



Retirement Commission

Whiriwhiria!

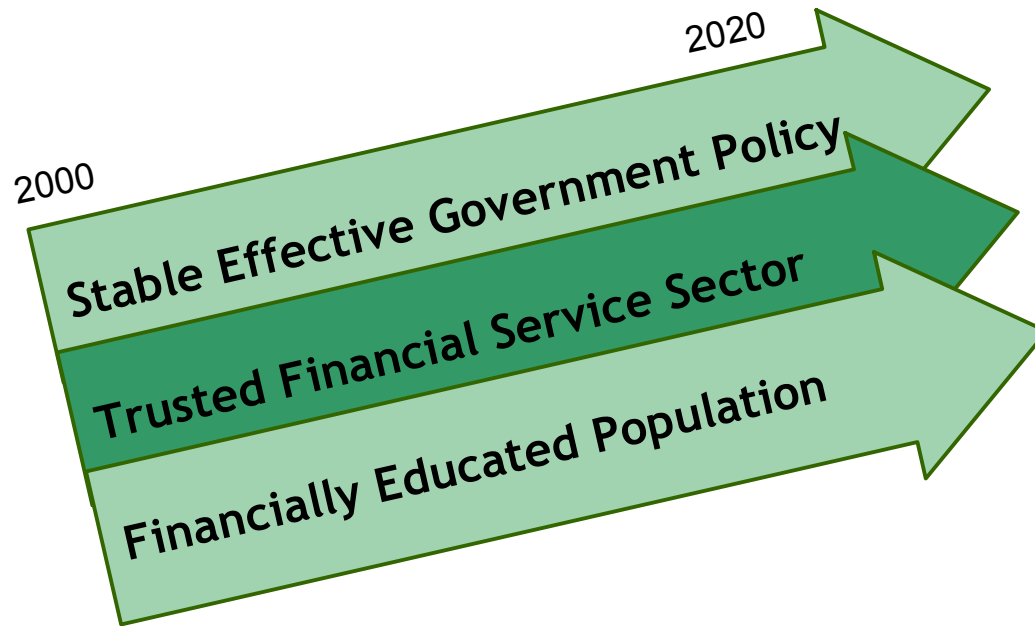
Financial Literacy - is it just the latest buzz word?



DIANA CROSSAN
Retirement Commissioner

6th August 2009
ASFONZ One-Day Forum 2009

Personal Financial Wellbeing and Retirement Income



ECONOMIC GROWTH

SOCIAL COHESION

DEMOGRAPHICS



What is financial literacy

Financial literacy: the ability to make informed judgements and to take effective decisions regarding the use and management of money



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Measuring financial literacy

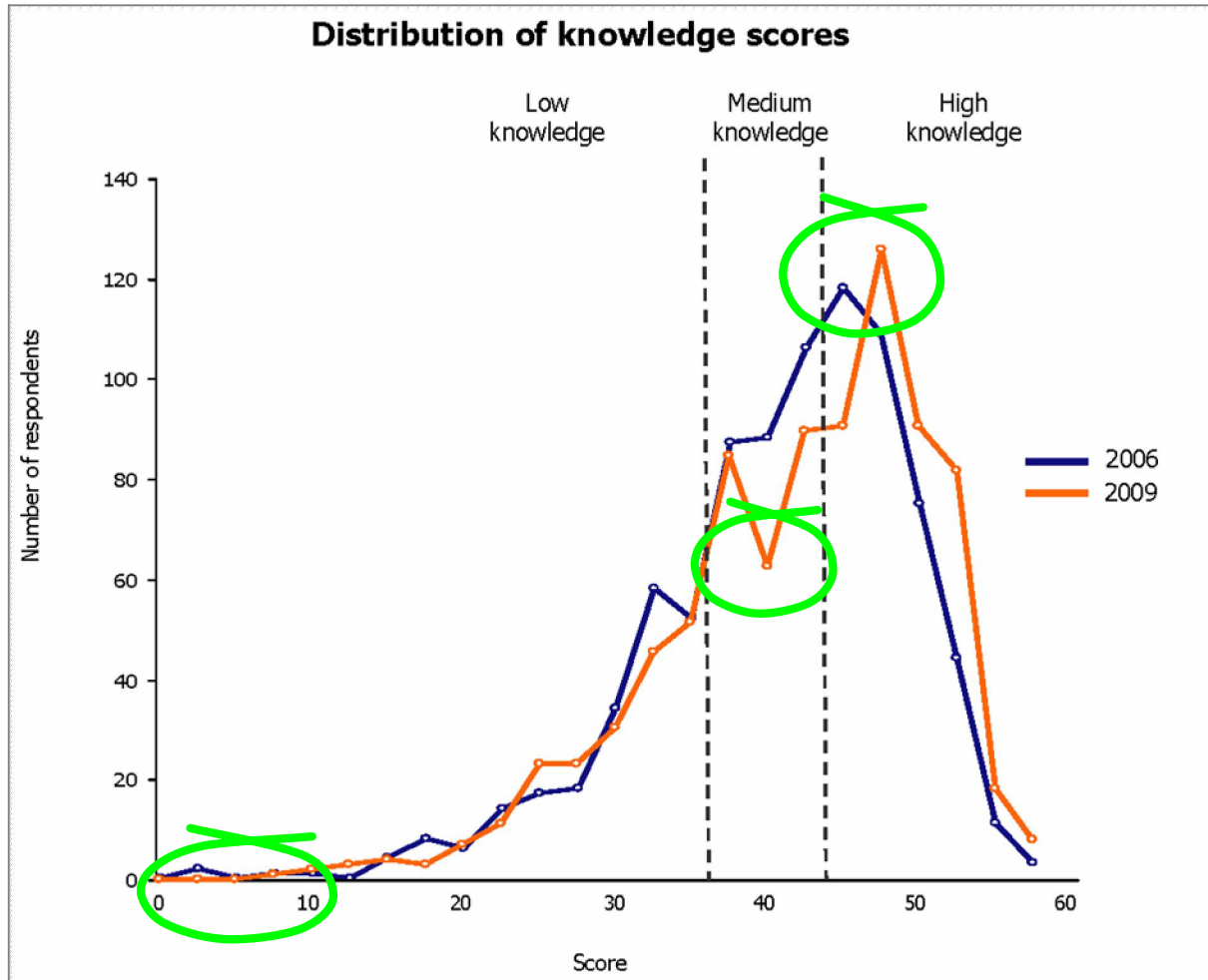
- Financial literacy requires skills and knowledge
- ANZ-Retirement Commission Survey measures knowledge levels of adult New Zealanders
- Survey questions based on Financial Knowledge Framework
- Answers add up to low, medium or high level of knowledge.



Financial Knowledge framework

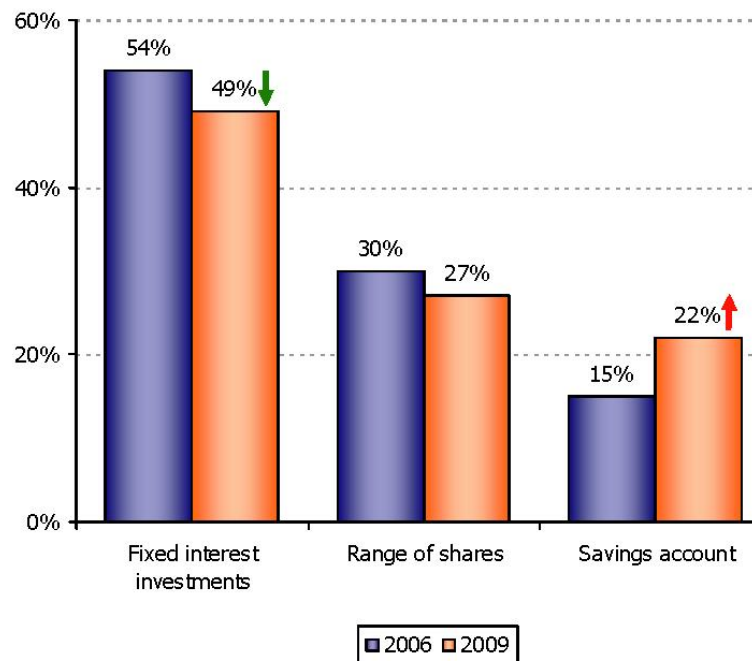
- Mathematical and standard literacy
- Financial understanding
- Financial competence
- Financial responsibility

How much do New Zealanders know?



What people say about making money

Which is generally considered to make most money over next 15 to 20 years*

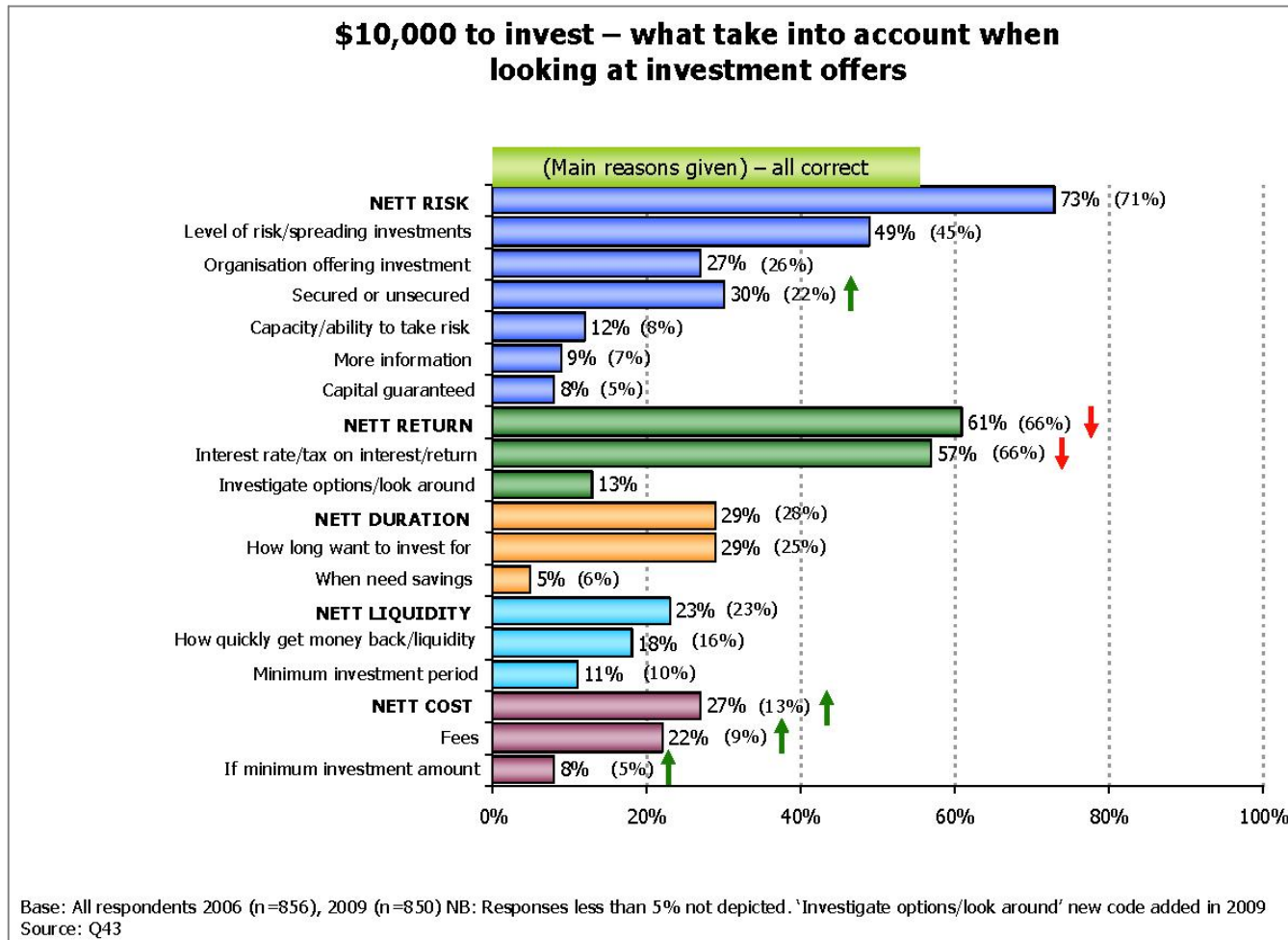


Base: All respondents 2006 (n=856), 2009 (n=850)

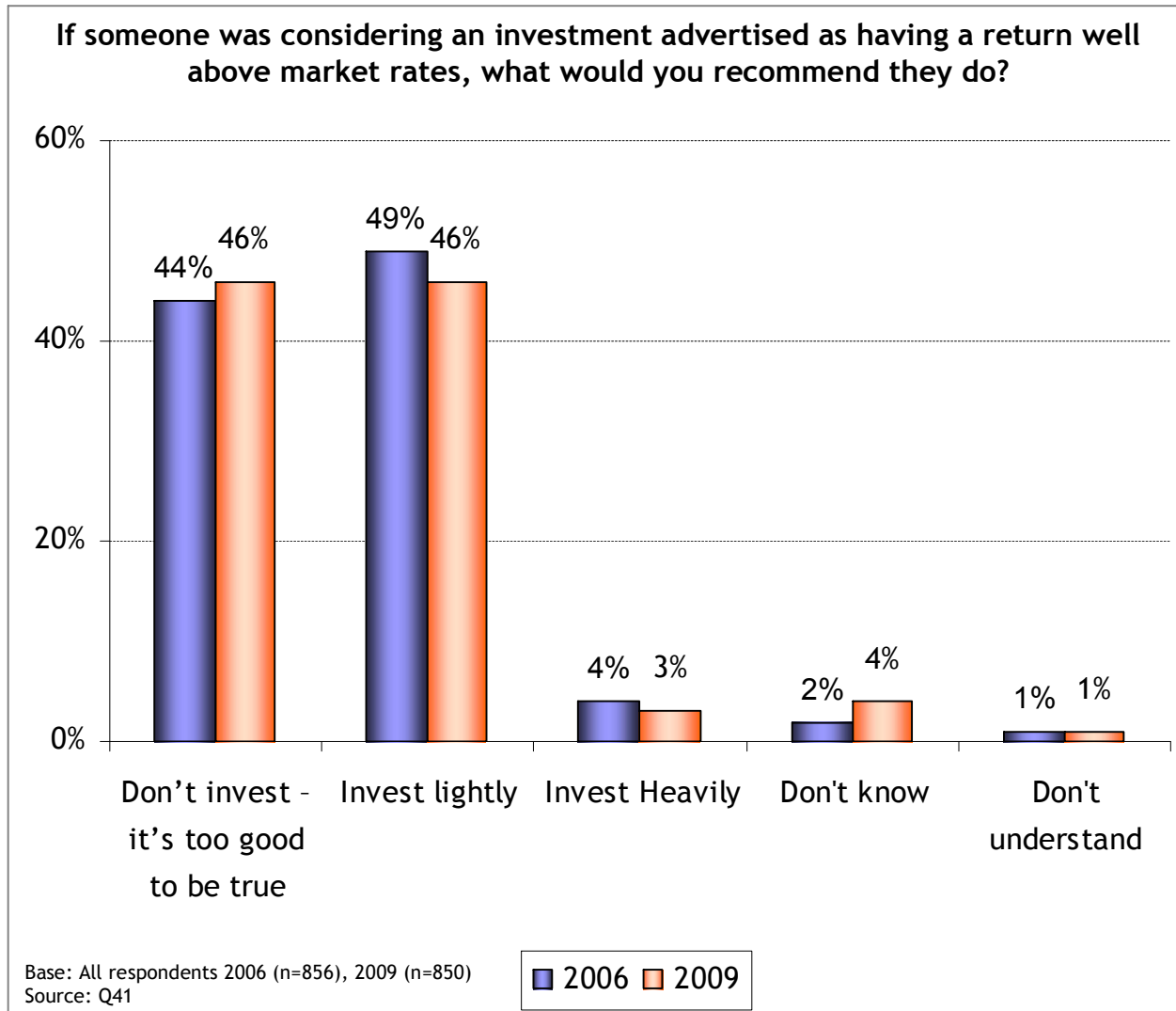
Source: Q42 * In 2006 the question wording read 'Which one of the following is likely to make you the most money over the next 18 years'



What people look for in investments



How people react to advertising



What about saving?

- 49% save on a regular basis
- 29% are in KiwiSaver
- 37% understand how compound interest works



New Zealand National Strategy for Financial Literacy

Vision: Personal financial wellbeing for New Zealanders

Mission: New Zealanders are financially well-educated and can make informed financial decisions throughout their lives

- Developing quality
- Extending delivery
- Monitoring and evaluating



Developing quality

New Zealanders are entitled to financial information that is:

- Timely
- Culturally appropriate
- Impartial
- User friendly
- Plain language



Extending delivery

Schools



Tertiary



Community



Workplace



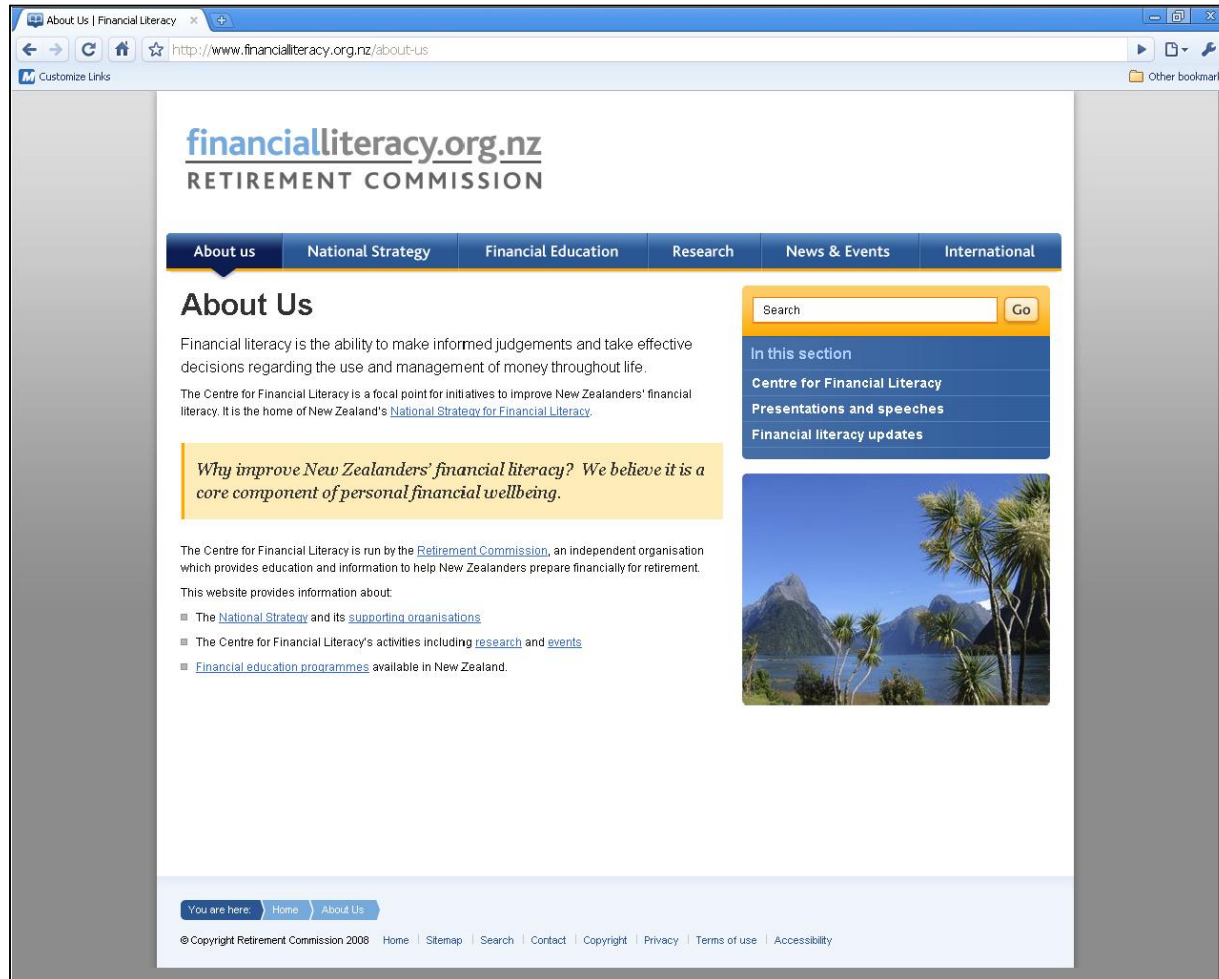
60 plus



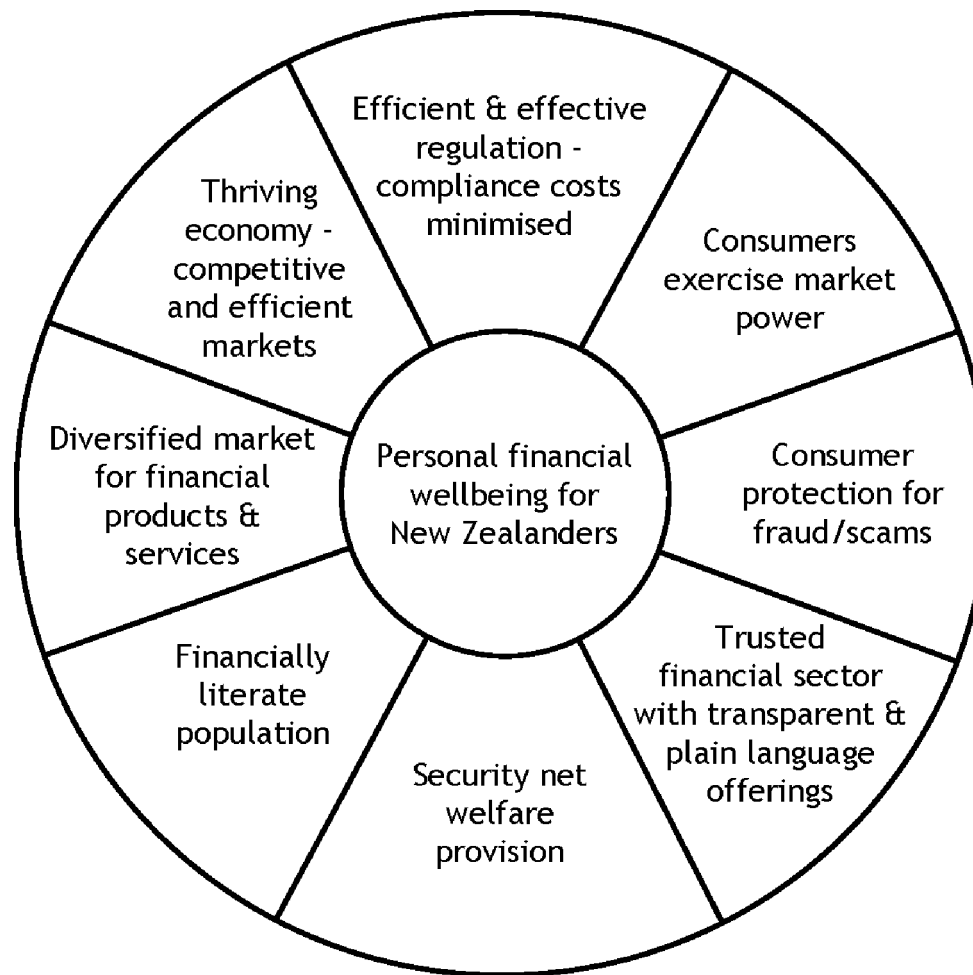
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Monitoring and Evaluating



Components of personal financial wellbeing



Trust and confidence

Products



Advisors



Consumer information



How much is enough?





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