



Media Release

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Retirement confidence remains flat at 47 per cent

People's confidence in reaching their retirement savings goals remains flat at 47 per cent, according to ANZ's latest Retirement Savings Confidence Barometer. Confidence was 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.

Retirement savings confidence among young people appears to have dropped compared to the last survey in September and October 2012.

"In the previous survey young people were more confident of achieving their retirement saving goals than those closer to retirement. This time, confidence has levelled across the field," said John Body, Managing Director ANZ Wealth and Private Banking, New Zealand.

The quarterly survey asked 1,269 people in November and December 2012, if they were saving for retirement, how much weekly income they would like in addition to New Zealand Superannuation when they retire, and how confident they were about reaching the lump sum they need to achieve their savings goal.

Mr Body said the important message for young people is that time is on their side. "Starting to save early in your career will make a considerable difference to the lump sum amount you can turn into retirement income when you reach 65. If you put off your savings until later the difference in the weekly income you can expect during retirement could run into hundreds of dollars."

The Barometer also showed there is still a large confidence gap between men and women, with 39 per cent of women being confident, compared to 56 per cent of men.

Among those who are saving, more than half say that KiwiSaver is the primary means of reaching their retirement savings goals, while 13 per cent are counting on investment property. Those with diversified assets including property and managed funds were more confident.

"We are finding that a lot of people have been ticking the box to join KiwiSaver but then they are not taking further interest in how it can help them meet their goals. Many don't know what investment fund they are in, despite regular communications. These responses are similar whether people have been automatically enrolled at the workplace into a default scheme or actively joined themselves," Mr Body said.

"KiwiSaver is still relatively new and it has already made a positive impact for people who have never saved before, but there is still plenty of work to be done to help people gain confidence in setting a plan and achieving their retirement goals."

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

ANZ New Zealand is the country's largest financial institution and one of the nation's largest companies. Its brands include ANZ Bank, OnePath, UDC Finance, Bonus Bonds, and Direct Broking. Around one in two New Zealanders has a financial relationship with ANZ New Zealand.

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Key figures from the Retirement Savings Confidence Barometer – November/December 2012

- 64% of those surveyed are saving for retirement.
- 34% 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. Half of those not saving plan to save in the future.
- 6% of all respondents said they intend to live solely on NZ Superannuation in retirement.
- 47% are confident of reaching their goals, among those who are saving, plan to save or expect to have an additional income in retirement.
- 56% of men are confident compared to 39% of women.
- 54% of those saving indicated KiwiSaver as the primary means for saving for retirement, compared to 13 % who chose investment property, 12 % chose an employee or personal superannuation scheme.

Key Findings:

Table 1. Savings Confidence by age group of those who are saving, plan to save, or use another source to deliver retirement income.

Age Group	TOTAL	15-24 yrs	25-44yrs	45-54 yrs	55-64 yrs
Very confident	18%	17%	17%	15%	22%
Confident	30%	29%	34%	30%	19%
TOTAL CONFIDENT	47%	46%	52%	45%	41%
Not very confident	38%	47%	39%	35%	29%
Not at all confident	15%	7%	9%	20%	30%
TOTAL Not Confident	53%	54%	48%	55%	59%

Table 2. Extra income wanted in retirement above NZ Superannuation by age group

Additional income per week for 20 years	TOTAL	15-24 yrs	25-44	45-54	55-64
Up to \$149	17%	29%	15%	12%	17%
\$150-\$299	21%	15%	20%	25%	23%
\$300-\$399	12%	11%	14%	11%	9%
\$400-\$499	7%	6%	5%	10%	9%
\$500 and over	43%	38%	45%	42%	42%

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Research provided by IPSOS. Ipsos is the world's third largest market research company and the largest company still managed by researchers. Ipsos entered the New Zealand market in 2011 through its purchase of Synovate and remains New Zealand's most awarded market research company. Full questions, sampling and methodology details are available on request.

Notes for retirement income calculation and confidence barometer

For ANZ's Retirement Savings Confidence Barometer, researchers (IPSOS) surveyed 1,269 people aged 15-64 years in November and December 2012 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.