



Media Release

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Retirement Saving on Radar for More Young People

More than half of young workers aged 15-24 years are already saving for their retirement, with the vast majority of those not already saving planning to do so in the future.

The latest ANZ Retirement Savings Barometer surveyed 850 New Zealanders in April and May and found that more young people are thinking about saving for their retirement.

Fifty-five per cent of young people (aged 15-24 years) indicated they were already saving for their retirement. And, 82% of those young people not already saving for their retirement indicated they planned to save in the future.

ANZ Wealth Managing Director John Body said it was great to see so many young people planning for their retirement.

"With KiwiSaver, the earlier you start saving, the better off you will be," said Mr Body. "New Zealand's KiwiSaver scheme turned seven on July 1 and it has had great success in getting kiwis saving for their retirement.

"Official records show that more than 2 million people are now in a KiwiSaver scheme which is a fantastic result.

"We know retirement seems a long way off for young people, but clearly many young people have got the message that they should start saving early."

The ANZ survey found that only 31% of young people were confident of saving enough money to provide the weekly income they required when they retired.

"Obviously that's a low level of confidence, but it is not surprising," said Mr Body. "For a young person just starting their working life, it can seem very daunting to think about the lump sum you will need to provide a basic income when you retire.

"But young people have time on their side – a 45-year history of regular contributions to a KiwiSaver fund, with the right mix of investments, means they are very likely to achieve their goals."

Mr Body said the past seven years had been all about getting people to join a KiwiSaver scheme. "In the future, the priority has to be to get people to really focus on their KiwiSaver investment and ensure their savings plans were on track to deliver the retirement lifestyle they want.

"It's about connecting the dots between KiwiSaver and the realities of retirement – how long will you be retired for, what will you want to do in those years and how much income will you need?"

As the number one KiwiSaver provider in the market, Mr Body said ANZ was committed to helping customers make the right savings and investment choices.

"We are continually developing new ways to talk to young people with a focus on digital and mobile communications. Last night we held our first live chat for ANZ Default KiwiSaver members. <https://futurewise.anz.co.nz/live-chat.aspx>

ANZ KiwiSaver funds offered customers a unique Lifetimes option which enabled them to ensure their retirement savings were invested in a Fund with levels of risk considered appropriate for an average person of that age.

For media enquiries contact:
Louise Nicholson
Corporate Communications Manager, ANZ Wealth
+64 9 3686175 or + 64 274 959366
Louise.nicholson@anz.com

Key findings from the Retirement Savings Confidence Barometer – April and May 2014

- 70% of those surveyed are saving for retirement
- 5% of all respondents said they intend to live solely on NZ superannuation in retirement, same as previous survey
- 29% of women believed they would need more than \$500 per week on top of national superannuation when they retired, compared with 34% of men indicating they wanted to earn this much
- Despite their lower expectations on future income, 31% of women were confident of reaching their retirement savings goals, compared with 51% of men
- 50% of respondents said they would consider getting professional advice about KiwiSaver and their retirement savings plan
- 55% of people nominated banks as their first choice for advice on KiwiSaver or retirement savings
- 33% of people aged 45 to 64 years would consider using an investment broker for advice.