2013
Financial Knowledge and Behaviour Survey
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Introduction

The 2013 Financial Knowledge and Behaviour Survey has been commissioned by the Commission for Financial Literacy and Retirement Income, supported by ANZ and conducted by market research company Colmar Brunton. It measures the financial knowledge levels and financial behaviour of New Zealanders aged 18 years and over.

This is the third time the Commission and ANZ have combined to undertake such comprehensive research into New Zealanders’ financial knowledge levels, following surveys undertaken in 2006 and 2009. This year, the survey’s scope has been broadened to look at financial behaviour as well as financial knowledge, to provide a more complete picture of New Zealanders’ financial literacy. Financial literacy is defined in the New Zealand National Strategy for Financial Literacy as “the ability to make informed judgements and make effective decisions regarding the use and management of money”. Actual financial behaviour will always be a critical bottom line measure of financial literacy.

This document presents a summary of the survey’s key findings. The full report can be downloaded from www.cflri.org.nz

Why do we need this research?
This research has a range of uses for many groups that work in the field of financial literacy. The specific objectives of the 2013 survey are:

» to identify areas of low financial literacy, either by topic or population, in order to assist educators to improve financial literacy in those areas
» to identify sources/channels of financial education used by New Zealanders
» to assist the financial services industry to identify where products or services are misunderstood or confusing to consumers, so that they can improve product design or communications
» to measure changes in financial knowledge levels since 2009 in order to adapt education programmes and the design or communication related to financial products and services
» to benchmark New Zealanders’ financial knowledge by making comparisons with financial knowledge surveys carried out in other countries
» to explore links between financial knowledge and financial behaviour
» to assist the Commission in identifying areas of further research.

Research method
A fully national survey of 852 people aged 18+ was carried out between 9 February and 31 March 2013. All interviews were conducted face-to-face. The average interview length was 61 minutes and the response rate was 59%.

To reflect population characteristics, the data have been weighted by age, gender and household size. All research which surveys a proportion of the wider population is subject to a degree of sampling error. The maximum sampling error for the overall results for 2013 is +/- 3.4% at the 95% level of confidence level.
Influences on financial knowledge and behaviour: 2009 to 2013

When interpreting survey results it is important to consider the wider survey context and the events and circumstances in the period leading up to the survey. Due to a range of circumstances, we believe it is likely that the period since the last survey has seen an increase in the general conversation about money and finances among everyday New Zealanders, as well as a greater focus over the last three years on financial issues by mainstream media. Some of the following events and circumstances may have influenced New Zealanders’ financial knowledge, behaviour and attitudes in 2013:

» Uptake of KiwiSaver has increased markedly since 2009. Linked to this, more New Zealanders may have had some sort of interaction with banks or other financial institutions about saving and investing. There may also be a greater amount of accessible information in the marketplace about saving and investing.

» New Zealand finance company closures and overseas bank failures were widely reported in the media following the Global Financial Crisis (GFC). During the period the survey was in the field, fallout from the collapse of Ross Asset Management was being reported widely in the media. These circumstances may have contributed to an on-going erosion of public trust and confidence in the finance sector and increased scepticism of investment opportunities.

» The 2010 and 2011 Canterbury earthquakes had a dramatic impact on the lives of many New Zealanders. Issues experienced with earthquake-related insurance claims have been reported widely in the mainstream media. The government also proposed seismically testing all non-residential and multi-unit, multi-storey residential buildings during the fieldwork period. Media coverage of increases in the estimated cost of the rebuild has been on going.

» The New Zealand Government has maintained tight control over public spending, with the intention of returning to an annual operating surplus by 2015.

» High unemployment has left many New Zealanders concerned about their job security. During the September 2012 quarter, unemployment in New Zealand increased to 7.3%; the highest level since the March 1999 quarter. At the time the research was conducted, the latest publicly available employment figures were from the December quarter, which showed a decrease in unemployment, to 6.9%. During the fieldwork period unemployment fell again, to 6.2%. However the unemployment rate continues to be high compared to pre-GFC figures.

» Housing costs have been rising. Statistics New Zealand’s Household Economic Survey (for the year ended June 2011) showed that, over the two years since June 2009, total housing costs as a proportion of total regular household income increased from 15.1% to 16.0%, the proportion of households spending 30% or more of their income on housing costs increased from 19.5% to 21.8%, average weekly expenditure on rent increased 6.6%, and average weekly expenditure on property rates increased 9.3%. During this time household regular income remained relatively unchanged.
Key point summary: Financial knowledge

The survey is the third in a series measuring financial knowledge and behaviour among New Zealanders. The research is building a picture of change over time, but it should be borne in mind that the study is relatively new and it is not yet completely clear which changes are part of a trend, and which reflect short-lived fluctuations due to market conditions and/or media coverage of financial issues. As the research progresses a longer-term picture of findings will emerge.

At the overall level financial knowledge has not changed since 2009

Each survey respondent was assigned a ‘knowledge score’ based on their answers to the knowledge questions asked in the survey. The total knowledge score can range from 0 (low knowledge) to 58.5 (high knowledge). At the overall knowledge level, New Zealanders’ financial knowledge in 2013 is consistent with 2009, although it remains statistically higher than when financial knowledge was first recorded in 2005.

In 2005 the population was divided into three equally sized knowledge groups based on the constructed financial knowledge score. These groups are called ‘Low knowledge’, ‘Medium knowledge’ and ‘High knowledge’. These groups were replicated in each of the subsequent surveys. The Medium knowledge group is significantly larger this year than it was in 2009, up from 26% to 32%.1 This increase is associated with small (non-significant) decreases in both the High and Low knowledge groups. These results suggest to us that, although at the overall level financial knowledge in 2013 is not statistically different from 2009, there have been some significant shifts when it comes to specific facets of financial knowledge.

1 Throughout this report a green arrow or figure is used to indicate a result that is significantly higher than another at the 95% confidence level. A red arrow or figure is used to indicate a result that is significantly lower than another at the 95% confidence level.
Significant changes in specific aspects of financial knowledge since 2009

The small changes in the size of each knowledge group have been driven by significant changes in the proportions of people correctly answering thirteen of the knowledge questions included in the survey: there have been improvements for seven of the questions and reductions for six.

Budgeting: There has been a significant improvement in the level of knowledge of what a budget is – with 85% of New Zealanders now identifying the correct definition of a budget. This increase has been driven in large part by a significant increase in understanding among young people, aged 18 to 24 years (up 16 percentage points to 84%).

New Zealand superannuation: There has been a significant improvement in the proportion of New Zealanders who know the amount of NZ Super, with over four-in-ten (43%) able to identify the correct amount from a list of options. Knowledge of the amount of NZ Super has increased significantly for many groups of New Zealanders, including both the Medium and High knowledge groups.

Considerations for retirement: When thinking about saving for retirement, over eight-in-ten (83%) New Zealanders identify the kind of lifestyle people want for their retirement as a key consideration, significantly more than in 2009 (up from 75%). This increase is particularly strong among young New Zealanders and those in the Low knowledge group, which may signify that KiwiSaver is having the desired effect of encouraging New Zealanders to think about retirement. However there has been a decrease in the proportion of New Zealanders that say people should consider the possible length of retirement (down from 24% to 20% this year).
Money management: There have been falls in both the ability to make forward calculations (how long to save an additional amount) and backward calculations (how much has already been saved) from a bank statement. These falls have occurred across a broad range of demographic groups. It is possible these changes relate to decreasing familiarity with bank statements rather than a worsening of numerical ability. With the uptake of Internet banking, a proportion of New Zealanders are likely to have opted out of receiving regular bank statements. All those who took part in the research were shown the example bank statement provided below.

![Example Bank Statement]

<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction particulars</th>
<th>Withdrawals</th>
<th>Deposits</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 April 12</td>
<td>Balance brought forward</td>
<td></td>
<td></td>
<td>$21.17</td>
</tr>
<tr>
<td>29 April 12</td>
<td>Interest</td>
<td>5.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 April 12</td>
<td>Resident withholding tax</td>
<td>4.15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 April 15</td>
<td>Visa</td>
<td>426.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 April 12</td>
<td>Pak n Save</td>
<td>64.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 May 12</td>
<td>Payment/salary</td>
<td>1075.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 May 12</td>
<td>ATM</td>
<td>40.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 May 12</td>
<td>Pak n Save</td>
<td>132.96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 May 12</td>
<td>Cheque</td>
<td>120.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 May 12</td>
<td>State insurance</td>
<td>62.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 May 12</td>
<td>Rent to Jones Trust</td>
<td>240.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 May 12</td>
<td>Curry to you</td>
<td>27.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 May 12</td>
<td>Contact energy</td>
<td>93.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 May 12</td>
<td>Payment/salary</td>
<td>1075.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 May 12</td>
<td>Pak n Save</td>
<td>44.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 May 12</td>
<td>Rent to Jones Trust</td>
<td>220.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27 May 12</td>
<td>Account fee</td>
<td>2.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28 May 12</td>
<td>Pak n Save</td>
<td>97.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals at end of Period</strong></td>
<td></td>
<td><strong>1475.95</strong></td>
<td><strong>2275.95</strong></td>
<td><strong>1321.17</strong></td>
</tr>
</tbody>
</table>
### Key point summary: Financial knowledge (continued)

**Variable rate home loans:** Understanding of variable or floating rate home loan repayments has improved since 2009, reversing the decline reported previously. Half of New Zealanders (51%) are now aware that a variable or floating rate home loan can be repaid in part or in full at any time without penalty. Floating rate home loans are available at historically low rates of interest and their uptake has increased markedly as a result. In addition to their increased prevalence in the market, the intense competition between banks in attracting mortgage customers may have played a part in raising knowledge of different types of mortgages.

**Managing risk:** Understanding of the entitlement to shared property when a couple separates has increased significantly since 2009. Over eight-in-ten New Zealanders (82%) can now identify the correct response to the scenario presented.

**Minimising interest on home loans:** Fewer New Zealanders appear to know that if they use their credit card to make some of their home loan payments and only pay their card off every six months they will not minimise their home loan interest (down four points to 79%). Knowledge in this area has fallen for a range of demographic groups, including those in the High knowledge group and those who have a mortgage. However those with a mortgage are more likely than those without to understand that using a credit card to make mortgage repayments will not minimise interest in this scenario. They are also more likely to correctly identify other ways to minimise mortgage interest.

**Compound interest:** Compound interest continues to be one of the worst understood elements of financial knowledge. Just 32% of New Zealanders understand the impact of compound interest on a savings account, with knowledge having fallen across a range of groups, including those in the High financial knowledge group.

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### CHANGES IN FINANCIAL KNOWLEDGE

Knowledge of the following has changed since 2009:

<table>
<thead>
<tr>
<th></th>
<th>% correct increase</th>
<th>Minimising interest on home loans</th>
<th>Compound interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable rate home loans</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing risk</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knows that someone can repay variable or floating rate home loans in full or in part without penalty</td>
<td>51%</td>
<td>Knows that both people in a de facto relationship are entitled to a share of their house if they separate</td>
<td>79%</td>
</tr>
<tr>
<td>Knows that both people in a de facto relationship are entitled to a share of their house if they separate</td>
<td>82%</td>
<td>Understands that a person will not minimise interest by putting mortgage payments on a credit card and paying it off every six months</td>
<td>32%</td>
</tr>
</tbody>
</table>

Base: for each result (2009=850, 2013=852)
Financial advice and investing: Trust in financial institutions has continued to weaken, possibly due to New Zealand finance company closures and overseas bank failures that were widely reported in the media following the GFC, and reporting during the survey period relating to the Ross Asset Management collapse. While over three quarters of New Zealanders (77%) know that an investment from a well-known, reputable financial organisation is not likely to be a scam, this is a significantly lower proportion than in 2009. Lower trust in the finance sector may have heightened awareness of the rules and regulations surrounding financial advice in New Zealand. There has been a significant improvement in the proportion of New Zealanders who know that a financial adviser must provide them with a disclosure statement, with over eight-in-ten (84%) now being aware of this. Three quarters of New Zealanders (76%) understand that it is important to find out how an adviser is being paid, a significant increase compared to 2009. Changes to the Financial Advisers Act were made in 2010 and implemented over a twelve month period, coming fully into force after 30 June 2011. The publicity around these changes may have played a part in the improved level of knowledge of requirements when dealing with a financial adviser.
**Trends are apparent across the eight year period, from 2005 to 2013**

In addition to the changes in financial knowledge observed since the 2009 survey, some significant changes have also taken place since 2005.

**Knowledge of savings**

There continues to be a slow but steady increase in New Zealanders’ understanding of savings. Since 2005, there has been a significant increase in the proportion of New Zealanders who can correctly define savings (up three percentage points to 91%). Knowledge is improving for both those with a savings account and those without one.

**Understanding of equity**

Understanding of equity is stable across the three surveys overall. However there is an upward trend in the ability of mortgage holders to correctly calculate equity, building on the improvement seen in 2009. Among mortgage holders understanding of equity has increased from 71% in 2005 to 84% in 2013.

**The advantages of internet banking**

Use of Internet banking continues to rise, with nearly six-in-ten (59%) New Zealanders now using it. There continues to be a broad understanding of the range of benefits that internet banking offers. However, the proportion of New Zealanders who say it offers no benefits or that they are anti-Internet has risen significantly since 2005, although this group remains small at 7%.

This increase perhaps reflects the amount of media coverage Internet fraud has received in recent years. Among those who use Internet banking, there appears to be a growing sense of this being a routine activity, with fewer users mentioning a range of specific financial advantages of Internet banking. As Internet banking has become more ubiquitous people may no longer see its distinct advantages.
International comparison

Comparisons with international data suggest that New Zealanders have relatively high financial knowledge.

In 2012 the OECD International Network on Financial Education (INFE) published the results of a pilot study comparing financial literacy among adult residents of 14 participating countries. As part of the pilot study, common questions were included in surveys to measure financial knowledge in each participating country. The core questions were included in the 2013 Financial Knowledge and Behaviour Survey.

For the purposes of making an international comparison, the OECD/INFE compare the proportion of people in each country who correctly answer six or more out of eight questions. The chart below displays the New Zealand result, and also the result for the 14 other countries included in the pilot study.

The New Zealand OECD/INFE knowledge score is significantly higher than all fourteen countries that participated in the pilot study.

NEW ZEALAND’S RANKING ON THE EIGHT CORE CONCEPTS

<table>
<thead>
<tr>
<th>Concept measured</th>
<th>[Q10]</th>
<th>[Q33]</th>
<th>[Q41]</th>
<th>[Q44]</th>
<th>[Q43]</th>
<th>[Q53]</th>
<th>[Q331]</th>
<th>[Q332]</th>
</tr>
</thead>
<tbody>
<tr>
<td>% correct</td>
<td>99%</td>
<td>96%</td>
<td>90%</td>
<td>78%</td>
<td>77%</td>
<td>49%</td>
<td>92%</td>
<td>70%</td>
</tr>
<tr>
<td>Rank</td>
<td>1st</td>
<td>1st</td>
<td>1st</td>
<td>1st</td>
<td>1st</td>
<td>2nd</td>
<td>6th</td>
<td>8th</td>
</tr>
</tbody>
</table>

Like many people from the countries included in the OECD/INFE pilot report, the vast majority of New Zealanders can answer the interest paid on a loan, definition of inflation, risk and return and division questions correctly. Understanding of diversification is a relative strength for New Zealanders, as is our understanding of compound interest (although half of New Zealanders do not answer the compound interest question correctly, only 54% do so in Norway, the highest scoring country).

Relative to other countries, understanding of the time value of money is an area of weakness for New Zealanders. Seven of the fourteen countries included in the pilot study achieved a higher result for this question. Division is also an area of relative weakness, although a large majority answer the division question correctly.

The levels of financial knowledge in New Zealand cannot be compared as fully with those in Australia, but a limited analysis suggests that they are similar (see Page 37 of the full report).

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The 2013 survey included a series of questions designed to measure specific financial behaviours. Nearly all of the behaviour questions were drawn from the New Zealand Financial Behaviour Index (NZFBI). A small number of behavioural questions were already included in the previous 2005 and 2009 surveys.

The NZFBI is a six-monthly survey carried out online in May and November each year. Because the survey being reported on here is carried out through face-to-face interviews rather than online, it would not be appropriate to compare responses with those from the NZFBI. However, for the most part results differ only marginally between the two studies.

**The majority of New Zealanders say they have financial goals, although fewer have a plan in place to achieve their goals.**

For the purposes of this survey, a financial goal is broadly defined, and could include retirement goals as well as other goals. Having a plan in place is defined as having a goal, working out how much money you need to achieve it, and taking action to build up the money needed to achieve it.

While the majority (78%) of New Zealanders say they have financial goals, overall only a third (34%) of adult New Zealanders has a plan in place to achieve a mid-term one to five year goal, and just one quarter (25%) has a plan in place to achieve a long-term five plus year goal. It should be recognised however that planning is moderated considerably by age, with the likelihood of having a plan peaking (and being considerably higher than average) between 45 and 54 years of age. This may be a time when many New Zealanders begin giving serious thought to their financial situation when they retire.
Two in every three Zealanders could access emergency money if something unexpected were to happen.

More than two thirds (71%) of adult New Zealanders say they would be able to access up to three months’ worth of their household income in an emergency, however a smaller proportion (42%) say they could access all of this emergency money through their own savings and investments. The remaining 29% would need to access at least some of the money another way. The ability to access up to three months’ worth of household income is strongly related to household income, with people from higher income households being more likely to have access to an emergency fund.

Around half of New Zealanders annually review their insurance to check they have the right cover for their situation.

Just under half (48%) of adult New Zealanders say that they reviewed their insurance over the last 12 months to check that they have the right cover for their situation. This figure includes those with no insurance, who were asked whether they reviewed this to check that having no insurance was right for their situation. Issues or troubles experienced with earthquake-related insurance claims following the Canterbury earthquakes have been widely reported in the mainstream media. We suspect the proportion of New Zealanders who annually review their insurance is higher than it would have been prior to the 2010 and 2011 Canterbury earthquakes.

Use of internet banking in New Zealand has increased substantially.

The way New Zealanders pay for goods and services has changed dramatically since this survey was first carried out in 2005. Although EFTPOS and cash are still the predominant methods of payment, the use of Internet banking has increased markedly, from 34% in 2005 to 59% this year. Further analysis shows that while uptake of Internet banking is lower among some demographic groups, such as Māori and those aged 65 years or over, uptake has also increased among these groups since the 2009 survey.

Close to two thirds of New Zealanders have a budget, and around half earn more than they spend.

The proportion of New Zealanders with a budget (61%) has not changed considerably since this survey was first carried out in 2005. When it comes to spending, half of adult New Zealanders (51%) earned more than they spent and a further 28% earned as much as they spent in the three months leading up to the survey. The remainder (20%) earned less than they spent over the three months preceding the survey.
New Zealanders appear to be keen to get a good deal when making significant purchases.

Three quarters of New Zealanders (76%) who have made a significant purchase in the last three months shopped around for that purchase. New Zealanders are most likely to shop around when purchasing a product. They are less likely to shop around for a trade or health service.

Many New Zealanders are keen to avoid interest on debt.

Firstly, a minority of New Zealanders (17%) say they have had a retail purchase agreement in the last year. Of those who have paid off retail purchase agreements in the last year, a strong majority (87%) paid off their agreements before the end of the interest free period (if their agreement had an interest free period).

Secondly, the majority of New Zealanders appear to use unexpected money wisely to pay back debt. A third (33%) of respondents with at least one debt (excluding a student loan) have had more money than expected at some point in the last three months. This can happen when someone receives more money than they normally receive, or when something costs less than it is expected it to cost. Of those who have had more money than expected, more than half (59%) used that money to pay back some debt.

Finally, over half of New Zealanders with a credit card avoided any interest in recent months; 57% say they paid their credit card off in full each month over the previous three months.

When it comes to mortgages and personal loans, relatively speaking fewer New Zealanders appear to have taken action over the last three months to pay back more than required by or agreed with their lender – 37% and 36% of those with these loans, respectively, have paid back more than required by the lender.
Most New Zealanders appear to be putting some money aside, at least for the short-term.

Most New Zealanders appear to be putting some money aside, at least for the short-term. Sixty-two % of people say they have put at least some money into savings over the last three months. However less than one third of respondents are saving for the mid- (30%) to long-term (28%).

Nearly two thirds of respondents (59%) say they are investing money somewhere other than KiwiSaver. This includes term deposits, property, shares, own businesses, bonds, unit trusts or managed funds, non-KiwiSaver retirement or superannuation schemes, and other investments. If KiwiSaver is included, then three quarters (75%) of New Zealanders are investing money.

Take-up of KiwiSaver has increased markedly since 2009, from 29% to 52%.

There is a clear socio-economic divide when it comes to savings, with those who are more educated and on higher incomes being most likely to save or invest. This socio-economic divide is less pronounced though when it comes to KiwiSaver membership, where those with personal annual incomes between $50,000 and $70,000 are significantly more likely to be KiwiSaver members than others with higher and lower incomes.
**Fewer New Zealanders are receiving financial advice from print media sources**

Banks are still the main source of financial advice in New Zealand, followed by friends and family, websites, Sorted resources and then the media. Since 2009 there has been a decline in the use of media sources, such as print media and television programmes. New Zealand finance company failures following the GFC may have contributed to public scepticism of investment opportunities advertised through the mainstream media.

**Fewer New Zealanders own shares, while more are using store cards and revolving credit facilities**

There have been some significant changes since 2009 in New Zealanders’ financial product ownership. There has been a significant drop in share ownership, and an increase in ownership of revolving credit facilities and store cards.
There is majority agreement that people are responsible for their own financial future, but there is a gap between knowledge and action.

Although the majority (91%) of New Zealanders agree that people are responsible for their own financial future, there is a considerable gap between knowledge and action – only one-in-three New Zealanders (31%) have worked out how much they will need for their retirement, even though most (88%) understand that they will need to save for their retirement.

More than half (54%) of New Zealanders say they think about financial planning for their retirement either ‘a lot’ or ‘a fair amount’. Encouraging people to take firm action to plan for their retirement will be a major challenge, although there is a groundswell of opinion that financially planning for retirement is vital.

Relative to 2009, there have been across the board improvements in New Zealanders’ attitudes toward financial matters and retirement:

» It is important to shop around to get the best deal for financial products and services such as insurance, loans and credit cards (agreement up 4 points to 95%).

» I believe I am personally responsible for my financial future (agreement up 3 points to 91%).

» It is important to have a current will (agreement up 6 points to 91%).

» I have worked out how much I need for my retirement (agreement up 5 points to 31%).

» People with KiwiSaver will have an adequate retirement income (disagreement up 12 points to 44%).

» Because of New Zealand Superannuation I don't need to save for retirement (disagreement up 12 points to 88%).
One of the objectives of the 2013 survey was to investigate the links between financial knowledge and behaviour. The researchers found that if a respondent scored high on four knowledge factors, it was likely to predict a range of positive financial behaviours. This suggests that the following four knowledge areas are likely to be important for financial literacy programmes designed to increase positive financial behaviour:

» Numeracy.
» Understanding budgeting, saving, and planning.
» Understanding how to minimise costs and interest on debts.
» Understanding home loans.

Although a less consistent predictor overall, understanding of New Zealand superannuation also appears to be a fairly important predictor of financial behaviours, and is a particularly strong predictor of investing somewhere other than in KiwiSaver and having access to an emergency fund.

An outline of the methodology used to calculate these findings can be found on pages 107-110 of the full research report.

Where to from here?

The findings of the 2013 Financial Knowledge and Behaviour Survey show that financial knowledge and behaviour do shift over time. We believe this is a result of a range of circumstances – including the economic conditions at any time, the financial education efforts of the many members of the financial literacy movement, public awareness campaigns undertaken by organisations such as the Commission, the work of the financial services sector and the issues raised and information passed on by the news media. We cannot yet say with certainty the degree to which each individual factor affects financial knowledge and behaviour. That is a picture that will only emerge as more research is conducted over a longer period.

The findings of the 2013 Survey will inform the financial literacy work undertaken by the Commission, and we hope they will prove useful for other organisations working in the financial services and education sectors and government policy makers. Full data sets are also available for in depth analyses by interested organisations.

A copy of this Key Point Summary and the full Colmar Brunton Research Report can be found at www.CFLRI.org.nz
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