

## KiwiSaver grows by 17% despite impacts of Covid-19

**Media Release: 30 November 2021**

The Financial Services Council (FSC) [quarterly data snapshot](#) shows that total KiwiSaver funds under management has grown around \$15.7 billion to \$90.8bn in the year to 30 September 2021.

Richard Klipin, Chief Executive of the FSC, said “It’s great news that KiwiSaver has continued to show its resilience over the last year, despite the significant challenges that Covid-19 has presented.

“The data shows that following an initial drop in total funds under management in April 2020, it quickly recovered in the following quarter and has continue to grow since.

“The initial uncertainty when Covid-19 arrived in New Zealand last year caused some Kiwis to change their Kiwisaver settings, which had an impact on KiwiSaver balances.

“Now in the face of the Delta variant and current restrictions, these trends underscore that a ‘steady as we go’ approach to KiwiSaver investment pays off in the long-term.”

This week also sees the Government’s change to just six providers of default KiwiSaver funds who will provide default funds from 1 December 2021. The key changes implemented by the default providers as part of the change include the automatic enrolment in a balanced rather than conservative fund, charging lower fees and not investing in fossil fuels or illegal weapons.

“FSC members have been working hard with government and regulators to ensure a smooth transfer for KiwiSavers affected by the switch to the new default fund providers,” continued Klipin.

The latest KiwiSaver trends highlight that over the last 12 months (to 30 September 2021):

- Total **KiwiSaver funds under management** have increased to \$90.8bn from \$75.1bn
- 19% growth in KiwiSaver funds under management by FSC members.
- Kiwis have **contributed** \$6.32bn to KiwiSaver, and \$2.42bn in the last 3 months.
- There are now 2.97 million **total number of KiwiSavers** in funds managed by FSC members.
- **KiwiSaver average balances** have risen steadily from \$23,672 to \$27,858
- **Average contributions** were \$2,169 in September last year, falling back to an average of \$2,138.

“It’s worth highlighting the steady increase in average KiwiSaver balances, up by \$4000 over the last year. Our recent Money and You research into KiwiSaver highlighted that many New Zealanders feel ill-prepared for retirement and two-thirds worry that they won’t have enough to retire comfortably, and increased contributions will play a vital role in alleviating these concerns.

“This is also against the backdrop of New Zealanders [overwhelmingly supporting KiwiSaver](#) and it’s role to be increased, with compulsion and increased contribution rates being broadly supported,” added Klipin.

The FSC's top five tips to get the most from your KiwiSaver are:

1. Work out your financial goals and what you need from your KiwiSaver in the future, whether that's toward buying your first home or saving for a comfortable retirement;
2. Find out about your KiwiSaver contribution settings, balance and work out your projections to see how you can meet your goals;
3. Take some time to get advice and support from your KiwiSaver provider or a financial adviser if you aren't sure of the best course of action;
4. Remember, your KiwiSaver is a long-term investment that may go up as well as down, so think about a 'steady as you go' approach versus making short-term changes;
5. Consider the help and financial support available for Kiwis from the New Zealand Government through the Covid-19 pandemic (<https://covid19.govt.nz/>) before turning to your KiwiSaver savings.

"With 17% of New Zealanders not contributing to KiwiSaver at all and more than 30% contributing only the minimum 3%, there is more work to do. The FSC and the financial services sector is focused on supporting Kiwis by facilitating discussions and sharing useful resources about KiwiSaver to ultimately grow financial literacy and wellbeing," concluded Klipin.

**ENDS**

#### **Notes to editors**

The data for the snapshot comes from FSC members and Reserve Bank data. The Financial Services KiwiSaver Snapshot is available from the [FSC website](#), as is the [Money & You: KiwiSaver at a crossroads](#) research. The Reserve Bank of New Zealand KiwiSaver total funds under management data is available [here](#). Find out more about the new default KiwiSaver providers via the Financial Markets Authority [here](#).

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#### **About the Financial Services Council**

As the voice of the sector, the Financial Services Council is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 99 members manage funds of more than \$95bn and pay out claims of \$2.8bn per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund

managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.

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