

New Zealand's National Strategy for Financial Capability

Promoting Better Lifetime Planning Through Financial Education Session 1

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Our National Strategy

To achieve our vision

"everyone getting ahead financially"

we've identified distinct activity streams

with clear objectives

to deliver the outcomes we all want to see



talk

A cultural shift where it's easy to talk about money



Money becomes a comfortable topic of conversation

People can talk with their partner, family and friends about money

People confidently talk with providers, ask questions and understand the choices before them



learn

Effective financial learning throughout life



All learners achieve financial literacy outcomes as part of their educational pathway

Financial literacy is part of lifelong learning for everyone



plan

Everyone has a current financial plan and is prepared for the unexpected



People make financial plans to support their life goals

All New Zealanders have a current financial plan

People protect their assets with insurance and emergency funds



debt-smart

People make smart use of debt



People manage debt to their advantage

People get out of highinterest debt faster



save/invest

Everyone saving and investing



More people save and invest in the short, medium and long term

More people actively engage with and contribute to **KiwiSaver**

More people save and invest in a range of financial assets





Building wealthy lives



















KiwiSaver will be the Practical Catalyst for Financial Education!

The Structure

- Government initiative
- Available to all Kiwi's under 65
- 3% min contribution from wages
- 3% matching contribution from Employer (generally)
- Member Tax Credit \$521 each year
- First Home Buyers Subsidy (5k)
- Withdrawal for First Home Deposit
- Ability to stop and start contributions
- Funds are locked in until age of entitlement

The Numbers

- Started in July 2007
- 2.4 million New Zealanders are in KiwiSaver - November
- 21.4bn of FUM as at the end of March
- 26 registered scheme providers as at the end of September
- 35 KiwiSaver schemes
- 55.5% of members are contributing
- 146,944 transfers last 12 months
- \$9,300 is the average KiwiSaver
 Balance as at end of March



Investor Education

The Commission

- Coordinating the National Strategy
- Education projects via Schools,
 Workplace and Community
 programmes
- Sorted programme, website, resources and seminars
- Retirement Income policy
- Retirement villages, monitoring, informing, disputes



This years focus for the 50 plus

- Transitioning from work income to lifestyle income
- Understanding Fund/Investment choices in KiwiSaver
- Review the annuities market and income investment solutions
- Understanding investment scams and identifying their characteristics
- What is your number?
- Understanding and preparing for the 3 stages of Retirement

Questions

Useful Links

- www.cffc.org.nz
- www.sorted.org.nz
- https://www.facebook.com/sorted.org.nz
- http://www.cffc.org.nz/what-we-do/financialcapability/national-strategy/
- http://www.kiwisaver.govt.nz/
- http://www.stuff.co.nz/business/money/64319102/facevalue-investment-warrior-turns-coach

