

Data report for the Review of Retirement Income Policies

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Data sources

This report uses data from:

1) The Financial Capability Barometer 2018, a cross-sectional survey conducted by CFFC on an ongoing basis.¹ The survey is implemented by Dynata using an online panel. A sample from an online panel is a non-probabilistic sample and the margin of error cannot be calculated.² The panel members invited to complete the survey are carefully selected to match the make-up of the adult New Zealand population regarding age, gender, ethnicity and region. The mode (online) excludes those with no internet access and those with low literacy levels, so the groups that are most socioeconomically disadvantaged are likely to be underrepresented in the sample (compared to the New Zealand population). Due to the limitations of this sampling method and mode, the data need to be interpreted with caution and in the context of data of other sources, such as background papers for the Review and data from Statistics New Zealand.

2) A survey of 18-64-year olds on KiwiSaver, separate to the Financial Capability Barometer but using the same methodology, conducted by CFFC in April 2019 to cover questions specific to Terms of Reference of the Review that were not covered by the Financial Capability Barometer.

3) Statistics New Zealand surveys and datasets, as listed in 4.1.

1. Income sources and hardship in retirement

1.1. Data

This section is based on responses from a sample of 1,077 retired respondents of the 2018 Financial Capability Barometer survey. The sample has been selected from the Financial Capability Barometer dataset based on (self-reported) retirement status. Only respondents who confirmed that they were retired were asked further survey questions about their retirement income. It is important to note that some respondents in the sample are less than 65 years old, and some respondents in the main survey who were aged 65 and over were not retired and thus are not included in this report. The

¹ Monthly (500 or 1000 respondents) or quarterly (2500 respondents) waves, contain a core questionnaire and add-on modules on specific topics. The survey started in 2017 and has since accumulated more than 20,000 responses.

² For a discussion of online panels and measurement error, see American Association for Public Opinion Research, Report on Online Panels, available from <https://www.aapor.org/Education-Resources/Reports/Report-on-Online-Panels> and Report on Non-Probability Sampling, available from <https://www.aapor.org/Education-Resources/Reports/Non-Probability-Sampling.aspx>.

sample includes: 65 and over and retired: 844 cases and under 65 and retired: 233 cases. The 276 cases of respondents aged 65 or over and not retired were excluded from this analysis unless noted otherwise.

1.2. Executive Summary

- Almost one in ten retirees (9%) report struggling to make ends meet
- 3 in 4 retired respondents supplement their main source of retirement income with another source of income, such as savings, investments, selling of assets, money received from family members etc.
- Those who do not report additional sources of income are more likely to struggle financially
- 18.5% of Māori report they struggle to make ends meet in retirement – a proportion twice as high as among all respondents (9%). Māori are also more likely to rely on only one source of retirement income (41%, compared to 26% in the overall population)
- Those relying on NZ Super as the only source of income have a lower rate of home ownership (58%) than those who have other sources of income (87%).
- Home-ownership is the most important factor supporting financial wellbeing in retirement.

1.3. Sources of income in retirement

Respondents were asked about their main source of income (one choice) and additional sources of income (multiple responses allowed).

70% of retired respondents rely on NZ Super as their main source of income (78.5% of retired respondents who are 65 or over).

Savings (6%), other pension (5%) and income from a spouse or partner (3%) are the only other main sources of retirement income reported by more than 2.5% of respondents. The remaining 16% of respondents reported one of 13 other main sources of income (Table 1.1).

The most common sources of additional income are savings (49%), income from bond, stocks and shares (20%) and KiwiSaver (18%).

| Table 1.1. Main and additional sources of income in retirement | % reporting as main source of income | % reporting as additional source of income* |
|--|--------------------------------------|---|
| NZ Super | 70% | 14% |
| Other pension/super (teacher, veterans etc.) | 5% | 9% |
| KiwiSaver | . | 18% |
| Other retirement schemes (managed funds) | . | 11% |
| Overseas government or state funded pension | . | 4% |
| Overseas private or employer-based pension | . | 4% |
| Savings | 6% | 49% |
| Selling assets (car, art, jewellery antiques etc.) | . | 8% |
| Selling or downsizing my house | . | 12% |
| Inheritance or trust fund | . | 7% |

| | | |
|---|----|-----|
| Iwi Dividends | . | 3% |
| Income from bonds, stocks and shares | . | 20% |
| Property investments | . | 6% |
| Rental income (from property you own) | . | 7% |
| Support from children or other family members | . | 4% |
| Income from a spouse or partner | 3% | 9% |
| Working part time | . | 8% |

. small sample size

* respondents could select multiple additional sources of income

About three quarters of retired respondents have at least one additional source of retirement income and almost half have two or more additional sources of income (Table 1.2)³.

| Table 1.2. Retired by number of sources of income | Percent of retired |
|--|--------------------|
| No additional sources of income (main source only) | 26.3% |
| One additional source of income | 25.3% |
| 2-3 additional sources of income | 31.9% |
| Four or more extra sources of income | 16.4% |

1.4. Respondents who struggle to make ends meet in retirement

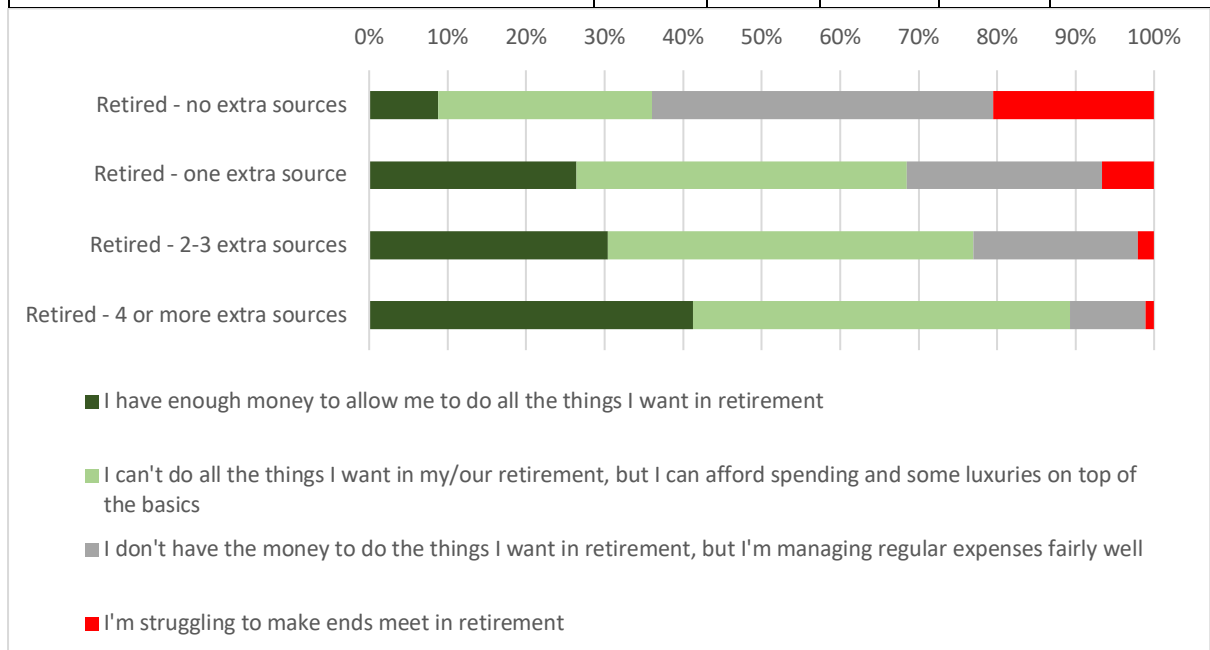
We asked respondents about their lifestyle in retirement (Table 1.3). Almost two thirds (64%) of respondents report that they can afford extra spending on top of regular expenses (“I have enough money to allow me to do all the things I want in retirement” or “I can't do all the things I want in my/our retirement, but I can afford spending and some luxuries on top of the basics”).

Almost one in ten retirees (8.9%) reported that they struggle to make ends meet. Among those with no additional sources of retirement income to supplement their main source of income, one in five (20.5%) are struggling.

Those with NZ Super as the sole source of income (21% of the sample) are much more likely to report that they are struggling (19.5%) compared to those who do not rely on NZ Super as the only source of income (Table 1.4). However, half of those relying on NZ Super as the sole source of income are managing their expenses “fairly well” and 31% report that they can do “all the things they want” or “can afford luxuries on top of the basics”. This diversity in satisfaction with lifestyle on New Zealand Super suggests that there are factors other than income that contribute to lifestyle in retirement. Based on information from focus groups conducted by Ipsos for CFFC, such non-income factors that contribute to wellbeing in retirement include home ownership, the local cost of living, expenditure levels (often affected by health needs) and the level of social support.

³ The Barometer question about sources of retirement income uses a broader definition of income than Statistics New Zealand and includes informal sources such as help from family or drawing on savings. These are not captured by the list of income sources used by Statistics New Zealand (LEED Annual Table 1.1. Sources of taxable income), which includes wages and salaries, self-employment, paid parental leave, accident compensation, student allowance, income tested benefits and New Zealand Superannuation. As a result, CFFC’s estimate of the proportion of retirees relying exclusively on NZ Super is lower than that of Statistics New Zealand.

| Table 1.3. Which of these statements best describes your [and your partner's] lifestyle in retirement? | | | | | All respondents |
|---|--------|--------|--------|--------|-----------------|
| Number of secondary sources of income | 0 | 1 | 2-3 | 4+ | |
| I have enough money to allow me to do all the things I want in retirement | 8.8% | 26.4% | 30.4% | 41.2% | 24.7% |
| I can't do all the things I want in my/our retirement, but I can afford spending and some luxuries on top of the basics | 27.2% | 42.1% | 46.6% | 48.0% | 39.6% |
| I don't have the money to do the things I want in retirement, but I'm managing regular expenses fairly well | 43.5% | 24.9% | 20.9% | 9.6% | 26.8% |
| I'm struggling to make ends meet in retirement | 20.5% | 6.6% | 2.1% | 1.1% | 8.9% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |



| Table 1.4. Which of these statements best describes your [and your partner's] lifestyle in retirement? | NZ Super is not the sole source of income | NZ Super is the sole source of income |
|---|---|---------------------------------------|
| I have enough money to allow me to do all the things I want in retirement | 34.1% | 5.8% |
| I can't do all the things I want in my/our retirement, but I can afford spending and some luxuries on top of the basics | 43.9% | 25.3% |
| I don't have the money to do the things I want in retirement, but I'm managing regular expenses fairly well | 18.6% | 49.5% |
| I'm struggling to make ends meet in retirement | 3.4% | 19.5% |
| Total | 100.0% | 100.0% |

Those relying on NZ Super as the only source of income have a lower rate of home ownership (58%) than those who have other sources of income (87%) (Table 1.5). This reflects the accumulation of

advantage – many of those who were able to buy a house were also able to build other income-producing assets.

| Table 1.5. Difference in home ownership by NZ Super as the sole source of income | NZS not the sole source of income | NZS is the sole source of income | Total retired |
|--|-----------------------------------|----------------------------------|---------------|
| Not Home Owner | 13.1% | 42.3% | 19.1% |
| Home Owner | 86.9% | 57.7% | 80.9% |
| | 100.0% | 100.0% | 100.0% |

The above data suggest that additional sources of retirement income are important for making ends meet in retirement. Nonetheless, among retirees who are 65 and over, most of those with additional sources of income receive a substantial part of their overall income from NZ Super (Table 1.6). This means that, on average, the income from additional sources is low.

| Table 1.6. Approximately what percentage of your income currently comes from NZ Super? (retired 65 and over) | % of those with 2 income sources | % of those with 3-4 income sources | % of those with 5+ income sources |
|--|----------------------------------|------------------------------------|-----------------------------------|
| 75% or more | 69% | 49% | 29% |
| 60-74% | 7% | 20% | 16% |
| 35-59% | 13% | 22% | 30% |
| 33% or less | 7% | 9% | 23% |
| Total | 100% | 100% | 100% |

Most retirees report personal and household income under NZ\$ 50,000 pa. Only 7% of retirees report a personal income over \$100,000 per year and 18% report household income over \$100,000 per year (Table 1.7).⁴

| Table 1.7. Personal and household income by number of sources of income. | | | | | |
|--|--------------------|---------------------|-----------------------|----------------------|--------|
| Personal income | 1 source of income | 2 sources of income | 3-4 sources of income | 5+ sources of income | Total |
| not stated | 19.4% | 14.7% | 17.7% | 15.3% | 17.0% |
| under 50k | 78.4% | 76.9% | 72.1% | 65.0% | 73.8% |
| 50-100k | 2.1% | 7.0% | 9.3% | 13.0% | 7.4% |
| over 100k | | 1.5% | 0.9% | 6.8% | 1.8% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Household income | | | | | |
| not stated | 22.6% | 14.3% | 17.2% | 16.9% | 17.8% |
| under 50k | 67.5% | 60.8% | 55.5% | 36.2% | 56.8% |
| 50-100k | 6.7% | 18.7% | 20.6% | 28.8% | 17.8% |
| over 100k | 3.2% | 6.2% | 6.7% | 18.1% | 7.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

⁴ Income data need to be interpreted with caution, because between 17 to 18% of retirees did not state their income (refused to answer the question or responded “I don’t know”). The question also did not define “income” and it is not clear, for example, if respondents included the amounts they draw down from their savings as income or not.

18.5% of Māori report they struggle to make ends meet in retirement compared to 7.1% of non- Māori (Table 1.8).⁵ Māori are also more likely to rely on only one source of income (41%, compared to 25% of non- Māori (Table 1.9)).

| Table 1.8. Which of these statements best describes your [and your partner's] lifestyle in retirement? | Non-Māori | Māori |
|---|-----------|--------|
| I have enough money to allow me to do all the things I want in retirement | 27.8% | 20.0% |
| I can't do all the things I want in my/our retirement, but I can afford spending and some luxuries on top of the basics | 40.3% | 29.2% |
| I don't have the money to do the things I want in retirement, but I'm managing regular expenses fairly well | 24.8% | 32.3% |
| I'm struggling to make ends meet in retirement | 7.1% | 18.5% |
| Total | 100.0% | 100.0% |

| Table 1.9. Māori compared to non-Māori by number of additional sources of retirement income. | Non-Māori | Māori |
|--|-----------|--------|
| No additional sources of income (main source only) | 25.3% | 41.5% |
| One additional source of income | 26.0% | 15.4% |
| 2-3 additional sources of income | 32.4% | 24.6% |
| 4 or more additional sources of income | 16.3% | 18.5% |
| Total | 100.0% | 100.0% |

Those who have retired and are under 65 years old reported struggling to make ends meet more often (12%) compared to those aged 65 and over (7%). This suggests that some of those under 65 who struggle in retirement might have retired early not by choice but due to failing health or inability to find employment (Table 1.10). New Zealand does not have a mandatory retirement age, but the age of eligibility for New Zealand Superannuation (65 years) is often used as the cut-off age for “retired” or “older” New Zealanders.⁶ However, financial vulnerability in retirement may also affect those who retire before 65 and more research is needed on those who exit the workforce earlier.

| Table 1.10. Financial wellbeing in retirement by age. | 65 or over and retired | Under 65 and retired |
|---|------------------------|----------------------|
| I have enough money to allow me to do all the things I want in retirement | 27.9% | 24.8% |
| I can't do all the things I want in my/our retirement, but I can afford spending and some luxuries on top of the basics | 39.8% | 38.8% |
| I don't have the money to do the things I want in retirement, but I'm managing regular expenses fairly well | 25.4% | 24.8% |
| I'm struggling to make ends meet in retirement | 6.9% | 11.7% |
| Total | 100.0% | 100.0% |

⁵ Respondents could select more than one ethnicity they identify with. In this report, Māori are defined as those who selected Māori as their sole ethnicity or one of their ethnicities. (The author is aware that Māori is a descent rather than an ethnicity, however, the survey questionnaire described Māori as an ethnicity).

⁶ For an example of this approach see “The material wellbeing of older New Zealanders: background paper for the Retirement Commissioner’s 2013 review” by Bryan Perry, Ministry of Social Development, 5 August 2013.

Non-homeowners are almost 5 times as likely to struggle in retirement than home-owners, and when controlling for home ownership, variables like gender, Maori or Pacific ethnicity and location are not significant.⁷ This means that supporting home-ownership is one of the most impactful ways of reducing financial vulnerability in retirement.

2. KiwiSaver

2.1. Data

This section uses data from two sources:

- 1) Responses from respondents aged 18-64 (7,482 respondents in total) from the Financial Capability Barometer (see 0.1. Data Sources above). This dataset is referred to as FCB.
- 2) Data from a survey of 2,046 New Zealanders aged 18-64 conducted in April 2019, focused on KiwiSaver and views on ethical investment and KiwiSaver fees. This dataset is referred to as KS.

2.2. Executive summary

- 77.4% of respondents aged 18-64 were KiwiSaver members. KiwiSaver membership was highest in the 18-33 age group (82.9%).
- Men and women had a similar rate of KiwiSaver membership
- Employment was the strongest predictor of being a contributing KiwiSaver member and was more important than age, gender and ethnicity
- 40% of respondents not in KiwiSaver did not enrol due to a lack of, or insufficient, income
- those who are employed, home-owners, work in professional occupations and live in urban areas are more likely to be enrolled to KiwiSaver and making contributions. This leads to the question whether those who need KiwiSaver the most are those who use it.
- Performance was the main criterion for fund selection, selected by over 60% of respondents who selected their own fund. Fees (36%) and risk level (31%) were the other two most important factors when selecting a fund.

2.3. KiwiSaver membership and contributions

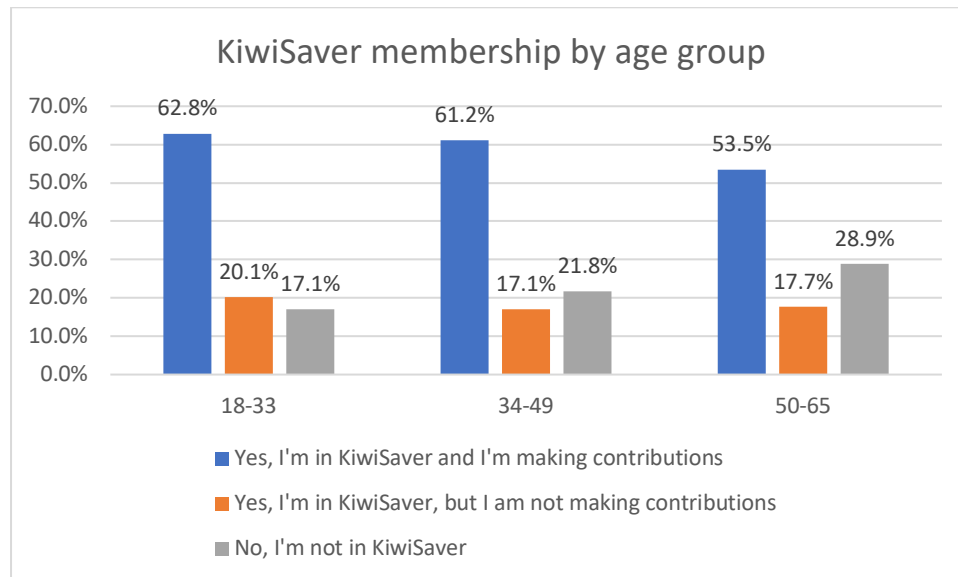
77.4% of respondents aged 18-64 were KiwiSaver members, and 59% of all respondents aged 18-64 (76% of KiwiSaver members) were making contributions (Table 2.1).

| Table 2.1. (KS) Are you in KiwiSaver? | Frequency | Percent |
|--|-----------|---------|
| Yes, I'm in KiwiSaver and I'm making contributions | 1212 | 59.2 |
| Yes, I'm in KiwiSaver, but I am not making contributions | 373 | 18.2 |
| No, I'm not in KiwiSaver | 461 | 22.5 |
| Total | 2046 | 100.0 |

⁷ The regression analysis in the technical appendix separate to this document.

KiwiSaver membership was highest in the 18-33 age group (82.9%). This age group also had the highest percentage of non-contributing members (20.1% of all respondents in this age group and 25% of KiwiSaver members in this age group) (Fig. 2.2.). Within the 18-33 age group, the non-contributors were, on average, younger than contributors. Based on these demographics, we may assume that their non-contributing status was in many cases due to full time study and limited income.

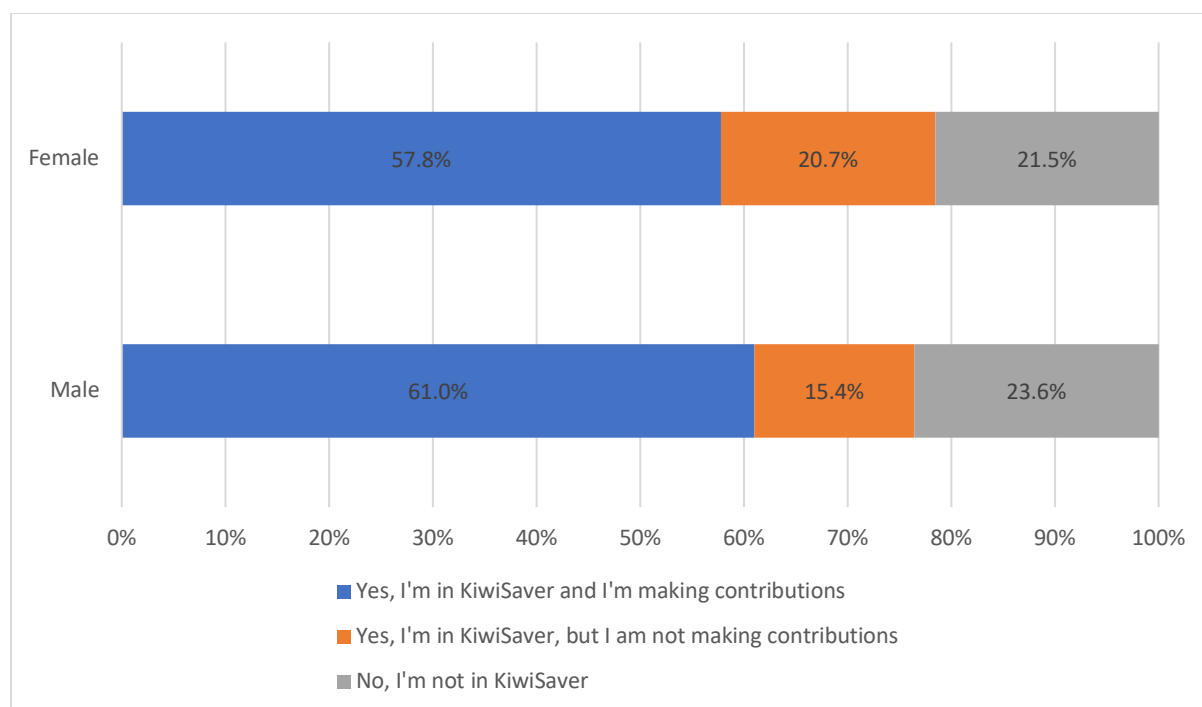
Fig.2.2. KiwiSaver membership by age group (KS).



Men and women had a similar rate of KiwiSaver membership (76.4 % of men and 78.5% of women in the sample were KiwiSaver members), but women were more likely than men to be non-contributing members (20.7% of women and 15.4% of men in the sample were in KiwiSaver but not contributing) (Fig. 2.3.). This difference is probably linked to (1) women taking time off work for childrearing and caregiving at a greater rate than men and (2) women working in low-paid occupations at a higher rate than men.⁸

⁸ <https://www.stats.govt.nz/news/women-in-paid-work>; <https://teara.govt.nz/en/gender-inequalities/page-4>

Fig. 2.3. KiwiSaver membership by gender (KS).



Employment was the strongest predictor of being a contributing KiwiSaver member and was more important than age, gender and ethnicity. Of those employed, 75.3% were in KiwiSaver and making contributions, compared to 29.1% of those not in employment (Table 2.2).⁹

| Table 2.4. KiwiSaver membership by employment status (KS) | Not employed (includes contractors, self-employed and business owners) | Employed | Total |
|---|--|----------|--------|
| Yes, I'm in KiwiSaver and I'm making contributions | 29.1% | 75.3% | 59.2% |
| Yes, I'm in KiwiSaver, but I am not making contributions | 36.3% | 8.6% | 18.2% |
| No, I'm not in KiwiSaver | 34.6% | 16.1% | 22.5% |
| | 100.0% | 100.0% | 100.0% |

This link between contributing to KiwiSaver and being employed reflects KiwiSaver's employee-focused design. Auto-enrolment, automatic contributions and employer contributions are available only for those who are employed. Self-employed/contractors, business owners, stay-at-home parents, students and beneficiaries are excluded from these benefits, although they can choose to make their own contributions. Data suggest that many of them do not make their own contributions, due to insufficient income, lack of information or lack of motivation (for employees, the lack of motivation is effectively addressed by the automation of enrolment and contributions).

Data from the Financial Capability Barometer confirms that those who are employed, home-owners, work in professional occupations and live in urban areas are more likely to be enrolled to KiwiSaver

⁹ Employment is defined as full-time or part-time employment and does not include self-employment, contract work or working in own business.

and making contributions (Fig. 2.5-2.12). This leads to the question whether those who need KiwiSaver the most are those who use it.

Fig. 2.5. KiwiSaver status within ethnic groups (FCB)

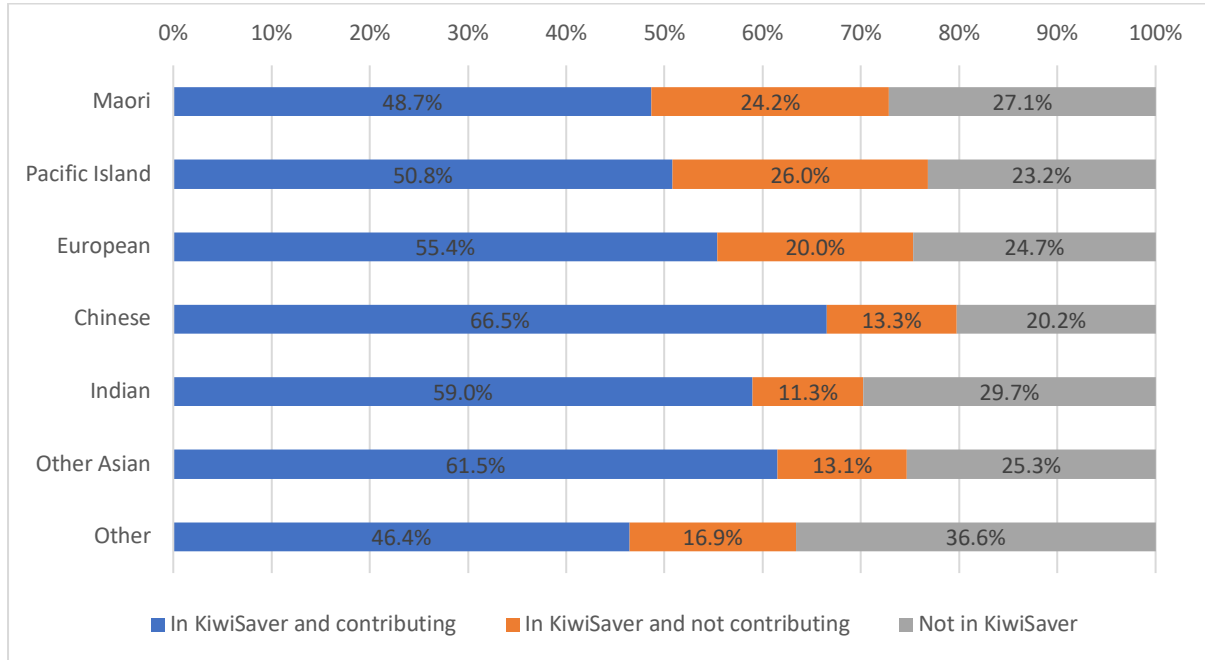


Fig. 2.6. KiwiSaver status within tenure types (FCB)

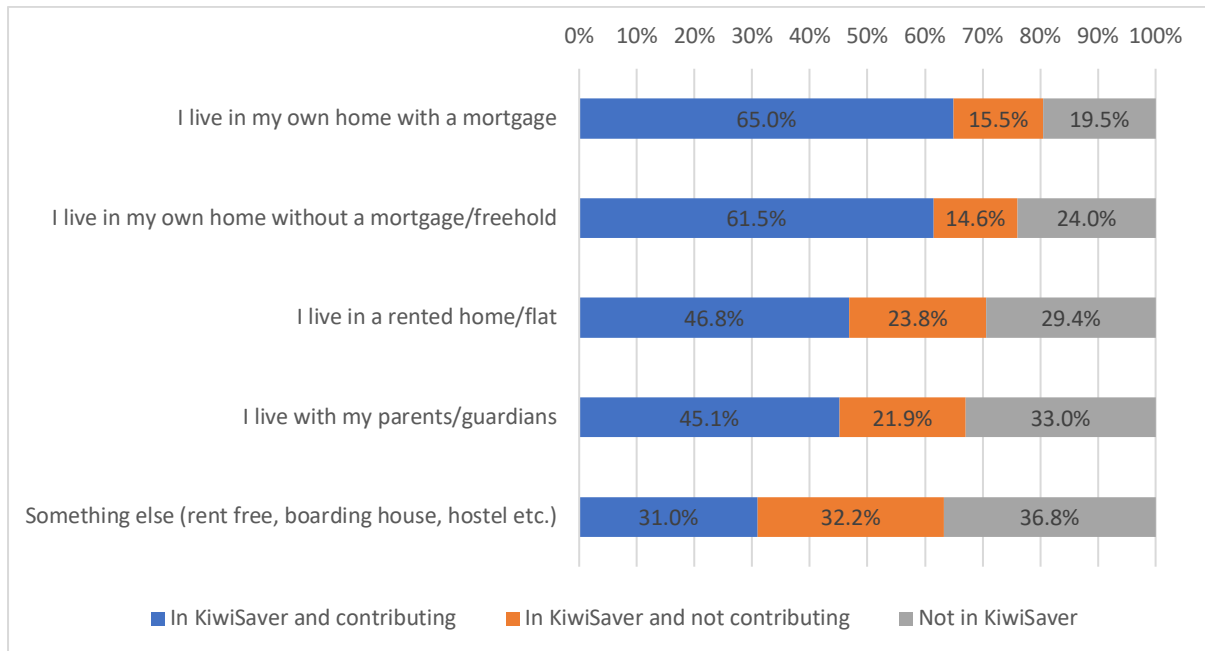


Fig. 2.7. KiwiSaver status within urban/rural locations (FCB)

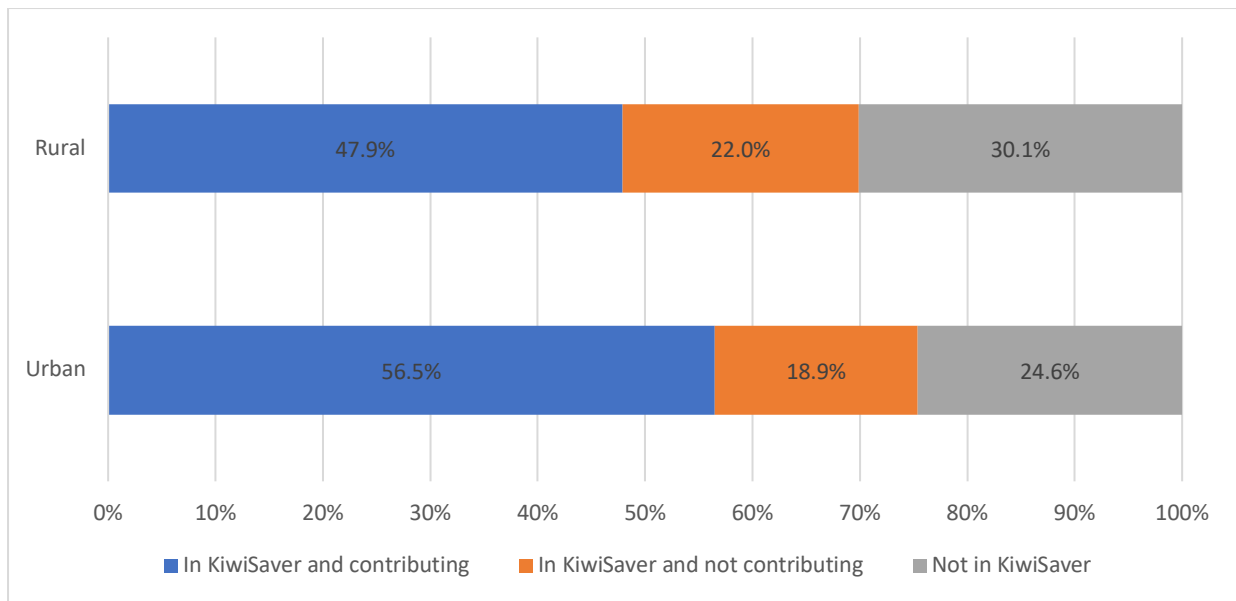


Fig. 2.8. Contributing KiwiSaver members - percentages within occupations (FCB)

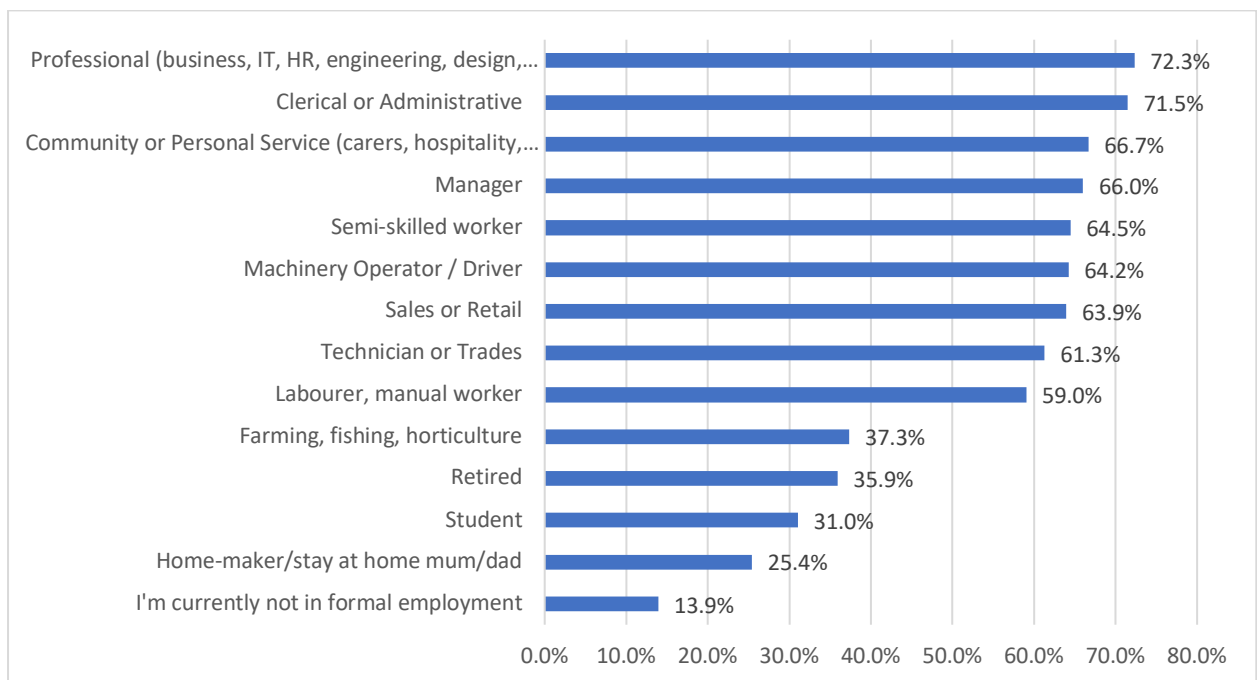


Fig. 2.9. Percentages within occupations who are enrolled in Kiwisaver (contributing or not) (FCB)

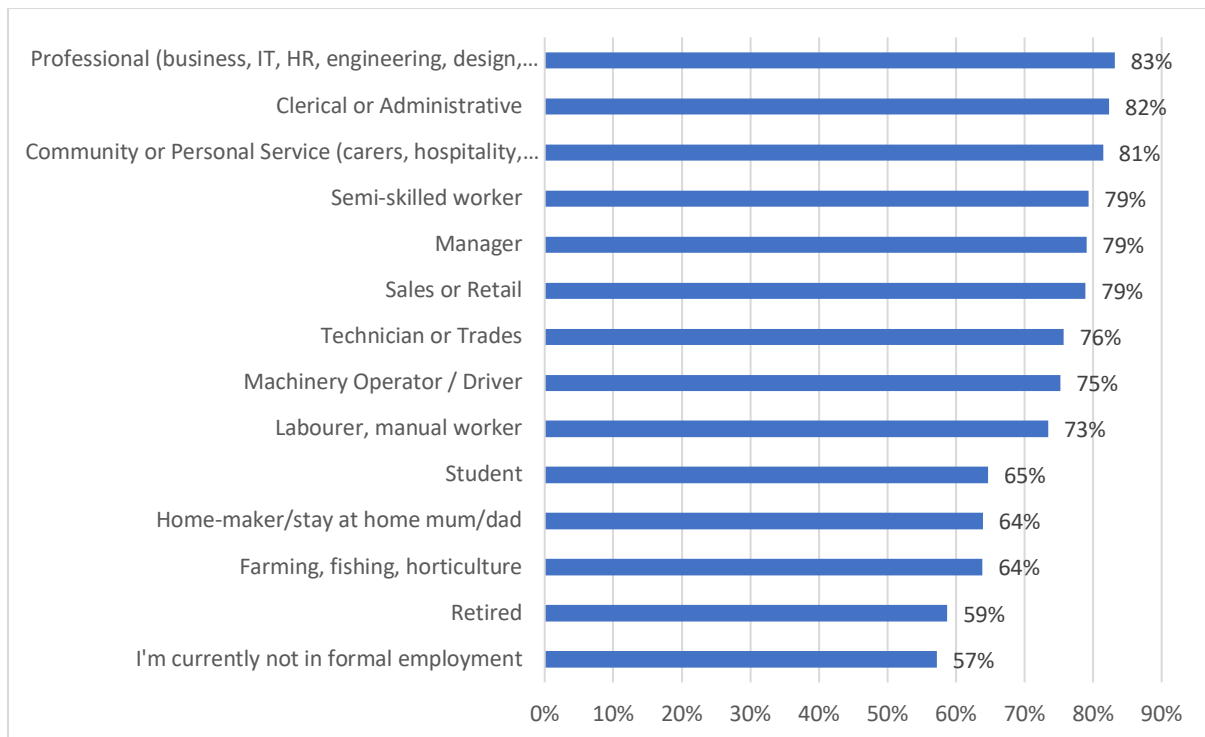


Fig. 2.10. KiwiSaver status by employment status (FCB).

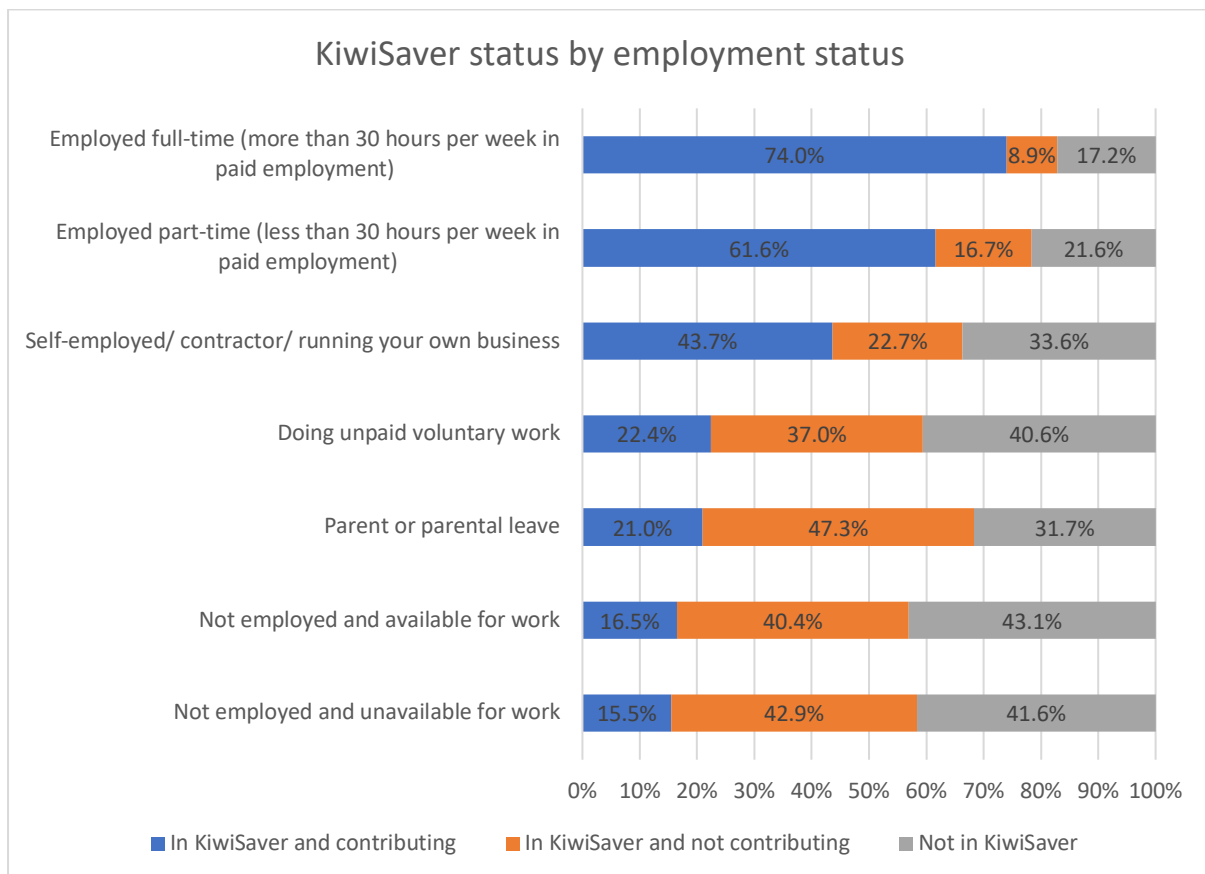


Fig. 2.11. KiwiSaver status by personal income (FCB)

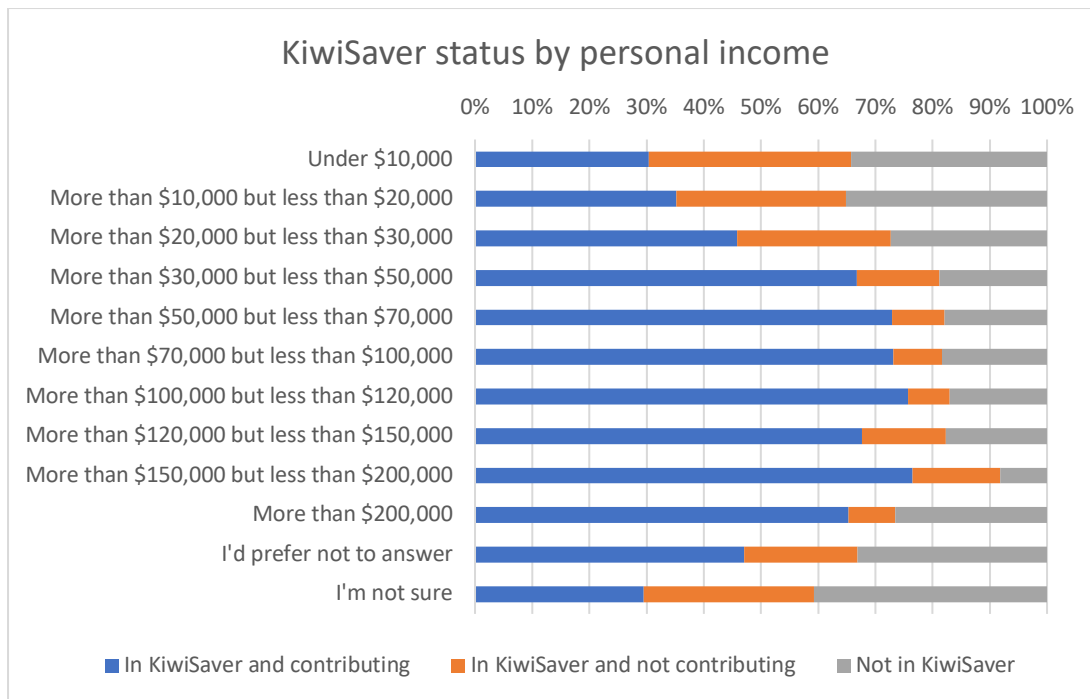
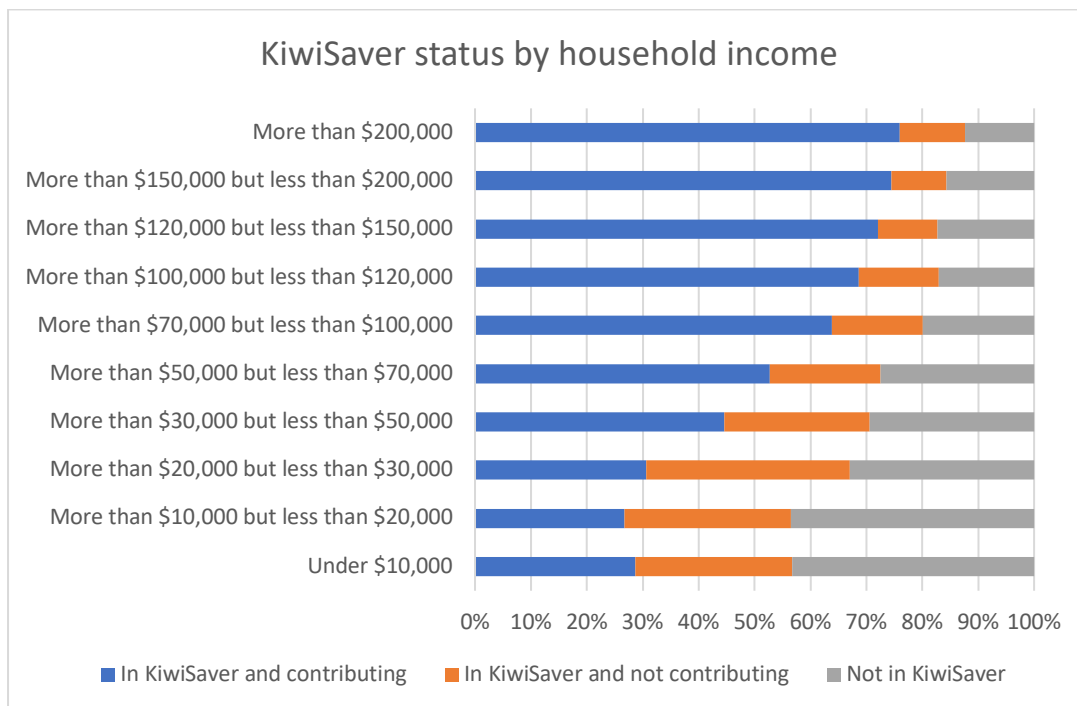


Fig. 2.12. KiwiSaver status by household income (FCB)



Questions related to hardship and income volatility were asked in selected waves of the survey (FCB). The responses suggest that being enrolled in KiwiSaver but not contributing is more correlated with financial hardship and income volatility than not being enrolled at all (Fig. 2.13-2.15). Data from the previous section shows that there may be many reasons for non-enrolment, some of which are

not related to hardship; for example, having another superannuation scheme or other investments, on not having entered the workforce yet.

Fig. 2.13. KiwiSaver status by self-assessed employability (FCB)

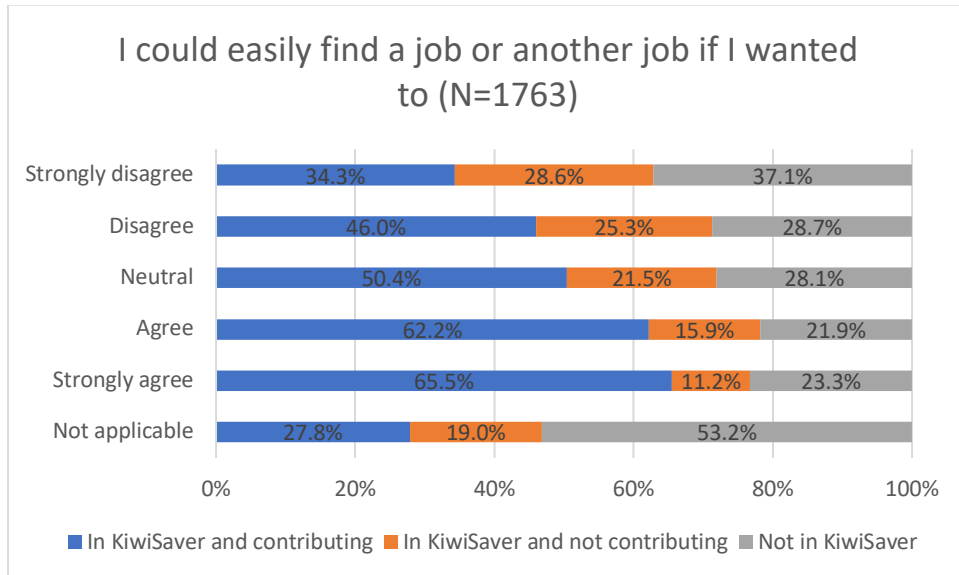


Fig. 2.14. KiwiSaver status by borrowing to meet living costs (FCB)

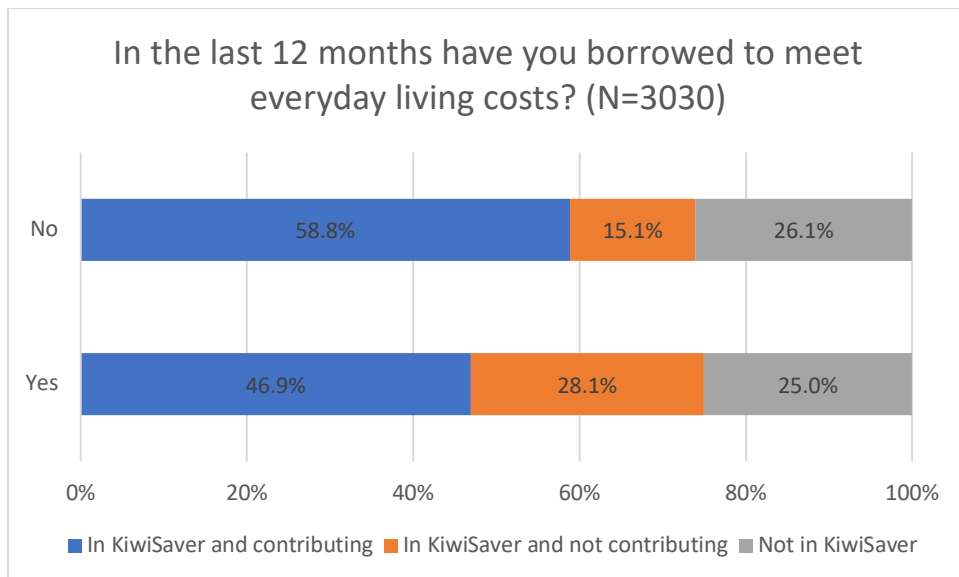
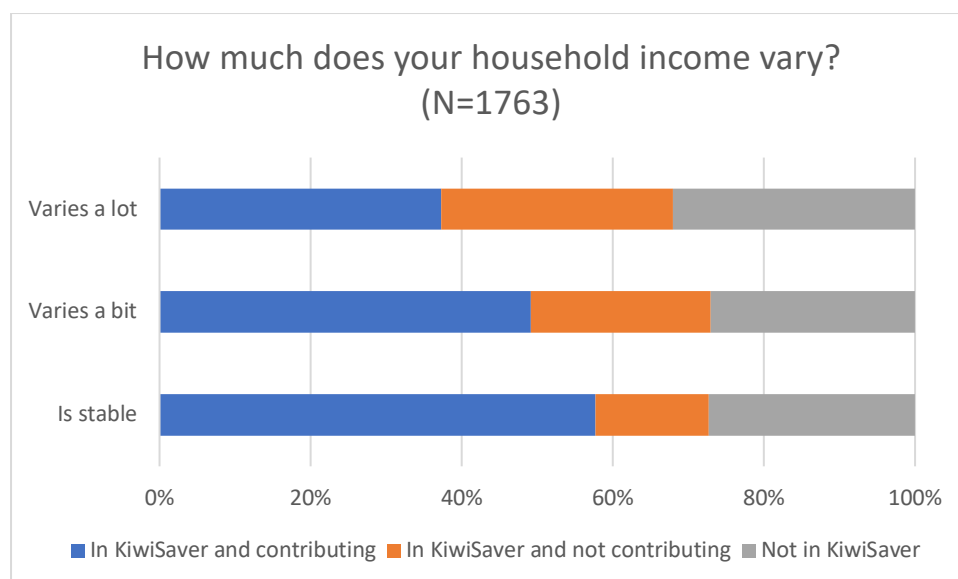


Fig. 2.15. KiwiSaver status by variability of household income (FCB).



2.4. Reasons for not being in KiwiSaver

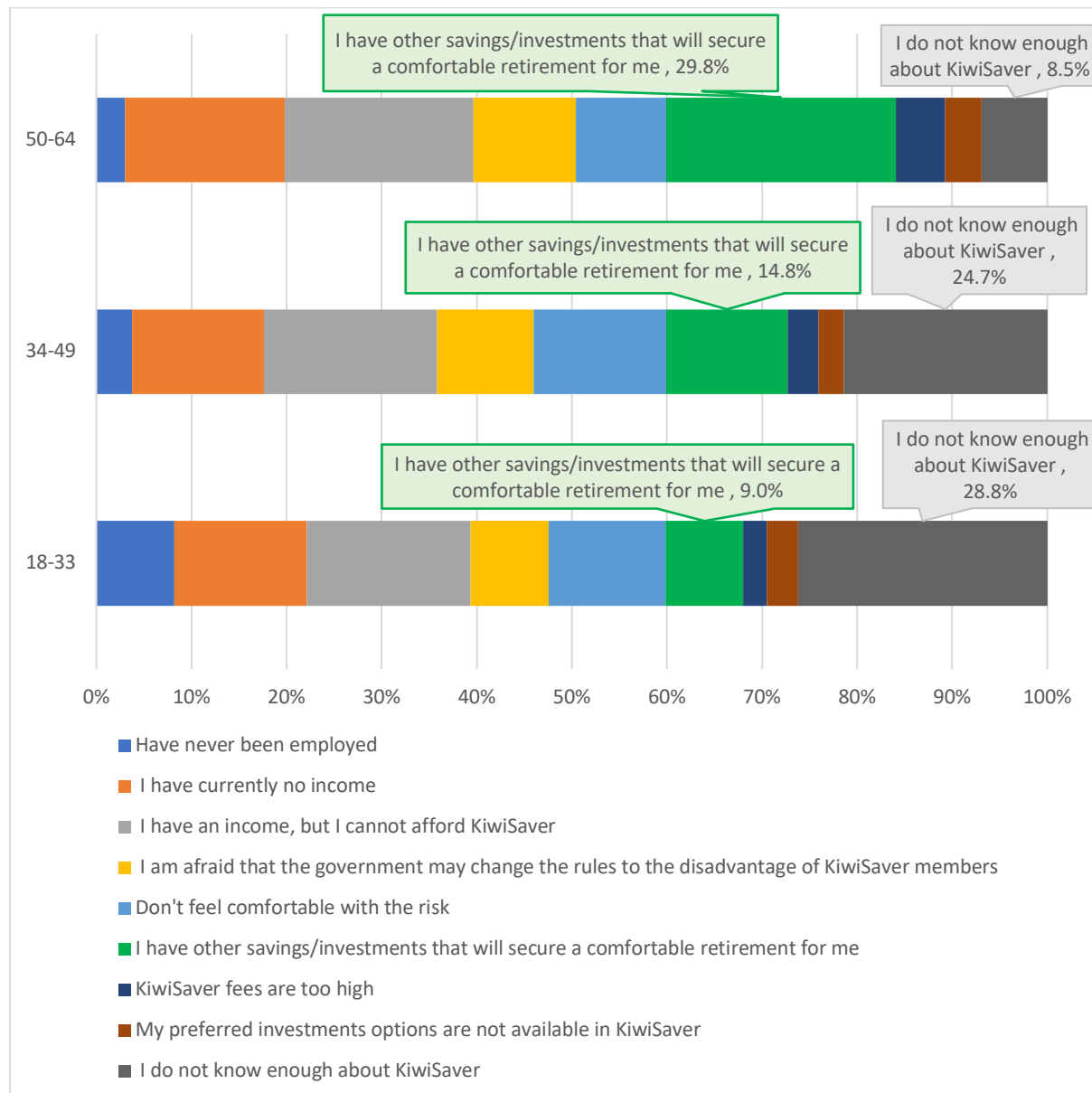
Respondents who were not in KiwiSaver were asked why they are not in KiwiSaver. 40% of the reasons given by respondents were due to a lack of, or insufficient, income. Other common reasons were having other investments (selected mostly by older respondents) and lack of knowledge about KiwiSaver (Table 2.16).

| | Frequency | Percent |
|---|-----------|---------|
| I have an income, but I cannot afford KiwiSaver | 101 | 21.9% |
| I have other savings/investments that will secure a comfortable retirement for me | 90 | 19.5% |
| I do not know enough about KiwiSaver | 88 | 19.1% |
| I have currently no income | 82 | 17.8% |
| Don't feel comfortable with the risk | 63 | 13.7% |
| Other (please specify) | 61 | 13.2% |
| I am afraid that the government may change the rules to the disadvantage of KiwiSaver members | 54 | 11.7% |
| Have never been employed | 24 | 5.2% |
| KiwiSaver fees are too high | 21 | 4.6% |
| My preferred investments options are not available in KiwiSaver | 18 | 3.9% |
| Total | 461 | >100.0 |

Among the 13% of respondents who selected “other” reasons, the most common explanation was that they were not eligible due to non-resident status (the survey did not exclude respondents on temporary visas). Other reasons included advice from accountant or being too close to retirement to benefit from signing up.

Older respondents (50-64 years old) were more likely to select the response “I have other savings/investments” than younger age groups, whereas lack of knowledge was the top reason selected by those aged 18-33 (Fig. 2.17).

Fig. 2.17. Reasons respondent not in KiwiSaver, by age group (KS)



Male respondents were more likely to select “I have other savings/investments...” as a reason for not being in KiwiSaver (24%), compared to women (14.5%).¹⁰ This is consistent with the ANZ Financial Wellbeing Survey which has found that women are less likely than men to hold investments.

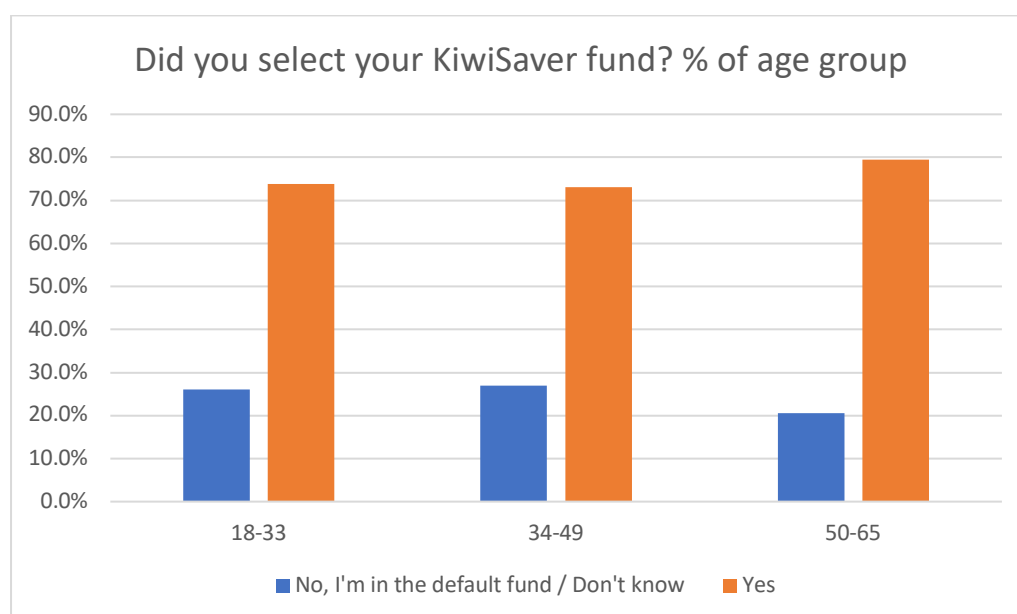
¹⁰ The difference is statistically significant at the 0.05 level.

2.5 Selecting a KiwiSaver fund

The majority (75%) of respondents who are in KiwiSaver selected their fund. There is little difference between age groups – those aged 50 and over are slightly more likely to have selected their fund.

| | Frequency | Percent |
|--|-----------|---------|
| No, I'm in the default fund / Don't know | 393 | 24.8% |
| Yes | 1192 | 75.2% |
| Total | 1585 | 100.0% |

Fig. 2.18. KiwiSaver fund selection by age group (KS).



Performance was the main criterion for fund selection, selected by over 60% of respondents who selected their own fund. Fees (36%) and risk level (31%) were the other two most important factors when selecting a fund (Table 2.19). Fees were more important for the 18-33 age group than for older respondents (Table 2.20).

| | Frequency | Percent |
|---|-----------|---------|
| Performance (returns) | 730 | 61.2% |
| Fees | 433 | 36.3% |
| Risk level | 374 | 31.4% |
| Confidence in the fund manager | 293 | 24.6% |
| Ethical investment | 132 | 11.1% |
| Recommendation from a financial advisor | 131 | 11.0% |
| Communication | 110 | 9.2% |
| Recommendation from someone else | 82 | 6.9% |
| Other | 82 | 6.9% |

| | | |
|-------------|------|---------|
| Advertising | 6 | 0.5% |
| Total | 1192 | >100.0% |

| Table 2.20. What was most important for you when choosing the KiwiSaver fund? [Base: respondents who selected their KiwiSaver fund] Respondents could select up to 3 answers] | 18-33 years | 34-49 years | 50-65 years |
|---|-------------|-------------|-------------|
| Fees | 40.9% | 37.4% | 30.2% |
| Performance (returns) | 59.1% | 64.7% | 59.5% |
| Ethical investment | 13.8% | 10.4% | 9.0% |
| Communication | 9.8% | 8.9% | 9.0% |
| Confidence in the fund manager | 17.3% | 22.6% | 34.8% |
| Risk level | 31.1% | 30.1% | 33.2% |
| Recommendation from a financial advisor | 12.5% | 9.9% | 10.6% |
| Recommendation from someone else | 8.8% | 5.2% | 6.8% |
| Advertising | 1.0% | 0.5% | 0.0% |
| | 100.0% | 100.0% | 100.0% |

2.6. Profiles of non-contributing members

- 21% of women are in KS but not contributing, compared to 15% of men
- Non-contributing (while being enrolled in KiwiSaver) is highest in the 18-33 age group (20% of this age groups is enrolled but not contributing)
- 54% of people who fulfil all of the following conditions are enrolled but not contributing:¹¹ not employed, living in own home with a mortgage and being a stay at home parent or carer. The majority of such respondents are female. These respondents probably have an employed spouse (the household can afford a mortgage). Being a stay at home parent while not contributing to KiwiSaver disadvantages women because they miss out on the government contribution. One respondent wrote in an open-ended comment field that she counts on her husband's KiwiSaver to get by.
- 47% of people who fulfil all of the following conditions: unemployed, renting and aged 18-34 years are in KiwiSaver but not contributing (non-employed renters 35+ are more likely to not be in KiwiSaver at all - 43% of them are not enrolled). Employment and related income seem to be the biggest factor here; however, much of this group is likely to be between jobs or studying and may restart their contributions when they return to paid employment.
- Out of those who are employed, Maori employed part-time have the highest rate of non-contributing - 28% not contributing (compared to 11% of non-Maori who are employed part time). This may reflect lower wages, fewer hours or having family commitments which make contribution unfeasible.

¹¹ CHAID algorithm was used to identify these profiles.

3. Public opinion on Kiwisaver fees and ethical investment in KiwiSaver

3.1. Data

The source of data for this section is the KiwiSaver survey (KS) of 2,046 New Zealanders aged 18-64 conducted by the Commission in April 2019.

3.2. Executive summary

- **Fees matter, especially for younger KiwiSaver members:**
 - For over one third of KiwiSaver members (36%), fees are important when selecting a KiwiSaver fund
 - Fees are important for 41% of 18-33 year olds when selecting a KiwiSaver fund
 - Fees are the second most important consideration when selecting a KiwiSaver fund (after fund performance)
- **A majority support capping KiwiSaver fees**
 - More than half of respondents (55%) support a fee cap for all KiwiSaver funds, and a further 12% support a fee cap for default funds only
- **Fees are important for those already enrolled but are not a barrier to joining**
 - Despite the importance of fees for current KiwiSaver members, less than 5% of KiwiSaver non-members indicated fees as a reason why they are not in KiwiSaver
- **Ethical investment is important**
 - Only 26% overall, and 18% of contributing KiwiSaver members, are NOT interested at all in ethical investment
- **Animal cruelty, worker exploitation, whaling and pornography topped the list of activities that respondents would like to see excluded from what an ethical investment fund invests in**
 - Each of the above activities was expected to be excluded by over 70% of respondents
 - Nuclear power, pornography and fossil fuels were rejected by female respondents at a much higher rate than by male respondents
 - Younger respondents rejected investment in fossil fuels at a higher rate than older respondents.
- **A majority are satisfied with available ethical investment options within KiwiSaver, but women and ethnic minorities are less satisfied**
 - Among those in KiwiSaver and contributing, 70% were satisfied with the range of ethical investment options
 - This high level of satisfaction is a surprise because most ethical investment funds do not meet the expectations reported by survey participants
 - Female respondents show higher levels of dissatisfaction with available ethical investment options compared to sample average. Of those dissatisfied with ethical investment options, 64% are female.

- Maori and Pacific respondents also show higher levels of dissatisfaction with available ethical investment options, but these data need to be interpreted with caution due to small sample sizes

3.3. Opinion on KiwiSaver fees

Table 2.20 shows that fees and ethical investment were more important for 18-33-year olds choosing their KiwiSaver fund than for respondents in older age groups:

However, for those not in KiwiSaver, the main barriers to joining KiwiSaver did not include fees or limited investment options. Instead, unaffordability, having other retirement savings and lack of knowledge were the top three reasons why respondents did not join KiwiSaver (Table 3.1):

| Table 3.1. What are the reasons you are not in KiwiSaver? [Base: respondents who are not in KiwiSaver] Respondents could select more than one answer | No. of respondents | Percent |
|--|--------------------|---------|
| I have an income, but I cannot afford KiwiSaver | 101 | 21.9% |
| I have other savings/investments that will secure a comfortable retirement for me | 90 | 19.5% |
| I do not know enough about KiwiSaver | 88 | 19.1% |
| I have currently no income | 82 | 17.8% |
| Don't feel comfortable with the risk | 63 | 13.7% |
| Other | 61 | 13.2% |
| I am afraid that the government may change the rules to the disadvantage of KiwiSaver members | 54 | 11.7% |
| Have never been employed | 24 | 5.2% |
| KiwiSaver fees are too high | 21 | 4.6% |
| My preferred investments options are not available in KiwiSaver | 18 | 3.9% |
| Total | 461 | 100% |

A flat fee was the most supported fee option among respondents who are enrolled in KiwiSaver. 44% of these respondents preferred it over a percentage fee (13%) or a combination of both (20%) (Table 3.2):

| Table 3.2. When selecting a KiwiSaver fund, do you prefer a flat fee, percentage of balance fee or a combination of both? [Base: those in KiwiSaver] | No. of respondents | Percent |
|--|--------------------|---------|
| A flat fee (everyone pays the same amount) | 695 | 43.8% |
| A percentage fee (people who have higher KiwiSaver balance pay more) | 212 | 13.4% |
| A combination of flat and percentage fee | 309 | 19.5% |
| No opinion | 369 | 23.3% |
| Total | 1585 | 100% |

More than half of respondents (55%) support a fee cap for all KiwiSaver funds, and a further 12% support a fee cap for default funds only (Table 3.3):

| Table 3.3. Should there be a KiwiSaver fee cap? [Base: those in KiwiSaver] | No. of respondents | Percent |
|--|--------------------|---------|
| No - after-fee returns are what matters | 353 | 22.3% |
| No, fund managers have the right to set their fees | 166 | 10.5% |
| Yes, but only for default providers | 186 | 11.7% |
| Yes, for all KiwiSaver funds | 880 | 55.5% |
| Total | 1585 | 100% |

Those aged 50-64 were more likely to support a fee cap on all funds, and those aged 18-33 a fee cap for default providers only. Younger respondents were more likely to be against a fee cap, compared to older respondents. Fees matter to the 18-33 age group more than for older age groups but the 18-33 age group is also more likely to agree to leave fees to the market (Table 3.4.):

| Table 3.4. Should there be a KiwiSaver fee cap? | 18-33 years | 34-49 years | 50-65 years | Total |
|--|-------------|-------------|-------------|--------|
| No - after-fee returns are what matters | 25.6% | 22.0% | 18.8% | 22.3% |
| No, fund managers have the right to set their fees | 16.3% | 8.6% | 6.0% | 10.5% |
| Yes, but only for default providers | 15.9% | 11.0% | 7.8% | 11.7% |
| Yes, for all KiwiSaver funds | 42.2% | 58.4% | 67.4% | 55.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

3.4. Opinion on ethical investment

Animal cruelty, worker exploitation, whaling, pornography and weapons topped the list of activities that respondents would like to see excluded from an ethical investment fund (Table 3.5). There were differences by age and sex. For example, younger respondents were more likely to want to exclude fossil fuels, compared to older respondents (Table 3.6).

| Table 3.5. What do you expect from an ethical investment fund to NOT invest in? Respondents could select any number of answers | No. of respondents | Percent |
|--|--------------------|---------|
| Animal cruelty | 1602 | 78.3% |
| Companies that exploit workers / break labour laws | 1550 | 75.8% |
| Whaling | 1499 | 73.3% |
| Pornography | 1482 | 72.4% |
| Any weapons | 1310 | 64.0% |
| Gambling | 1300 | 63.5% |
| Military weapons | 1297 | 63.4% |
| Tobacco | 1281 | 62.6% |
| Nuclear power | 1086 | 53.1% |
| Alcohol | 877 | 42.9% |
| Fossil fuels | 833 | 40.7% |
| Genetic engineering | 755 | 36.9% |
| Other | 57 | 2.8% |

| | | |
|-------|------|-------|
| Total | 2046 | >100% |
|-------|------|-------|

| Table 3.6. What do you expect from an ethical investment fund to NOT invest in? Respondents could select any number of answers | 18-33 yrs | 34-49 yrs | 50-65 yrs |
|--|-----------|-----------|-----------|
| Military weapons | 54.4% | 65.2% | 70.4% |
| Any weapons | 58.8% | 63.6% | 69.7% |
| Tobacco | 58.7% | 63.0% | 66.1% |
| Alcohol | 44.5% | 41.7% | 42.5% |
| Gambling | 62.5% | 62.5% | 65.7% |
| Nuclear power | 53.6% | 54.7% | 50.7% |
| Animal cruelty | 74.0% | 78.1% | 82.8% |
| Fossil fuels | 45.9% | 41.8% | 34.3% |
| Whaling | 67.1% | 75.7% | 76.7% |
| Pornography | 67.0% | 70.3% | 80.3% |
| Companies that exploit workers / break labour laws | 71.0% | 74.3% | 82.2% |
| Genetic engineering | 30.0% | 39.9% | 40.4% |

Female respondents were more likely than male respondents to exclude any of the listed activities. In particular, nuclear power, pornography and fossil fuels were rejected by female respondents at a much higher rate than by male respondents (Table 3.7):

| Table 3.7. What do you expect from an ethical investment fund to NOT invest in? | Male | Female | Difference (F-M) |
|---|------|--------|------------------|
| Nuclear power | 41% | 64% | 24% |
| Pornography | 63% | 81% | 18% |
| Fossil fuels | 31% | 49% | 18% |
| Gambling | 56% | 70% | 14% |
| Alcohol | 35% | 49% | 14% |
| Genetic engineering | 30% | 43% | 13% |
| Any weapons | 57% | 70% | 13% |
| Military weapons | 58% | 68% | 10% |
| Companies that exploit workers / break labour laws | 70% | 80% | 10% |
| Animal cruelty | 73% | 83% | 9% |
| Tobacco | 58% | 66% | 8% |
| Whaling | 69% | 77% | 7% |

More than half of respondents were satisfied with the range of ethical investment options available in KiwiSaver. Among those in KiwiSaver and contributing, 70% were satisfied with the range of ethical investment options. This is a surprise in the light of high standards for ethical investment, revealed by the data above: most ethical investment funds do not meet these standards. Of those dissatisfied with ethical investment options available, 64% are female (Table 3.8).

| Table 3.8. Are you satisfied with the range of ethical investment options offered by KiwiSaver providers? | Yes, I'm in KiwiSaver and I'm making contributions | Yes, I'm in KiwiSaver, but I am not making contributions | No, I'm not in KiwiSaver | Overall |
|---|--|--|--------------------------|---------|
| Yes | 69.5% | 57.9% | 34.1% | 59.4% |
| No | 12.1% | 19.3% | 19.1% | 15.0% |
| Not interested in ethical investment | 18.4% | 22.8% | 46.9% | 25.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

Only 26% of all respondents (and 18% of contributing KiwiSaver members), are not interested at all in ethical investment. This suggests that the overwhelming majority of KiwiSaver members are interested in ethical investment. However, only a minority selected ethical investment when asked about the criteria for selecting a fund. A possible explanation is that respondents show social desirability bias (select the “right” answer) when asked about ethical investment directly, but their actual behaviour shows limited consideration of ethical investment in KiwiSaver funds.

4. Assets, liabilities and labour force participation

4.1. Data sources

This section uses data from the Household Economic Survey, Labour Force Survey and Linked Employer-Employee Dataset (Statistics New Zealand), including customised data requests from CFFC to Statistics New Zealand.

4.2. Executive summary

- Net worth data shows a concentration of high asset values among a minority of respondents
- Net worth increases with age, as people accumulate assets and pay down debt. Those aged 65-74 years have the highest average net worth (NZ\$ 770,000).
- Over the last 3 years, there has been a decline in the mean average worth of 15-34-year olds
- The age when people first purchase property has been slowly increasing.
- 11% of people aged 65-74, and 4% of those aged 75 and over, still have a mortgage.
- Among those aged 65 and over, those who rate their health better tend to have higher net worth.
- 5.7% of NZ households owe more than they own
- The two groups with the lowest net wealth were single-parent households with dependent children, and renters.

4.3. Individual net worth – average and median assets and liabilities

The table below shows a breakdown of mean and median values of individual assets and liabilities in New Zealand, 2018. Mean values (arithmetic averages) are, for all assets and liabilities, higher than

median values (values separating the higher half from the lower half). This means that a small number of individuals have very high values of assets and/or liabilities; this applies especially to financial assets, such as shares and business equity. Because of this concentration of high asset values among a minority of respondents, the average values do not represent the “average New Zealander”.

The mean net worth is NZ\$ 359,000, and the median net worth is NZ\$ 92,000.

| Table 4.1. Individual assets and liabilities | | Median value (thousands of dollars) for those who have this asset/liability | Mean value (thousands of dollars) for those who have this asset/liability | What % of population have this asset | population mean (mean value (thousands of dollars) per person including those who do not have this asset/liability) |
|--|--|--|--|---|--|
| Assets | | | | | |
| | Owner-occupied dwellings | 267 | 333 | 39% | 129 |
| | Other real estate | 229 | 345 | 9% | 32 |
| | Consumer durables | 30 | 44 | 91% | 40 |
| | Valuables | 7 | 18 | 20% | 4 |
| | Total non-financial assets | 104 | 224 | 91% | 205 |
| | Currency and deposits | 3 | 29 | 94% | 28 |
| | Bonds and other debt securities | 12 | 106 | 1% | 1 |
| | Equity in own unincorporated enterprises | 50 | 313 | 4% | 12 |
| | Total shares and other equity | 213 | 740 | 18% | 132 |
| | Mutual funds and other investment funds | 48 | 155 | 5% | 7 |
| | Life insurance funds and annuities | 34 | 67 | 3% | 2 |
| | Pension funds | 15 | 37 | 52% | 19 |
| | Other household financial assets | 15 | 117 | 7% | 8 |
| | Total financial assets | 17 | 217 | 97% | 210 |
| Total individual assets | | 168 | 421 | 98% | 414 |
| Liabilities | | | | | |
| | Owner-occupied residence loans | 122 | 151 | 24% | 36 |
| | Other real estate loans | 177 | 244 | 5% | 12 |
| | Consumer durable loans | 1 | 2 | 9% | 0 |
| | Education loans | 15 | 21 | 14% | 3 |
| | Other loans and liabilities | 2 | 9 | 46% | 4 |
| Total individual liabilities | | 21 | 86 | 64% | 55 |
| Total individual net worth | | 92 | 359 | 100% | 359 |

4.4. Age and net worth

Net worth increases with age, as people accumulate assets and pay down debt. Those aged 65-74 years have the highest average net worth (NZ\$ 770,000). Past this age, average net worth declines as people gradually spend their savings in retirement. Nonetheless, the eldest New Zealanders (75+) still have relatively high average net worth of NZ\$ 588,000.

Over the last 3 years, there has been a decline in the mean average worth of 15-34-year olds, and an increase in the average net worth of those 35 and older. This suggests that younger people's wealth-building is delayed in time compared to 2015 (Table 4.2).

| Age group | Mean (dollars) | % change 2015-2018 |
|-----------|----------------|--------------------|
| 15-24 | 7,000 | -26.9 |
| 25-34 | 81,000 | -15.3 |
| 35-44 | 245,000 | 11.1 |
| 45-54 | 476,000 | 23.6 |
| 55-64 | 668,000 | 20.3 |
| 65-74 | 770,000 | 37.9 |
| 75+ | 588,000 | 18.5 |

The percentage of people owning assets in different age groups shows that the rate of home ownership increases sharply in the 35-44 age group, compared to younger age groups, and then slowly increases with age.

The age when people first purchase property has been slowly increasing. In 2018, the overall median age when person first acquired property was 26 years and 7 months old. This median age of acquiring the first property is higher within younger age groups.

- 50% of homeowners aged 65-74 years acquired their first property before they were 26 years 4 months old
- 50% of homeowners aged 55-64 years acquired their first property before they were 26 years 8 months old
- 50% of homeowners aged 45-54 years acquired their first property before they were 27 years 1 month old
- 50% of homeowners aged 35-44 years acquired their first property before they were 27 years 7 months old

Ownership of other real estate peaks in the 55-64-year-old group, at 15%, and then declines (which may be linked to decumulation in retirement). The percentage of those with a mortgage is highest in the 35-54 age group and then declines. However, 11% of people aged 65-74, and 4% of those aged 75 and over, still have a mortgage.

Older people have mostly paid off their mortgages, other real estate loans and education loans, but 46% of 65-74-year olds and 31% of 75+ year olds have “other loans and liabilities”. This is likely to be consumer debt, such as credit card balances. The percentages of those who have such debt within these age groups may seem high, but the average value of these debts is only NZ\$ 5,000, which should not be a burden considering the high net worth of these age groups (Table 4.3).

| Table 4.3. Percentage of people within age group who report that they have the asset/liability | 15–24 | 25–34 | 35–44 | 45–54 | 55–64 | 65–74 | 75+ |
|--|-------|-------|-------|-------|-------|-------|------|
| Assets | | | | | | | |
| Owner-occupied dwellings | 2% | 22% | 43% | 53% | 55% | 59% | 59% |
| Other real estate | 1% | 6% | 11% | 13% | 15% | 13% | 8% |
| Other non-financial assets | 64% | 94% | 98% | 98% | 98% | 98% | 95% |
| Total non-financial assets | 64% | 94% | 98% | 98% | 98% | 98% | 95% |
| Currency and deposits | 89% | 96% | 95% | 94% | 95% | 97% | 98% |
| Pension funds | 50% | 65% | 62% | 60% | 57% | 26% | 9% |
| Other household financial assets | 6% | 17% | 27% | 38% | 45% | 46% | 35% |
| Total financial assets | 91% | 98% | 98% | 98% | 98% | 99% | 98% |
| Total individual assets | 93% | 99% | 100% | 100% | 100% | 100% | 100% |
| Liabilities | | | | | | | |
| Owner-occupied residence loans | 2% | 21% | 42% | 44% | 30% | 11% | 4% |
| Other real estate loans | - | 4% | 7% | 9% | 7% | 3% | 1% |
| Education loans | 33% | 29% | 14% | 5% | 3% | 1% | 1% |
| Other loans and liabilities | 19% | 53% | 65% | 63% | 57% | 46% | 31% |
| Total individual liabilities | 44% | 73% | 82% | 78% | 68% | 53% | 33% |

4.5. Ethnic inequalities in net worth

Net worth is correlated with age and life stage. Maori and Pacific Islanders have younger populations, so we would expect their net worth to be lower. However, Statistics New Zealand provided us with age-standardised data (net worth recalculated as if each ethnic group had the same age structure) and even then, ethnic disparities are evident. (Fig 4.5 and Table 4.6).

Fig. 4.5. Median age standardised values of housing equity and mortgage debt by ethnicity.

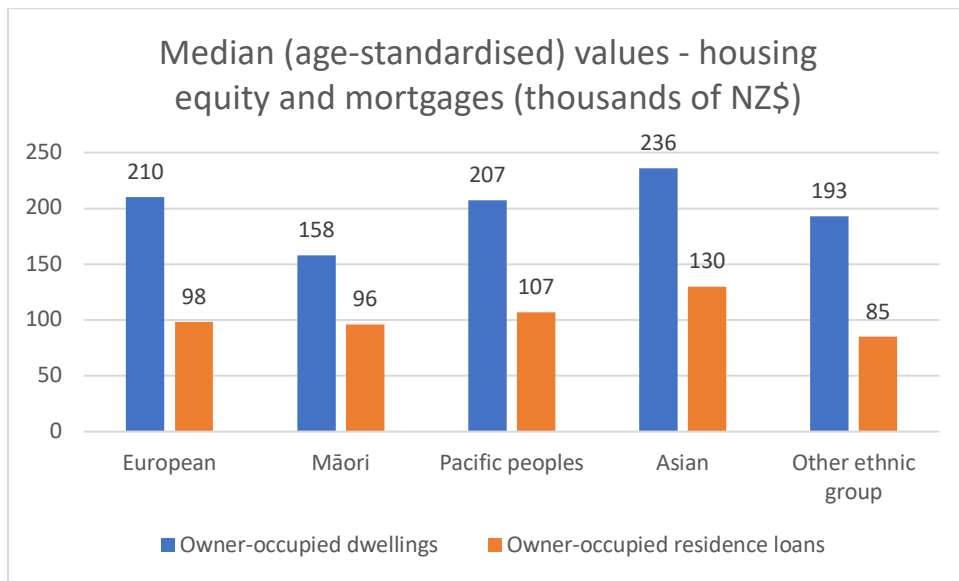


Table 4.6. Age-adjusted assets and liabilities by ethnic group – Household Economic Survey 2018

| Ethnic group (1) | European | mean value of the asset/liability for those who have it (2) | Māori | mean value of the asset/liability for those who have it | Pacific peoples | mean value of the asset/liability for those who have it | Asian | mean value of the asset/liability for those who have it | Other ethnic group | mean value of the asset/liability for those who have it |
|--------------------------------------|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|------------------------------------|---|
| Assets | % who have this asset or liability | | % who have this asset or liability | | % who have this asset or liability | | % who have this asset or liability | | % who have this asset or liability | |
| Owner-occupied dwellings | 45% | 328 | 24% | 256 | 18% | 302 | 30% | 432 | 39% | 228 |
| Other real estate | 10% | 334 | 7% | 250 | 3% | 286 | 11% | 426 | 9% | 253 |
| Other non-financial assets (3) | 94% | 54 | 85% | 38 | 79% | 22 | 88% | 30 | 94% | 41 |
| Total non-financial assets | 94% | 238 | 85% | 143 | 79% | 111 | 90% | 263 | 94% | 152 |
| Currency and deposits | 95% | 31 | 91% | 13 | 90% | 8 | 96% | 33 | 95% | 20 |
| Pension funds | 55% | 39 | 52% | 32 | 50% | 18 | 45% | 24 | 48% | 35 |
| Other household financial assets (4) | 34% | 604 | 17% | 462 | 9% | 83 | 20% | 309 | 30% | 460 |
| Total financial assets | 98% | 253 | 94% | 121 | 91% | 27 | 97% | 108 | 97% | 169 |
| Total individual assets | 99% | 474 | 98% | 246 | 93% | 124 | 99% | 339 | 99% | 309 |
| Liabilities | | | | | | | | | | |
| Owner-occupied residence loans | 27% | 146 | 18% | 135 | 15% | 160 | 21% | 210 | 23% | 107 |
| Other real estate loans | 5% | 219 | 4% | 179 | 2% | 193 | 6% | 421 | 5% | 158 |
| Education loans | 13% | 22 | 20% | 16 | 20% | 14 | 16% | 19 | 15% | 19 |
| Other loans and liabilities (5) | 51% | 8 | 49% | 9 | 47% | 9 | 43% | 14 | 42% | 11 |
| Total individual liabilities | 66% | 88 | 62% | 61 | 60% | 62 | 62% | 130 | 58% | 65 |

(1) Respondents could select more than one ethnic group

(2) Values are in thousands of New Zealand dollars

(3) Other non-financial assets include consumer durables, valuables and other household non-financial assets

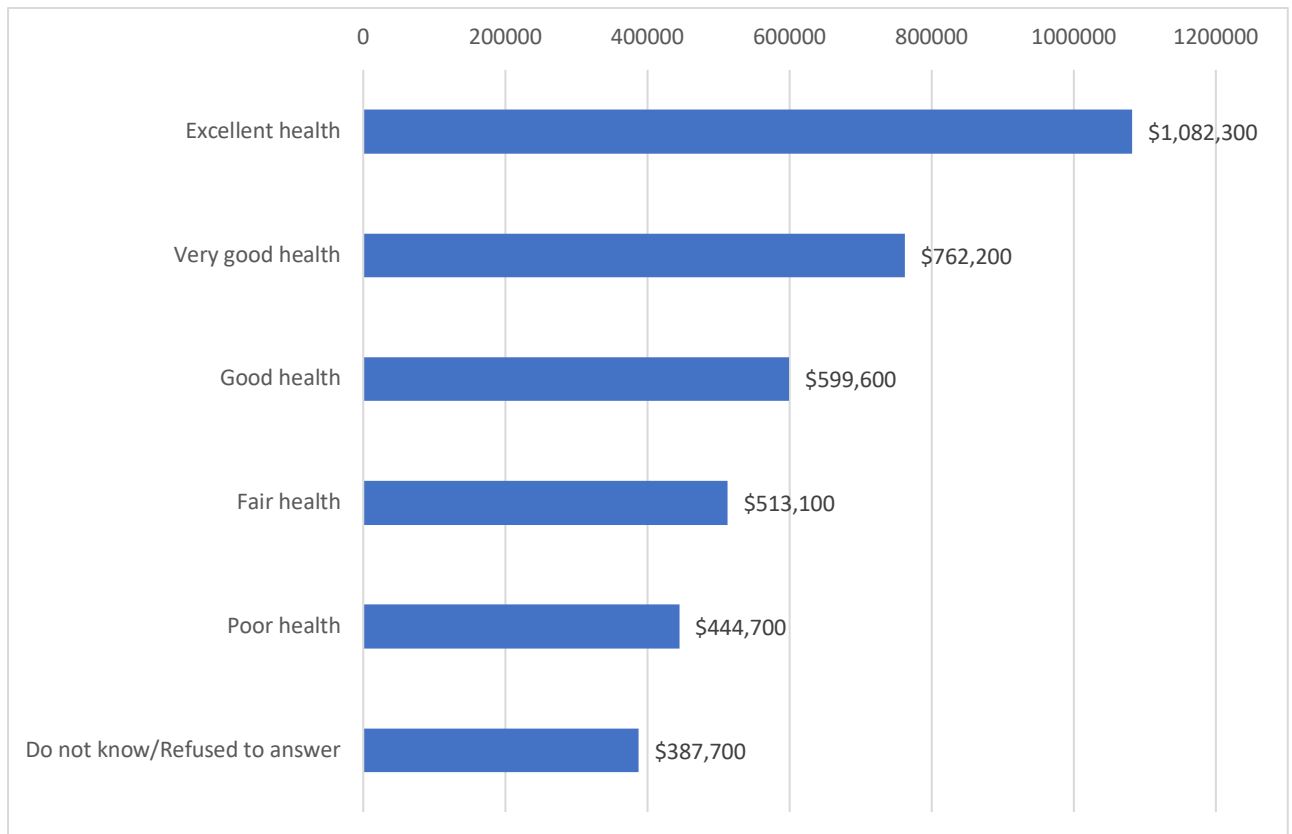
(4) Other financial assets include bonds and other debt securities, equity in own unincorporated enterprises, shares and other equity, mutual funds and other investment funds, life insurance funds and annuities, and other household financial assets

(5) Other loans and liabilities include consumer durable loans, other investment loans, and other loans and liabilities.

4.6. Health and net worth

Among those aged 65 and over, those who rate their health better tend to have higher net worth. Some, but not all, of this correlation can be explained by people spending their savings (and reducing their net worth) as they get older and sicker. Health is also linked to education; people with higher levels of education are healthier, more likely to earn more and accumulate more assets. Nonetheless, poor health on its own is a risk factor for financial vulnerability in retirement, because it limits potential earnings and may increase expenses.

Fig. 4.7. Median individual net worth of people aged 65 and over, by self-assessed health status



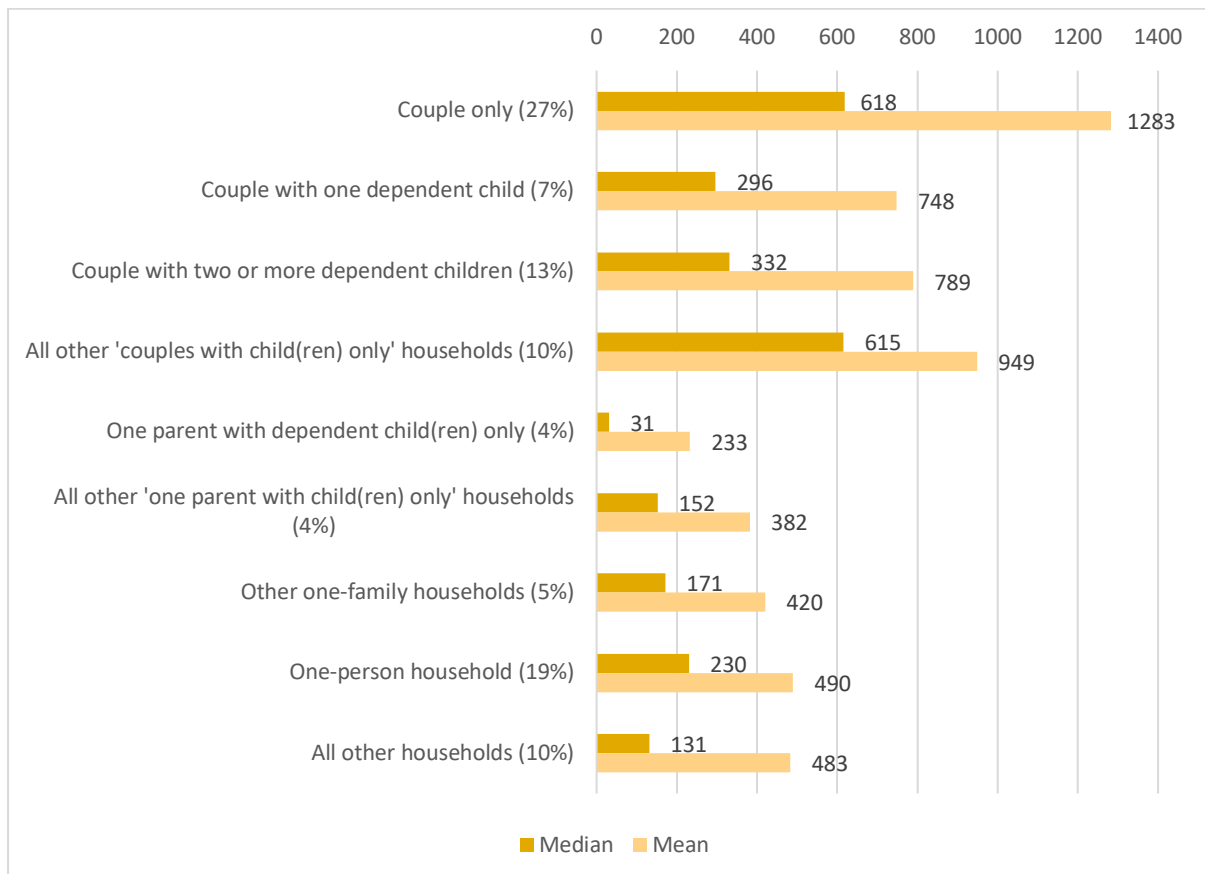
4.7. Household net worth and household size

5.7% of NZ households owe more than they own (their net worth is less than \$0) (Table 4.8).

| Table 4.8. Household net worth band | Percentage of households |
|-------------------------------------|--------------------------|
| less than \$0 | 5.70% |
| \$1 to \$100,000 | 24.60% |
| \$100,001 to \$500,000 | 30.10% |
| \$500,001 to \$1,000,000 | 18.20% |
| More than \$1,500,000 | 21.50% |

Single-parent households with dependent children have the lowest average net worth. Couple-only households have the highest mean and median net worth compared to other household types (Fig. 4.9).

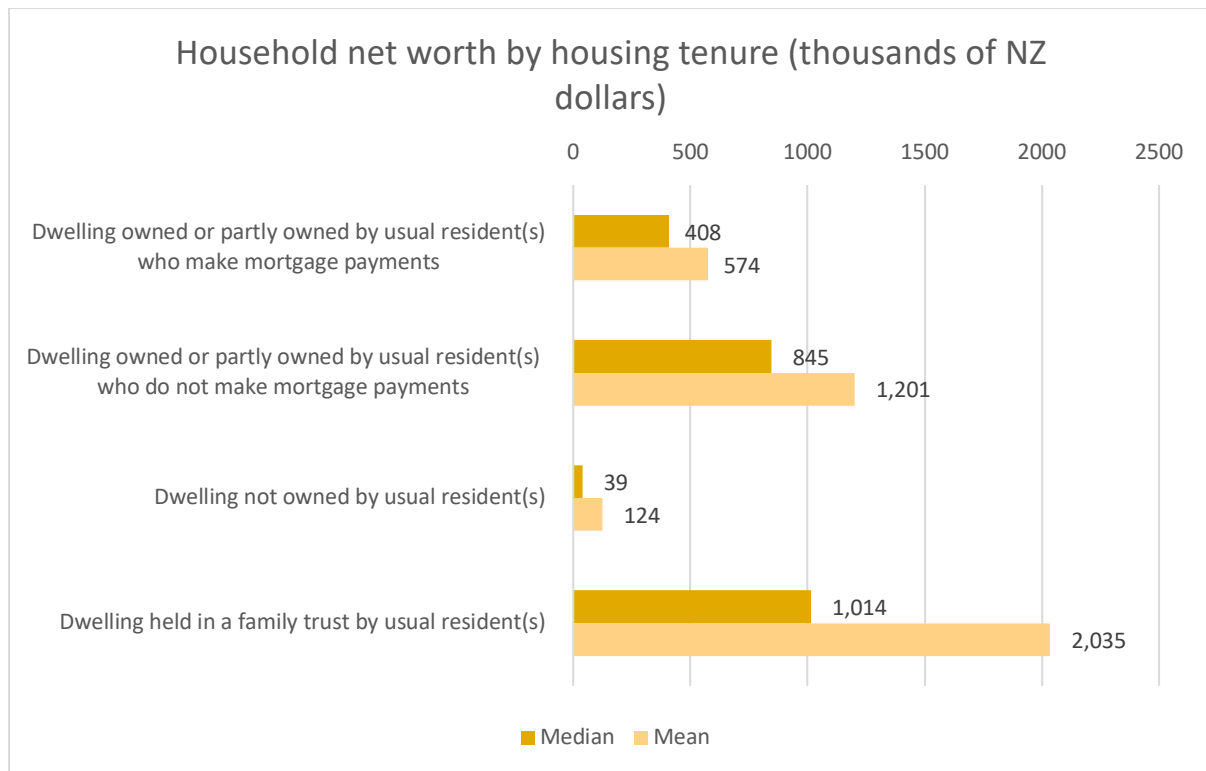
Fig. 4.9. Mean and median household net worth (thousands of dollars) by household type



4.8. Home ownership and net worth

Home owning households, even with a mortgage, have higher net worth than renters. This means that, on average, renters are not substituting property ownership with other assets (Fig. 4.10).

Fig. 4.10. Mean and median household net worth (thousands of dollars) by housing tenure



4.9. Older people in the labour force

Labour force participation of people aged 65 and over has been growing but is still much lower than for those aged 45-64. The gender gap in labour force participation in the 65+ age group is greater than in the two younger age groups (45-54 and 55-64) (Fig. 4.11 and 4.12).

Fig. 4.11. Labour force participation rate – male aged 45 and over

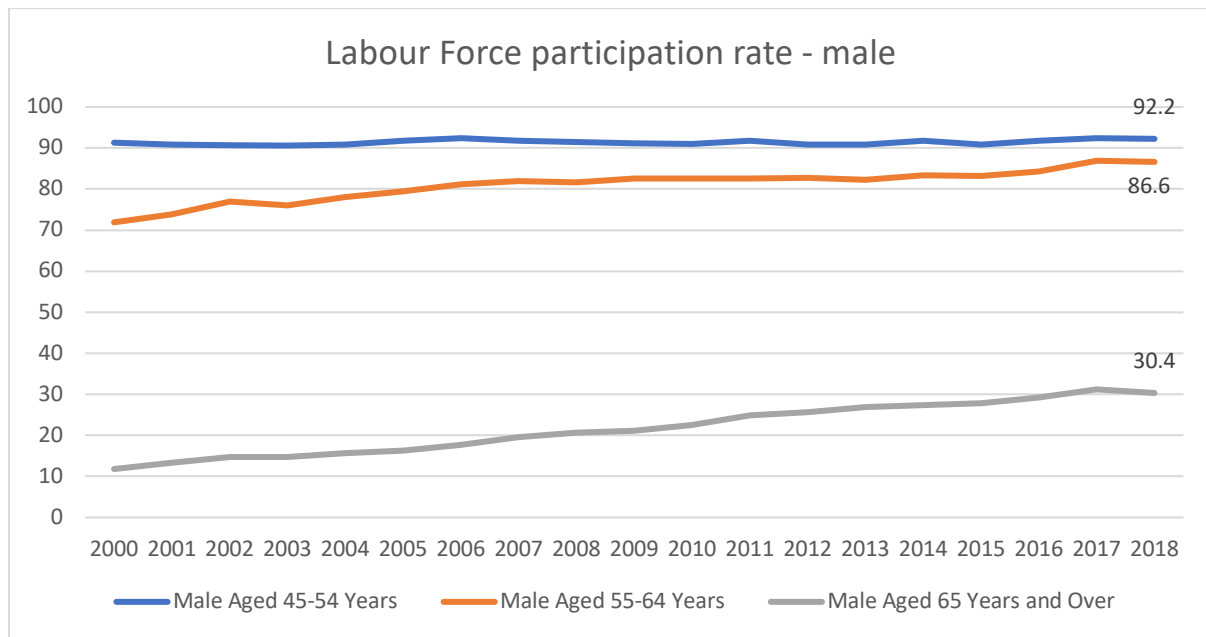
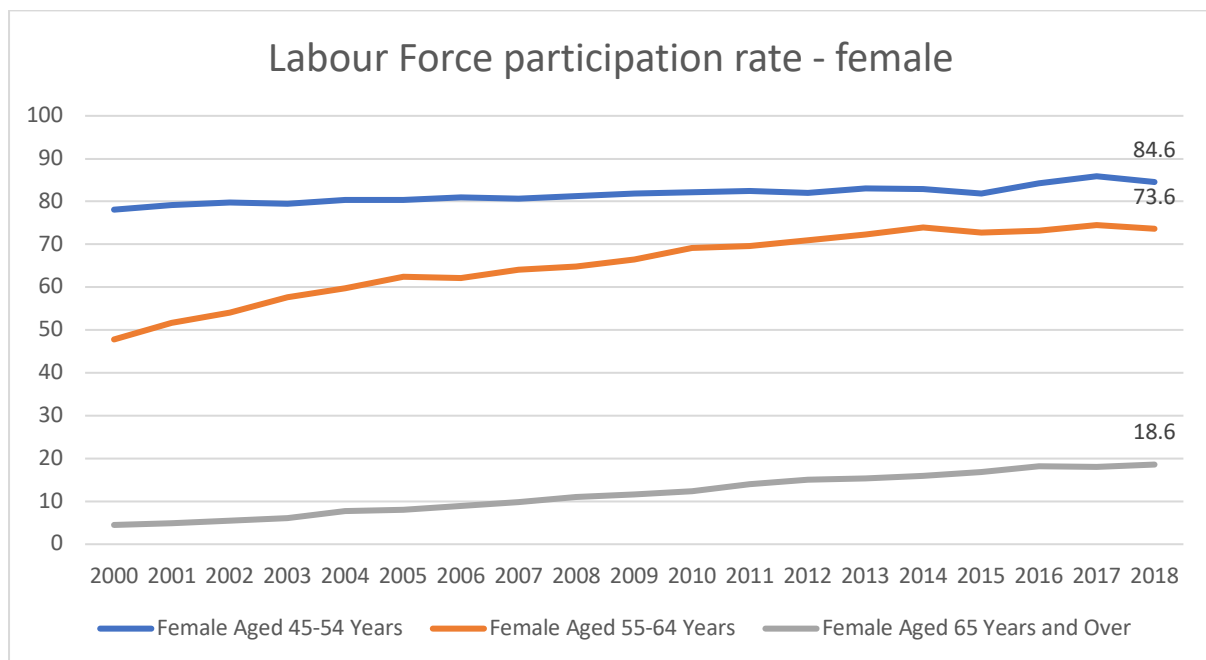
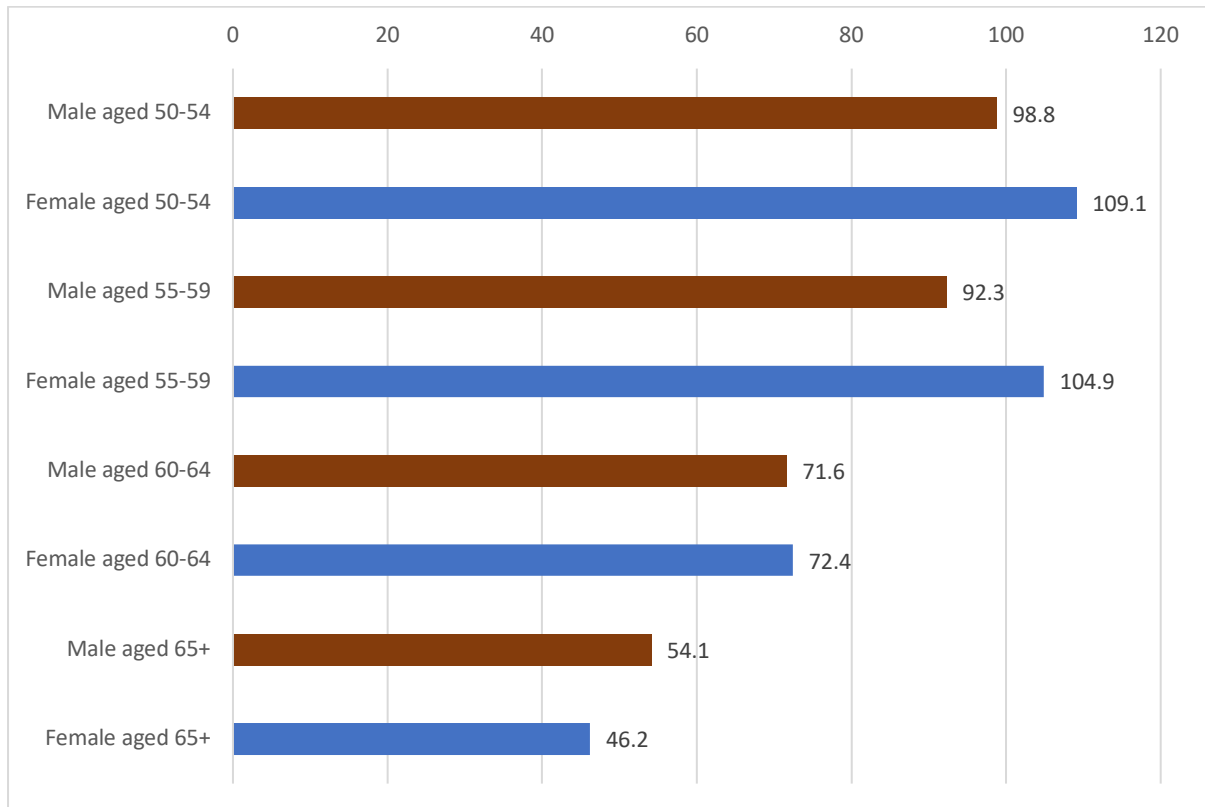


Fig. 4.12. Labour force participation rate – female aged 45 and over



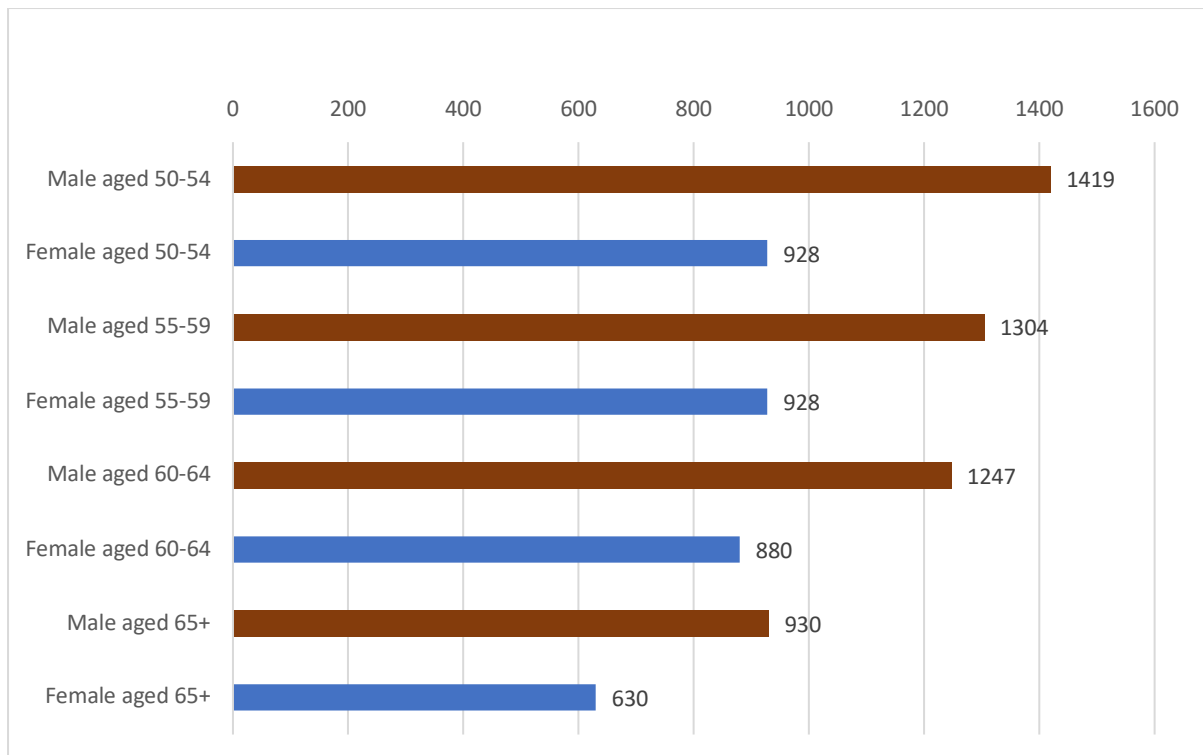
Despite lower rates of labour force participation, the absolute number of women aged 50 and over in paid employment exceeds the number of men, except for the 65+ age group.

Fig. 4.13. The number of people aged 50 or over receiving income from wages and salaries (thousands of people)



There is a gender gap in incomes from wages and salaries. Male median income from wages and salaries shows a decline starting from the age of 50. Women's income from wages and salaries is more stable across older age groups and declines only after 65 years of age but is consistently lower than median male income in the same age group (Fig 4.14).

Fig. 4.14. Median weekly income (dollars) from salaries and wages, by age group and sex



Among those in the labour force aged 65 and over, paid employees are the largest group but the number of employers has been growing(Fig. 4.15). Among those aged 75 and over, the proportion of paid employees is lower compared to 65+ and self-employment is growing (Fig 4.16).

Fig. 4.15. The size and composition of labour force aged 65 and over.



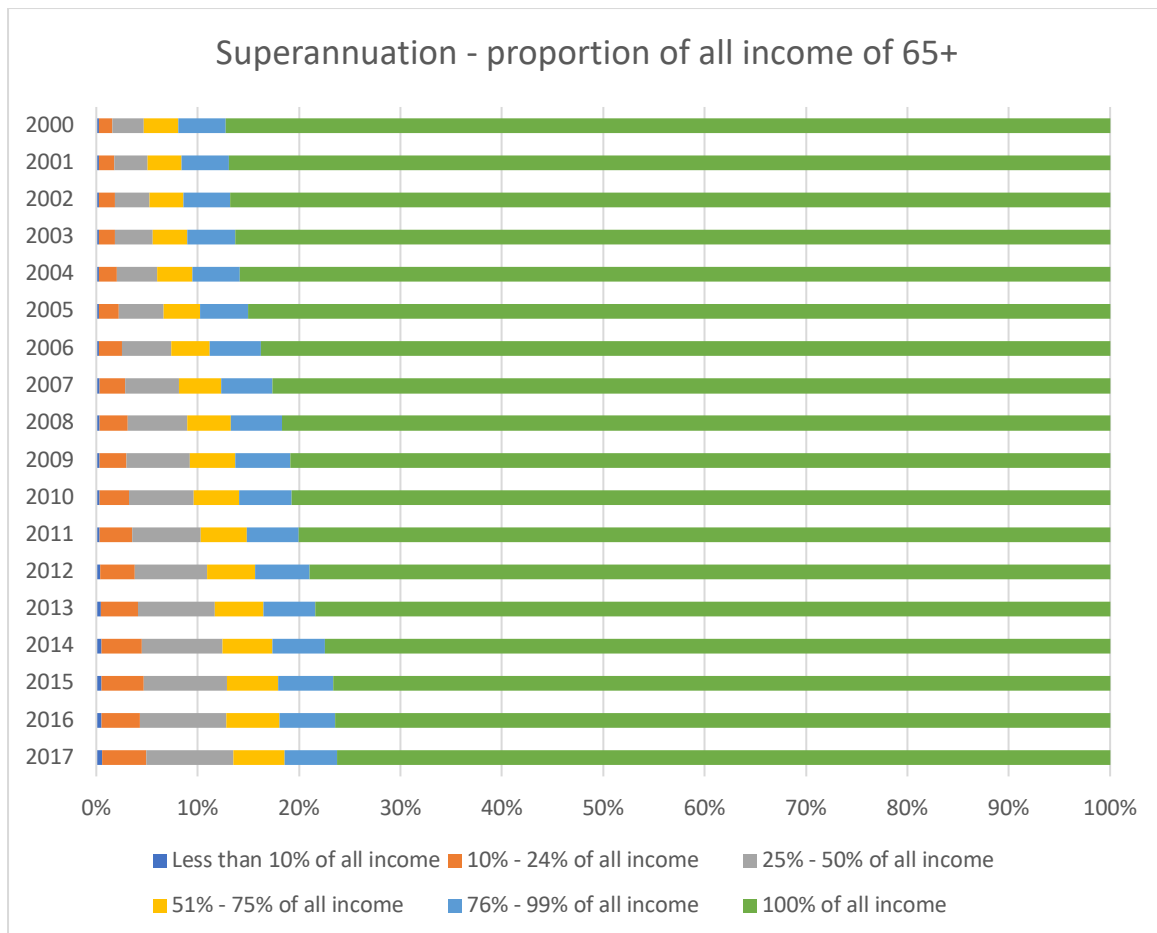
Fig. 4.16. The size and composition of labour force aged 75 and over.



The percentage of 65+ receiving superannuation has been stable for the last two decades and is between 96 and 98% of all 65+ who receive any taxable income. However, the proportion of those who rely on superannuation as their only source of income has been steadily decreasing (Fig. 4.17).¹²

¹² The graph shows only taxable sources of income and does not include investment income.

Fig 4.17. Proportion of income from superannuation by year.



The proportion of 65+ who receive income from wages and salaries has been increasing and is over 16% (Fig. 4.18). Among those who receive income from wages and salaries, the proportion of those who derive less than 10% of income, or 10-24% of all income, from wages and salaries has been decreasing. This indicates that 65+ are increasingly working more hours or in better paid jobs (Fig 4.19).

Fig. 4.18. Percentage of people aged 65 and over receiving income from wages and salaries, by year.

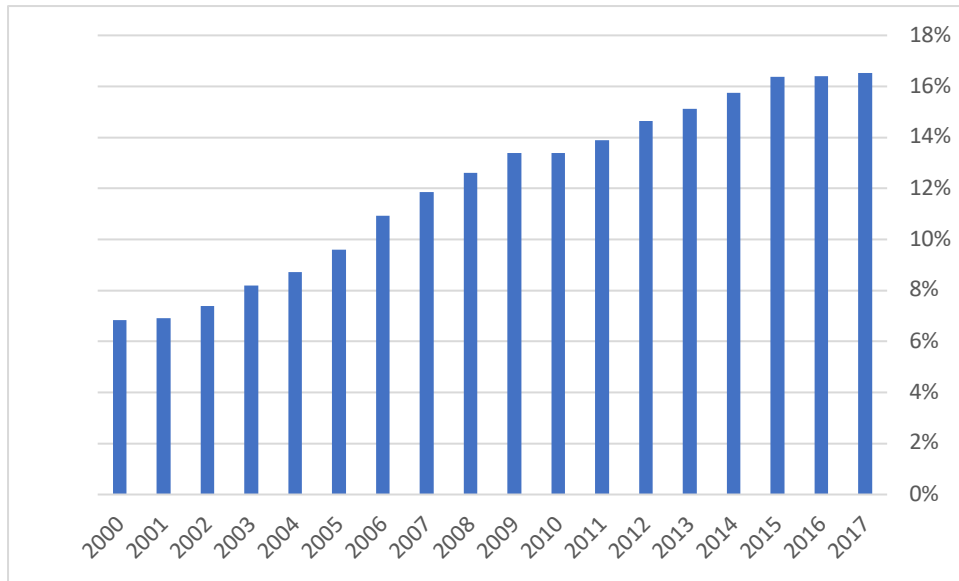
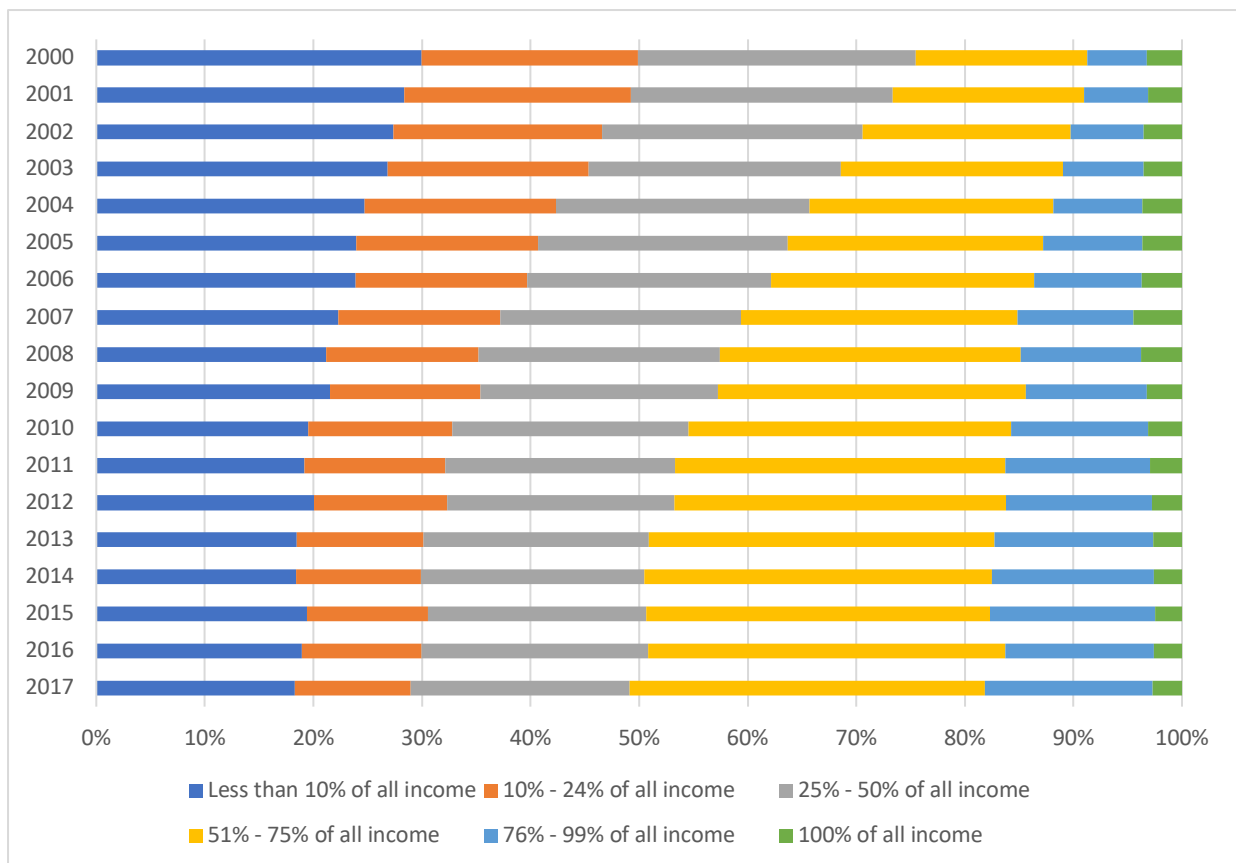


Fig. 4.19. Percentage of income from wages and salaries among 65+ who receive income from wages and salaries.



The percentage of 65+ who receive income from self-employment has also been growing, although more slowly and was affected by the GFC. For those in self-employment, it is mostly a source of income that supplements their income from other source(s), with a minority receiving more than half of their income from self-employment.

Fig. 4.20. Percentage of 65+ who receive income from self-employment.

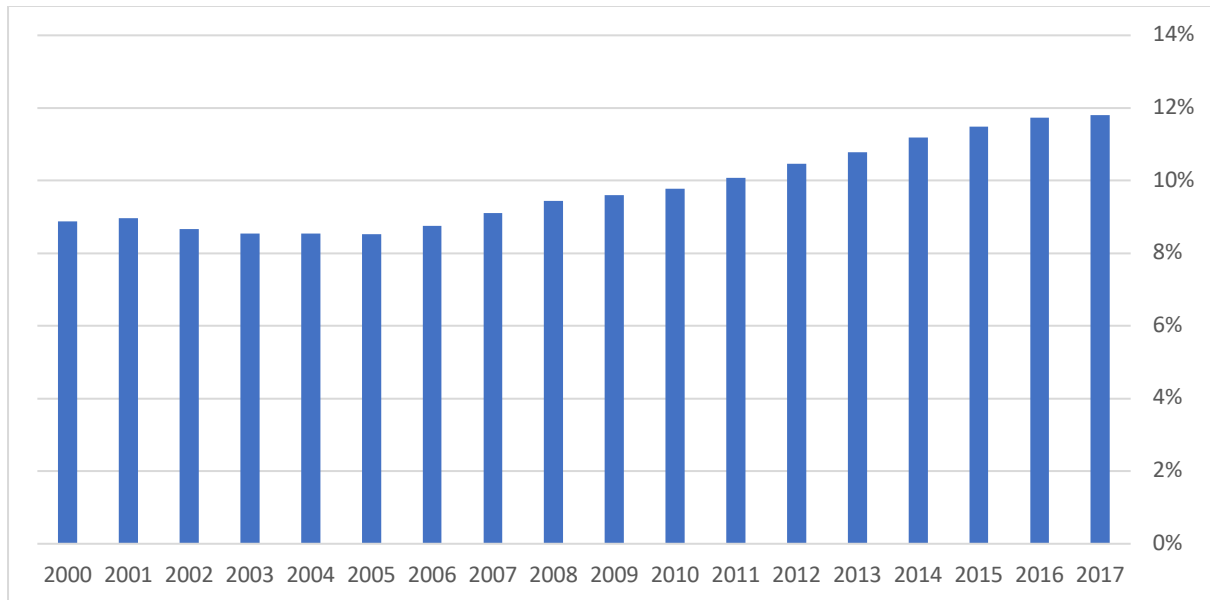


Fig. 4.21. Percentage of income from self-employment among 65+ who receive income from self-employment

