

KiwiSaver early retirement withdrawal survey

Results of a telephone survey of KiwiSaver members eligible to withdraw savings for retirement purposes

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KiwiSaver Steering Committee

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This report should be read alongside research on the experience of KiwiSaver providers, completed by Inland Revenue in May 2013 (ISBN: 978-0-478-41802-6).

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Executive Summary and Conclusions

On 1 July 2012, the first KiwiSaver members who were 65 years of age and had been in the scheme for five years became eligible to withdraw their savings. The KiwiSaver evaluation commissioned Colmar Brunton to carry out a survey of KiwiSaver members eligible to withdraw their savings in the first six months of eligibility. This section draws together the key findings and conclusions of the research.

Research objectives

The overall purpose of the survey was to:

1. gain a greater understanding of the savings-related characteristics of members eligible to withdraw their savings for retirement purposes
2. gain an understanding of the experience of members withdrawing their savings for retirement purposes, and
3. investigate the savings, investment or consumption intentions and drivers of members eligible to withdraw their savings for retirement purposes.

Research method

Colmar Brunton carried out a telephone survey with 1,000 members who were eligible to withdraw their KiwiSaver savings for retirement purposes as at 31 December, 2012. Fieldwork was conducted from 20 February to 30 March, 2013.

The average interview length was 18 minutes. The response rate to the survey was 71%.

The maximum margin of error on the total sample size of 1,000 is +/-3.2%.

Key findings

Withdrawal behaviour

Around three quarters of KiwiSaver members will have made a full withdrawal within five years

- Just over one third (36%) of the sample reported having withdrawn all of their KiwiSaver savings and over half (57%) reported not having withdrawn any. Few (7%) have made a partial withdrawal.

- Members with less KiwiSaver savings are more likely to have already made a full withdrawal (48% of those with a balance of up to \$15,000 compared to 23% of those with a balance of over \$15,000).
- Members with more other saving and investments are somewhat more likely not to have withdrawn any of their KiwiSaver savings (61% of those with more than \$50,000 in other savings and investments compared to 51% of those with up to \$50,000).
- Partial withdrawals are most common among those with more than \$30,000 in KiwiSaver savings (14%) and among those with more than \$50,000 in other savings and investments (12%).
- Taking into account withdrawal behaviour that had already occurred at the time of the interview, as well as the stated intentions of those yet to withdraw their entire KiwiSaver savings, nearly three quarters (72%) of KiwiSaver members will have fully withdrawn their savings within the next five years. The remainder either say they will take longer than this (14%) or are unsure of the timing (15%).

Lump sums dominate past and planned withdrawals

- Among those who have partially withdrawn their KiwiSaver savings, 87%¹ have withdrawn only lump sums and 61% intend to withdraw their remaining savings only in lump sums (an additional 22% were unsure how they would withdraw their savings). Only 13%² of those who have partially withdrawn their KiwiSaver savings receive regular payments and 14% plan to receive them in the future.
- Among those who have yet to withdraw any of their KiwiSaver savings, 69% intend to withdraw their savings only in lump sums and just 4% plan to receive regular payments. An additional 25% were unsure how they would withdraw their savings.

¹ This equates to 6% of the total population having made a partial withdrawal in lump sum(s).

² This equates to 1% of the total population having made a partial withdrawal by getting regular payments.

- Based on the total target population:
 - 4% have either already withdrawn, or intend to withdraw, regular payments
 - 81% have already withdrawn only lump sums and intend to withdraw only lump sums, or have yet to withdraw any KiwiSaver savings, but intend to withdraw only lump sums
 - 14% are uncertain of their intentions or past withdrawal behaviour and 1% don't plan to ever withdraw all of their savings.

(39%), filling out forms (24%) and errors made by the provider (19%).

Drivers and intentions to use KiwiSaver savings

Drivers to withdraw KiwiSaver savings centre fairly evenly on spending and re-investment, and with some needing the savings to pay off other debt

Members’ drivers and intentions to use their KiwiSaver savings are summarised in the table below.

Use of KiwiSaver savings

	Total (990) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (481) %
Put money into other saving or investments	58	69	30	56
Spent/spend the money	50	40	67	54
Use(d) money to pay off mortgage/debt	15	18	34	11
Did something else with money	4	3	6	4

Base: All respondents who have or plan to withdraw their KiwiSaver savings
Source: Q5c

Over half want to re-invest their KiwiSaver savings, primarily for a better return and to have easy access to the money

- Over half (58%) have, or plan to, put their KiwiSaver savings into other savings or investments.
- Re-investment of KiwiSaver savings is more likely among members who have more other savings and investments (e.g. 69% of those with more than \$100,000 in other savings and investments).
- Reasons for re-investing KiwiSaver savings largely centre on a desire for a better return or security of the savings (46%). Accessibility is also a key driver with 21% making direct comments about this and 10% saying they want to put their money into other savings and investments so they can spend it (suggesting accessibility is important).

Half have spent or want to spend their KiwiSaver savings in the near future, with holidays being the strongest drawcard

- Half (50%) of members have spent their KiwiSaver savings, or will spend them, within the first few months of withdrawal.
- Travel or holidays are the most common item of desired expenditure (61% of those who have spent,

The withdrawal experience

Almost all are aware of their eligibility to withdraw, and most recall some – albeit general – communications with their provider

- Ninety five percent of those who have not withdrawn their KiwiSaver savings are aware of their eligibility to do so.
- Over half (55%) of members say they have known about their eligibility since they joined KiwiSaver and 34% ascribe their awareness to provider communications.
- Nearly two thirds of members (63%) recall some type of contact or communication with their provider about their eligibility to withdraw their savings. Written communications are most common (51%), well ahead of personal contact in the form of phone (10%) or face to face (5%) conversations.
- Members who did recall some type of contact or communication with their provider, tend to recollect quite general types of information and advice about the process of withdrawing; 37% recalled being informed that they were eligible to withdraw and 27% recalled information on the options available to them with a particular emphasis on lump sums versus regular payments. A quarter could not recall any detail of the contact or communications.
- Only 9% of members recall receiving information or advice about withdrawing their KiwiSaver savings from someone other than their provider.

Most found the withdrawal process easy, but the statutory declaration process is a source of frustration for some

- Using a scale of 1 to 5 where 1 is ‘very difficult’ and 5 is ‘very easy’, around three quarters (76%) of members who have withdrawn KiwiSaver savings found the process easy (a rating of 4 or 5). Around one in ten (11%) found the process difficult (a rating of 1 or 2).
- Perceptions of difficulty in withdrawing savings largely stem from the statutory declaration process (commented on by 60% of those who found the withdrawal process difficult), issues related to the provider’s communication, information and service

or intend to spend, their KiwiSaver savings) followed by home improvements or new housing (37%), major purchases such as a car or boat (32%), and health and medical expenses (29%). Covering everyday living expenses such as food and bills comes further down the list with 22% envisaging spending their KiwiSaver savings on this.

- Of all KiwiSaver members who have withdrawn their entire KiwiSaver savings, 32% have spent at least some of their savings. Fifteen percent have already spent all of their savings.

Around one in seven will use their KiwiSaver savings to pay off debt

- Fifteen percent of members have or will use their KiwiSaver savings to pay off a mortgage or other debt.
- Members with less than \$5,000 in KiwiSaver savings, and members who have made a partial withdrawal, are the groups most likely to use their KiwiSaver savings to pay off debt (33% and 34% respectively).

Most members have not sought or received information or advice in helping them decide what to do with their KiwiSaver savings

- Only 23% of KiwiSaver members have sought or received any information, support or advice in helping them decide what to do with their KiwiSaver savings. This input has most commonly come from providers, but also from financial advisors, family/friends and the member's own efforts in searching for information.
- The nature of the advice, support or information commonly focussed on investment options and the returns and financial rewards associated with these.

Nearly one in five members have changed their expectations about their use of KiwiSaver savings over time

- Most (71%) members feel their expectations of what they would do with their KiwiSaver savings have not changed since they joined KiwiSaver.
- Of the 18% who say their expectations have changed, reasons centre on an unexpected change in life circumstances, changes in spending intentions, and to a lesser extent the performance of the KiwiSaver savings.

Savings and income characteristics of members

Most members receive income from paid work, as well as from sources other than paid work, New Zealand Superannuation or KiwiSaver

- Sixty one percent of members are currently either in paid work themselves or have a partner who is in paid work.
- 47% have a partner in KiwiSaver.

- The large majority (87%) of members have some kind of income other than paid work, New Zealand Superannuation or KiwiSaver.

Most members have small KiwiSaver balances and the majority have less than \$100,000 in other savings and investments

- Just over half (55%) have KiwiSaver savings of up to \$15,000, one third (33%) have KiwiSaver savings of over \$15,000 and up to \$30,000 and 8% have KiwiSaver savings of more than \$30,000.
- Sixteen percent of members do not have any other savings and investments, 36% percent have up to \$100,000 and 42% have more than \$100,000 in other savings and investments.
- Overall, the more KiwiSaver savings a member has the more likely they are to have other savings and investments.

One quarter believe their retirement income will be inadequate to some extent

- Nearly three quarters (73%) of members believe their retirement income will be either adequate or more than adequate. Conversely, one quarter (25%) believe it will be slightly inadequate, inadequate or totally inadequate.
- Those with less in other savings and investments, single people, and renters are the groups most likely to feel their income will be inadequate to cover their living costs now and throughout retirement.

Around one quarter see KiwiSaver as especially important to meet their living costs in retirement

- Using a scale of 1 to 5, where 1 is 'not at all necessary' and 5 is 'essential', 24% consider their KiwiSaver savings to be especially important (a rating of 4 or 5) in ensuring they are able to meet their living costs throughout retirement.
- Greater importance is placed on KiwiSaver savings by those who have partially withdrawn their KiwiSaver savings, those with more KiwiSaver savings (over \$15,000), women, single people and renters.

Drivers and behaviours during time in KiwiSaver

Government incentives were a critical driver in getting older New Zealanders to join KiwiSaver

- The most common reasons for joining KiwiSaver are the incentives, especially the government contributions (47% without prompting mentioned incentives), followed by recognition of the KiwiSaver scheme being a good and easy way to save (40%) and a way to secure income for retirement (31%).
- Half (51%) enrolled in KiwiSaver through an employer and 47% directly through a provider.

A majority of members stayed at the 2007 minimum employee contribution rate throughout their time in KiwiSaver, while much smaller proportions made more active choices in changing contribution rates and making additional contributions

- 82% contributed at the minimum employee contribution rate of 4% when they joined KiwiSaver (this is based on those who contributed directly from salary or wages and were able to give an answer). Sixteen percent contributed more than the minimum rate of 4%.
- When the minimum employee contribution rate decreased to 2% in April 2009, just 6% of members who contributed directly from their salary or wages reduced their contribution rate.
- Nearly one in seven (13%) have made some other kind of change to their contribution rate while in KiwiSaver.
- 4% is the current or most recent contribution rate for 71% of members contributing directly from their salary or wages. Nine percent contribute(d) at the new minimum rate of 2% and 19% contribute(d) more than 4%.
- One in six (16%) members who were regularly contributing from their salary or wages made additional contributions. Around two thirds (65%) of members who didn't contribute from a salary or wage say they made payments at least monthly.

Three quarters chose their own provider, although market share is still shared fairly evenly between default providers and non-default providers, and is driven by familiarity with the provider

- The vast majority (92%) of KiwiSaver members were able to name their current or most recent provider.
- Market share is fairly evenly split between default providers (48%) and non-default providers (45%).
- Nearly three quarters (73%) chose their own provider, 13% were allocated to their employer's chosen provider, and 12% were allocated and stayed with a default provider.
- Choice of provider is largely driven by familiarity (57% went with their main bank or had previous experience with the provider) and the recommendations of financial advisors and others (20%).
- Twelve percent have at some time changed provider. The most common reasons for changing providers relate to switching from a default or employer-chosen provider, seeking financial advantage (largely in the form of better returns), taking the advice of others, a desire to be with a provider that the member is more familiar with, and the perceived financial security and reputation of the old and new providers.

While most say they know the type of investment fund they have and what was important to them in choosing a fund, half do not know what kind of return they have had on their investment

- Conservative funds appear to be most common (29%) ahead of cash funds (17%), balanced funds (13%), growth funds (5%), aggressive funds (3%) and a combination of fund types (6%). Around a quarter (26%) do not know what type of fund they have (or had when they withdrew their savings).
- Choice of investment fund is largely driven by a desire to manage the return and/or risk of the investment (50% without prompting). A desire to reduce short term fluctuations is especially common. The recommendations of others influenced fund choice for 20%.
- Only 8% of members who knew what type of investment fund they had (or have) say they have at some time changed their investment fund. The most common reasons for changing fund relate to improving the long term return of the savings or reducing the risk of short term fluctuations.
- Around half (49%) of members do not know what kind of return they have had on their investment. Most (63%) of those who do have an idea of the return rate it positively, 15% rate it negatively and the remainder (22%) give a neutral response.

Conclusions

This first cohort of members to withdraw their fund will differ from future cohorts

This survey explores the characteristics, experiences and behaviours of the first New Zealanders eligible to withdraw their KiwiSaver savings. Unlike future cohorts of members eligible to withdraw their savings, this group has only been in KiwiSaver for five years. In interpreting the findings, the reader is reminded that future cohorts will differ in a number of ways including having more significant balances and viewing KiwiSaver as an increasingly important component of retirement income. This current research provides a number of insights into how members at this early stage transition out of KiwiSaver.

KiwiSaver is facilitating extra consumption in the early years of retirement for some

At present, there appears to be a strong preference for lump sum withdrawals, with little appetite for regular withdrawals (although this research did not directly measure awareness of the regular withdrawal option). The research provides insights into the early decumulation of these lump sums.

Some members intend to keep their savings in KiwiSaver for a few more years and many (around a half) say that when they withdraw their savings they will place them

into other savings or investments on withdrawal. The extent to which these savings will contribute to a member's retirement income in the longer term is not fully known as one of the drivers of re-investment is greater accessibility to the money.

There is evidence that some members are running their savings down early in their retirement. Half have spent, or plan to spend within the first few months of withdrawal, at least some of their KiwiSaver savings. Holidays and large expenditure items top the list of desired consumption. Around one third of members who have withdrawn all of their KiwiSaver savings have spent at least some of their savings and around one in seven have already spent all of their savings.

Active engagement and financial literacy varies, with implications for default options and education

Some members have been more actively engaged in managing their KiwiSaver savings through active choices of providers, investment funds, and contributions, and are making informed decisions on what to do with their KiwiSaver savings looking forward.

However, many members have had little if any engagement with their KiwiSaver savings since joining and prior to withdrawal. This includes lacking knowledge of the return on their investment. Looking ahead, most have not sought any advice or information on what to do with their KiwiSaver savings.

These findings raise two issues worthy of consideration. First, members' lack of engagement reinforces the importance of appropriate default options during their time in KiwiSaver. For example, very few make active choices to switch types of investment fund. Staying with the same investment fund for the duration of membership may be less appropriate for future cohorts of KiwiSaver members who will spend a longer time in KiwiSaver.

And, second, the research findings emphasise the role of providers and others in educating members on financial matters. This research also highlights older New Zealanders' strong reliance on New Zealand Superannuation, with most believing their income in retirement will be adequate despite many having small balances of savings and investments.

Section 1. Background and research objectives

The KiwiSaver evaluation wishes to understand the savings-related characteristics, experience, intentions and drivers of those KiwiSaver members eligible to withdraw their savings for retirement purposes.

This research is being undertaken as part of the KiwiSaver evaluation, a cross-government evaluation which began in 2007 and runs until 30 June 2013.

The findings will help inform the initial effectiveness of KiwiSaver in meeting its overall objective of encouraging long-term savings habits and asset accumulation. They will also help inform wider policy initiatives designed to ensure there is adequate retirement income provision and that there are appropriate default provider arrangements in place.

Background

KiwiSaver members who have been in KiwiSaver for five years and are 65 years of age are eligible to withdraw all or part of their savings for retirement purposes. On 1 July 2012, the first KiwiSaver members who were 65 years of age and had been in the scheme for five years became eligible to withdraw their savings.

72,114 members (on the basis of their date of enrolment in the scheme) were eligible to withdraw their savings for retirement purposes from 1 July 2012 to 30 June 2013. Over half (53%) of these members will be eligible to withdraw their savings from October 2012 onwards reflecting the high initial uptake of the scheme at its inception by older people.

The KiwiSaver evaluation annual report July 2012 to June 2013 noted that in the coming year the evaluation would monitor retirement withdrawals to understand the characteristics of individuals eligible to withdraw their KiwiSaver savings. Understanding issues associated with decumulation is part of the review of retirement income policies by the Retirement Commissioner and a part of other considerations of the review of KiwiSaver default provider arrangements led by the Ministry of Business, Innovation and Employment. Both reviews are due to report in 2013.

Research objectives

The objectives of the research with KiwiSaver members are to:

1. gain a greater understanding of the savings-related characteristics of members eligible to withdraw their savings for retirement purposes
2. gain an understanding of the experience of members withdrawing their savings for retirement purposes
3. investigate the savings, investment or consumption intentions and drivers of members eligible to withdraw their savings for retirement purposes.

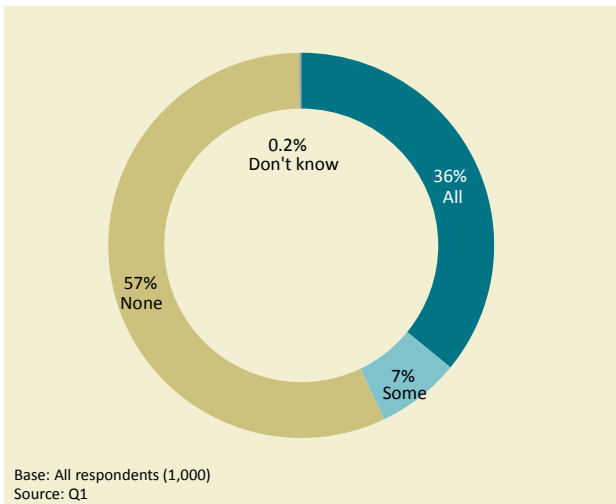
Section 2. Withdrawal of savings

This section explores past and planned withdrawal behaviours of KiwiSaver members. Both the nature of the withdrawals (lump sums versus regular payments), as well as timing, are covered.

Withdrawal behaviour

Respondents were asked whether they have withdrawn all, some or none of their KiwiSaver savings for retirement.

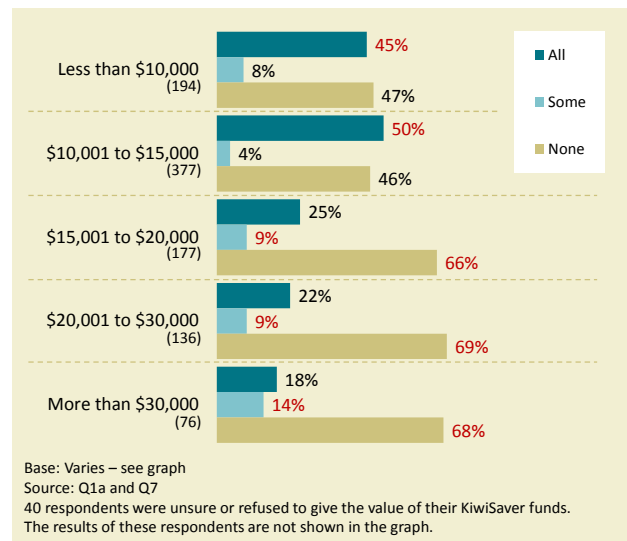
Withdrawal behaviour



Just over one third (36%) of the sample reported having withdrawn all of their KiwiSaver savings and over half (57%) reported not having withdrawn any. Few (7%) have made a partial withdrawal.

The next chart presents withdrawal behaviour by the value of a member's KiwiSaver savings. Figures in red denote results which are significantly higher than one or more of the other subgroups (statistical significance is calculated at the 95% confidence level).

Withdrawal behaviour by value of KiwiSaver savings



As illustrated in the chart above, withdrawal behaviour is strongly correlated with the value of a member's KiwiSaver savings. Members with KiwiSaver savings worth up to \$15,000 are especially likely to have withdrawn their entire savings, whereas members with more savings are most likely not to have withdrawn any savings. Partial withdrawal is most common among members with a balance of more than \$30,000.

Other subgroup analysis shows that:

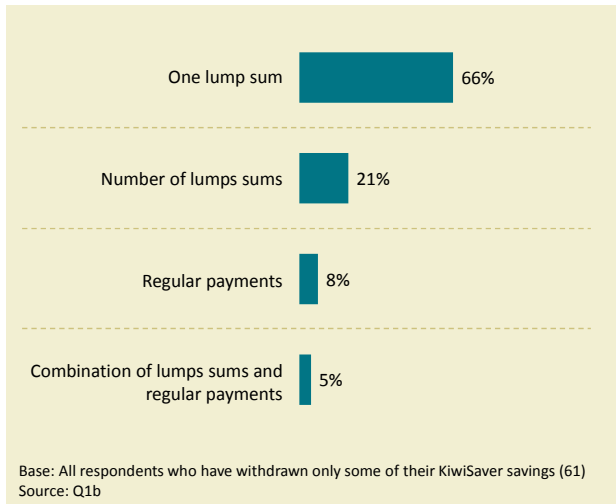
- Members with a higher value of other savings and investments (more than \$50,000) are more likely not to have withdrawn any of their KiwiSaver savings (61%) than those with a lower value of other savings and investments (51% of those with 50,000 or less).
- Conversely, those with no or up to \$50,000 in other savings and investments are more likely than those with more than \$50,000 to have made a partial withdrawal of their KiwiSaver savings (12% compared to 3%).

Nature of withdrawals

Nature of withdrawals among those who have partially withdrawn

Respondents who have withdrawn some of their KiwiSaver savings were asked whether they had withdrawn their savings in one lump sum, a number of lump sums, or as regular payments.

Nature of withdrawals among those who have partially withdrawn



A large majority (87%)³ of those who have partially withdrawn their KiwiSaver savings have withdrawn one or more lump sums. Nearly one in seven (13%)⁴ receive regular payments – either on their own or in combination with lump sum withdrawals.

Nature of withdrawal intentions

Respondents who have not withdrawn any KiwiSaver savings, or have yet to withdraw all of their savings, were asked whether they think they will withdraw their (remaining) savings in one lump sum, in a number of lump sums or as regular payments. The results are presented in the next table.

Withdrawal intentions

	Withdrawal of KiwiSaver savings		
	Withdrawn some or none (552) %	Some (61) %	None (491) %
One lump sum	57	37	60
Number of lump sums	10	24	9
Regular payments	4	11	3
Combination of lump sums and regular payments	1	3	1
Don't know	25	22	25
Do not plan to ever withdraw any (more) KiwiSaver savings	2	3	2

Base: All respondents who have yet to withdraw all KiwiSaver savings
Source: Q3a

The intentions of KiwiSaver members who have yet to withdraw their entire KiwiSaver savings centre on lump sum withdrawals, with around two thirds (67%) expressing a preference for these. Very few (4%) want regular payments. A sizeable proportion (25%) is unsure of how they will withdraw their savings.

The stronger preference for multiple lump sums and regular payments evident among those who have already withdrawn some of their KiwiSaver savings in part reflects their withdrawal behaviour to date.

Additional analysis shows that:

- The desire for regular payments (in isolation or in combination with lump sum withdrawals) increases with the size of the KiwiSaver savings (up to \$10,000 = 1%, \$10,001 to \$30,000 = 7%, more than \$30,000 = 10%).
- Members with KiwiSaver savings of up to \$10,000 are more likely to want to make lump sum withdrawals than members with a fund of more than \$30,000 (79% compared to 62% respectively).

³ This equates to 6% of the total population having made a partial withdrawal in lump sum(s).

⁴ This equates to 1% of the total population having made a partial withdrawal by getting regular payments.

Summary of past and planned withdrawal behaviour across total target population

The table below summarises the withdrawal behaviours that have already occurred and withdrawal intentions among the total target population.

Summary of past and planned withdrawal behaviour

	%
Regular payments – already withdrawn or intend to withdraw regular payments	4
Already withdrawn some savings – have made regular withdrawals or intend to make regular withdrawals	1
Withdrawn no savings, but intend to make regular withdrawals	3
Lump sums – already withdrawn only lump sums and intend to withdraw only lump sums	81
Already withdrawn all savings	36
Already withdrawn some savings in lump sums (and don't intend to make regular withdrawals in the future)	6
Withdrawn no savings, but intend to withdraw lump sums only	39
Uncertainty expressed – either don't know what have already withdrawn already or unsure of intentions	14
Don't plan to ever withdraw all savings	1

Base: All respondents (1,000)
Source: Q1a, Q1b and Q3a

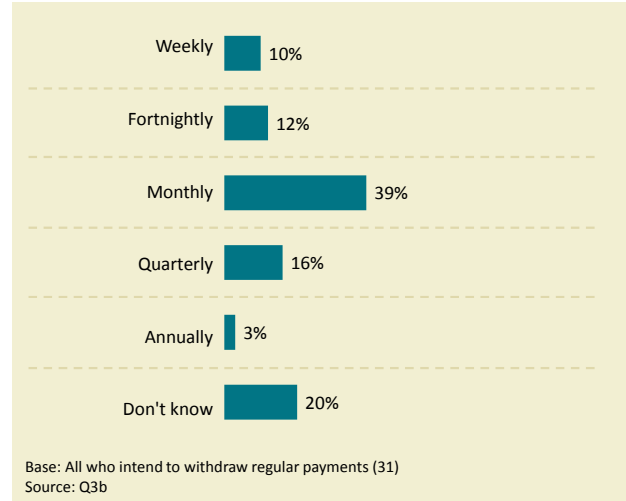
Based on the total target population:

- 4% have either already withdrawn, or intend to withdraw, regular payments
- 81% have already withdrawn only lump sums and intend to withdraw only lump sums, or have yet to withdraw any KiwiSaver savings, but intend to withdraw only lump sums
- 14% are uncertain of their intentions or past withdrawal behaviour and 1% don't plan to ever withdraw all of their savings.

Intended frequency of regular payments

Respondents who indicated they intend to withdraw regular payments were asked how often the regular payments will be made to them.

Intended frequency of regular payments



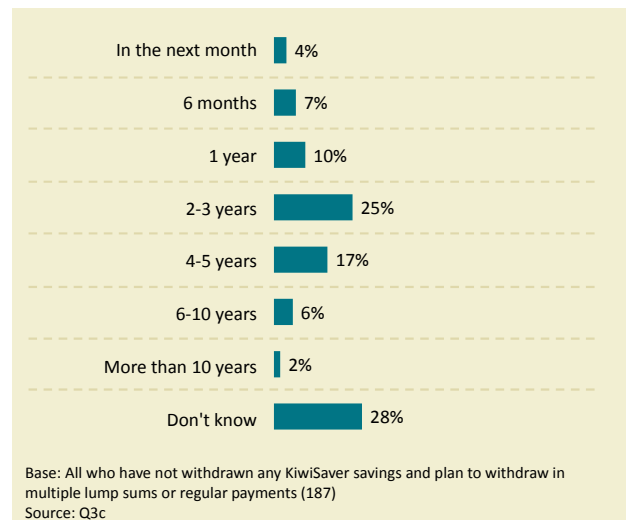
Among the small proportion of members who intend to withdraw regular payments, most (61%) plan to receive payments on a monthly or more regular basis.

Timing

Timing of first withdrawal

Respondents who had not withdrawn any KiwiSaver savings, and plan to withdraw in multiple lump sums or regular payments, were asked when they are likely to make their first withdrawal.

Timing of first withdrawal



Around a fifth (21%) of members who have not yet made any withdrawals, but plan to make multiple withdrawals (through lump sum payments or regular

payments) say they will make their first withdrawal within a year. A quarter (25%) say they will make their first withdrawal in the next two to three years, with another quarter (25%) indicating their first withdrawal will be four years away or longer. The remainder (28%) are unsure of the timing of their first withdrawal.

Timing of full withdrawal

Respondents were asked by when they are likely to have withdrawn all of their KiwiSaver savings.

Timing of full withdrawal

	Total sample (1,000) %	Withdrawal of KiwiSaver savings		
		Some or none (552) %	Some (61) %	None (491) %
Already withdrawn all KiwiSaver savings	36	-	-	-
In the next year	11	17	6	18
2-3 years	12	19	15	19
4-5 years	13	20	31	19
6-10 years	7	12	10	12
More than 10 years	4	7	10	6
Don't know	15	23	24	23
Don't plan to ever withdraw all KiwiSaver savings	3	3	3	3

Base: All respondents

Source: Q3a and 3d

Among those who have yet to fully withdraw their KiwiSaver savings, just over a third (36%) intend to withdraw all of their KiwiSaver savings within the next three years, 32% between four and ten years, and just 7% in more than 10 years. A notable proportion (23%) are unsure of when they will have made a full withdrawal.

Members who have yet to make any withdrawals are more likely to make a full withdrawal sooner than those who have already made a partial withdraw.

There are no statistically significant differences in these results by the value of KiwiSaver savings.

Taking into account withdrawal behaviour that had already occurred at the time of the interview, as well as the stated intentions of those yet to withdraw their entire savings (see first column of percentages), nearly three quarters (72%) of all KiwiSaver members eligible to withdraw their savings for retirement will have fully withdrawn their savings within the next five years.

Summary of key highlights in this section

- Just over one third (36%) of the sample reported having withdrawn all of their KiwiSaver savings and over half (57%) reported not having withdrawn any of their KiwiSaver savings. Few (7%) have made a partial withdrawal, although this is somewhat more common among those with larger KiwiSaver balances and larger reserves of other savings and investments.
- A full withdrawal is more common among those with small KiwiSaver savings balances, while those with more other saving and investments are somewhat more likely not to have withdrawn any of their KiwiSaver savings.
- Taking into account withdrawal behaviour that had already occurred at the time of the interview, as well as the stated intentions of those yet to withdraw their entire KiwiSaver savings, nearly three quarters (72%) of KiwiSaver members will have fully withdrawn their savings within the next five years.
- Lump sums dominate both past and planned withdrawals. Just 4% have either already withdrawn, or intend to withdraw, regular payments. 81% have already withdrawn only lump sums and intend to withdraw only lump sums, or have yet to withdraw any KiwiSaver savings, but intend to withdraw only lump sums.

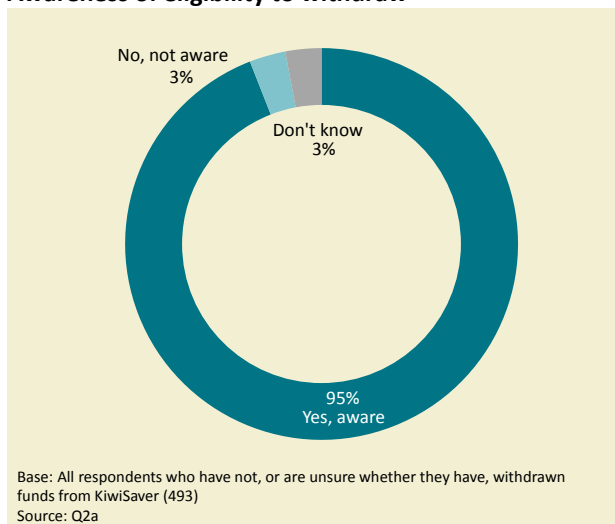
Section 3. The withdrawal experience

This section discusses the experiences of members withdrawing their KiwiSaver savings. Awareness of members' eligibility to withdraw is covered, as well as members' perceptions of the contact and communications they had with providers regarding the withdrawal process.

Awareness of eligibility to withdraw

Respondents who have not, or are unsure whether they have, withdrawn savings from KiwiSaver were asked whether they were aware that they are now eligible to withdraw their KiwiSaver savings.

Awareness of eligibility to withdraw



The vast majority (95%) of those who have not withdrawn their KiwiSaver savings are aware of their eligibility to do so.

Subgroup analysis shows that awareness is lower among members with a partner who is not a KiwiSaver member (13% are unaware or unsure compared to 2% of members with a partner in KiwiSaver and 4% of single people).

Sources of awareness of eligibility to withdraw

Respondents were asked how they became aware that they were eligible to withdraw their KiwiSaver savings. Respondents could give more than one answer.

The table overleaf presents the results.

Figures in **red** denote percentages in subgroups that are statistically significantly higher than percentages in other subgroups (or from the total sample).

Categories that are similar have been grouped together and presented as a 'nett score' (see bolded descriptions and figures) – each nett score figure gives the percentage of respondents that gave at least one of the more detailed reasons (which are listed below the nett score).

Sources of awareness of eligibility to withdraw

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Personal knowledge	57	67	50	52
Knew when I joined KiwiSaver	55	65	48	50
I just knew it/knew because of age	2	3	2	2
From my own professional knowledge	*	*	-	1
Provider	34	29	43	35
Letter/communication from provider (provider proactive or not clear)	31	25	43	34
Made enquiries with provider (KiwiSaver member proactive)	2	3	-	1
Provider's website	*	1	-	*
Public communication channels (media, newspaper, TV, advertising)	7	7	5	8
Other people/organisations	7	6	12	7
Friend/family member	3	3	4	3
Inland Revenue (letter or website)	2	1	6	1
Financial advisor/accountant	1	*	-	1
Employer	1	*	2	1
Word of mouth	1	*	2	1
Other	1	1	-	1
Don't know	3	1	2	4
Not aware of unsure or eligibility withdraw	4	-	-	4

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q2b

Whilst a small majority (55%) of members have known about their eligibility since they joined KiwiSaver, the importance of provider communications on the member's eligibility to withdraw is evident with around one third of members (34%) ascribing their awareness to these communications.

Members who have withdrawn their entire KiwiSaver savings are more likely to say they knew about their eligibility to withdraw when they joined KiwiSaver, while members who have made partial withdrawals are more likely to ascribe their awareness to provider communications.

There are no significant differences by type of provider.

Provider communications

Communications with provider regarding eligibility to withdraw

Respondents were asked what type of contact or communication, if any, they have had with their KiwiSaver provider about their eligibility to withdraw their KiwiSaver savings. Respondents could give more than one answer.

Communications with provider regarding eligibility to withdraw

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Written communications such as a letter or email	51	53	54	48
Phone conversation	10	15	14	6
Face-to-face conversation	5	6	5	4
Other [^]	3	4	7	2
None	24	22	21	27
Don't know	9	8	5	11
Not aware, or unsure, of eligibility to withdraw	4	-	-	6

Base: All respondents

Source: Q2c

[^]= Other includes website, brochure/pamphlet, forms, statement/yearly prospectus.

Nearly two thirds of members (63%)⁵ recall some type of contact or communication with their provider about their eligibility to withdraw their savings. Written communications are most common (51%), well ahead of personal contact in the form of phone (10%) or face to face (5%) conversations.

Phone conversations are more likely to have occurred among those with have withdrawn all or some of their KiwiSaver savings (15% and 14% respectively compared to only 6% of members who have yet to withdraw any KiwiSaver savings).

There are no significant differences by type of provider.

Information or advice from provider about process of withdrawing

All respondents who recalled some type of contact or communication from their KiwiSaver provider about their eligibility to withdraw their savings were asked what information or advice, if any, their KiwiSaver provider gave them about the process of withdrawing their KiwiSaver savings. Respondents could give more than one answer.

Results to this question are presented in the table on the next page.

⁵ Respondents could mention more than one type of contact or communication from their provider. This figure is therefore calculated by subtracting the proportions who said they received no contact or communication, were unsure, or were unaware of their eligibility to withdraw their KiwiSaver savings, from 100%.

Information or advice from provider about process of withdrawing

	Total (640) %	Withdrawal of KiwiSaver savings		
		All (312) %	Some (45) %	None (282) %
Eligible to withdraw	37	38	47	35
I was eligible to withdraw my savings	36	36	45	34
Wait until I was eligible to do it	1	1	2	*
When it was due	1	1	-	1
Options	27	28	35	26
Could withdraw lump sums or regular payments	19	19	29	18
Advising options (generally)	11	13	9	10
General advice	14	14	11	14
Sent/gave me a comprehensive letter/brochure/booklet/pack	5	5	7	5
Contact them/financial advisor when I wanted to do something or any queries	3	1	5	4
Everything I need to know/information generally	2	2	-	2
The procedure/steps to take	2	3	-	2
Go to website/Information on website	1	2	-	1
Forms	12	16	16	8
Sent/given forms/told to fill in forms	11	16	11	8
Had to redo the forms	*	*	2	-
Where to get the forms	*	-	2	*
Statutory declaration process	7	10	14	3
Needed a Justice of Peace (JP) to verify identity	6	9	14	2
Identification / To verify my particulars	1	1	2	1
Other	5	6	7	4
Informed me the balance/status of my account	1	1	-	1
No more government contribution	1	1	-	1
Time taken for process	1	1	-	1
Other	3	3	7	1
Don't know	24	18	8	30
None/not a lot/not specified	4	3	2	5

* is used for a % between 0.0% and 0.5%

Base: All respondents who recalled some type of contact or communication from their KiwiSaver provider about their eligibility to withdraw their savings

Source: Q2d

Members most commonly recall being informed that they were eligible to withdraw (37%) and the options available to them (27%) with a particular emphasis on lump sum versus regular payments.

Members who have withdrawn KiwiSaver savings more commonly recall the forms and the requirement for verifying their identity than those who have yet to withdraw any KiwiSaver savings.

Members who recall some type of contact or communication, but have yet to withdraw any KiwiSaver savings were more likely than others to not recall any specifics of the contact or communication (30% stated they didn't know).

There is no significant variation by type of provider.

Information or advice from other sources

All respondents were asked whether they had received information or advice about withdrawing their KiwiSaver savings from anyone apart from their provider.

Results are presented in the table overleaf.

Whether received information or advice from other sources

	Withdrawal of KiwiSaver savings			
	Total	All	Some	None
	(1,000)	(446)	(61)	(491)
	%	%	%	%
Yes	9	12	6	8
No	85	84	94	85
Don't know	5	4	-	7

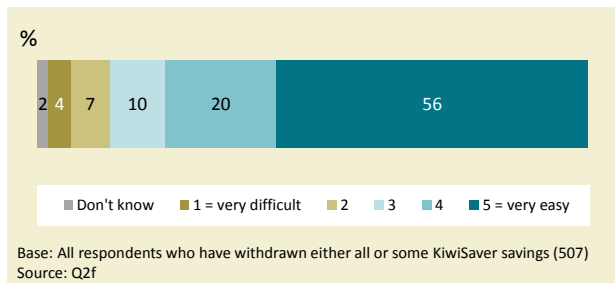
Base: All respondents
Source: Q2e

Less than one in ten (9%) members received information or advice about withdrawing their KiwiSaver savings from someone other than their provider. Those who had made a partial withdrawal were least likely to have received this kind of information or advice.

Perceived ease or difficulty of withdrawing savings

Respondents who have withdrawn either all or some of their KiwiSaver savings were asked how easy or difficult they found the process of withdrawing their savings. A five point scale was used where 1 means 'very difficult' and 5 means 'very easy'.

Perceived ease or difficulty of withdrawing savings



A sizeable majority (76%) of members who have withdrawn KiwiSaver savings found the withdrawal process easy (rating of 4 or 5 out of 5). Around one in ten (11%) found the process difficult (rating of 1 or 2 out of 5).

There are no significant differences according to whether the member withdrew all or some of their savings.

Analysis by provider shows that members with non-default providers are more likely to have found the process easy than members with default providers (81% versus 73%).

Nature of difficulties in withdrawing KiwiSaver savings

Respondents who found the process of withdrawing their savings difficult were asked what it was about the process that was difficult. Respondents could give more than one answer. Results are presented below.

Nature of difficulties in withdrawing KiwiSaver savings

	%
Statutory declaration process	60
Had to get a JP/lawyer to sign and verify the ID	45
Had to provide identification	31
Time consuming to get forms verified and submitted	11
Difficult to find JP/Unsure of how to find JP/No JP in town	11
Same verification process needed for each withdrawal	4
Poor communication, information, service by provider	39
Lack of knowledge from staff	14
Unclear instruction from provider/bank	9
No one follows up if the forms are wrong/go missing	8
Dissatisfaction with provider customer service/attitude	6
Takes time to find my account in the system	2
Communication gap between employer, provider and Inland Revenue	2
Filling out forms	24
The need to fill out forms/complete multiple forms	18
Trouble with paper/online system/filling in form	8
Errors by provider	19
Redoing the process because of the errors	9
The forms/documents were lost after handing in	7
The forms/documents are sent backward and forward several times	5
Location issues	2
Administration of provider is based overseas	2
Required to send by mail in rural areas	2
Other	35
Long time to wait in administration	16
Unable to withdraw before anniversary/dated before anniversary	6
Lack of knowledge of the application process	5
Inland Revenue's demands	2
Difficult process to withdraw the savings (no further explanation provided)	2
Takes effort to search the information	2
Other	5
Can't remember	2
Nothing really	2

Base: Respondents who found the process of withdrawing difficult (58)
Source: Q2g

Among those who found the withdrawal process difficult, the statutory declaration process appears to have caused the most dissatisfaction (60%). The need to have a lawyer or Justice of the Peace verify the member's identification is a particular point of concern

"I had to go to a JP to verify identity. I would like to point out, that was Inland Revenue's demand, not my provider's."

Withdrawn all KiwiSaver savings from large provider

"You not only have to fill out an application physically, then secondly you have to go and get a lawyer or JP to witness your document. If you live in a rural area like me, that is a major expedition. And then you've got to physically mail it, send it by slow mail. I think I've done 3 or 4 extra lump withdrawals and I've had to go through the same laborious process to withdraw money. It was far too slow and clumsy. They still have a paper system. It's pathetically cumbersome, and it means you just can't think I'm going to get the money out. You have to plan it or whatever."

Partially withdrawn KiwiSaver savings from large provider

"Apparently I was 4 days off my 65th birthday and they wouldn't accept it so I had to go back to the JP as he had to sign it and try again after I was 65."

Withdrawn all KiwiSaver savings from small provider

Nearly three in ten (39%) who found the withdrawal process difficult commented on issues related to the provider's communication, information and service.

"My service provider made it difficult due to lack of communication."

Withdrawn all KiwiSaver savings from medium provider

"The people at the bank didn't have a clue what to do so the staff who was on the front line, had very very poor training given to them."

Partially withdrawn KiwiSaver savings from large provider

"Phoned and had to ask several questions from different people because not one person knew what to do."

Withdrawn all KiwiSaver savings from large provider

"It was a question of eligibility and the provider did not seem to know the latest guidelines from the Ministry."

Withdrawn all KiwiSaver savings from large provider

Around one quarter (24%) commented about their difficulty in filling out forms.

"It was my money, I didn't know why I had to fill out pages and pages when they already had my ID, information. I found that a pain in the butt."

Withdrawn all KiwiSaver savings from large provider

"I had to complete a lot of forms and it was quite complicated the process you had to go through to get it done."

Withdrawn all KiwiSaver savings from large provider

Around one in five (19%) of those who found the withdrawal process difficult had concerns about errors made by providers.

"They sent me the wrong papers... It took at least 2 weeks for the right papers to arrive."

Withdrawn all KiwiSaver savings from large provider

"They didn't seem to want to do it and it took about 3 months, and we had to ring up and they'd lost it and it was horrible."

Withdrawn all KiwiSaver savings from large provider

"It was just the rigmarole - they didn't have me on their books, they couldn't find my account, it was a bit of a problem. It took a while to find it all. I needed a JP to sign it and couldn't find one in Thames so had to go to Coromandel."

Withdrawn all KiwiSaver savings from large provider

One in six (16%) of those who were dissatisfied with the withdrawal process also commented on the long time they had to wait.

"I had to get documents verified twice, they didn't inform me of all the documents I needed or not clearly enough to know which documents were required. They lost the documents and when they finally got the documents there was a delay of several months before the first payment."

Partially withdrawn KiwiSaver savings from large provider

Summary of key highlights in this section

- Almost all members are aware of their eligibility to withdraw their KiwiSaver savings. This awareness largely stems from personal knowledge gained when they joined KiwiSaver (55%), although provider communications have had a significant role to play in building awareness for around a third (35%).
- Nearly two thirds of members (63%) recall some type of contact or communication with their provider about their eligibility to withdraw their savings. Written communications are the dominant channel (51%). Members tend to recall general information and advice about the process of withdrawing, eligibility to withdraw funds, and the options available to them.
- Less than one in ten recall receiving information or advice about withdrawing their KiwiSaver savings from someone other than their provider.
- Most found the withdrawal process easy (76%). The statutory declaration process has caused the most frustration (60% of the 11% who found the withdrawal process difficult).

Section 4. Drivers and intentions to use of KiwiSaver savings

This section explores members' intentions and drivers related to savings, investment and consumption. The role of information and advice in guiding decisions is also explored. The section concludes with a discussion on how members' expectations of how they have or will use their KiwiSaver savings have changed over time.

Reasons for withdrawal (without prompting)

Without prompting, respondents who have already withdrawn KiwiSaver savings were asked about the reasons or circumstances that led them to withdraw their savings. Likewise, respondents who had not already withdrawn their KiwiSaver savings were asked about the reasons or circumstances that mean they will withdraw them. Respondents could give more than one answer.

Reasons for withdrawal (without prompting)

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Spending	35	29	54	36
Holiday/overseas holiday	13	9	14	16
House repairs / home improvements	7	6	23	5
General living expenses / paying bills	5	2	11	6
Buying a car/boat/other large item	5	6	5	4
Need the money (non-specific)	3	2	3	3
House purchase	2	1	-	2
To spend it (non-specific)	2	2	3	1
Help family/inheritance	1	1	3	1
Paying for personal funeral expenses	1	1	-	1
Children's education expenses	*	-	-	*
Changes in life circumstances	32	26	22	38
Stopping work/retiring	17	19	5	18
Supplement pension/retirement fund	6	2	5	9
For emergency purposes/in case circumstances change	4	1	7	6
For health / medical reasons	3	2	2	4
Supplement change in income (non-specific)	2	-	2	2
Spouse died/terminally ill	1	3	2	*
Legal reasons	*	*	-	-
Investment/performance of fund	23	28	10	21
Reinvest – for better return	14	18	8	12
Poor performance of the KiwiSaver savings – losing money	4	8	-	2
Consolidation of the investment portfolio	2	3	-	1

Depends on the return of the fund and/or compare to other opportunities	2	-	-	3
Slowly building fund up	1	-	2	2
Depends on the market/subject to market	1	*	-	1
Uncertainty on the returns of investment	1	1	-	-
Get a more secured investment option from the bank	*	-	-	*
Investment diversification	*	-	-	*
Lack of incentives to stay in KiwiSaver	10	20	2	4
No further employer/government/employee contributions	7	13	2	3
No more tax benefits gains	2	4	-	*
Don't want to pay for fees	1	2	-	1
No advantage/benefit to staying in KiwiSaver (non-specific)	1	3	-	*
Accessibility of KiwiSaver savings	8	5	2	11
Will not withdraw now, but may do so when required in future	5	1	2	7
For handy cash / reserve purpose / just put it into the bank (non-specific)	2	3	-	2
Easy to access the money	1	2	-	1
Eligible to withdraw	5	11	2	1
Was only in it for the 5 years/short term	3	8	-	*
The fund is matured / Eligible to withdraw the money	2	4	2	1
Other	14	24	19	7
Pay off the mortgage / other significant debts	5	5	15	3
Other projects/plans for money	4	5	6	3
Prefer to manage the money myself/more control over it-could do better	2	6	-	*
It is a small amount of money	2	4	-	1
Want to stop contributions to fund	1	2	-	1
Due to advice from a professional	1	1	-	*
Don't trust the government/governmental related influence	*	1	-	-
Other	1	1	-	1
Don't know	1	*	-	1
Refused	1	1	-	-
No reason	*	*	-	1

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q5a

Without prompting, members comments' about the circumstances and reasons that will lead (or have led) them to withdraw their savings centre most commonly – albeit by a small margin – on spending (35%). Members who have only partially withdrawn their savings, and to a lesser extent members who have not yet withdrawn any of their KiwiSaver savings, particularly emphasise various spending intentions.

Examples of the types of comments made are provided below⁶.

"It would be just to have some extra cash on hand. Holidays, family, house upgrades."

Withdrawn no KiwiSaver savings, unsure of value of savings

"In my mind it was a short term savings goal, so I withdrew the money so I could use it for travel."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

⁶ Whilst the verbatim comments have been provided to illustrate the various themes, the reader should note that some of the verbatim comments relate to more than one theme. The coding process took this into account. For this reason, the percentages in the table add to considerably more than 100%.

Nearly a third (32%) comment on changes in their life circumstances. Those who have not withdrawn any KiwiSaver savings are more likely to anticipate changes in life circumstances than other members.

"I think once I stop work I will use that money for household expenditure, like paying insurance & rates, those are the big sums of money."

Withdrawn no KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

"In three weeks I was 67 so I thought I'd withdraw it because my wife has terminal cancer and I thought there's no point leaving it there when we can use it now."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

Nearly one quarter (23%) comment on investment matters including the performance of their KiwiSaver savings. Members who have withdrawn their entire funds were especially likely to comment on this.

"There was no longer any benefit in leaving it in there. I could get more interest in the bank, why would I bother? I can control my own money if I invest it myself."

Withdrawn all KiwiSaver savings, \$15,001 to \$20,000 in KiwiSaver savings

"Because there's no government contribution to it then, so we thought we could reinvest it. We had money that was maturing elsewhere so we took it all out and put it together to reinvest."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

One in ten (10%) comment on the lack of incentives. Those who have already withdrawn their entire KiwiSaver savings are more likely than other members to comment on this.

"I was told on reaching 5 years subscription or being 65 years of age I was able to withdraw. There would be no point in me continuing paying into KiwiSaver because the government was not going to give me bonuses etc. So I just thought well if that is going to be the case I might as well just have the money."

Withdrawn all KiwiSaver savings, \$15,001 to \$20,000 in KiwiSaver savings, spent all KiwiSaver savings

"For a self-employed person my belief is that KiwiSaver is only good while you're receiving taxpayer subsidies."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

The accessibility of their KiwiSaver savings is a driver to withdraw for nearly one in ten (8%). Members who have not withdrawn any KiwiSaver savings were more likely to mention this.

"Just so that I have it on hand should I need it."

Withdrawn no KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

"I just wanted to withdraw it and put it somewhere else where it was easier to get out if I needed it without having to get a JP and all that business."

Withdrawn all KiwiSaver savings, \$15,001 to \$20,000 in KiwiSaver savings, spent up to a quarter of KiwiSaver savings

And, a small proportion (5%) commented on their eligibility to withdraw (including their intention to only stay in it for five years). Members who have withdrawn their entire funds were especially likely to comment on this.

"I had done the 5 years, the minimum time so that was that."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

"Just because I was 65 and it was 5 years since I had been in it."

Withdrawn all KiwiSaver savings, \$25,001-\$30,000 in KiwiSaver savings

Use of KiwiSaver savings

Respondents who had already withdrawn all of their KiwiSaver savings were asked whether they had put the money into other savings or investments, used the money to pay off a mortgage or other debt, spent the money, or done something else with the money.

A similar line of questioning was used with respondents who had not withdrawn any savings, but in the context of what they plan to do within the first few months of withdrawing their savings.

Respondents who had only withdrawn some of their KiwiSaver savings were asked to consider both what they had already done and what they plan to do within the first few months of withdrawing the remainder.

Respondents could give more than one answer.

Use of KiwiSaver savings (prompted responses)

	Total (990) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (481) %
Put the money into other saving or investments	58	69	30	56
Spent/spend the money	50	40	67	54
Use(d) the money to pay off a mortgage or other debt	15	18	34	11
Did/do something else with the money	4 [^]	3	6	4

Base: All respondents who have or plan to withdraw their KiwiSaver savings

Source: Q5c

[^]2% mentioned lending or gifting the money to friends or family and 2% said they would use the money as needed.

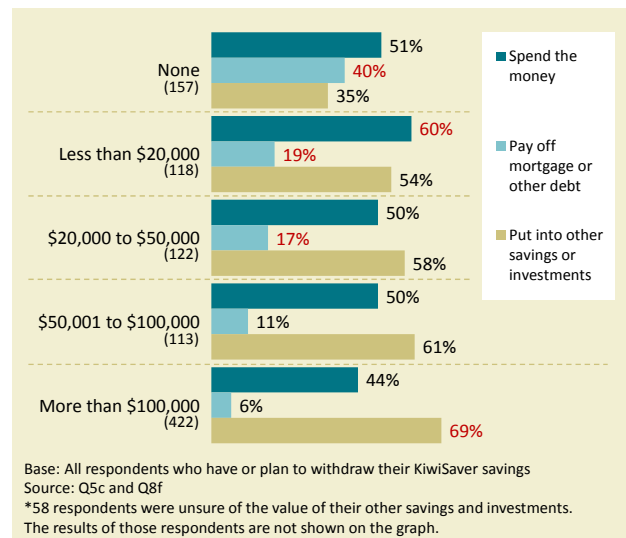
Over half (58%) have, or plan to, put their KiwiSaver savings into other savings or investments; half (50%) have or plan to spend the money; and around one in seven (15%) have used, or will use, their KiwiSaver savings to pay off debt.

KiwiSaver members who have already withdrawn their entire KiwiSaver savings are especially likely to reinvest their savings (69%), whereas those who have made a partial withdrawal are the group most likely to spend the money (67%) and pay off debt (34%). The intentions of members who have yet to withdraw any of their KiwiSaver savings are evenly split between reinvesting the money (56%) and spending the money (54%).

There is little variation by the size of the KiwiSaver investment. A notable exception is those with very small KiwiSaver savings (less than \$5,000). These members are the group most likely to use their savings to pay off debt (33%) and the group least likely to put the money into other savings or investments (41%).

As illustrated in the following chart, there is variation in the use of KiwiSaver savings by the value of other savings or investments that a KiwiSaver member has.

Use of KiwiSaver savings by value of other savings and investments



Those with other savings/investments of higher worth are more likely to reinvest their KiwiSaver savings, whereas those with those with other savings/investments of lower worth are more likely to spend their KiwiSaver savings. Those with other savings/investments of lower worth are also more likely to use their KiwiSaver savings to pay off debt compared to those with other savings/investments of higher worth.

Reasons for investing KiwiSaver savings

Without prompting, respondents who said they had, or intend to, put the money into other savings or investments were asked what their reasons are for doing this. Respondents could give more than one answer.

Reasons for investing KiwiSaver savings

	Total (582) %	Withdrawal of KiwiSaver savings		
		All (296) %	Some (18) %	None (268) %
Better return, security, performance	46	38	50	52
Reinvest – for better return	36	30	39	40
Poor performance of the KiwiSaver savings – losing money	3	4	-	3
Get a more secured investment option from the bank	3	4	11	3
Depends on the return of the fund and/or compare to other opportunities	3	-	-	6
Uncertainty on the returns of investment/want more security	1	2	-	1
Depends on the market/subject to market	1	1	-	1
Investment diversification	*	*	-	*
Accessibility of KiwiSaver savings	21	21	33	19
Easy to access the money	12	15	28	10
For handy cash	4	6	6	2
Will not withdraw now, but may do so when required in future	4	-	-	8
Lack of incentives to stay in KiwiSaver	11	16	11	8
No further employer/government/employee contributions	8	10	11	6
Don't want to pay for fees	3	4	-	2
No advantage/benefit to staying in non-specific	1	2	-	*
No more tax benefits gains	1	1	-	*
Spending	10	16	6	7
Holiday/overseas holiday	4	7	-	2
General living expenses / paying bills	2	2	6	1
House repairs / home improvements	1	3	-	*
Help family/inheritance	1	1	6	1
Buying a car/boat/other large item	1	1	-	*
House purchase	1	*	-	1
Paying for personal funeral expenses	*	1	-	-
Need the money (non-specific)	*	1	-	-
To spend it (non-specific)	*	-	-	*
Change in life circumstances	10	11	6	10
Stopping work/retiring	5	6	-	5
Supplement pension/retirement fund	3	2	6	3
For emergency purposes/in case circumstances change	1	2	-	*
For health / medical reasons	1	1	-	*
Supplement change in income (non-specific)	*	-	-	*
Spouse died/terminally ill	*	*	-	-
Eligible to withdraw	3	5	-	1
The fund is matured / Eligible to withdraw the money	2	4	-	*
Short term solution until I decide what to do with money	1	1	-	1

Other	14	21	11	9
Prefer to manage the money myself/more control over it-could do better	8	10	6	6
Consolidation of the investment portfolio/added it to other investments we had	5	5	-	6
Pay off the mortgage / other significant debts	2	3	-	1
It is a small amount of money	1	3	-	-
Want to stop contributions to fund	1	1	6	*
Due to an advice from a professional	1	1	-	*
Other projects/plans for money	1	2	-	-
Easier to see what's happening	1	1	-	1
Slowly building fund up	1	*	6	1
Don't trust the government/governmental related influence	*	1	6	-
Others	2	1	-	2
Don't know	2	*	-	4
No reason	1	1	-	2

* is used for a % between 0.0% and 0.5%

Base: All respondents who have, or intend to, put their KiwiSaver savings into other savings or investments

Source: Q5d

Nearly half (46%) of members who have or plan to reinvest their KiwiSaver savings are looking for a better return or security for their money. This is an especially strong driver for those who have yet to withdraw any KiwiSaver savings (52%).

Examples of the types of comments made are provided below.

"Depending what sort of rate I'm getting and if I find it's a better rate than what I'm getting I would reinvest it at a higher interest rate."

Withdrawn no KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

"Again I had no sort of idea of what it was earning, so I went for the safer option and invested it in the bank. The financial situation here in New Zealand is a nightmare. Fifteen financial companies have gone to the wall, very scary."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

Accessibility appears to be a key theme, with 21% making direct comments about easy access to cash, needing handy cash or anticipating a need in the future to withdraw the money. Accessibility may also be an underlying theme for those who expressed how they wish to spend their KiwiSaver savings in response to this question (10%).

"I just wanted it in my own savings for convenience sake so it was there when I want it."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

"I just felt I would have it where I wanted to have it. As I said it took nearly 6 weeks, or 2 months to get it out of KiwiSaver, so if I wanted to get it out of the bank I could do it today."

Withdrawn all KiwiSaver savings, \$20,001-\$25,000 in KiwiSaver savings

Around one in ten (11%) commented on the lack of incentives. This is an especially strong driver among those who have already withdrawn all of their KiwiSaver savings (16%).

"One of the primary reasons for withdrawing was that there was no longer a subsidy from the government from my contributions. I liked the idea of knowing exactly how that money is invested. In KiwiSaver I call it a shrouded investment, you have a broad idea but not necessarily detailed ideas."

Withdrawn all KiwiSaver savings, \$25,001-\$30,000 in KiwiSaver savings

"Well it had just finished and I could not see much advantage in leaving it in KiwiSaver. I didn't get the employer contribution that had come to an end."

Withdrawn all KiwiSaver savings, \$15,001-\$20,000 in KiwiSaver savings

One in ten (10%) mentioned changes in their life circumstances, such as retirement, that have encouraged them to re-invest the money.

"Once I retire my income will drop and no one will be putting any money into it, and I think I will be better off with it in other savings or investments (if I don't spend it)."

Withdrawn no KiwiSaver savings, \$20,001-\$25,000 in KiwiSaver savings

Well, when you retire and get your gold card it is handy to have extra money behind you, you know that you can dip into for treats and various things.

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

Nearly one in eight (8%) commented on gaining control of managing the money themselves.

"Just to have more control over it - I can invest in shares or term deposits at the bank and withdraw it quicker."

Withdrawn no KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

"We can see more what is happening to it - your provider for KiwiSaver, you never know what they've invested in."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

Items of spending

Respondents who have already spent, or intend to spend, their KiwiSaver savings were read a list of items and asked which they have spent or intend to spend their KiwiSaver savings on. Respondents could give more than one answer. They were also asked what the main thing is they will spend the money on.

Items of spending

	All items money spent on				Main item money spent on			
	Total (399) %	Withdrawal of KiwiSaver savings			Total (399) %	Withdrawal of KiwiSaver savings		
		All (158) %	Some (32) %	None (207) %		All (158) %	Some (32) %	None (207) %
Travel or holidays either in New Zealand or overseas	61	40	59	72	26	23	19	29
Home improvements or new housing	37	29	47	39	15	17	25	12
Major purchases such as a car, boat or other large item	32	32	19	34	12	20	13	8
Health and medical expenses	29	13	15	39	3	3	-	3
Financial support for other members of your family such as children and grandchildren	24	16	24	28	4	4	3	4
Hobbies and recreational interests	23	18	16	26	1	4	-	*
Everyday living expenses such as food, electricity, phone, clothing, petrol, insurance etc	22	19	21	23	11	8	13	13
Household goods or electronic equipment	19	20	22	18	2	5	-	1
Donations to charities, church or other causes	14	10	13	16	-	-	-	-
Mortgage payments, rent or board	8	8	3	10	2	3	3	1
Or something else	3 [^]	5	-	2	17 ^{^^}	11	15	21

* is used for a % between 0.0% and 0.5%

Base: All respondents who have, or intend to, spend the money

Source: Q5e and 5f

[^]Other includes education (1%), emergency fund (1%), ceremony such as wedding or funeral (1%), and repairs (1%).

^{^^}Other includes emergency fund (16%), ceremony (1%), and repairs (1%).

KiwiSaver members who have spent, or will spend their KiwiSaver savings within the first few months of withdrawal, indicate they will purchase a range of items. However, holidays stand out as the biggest driver for spending, with 61% saying they have or will spend at least some of their savings in this way. Those who have yet to withdraw their savings are especially likely to anticipate spending their savings on holidays (72%). Those with more than \$100,000 in other savings/investments are also the most likely to spend their KiwiSaver savings on holidays (72%).

Proportions of around a third or more have, or will, spend their savings on home improvements and housing (37%) and major purchases such as a car, boat or other large item (32%).

Health and medical expenses are also reasonably high on the list (29%), but this is largely due to those who have yet to withdraw any of their KiwiSaver savings anticipating a need for this type of expenditure (39%).

The survey results related to the main item of expenditure present a similar picture to the results related to all items of expenditure. An exception to this is that everyday living expenses are higher up the list.

There are few marked variations by the value of members' KiwiSaver savings. However, those with more savings tend to mention a greater number of items of expenditure than those with less savings.

Proportion of KiwiSaver savings already spent

Respondents were asked how much of their total KiwiSaver savings they have already spent. The results to this survey are presented in the following table using two different bases (refer to table).

Proportion of KiwiSaver savings already spent

	Withdrawn all KiwiSaver savings (446) %	Withdrawn <u>all</u> KiwiSaver savings <u>and spent or intend</u> <u>to spend at least</u> <u>some</u> (158) %
None	67	7
Up to a quarter	5	16
Between a quarter and a half	3	8
Around a half	3	7
Between a half and three quarters	2	5
More than three quarters, but not all	4	12
All of your savings	15	42
Don't know	*	1
Refused	*	1

* is used for a % between 0.0% and 0.5%
Base: See column headings
Source: Q7b

Of all KiwiSaver members who have withdrawn all of their KiwiSaver savings, nearly a third (32%) have spent at least some of their savings. Fifteen percent have already spent all of their savings.

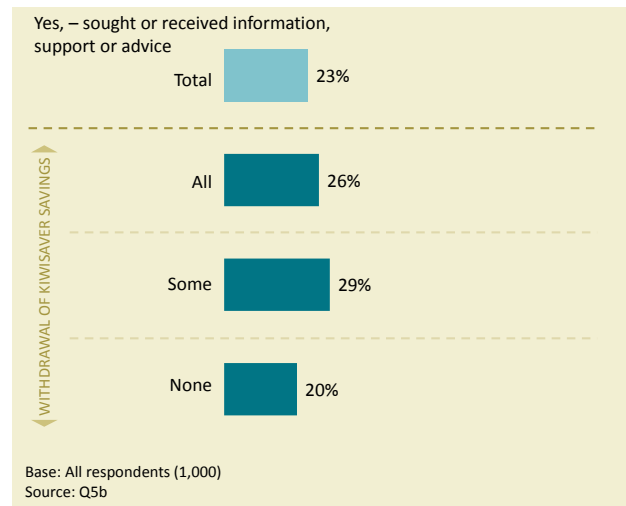
Of KiwiSaver members who have withdrawn all of their KiwiSaver savings and spent or intend to spend at least some of their savings within the first months, 42% have already spent all of their savings. Two thirds (66%) have spent at least half of their savings.

Information, support and advice received in decisions regarding use of KiwiSaver savings

All respondents were asked what type of information, support or advice they have sought or received in helping them decide what to do with their KiwiSaver savings.

The results to this question are presented in the next graph and table (overleaf).

Whether members sought or received information, support and advice



Only 23% of KiwiSaver members sought or received any information, support or advice. Over three quarters of KiwiSaver members (77%) did not seek or receive any information, support or advice or were unsure whether they did.

The table overleaf presents the sources and nature of information, support and advice for those who indicated they did. Respondents could give more than one answer. Note, there were no significant differences by withdrawal behaviour.

Sources and nature of information, support and advice

	%
Sources	
Had contact with /talked to/rang/visited provider or bank	35
Letters/brochures/information pack/forms	16
Provider sent a letter / information pack	11
Letter/mail	4
Booklet, brochure, pamphlet	3
Forms	1
Financial advisor/accountant	14
Family and friends	12
Talked to family	8
Talked to family with a professional qualification	2
Talked to friends	2
Self	12
Made own decision/initiative	8
Did the own research	3
Own self has professional qualification / investment experience	2
Literature, media and advertising	10
Newspaper	6
Literature/reading	3
Magazine	1
Financial reports	1
Advertising	1
E-channels	5
Internet / online website	4
Website of the provider	1
Email from the provider	*
Other party	8
Broker	1
Insurance agent	1
Public Commentator	1
Inland Revenue	1
Went to JP	*
Someone (not specified)	5
Nature of advice or information	
Investment options	19
Choices of investments - including shares, different investment types	8
Looking for term deposit	4
To leave the money as it is	3
Offered an advisor to assist on the investment	3
Reinvestment	1
Got an investment proposal	1
Put more money into the investment	1

General advice	17
General information / advice – no further explanation given	11
Discussed/advised on what to do	6
Return/financial rewards	10
Evaluated returns	5
Interest	1
Investment information related to the risk level	1
Get a better interest/return	1
KiwiSaver had a better returns	2
Government no longer contributes	1
Growth depends on the financial market	1
Investment reviews	1
Withdrawal	6
Options	2
Information about being eligibility to withdraw	1
Could withdraw/how to withdraw	1
Could get the whole lot in lump sum or regular payments	1
Easy to process	1
Timeframe	1
The information about the maturity date	*
Other	7

* is used for a % between 0.0% and 0.5%

Base: All respondents excluding those who said none/don't know (231)

Source: Q5b

Those who sought or received information, support or advice on what to do with their KiwiSaver savings, mention a range of sources. Some type of contact or communication with providers is most commonly mentioned (35%). Written communication materials were specifically mentioned by 16%.

"Our bank was wonderful in helping us sort out what to do with our money."

Withdrawn all KiwiSaver savings, \$20,001-\$25,000 in KiwiSaver savings

"Well I spoke with the bank and rang up the provider about it and found out what interest rate I would get by leaving it there, I came to the conclusion to leave it in the KiwiSaver account as it would get better interest."

Withdrawn no KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings

"Provider sent me a form to make sure I was in right type of risk portfolio - conservative or higher risk."

Partially withdrawn KiwiSaver savings, more than \$30,000 in KiwiSaver savings

"Haven't sought any, they sent us a letter describing everything and putting it in plain language for us."

Partially withdrawn KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings, already spent 50%-75% of KiwiSaver savings

Other common sources include financial advisors/accountants (14%), family/friends, the efforts of the KiwiSaver members themselves (12%), and a range of literature, media and advertising (10%).

"Mostly based on our own experience over the years, but we also spoke to 2-3 accountants in the workplace before we made our decision."

Withdrawn all KiwiSaver savings, more than \$30,000 in KiwiSaver savings

"I've always kept a very clear hold on my financial circumstances therefore I read quite a few things about my KiwiSaver savings. I have access to fairly informed people around me, so had conversations with those people who were able to give me good advice."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings, already spent all KiwiSaver savings

"Only advice I've sought is on the internet or papers. Just general information on how to invest money and also in the pack that you get from the bank is information on how you can invest it."

Withdrawn no KiwiSaver savings, \$15,001-\$20,000 in KiwiSaver savings

The nature of the advice, support or information commonly focussed on investment options (19%) and the returns and financial rewards associated with investments (10%).

"The bank did send information out about other options prior to the maturity of it such as reinvesting or investing in other funds."

Withdrawn all KiwiSaver savings, \$10,001-\$15,000 in KiwiSaver savings, already spent all KiwiSaver savings

"I went in to ask for a form to apply to get my money so they went and had a look and she said 'in another 10 days you'll have it'. The lady who did the finances contacted us and talked it over with us, how much we had to invest she talked it through with us."

Withdrawn all KiwiSaver savings, \$5,000-\$10,000 in KiwiSaver savings

"The provider I have invested with has provided me with information about how I can invest it

into other schemes with them, like I can do it at a higher rate."

Withdrawn no KiwiSaver savings, \$20,001-\$25,000 in KiwiSaver savings

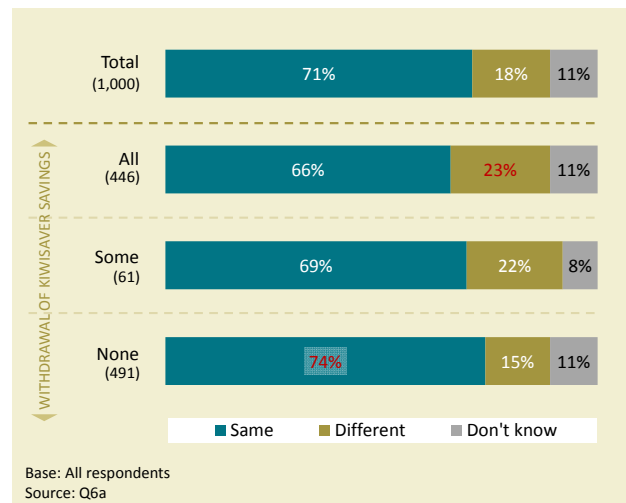
"From the provider I use, they drew my attention to some of the funds that were available that I could carry on either inside or outside KiwiSaver."

Withdrawn all KiwiSaver savings, \$5,000-\$10,000 in KiwiSaver savings

Changes in intentions to use KiwiSaver savings over time

Respondents were asked when they first joined KiwiSaver whether what they thought they'd do with their KiwiSaver savings once they were eligible to withdraw is the same or different to what they think now.

Changes in intentions to use KiwiSaver savings over time



A sizeable majority (71%) of KiwiSaver members feel that their expectations of what they would do with their KiwiSaver savings have not changed since they joined KiwiSaver. Nearly one in five (18%) say their intentions have changed, with the remainder (11%) being unsure.

Members who have withdrawn their entire KiwiSaver savings are more likely than those who have yet to withdraw any of their KiwiSaver savings to say that what they now think is different (23% compared to 15%).

Demographic analysis shows that:

- Those with other savings and investments worth more than \$50,000 are more likely to say that their intentions have stayed the same than those with no or up to \$20,000 in other savings and investments (75% compared to 65%).

Reasons why intentions to use KiwiSaver savings have changed

Respondents who said that when they first joined KiwiSaver what they thought they would do with their KiwiSaver savings once they were eligible to withdraw is different to what they think now were asked how it is different. This question was asked without prompting with possible answers. Respondents could give more than one answer.

The results are detailed in the table overleaf and are separated into comments made about the KiwiSaver member's current view (see top part of table) and the view they held when they joined KiwiSaver (bottom part of table).

Reasons why intentions to use KiwiSaver savings have changed

	%
Reasons for changing intentions (current view)	
Change in life circumstances	19
Change in financial / economic circumstances (positive and negative)	9
Unemployment / early retirement	4
Change in health situation	3
Death / serious injury of a family member	2
Change in circumstances - not specified	4
Spending (current intention)	18
Purchase a house	4
Financial aid to children	4
House improvement	3
Developed interest in travelling/ trip	3
Paying for expenses / cost of living	3
Spending on cars (or significant items, gifts, hobbies)	2
Fund/provider performance	11
Better than expected return on investment	5
The returns/savings are lower than expected	3
Dissatisfaction with provider	2
Loss in the other investment	1
Uncertainty in the fund	1
Savings/investments (current intention)	3
Save the money / needed a little reserve capital	2
Will use as a retirement fund	1
Debt (current intention)	3
Unexpected mortgage / debt	3
Emergencies (current intention)	4
Unexpected disaster (e.g. earthquake, bankruptcy)	3
Financial emergencies	1
Cash needed now	1

Other reason for changing view	13
No particular plan to use the money in future/ open minded / just leave it as it is	8
No government contribution makes it less attractive	3
Cannot afford to make the contribution	2
Legal issues (related and not related to KiwiSaver)	1
Original plan	
Spending (original intention)	23
Planned to spend on travelling/trip initially	12
Planned to spend on hobbies/cars initially	6
Planned to spend on buying house/properties/home improvements initially	2
Planned to use for paying the day-to-day expenses initially	1
Planned to spend it - no further explanation	1
Planned to spend on children initially	1
Planned to cover funeral expenses initially	*
Savings/investment (original intention)	17
Planned for saving with a good return/ just a saving plan initially	7
Planned to use as a retirement fund initially	6
Initially viewed as an investment	2
Was going to re-invest it	2
Debt (original intention)	3
Planned to use for paying off the mortgage/debt initially	3
Emergencies (original intention)	2
Planned to use for financial emergencies initially	2
Other (original intention/view)	15
No initial plan for the fund / No withdrawal plan initially	9
Key motivation to join was government tax rebate/input	3
Planned to withdraw the money when eligible initially	3
Planned to use the fund for own use	*
Other	3

* is used for a % between 0.0% and 0.5%

Base: All respondents who thought what they would do with their KiwiSaver savings once they were eligible to withdraw is different to what they think now (188)

Source: Q6b

For around one in five (19%) KiwiSaver members who changed their views, an unexpected change in life circumstances has come into play.

"Well I didn't imagine myself not working. I wanted to carry on. But I have a very bad chest so no way I could work anymore."

Withdrawn all KiwiSaver savings, \$5,000-\$10,000 in KiwiSaver savings

"Well I retired early due to injury and didn't have the KiwiSaver I expected to have. I retired at 61."

Withdrawn all KiwiSaver savings, less than \$5,000 in KiwiSaver savings

"If I'd continued working I'd have continued in KiwiSaver and built up as much savings as possible to help in retirement, but circumstances changed."

Withdrawn all KiwiSaver savings, less than \$5,000 in KiwiSaver savings

"I enjoy KiwiSaver, it's only that the business started to go down, that's why I withdrew otherwise I would have gone on holiday."

Partially withdrawn KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

A change in spending intentions is also commonly mentioned, with 18% commenting on various current spending plans and 23% commenting on their original spending plans.

"I hadn't planned to buy another house at that time and we hadn't planned to withdraw it."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings, already spent all KiwiSaver savings

"I was going to reinvest it - the car came up and I needed to upgrade."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings, already spent all KiwiSaver savings

"We thought that we would use it to go on holiday etc., but it just wasn't possible because my husband just can't get around now."

Partially withdrawn KiwiSaver savings, \$15,001 to \$20,000 in KiwiSaver savings

"Well it was really just for getting older, you just don't know what's going to happen. Just for emergencies. However now I'm thinking about my grandchildren. I already have a good car, I don't have a mortgage and I was thinking of the grandchildren because it's expensive to send them to school - so to help them out in school later on like University or something like that or boarding school."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver savings

The performance of the KiwiSaver investment or provider has contributed to a change in viewpoint on how the plans will be used for 11%.

"Well there's more money than I expected. Initially I thought it would just pay for a trip to Australia and now it's enough to contribute to ongoing living costs."

Withdrawn no KiwiSaver savings, \$20,001 to \$25,000 in KiwiSaver savings

"It is mainly based on my provider - the way they have handled the communications to me. I am not happy with my provider."

Withdrawn no KiwiSaver savings, \$25,001 to \$30,000 in KiwiSaver savings

"I was going to leave it in because I thought it was a good idea. But I was disillusioned by the provider."

Withdrawn all KiwiSaver savings, \$5,000 to \$10,000 in KiwiSaver savings

"Initially I thought I would withdraw it at the 5 year stage, but because it wasn't doing particularly well, I decided to leave it and see if it would grow, and it has."

Withdrawn no KiwiSaver savings, \$20,001 to \$25,000 in KiwiSaver savings

KiwiSaver members' focus on the KiwiSaver savings as a saving plan, good investment, and way to establish a retirement fund also receives significant mention (17%).

"I was going to put it into my retirement fund but now I am going to spend some on a car."

Withdrawn no KiwiSaver savings, \$25,001 to \$30,000 in KiwiSaver savings

"When I first joined it was a saving scheme which attracted me, the end use was not in my view at that point."

Withdrawn all KiwiSaver savings, \$15,001 to \$20,000 in KiwiSaver savings

"When I first joined it was going to be my retirement egg, but being a woman alone, I've had no other savings to get the house repainted."

Withdrawn all KiwiSaver savings, \$10,001 to \$15,000 in KiwiSaver saving

Summary of key highlights in this section

Drivers to withdraw KiwiSaver savings centre fairly evenly on spending and re-investment, and with some needing the savings to pay off other debt

- Over half (58%) have, or plan to, put their KiwiSaver savings into other savings or investments, primarily for a better return and to have easy access to the money.
- Re-investment of KiwiSaver savings is more likely among members who have more other savings and investments.
- Half (50%) of members have spent their KiwiSaver savings, or will spend them, within the first few months of withdrawal.
- Travel or holidays are the most common item of desired expenditure (61% of those who have spent, or intend to spend, their KiwiSaver savings). Covering everyday living expenses such as food and bills comes further down the list (in seventh place) with 22% envisaging spending their KiwiSaver savings on this.
- Of all KiwiSaver members who have withdrawn their entire KiwiSaver savings, 32% have spent at least some of their savings. Fifteen percent have already spent all of their savings.
- Around one in seven (15%) have or will use their KiwiSaver savings to pay off a mortgage or other debt. This is more likely among members with less than \$5,000 in KiwiSaver savings, and members who have made a partial withdrawal.

Less than a quarter have sought or received information or advice in helping them decide what to do with their KiwiSaver savings

- This input has most commonly come from providers, but also from financial advisors, family/friends and the member's own efforts in searching for information.
- The nature of the advice, support or information commonly focussed on investment options and the returns and financial rewards associated with these.

Nearly one in five members have changed their expectations about their use of KiwiSaver savings over time

- Most (71%) members feel their expectations of what they would do with their KiwiSaver savings have not changed since they joined KiwiSaver.
- Of the 18% who say their expectations have changed, reasons centre on an unexpected change in life circumstances, changes in spending intentions, and to a lesser extent the performance of the

Section 5. Savings and income characteristics of KiwiSaver members

This section explores the income characteristics of older KiwiSaver members including income sources for retirement, the value of their KiwiSaver savings, the value of other savings and investments, as well as perceptions of the adequacy of members' retirement incomes and the importance of KiwiSaver savings for retirement.

Current income sources

Respondents were asked a series of questions to establish their current sources of income.

Current income sources

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Paid work (respondent <u>or</u> partner)	61	41	82	71
Respondent in paid work	49	29	73	58
Partner in paid work	33	24	41	38
Has partner in KiwiSaver	47 [^]	44	59	48
Money from the government such as a benefit payment or New Zealand Superannuation	98	98	100	98
Savings or term deposit accounts	74	76	53	75
Stocks, shares, bonds or unit trusts	44	41	33	48
Income from your own business	21	19	22	22
Rent from an investment property	19	15	13	23
A work based retirement savings scheme that is <u>not</u> KiwiSaver	17	16	10	19
Other investments	17	15	12	19
Another superannuation plan	12	9	7	14
Rent from subletting or a border or lodger	4	4	3	4
Other type of income	1	2	-	1

[^]This equates to 62% of respondents with partners

Base: All respondents

Source: Q8a, 8b, 8c, 8d and 8e

Key patterns from this data are as follows:

- Around one half (49%) of members are in paid work and 61% are in paid work themselves or have a partner in paid work. Those who have withdrawn their entire savings are much less likely to be in paid work (or have a partner in paid work).
- Nearly half (47%) have a partner in KiwiSaver. This is especially high among members who have made a partial withdrawal (59%).
- The large majority (87%) of members have some type of income other than paid work, New Zealand superannuation (or other government money) or KiwiSaver. Members who have yet to withdraw any of their KiwiSaver savings are more likely to have a number of these other income sources than those who have made partial or full withdrawals.

Additional analysis shows that members with more KiwiSaver savings are more likely to:

- be in paid work (79% of those with more than \$30,000, 60% of those with \$15,001 to \$30,000, and 37% of those with up to \$15,000)
- have a partner in paid work (42% of those with more than \$30,000, 36% of those with \$15,001 to \$30,000, and 29% of those with up to \$15,000)
- have a partner who has joined KiwiSaver (51% of those with more than \$10,000 compared to 36% of those with up to \$10,000)
- have stocks, shares, bonds or unit trusts (46% of those with \$10,000 or more compared to 34% of those with up to \$10,000)
- have another superannuation plan (19% of those with more than \$30,000 compared to 9% of those with up to \$10,000).

Comparison of current income sources with income sources at time of joining KiwiSaver

Respondents were asked a similar set of questions to establish their joint sources of income at the time they joined KiwiSaver. Comparison with current income sources are provided in the table below.

Comparison of income sources

	When joined KiwiSaver*	Current income sources
Paid work (respondent or partner)	88	61
Respondent in paid work	83	49
Had a partner in paid work	51	33
Savings or term deposit accounts	64	74
Stocks, shares, bonds or unit trusts	40	44
Income from your own business	28	21
Rent from an investment property	20	19
Money from the government such as a benefit payment or NZ Superannuation	16	98
A work based retirement savings scheme that is <u>not</u> KiwiSaver	15	17
Other investments	14	17
Another superannuation plan	12	12
Rent from subletting or a border or lodger	2	4
Other type of income	1	1

Base: All respondents (1,000)

Source: Q8a, 8b, 8c, 8d, 8e, Q11a, Q11b and Q11c

*See Appendix B for a detailed breakdown of income sources at the time of joining KiwiSaver by withdrawal behaviour.

Understandably, income sources at the time of joining KiwiSaver were more heavily weighted towards paid work (including income from the member's own business) and less weighted towards money from the government.

However, various sources of investment are now more common – especially savings and term deposit accounts (up 10 percentage points). Some of this increase reflects members' reinvestment of their KiwiSaver savings.

Value of KiwiSaver savings

Respondents were asked to describe the approximate total value of their KiwiSaver savings. Those who had not made any withdrawals were asked to indicate the current value and those who had withdrawn some or all of their KiwiSaver savings were asked to indicate the value just prior to withdrawal.

Value of KiwiSaver savings

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Less than \$5,000	5	7	5	4
\$5,000 to \$10,000	14	17	15	12
\$10,001 to \$15,000	36	50	19	29
\$15,001 to \$20,000	18	13	23	21
\$20,001 to \$25,000	10	5	10	12
\$25,001 to \$30,000	5	3	8	5
More than \$30,000	8	4	17	10
Don't know	5	-	2	8
Refused	*	-	-	*

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q7a

Just over half (55%) have KiwiSaver savings of up to \$15,000, one third (33%) have KiwiSaver savings of over and \$15,000 and up to \$30,000 and just 8% have KiwiSaver savings of more than \$30,000.

Those who have withdrawn their entire KiwiSaver savings tend to have had a smaller balance, with nearly three quarters (74%) having up to \$15,000.

Value of other savings or investments

Respondents who indicated they, or their partner, had some type of savings or investments (other than KiwiSaver)⁷ were asked to indicate the value of them.

The results are presented in the table below and are based on the total sample. The proportion of the total sample who have none of these types of savings or investments is also shown.

Value of other savings or investments

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (49) %
None	16	15	31	15
Less than \$20,000	12	13	21	10
\$20,001 to \$50,000	12	13	18	11
\$50,001 to \$100,000	12	11	7	13
More than \$100,000	42	44	15	44
Don't know	6	5	8	7

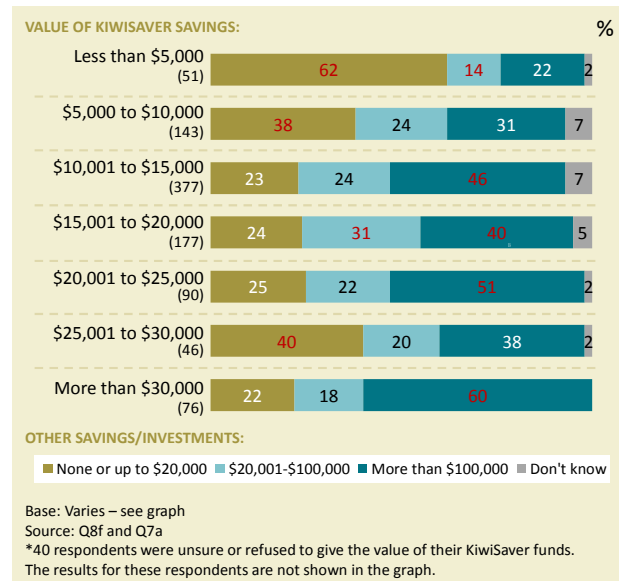
Base: All respondents
Source: Q8f

Over a quarter (28%) either do not have any of these other types of savings and investments or have a small balance (less than \$20,000). A further quarter (24%) have more than \$20,000 and up to \$100,000, and 42% have more than \$100,000.

Members who have partially withdrawn their KiwiSaver savings are more likely to have no or less than \$20,000 of other savings and investments (52%). However, note that members who partially withdrew their KiwiSaver savings had a significantly higher value of KiwiSaver savings.

The following chart shows the value of other savings and investments by KiwiSaver savings.

Value of other savings and investments by value of KiwiSaver savings



Overall, the more KiwiSaver savings a member has the more likely they are to have other savings and investments. Most notably:

- Members with up to \$10,000 in KiwiSaver savings are much more likely to have no or up to \$20,000 in other savings and investments (44% compared to 24% of those with more than \$10,000 in KiwiSaver savings)
- Members with more than \$30,000 in KiwiSaver savings are much more likely to have more than \$100,000 in other savings and investments (60% compared to 42% of those with up to \$100,000).

Two exceptions to the above pattern are that:

- The \$25,001 to \$30,000 KiwiSaver band has a relatively high proportion of members with no other savings or investments (40%)
- There is little variation between the wider band of \$10,001 to \$25,000 in KiwiSaver savings.

⁷ This includes a work based retirement scheme that is not KiwiSaver, another superannuation plan, savings or term deposit accounts, stocks, shares, bonds or unit trusts, or other investments.

Other sources of income in retirement

Respondents were asked what other sources of income, if any, they think they (or their partner) will have during their retirement. Respondents could give more than one answer.

Other sources of income in retirement

	%
No other sources	75
Salary/wages/self-employment income	7
Inheritance	3
Investments/interest (not specified)	2
Profit from selling large house and moving to smaller house	2
Selling investment properties	2
Superannuation/pensions	2
Dividends, shares, bonds, unit trusts	1
Other income from property	1
Selling home and renting instead	1
Savings/term deposits	1
Selling business	*
Life insurance/insurance	*
Trusts/family trusts	*
Re-mortgaging home	*
Other income source	2
Don't know	4

* is used for a % between 0.0% and 0.5%

Base: All respondents (1,000)

Source: Q8g

Over three quarters (79%) of members say they or their partner will have no other sources of income during retirement or are unsure whether they will.

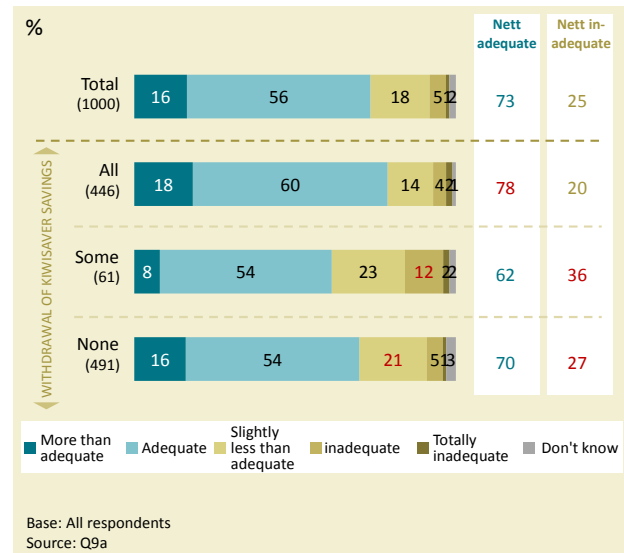
A range of sources was mentioned among those who say they or their partner will have other sources. Paid employment or self-employment during retirement is mentioned by 7%. Note, however, that as the question wording asked the respondent to focus on sources that had not already been mentioned many respondents may not have mentioned paid work here as it had been covered earlier in respect to current sources of income.

There are no significant differences in these results by withdrawal behaviour.

Perceived adequacy of retirement income

Respondents were asked how adequate they think their income from all sources will be to cover their living costs now and throughout retirement. Results are shown in the next graph.

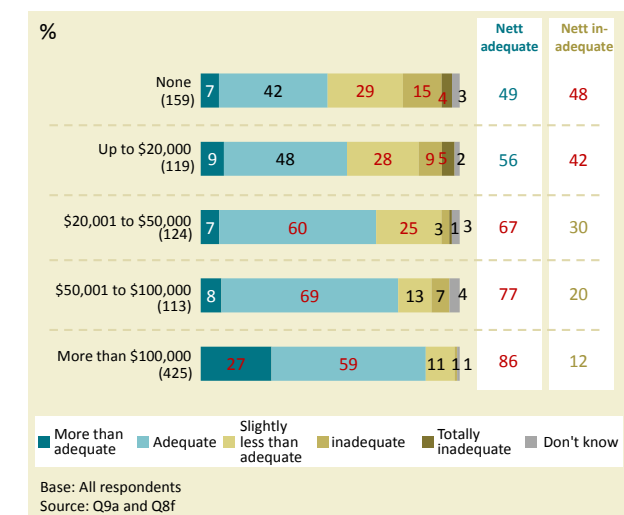
Perceived adequacy of retirement income



Nearly three quarters (73%) of members believe their retirement income will be either adequate or more than adequate. One quarter (25%) believe it will be slightly less than adequate, inadequate or totally inadequate. Those who have withdrawn all of their KiwiSaver savings are more confident that their income will be adequate (or more than adequate) than those who have yet to withdraw their entire KiwiSaver savings.

The chart below maps perceptions of adequacy of retirement income by the value of other savings and investments a person has.

Perceived adequacy of retirement income by value of other savings and investments

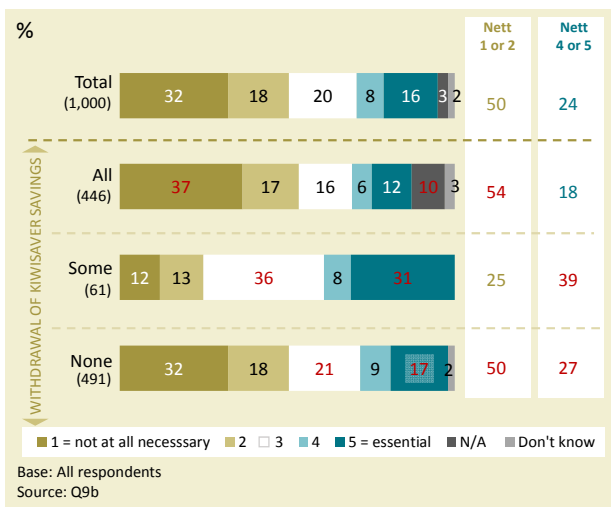


As might be expected, the more savings or investments a person has the more positive are their perceptions of the adequacy of their retirement income.

Perceived importance of KiwiSaver savings for retirement

Respondents were asked how necessary they think their KiwiSaver savings are to ensuring they are able to meet their living costs throughout retirement. A scale of 1 to 5 was used where 1 means 'not at all necessary' and 5 means 'essential'.

Perceived importance of KiwiSaver savings for retirement

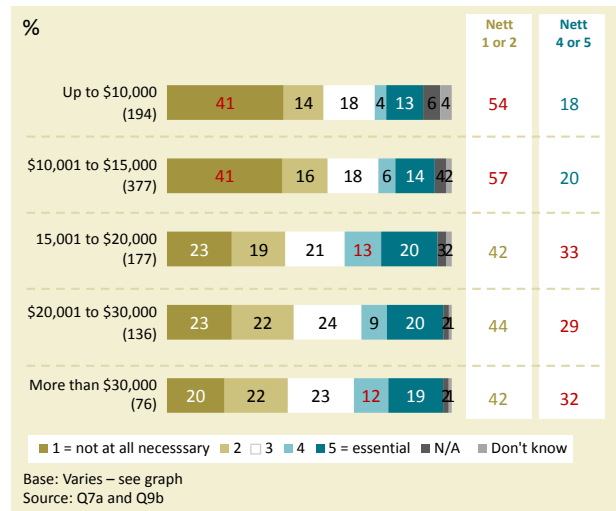


Around one quarter (24%) of members consider their KiwiSaver savings to be especially important to being able to meet their living costs throughout retirement (a rating of 4 or 5 out of 5).

Members who have made a partial withdrawal place greater importance of their KiwiSaver savings on helping them meet their living costs in retirement than the other withdrawal behaviour groups.

Further, those with more KiwiSaver savings place greater importance on them helping meet their living costs in retirement costs than those with less KiwiSaver savings. This is illustrated in the next chart.

Perceived importance of KiwiSaver savings for retirement by value of KiwiSaver savings



Summary of key highlights in this section

Most members receive income from paid work, as well as from sources other than paid work, New Zealand Superannuation or KiwiSaver

- Sixty one percent of members are currently either in paid work themselves or have a partner who is in paid work.
- 47% have a partner in KiwiSaver.
- The large majority (87%) of members have some kind of income other than paid work, New Zealand Superannuation or KiwiSaver.

Most members have small KiwiSaver balances and the majority have less than \$100,000 in other savings and investments

- Just over half (55%) have KiwiSaver savings of up to \$15,000, one third (33%) have KiwiSaver savings of over \$15,000 and up to \$30,000 and 8% have KiwiSaver savings of more than \$30,000.
- Sixteen percent of members do not have any other savings and investments, 36% percent have up to \$100,000 and 42% have more than \$100,000 in other savings and investments.
- Overall, the more KiwiSaver savings a member has the more likely they are to have other savings and investments.

One quarter believe their retirement income will be inadequate to some extent

- Nearly three quarters (73%) of members believe their retirement income will be either adequate or more than adequate. Conversely, one quarter (25%) believe it will be slightly inadequate, inadequate or totally inadequate.

Around one quarter see KiwiSaver as especially important to meet their living costs in retirement

- Using a scale of 1 to 5, where 1 is 'not at all necessary' and 5 is 'essential', 24% consider their KiwiSaver savings to be especially important (a rating of 4 or 5) in ensuring they are able to meet their living costs throughout retirement.
- Greater importance is placed on KiwiSaver savings by those who have partially withdrawn their KiwiSaver savings and those with more KiwiSaver savings (over \$15,000), as well as women, single people and renters (as detailed in the section on demographic patterns later in this report).

Section 6. Drivers and behaviours during time in KiwiSaver

This section explores a range of drivers and behaviours of members during their time in KiwiSaver in relation to joining KiwiSaver, providers, contributions, and investment funds.

Drivers to join KiwiSaver

Without prompting with possible answers, respondents were asked why they decided to join KiwiSaver. Respondents could give more than one answer. Results are presented in the table below.

Drivers to join KiwiSaver

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Incentives	47	51	33	47
Government contribution (kick start payment on joining plus member tax credit paid each year)	43	48	30	41
My employer contributed to my KiwiSaver account	11	8	17	12
My employer contributed more than the minimum amount	1	*	2	1
Investment with incentives	*	*	-	-
Could double your money	*	*	-	*
Good/easy way to save	40	35	47	42
KiwiSaver is an easy way to save	18	17	29	17
Money regularly coming out of pay is good way to save	12	8	18	14
Good investment/savings plan, good return	5	6	3	4
Good scheme/good idea generally	4	2	5	5
Compulsory savings	4	4	2	4
Another type of investment/saving/super	1	*	-	2
The best option at the time	*	1	-	-
Saving for future/securing income for retirement	31	28	42	31
A way to make sure I have enough money for my retirement/future	30	27	40	31
Have plans for savings (e.g. car, trip, pre-paid funeral)	1	1	-	1
I wasn't saving for retirement at the time I decided to join KiwiSaver	*	-	2	*
Advised from other	4	5	3	4
Advised by employer	1	2	3	1
Advised by accountant/financial advisor/bank	1	1	-	2
Advised by family/friends	1	1	-	1
Attended a talk / saw advertisements/articles/notice on workplace board	*	1	-	*

Passive decision	2	3	-	2
It was compulsory	2	2	-	1
I was enrolled automatically when started a new job and just decided to stay in	1	1	-	*
Other	6	7	3	6
Short term saving /can withdraw after five years-good when you are nearing 65	2	3	3	2
It was 'kiwi' (NZ culture appeal)/supporting New Zealand/to support NZ initiative	1	1	-	1
Everyone was doing it	1	1	-	*
I could afford the contributions	*	*	-	1
Had superannuation plan before	*	1	-	*
Other	1	1	-	2
Don't know	*	*	-	*

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q10a

Government and employer incentives were the biggest driver for this group of KiwiSaver members to join KiwiSaver (47%). The Government contribution has been an especially strong driver for those who have now withdrawn their entire KiwiSaver savings (48%). The employer contribution receives greater mention among those who have only partially withdrawn or not withdrawn any of their savings than those who have withdrawn their entire savings. As noted earlier in the report, these first two groups are more likely to still be in paid work.

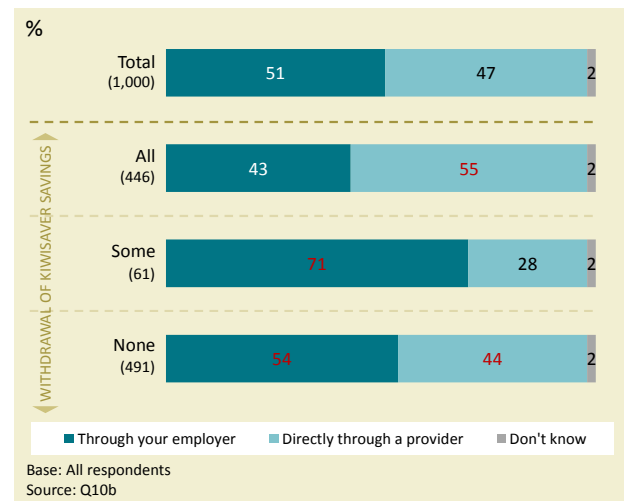
Four in ten (40%) members comment on KiwiSaver being a good and easy way to save, with regular deductions from a member's salary or wages being a key reason for this perception (especially among those who have yet to withdraw their entire KiwiSaver savings)

Securing an income for retirement (31%) also receives notable mention, especially among those who have made a partial withdrawal.

Method of joining

Respondents were asked whether they became a member of KiwiSaver through their employer or directly through a provider.

Method of joining



Members are fairly evenly split between enrolling in KiwiSaver through their employer (51%) or directly through a provider (47%).

Members who have made a partial withdrawal are especially likely to have enrolled through their employer (71%).

Those who have withdrawn their entire KiwiSaver savings are somewhat more likely to have enrolled directly through a provider than through an employer (55% and 43% respectively). The converse is true for those who have yet to withdraw any of their KiwiSaver savings (54% enrolled through an employer and 44% directly through a provider).

Contributions

Contribution rate at time of joining KiwiSaver

Respondents were provided with an explanation of KiwiSaver contributions and contribution rates and then asked what their contribution rate was when they first joined KiwiSaver.

Contribution rate at time of joining KiwiSaver

	Withdrawal of KiwiSaver savings			
	Total (1,000) %	All (446) %	Some (61) %	None (491) %
2%	1	1	3	1
4%	55	46	69	58
5%-7%	1	-	2	1
8%	10	11	8	9
More than 8%	*	1	-	*
Not applicable – didn't contribute directly from salary or wages	19	25	4	17
Other %	*	*	-	*
Don't know	12	13	9	11
Not clearly specified (e.g. dollar amount given)	3	3	3	2
Refused	*	*	-	-

* is used for a % between 0.0% and 0.5%
 Base: All respondents
 Source: Q13a

Just over half (55%) say their contribution rate was the minimum employee contribution rate of 4%. Around one in ten (11%) contributed more than 4% of their income.

These two results equate to 82% and 16% respectively when those who didn't contribute directly from salary or wages were unsure of their contribution rate, or gave an unclear answer are excluded from the calculations.

Members who have partially withdrawn or not withdrawn any of their KiwiSaver savings are more likely to have been on the minimum contribution rate than those who have withdrawn their entire KiwiSaver savings.

Whether changed contribution rate when minimum rate changed

Respondents were given a definition of a minimum employee contribution rate. They were also given an explanation of the change in the minimum employee contribution rate – from 4% when KiwiSaver was first introduced in 2007 to 2% in April 2009). They were then

asked whether at that time they reduced their contribution rate to 2%, some other amount, or whether they kept it the same as before.

Whether changed contribution rate when minimum rate changed

	Withdrawal of KiwiSaver savings			
	Total (796) %	All (330) %	Some (58) %	None (406) %
Reduced contribution rate to 2%	5	4	3	6
Reduced contribution rate to some other amount	1	2	-	1
Kept contribution rate the same	85	83	90	86
Don't know	8	11	7	7

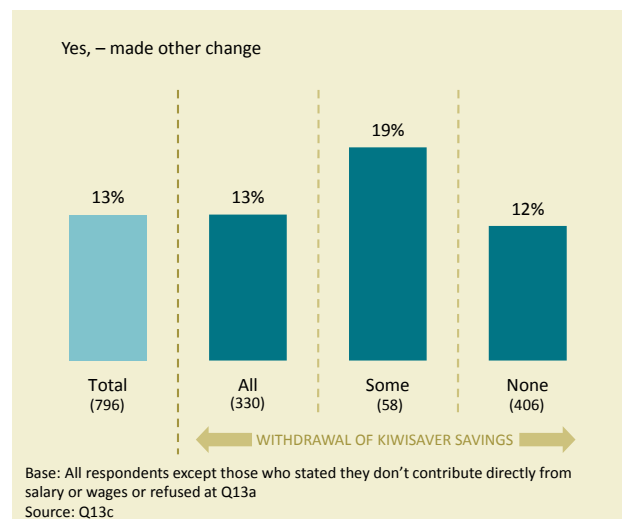
Base: All respondents except those who stated they don't contribute directly from salary or wages or refused at Q13a
 Source: Q13b

The large majority (85%) of members who were making regular contributions say they kept their contribution the same when the minimum employee contribution rate changed in April 2009. Just 6% indicate they reduced their contribution rate.

Other changes in contribution rate

Respondents were asked whether during their time in KiwiSaver they made any other changes to their contribution rate.

Other changes in contribution rate



Nearly one in seven (13%) indicated they made some other kind of change to their contribution rate during their time in KiwiSaver.

Current (or most recent) contribution rate

Respondents were asked to state their current or most recent contribution rate.

Current (or most recent) contribution rate

	Withdrawal of KiwiSaver savings			
	Total (1,000) %	All (446) %	Some (61) %	None (491) %
2%	6	4	5	7
4%	44	38	61	46
5%-7%	1	-	2	1
8%	11	11	13	10
More than 8%	*	1	-	*
Not applicable – didn't contribute directly from salary or wages	26	32	14	24
Other %	*	-	-	*
Don't know	9	11	3	8
Not clearly specified (e.g. dollar amount given)	3	3	2	2
Refused	*	*	-	-

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q13d

Just six percent contributed the minimum employee contribution rate of 2%, 44% of members contributed a rate of 4%, and 12% of members contributed a rate of more than 4%.

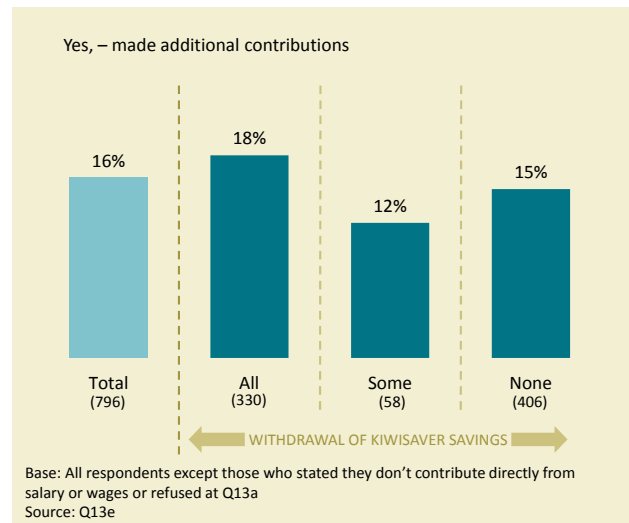
These three results equate to 9%, 71% and 19% respectively when those who did not contribute directly from salary or wages, were unsure of their contribution rate, or gave an unclear answer are excluded from the calculations.

Analysis by withdrawal behaviour shows variations in the proportion who did not contribute directly from salary or wages. When this group (along with those who were unsure or gave an unclear answer) are excluded from the calculations, the contribution rates are not significantly different across the withdrawal groups.

Additional contributions

Respondents were asked whether they have made any additional contributions on top of those regularly made at their chosen contribution rate.

Additional contributions

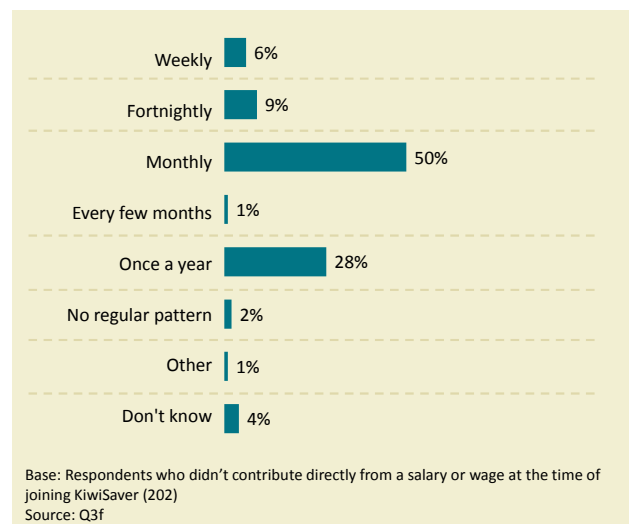


One in six (16%) members who were regularly contributing from their salary or wages made additional contributions at some stage during their time in KiwiSaver.

Frequency of contributions

Respondents who said they did not contribute directly from a salary or wage at the time of joining KiwiSaver were asked how often they made contributions to KiwiSaver.

Frequency of contributions



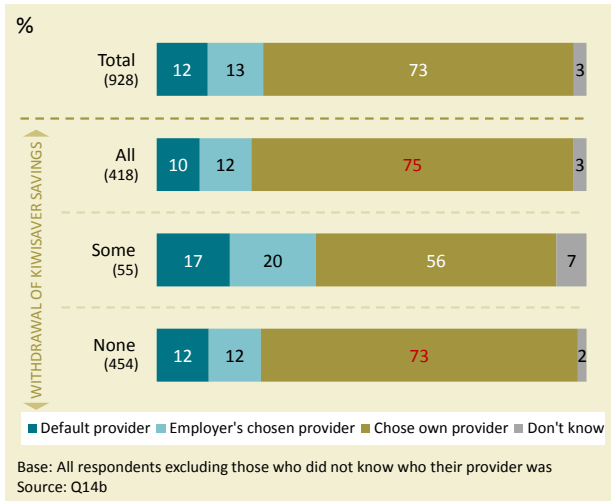
Nearly two thirds (65%) of members who did not contribute directly from a salary or wage say they made payments at least monthly.

Provider

Method of choosing provider

Respondents were asked whether Inland Revenue allocated them to a default provider, whether they went with their employer’s chosen provider, or whether they chose their own provider.

Method of choosing provider



Nearly three quarters (73%) of members chose their own provider. Proportions of less than one in seven elected to be allocated to their employer’s chosen provider (13%) or were allocated and stayed with a default provider (12%). Those who have made a partial withdrawal are less likely to have chosen their own provider.

KiwiSaver provider

Respondents were asked to name their current, or most recent, provider. Results are presented in the next table in various groupings.

KiwiSaver Provider

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Default providers	48	47	53	48
Non default	45	46	37	45
Large provider (50,000 members +)	83	84	82	83
Medium provider (10,000-49,999 members)	4	4	-	5
Small provider (less than 10,000 members)	4	4	7	4
Name given not a provider	1	1	2	1
Don't know	7	6	8	8
Refused	*	*	2	-

* is used for a % between 0.0% and 0.5%

Base: All respondents
Source: Q14a

The vast majority (92%) of KiwiSaver members were able to name their current or most recent provider.

Market share is fairly evenly split between default providers (48%) and non-default providers (45%).

Drivers of provider choice

Respondents who chose their own provider were asked how they chose their provider. Respondents could give more than one answer.

Drivers of provider choice

	Total (680) %	Withdrawal of KiwiSaver savings		
		All (316) %	Some (31) %	None (333) %
Familiarity	57	60	71	54
Main bank	39	47	54	32
Previous experience with them	22	16	29	25
I worked there	1	2	3	1
Been allocated / Follow provider/bank	1	*	-	2
Recommended by others	20	19	7	23
Recommended by financial advisor/bank	12	11	3	14
Recommended by family/friends	8	8	3	9
Recommended/supported by my employer	*	*	-	1
Financial security	12	10	23	13
Good reputation	11	8	16	11
Financially stable organisation	3	2	7	3
Financial advantages	6	4	16	6
Good returns on investment	3	2	13	3
Offered level of risk I wanted	2	2	-	2
Reasonable investment fees	1	*	3	2
Liked investment products	2	2	3	2
Good range of options/products	1	1	3	1
Offered what I wanted/best option for me	1	1	-	1
Other	15	14	23	15
Provider explained things clearly/helped me make decision	3	3	16	3
Did some research	3	4	3	3
Just liked them	3	3	3	4
Advertisement / Seminars / Letter from provider or bank / Staff approached to me	2	1	-	3
Location / handy	1	2	-	1
Socially responsible organisation	*	*	-	1
Wanted to diversify my bank accounts	*	*	-	*
Good reports / regular updates of balance	*	1	-	*
NZ company	*	*	-	*
Other	2	1	-	2
Don't know	2	3	3	2

* is used for a % between 0.0% and 0.5%

Base: Respondent who chose their own provider

Source: Q14c

Familiarity with the provider – largely through the provider being the member's main bank or the member having previous experience with them – appears to be the strongest driver of provider choice (57% of those who were actively engaged in the process of choosing a provider). Choosing the member's own main bank is

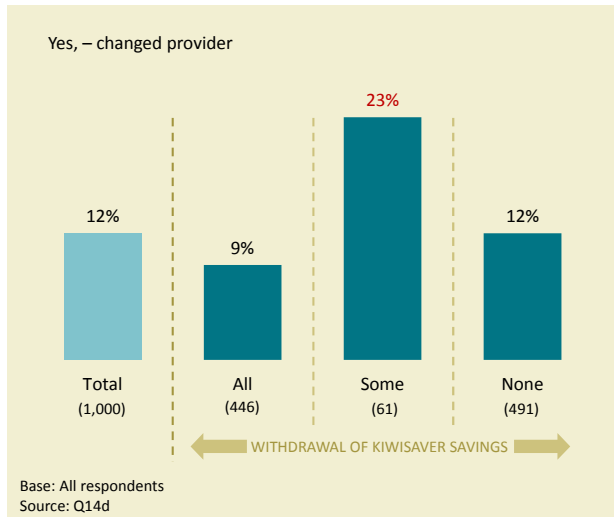
more common for those who have withdrawn all or some of their KiwiSaver savings. Whilst it is also important (albeit weaker) for those who have yet to withdraw their KiwiSaver savings, previous experience with the provider is also a strong driver.

Other drivers relate to the recommendations of others (20%), perceptions of financial security (12%) and perceived financial advantages offered in terms of returns, risk, and fees (6%).

Whether ever changed providers

Respondents were asked if they have ever changed KiwiSaver providers.

Whether ever changed provider



Less than one in seven (12%) members have at some time changed provider. Changing providers is more common among those who have partially withdrawn their KiwiSaver savings (23%).

Reasons for changing provider

Respondents who had changed their provider were asked why they had done this. Respondents could give more than one answer.

As shown in the next table, the most common reasons for changing providers relate to switching from a default provider or employer-chosen provider (17%), financial advantage largely in the form of better returns (17%), taking the advice of others (14%), a desire to be with a provider that they are more familiar with (13%), and the perceived financial security and reputation of the old and new providers (12%). Due to ownership changes, some members felt they had little say in their change of provider (8%).

Of the remaining reasons (listed under the 'other' category), several of the reasons relate to dissatisfaction with the provider including communication issues.

Reasons for changing provider

	%
To change from the default or work-chosen provider	17
Financial advantage	17
Poor performance/return from the old provider	8
Better returns from the new provider	8
Lower fees	2
The new provider had more/better investment options	1
Advised	14
Advised from advisor/sales/banker/provider	11
Suggestion from family member/friend	3
Familiarity	13
Easier to be with my own bank/provider	11
Family member/friend is an employee of the new provider	3
Financial security/reputation	12
Good reputation of new provider	5
Poor financial situation of the provider	4
A bank is more secure	2
Bad reputation	1
Insecurity due to unknown reputation of the old provider	1
Passive choice to move	8
The bank/fund was taken over	7
Provider vacated New Zealand	1
Other	41
Dissatisfaction with the provider	10
No regular reports/poor communication	7
Better communication	5
To put all investments into one nest	4
Change motivated by loss of job/change of job/retirement	3
Changed by the provider	2
My bank/provider changed fund offered	2
Location reason	2
Ease of use	2
Switching banks	1
Felt more comfortable with new bank	1
To reduce the paperwork	1
Other	7
None	1

* is used for a % between 0.0% and 0.5%

Base: All respondents who had changed provider (115)

Source: Q14e

Whether changed KiwiSaver scheme

To provide a more comprehensive measure of the proportion of KiwiSaver members who had changed KiwiSaver schemes, we asked respondents who had a provider with more than one scheme (ASB, OnePath, Mercer and Aon) whether they had ever changed from one scheme to another with their particular provider.

Of the 256 respondents who had a provider with more than one scheme, only two respondents indicated they have changed scheme with their particular provider. This equates to 1%.

Investment fund

Fund type

Respondents were read these definitions of fund types.

1. **Cash fund.** This is low risk. The money is invested in bank deposits and other fixed interest investments.
2. **Conservative fund.** This is low to medium risk. The money is mainly invested in bank deposits and fixed interest investments, but with some money invested in growth assets such as shares and property.
3. **Balanced fund.** This is medium risk. The money is split more evenly between higher risk growth assets and more stable investments.
4. **Growth fund.** This is medium to high risk. Most of the money is invested in shares and property with some money in bank deposits and fixed interest.
5. **Aggressive fund.** This is high risk. The money is mainly invested in shares.

Respondents were then asked what type of KiwiSaver investment fund they have (or had when they withdrew their savings).

Fund type

	Withdrawal of KiwiSaver savings			
	Total (1,000) %	All (446) %	Some (61) %	None (491) %
Cash fund	17	23	3	14
Conservative	29	31	45	26
Balanced	13	11	7	16
Growth	5	4	7	6
Aggressive	3	3	3	3
Combination	6	5	7	7
Other comment	*	1	-	*
Don't know	26	23	28	28
Refused	*	1	-	-

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q15a

Around one quarter (26%) of members say they do not know what type of investment fund they have.

Conservative funds appear to be most common (29%) ahead of cash funds (17%) and balanced funds (13%). Conservative funds are the most common fund type among those who have partially withdrawn their KiwiSaver savings (45%).

Cash funds are more common among those who have withdrawn their entire KiwiSaver savings than the other two withdrawal groups. Likewise, balance funds are more common among those who have yet to withdraw any KiwiSaver savings compared to the other two withdrawal groups.

Fund type by method of choosing provider

	Total [^] (1,000) %	How chose provider		
		Allocated default provider (106) %	Employer's chosen provider (115) %	Chose own provider (680) %
Cash fund	17	12	11	19
Conservative	29	36	35	28
Balanced	13	8	11	15
Growth	5	2	2	7
Aggressive	3	-	2	4
Combination	6	6	9	6
Other comment	*	-	-	1
Don't know	26	37	31	21
Refused	*	-	-	-

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q15a

[^]27 respondents were unsure how they chose or were allocated their provider. These are included in the total sample, but not shown as a separate column in this table.

Members who chose their own provider are more likely than members allocated to a default fund or their employer's chosen provider to have a cash fund (19%), growth fund (7%) and aggressive fund (4%). However, those allocated to a default fund or their employer's chosen fund are more likely to be unsure what type of fund they have (37% and 31% respectively compared to 21% of those who chose their own provider).

Analysis by value of the KiwiSaver investment shows:

- Cash funds are more common among those with KiwiSaver savings of up to \$20,000 (20% compared to 11% with more than \$20,000)
- Growth funds are more common among members with KiwiSaver savings of more than \$20,000 (10% compared to 4% of those with \$20,000 or less)
- Aggressive funds are more common among those with KiwiSaver savings of more than \$20,000 (6% compared to 2% of those with \$20,000 or less).

Drivers of fund type

Respondents who knew what type of investment fund they have (or had) were asked how they chose their investment fund. Respondents could give more than one answer.

Drivers of fund type

	Total (743) %	Withdrawal of KiwiSaver savings		
		All (343) %	Some (43) %	None (355) %
Expected risks and/or returns	50	53	56	48
Lower risk of ups and downs in the short term	36	41	37	32
Better long term return on money	8	6	12	8
Risk free / lower risk	3	3	-	4
Best option/return for short/medium term	2	3	-	1
Higher risk with better return	1	1	2	2
Based on the risk factor - level unspecified	1	1	2	*
Mix of risk, medium risk	1	1	5	1
Conservative fund	*	-	2	1
Better interest rate	*	*	-	1
Growth assets (e.g. shares and property investments)	*	*	-	1
Recommended	20	19	12	22
Recommended by financial advisor	13	11	2	15
Recommended by family/friends	4	4	9	3
Recommended by employer	3	3	2	3
Advice from provider/bank	2	2	-	3
Passive choice	14	12	23	14
Offered by my main bank	8	7	14	8
Didn't choose fund – IR or provider put me in fund	6	5	9	6
Other	17	17	19	16
Personal choice (e.g. I decided, suited me, gut instinct, a gamble)	5	4	7	6
Based on information I have - reading information/brochure, public media, internet, Inland Revenue seminar	4	4	2	4
By previous investment experience / by own professional/investment knowledge	2	2	5	1
Took age into consideration	2	3	2	2
Took other investments into account (not specified)	1	1	-	1
Wanted something 'middle of the road'	1	1	-	1
Gave me flexibility to do what I wanted with money (e.g. change asset allocation)	1	2	2	1
Something simple	*	1	-	-
Reasonable investment fees	*	-	-	*
Other	1	1	-	1
Don't know				

Base: All respondents who knew what type of investment fund they have (or had)

Source: Q15b

For one half (50%) of members who know what type of investment fund they have (or had), the key driver of fund choice relates to managing the return and/or risk of the investment. A desire to reduce short term

fluctuations is common (36%), particularly among those who have withdrawn their entire KiwiSaver savings (41%). The recommendation of a financial advisor is especially

common among those who have yet to withdraw any KiwiSaver savings (15%).

The recommendations of others influenced fund choice for 20%.

Change in fund type

Respondents who knew what type of investment fund they have (or had) were asked about whether they had ever changed the type of investment fund⁸.

Change in fund type

	Total (743) %	Withdrawal of KiwiSaver savings		
		All (343) %	Some (43) %	None (355) %
Change fund type (all)	8	8	16	7
<i>Changed fund type when changed provider</i>	2	1	7	2
<i>Changed fund type, but not due to change in provider</i>	6	8	9	5
Have not changed fund type (or are unsure)	92	92	84	93

Base: All respondents who knew what type of investment fund they have (or had before withdrawing their KiwiSaver savings)
Source: Q15ci and Q15cii

Less than one in ten (8%) members who knew what type of investment fund they had (or have) say they have at some time changed their investment fund. This is more likely to have occurred with the same provider (6%) than when changing providers (2%).

There are no significant differences in these results by withdrawal behaviour.

Reasons for changing fund type

Respondents who had changed their type of investment fund were asked why they changed funds.

Reasons for changing fund type

	%
Better long term return on money	39
Lower risk of ups and downs in the short term	28
Recommended by financial advisor	11
More growth assets (e.g. shares and property investments)	9
Better mix of income and growth assets	5
More income assets (e.g. cash and fixed interest investments)	2
Offshore (overseas) investments	2
Other	18

Base: All who have changed type of investment fund (58)
Source: Q15d

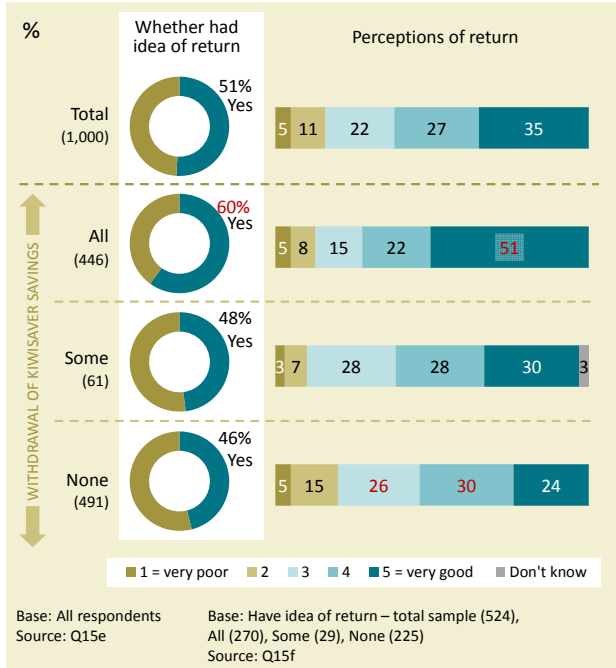
The most common reasons for changing fund relate to improving the long term return of the savings (39% plus a number of the other response categories related to desired fund types point to this end objective), or reducing the risk of short term fluctuations (28%). Some commented on changing funds as a result of financial advice/recommendations (11%).

⁸ Two questions were asked to ascertain whether respondents had ever changed investment funds. Respondents who had indicated that they had changed providers were asked if they put their savings into a different type of investment fund when they did this. Those who said they did not were then asked whether they had ever shifted any of their KiwiSaver savings from one type of investment fund to another. Likewise, respondents who had never changed providers were also asked whether they had ever shifted any of their KiwiSaver savings from one type of investment fund to another.

Perceptions of return on investment

Respondents were asked whether they have an idea of what kind of return they have had on their investment. They were told that a return refers to the amount of money they have gained or lost relative to the amount of money invested. Those who had an idea of their return were then asked to rate the return they have experienced using a five point scale where 1 is 'very poor' and 5 is 'very good'.

Perceptions of return on investment



Only around half (51%) of KiwiSaver members have an idea of what kind of return they have had on their investment. Knowledge is lower among those who have only made a partial withdrawal of their savings or have yet to withdraw any of their savings (48% and 46% respectively compared to 60% of those who have withdrawn their entire KiwiSaver savings).

Among those who say they do have an idea of what kind of return they have had, around six in ten (63%) rate the return positively (a 4 or 5 out of 5), 15% rate it negatively (a 1 or 2 out of 5) and the remainder give a more neutral response (3 out of 5).

Those who have withdrawn their entire savings are more likely to rate the return positively (51% of those who had an idea of the return rated it as 'very good'). Note, the results of the cognitive testing of the questionnaire suggest that in answering this question, some respondents can be influenced by their enthusiasm in what they have been able to achieve with spending the money.

Analysis by the how much KiwiSaver savings a member has shows that:

- Those with less KiwiSaver savings are more likely to say they have no idea of the return on their investment (50% of those with up to \$10,000, 41% of those with \$10,001 to \$30,000, and 28% of those with more than \$30,000).
- Among those who have an idea of the return on their investment, perceptions are more positive among those with KiwiSaver savings in the mid-range (67% of those with \$10,001 to \$30,000 rate the return a 4 or 5 out of 5 compared to 47% of those with up to \$10,000 and 47% of those with more than \$30,000).

Summary of key highlights in this section

Government incentives were a critical driver in getting older New Zealanders to join KiwiSaver

- The most common reason for joining KiwiSaver are the incentives, especially the government contributions (47% without prompting mentioned incentives), followed by recognition of the KiwiSaver scheme being a good and easy way to save (40%) and a way to secure income for retirement (31%).
- Half (51%) enrolled in KiwiSaver through an employer and 47% directly through a provider.

A majority of members stayed at the 2007 minimum employee contribution rate throughout their time in KiwiSaver, while much smaller proportions made more active choices in changing contribution rates and making additional contributions

- 82% contributed at the minimum employee contribution rate of 4% when they joined KiwiSaver (this is based on those who contributed directly from salary or wages and were able to give an answer). Sixteen percent contributed more than the minimum rate of 4%.
- When the minimum employee contribution rate decreased to 2% in April 2009, just 6% of members who contributed directly from their salary or wages reduced their contribution rate.
- Nearly one in seven (13%) have made some other kind of change to their contribution rate while in KiwiSaver.
- 4% is the current or most recent contribution rate for 71% of members contributing directly from their salary or wages. Nine percent contribute(d) at the new minimum rate of 2% and 19% contribute(d) more than 4%.
- One in six (16%) members who were regularly contributing from their salary or wages made additional contributions. Around two thirds (65%) of members who didn't contribute from a salary or wage say they made payments at least monthly.

Three quarters chose their own provider, although market share is still shared fairly evenly between default providers and non-default providers, and is driven by familiarity with the provider

- The vast majority (92%) of KiwiSaver members were able to name their current or most recent provider.
- Market share is fairly evenly split between default providers (48%) and non-default providers (45%).
- Nearly three quarters (73%) chose their own provider, 13% were allocated to their employer's chosen provider, and 12% were allocated and stayed with a default provider.
- Choice of provider is largely driven by familiarity

(57% went with their main bank or had previous experience with the provider) and the recommendations of financial advisors and others (20%).

- Twelve percent have at some time changed provider. The most common reasons for changing providers relate to switching from a default or employer-chosen provider, seeking financial advantage (largely in the form of better returns), taking the advice of others, a desire to be with a provider that the member is more familiar with, and the perceived financial security and reputation of the old and new providers.

While most say they know the type of investment fund they have and what was important to them in choosing a fund, half do not know what kind of return they have had on their investment

- Conservative funds appear to be most common (29%) ahead of cash funds (17%), balanced funds (13%), growth funds (5%), aggressive funds (3%) and a combination of fund types (6%). Around a quarter (26%) do not know what type of fund they have (or had when they withdrew their savings).
- Choice of investment fund is largely driven by a desire to manage the return and/or risk of the investment (50% without prompting). A desire to reduce short term fluctuations is especially common. The recommendations of others influenced fund choice for 20%.
- Only 8% of members who knew what type of investment fund they had (or have) say they have at some time changed their investment fund. The most common reasons for changing fund relate to improving the long term return of the savings or reducing the risk of short term fluctuations.
- Around half (49%) of members do not know what kind of return they have had on their investment. Most (63%) of those who do have an idea of the return rate it positively, 15% rate it negatively and the remainder (22%) give a neutral response.

Section 7. Summary of demographic patterns

This section summarises demographic patterns in terms of gender, partner status, home ownership, paid work status, value of KiwiSaver savings, and value of other savings and investments.

Interpretation of data

Each table in this section summarises the statistically significant differences that are evident across the range of survey results for a particular demographic group (e.g. the first table looks at gender differences).

The table lists the characteristics of the demographic sub-group (e.g. males) which are more strongly prevalent than in the other sub-group(s) in that demographic variable (e.g. females). The first percentage in the brackets relates to the demographic variable described at the top of the column and the second (and, where relevant, third) percentage relates to the other sub-group(s) in that demographic variable. For example, 18% of males have used, or plan to use, their KiwiSaver savings to pay off a mortgage or other debt compared to 12% of females.

Summary of differences by gender

	Males	Females
Withdrawal of savings		
The withdrawal experience		<ul style="list-style-type: none"> Aware of eligibility to withdraw <u>due to others</u> (9% vs 4%).
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> Use KS savings to pay off <u>mortgage or other debt</u> (18% vs 12%). Key reason for re-investing is <u>better return, security, performance</u> (56% vs 45%). Those who sought/information and advice about what to do with their KS savings recalled getting this via <u>e-channels</u> (9% vs 2%). 	<ul style="list-style-type: none"> <u>Accessibility</u> is key reason for re-investing (24% vs 17%). Sought or received information and advice about what to do with their KS savings via <u>contact with provider</u> (44% vs 26%), and recalled advice/information on <u>investment options</u> (24% vs 13%).
Savings and income characteristics	<ul style="list-style-type: none"> Currently in <u>paid work</u> (53% vs 45%), have <u>income from own business</u> (26% vs 17%), and have a <u>partner in KiwiSaver</u> (65% vs 30%). <u>More than \$30,000</u> in KiwiSaver savings (12% vs 4%). <u>No other savings/investments</u> (19% vs 14%). KiwiSaver savings <u>not</u> perceived to be necessary to meet living costs in retirement (54% vs 45%). 	<ul style="list-style-type: none"> KiwiSaver savings perceived to be <u>essential</u> in meeting living costs in retirement (19% vs 14%).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> <u>Incentives</u> were a key driver to join KiwiSaver (54% vs 41%). Went with <u>employer's chosen provider</u> (15% vs 10%). Balanced (17% vs 10%), Growth (8% vs 2%) and 	<ul style="list-style-type: none"> <u>Advice from others</u> was a driver to join KiwiSaver (7% vs 2%). Made <u>additional contributions</u> (19% vs 13%).

	<ul style="list-style-type: none"> Aggressive (5% vs 1%) investment funds. Changed type of investment fund (11% vs 5%). Have idea of return on investment (59% vs 44%). Poor return on investment (21% vs 10%) among those with an idea of the return. 	<ul style="list-style-type: none"> Main bank is key driver of provider choice (43% vs 35%). Have no idea of return on investment (49% vs 36%). Good return on investment (68% vs 57%) among those with an idea of the return.
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Summary of differences by couples versus single people

	Live with a partner or spouse	Single
Withdrawal of savings		
The withdrawal experience	<ul style="list-style-type: none"> Awareness of eligibility to withdraw stems from <u>personal knowledge</u> since joining KS (59% vs 51%). 	<ul style="list-style-type: none"> Awareness of eligibility stems from <u>provider</u> (39% vs 32%) and <u>written communications</u> (37% vs 29%). Recall <u>face-to-face communications</u> with provider (9% vs 4%).
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> Have <u>spent</u>, or plan to <u>spend</u>, KS savings (52% vs 42%). Expectations of what they would do with their KiwiSaver savings have <u>stayed the same</u> since they joined KiwiSaver (73% vs 65%). 	<ul style="list-style-type: none"> Those who sought or received information and advice about what to do with their KS savings recalled getting this from <u>other parties</u> (15% vs 6%).
Savings and income characteristics	<ul style="list-style-type: none"> Currently have <u>income from own business</u> (24% vs 11%), and some type of income other than paid work, KiwiSaver or New Zealand Superannuation (90% vs 80%). <u>More than \$30,000</u> in KiwiSaver savings (9% vs 5%). <u>More than \$100,000</u> in other savings and investments (47% vs 27%). Perceive retirement will be <u>adequate</u> (75% vs 64%). KiwiSaver savings perceived to <u>not</u> be necessary to meet living costs in retirement (53% vs 40%). 	<ul style="list-style-type: none"> <u>Less than \$20,000</u> in other savings and investments (43% vs 23%). Perceive retirement will be <u>inadequate</u> (32% vs 23%). KiwiSaver savings perceived to be <u>essential</u> in meeting living costs in retirement (21% vs 15%).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> <u>Incentives</u> were a key driver to join KiwiSaver (50% vs 39%). Joined KiwiSaver directly through a <u>provider</u> (50% vs 38%). <u>Not directly contributing</u> through salary or wages (28% vs 21%). Growth investment fund (6% vs 2%). Have idea of return on investment (54% vs 43%). <u>Poor</u> return on investment (18% vs 9%) among those with an idea of the return. 	<ul style="list-style-type: none"> Enrolled in KiwiSaver through <u>employer</u> (60% vs 49%). Allocated to <u>default provider</u> (16% vs 10%). Large provider (88% vs 82%). <u>Main bank</u> is key driver of provider choice (47% vs 37%). Have <u>no</u> idea of return on investment (51% vs 40%). <u>Good</u> return on investment (72% vs 59%) among those with an idea of the return.

Summary of differences by home ownership

	Renters	Own home (either themselves or through trust)
Withdrawal of savings	<ul style="list-style-type: none"> Partial withdrawal (14% vs 7%). 	<ul style="list-style-type: none"> Withdrawn <u>no</u> KiwiSaver savings (58% vs 43%).
The withdrawal experience	<ul style="list-style-type: none"> Recall <u>phone conversation</u> with provider (20% vs 9%). 	<ul style="list-style-type: none"> Awareness of eligibility to withdraw stems from <u>personal knowledge</u> since joined KS (59% vs 40%).
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> Have <u>spent</u>, or plan to <u>spend</u>, KS savings (67% vs 49%). Expectations of what they would do with their KiwiSaver savings are <u>different</u> since they joined KiwiSaver (33% vs 18%). 	<ul style="list-style-type: none"> Have or intend to put money into other savings/investments (60% vs 43%).
Savings and income characteristics	<ul style="list-style-type: none"> Currently in <u>paid work</u> (69% vs 48%). Perceive retirement income will be <u>inadequate</u> (50% vs 24%). KiwiSaver savings perceived to be <u>essential</u> in meeting living costs in retirement (29% vs 15%). 	<ul style="list-style-type: none"> Currently have some type of income other than paid work, KiwiSaver or New Zealand Superannuation (89% vs 66%). <u>More than \$100,000</u> in other savings/investments (44% vs 16%). Perceive retirement income will be <u>adequate</u> (74% vs 46%). KiwiSaver savings perceived to <u>not</u> be necessary to meet living costs in retirement (51% vs 27%).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> <u>Unsure</u> of type of investment fund (40% vs 25%). 	<ul style="list-style-type: none"> <u>Kept contribution rate the same</u> when minimum employee contribution rate changed in 2009 (86% vs 74%). Among those who contribute directly from salary and wages, and knew their contribution rate, a high proportion most recently contributed <u>more than 4%</u> (20% vs 7%). Chose own provider (74% vs 60%).

Summary of differences by paid work status

	In paid work (respondent or partner)	Not in paid work (either respondent or partner)
Withdrawal of savings	<ul style="list-style-type: none"> Withdrawn <u>no</u> KiwiSaver savings (67% vs 43%). Partial withdrawal (9% vs 3%). 	<ul style="list-style-type: none"> Withdrawn entire KiwiSaver savings (54% vs 24%).
The withdrawal experience		<ul style="list-style-type: none"> Awareness of eligibility stems from <u>personal knowledge</u> since joined KiwiSaver (61% vs 55%). Recall of <u>written communications</u> (54% vs 48%). Recall advice about 'eligibility to withdraw' (28% vs 21%), and statutory declaration process (6% vs 3%).
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> Use KS savings to <u>pay off mortgage or other debt</u> (17% vs 12%) Expenditure on <u>travel</u> (65% vs 54%), <u>hobbies and recreational</u> interests (31% vs 9%), <u>donations</u> to charities (19% vs 6%). Those who sought or received information/advice about what to do with their KS savings recall getting this through <u>literature, media and advertising</u> (14% vs 6%). 	
Savings and income characteristics	<ul style="list-style-type: none"> <u>More than \$15,000</u> in KiwiSaver savings (50% vs 29%). Perceive retirement income will be <u>inadequate</u> (30% vs 18%). KiwiSaver savings perceived to be <u>essential</u> in meeting living costs in retirement (19% vs 12%). 	<ul style="list-style-type: none"> <u>Up to \$15,000</u> in KiwiSaver savings (70% vs 44%). Perceive retirement income will be <u>adequate</u> (81% vs 67%). KiwiSaver savings perceived to <u>not</u> be necessary to meet living costs in retirement (58% vs 44%).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> Key reason for joining KiwiSaver was that it is a <u>good/easy way to save</u> (44% vs 33%). Enrolled in KiwiSaver through <u>employer</u> (58% vs 41%). Allocated to <u>default provider</u> (14% vs 8%). Went with employer's chosen provider (15% vs 8%). Drivers of provider choice include <u>financial security</u> (15% vs 9%) and <u>financial advantages</u> (7% vs 3%). Growth investment fund (7% vs 2%). Have <u>no</u> idea of return on investment (45% vs 39%). <u>Poor</u> return on investment (20% vs 10%) among those with an idea of the return. 	<ul style="list-style-type: none"> <u>Advice from others</u> was a driver to join KiwiSaver (6% vs 3%). Joined KiwiSaver directly through a <u>provider</u> (58% vs 40%). <u>Not directly contributing</u> through salary or wages (40% vs 17%). Chose own provider (81% vs 67%). Cash investment fund (23% vs 13%). Have idea of return on investment (56% vs 48%). <u>Good</u> return on investment (69% vs 57%) among those with an idea of the return.

Summary of differences by value of KiwiSaver savings

	Lower value of KiwiSaver savings	Higher value of KiwiSaver savings
Withdrawal of savings	<ul style="list-style-type: none"> Withdrawn <u>entire</u> KiwiSaver savings (48%, up to \$15,000 vs 23%, more than \$15,000). Among those yet to withdraw their entire funds, desire for <u>lump sum</u> payments (79%, up to \$10,000 vs 62%, more than \$30,000). 	<ul style="list-style-type: none"> Withdrawn <u>no</u> KiwiSaver savings (67%, more than \$15,000 vs 46%, up to \$15,000). Partial withdrawal (14%, more than \$30,000 vs 7%, up to \$30,000). Among those yet to withdraw their entire funds, desire for <u>regular payments</u> (10%, more than \$30,000 vs 7%, \$10,001-\$30,000 vs 1%, up to \$10,000).
The withdrawal experience		
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> Use KS savings to pay off <u>mortgage or other debt</u> (33%, up to \$5,000 vs 14%, more than \$5,000). <u>Accessibility</u> is key reason for re-investing (33%, up to \$10,000 vs 18% more than \$10,000). Those who sought or received information and advice recalled getting this through <u>contact with a provider</u> (55%, up to \$10,000 vs 34%, \$10,001-\$30,000 vs 18%, more than \$30,000). 	<ul style="list-style-type: none"> Key reason for re-investing is <u>better return, security, performance</u> (67%, more than \$30,000 vs 48%, up to \$30,000). Expenditure on <u>major purchases</u> such as car, boat, other large item (35%, more than \$10,000 vs 22%, up to \$10,000). Among all respondents, a higher proportion sought or received <u>any</u> information and advice (34%, more than \$30,000 vs 22%, up to \$30,000). Those who sought/received information and advice recalled this coming from <u>family and friends</u> (21%, more than \$30,000 vs 10%, up to \$30,000).
Savings and income characteristics	<ul style="list-style-type: none"> <u>No or up to \$20,000</u> in other savings and investments (44%, up to \$10,000 in KS savings vs 24%, more than \$10,000 in KS savings). Perceive retirement income will be <u>inadequate</u> (32%, up to \$10,000 vs 23%, more than \$10,000). KiwiSaver savings <u>not</u> perceived to be necessary to meet living costs in retirement (56%, up to \$15,000 vs 43%, more than \$15,000). 	<ul style="list-style-type: none"> <u>More than \$100,000</u> in other savings and investments (60%, more than \$30,000 in KS savings vs 41%, up to \$30,000 in KS savings). In paid work (79%, more than \$30,000 vs 60%, \$15,001-\$30,000 vs 37%, up to \$15,000). Stocks, shares, bonds or unit trusts (46%, more than \$10,000 vs 34%, up to \$10,000). Another superannuation plan (19%, more than \$30,000 vs 9%, up to \$10,000). Partner who has joined KiwiSaver (51%, more than \$10,000 vs 36%, up to \$10,000). Perceive retirement income will be <u>adequate</u> (74%, more than \$10,000 vs 67%, up to \$10,000). KiwiSaver savings perceived to be <u>necessary</u> to meet living costs throughout retirement (31%, more than \$15,000 vs 19%, up to \$15,000).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> <u>Advice from others</u> was a driver to join KiwiSaver (8%, up to \$10,000 vs 3%, more than \$10,000). Joined KiwiSaver <u>directly through a provider</u> (58%, up to \$15,000 vs 33%, more than \$15,000). Among those who contribute directly from salary and wages, and knew their contribution rate, a high proportion <u>contributed 4%</u> (74%, up to \$30,000 vs 49%, more than \$30,000). 	<ul style="list-style-type: none"> <u>Incentives</u> were a key driver to join KiwiSaver (58%, more than \$30,000 vs 46%, up to \$30,000). Key reason for joining KiwiSaver was also that it is a <u>good/easy way to save</u> (51%, more than \$20,000 vs 37%, up to \$20,000). Enrolled in KiwiSaver through <u>employer</u> (65%, more than \$15,000 vs 40%, up to \$15,000).

- Reduced contribution rate to 2% when minimum employee contribution rate changed in 2009 (11%, up to \$10,000 vs 5%, \$10,001-\$20,000 vs 2%, more than \$20,000).
- Made additional contributions (18%, up to \$20,000 vs 10%, more than \$20,000).
- Main bank is key driver of provider choice (42%, up to \$20,000 vs 29%, more than \$20,000).
- Cash investment fund (20%, up to \$20,000 vs 11%, more than \$20,000) or unsure of type of investment fund (27%, up to \$20,000 vs 17%, more than \$20,000).
- Have no idea of return on investment (50%, up to \$10,000 vs 41%, \$10,001-\$30,000 vs 28%, more than \$30,000).
- Among those who contribute directly from salary and wages, and knew their contribution rate, a high proportion contributed more than 4% (46%, more than \$30,000 vs 24%, \$20,001-\$30,000, 13%, up to \$20,000).
- Kept contribution rate the same when minimum employee contribution rate changed in 2009 (94%, more than \$20,000 vs 85%, \$10,001-\$20,000 vs 74%, up to \$20,000).
- Most recent provider is default provider (60%, more than \$30,000 vs 47%, up to \$30,000).
- Financial security key driver of provider choice (25%, more than \$20,000 vs 9%, up to \$20,000).
- Growth (10%, more than \$20,000 vs 4%, up to \$20,000) and Aggressive (6%, more than \$20,000 vs 2%, up to \$20,000) investment funds.
- Changed type of investment fund (14%, more than \$20,000 vs 6%, up to \$20,000).
- Have idea of return on investment (63%, more than \$30,000 vs 55%, \$10,001-\$30,000 vs 42%, up to \$10,000).

Summary of differences by value of other savings and investments

	Lower value of other savings and investments	Higher value of other savings and investments
Withdrawal of savings	<ul style="list-style-type: none"> • <u>Partial</u> withdrawal (12%, up to \$50,000 vs 3%, more than \$50,000). 	<ul style="list-style-type: none"> • Withdrawn <u>no</u> KS savings (61%, more than \$50,000 vs 51%, up to \$50,000). • Among those yet to withdraw their entire funds, a high proportion intend to withdraw <u>lump sums</u> (77%, more than \$100,000 vs 63%, up to \$100,000).
The withdrawal experience		<ul style="list-style-type: none"> • Among those yet to withdraw any savings, high <u>awareness of eligibility to withdraw</u> (98%, more than \$100,000 vs 92%, up to \$100,000). • Awareness of eligibility stems from <u>personal knowledge</u> since joining KiwiSaver (64%, more than \$100,000 vs 51%, up to \$100,000). • <u>Received information/advice from other sources</u> (12%, more than \$100,000 vs 7%, up to \$100,000).
Drivers and intentions to use KiwiSaver savings	<ul style="list-style-type: none"> • Use KS savings to <u>pay off mortgage or other debt</u> (40%, have no other savings/investments vs 10%, have savings/investments). • <u>Accessibility</u> is key reason for re-investing (28%, up to \$100,000 vs 13%, more than \$100,000) • Expenditure on <u>home improvements or new housing</u> (47%, up to \$100,000 vs 25%, more than \$100,000), <u>everyday living expenses</u> (32%, up to \$20,000 vs 17%, more than \$20,000), and <u>donations to charities</u> (21%, up to \$20,000 vs 10%, more than \$20,000). • Expectations of what they would do with their KiwiSaver savings are <u>different</u> since they joined KiwiSaver (23%, up to \$50,000 vs 16%, more than \$50,000). 	<ul style="list-style-type: none"> • Have or intend to put <u>money into other savings/investments</u> (69%, more than \$100,000 vs 57%, \$1-\$100,000 and 35%, no other savings/investments). • Expenditure on <u>travel</u> (72%, more than \$100,000 vs 54%, up to \$100,000). • Among those who have withdrawn entire savings, more likely to have <u>spent none</u> (73%, more than \$20,000 vs 57%, up to \$20,000). • Expectations of what they would do with their KiwiSaver savings <u>stayed the same</u> since they joined KiwiSaver (75%, more than \$50,000 vs 65%, up to \$20,000).
Savings and income characteristics	<ul style="list-style-type: none"> • <u>Less than \$10,000</u> in KiwiSaver savings (27%, up to \$50,000 in other savings and investments vs 13%, more than \$50,000 in other savings and investments). • Perceive retirement income to be <u>inadequate</u> (45%, up to \$20,000 vs 25%, \$20,001-\$100,000 vs 12%, more than \$100,000). • KiwiSaver savings perceived to be <u>essential</u> in meeting living costs in retirement (31%, up to \$20,000 vs 23%, \$20,001-\$50,000 vs 14%, \$50,001-\$100,000 vs 6%, more than \$100,000). 	<ul style="list-style-type: none"> • <u>More than \$30,000</u> in KiwiSaver savings (12%, more than \$100,000 in other savings and investments vs, 6%, up to \$100,000 in other savings and investments). • Perceive retirement income to be <u>adequate</u> (86%, more than \$100,000 vs 71%, \$20,001-\$100,000 vs 52%, up to \$20,000). • KiwiSaver savings <u>not</u> perceived to be necessary to meet living costs in retirement (68%, more than \$100,000 vs 47%, \$50,001-\$100,000 vs 38%, \$20,001-\$50,000 vs 27%, up to \$20,000).
Drivers and behaviours during time in KiwiSaver	<ul style="list-style-type: none"> • <u>Securing an income for retirement</u> mentioned as a key reason for joining KiwiSaver (40%, up to \$100,000 vs 22%, more than \$100,000). • Enrolled in KiwiSaver through <u>employer</u> (57%, up to \$100,000 vs 44%, more than \$100,000). • <u>Main bank</u> is key driver of provider choice (54%, up to \$20,000 vs 34%, more than \$20,000). • Changed provider (16%, up to \$20,000 vs 10%, more than \$20,000). 	<ul style="list-style-type: none"> • <u>Incentives</u> were a key driver to join KiwiSaver (61%, more than \$100,000 vs 46%, \$20,001-\$100,000 vs 28%, up to \$20,000). • Joined KiwiSaver directly through <u>provider</u> (55%, more than \$100,000 vs 40%, up to \$100,000). • <u>Not directly contributing</u> through salary or wages (33%, more than \$100,000 vs 19%, up to \$100,000).

- | | |
|---|--|
| <ul style="list-style-type: none"> • <u>Unsure</u> of investment fund (38%, up to \$20,000 vs 20%, more than \$20,000). • Have <u>no</u> idea of return on investment (53%, up to \$20,000 vs 45%, \$20,001-\$100,000 vs 34%, more than \$100,000). | <ul style="list-style-type: none"> • Kept <u>contribution rate the same</u> when minimum employee contribution rate changed in 2009 (89%, more than \$100,000 vs 81%, up to \$20,000). • Made <u>additional contributions</u> (19%, more than \$20,000 vs 9%, under \$20,000). • Chose own provider (80%, more than \$100,000 vs 67%, up to \$100,000). • Large provider (86%, more than \$100,000 vs 81%, up to \$100,000). • Default provider (52%, more than \$100,000 vs 45%, up to \$100,000). • Balanced (17%, more than \$20,000 vs 7%, up to \$20,000) or Conservative (31%, more than \$20,000 vs 23%, up to \$20,000) investment funds. • Have idea of return on investment (61%, more than \$100,000 vs 49%, \$20,001-\$100,000 vs 42%, up to \$20,000). |
|---|--|

Summary of key highlights in this section

- Broadly speaking, KiwiSaver members who are financially better off (i.e. higher KiwiSaver balances, more money in other savings and investments, and home ownership) are more focussed on investment and re-investment – many have yet to withdraw their KiwiSaver savings and their future intentions are initially focussed on re-investment. They have been able to contribute more to their KiwiSaver investment, are confident about their retirement income and – for those with sufficient money in other savings and investments – feel less reliant on their KiwiSaver savings to meet their costs in retirement. Any spending intentions are more focussed on items such as travel rather than living costs. There is also evidence that they are more financially literate – they were strongly motivated to join KiwiSaver due to the financial incentives, they have somewhat riskier investment funds, and they are more likely to be aware of the return on their investment.
- Conversely, KiwiSaver members who are financially worse off (lower KiwiSaver balances, less money in other savings and investments and a lower incidence of home ownership) have been able to contribute less to their KiwiSaver investment and are more likely to have already withdrawn their KiwiSaver savings. They are more focussed on spending (including covering everyday expenses in retirement) and paying off debt. They appear to be less financially literate, with some unsure of the type of investment fund they have and many having no idea about the return on their investment. Familiarity drives the choice of provider, with many choosing their main bank.

Appendix A | Research methodology

Colmar Brunton carried out a telephone survey with 1,000 KiwiSaver members who were eligible to withdraw their KiwiSaver savings for retirement purposes before 31 December, 2012. These are members who have been in KiwiSaver for five years and are at least 65 years of age. Fieldwork was conducted from 20 February to 30 March, 2013.

Sampling approach

Contact lists were provided by IR for sampling respondents. The sample consists of KiwiSaver members who were eligible to withdraw their KiwiSaver savings as at 31 December 2012. As such, the survey is therefore only focussed on the first six months of eligibility.

The sample was disproportionately stratified by members who have fully withdrawn their savings and those who have not fully withdrawn their savings according to IR administrative data as at 31 December, 2012. A higher number of interviews were conducted with members who have fully withdrawn their savings to improve the statistical reliability of this group, allowing for robust subgroup analysis.

At the analysis stage, the data have been weighted to ensure that the sample reflects population characteristics in terms of withdrawal behaviour. The table below summarises the weighting effect.

Sample stratification

Withdrawal behaviour (from IR administrative data as at 31 December 2012)	Unweighted data		Weighted data	
	n	%	n	%
Fully withdrawn savings	400	40%	300	30%
Not fully withdrawn savings*	600	60%	700	70%
Total	1,000	1,000	1,000	1,000

*This stratum includes both those who made a partial withdrawal of their KiwiSaver savings and those who had not withdrawn any of their KiwiSaver savings.

Response rate

The overall response rate to this survey was 71% (based on all attempted contacts, but excluding known invalid numbers).

Margins of error

The table below presents the estimated maximum margins of error for the total sample size and three categories of respondents defined according to their withdrawal behaviour (self-reported). These subgroups are used extensively throughout this report. All estimated margins of error have been calculated at the 95% confidence level.

Maximum margins of error

Proportion of KS savings withdrawn (self-reported data)	Sample size	Maximum margin of error
All	446	+/-4.6%
Some	61	+/-12.5%
None	491	+/-4.4%
Total	1,000	+/-3.2%*

*Note, the calculation of the estimated maximum margin of error at the total sample size takes into account the disproportionate sampling and is therefore very slightly higher than with simple random sampling.

A discussion of the statistical implications of the small sample size of those who have only partially withdrawn their savings is provided later in this section under 'data limitations'.

Significant tests used in this report

Throughout this report, only statistically significant differences at the 95% confidence level between subgroups of the survey population are presented unless otherwise specified. Chi-square tests of difference were used for all subgroup analysis.

See Appendix A for a more detailed explanation of the Chi-square test used.

Questionnaire development

The questionnaire was developed by Colmar Brunton in close consultation with IR. Two rounds of questionnaire testing were undertaken:

- Six cognitive face-to-face interviews were conducted with respondents to qualitatively pre-test the survey questions.
- The revised questionnaire was then piloted with 26 respondents to test the survey processes, interview length, and provide further feedback on the questionnaire.

A small number of changes were made to the questionnaire following each round of testing. A copy of the final questionnaire used for the main fieldwork is appended to this document.

The average interview length was 18 minutes.

Questionnaire structure

The questionnaire was highly structured and consisted of a number of different parts. Dependent on the focus of each section, different sub-groups of respondents were asked various questions. As a result, the base for questions both within and across sections can vary.

The following table illustrates who was asked most of the questions in each section (some further filtering sometimes occurred within questionnaire sections – please refer to the questionnaire in Appendix C for full information about questionnaire routing).

The table also identifies the analysis unit for each section. Most questions were asked about the respondent themselves.

Questionnaire structure

Section of questionnaire	Location in questionnaire	Who most of the questions were asked of	Analysis unit (who most of the questions were asked about)
Past withdrawal behaviour	Q1a, Q1b	All respondents	Respondent
Planned withdrawal behaviour	Q3a-Q3d	All respondents who have yet to withdraw their entire KiwiSaver savings	Respondent
Experience of withdrawal – awareness of eligibility, communications with provider, perceived ease of withdrawal	Q2a-Q2g	All respondents who have withdrawn their entire, or some of their, KiwiSaver savings	Respondent
Use of funds	Q5a-Q6b, Q7b	All respondents	Respondent
Income sources (current, future, and at time of joining KiwiSaver)	Q8a, Q8c-Q8e, Q8g, Q11a-Q11c	All respondents	Respondent and partner
Value of investments – KiwiSaver and other savings/investments	Q7a, Q8f	All respondents	Respondent (and partner for Q8f)
Perceptions of retirement income	Q9a, Q9b	All respondents	Respondent and partner
Drivers to join KiwiSaver	Q10a, Q10b	All respondents	Respondent
Contributions	Q13a-Q13f	All respondents	Respondent
Provider choice	Q14a-Q14e	All respondents	Respondent
KiwiSaver scheme	Q14f	All respondents	Respondent
Investment fund	Q15a-Q15d	All respondents	Respondent
Perceptions of return on investment	Q15e-Q15f	All respondents	Respondent
Demographics	Q8b, Q16, Q17	All respondents	Respondent (and partner for some)

Data limitations

Self-reported data

The data in this report is based on self-reported information. This should be taken into account when reading the report. For example, when someone estimated the size of their KiwiSaver savings, we did not verify their answer against administrative information on the size of their KiwiSaver savings. Therefore, there may be discrepancies between survey answers and administrative information on KiwiSaver, particularly for more complicated questions such as the method of enrolment and choice of KiwiSaver provider or investment type.

Survey is a sample of the target population

It should also be taken into account that the survey is a sample of 1,000 KiwiSaver members. There are a number of limitations with sample surveys which include: limited analysis of small subgroups (for example: questions which were filtered to a subgroup of the overall survey population sometimes cannot be broken down for demographic analysis); and issues related to coverage, non-response, and margins of error which mean that, compared with a Census, the findings from a sample may not exactly represent the actual behaviour of the survey target's population, in this case KiwiSaver members who are eligible to withdraw their savings for retirement purposes.

Small sample size of those who have partially withdrawn their funds

As noted earlier in this section, the number of members in the survey who had only partially withdrawn their savings is relatively small (n=61) and therefore carries a higher margin of error. Care should therefore be taken in interpreting the results of this group. To aid the reader in this regard, the table below summarises the margin of error associated with survey results of various magnitudes.

Margins of error for partial withdrawal group

Survey result	Margin of error based on a sample size of 61*
5% or 95%	+/-5.5%
10% or 90%	+/-7.5%
20% or 80%	+/-10.0%
30% or 70%	+/-11.5%
40% or 60%	+/-12.3%
50%	+/-12.5%

*The base size for members who have partially withdrawn their KiwiSaver savings drops to below 61 when a question was only asked of a subsample. Where the statistical reliability of the subgroup results is poor, or where there are no statistically significant differences across the withdrawal behaviour groups, results by withdrawal behaviour are not shown.

Additional notes to the reader

- In the tables and graphs, **figures in red** denote results which are statistically significantly higher than one or more other subgroups. Statistical significance is determined at the 95% confidence level.
- In a number of the tables that present results to open-ended questions, categories that are similar have been grouped together and presented as a 'nett score' (see bolded descriptions and figures) – each nett score figure gives the percentage of respondents that gave at least one of the more detailed reasons (which are listed below the nett score).
- Percentages in the tables and graphs may not add to 100% due to rounding or because respondents were able to give more than one answer to some questions
- The base sizes shown in the tables and graphs use unweighted data (as the statistical reliability of results is determined by unweighted base sizes). The percentages in the tables and graphs use weighted data to ensure the survey results are representative of the population of interest (as discussed on the previous page).
- Many of the tables and graphs in this report examine the survey results by withdrawal behaviour, i.e. whether the member has withdrawn all, some or none of their KiwiSaver savings at the time of the interview. This is based on self-reported data. Two respondents said they didn't know how much of their KiwiSaver savings had been withdrawn. These two respondents are included in the total column in each table, but are not shown separately as a withdrawal behaviour group in their own right (to improve the readability of the report). Therefore, the base sizes for each withdrawal behaviour group do not sum exactly to the total sample base size.

Sample profile

The table below provides demographic profiles of the total sample as well as each of the three withdrawal behaviour groups that are used extensively in the analyses throughout the report.

Sample profile by withdrawal of KiwiSaver savings

	Total (1,000) %	All (446) %	Some (61) %	None (491) %
Gender				
Male	49	48	59	49
Female	51	52	41	51
Live with partner/spouse				
Yes	76	75	81	76
No	24	25	19	24
Home ownership				
Owned by self and/or partner	71	69	76	71
In a trust	26	27	15	26
Rented	6	7	12	4
Owned by another in the household	1	1	-	1
Other	1	1	-	1
Refused	*	*	1	*

* is used for a % between 0.0% and 0.5%

Base: All respondents

Source: Q8b, Q16 and Q17

Appendix B | Details of significant tests used

As noted earlier, throughout this report, only statistically significant differences at the 95% confidence level between sub-groups of the survey population are presented. Chi-square tests of difference were used for all subgroup analysis.

For chi-square analysis of contingency tables the following formula was used:

$$X^2 = \sum \sum (f_{ij} - e_{ij})^2 / e_{ij}$$

where f_{ij} = the observed frequency in row i column j

and e_{ij} = the expected frequency in row i column j

(We denote an observed frequency as f_{ij} , e.g. the value in row 1 column 1 of a table is f_{11} . The total frequency in row i of the table is denoted R_i and is the sum of the frequencies in the row. Similarly C_j denotes the total frequency in column j). The expected frequency in a cell of a contingency table is:

$$e_{ij} = R_i * C_j / n$$

where n = grand total.

Once X^2 was obtained, its significance was found by evaluating the chi-square distribution at the value X^2 for the appropriate degrees of freedom. In a contingency table analysis the X^2 calculation is performed over $r * c$ cells and the degrees of freedom is $(r-1)*(c-1)$. When analysing a 2x2 table (with one degree of freedom) instead of the X^2 of equation listed above, the following alternative was used:

$$X^2 = n (f_{11}f_{22} - f_{12}f_{21})^2 / R_1R_2C_1C_2$$

the smallest of the four expected frequencies which would be

$$e = m_1m_2 / n$$

where m_1 is the smallest row total and m_2 is the smallest column total.

Then, the absolute difference between this expected frequency (e) and its corresponding observed frequency (f) is:

$$d = |f - e|$$

and if $f \leq 2*e$, then define $D =$ largest multiple of 0.5 that is $< d$

$$\text{if } f > 2*e, \text{ then define } D = d - 0.5$$

The chi-square value with the Cochran/Haber continuity correction was applied when testing 2 x 2 tables:

$$X^2 = n^3 D^2 / R_1R_2C_1C_2$$

If $f > 2*e$ then the chi-square with the Cochran/Haber correction is the same as the chi-square with the Yates correction.

In a 2x2 contingency table, $|f - e|$ is exactly the same in all four cells.

Appendix C | Income sources at the time of joining KiwiSaver

Income sources at time of joining KiwiSaver

Respondents were asked a series of questions to establish their sources of income at the time they joined KiwiSaver.

Income sources at time of joining KiwiSaver

	Total (1,000) %	Withdrawal of KiwiSaver savings		
		All (446) %	Some (61) %	None (491) %
Paid work (respondent or partner)	88	83	95	91
Respondent in paid work	83	76	92	85
Had a partner in paid work	51	47	54	54
Savings or term deposit accounts	64	67	36	66
Stocks, shares, bonds or unit trusts	40	36	28	45
Income from your own business	28	28	32	28
Rent from an investment property	20	16	12	23
Money from the government such as a benefit payment or NZ Superannuation	16	19	14	13
A work based retirement savings scheme that is <u>not</u> KiwiSaver	15	12	8	18
Other investments	14	11	8	16
Another superannuation plan	12	10	5	14
Rent from subletting or a border or lodger	2	3	2	1
Other type of income	1	1	-	2

Base: All respondents

Source: Q11a, Q11b and Q11c

Appendix D | Main Questionnaire

Initial contact

Good morning/afternoon may I please speak with **[INSERT NAME]**.

I'm ringing about a letter you should have received in the mail several weeks ago from Inland Revenue. My name is ... from Colmar Brunton, an independent research company.

IF DON'T RECALL LETTER: That's okay. I'll explain what it's about.

READ TO ALL: We are doing a very important survey on behalf of Inland Revenue with a special group of New Zealanders who have turned 65 years of age. They are the first New Zealanders (to withdraw/who are eligible to withdraw) their KiwiSaver savings.

IF RESPONDENT SAYS NOT AWARE OF ELIGIBILITY TO WITHDRAW: You have been included in the list of people we are calling because Inland Revenue's records show you are eligible to withdraw your KiwiSaver savings. Even if you are not aware of this, we are keen for you to take part in the survey.

READ ALL: The survey will take about 20 minutes to complete, depending on your answers. Everything you say is confidential. Only Colmar Brunton and researchers in the Inland Revenue Research and Evaluation team will have access to your individual answers and may use them to understand how KiwiSaver is contributing to people's retirement savings in the future. No one else at Inland Revenue can access your answers.

IF RESPONDENT ASKS FOR MORE INFORMATION ABOUT SURVEY: Inland Revenue have commissioned this survey to help them understand the range of experiences and intentions of people who are eligible to withdraw their KiwiSaver savings.

READ ALL: Can I run through this with you now, or can I arrange a time to call back?

MAKE APPOINTMENT IF NECESSARY.

THANK RESPONDENT AND TERMINATE INTERVIEW IF RESPONDENT NOT WILLING TO CONTINUE.

Thank you for agreeing to take part in this research. Our calls are recorded for training purposes.

DO NOT PAUSE. CONTINUE TO NEXT SCREEN UNLESS RESPONDENT IS UPSET.

IF NECESSARY: The purpose of recording is to check that I have conducted the survey correctly.

IF NECESSARY: All recordings are stored securely and can only be accessed by authorised staff.

Establish whether withdrawn savings

- 1a First, so that I ask you the right questions during the survey, can you please tell me whether you have withdrawn all, some or none of your KiwiSaver savings for retirement?

CODE ONE ONLY

All	1	GO TO INTRO BEFORE Q2a
Some	2	ASK Q1b
None	3	GO TO INTRO BEFORE Q2a
Don't know	4	GO TO INTRO BEFORE Q2a

- 1b Have you withdrawn your KiwiSaver savings in one lump sum, a number of lump sums, or as regular payments made to you?

CODE ONE ONLY

One lump sum	1
Number of lump sums	2
Regular payments	3
Combination of lump sums and regular payments	4
DO NOT READ: Don't know	5

Withdrawing savings for retirement purposes

IF CODES 1 OR 2 AT Q1a: I now have some questions about your decision to withdraw (**IF CODE 1 AT Q1a:** your KiwiSaver savings/**IF CODE 2 AT Q1a:** some of your KiwiSaver savings).

IF CODES 3 OR 4 AT Q1a: I now have some questions about your eligibility to withdraw your KiwiSaver savings.

ASK IF CODES 3 OR 4 AT Q1a:

- 2a Before today, were you aware that you are now eligible to withdraw your KiwiSaver savings?

CODE ONE ONLY.

Yes	1	
No	2	GO TO Q2e
Don't know	3	GO TO Q2e

ASK IF CODES 1 OR 2 AT Q1a OR CODE 1 AT Q2a.

- 2b How did you become aware that you were eligible to withdraw your KiwiSaver savings?

IF RESPONDENT DOES NOT UNDERSTAND QUESTION, ASK: How did you know you could withdraw your savings?

DO NOT READ. CODE EACH MENTIONED. PROBE FOR CLARIFICATION.

Letter/communication from provider	1
Know when I joined KiwiSaver	2
IR website	3
Sorted website	4
Friend/family member	5
Other (specify)	6
Don't know	7

- 2c What type of contact or communication, if any, have you had with your KiwiSaver provider about your eligibility to withdraw your KiwiSaver savings?

DO NOT READ. CODE EACH MENTIONED.

Written communications such as a letter or email	1	
Text message	2	
Phone conversation	3	
Face-to-face conversation	4	
Website information	5	
Some other type of contact or communication (specify)	6	
None	7	GO TO Q2e
Don't know	8	GO TO Q2e

- 2d What information or advice, if any, did your KiwiSaver provider give you about the process of withdrawing your KiwiSaver savings?

PROBE FOR CONTENT, E.G. IF RESPONDENTS SAYS 'LETTER', ASK WHAT THE LETTER SAID

DO NOT READ. CODE EACH MENTIONED.

I was eligible to withdraw my savings	1
Could withdraw lump sums or regular payments	2
Needed a Justice of Peace (JP) to verify identification	3
Other (specify)	4
Don't know	8

- 2e Have you received information or advice about withdrawing your KiwiSaver savings from anyone apart from your provider?

CODE ONE ONLY.

Yes	1
No	2
Don't know	3
Nothing	4

ASK IF CODES 1 OR 2 AT Q1a. OTHERWISE GO TO Q3.

- 2f Overall, how easy or difficult did you find the process of withdrawing your KiwiSaver savings? Please use a scale of 1 to 5 where 1 is very difficult and 5 is very easy.

CODE ONE ONLY.

1 = very difficult	1
2	2
3	3
4	4
5 = very easy	5
Don't know	6

ASK IF CODES 1 OR 2 AT 2f:

- 2g What was it about the process that was difficult?
RECORD VERBATIM. PROBE FOR CLARIFICATION.

Future intentions regarding KiwiSaver withdrawals**IF ALREADY WITHDRAWN ALL FUNDS (CODE 1 AT Q1a) SKIP TO Q5a. OTHERWISE CONTINUE.**

These next questions are about your intentions to withdraw your **(IF CODE 2 AT Q1a: remaining)** savings from KiwiSaver.

- 3a First, do you think you will withdraw your **(IF CODE 2 AT Q1a: remaining)** savings in one lump sum, in a number of lump sums, or as regular payments?

CODE ONE ONLY

One lump sum	1	GO TO 3d
Number of lump sums	2	GO TO 3c
Regular payments	3	ASK 3b
Combination of lump sums and regular payments	4	ASK 3b
DO NOT READ: Do not know	5	GO TO 3c
DO NOT READ: Do not plan to ever withdraw any (more) KiwiSaver savings	6	GO TO 5a

- 3b How often will your regular payments be made to you?

CODE ONE ONLY

Weekly	1
Fortnightly	2
Monthly	3
Quarterly	4
Annually	5
Other frequency (specify)	6
Don't know	7

ASK IF MADE NO WITHDRAWALS (CODE 3 AT Q1a). OTHERWISE SKIP TO Q3d.

- 3c When are you likely to make your first withdrawal of KiwiSaver savings? Would it be...

READ. CODE ONE ONLY

In the next month	1
6 months	2
1 year	3
2-3 years	4
4-5 years	5
6-10 years	6
More than 10 years	7
DO NOT READ: Don't know	8

3d When are you likely to have withdrawn **(IF CODES 2-5 AT Q3a: all of)** your KiwiSaver savings by? Would it be...

READ. CODE ONE ONLY

DP INSTRUCTION: DO NOT BRING UP CATEGORIES LOWER THAN ANSWER GIVEN AT 3c.

In the next year	1
2-3 years	2
4-5 years	3
6-10 years	4
More than 10 years	5
DO NOT READ: Don't know	6
DO NOT READ: Don't plan to ever withdraw all KiwiSaver savings	7

(THERE IS NO Q4)

Q5a:

IF ALREADY WITHDRAWN ALL OR SOME FUNDS (CODE 1 OR 2 AT Q1a):

What were your reasons or circumstances that led you to withdraw your KiwiSaver savings?

IF NECESSARY, PROMPT WITH "Why did you decide to withdraw your KiwiSaver savings?"

RECORD VERBATIM. PROBE FOR CLARIFICATION.

IF NOT ALREADY WITHDRAWN FUNDS (CODES 3 OR 4 AT Q1a): What are your reasons or circumstances that mean you will withdraw your KiwiSaver savings?

IF NECESSARY, PROMPT WITH "What will you do with the money when you withdraw your KiwiSaver savings?"

RECORD VERBATIM. PROBE FOR CLARIFICATION.

Q5b What type of information, support or advice have you sought or received in helping you decide what to do with your KiwiSaver savings?

RECORD VERBATIM. PROBE FOR CLARIFICATION.

IF CODE 3 at Q1 AND CODE 6 AT 3a NOW GO TO 6a.

Q5c: **IF ALREADY WITHDRAWN ALL FUNDS (CODE 1 AT Q1a):** Which of the following have you done with your KiwiSaver savings? Please answer yes or no for each.

READ. CODE YES OR NO FOR EACH.

	Yes	No	Don't know
Put the money into other savings or investments	1	2	3
Used the money to pay off a mortgage or other debt	1	2	3
Spent the money	1	2	3
Did something else with the money (specify)	1	2	3

IF ALREADY WITHDRAWN SOME FUNDS (CODE 2 AT Q1a): These next questions are about what you have done with the KiwiSaver savings you have already withdrawn and what you plan to do within the first few months of withdrawing any other KiwiSaver savings. Which of the following have you done or do you plan to do? Please answer yes or no for each

IF NOT ALREADY WITHDRAWN FUNDS (CODES 3 OR 4 AT Q1a): These next questions are about what you plan to do within the first few months of withdrawing your KiwiSaver savings. Which of the following do you plan to do? Please answer yes or no for each

READ. CODE YES OR NO FOR EACH.

	Yes	No	Don't know
Put the money into other savings or investments	1	2	3
Used the money to pay off a mortgage or other debt	1	2	3
Spent the money	1	2	3
Did something else with the money (specify)	1	2	3

ASK IF 'SAVINGS/INVESTMENTS' CODED 'YES' AT 5c:

5d What are your reasons for withdrawing your KiwiSaver savings and investing the money in other (savings or investment) opportunities?

RECORD VERBATIM. PROBE FOR CLARIFICATION.

ASK IF 'SPEND THE MONEY' CODED 'YES' AT 5c:

5e I'm going to read out a list. Please tell me which of these things you (**IF CODE 1 OR 2 AT 1a:** have either spent your KiwiSaver savings on or you will spend your KiwiSaver savings on/ **IF CODE 3 AT 1a:** will spend your KiwiSaver savings on). Please answer yes or no for each.

READ. CODE YES OR NO FOR EACH.

	Yes	No	Don't know
Everyday living expenses such as food, electricity, phone, clothing, petrol, insurance etc	1	2	3
Mortgage payments, rent or board	1	2	3
Home improvements or new housing	1	2	3
Household goods or electronic equipment	1	2	3
Major purchases such as a car, boat or other large item	1	2	3
Health and medical expenses	1	2	3
Travel or holidays either in New Zealand or overseas	1	2	3
Hobbies and recreational interests	1	2	3
Financial support for other members of your family such as children and grandchildren	1	2	3
Donations to charities, church or other causes	1	2	3
Or something else (specify)	1	2	3

ASK IF 'YES' TO MORE THAN ONE CATEGORY AT Q5e:

5f What is the main thing you will spend the money on?

DO NOT READ. CODE ONE ONLY

DP INSTRUCTION: LIST CATEGORIES RESPONDENT ANSWERED 'YES' FOR IN PREVIOUS QUESTION.

Everyday living expenses such as food, electricity, phone, clothing, insurance etc	1
Mortgage payments, rent or board	2
Home improvements or new housing	3
Household goods or electronic equipment	4
Major purchases such as a car, boat or other large item	5
Health and medical expenses	6
Travel or holidays	7
Hobbies and recreational interests	8

Financial support for other members of your family such as children and grandchildren	9
Donations to charities, church or other causes	10
Or something else (specify)	14
Don't know	15

- 6a When you first joined KiwiSaver, is what you thought you'd do with your KiwiSaver savings once you were eligible to withdraw, the same or different to what you think now?

CODE ONE ONLY

Same	1
Different	2
Don't know	3

- 6b In what ways is it different?

RECORD VERBATIM. PROBE FOR CLARIFICATION.

Savings balance

- 7a **IF CODE 1 AT Q1a:** Which of the following categories best describes the approximate total value of your KiwiSaver fund just prior to your withdrawal? Please stop me when I get to the answer that applies to you.

IF CODE 2 AT Q1a: Which of the following categories best describes the approximate total value of your KiwiSaver fund just prior to your withdrawal? In your answer, please include both the amount you withdrew and the amount you have kept in KiwiSaver. Please stop me when I get to the answer that applies to you.

IF CODES 3 OR 4 AT Q1a: Which of the following categories best describes the approximate current value of your KiwiSaver fund? Please stop me when I get to the answer that applies to you.

IF NECESSARY: Please do not include the value of your partner's or children's KiwiSaver savings.

READ. CODE ONE ONLY.

Less than \$5,000	1
\$5,000 to \$10,000	2
\$10,001 to \$15,000	3
\$15,001 to \$20,000	4
\$20,001 to \$25,000	5
\$25,001 to \$30,000	6
\$30,000 or more	7
DO NOT READ: Don't know	8
DO NOT READ: Refused	9

ASK 7b IF WITHDRAWN ALL OR SOME FUNDS (CODE 1 OR 2 AT Q1) AND SPENT OR INTEND TO SPEND SAVINGS (YES AT FOR 'SPENT/SPEND THE MONEY' AT 5c).

7b Approximately, how much of your total KiwiSaver savings have you already spent? Would it be...
READ. CODE ONE ONLY.

None of your savings	1
Up to a quarter	2
Between a quarter and a half	3
Around a half	4
Between a half and three quarters	5
More than three quarters, but not all	6
All of your savings	7
DO NOT READ: Don't know	8
DO NOT READ: Refused	9

Income sources and importance of KiwiSaver savings

8a Are you currently in paid work?
CODE ONE ONLY

Yes	1
No	2
Don't know	3

8b So that I ask the right questions next, can I just check, do you live with a partner or spouse?
CODE ONE ONLY

Yes	1	ASK 8c
No	2	GO TO 8e
Don't know	3	GO TO 8e

8c Has your partner or spouse ever joined KiwiSaver?
CODE ONE ONLY

Yes	1
No	2
Don't know	3

8d Is your partner currently in paid work?
CODE ONE ONLY

Yes	1
No	2
Don't know	3

8e Which of the following sources of income do you (IF CODE 1 AT Q8B: or your partner) currently have?
CODE YES, NO, DON'T KNOW FOR EACH.

	Yes	No	Don't know
Income from your own business	1	2	3
Rent from an investment property	1	2	3

Rent from subletting or a border or lodger	1	2	3
Money from the government such as a benefit payment or NZ Superannuation	1	2	3
*A work based retirement savings scheme that is NOT KiwiSaver	1	2	3
*Another superannuation plan	1	2	3
*Savings or term deposit accounts	1	2	3
*Stocks, shares, bonds or unit trusts	1	2	3
*Other investments	1	2	3
Any other type of income (specify)	1	2	3
DO NOT READ: salary/wage/paid employment			

ASK 8f IF YES TO ANY CATEGORIES MARKED WITH ASTERISK (*) AT 8e. OTHERWISE GO TO 8g.

8f IF ALREADY WITHDRAWN ALL OR SOME KIWISAVER FUNDS (CODE 1 AT Q1a):

Apart from the KiwiSaver savings you (**IF CODE 1 AT Q8c: or your partner**) withdrew, which of these categories best describes the value of your (**IF CODE 1 AT Q8B: and your partner's**) other savings or investments? Please do not include the house you live in.

IF ALREADY WITHDRAWN SOME FUNDS (CODE 2 AT Q1a): Apart from your (**IF CODE 1 AT Q8c: and your partner's**) KiwiSaver savings, and the KiwiSaver savings you withdrew, which of these categories best describes the value of your (**IF CODE 1 AT Q8B: and your partner's**) other savings or investments? Please do not include the house you live in.

IF NOT ALREADY WITHDRAWN FUNDS (CODES 3 OR 4 AT Q1a): Apart from your (**IF CODE 1 AT Q8c: and your partner's**) KiwiSaver savings, which of these categories best describes the value of your (**IF CODE 1 AT Q8B: and/or your partner's**) other savings or investments? Please do not include the house you live in.

READ. CODE ONE ONLY

Less than \$20,000	1
\$20,001 to \$50,000	2
\$50,001 to \$100,000	3
\$100,000 or more	4
Don't know	5

8g Apart from what we've already talked about, what other sources of income, if any, do you think you (**IF CODE 1 AT Q8B: or your partner**) will have at some stage during your retirement?

DO NOT READ. CODE EACH MENTIONED.

No other sources	1
Selling investment properties	2
Profit from selling large house and moving to smaller house	3
Selling home and renting instead	4
Re-mortgaging home	5
Equity release scheme (selling share of home)	6
Selling business	7
Income or allowance from family or children	8
Inheritance/income from inheritance	9
Other (specify)	10
Don't know	11

- 9a How adequate do you think your income from all sources will be to cover your living costs now and throughout retirement? Will it be...

READ ENTIRE SCALE BEFORE ACCEPTING ANSWER. CODE ONE ONLY

More than adequate	1
Adequate	2
Slightly less than adequate	3
Inadequate	4
Totally inadequate	5
DO NOT READ: Don't know	6

- 9b How necessary are your KiwiSaver savings to ensuring you are able to meet your living costs throughout your retirement? Please use a scale of 1 to 5 where 1 is not at all necessary and 5 is essential

CODE ONE ONLY

1 = not at all necessary	1
2	2
3	3
4	4
5 = essential	5
DO NOT READ: NA – already spent all KiwiSaver savings	6

Joining KiwiSaver

Now, I'd like you to think back to when you joined KiwiSaver.

- 10a For what reasons did you decide to join KiwiSaver?

DO NOT READ. CODE EACH MENTIONED.

Government contribution (kick start payment on joining plus member tax credit paid each year)	1
A way to make sure I have enough money for my retirement/future	2
KiwiSaver is an easy way to save	3
Money regularly coming out of pay is good way to save	4
My employer contributed to my KiwiSaver account	5
My employer contributed more than the minimum amount	6
Other (specify)	7
Don't know	8

- 10b How did you become a member of KiwiSaver? Was it...

READ. CODE ONE ONLY.

Through your employer	1
Directly through a provider	2
DO NOT READ: Don't remember/Don't know	3

Income sources when joined KiwiSaver

- 11a At the time you joined KiwiSaver, were you in paid work?
CODE ONE ONLY

Yes	1
No	2
Don't know	3

IF CODE 1 AT Q8B:

- 11b At the time you joined KiwiSaver, was your partner in paid work?
CODE ONE ONLY

Yes	1
No	2
Don't know	3
DO NOT READ: Was NOW with partner when joined KiwiSaver	4

- 11c And, at the time you joined KiwiSaver, which of the following sources of income did you (**IF CODE 1 AT Q8B AND NOT CODE 4 AT 11b: or your partner**) have?
CODE YES, NO, DON'T KNOW FOR EACH.
IF RESPONDENT SAYS 'DID NOT HAVE PARTNER WHEN JOINED KIWISAVER' ASK THEM TO ANSWER IN RELATION TO THEIR OWN INCOME SOURCES.

	Yes	No	Don't know
Income from your own business	1	2	3
Rent from an investment property	1	2	3
Rent from subletting or a border or lodger	1	2	3
Money from the government such as a benefit payment or working for families payment	1	2	3
A work based retirement savings scheme that was NOT KiwiSaver	1	2	3
Another superannuation plan	1	2	3
Savings or term deposit accounts	1	2	3
Stocks, shares, bonds or unit trusts	1	2	3
Other investments	1	2	3
Any other type of income (specify)	1	2	3
DO NOT READ: salary/wage/paid employment	1	2	3

THERE IS NO Q12.

Contributions

- 13a These next questions are about your own personal KiwiSaver contributions.
By KiwiSaver contributions, I mean the money you put into your KiwiSaver account.

Your KiwiSaver contribution rate is how much of your income you regularly put towards KiwiSaver. When you first joined KiwiSaver, was it 4%, 8% or some other percentage?

IF NECESSARY: This question is not about how much your employer contributed.
CODE ONE ONLY.

4%	1	
8%	2	
Other % rate (specify)	3	
Not applicable as didn't contribute directly from salary or wages/was not in paid work	4	GO TO 13f
DO NOT READ: Don't know	5	
DO NOT READ: Refused	6	GO TO 14a

13b The minimum employee contribution rate is how much of an employee's salary or wages the employee is required to put into KiwiSaver if they have joined KiwiSaver. When KiwiSaver was first introduced in 2007, this minimum employee rate was 4%. Then, in April 2009, the minimum employee rate decreased to 2%. At this time, did you reduce your contribution rate to 2%, some other amount, or did you keep it the same as before?

IF NECESSARY: This question is not about how much your employer contributed.
CODE ONE ONLY.

Reduced contribution rate to 2%	1
Reduced contribution rate to some other amount	2
Kept contribution rate the same	3
Don't know	4

13c **IF CODES 1 OR 2 AT 13b:** During your time in KiwiSaver, did you ever make any other changes to your contribution rate?

IF CODES 3 OR 4 AT 13b: During your time in KiwiSaver, did you ever make a change to your contribution rate?

CODE ONE ONLY.

Yes	1
No	2
I stopped contributing once became eligible to withdraw savings	3
Don't know	4

IF CODES 1-3 AT Q13a AND CODE 3 AT Q13b AND CODE 2 AT Q13c, SKIP TO 13e. OTHERWISE CONTINUE.

13d What is your current or most recent contribution rate? Was it 2%, 4%, 8% or some other percentage?
IF RESPONDENT HAS STOPPED CONTRIBUTIONS, ASK FOR MOST RECENT RATE.

IF NECESSARY: This question is not about how much your employer contributed.
CODE ONE ONLY.

2%	1
4%	2
8%	3
Other % rate (specify)	4
Not applicable as didn't contribute directly from salary or wages	5
DO NOT READ: Don't know	6
DO NOT READ: Refused	7

- 13e Since joining KiwiSaver, have you made any additional contributions on top of those regularly made at your chosen contribution rate?

IF NECESSARY: This question is not about how much your employer contributed.

CODE ONE ONLY.

Yes	1
No	2
Don't know	3

- 13f How often did you make contributions to your KiwiSaver fund?

READ IF NECESSARY. CODE ONE ONLY.

Weekly	1
Fortnightly	2
Monthly	3
Every few months	4
Once a year	5
No regular pattern	6
Other (specify)	7
DO NOT READ: Don't know	8

Provider

- 14a **IF FULLY WITHDRAWN FUNDS (CODE 1 AT Q1a):** Who was your most recent KiwiSaver provider?

IF NOT FULLY WITHDRAWN FUNDS (CODES 2-4 AT Q1a): Who is your current KiwiSaver provider?

IF NECESSARY: If you've previously been a member with another KiwiSaver provider please just answer here for your current or most recent one.

CODE ONE ONLY.

AMP	1
ANZ	2
Aon	3
ASB	4
AXA New Zealand (National Mutual Corporate Superannuation Services Limited)	5
Gareth Morgan	6
Grosvenor	7
ING	8
Kiwibank	9

Mercer	10	
National Bank	11	
OnePath	12	
Staples Rodway	13	
SuperLife	14	
Tower	15	
Westpac	16	
Other (specify)	17	
Don't know	18	GO TO 14d
Refused	19	GO TO 14d

14b How did you choose **(NAME OF PROVIDER FROM Q14a)**?
READ. CODE ONE ONLY.

Did Inland Revenue allocate you to one of the six 'default' providers?	1	GO TO14d
Did you go with your employer's chosen provider?	2	GO TO14d
Or, did you choose your own provider?	3	ASK 14c
DO NOT READ: Don't know	4	GO TO14d
DO NOT READ: Refused	5	GO TO14d

14c And how did you choose **(NAME OF PROVIDER FROM Q14a)**?
DO NOT READ. CODE EACH MENTIONED.

Main bank	1
Previous experience with them	2
Recommended by family/friends	3
Recommended by financial advisor/bank	4
Provider explained things clearly/helped me make decision	5
Good reputation	6
Financially stable organisation	7
Offered level of risk I wanted	8
Good returns on investment	9
Reasonable investment fees	10
Good range of options/products	11
Other (specify)	12
Don't know	13
Refused	14

14d Have you ever changed KiwiSaver providers?
CODE ONE ONLY

Yes	1	GO TO14e
No	2	GO TO14f
Don't know	3	GO TO 14f
Refused		GO TO 14f

- 14e For what reasons did you change your KiwiSaver provider?
RECORD VERBATIM. PROBE FOR CLARIFICATION.

Change in scheme

ASK IF NO (CODE 1) AT Q14d AND IF PROVIDERS 3, 5, 12, 10, CODED AT 14a.

- 14f You mentioned earlier your provider is (*provider name*)? (*DP: USE TEXT IN TABLE BELOW DEPENDING ON PROVIDER*) .
CODE ONE ONLY

Yes	1
No	2
Don't know	3
Refused	4

REPEAT 14f FOR EACH OF PROVIDER 3, 5, 12, 10, CODED AT 14a.

ASB	ASB has two schemes. The ASB KiwiSaver scheme and the FirstChoice KiwiSaver scheme. Have you ever changed from one of these schemes to the other?
OnePath	OnePath has four schemes: the Onepath KiwiSaver scheme, the National Bank KiwiSaver scheme, the ANZ KiwiSaver scheme and the SIL KiwiSaver scheme. Have you ever changed from one of these schemes to one of the others?
Mercer	Mercer has two schemes. The Mercer KiwiSaver scheme and the Mercer Super Trust KiwiSaver scheme. Have you ever changed from one of these schemes to the other?
Aon	Aon has a number of schemes. These include the Aon KiwiSaver Scheme, the Waterfront Industry KiwiSaver Scheme, the AonSaver(AMT)Scheme, the Tait Communications KiwiSaver Scheme, the Douglas Pharmaceuticals KiwiSaver Scheme, the Ravensdown KiwiSaver Scheme, the Foodstuffs KiwiSaver Scheme, the SRF KiwiSaver Scheme, and the BCF KiwiSaver Scheme. Have you ever changed from one of these schemes to one of the others?

Investment fund

- 15a I'm now going to read out some definitions of different types of investment funds and I'd like you to tell me which ones (**IF CODE 1 AT Q1a: you had when you withdrew your KiwiSaver savings?/IF CODES 2-4 AT Q1a: you have**). **READ OUT NUMBERS...**

- Cash fund.** This is low risk. The money is invested in bank deposits and other fixed interest investments.
- Conservative fund.** This is low to medium risk. The money is mainly invested in bank deposits and fixed interest investments, but with some money invested in growth assets such as shares and property.
- Balanced fund.** This is medium risk. The money is split more evenly between higher risk growth assets and more stable investments.
- Growth fund.** This is medium to high risk. Most of the money is invested in shares and property with some money in bank deposits and fixed interest.
- Aggressive fund.** This is high risk. The money is mainly invested in shares.

READ:

What type of KiwiSaver investment fund (**IF CODE 1 AT Q1a: did you have when you withdrew your KiwiSaver savings?/IF CODES 2-4 AT Q1a: do you have?**). If you are not sure, that's okay.

CODE ONE ONLY.

Cash fund	1	
Conservative	2	
Balanced	3	
Growth	4	
Aggressive	5	
A combination of conservative and balanced	6	
A combination of balanced and growth	7	
Another type of fund (specify)	8	
DO NOT READ: Don't know	9	GO TO 15e
DO NOT READ: Refused	10	GO TO 15e

15b How did you choose your investment fund?
DO NOT READ. CODE EACH MENTIONED. PROBE FOR CLARIFICATION.

Didn't choose fund – IR or provider put me in fund	1	
Offered by my main bank	2	
Better long term return on money	3	
Lower risk of ups and downs in the short term	4	
Flexibility to do what I wanted with money	5	
Reasonable investment fees	6	
Recommended by family/friends	7	
Recommended by financial advisor	8	
Recommended by employer	9	
Other (specify)	10	
Don't know	11	
Refused	12	

ASK IF CHANGED PROVIDERS (YES AT Q14d): OTHERWISE GO TO 15cii.

15ci When you changed providers, did you put your savings into a different type of investment fund with your new provider or was it a similar to what you had with your old provider? If you are not sure, that's okay.
CODE ONE ONLY

Different type of investment fund	1	GO TO 15d
Same type of investment fund	2	ASK 15cii
Don't know	3	ASK 15cii
Refused	4	ASK 15cii

15cii Have you ever shifted any of your KiwiSaver savings from one type of investment fund to another?
CODE ONE ONLY

Yes	1	ASK 15d
No	2	GO TO Q15e
Don't know	3	GO TO Q15e
Refused	4	GO TO Q15e

- 15d For what reasons did you shift your KiwiSaver savings to another type of investment fund?
DO NOT READ. CODE EACH MENTIONED.

Better long term return on money	1
Lower risk of ups and downs in the short term	2
More income assets (e.g. cash and fixed interest investments)	3
More growth assets (e.g. shares and property investments)	4
Better mix of income and growth assets	5
Offshore (overseas) investments	6
Onshore (New Zealand based) investments	7
Recommended by family/friends	8
Recommended by financial advisor	9
Other (specify)	10
Don't know	11

Return on investment

- 15e This next question is about the return you've had on your investment. By return, we mean the amount of money you have gained or lost relative to the amount of money you invested.
Do you have an idea of what kind of return you've had on your investment?
CODE ONE ONLY

Yes	1	ASK 15f
No	2	GO TO Q16
Don't know	3	GO TO Q16
Refused	4	GO TO Q16

- 15f Overall, how would you rate the return you've had on your investment? Please use a scale of 1 to 5 where 1 is very poor and 5 is very good.
CODE ONE ONLY.

1 = Very poor	1
2	2
3	3
4	4
5 = Very good	5
Don't know	6

Demographics

Finally, I have a question so that we can understand the different circumstances of people in the survey.

- 16 Thinking about the house you currently live in, do you **(IF CODE 1 AT Q8B: and/or your partner)** own it, is it in a trust, is it rented, or is it owned by someone else living in the house?
CODE EACH MENTIONED.

Owned by self and/or partner	1
In a trust	2
Rented	3
Owned by another in the household	4
NA - Live in residential care/retirement home	5
Other	6

Don't know	7
Refused	8

17 CODE GENDER

Male	1
Female	2

Close

That's the end of the survey. Thank you very much for your time.

As I said earlier, my name is *** from Colmar Brunton, the independent market research company.

If you have any questions about this survey you may contact my supervisor on 0508 SURVEY (787839) EXTN 3235