,000 per annum)	0%	0%	0%	0%
\$2,501 - \$2,750 (\$130,050 - \$143,000 per annum)	0%	0%	0%	0%
\$2,751 - \$3,000 (\$143,050 - \$156,000 per annum)	0%	1%	0%	0%
More than \$3,000 (more than \$156,000 per annum)	1%	1%	1%	1%
I'm really not sure	13%	16%	14%	5%
Average amount required	\$733	\$754	\$742	\$693
N (unweighted)	2,191	469	1,203	519



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Amount to live comfortably in retirement vs Expected income in retirement – under 35 years





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

How much weekly after tax income do you think you will have from all sources when you stop paid employment completely?	ALL	AGE GROUP		
		18-34 years	35-64 years	65 years or over
\$200 - \$300 (\$10,400 - \$15,600 per annum)	18%	19%	17%	13%
\$301 - \$400 (\$15,650 - \$20,800 per annum)	15%	14%	15%	22%
\$401 - \$500 (\$20,850 - \$26,000 per annum)	6%	6%	6%	12%
\$501 - \$550 (\$26,050 - \$28,600 per annum)	6%	6%	6%	8%
\$551 - \$600 (\$28,650 - \$31,200 per annum)	5%	3%	6%	10%
\$601 - \$800 (\$31,250 - \$41,600 per annum)	5%	5%	6%	10%
\$801 - \$1,000 (\$41,650 - \$52,000 per annum)	4%	4%	4%	6%
\$1,001 - \$1,250 (\$52,050 - \$65,000 per annum)	2%	3%	1%	1%
\$1,251 - \$1,500 (\$65,050 - \$78,000 per annum)	1%	1%	1%	5%
\$1,501 - \$1,750 (\$78,050 - \$91,000 per annum)	1%	1%	1%	1%
\$1,751 - \$2,000 (\$91,050 - \$104,000 per annum)	1%	0%	1%	3%
\$2,001 - \$2,250 (\$104,050 - \$117,000 per annum)	0%	0%	0%	0%
\$2,251 - \$2,500 (\$117,050 - \$130,000 per annum)	0%	0%	0%	0%
\$2,501 - \$2,750 (\$130,050 - \$143,000 per annum)	0%	0%	0%	0%
\$2,751 - \$3,000 (\$143,050 - \$156,000 per annum)	0%	0%	0%	0%
\$3,001 - \$4,000 (\$156,050 - \$208,000 per annum)	0%	0%	0%	0%
\$4,001 - \$5,000 (\$208,000 - \$260,000 per annum)	0%	0%	0%	0%
More than \$5,000 (more than \$156,000 per annum)	0%	0%	0%	0%
I'm really not sure	36%	38%	36%	9%
Average weekly amount	\$536	\$551	\$523	\$593
N (unweighted) - not retired	1785	468	1144	173



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

KiwiSaver, KiwiSaver, KiwiSaver.

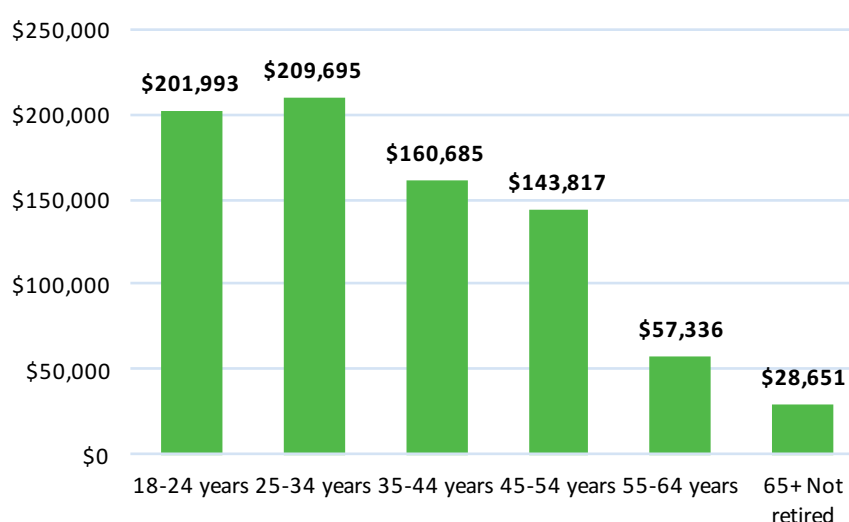
KiwiSaver clearly dominates as the asset those who are not yet retired expect to have when they end their working lives.

Whilst the average value they expect to have from it decreases as age increases, it is consistently expected to be the largest value non-property asset held at retirement. Most of those who expect to have KiwiSaver at retirement are already members.

Expected average values for KiwiSaver suggest that KiwiSaver members understand that the longer they are in KiwiSaver, the greater the savings they will have, but do not necessarily understand how much they are likely to have in KiwiSaver at age 65 years.

As an example, among 18-34 year olds, just over a third (35%) feel they will have more than the expected average in KiwiSaver. But 46% feel they will have less than \$100,000, which online calculators suggest is low for people of this age group.

Expected amount at retirement – KiwiSaver



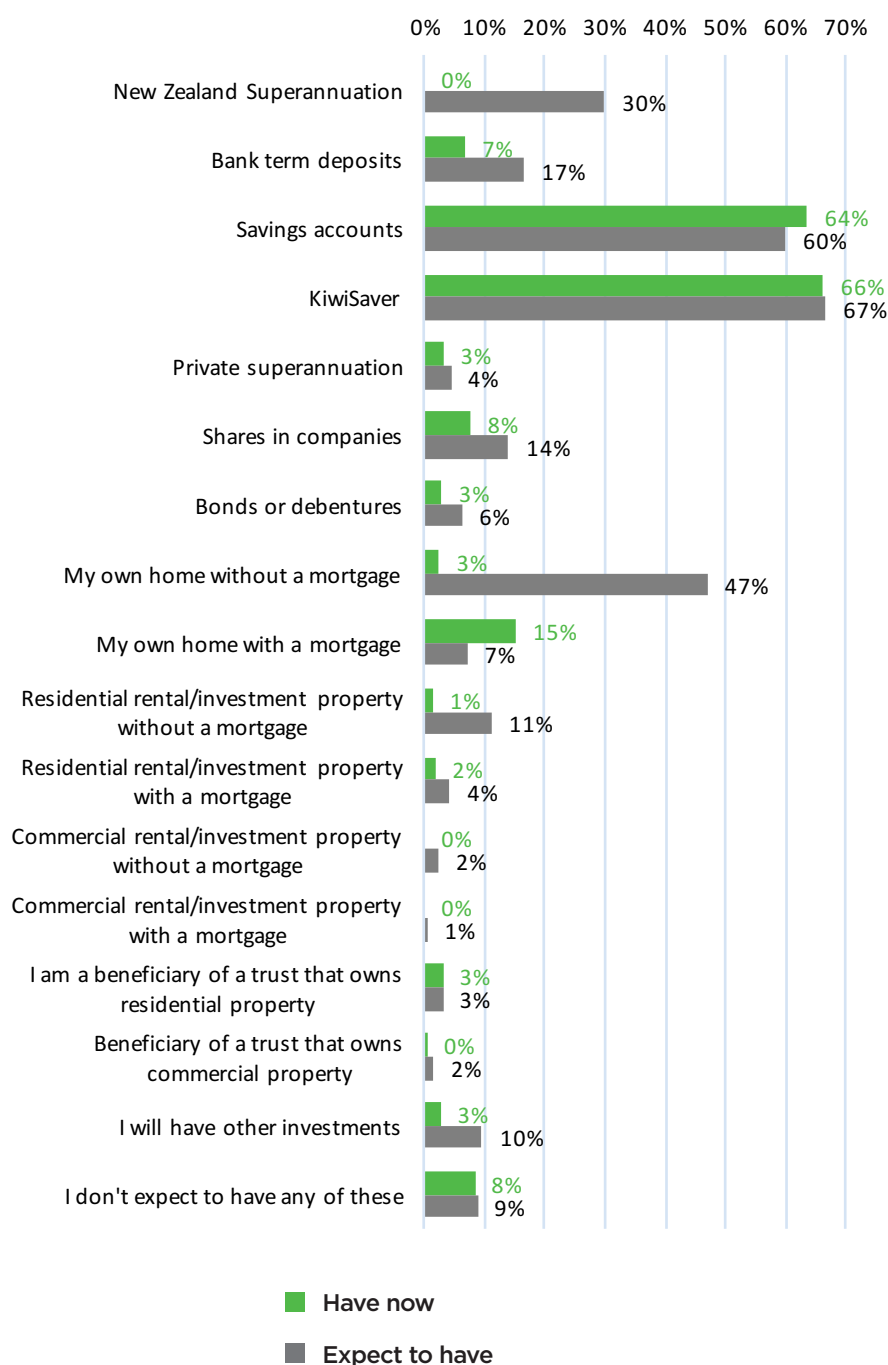
Comparison of current assets with the assets respondents expect to have at retirement shows that:

- Most under 35s expect to have KiwiSaver and their savings accounts as their assets at retirement
- As they enter middle age around 60% expect to add property assets to KiwiSaver – for most of them this will be their own home
- Only 54% of those aged under 35 also expect to have their own home. But in general the asset mix they expect to have has little diversification and does not have a significant income stream component
- Only 30% of the under-35s expect to have New Zealand Superannuation at retirement. However, whether they expect to have New Zealand Superannuation or not makes no impact on the amount they expect to have per week in retirement



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

**When you get to retirement, which of the following assets
do you realistically expect to have?
18-34 years**





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

What do they expect these assets to be worth when they retire?

KiwiSaver also dominates the expected value of assets at retirement. The two-thirds of 18-34 year olds who expect to have KiwiSaver are expecting an average of \$204,900 in their KiwiSaver accounts.

However, note that 20% of members who have not yet retired are not currently contributing. Those who are not currently contributing expect to have at retirement around half of the expected value of those who are currently contributing. Traditional savings products are still prominent. 60% of 18-34 year olds expect to have savings accounts, with an average of \$152,900.

All other assets have relatively smaller values and fewer 18-34 year olds expect to have other assets.

18-34 years	When you retire, how much are you expecting to have in:						
	KiwiSaver	Other superannuation	Investments in shares	Term Deposits	Savings in a bank account	Bonds or debentures	Other investments
\$0	11%	50%	56%	55%	15%	71%	58%
Up to \$50,000	22%	21%	15%	17%	28%	13%	15%
\$50,001 to \$100,000	21%	8%	10%	14%	22%	5%	8%
\$100,001 to \$200,000	16%	9%	7%	5%	13%	3%	4%
\$200,001 to \$300,000	9%	4%	2%	2%	7%	3%	4%
\$300,001 to \$400,000	7%	1%	2%	1%	4%	2%	1%
\$400,001 to \$500,000	5%	0%	1%	1%	3%	2%	1%
More than \$500,000	11%	6%	7%	3%	7%	2%	9%
Average for ALL - including those without the asset	\$171,568	\$72,617	\$76,211	\$58,397	\$128,047	\$41,728	\$85,571

The thought of buying an annuity, a regular income for life, using KiwiSaver funds, currently appeals most to 35-44 year-olds (13% compared with 9% of all those still working) and 12% of 45-54 year-olds. This idea has least appeal among those aged 65+ (2%) and 75+ (0% of respondents).



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

How do they plan to live off these assets?

Though retirement is some time off, younger New Zealanders think they will be selling properties and drawing on KiwiSaver to fund their retirements.

Those aged 18-34 and still working are more likely than others to say they will sell the homes they are living in and withdraw all their KiwiSaver funds when they stop paid work.

Some 40% of 25-34 year-olds think they will sell their homes, compared with 25% overall.

18-24 year-olds (12%) and 25-34 year-olds (10%) are more likely to think of selling their rental and investment properties than all working adults (7%). Those aged 35-44 are almost twice as likely to leave their property investments as they are and live off the revenue they earn (14%, compared with 8% overall).

When it comes to non-property investments, the 18-24 year-olds are more likely (29%) to withdraw all their KiwiSaver funds (26% overall) while 25-34 year olds (29%) and 35-44 year olds (26%) are more likely to draw a regular lump sum from their KiwiSaver accounts.

However, by and large, those under 35 have a higher than average preference to leave their financial investments as they are and live off the interest they earn. This preference rises to 14% among 18-24 year-olds and 16% among 25-34 year-olds compared with 11% overall. This may be due to the high returns markets have delivered in the past few years – a performance that has certainly influenced the perceptions of younger cohorts of investors.





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

In which of these ways do you think you will start living off your savings and other assets when you retire?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
I will sell the home I live in	10%	15%	9%	8%	10%	7%	2%	10%
I will draw down lump sums of equity from the home I live in	4%	2%	4%	6%	5%	3%	1%	0%
I will sell the home I live in and move into a smaller one	25%	21%	40%	23%	25%	19%	24%	21%
I will sell the home I live in and move to a retirement home or village	5%	5%	6%	3%	6%	6%	5%	35%
I will rent the home I live in now and move to a retirement home or village	4%	7%	4%	6%	3%	2%	7%	1%
I will sell residential rental/investment property I own	7%	12%	10%	4%	4%	5%	10%	1%
I will sell commercial rental/investment property I own	1%	2%	0%	1%	1%	1%	1%	0%
I will withdraw all my KiwiSaver funds	26%	29%	29%	26%	25%	23%	16%	0%
I will draw a regular lump sum from my KiwiSaver account	21%	18%	29%	26%	22%	19%	12%	0%
I will buy a regular income for life using my KiwiSaver funds	9%	5%	6%	13%	12%	9%	2%	0%
I will buy a regular income for life using my other savings and assets	6%	6%	6%	6%	5%	7%	9%	11%
I will sell all the shares I own	5%	6%	6%	2%	5%	7%	8%	4%
Leave all my financial investments as they are and use the interest I earn	11%	14%	16%	10%	7%	10%	11%	26%
Leave all my property investments as they are and use the revenue I earn	8%	7%	14%	8%	8%	6%	7%	3%
I will cash up all financial investments	4%	6%	3%	3%	4%	2%	2%	5%
I will cash up some financial investments and keep others	12%	13%	15%	9%	12%	9%	10%	27%
I will cash up some financial investments to pay off debts and loans	4%	4%	4%	6%	3%	2%	2%	1%
I will cash up all my financial investments to pay off debts and loans	4%	11%	2%	1%	1%	2%	0%	21%
Other	14%	7%	4%	14%	17%	23%	31%	1%
N (unweighted)	1,755	467	523	528	679	927	290	49



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

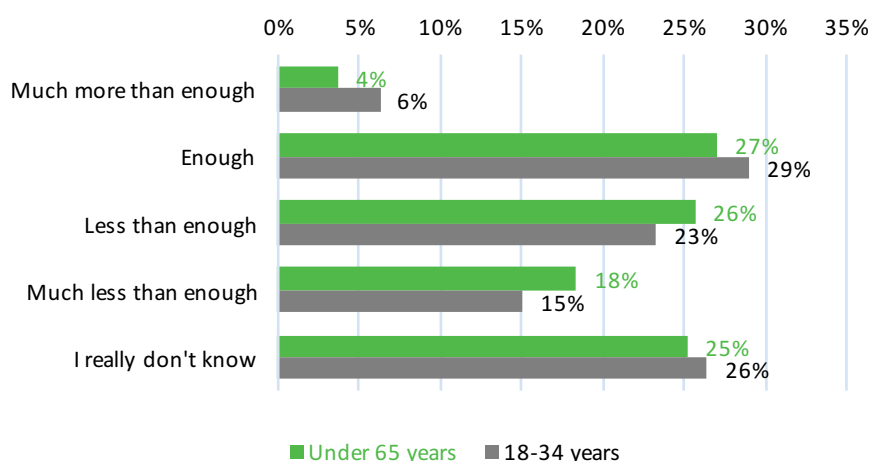
Realistically, will they have enough?

There is a resounding lack of confidence among a majority of New Zealanders that they will have enough income for a comfortable retirement.

When the under 65s are asked to say whether they realistically think they will have enough weekly income to live comfortably when they stop paid work and retire, just 31% say they will have enough (only 4% more than enough). 18-34 year olds are slightly more confident, with 35% expecting to have enough, of these only 6% expect to have more than enough.

A quarter of those working and under 65 years don't know whether they will have enough while 82% of those 18-34 years- expect they will have less than enough (18% much less than enough).

Will you have enough to live comfortably when you retire?



While 26% of those under 35 years were not certain that they would have enough income to live comfortably when they retired, levels of uncertainty were highest among those aged 35-44 (30% say they don't know). 24% of the 35-44 age group also worry they will have much less than enough, compared with 18% overall.

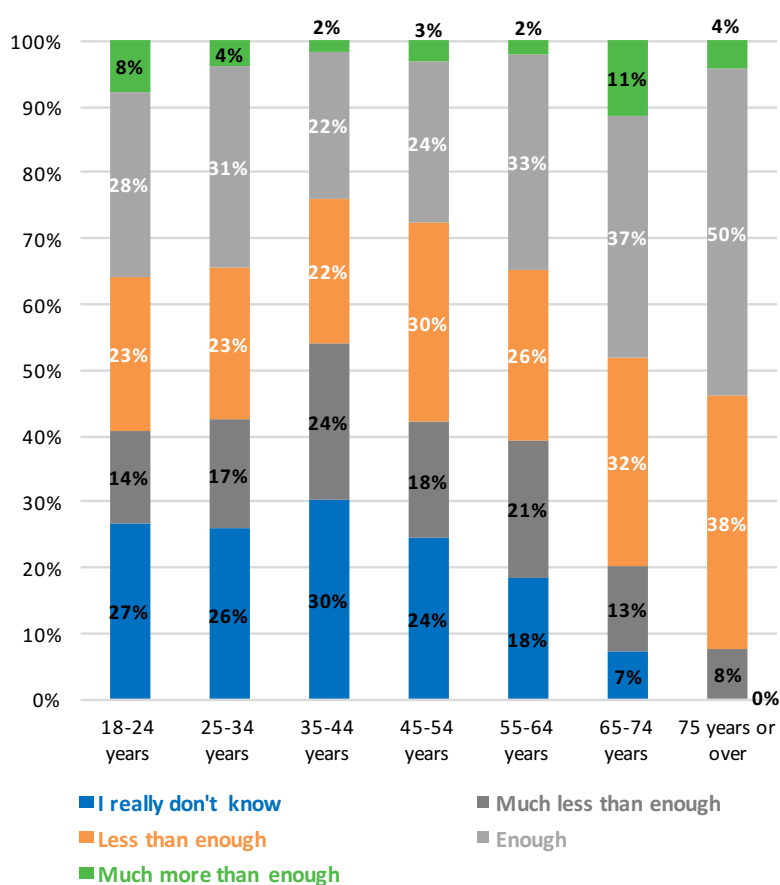




THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

The graph below illustrates that, among those aged 18+ and still working, confidence that incomes will be high enough rises with age. This is especially so among those aged 75+, among whom 50% think they will have enough and 4% much more than enough.

Realistically, do you think you'll have enough weekly income to live comfortably when you stop paid work and retire?



So, are our young people worried?

Yes.

More than half (53%) of those who are not retired are worried by the prospect that they will not have enough weekly income to live comfortably when they retire. Of those worried, 21% are "very worried".

Concern peaks among those aged 35-44 years - with 6 in 10 adults either worried or very worried they will not have enough to live comfortably in retirement.

This concern declines as age increases.

Among those with potentially longer working lives ahead, 55% of 18-24 year-olds are worried, as are 53% of 25-34 year-olds.

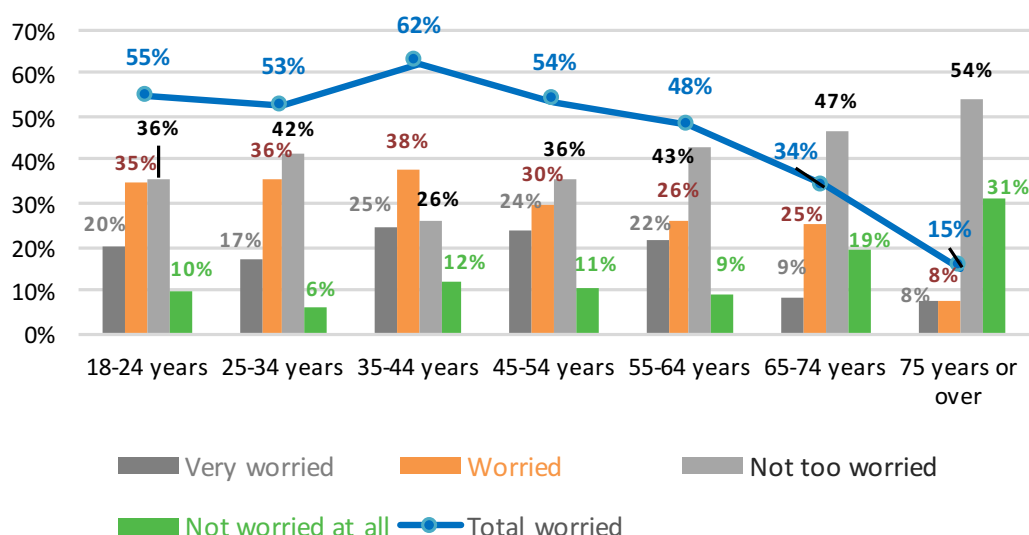
Levels of worry decline below the overall average from age 55.

For the 18-24 year olds, 46% are not worried (10% are not worried at all and 36% are "not too worried").



THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

How worried are you that you will not have enough weekly income to live comfortably when you stop paid work? - Not retired



What drives this concern?

There were 2,067 verbatim comments across all age groups where people explained their thinking on worries over retirement income.

While nearly a third of working adults haven't thought about it or think it's too far off, 29% say the circumstances they could face in retirement look or are concerning. In fact, nearly a third of those surveyed used terms like "worrying", "scared", "dire", "bleak", "difficult", "dismal" or "grim".

Of those who were concerned, 26% were worried about the cost of living, expenses, and price rises. Other main concerns were around lack of income, more specifically not having enough income, costs increasing while income did not (9%) as well as concerns grouped around not having KiwiSaver, not having enough in KiwiSaver or being concerned about KiwiSaver savings (8%).

- The main reasons given by respondents who said they were not worried were:
- They had planned or were in the process of for their retirement (8%);
- They had savings for their retirement (8%) and;
- They felt they would manage or would be able to adapt (7%).

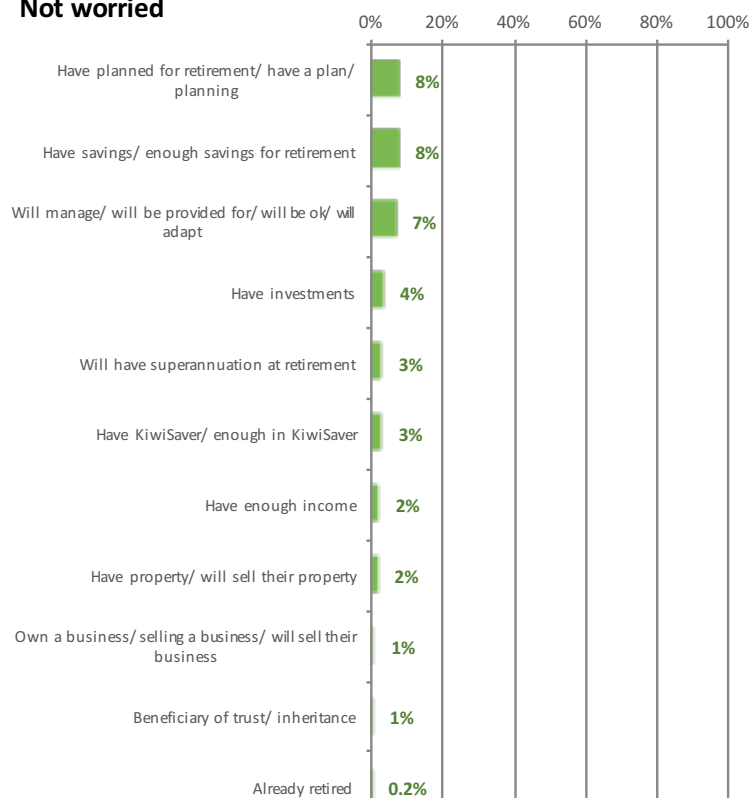
As indicated in the following chart, 17% of respondents are on the fence. They said they were not sure, didn't know or that it was too far in the future to be concerned.



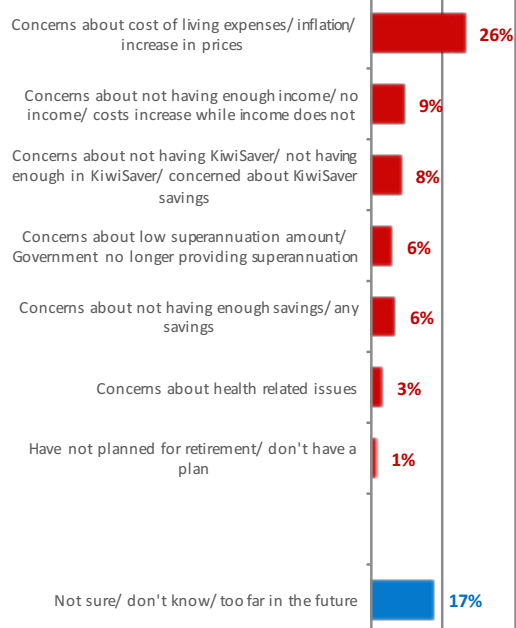
THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Why do you say that?

Not worried



Worried





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Younger respondents who were not worried either felt they had good plans or would earn sufficient income in the time they had before retirement, or felt that retirement was too far away for them to worry yet.

"I feel confident in my financial plan." (Female, 18-24 years, Manawatu)

"Both my partner and I have graduate jobs in high paying professions where we expect to earn in excess of \$200,000 each from our mid-thirties. We are conscious savers and together already have significant assets in savings and shares." (Female, 18-24 years, Auckland)

"I'll have enough saved." (Male, 25-34 years, Palmerston North)

"Because I've got another 34 years in KiwiSaver; that should be enough." (Female, 25-34 years, Tauranga)



"Expect to be well employed." (Female, 18-24 years, Auckland)

"At the moment I am still studying towards my future career and plan to live comfortably when I reach this point." (Female, 18-24 years, Auckland)

"I believe in patience, good things happen to good people. If I continue to be good I will hopefully get rewarded in the end if not I'll keep waiting at the same time making use of the tools around me, I have learnt that worrying should be the last thing you do if you know it's not going to happen, don't let it happen." (Male, 18-24 years, Auckland)

"I am currently spending the most I will ever spend before I have children, and earning the least I will ever earn, so am satisfied that my savings will grow for use after I cease paid work." (Male, 18-24 years, Hutt City)

"Between my husband and myself we have several properties in Auckland (either personal owners of or beneficiaries of). We feel confident that these, along with our current home, will be paid off within the next 20 years, which will then give us plenty of time to put sizeable savings aside, plus we will draw income from the rents. If necessary, we can sell a property to live off." (Female, 25-34 years, Auckland)





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY



"As I have 2 to 3 decades to think about that, world is changing way too fast to think that much ahead." (Male, 25-34 years, Auckland)

"I am in between worried and not worried. I am just about to finish studying and once back into paid full time employment will give me a better idea of where I stand with income after retirement." (Male, 25-34 years, Auckland)

"I just haven't put much thought into it. I see myself just continuing to work if need be." (Female, 25-34 years, Rotorua)

"It's better to live in the now.....no point in worrying about it, just make it happen." (Female, 25-34 years, Manawatu)

"We're talking more than 30 years into the future so I have no idea what life will be like then for me, including whether my husband has a better job or I get a huge pay increase, or whether we'll have shares in a company or two, or if we're being partly supported by our children, or what the government policies are going to be like then. No idea." (Female, 25-34 years, Auckland)



"I am confident that I will have enough savings and KiwiSaver to rely on." (Female, 25-34 years, Western Bay of Plenty)

"I've lived in poverty. I've raised a child and had \$40 a week for food. Super looks luxurious to me - and I'm confident I'll be mortgage free so with low living costs it's more than enough. We need to do more for those paying rent into retirement." (Female, 25-34 years, Wellington)

"It's too far away to think about at the moment." (Female, 25-34 years, Hauraki)





THE KIWISAVER GENERATION NEEDS TO DIVERSIFY

Those concerned were largely driven by general uncertainty of what the future would hold.

The comments suggested that the uncertainty was a barrier to planning.



"So much uncertainty because the future is so far off and I don't even know what sort of job I'll have, if I actually get one and am able to pay off student loans quick enough to start saving in time." (Female, 18-24 years, Auckland)

"I'm unsure what the government super allowance will be and retirement age." (Female 25-34 years, Central Hawke's Bay)

"Inflation. Housing costs means this generation will already be set behind, not able to build up a nest egg from a young age." (Female, 18-24 years, Auckland)

"Because I'm having a baby." (Female, 18-24 years, Kaipara)

"With housing and food costs rising dramatically, population growth and strain on infrastructure in 40 years' time will be impossible to survive with superannuation rates. Even if they grow with economic inflation and average wage rates, it will not keep pace with the struggling infrastructure around NZ." (Male, 18-24 years, Wellington)

"This world is harsh people can be cruel." (Male, 18-24 years, Wellington)

"Because I don't have enough money to pay the rent and pay for the bills and food." (Female, 18-24 years, Auckland)



"Because I didn't take my education very seriously and find it hard to even get a job at minimum wage, let alone end up or afford that, I just really don't see it happening. Endlessly something dramatic changes in my life that I'm living on 28 an hour plus six 9 hour days a week to ensure an average future, you will have kids later on to send to college, all sorts will come up and you have to have a high paying job and skills. Once you get a house and car you will want them insured, there's pets, schooling, food, power, basic needs, WOF, rego - I don't know. All things need money these days, without it you struggle." (Female, 18-24 years, Christchurch)

"Because my financial knowledge is not that great, also I'm a terrible saver." (Male, 18-24 years, Far North)

"The cost of living is just going up and up. To live comfortably when older I would need to be employed at a good rate working full-time for many years and giving up things while young to afford a suitable lifestyle when in retirement if I can afford to when old." (Female, 18-24 years, Wanganui)



KEY FINDING 2

THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

With a lower asset base and higher expectations of their retirement income there is a strong call from younger New Zealanders for greater support to achieve their future financial security.

An overwhelming number want the law changed so minimum contributions to KiwiSaver are lifted gradually, they want greater flexibility to allow further automatic increases in their own KiwiSaver contributions and also want to be able to make contributions at higher levels than those currently allowed.

As well as greater flexibility in contributions there is a strong desire for greater visibility of how their KiwiSaver is tracking with strong support for requiring provision of annual forecasts of how much their retirement balances will be when they turn 65.

In addition to greater flexibility and visibility there is a push for financial advice to be provided in new ways, and law changes, to help them understand their current position and to save more. While many will look to existing online tools and calculators and talking to an expert, a larger portion believe they will benefit from robo-advice tools.

There is a need for the industry to ensure that Kiwis are aware of the existing support available and continue to evolve their tools and services to meet the changing expectations of their customers.





THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

Increasing contributions from 3% to 4% by 2021

67% of adults supported increasing contributions to KiwiSaver by both the employee and employer from 3% to 4%. 10% opposed the idea, while 23% were not sure. This was at its highest in the 18-24 and 25-34 year old categories where support was 51% and 68% respectively.

Would you support or oppose KiwiSaver contributions being gradually increased from 3% to 4%?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Strongly support	30%	25%	26%	30%	32%	30%	37%	24%
Support	37%	36%	42%	37%	37%	38%	33%	43%
Oppose	7%	11%	7%	3%	5%	6%	6%	7%
Strongly oppose	3%	3%	2%	4%	4%	4%	1%	2%
I'm really not sure	23%	25%	23%	27%	22%	21%	22%	25%
N (unweighted)	2119	239	223	265	349	543	365	135

Extra choices to increase contributions

There was strong support for allowing members more choice when selecting their KiwiSaver contribution rate by adding options to contribute not only 3, 4 or 8%, as is the case now, but also choose 6% or 10%.

75% approve of this policy change idea, while just 5% oppose (only 1% strongly oppose). 21% are not sure. While the support was consistent across age groups it was highest among 25-34 year olds with 81% supporting this change.

How strongly would you support or oppose a suggestion to allow people joining KiwiSaver extra choices, to contribute not only 3, 4 or 8% but also 6% and 10% if they want to?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Strongly support	30%	30%	32%	32%	31%	30%	27%	17%
Support	45%	43%	49%	39%	45%	44%	52%	55%
Oppose	4%	6%	3%	4%	3%	2%	4%	2%
Strongly oppose	1%	1%	0%	2%	2%	1%	1%	1%
I'm really not sure	21%	21%	16%	23%	20%	23%	17%	25%
N (unweighted)	2106	237	222	265	349	540	362	131



THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

Forecasting how much KiwiSaver members could have

Government officials are working to require KiwiSaver providers to give savers forecasts each year of how much their retirement balance could be once they turn 65 (if they continue to save at the same rate and stay in the same fund).

This idea has strong support across the board with 70% support, 6% oppose and 24% not sure. Despite the level of retirement preparation by younger New Zealanders there was a desire from the younger age group to have this information available to them with 70% of 18-24 year olds also in support.

Do they want more assistance?

Nearly 4 in every 10 adults wish they had had more financial advice to improve their retirement incomes (38%).

While this is broadly consistent across all age groups, those that believe they had the right amount of advice is at its lowest for those in the younger age groups. Surely that they had the right amount of advice peaked at 47% among 65-74 year-olds and was 41% among those aged 75+.

Would you have liked more advice in the past on how to improve your income in retirement?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Yes, I wish I had sought more advice	38%	39%	33%	38%	38%	37%	38%	39%
No, I had the right amount of advice	33%	26%	36%	27%	33%	36%	47%	41%
I'm not sure	29%	35%	32%	35%	29%	27%	16%	20%
N (unweighted)	2,140	239	226	267	354	551	365	138





THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

Where they're getting advice

While financial advice was not defined for respondents, the sources of advice sought gives some indications of the types of advice sought and overall, 46% of adults are not seeking professional financial advice from the regular sources.

In addition to those not seeking advice, the most used single source of advice across all age groups is friends and family with 31% overall, and 48% of 18-34 year-olds, relying on this source, more than any other age group.

Professional advice becomes more important among 25-34 year olds (a net 45%) than among 18-24 year olds (34% net). However, this still trails friends and family.

Tools and calculators are more popular with the younger age group with 18% relying on these for financial advice compared with 14% of all respondents.

From which of these, if any, do you currently seek financial advice to try to improve your income in retirement and get insurance advice?	ALL	AGE GROUP		
		18-34 years	35-64 years	65 years or over
An independent financial adviser	16%	14%	18%	17%
A financial adviser in a bank	15%	17%	13%	13%
Tools and calculators from my provider	14%	18%	14%	3%
Friends and family	31%	46%	26%	14%
My lawyer or accountant	9%	8%	9%	10%
None of these	46%	36%	50%	58%
Someone else (please tell us who that is)	3%	2%	4%	3%
N (unweighted)	2,129	463	1,163	503





THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

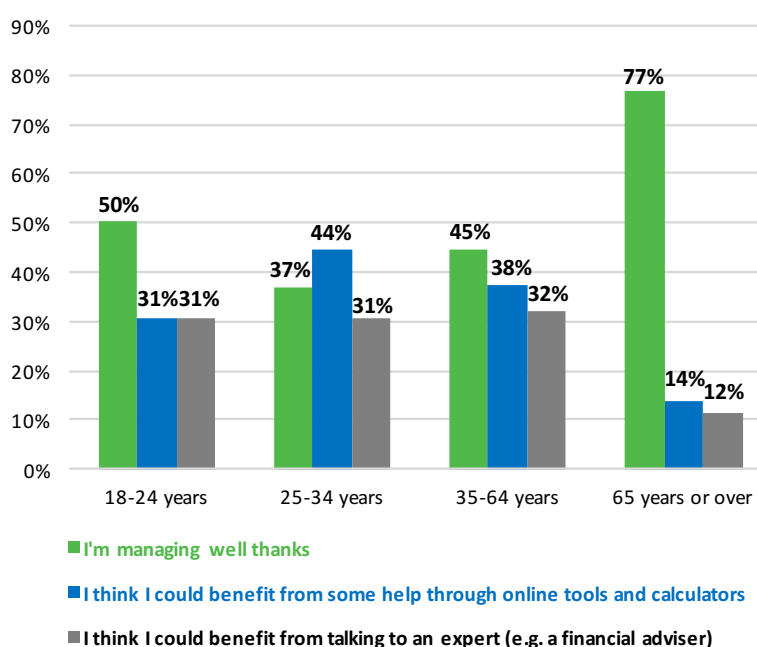
How do they feel they are managing?

Asked how they're managing their savings and other assets to make sure they have the best possible income in retirement, the majority of adults overall say they're managing well thanks.

While half of 18-24 year-olds agree, 25-34 year olds are the least confident with 75% thinking that they could do with some help and over half of these believing they could benefit from online tools and calculators.

In addition, nearly a third of younger respondents believe they could benefit from talking to an expert, such as a financial adviser.

Overall, how do you feel you are managing your savings and other assets (like any property you own) to make sure you have the best possible income in retirement?



Respondents may have selected more than one option, so totals exceed 100%

The overall result for all adults is:

Overall, how do you feel you are managing your savings and other assets (like any property you own) to make sure you have the best possible income in retirement?	ALL
I'm managing well thanks	53%
I think I could benefit from some help through online tools and calculators	32%
I think I could benefit from talking to an expert (e.g. a financial adviser)	26%
N (unweighted)	2069



THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

The advice younger New Zealanders want

There is development underway so personalised advice can be provided by electronic services (robo-advice, including online) not just from people who are qualified financial advisers. When these services reach the market, then 69% of those under 65 indicate they would be open to using them. That's equivalent to about 1.79 million people.

There is a significant desire among younger New Zealanders for a range of different advice and a strong desire for this to be provided via robo-advice.

While robo-advice will be well supported by all KiwiSaver members, support is at its strongest among 18-34 year olds with 76% expecting they will use robo-advice for one or more KiwiSaver related issues.

Of younger New Zealanders, nearly three out of ten people will utilise robo-advice for a full financial plan, nearly four out of ten say they would use robo-advice to decide how much to withdraw based on their needs and three out of ten will use robo-advice to understand the impact of choosing different fund types.

The following table indicates the approximate number of 18-34 year olds who would definitely use each type of personalised robo-advice.

Which of these types of personalised robo-advice would you definitely use?	18-34 years	
	%	Approx. No.
Advice on how much to withdraw from KiwiSaver and when, based on my needs	37%	345,500
Effect on returns of selecting different KiwiSaver investment fund types	31%	289,100
Effect on returns of selecting different contribution rates to KiwiSaver	25%	232,800
Full personal financial plan, including investment options and retirement spending options	29%	265,100
Insurance	23%	209,700
Comparing the risk profiles of various KiwiSaver funds	23%	216,100
Creating a regular income for life based on KiwiSaver savings	30%	272,500
Creating a regular income for life based on financial assets other than KiwiSaver	16%	146,900
How to sell some assets and provide regular income for my retirement	11%	101,600
How much I need to save to have a comfortable retirement	37%	339,900
Sums available from KiwiSaver for a first home deposit	21%	194,000
How to unlock KiwiSaver funds and options to use or invest them	24%	223,500
None of these	24%	217,100

The highest demand for personal financial plans comes from those aged 25-34 (32%) and 18-24 (29%) compared with 23% overall among the country's working adults.

The higher than average preference to consider KiwiSaver funds to draw down a life-time income also reflects in the demand for advice. While overall demand for advice is 26%, this rises to 34% among 35-44 year-olds, 32% among 45-54 year-olds and 30% among those aged 55-64.

The highest demand is for advice on how much people need to save to have a comfortable retirement. Some 34% of all working adults want this advice. Among those aged 25-34, however, this rises to 48%, and 43% among those aged 45-54.

Those aged 24-34 are the age group most interested in advice on how to unlock KiwiSaver funds to use and invest them (39% compared with 21% overall).



THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

For many it is not yet a priority while those that have retired are concerned

When asked for their overall thoughts on the circumstances they would face or were facing in retirement respondents made 2,183 comments. Of these:

31% overall and 55% of those under 35 years said they didn't know, had not thought about it or it was too far away.

"I'm not sure - it's very far away for me." (Male, 18-24 years, Christchurch)

"Not thinking of it yet." (Male, 18-24 years, Palmerston North)

"I'm not sure how policies will change or if there will be any requirements in order to retire at a certain age. I don't know what age I'll be able to retire and how much money I will have to retire." (Female 18-24 years, Rotorua)



"To be honest it isn't something I have thought a hell of a lot about. All I know is that I'm 21 and in 2 and a half years my KiwiSaver account has 10 grand which I think is decent and then if I add to that any investments I have made I think I should be alright by the time I retire but to be completely honest I actually have no idea."

(Female, 18-24 years, Auckland)

"Very unsure about how I will support myself but as retirement is over 30 years away, it's something I rarely think about." (Male, 25-34, Southland)





THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

29% overall said their circumstances looked or were concerning. They used terms like worrying, scared, dire, bleak, difficult, dismal, grim, dreading, hardship, and struggle. 18-24 year olds are less concerned than average, but concerns increase for those aged 25-34.



"I'll be screwed and I've been saving since I started working at 20."
(Male, 25-34 years, Christchurch)

"I am scared of what will happen in the future." (Male, 18-24 years)

"Going to struggle." (Female, 18-24 years, Southland)

"Confused." (Female, 18-24 years, Whangarei)

"It's a scary thought. You know, I studied ecology at uni and it's projected that the human population will double by 2050. So, by the time I'm retirement age (2060, if retirement stays at 67), there will probably be ~15 billion people on the planet (dear God, I hope there are moon colonies by that stage). The retirement I'm picturing involves tiny apartments in enormous skyscrapers (like Fifth Element - have you seen that?). I don't like that picture at all."
(Female, 18-24 years)

"I'm very worried as I live pay check to pay check so really relying on my KiwiSaver to get me by in retirement."
(Female, 25-34 years, Central Hawkes Bay)



"I am concerned because I think it is unlikely I will have saved enough. I also think that the government will probably not be able to afford to provide NZ superannuation at the current rates. But I find it hard to think about these issues in isolation because I think that the future will be dramatically different from today because of climate change and the world will likely be a much harder place for people to live in - we will have less food available and increasing numbers of extreme weather events, sea level rise, conflict over resources etc. So it is hard to imagine how this will impact on my retirement."
(Female, 25-34 years, Auckland)



THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

23% overall indicated they were satisfied, using terms like comfortable, fine, OK, hopeful, confident prepared, not worried, retirement should be comfortable, and I should be prepared. 18-24 year olds are more confident than 25-34 year olds that they will be comfortable.

6% overall said they couldn't afford to retire and would keep working.

Other worries over retirement income were driven by health costs (5%) and whether or not Government would pay a high enough pension, or even if a pension would still be available and if so, at what age.



"I'm 33 now; I expect by the time I can get the super it will be 70+. That's the age I'm working on." (Male, 25-34 years, Wellington City)

"I will be well setup." (Male, 25-34 years, Whakatane)

"I'm 25 so it's a long way but I feel optimistic."
(Male, 25-34 years, Wellington)

"She'll be right." (Female, 25-34 years, Invercargill)

"Hopefully will have enough money to live comfortably. I do think people who have paid taxes all their lives and worked hard and haven't had handouts from the government should have their care compensated, if they end up in rest homes, I think it's an unfairly worked system." (Female, 25-34, Western Bay of Plenty)

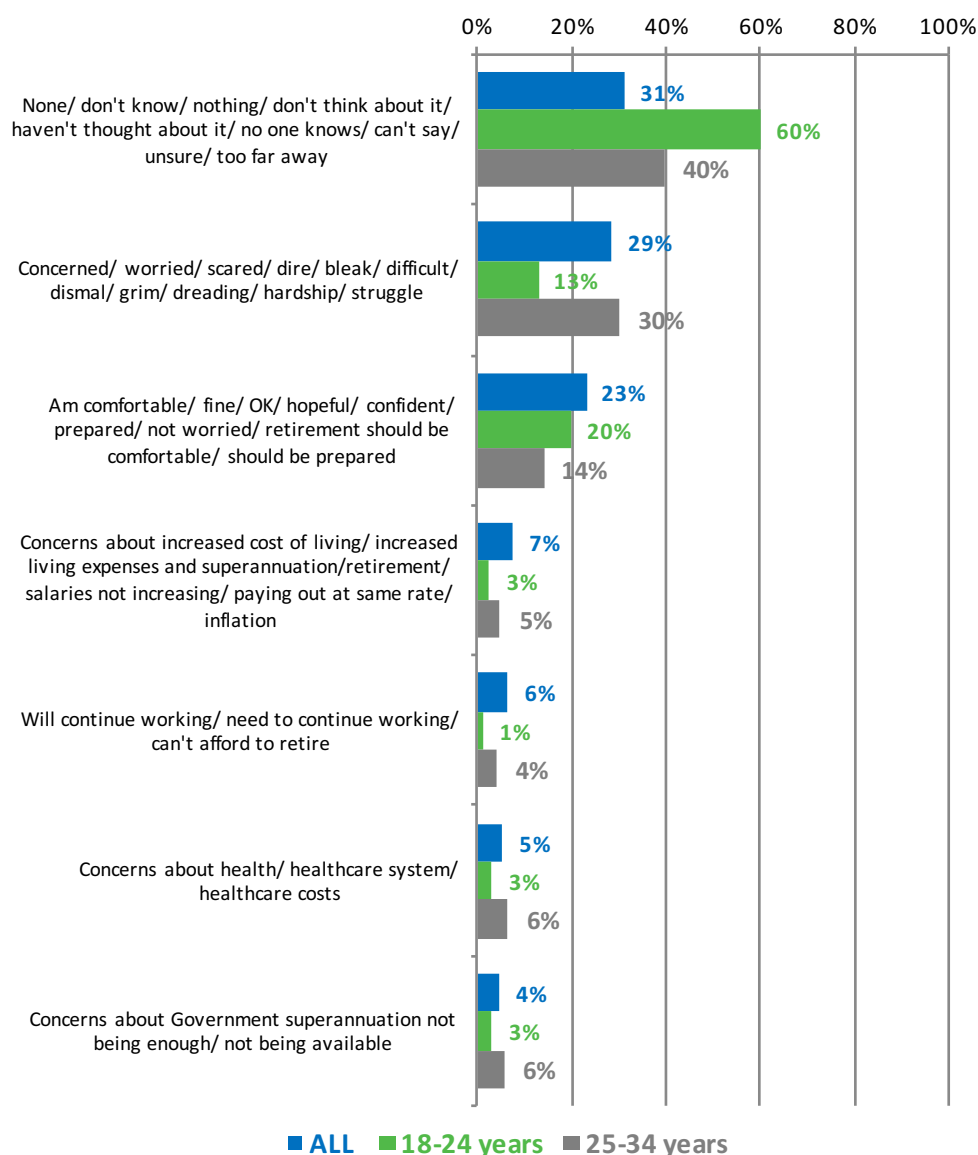
"I still have a long time to sort it out and I know that by the time I reach retirement it will be even older than 67.."
(Female, 18-24 years)





THE KIWISAVER GENERATION WANT GREATER SUPPORT TO ACHIEVE THEIR GOALS

Overall, what are your thoughts on the circumstances you will face in retirement?



APPENDICES



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

EMPLOYMENT STATUS

Overall, 44% of adults are in paid employment for more than 30 hours a week, 19% for less than 30 hours a week, while 24% are not employed and not retired.

The number in fulltime work peaks among 45-54 year-olds (63%). Some 57% of 25-34 year-olds are working more than 30 hours a week, paid employment also being reflected in their ability to grow savings and assets like property.

Among the youngest adults, aged 18-24, 21% are being paid to work more than 30 hours a week and 31% are working part time (under 30 hours), well up from the 19% average for all adults. This reflects the fact large numbers are still students.

Are you currently in paid employment?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Yes, more than 30 hours a week	44%	21%	57%	60%	63%	47%	16%	5%
Yes, less than 30 hours a week	19%	31%	16%	17%	16%	20%	19%	8%
No, I am retired and have completely stopped paid work	13%	1%	0%	0%	0%	10%	62%	84%
No, I am not currently employed but I am not retired	24%	47%	26%	23%	21%	23%	3%	2%
N (unweighted)	2,200	243	228	277	367	565	376	144

The proportion of younger people who are students is highest among 18-24 year-olds and reduces significantly from age 25-34. Similarly, the growth of assets, in KiwiSaver and other types, increases as they age, though they do not expect to hold many types of assets by the time they retire.

Generally, those with higher education enter higher-paying occupations and have more disposable income. This is probably why those with 6th form certificate or NCEA Level 2 or higher are more likely to have savings accounts than those with lower or no qualifications.



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

OCCUPATIONS

Occupations	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Professional/Senior Government Official	5%	4%	10%	4%	4%	3%	4%	4%
Business Manager/Executive	6%	3%	7%	5%	10%	7%	2%	0%
Business Proprietor/Self-employed	6%	2%	2%	5%	10%	10%	8%	2%
Teacher/Nurse/Police or other trained service worker	7%	1%	6%	10%	12%	10%	4%	0%
Clerical/Sales Employee	12%	7%	15%	13%	16%	16%	7%	0%
Farm Owner/manager	1%	1%	0%	1%	0%	1%	2%	3%
Technical/mechanical/Skilled Worker	11%	7%	15%	17%	14%	10%	4%	2%
Labourer/Agricultural or Domestic Worker	7%	6%	5%	10%	8%	10%	5%	0%
Home-maker (not otherwise employed)	5%	3%	5%	6%	6%	7%	2%	2%
Student	10%	43%	10%	5%	1%	0%	0%	0%
Retired/Superannuitant	12%	0%	0%	0%	0%	7%	59%	85%
Unemployed/Beneficiary	12%	16%	18%	15%	12%	13%	2%	1%
Don't know/prefer not to say	6%	6%	7%	10%	6%	6%	1%	0%
N (unweighted)	2,072	213	201	267	351	533	365	142



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

QUALIFICATIONS – ALL RESPONDENTS

Which of these do you currently have, if any?	ALL	HIGHEST QUALIFICATION							
		Post-graduate degree (Masters' degree or PhD)	Under-graduate Bachelor degree	Vocational qualification (includes trade certificates, diplomas etc.)	University Bursary or 7th form	Sixth form/ UE/ NCEA Level 2	NCEA Level 1 or School Cert.	No formal school qualification	Prefer not to say
New Zealand Superannuation	17%	14%	9%	16%	9%	15%	19%	28%	21%
Bank term deposits	15%	32%	18%	19%	11%	14%	14%	15%	8%
Savings accounts	57%	65%	69%	61%	66%	63%	53%	43%	45%
KiwiSaver	60%	69%	73%	64%	65%	60%	57%	49%	52%
Private superannuation	8%	16%	11%	10%	6%	11%	7%	4%	3%
Shares in companies	13%	22%	20%	15%	13%	14%	10%	7%	13%
Bonds or debentures	6%	6%	5%	8%	5%	5%	6%	6%	3%
My own home without a mortgage	20%	27%	17%	19%	9%	20%	20%	25%	11%
My own home with a mortgage	26%	28%	31%	32%	27%	21%	31%	21%	17%
Residential rental/investment property without a mortgage	3%	9%	4%	2%	1%	3%	3%	2%	0%
Residential rental/investment property with a mortgage	4%	8%	5%	5%	4%	4%	2%	3%	4%
Commercial rental/investment property without a mortgage	1%	1%	1%	0%	1%	1%	0%	0%	0%
Commercial rental/investment property with a mortgage	1%	1%	1%	1%	0%	0%	0%	0%	1%
I am a beneficiary of a trust that owns residential property	4%	12%	5%	5%	4%	5%	0%	1%	5%
I am a beneficiary of a trust that owns commercial property	1%	4%	1%	2%	0%	1%	1%	0%	1%
I have other investments	7%	18%	7%	6%	6%	7%	7%	6%	7%
None of these	8%	2%	4%	4%	3%	9%	8%	7%	18%
N (unweighted)	2,197	865	1,667	1,633	401	633	517	421	148



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

HOW LONG THEY EXPECT TO LIVE

New Zealanders aged under 35 expect to live, on average, to 83 years old.

This is close to the average age that all adult respondents expect to live: 82.5 years.

It also reflects Statistics Department life expectancy calculations (2014-2016).

As New Zealanders age, they tend to extend their life expectancy, with those aged 75+ thinking they will live on average until 88 years.

43% of retirees aged 65 years or more retired before they were 65 years, but on average, the retirement age was 65 years-old. They expect to live another 21 years – until age 86.

You may not have thought about this before, but to what age do you expect to live after the age of 65 years?	ALL	SEX		AGE GROUP						
		Male	Female	18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
66-70 years	9%	8%	10%	17%	8%	10%	10%	6%	1%	0%
71-75 years	9%	10%	8%	6%	11%	15%	8%	10%	6%	0%
76-80 years	15%	16%	13%	9%	11%	8%	22%	18%	19%	4%
81-85 years	19%	18%	21%	16%	13%	20%	22%	19%	22%	22%
86-90 years	19%	18%	19%	18%	32%	14%	9%	19%	25%	37%
91-95 years	7%	5%	8%	5%	5%	6%	6%	5%	12%	15%
96-100 years	3%	4%	3%	6%	4%	2%	3%	2%	2%	5%
101 years or more	3%	3%	2%	5%	2%	2%	2%	2%	3%	4%
I really don't know	17%	19%	15%	18%	14%	23%	18%	18%	11%	14%
Average expected age	82.5	82.6	82.7	82.7	83.4	81.1	81.1	82.5	84.9	88.4
N (unweighted)	2195	871	1,317	243	228	277	367	562	374	144



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

CURRENT INCOMES

Younger New Zealanders are concentrated in lower household income groups.

Among those aged 18-44, household incomes are lowest among those aged 18-24, with 47% in households earning \$30,000 or less a year.

By 25 years of age, however, household income is beginning to expand and only 21% are living in households earning \$30,000 or less a year.

Household incomes peak at 45-54 years of age.



Household Income	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
Less than \$20,000 per year	15%	34%	10%	9%	12%	11%	5%	17%
Between \$20,001 and \$30,000 per year	14%	13%	11%	12%	9%	12%	25%	28%
Between \$30,001 and \$50,000 per year	20%	7%	21%	18%	19%	24%	32%	36%
Between \$50,001 and \$70,000 per year	14%	6%	14%	23%	16%	15%	11%	9%
Between \$70,001 and \$100,000 per year	13%	9%	17%	15%	15%	14%	10%	4%
Between \$100,001 and \$150,000 per year	9%	5%	13%	7%	16%	9%	6%	1%
Between \$150,001 and \$200,000 per year	3%	2%	1%	4%	4%	2%	4%	0%
More than \$200,000 per year	1%	1%	1%	0%	1%	2%	0%	0%
Don't know/ prefer not to say	11%	18%	8%	11%	9%	11%	6%	5%
N (unweighted)	2,145	236	223	274	362	557	372	142



APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

NUMBER IN KIWISAVER

Large numbers of younger New Zealanders are members of KiwiSaver (and expect to rely on it greatly when they retire). Among 18-24 year-olds, 65% are in KiwiSaver. This rises to 84% of those aged 25-34 years and is at 67% among those aged 35-64 years.

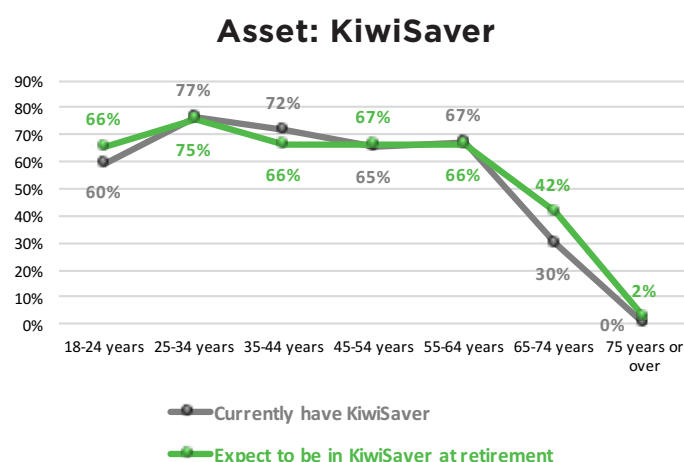
The vast majority of younger adults in KiwiSaver are still contributing to it. For those in KiwiSaver this includes 83% of 18-34 year-olds, 74% of 35-44 year-olds and 80% of those aged 45-64.

The proportion of KiwiSaver members still contributing across all age groups is 80%.

Are you, or have you been, a member of the KiwiSaver scheme?	AGE GROUP						
	18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
No	27%	14%	18%	25%	27%	38%	98%
I am currently a member, have not withdrawn any of my KiwiSaver funds and am also contributing	50%	55%	49%	51%	58%	10%	0%
I am currently a member, have withdrawn some of my KiwiSaver funds and am also still contributing	4%	14%	11%	8%	2%	5%	0%
I am currently a member, am not contributing and have withdrawn some of my KiwiSaver funds	0%	5%	4%	1%	1%	4%	0%
I am currently a member, am not contributing and have not withdrawn any of my KiwiSaver funds	11%	10%	17%	13%	12%	9%	0%
I was a member but now have passed 65 years and withdrawn all of my funds from the scheme	0%	0%	0%	0%	0%	30%	0%
I have passed 65 and my employer and I are both still contributing	0%	0%	0%	0%	0%	2%	0%
I'm not sure	8%	1%	2%	2%	0%	1%	1%
N (unweighted)	243	228	277	367	562	376	144

In another indication of the importance of KiwiSaver to their financial futures, 77% of 25-34 year-olds think they will have assets in KiwiSaver when they retire, along with 72% of those aged 35-44 years.

Most of those who expect to have KiwiSaver already have it, as shown below:





APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

CURRENT ASSETS

KiwiSaver dominates in the list current assets of those aged under 65, peaking at 77% among 25-34 year-olds.

Most have savings accounts, and bank term deposits are held more by people aged 55+.

Homeownership with a mortgage rises from age 24-35, peaking at 41% among those aged 55-64.

The number with mortgage free homes starts to climb from 13% among those aged 45-54, to 33% among 55-64 year-olds and 61% among those aged 75+.

Generally, wealth held in most asset classes is accumulating after age 35.

Which of these do you currently have, if any?	ALL	AGE GROUP						
		18-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	75 years or over
New Zealand Superannuation	17%	0%	0%	0%	0%	0%	78%	96%
Bank term deposits	15%	7%	6%	5%	8%	21%	45%	49%
Savings accounts	57%	72%	58%	47%	49%	57%	62%	63%
KiwiSaver	60%	60%	77%	72%	65%	67%	30%	0%
Private superannuation	8%	0%	4%	10%	12%	11%	11%	10%
Shares in companies	13%	6%	9%	7%	12%	22%	26%	24%
Bonds or debentures	6%	2%	3%	3%	6%	6%	11%	17%
My own home without a mortgage	20%	1%	2%	6%	13%	33%	62%	65%
My own home with a mortgage	26%	4%	21%	33%	41%	31%	17%	12%
Residential rental/investment property without a mortgage	3%	1%	3%	1%	3%	4%	6%	1%
Residential rental/investment property with a mortgage	4%	0%	2%	4%	7%	5%	5%	2%
Commercial rental/investment property without a mortgage	1%	0%	0%	0%	1%	2%	2%	1%
Commercial rental/investment property with a mortgage	1%	0%	0%	0%	1%	2%	1%	0%
I am a beneficiary of a trust that owns residential property	4%	4%	2%	3%	4%	4%	4%	5%
I am a beneficiary of a trust that owns commercial property	1%	0%	1%	1%	1%	2%	2%	1%
I have other investments	7%	3%	3%	3%	7%	10%	12%	18%
None of these	8%	10%	7%	8%	9%	5%	5%	4%
N (unweighted)	2197	461	528	649	1,003	1,832	1,504	567



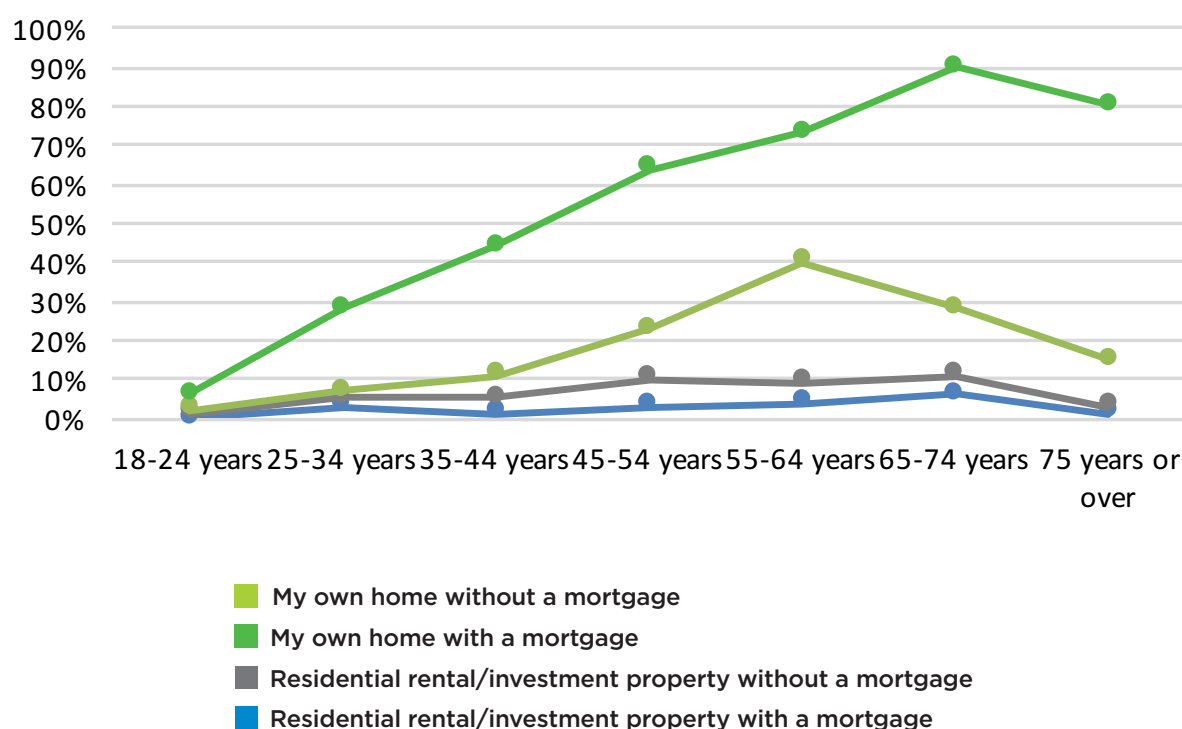
APPENDIX 1 – WHO ARE OUR YOUNGER NEW ZEALANDERS?

CURRENT RESIDENTIAL PROPERTY OWNERSHIP

Gender is generally not affecting asset ownership: the number of males and females owning each asset class is similar.

Those with degree qualifications are likely to have more assets in bank term deposits, KiwiSaver, private superannuation, shares in companies and residential investment properties.

Current residential property ownership



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