

## News Release

26 June 2023

### **Diverse nature of life and work reflected in the investment habits of Gen Z**

Young adults are the group most likely to have made changes to their KiwiSaver accounts in the past year, according to research for ANZ Investments.

“Gen Z are investors; they understand this is about growing their wealth and they’ve started early, many are regularly contributing to a KiwiSaver account, which is great to see,” says Fiona Mackenzie, Managing Director of ANZ Investments.

“The youngest members of Gen Z are in their early teens but the oldest are studying or working, many of them well into a career.

“For those that are working many are on contract or freelancing. That offers opportunities and challenges – particularly given the higher cost of living.”

Using the age group 18 to 24 as a proxy for Gen Z, the survey by Horizon Research found that:

- 25 per cent had increased their contribution level in the previous twelve months,
- 12 per cent had reduced their contributions,
- 14 per cent stopped their contributions,
- 26 per cent had made additional voluntary contributions,
- 23 per cent changed KiwiSaver provider,
- 10 per cent changed fund/investment type,
- and 9 per cent had withdrawn funds to purchase their first home.

The Horizon survey also asked KiwiSaver members whether the fall in financial markets had left them more or less likely to invest.

28 per cent of 18 to 24-year-olds said they were less likely to invest. This compared to 20 per cent of all KiwiSaver members.

However, 26 per cent of the 18 to 24-year-olds said the fall in financial markets had left them feeling more likely to invest, compared to 10 per cent of all KiwiSaver members who were surveyed.

“What leapt out at us was that 20 per cent of 18 to 24-year-olds said they were already wary of investing; and 24 per cent of all members said the same.

“This shows us KiwiSaver providers the importance of ongoing education about investing for the long term,” Ms Mackenzie says.

ANZ Investments' customer data shows 63.8 percent of members aged 18 to 25 are making employee contributions<sup>[1]</sup>.

Looking wider to include all Gen Z members (born 1997 – 2012) 46 per cent are making regular employee contributions.

Just over 6 per cent of members aged 18 to 25 made a voluntary contribution in April of this year<sup>[2]</sup>.

"That's really encouraging," Ms Mackenzie says. "But we'd like those numbers to be even higher."

As well as contributions it's also important to think about what sort of fund you are in. Of the ANZ KiwiSaver members aged 18 – 25, 78 per cent are in a growth fund.

To help connect with younger KiwiSaver members ANZ Investments is launching a series of social media videos, discussing basic investment topics.

"Social media platforms like Tik Tok and Instagram are where many get their information and we're aiming to give them simple and useable information in ways which best suit them," Ms Mackenzie says.

"There are lots of ways to make investing complex or hard, but there are also great ways to make it easy. One of those actions is opening a KiwiSaver account."

### **Are you on track? Three things for Gen Z to check:**

- Small regular contributions can have a big impact - if you are under the age of 18 you aren't required to make regular contributions into your KiwiSaver account, unless you're employed. But you can make regular or one-off voluntary contributions at any time.
- Check out employee benefits - if you are under the age of 18 and earning salary or wages from which PAYE is deducted, your employer is required to deduct employee KiwiSaver contributions on your behalf. Employers aren't required to make a matching employer contribution until you turn 18. But some do so voluntarily.
- Get your 'free' money - KiwiSaver members aged 18 or older are eligible for an annual matching Government contribution of up to \$521.43 if they contribute up to \$1042.86 between July 1 and June 30.

For media enquiries contact Tony Field: 021 2203152 [tony.field@anz.com](mailto:tony.field@anz.com)

*The findings of the survey by Horizon Research are based on an online survey of 1,632 respondents, representing the New Zealand population, aged 18 years and older. There is a margin of error on the overall sample of plus or minus 2.4 per cent.*

*KiwiSaver is intended to help people save for their retirement, so KiwiSaver savings are generally locked in until the age of 65. In some circumstances savings may be able to be accessed earlier, such as buying a first home. Parents and their children should think carefully whether KiwiSaver is the right choice, or whether a non-KiwiSaver fund might be a better alternative.*

*ANZ New Zealand Investments Limited is the issuer and manager of the ANZ KiwiSaver Scheme, OneAnswer KiwiSaver Scheme and ANZ Default KiwiSaver Scheme. A copy of the ANZ KiwiSaver*

---

<sup>[1]</sup>That compares to just over 54 per cent of all members who made an employee contribution in April this year.

<sup>[2]</sup>That compares to 9.2 per cent of all members who made a voluntary contribution in April.

*Scheme and OneAnswer KiwiSaver Scheme guide and product disclosure statement is available at [anz.co.nz](http://anz.co.nz). The ANZ Default KiwiSaver Scheme is closed to new members. This news release is for information only. ANZ Bank New Zealand Limited's financial advice provider disclosure is available at [anz.co.nz/fapdisclosure](http://anz.co.nz/fapdisclosure).*