



Media Release

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One in three do not know their KiwiSaver balance

A third of KiwiSaver members are unaware of how much they have in their retirement savings account, according to ANZ's latest Retirement Savings Confidence Barometer.

The survey also shows that people are more confident of reaching their savings goals if they know what the balance is in their KiwiSaver account. Confidence among this group is 52 per cent - higher than the overall score and significantly higher than those who do not know how much they have saved - 41 per cent.

"It's surprising that so many people are unaware of how they are tracking, especially when you think that members' annual KiwiSaver statements were delivered while our survey took place," said John Body, Managing Director ANZ Wealth New Zealand.

"The fact that a third of people don't know their long-term savings balance is one of the reasons why confidence overall remains low.

"People seem to be remaining detached from their retirement savings and the steps they could take to help them achieve their goals."

While fewer than two thirds of people know how much they have in KiwiSaver, 82 per cent know their short-term savings balance and 84 per cent know what they have to spend in their current account.

When people were asked how much they would like to have in additional spending money in retirement (on top of NZ Superannuation), there has been a significant shift in attitudes. In this survey people have reduced their expectations about how much they want to live on in retirement - only 26 per cent chose \$500 per week, down from 43 per cent in the last survey.

By contrast, 53 per cent are choosing up to \$300 per week in additional retirement income, up from 36 per cent last survey. To achieve the target of \$300 per week additional income for 20 years someone would need to save a lump sum of about \$250,000 by the time they reach 65.

Even while people have reduced the amount they want to live on and therefore the lump sum they need to save to generate that income, overall confidence remains low, at 48 per cent of people feeling they will achieve their goals.

"The impact of opening their annual statement recently and seeing how much they have in their KiwiSaver account, has probably made some people pause for thought around how much they realistically expect to save by the time they reach 65.

"There are positive signs that among those who are taking an active interest in their KiwiSaver, confidence is growing in reaching their savings goals," said Body.

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Key figures from ANZ's Retirement Savings Confidence Barometer – May and June 2013

- 64% of those saving know how much they have in their KiwiSaver account, 36% do not know their current KiwiSaver balance.
- Confidence is higher among those who know their KiwiSaver balance - with 52% of these feeling they will achieve their goals; compared to 41% feeling confident of those who do not know their KiwiSaver balance.
- Overall confidence is unchanged with 48% confident of reaching their goals, among those who are saving, planning to save or expecting to have an additional income in retirement.
- 26% of those who plan to have a retirement income on top of NZ Super chose \$500 or more as their additional weekly income, down from 43% in previous survey.
- 53% chose up to \$300 a week for their preferred additional retirement income, up from 36% last survey.
- 64% of those surveyed are saving for retirement.
- 34% of those surveyed are not currently in a savings scheme.
- 28% (just over a quarter) 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.
- 6% of all respondents said they intend to live solely on NZ Superannuation in retirement.

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Notes for retirement income calculation and confidence barometer

For ANZ's Retirement Savings Confidence Barometer, researchers (Ipsos) surveyed 1,245 people aged 15-64 years in May and June 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.