

**Media Release: Monday 25 May 2020**

**COVID-19 delivers unprecedented hit to Kiwis' financial resilience**

The first survey in a major new series commissioned by the Financial Services Council has revealed that COVID-19 has delivered an unprecedented hit to New Zealanders' financial resilience and wellbeing.

The **Financial Resilience Index** tracks how Kiwis feel on five key financial indicators from March 2020 onwards and provides a unique perspective on how we feel and think about financial issues over this unprecedented time.

"The first round of the Index, looking at how our views have changed from March to April, shows that COVID-19 has impacted Kiwis' financial resilience across the board, but with a particularly acute hit to job security, money worries, and mental wellbeing", said Richard Klipin, Chief Executive Officer of the Financial Services Council.

"By late April 50% of us felt that COVID-19 was impacting on our job security, a jump of over 15% since March.

"While for 45% of us it has reduced our confidence in making financial decisions, an increase of 15% in a month.

"We are also seeing COVID-19 change the way we invest, with the number of Kiwis looking for low-risk investments jumping by around 20% from March to April.

"With over 40% of us now worrying about money on an at least weekly basis, the Index also shows that COVID-19 and associated financial concerns are taking a major toll on our mental health.

"51% of us have had our mental health affected at least once or twice by money matters, which represents a 6% increase since New Zealand went into lockdown.

"The Index also provides a stark reminder of the challenging outlook for many Kiwis when it comes to preparation for retirement.

"Even before COVID-19 hit New Zealand, over 50% of us did not feel on track for the retirement we'd be happy with and expected to have to carry on working past the retirement age.

"We can expect these numbers to get worse in the future.

"Overall the findings of the first Financial Resilience Index paint a challenging picture of our financial resilience as a nation and one that we know is likely to worsen in coming months.

“As an industry we have invested in this landmark research to build a better picture and understanding of exactly how New Zealanders feel at this time and in coming months about money and other everyday financial concerns.

“Our hope is that this first stage of research and subsequent rounds will help drive a national conversation and build awareness of how we can collectively work to build our financial resilience and wellbeing.

“There is no getting away from the scale of this challenge, especially with the worsening economic outlook, but as an industry we are committed to doing what we can to help New Zealanders improve their financial resilience”, concluded Klipin.

The **Financial Resilience Index** is a tracking survey of 2000 New Zealanders’ views on five key financial resilience indicators carried out by CoreData. The first round of the Index looked at how these views changed from March 2020 to April 2020 and subsequent rounds will be released in coming months.

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