



Media Release

6 March 2015

Closing the gender gap in retirement savings

New Zealand women, on average, are likely to retire with around \$60,000 less than men, based on current savings patterns, ANZ Investments said today.

Speaking on the eve of International Women's Day, ANZ General Manager Wealth Products and Marketing, Ana-Marie Lockyer said women faced big challenges in planning for their retirement.

Mrs Lockyer has responsibility for ANZ's KiwiSaver business – New Zealand's largest, with one in four KiwiSaver members and more than \$6 billion in Funds Under Management.

"Women are coming from behind in saving for their retirement," Mrs Lockyer said. "On average, women live longer and retire earlier, meaning their retirement savings need to stretch further."

Mrs Lockyer said that nearly eight years into KiwiSaver, average balances for women members of the ANZ KiwiSaver Scheme were almost 28% lower than men (at \$8,918 and \$11,396, respectively).

"Disappointingly, this savings gap between men and women is widening. A year ago the gap between men and women's balances was 26.5%.

"There is little to suggest that women will close this gap – in fact, it could widen over time as 85% of New Zealand women typically take career breaks to raise a family.

"We estimate that women on average are likely to retire with \$144,000, compared to \$203,000 for men – that's significantly less money, particularly when you consider it potentially needs to last longer.*

"Our ANZ Retirement Savings Barometer has found that women are feeling less confident about saving for a comfortable retirement with 55% of men feeling confident of reaching their retirement savings goals, compared to just 34% of women.

"It would seem that women have good reason to be concerned given this looming gap in retirement savings."

Mrs Lockyer said there were a range of options available to help women catch up to men in retirement savings: "One way is to start early – the earlier you start saving with KiwiSaver, the better off you will be as you benefit from compounding investment returns over time.

"Young women who make additional contributions to KiwiSaver in their 20s can help compensate for career breaks they might take in their 30s to raise children.

"You can also increase your regular contributions, make a lump sum payment or consider moving your money to a higher growth KiwiSaver fund.

"But no two women are alike – the most important thing is to have a clear financial plan that takes account of their own circumstances and goals.

"The theme for International Women's Day this year is 'Make It Happen'.

"We want to encourage women to take time to think about and plan for their own financial futures so they can enjoy a comfortable and happy retirement.

"To make the most of KiwiSaver, you can visit <https://futurewise.anz.co.nz/>"

*Base assumptions:

- Based on 25-year-olds, earning the average wage of \$44,000 for men and \$33,000 for women, each contributing 3% of their salaries, with their employers also contributing 3%.
- The woman takes a two-year break from contributing to KiwiSaver at the age of 30, while the man does not.
- The woman retires two years earlier at age 65 while the man retires at 67.

For media enquiries contact:

Louise Nicholson
Corporate Affairs
Tel: +64 9 2526289 or +64 27 4959366
Email: louise.nicholson@anz.com