



Media Release

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Lower interest rates make KiwiSaver more attractive for over 65s – ANZ survey

More New Zealanders are intending to leave money in their KiwiSaver after they reach 65, according to the latest ANZ Retirement Savings Barometer.

The survey of 700 people found that just 27% of them intended to withdraw all their money from KiwiSaver once they turned 65, down from 35% in November last year.

Of those people planning to withdraw all their KiwiSaver money, 48% intended to reinvest their money in a term deposit, compared with 53% in November.

ANZ Managing Director Retail & Business Banking & Wealth John Body said the current low interest rate environment was making it more attractive for people to leave their money in KiwiSaver.

"More people say they plan to leave their money in KiwiSaver and fewer people are planning to invest their funds in term deposits.

"While the current low interest rate environment is great for borrowers, it's a tough situation for savers.

"It's becoming more attractive for over-65s to leave their money in KiwiSaver, continue to earn investment returns and still be able to access their money at any time," said Mr Body.

Mr Body said the survey showed a large number of people – 52% - had no idea what they'd do with their KiwiSaver money once they reached 65: "Young people today may need their retirement savings to last for 30 years or more so it's important to have a plan to make good use of your savings."

Recognising this, the United Kingdom recently moved to allow people to withdraw up to 500 pounds from their pension savings to pay for professional financial advice on how to manage their retirement savings.

The ANZ survey found that 36% of New Zealanders would be willing to withdraw up to \$1000 from their KiwiSaver to pay for independent financial advice to develop a financial plan for retirement.

Mr Body said that as people got older, they were prepared to pay more for financial advice while younger, less affluent people were prepared to pay only a small fee.

Other key findings of the ANZ Retirement Savings Barometer:

- 40% of people are confident about their retirement savings (down from 41% in November 2015 and 44% in April 2015)
- 48% of men are confident and 33% of women
- 80% of people are currently saving for their retirement (7% already retired, 12% not saving for retirement)
- 18% of people plan to live solely on NZ Superannuation

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