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It's not about the money – Kiwis' tricky relationship with their finances revealed

New research commissioned by the Financial Services Council provides a unique look at New Zealanders' relationship with money and how it affects their decisions and wellbeing.

The first in a three part research series, *Money and You*, surveyed 2000 Kiwis to get a comprehensive understanding of how New Zealanders feel about money, their level of knowledge about it, and how it impacts key areas of their lives.

"*Money and You* found that it's a mixed bag when it comes to our relationship with money, how we manage it, and how we understand it", said Richard Klipin, Chief Executive Officer of the Financial Services Council.

"Overall, the research found a strong link between money and wellbeing with money worries causing stress for most New Zealanders. Given that just 21% of respondents described their financial well-being as better than moderate this suggests that money has a major impact on our health and well-being.

"*Money and You* also presents a challenging picture when it comes to Kiwis' financial stability. 70% of us would not be able to meet basic financial commitments such as mortgage/rent and bills beyond a short period of time if we lost our jobs. Over a third of us would not be able to last beyond a month.

"These challenges are particularly acute for younger New Zealanders who overall worry more about money, are more stressed financially, and are least prepared for a loss of income.

"In general *Money and You* shows that New Zealanders understanding of the 'money language' is not as good as what we think it is. In fact the research found that, when tested, understanding of basic investment concepts and strategies was low.

"This lack of understanding is a key barrier to building New Zealanders financial resilience and enabling good, sustainable financial decision making.

"Despite this, *Money and You* found that Kiwis generally feel financially confident. Close to 80% of respondents were reasonably confident or more about making financial decisions.

"This potentially misplaced confidence is likely to be a reason behind New Zealanders generally low use of financial advice and other services.

“A bright spot though in *Money and You* is New Zealanders embrace of KiwiSaver with 75% of us now investing via the scheme.

“This level of exposure is set to be a gamechanger in coming years as KiwiSaver acts as a gateway to helping New Zealanders become more financial engaged, aware and resilient.

“This research was conducted in the shadow of the Covid-19 pandemic and before its full impact was known. Nonetheless, as we slowly return to a level of normality we hope that this research will help challenge all New Zealanders to think about how they can understand money better and build their ongoing financial resilience.”

Ryan Bessemer, CEO of Trustees Executors who sponsored the research, said that it had an important purpose.

“For all of us our relationship with money is a complex and at times, difficult one. *Money and You* helps to cast a light on how as a nation we manage this relationship, and importantly how the financial services industry can help to strengthen it.

“We hope that *Money and You*, in conjunction with other industry initiatives, will help drive an honest conversation about improving the way we all manage our relationship with money.”

Money and You involved a representative online survey of 2000 New Zealanders carried out by CoreData. Data was collected between 12 March and 20 March 2020.

The full report, *Money and You*, can be found [here](#).

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