



Media Release

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People sticking to KiwiSaver plans more confident

KiwiSaver members who stop contributing to their fund are far less likely to be confident of achieving their retirement goals, according to ANZ's latest Retirement Savings Confidence Barometer.

The survey showed that 51 percent of those who are regular contributors to KiwiSaver were confident of achieving their retirement savings goals. However, when savers stopped contributing, this fell dramatically - to 29 percent.

The survey asked whether respondents were on a KiwiSaver contributions holiday or had stopped paying into their KiwiSaver account.

"We wanted to find out the effect that maintaining your savings habit was having on people's confidence," said John Body, Managing Director ANZ Wealth, New Zealand.

"It's encouraging to see that KiwiSaver appears to be making a difference to people's confidence about achieving their preferred retirement income.

"But it's concerning that such a large confidence gap is emerging between those who are sticking to their savings plans and those who have stopped paying into their KiwiSaver account," continued Body.

Overall confidence is measured among those who are saving, planning to save in the future or who expect to have an additional source of income in retirement above New Zealand Superannuation.

The quarterly survey asked 1,169 people in February and March 2013, if they were saving for retirement. The 1,059 people that stated they are saving, plan to save, or who expect to have an additional source of income in retirement, were asked how much weekly income they would like in addition to New Zealand Superannuation when they retire, and how confident they were about reaching their savings goal.

The survey continues to show there are pockets of confidence pushing through the 50 per cent barrier, but this is mostly among men and those with higher incomes.

Mr Body said, "If you are in your twenties or thirties and take a five-year gap from paying into KiwiSaver then the impact on your final lump sum at retirement can run into tens of thousands of dollars. It could mean about 10 per cent less in your nest egg."

At this time of year KiwiSaver members will be opening their annual statements and this is a good moment for people to take stock of their retirement savings plan. ANZ calculates that people who have been in the scheme since it started in 2007, earning around \$800 per week, could have accumulated about \$18,000 by now.

Mr Body said "When you consider what you could have achieved already or what you have missed out by not joining KiwiSaver, then it's a good time to review the options available to you to help you reach your savings goals."

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Key figures from the Retirement Savings Confidence Barometer – Feb and March 2013

- 64% of those surveyed are saving for retirement.
- 31% of those surveyed are not currently in a savings scheme.
- Almost a third of those not saving expect their retirement income to come from other sources like selling their business, an investment property or an inheritance. More than half of those not saving plan to save in the future.
- 5% of all respondents said they intend to live solely on NZ Superannuation in retirement.
- 48% are confident of reaching their goals, among those who are saving, plan to save or expect to have an additional income in retirement.
- 43% of those who plan to have a retirement income on top of NZ Super chose \$500 or more as their additional weekly income.
- 51% of those contributing to KiwiSaver are confident, 29% of those who have stopped contributing to KiwiSaver are confident; 47% of those on a contributions holiday are confident.

ANZ YouTube: [Making the most of KiwiSaver](#)

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Notes for retirement income calculation and confidence barometer

For ANZ's Retirement Savings Confidence Barometer, researchers (Ipsos) surveyed 1,169 people aged 15-64 years in February and March 2013 about the level of retirement income they would like to have in addition to NZ Superannuation. The survey presented respondents with the lump sum they would need to save by age 65 to generate their chosen additional income, and asked how confident they were of reaching their goal.

The retirement income calculation is based on saving a lump sum of \$83,000 by age 65, delivering an after tax return of 4.5 % pa, resulting in \$100 per week income for 20 years. The income is inflation adjusted at an annual rate of 2.5% thus maintaining purchasing power of the \$100 throughout the 20 year period.