

Is KiwiSaver growing the retirement savings pool?

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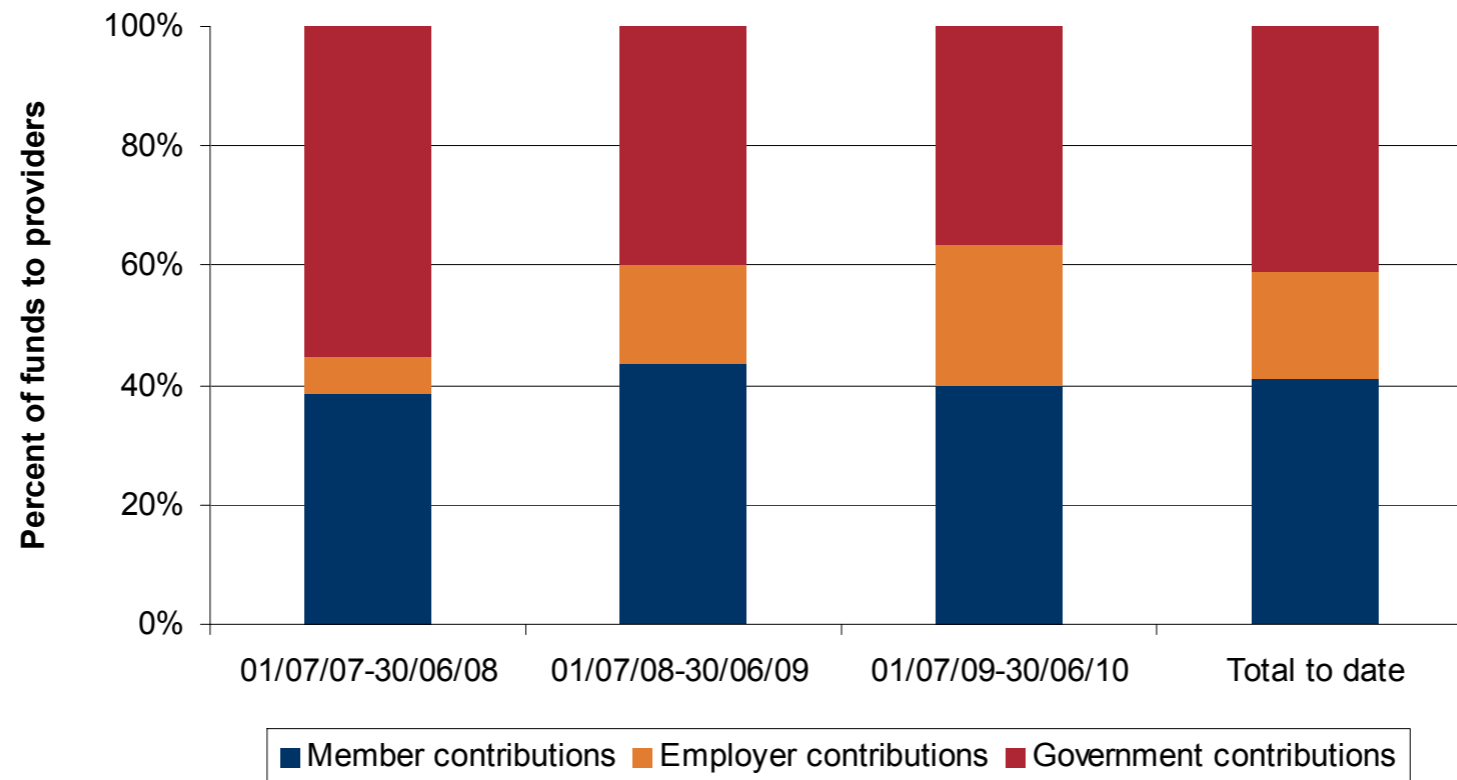
- Enrolment trends
- Funds contributed
- KiwiSaver design features
- Approach to saving for retirement



- Strong early and continued enrolment growth
 - 1.49m members at 31/07/10
 - 30,000 per month for two years
 - 38% eligible population
- Most members opted-in
 - 63% opt-in (both methods)
 - 37% auto-enrolled



- \$6.6b funds passed to providers

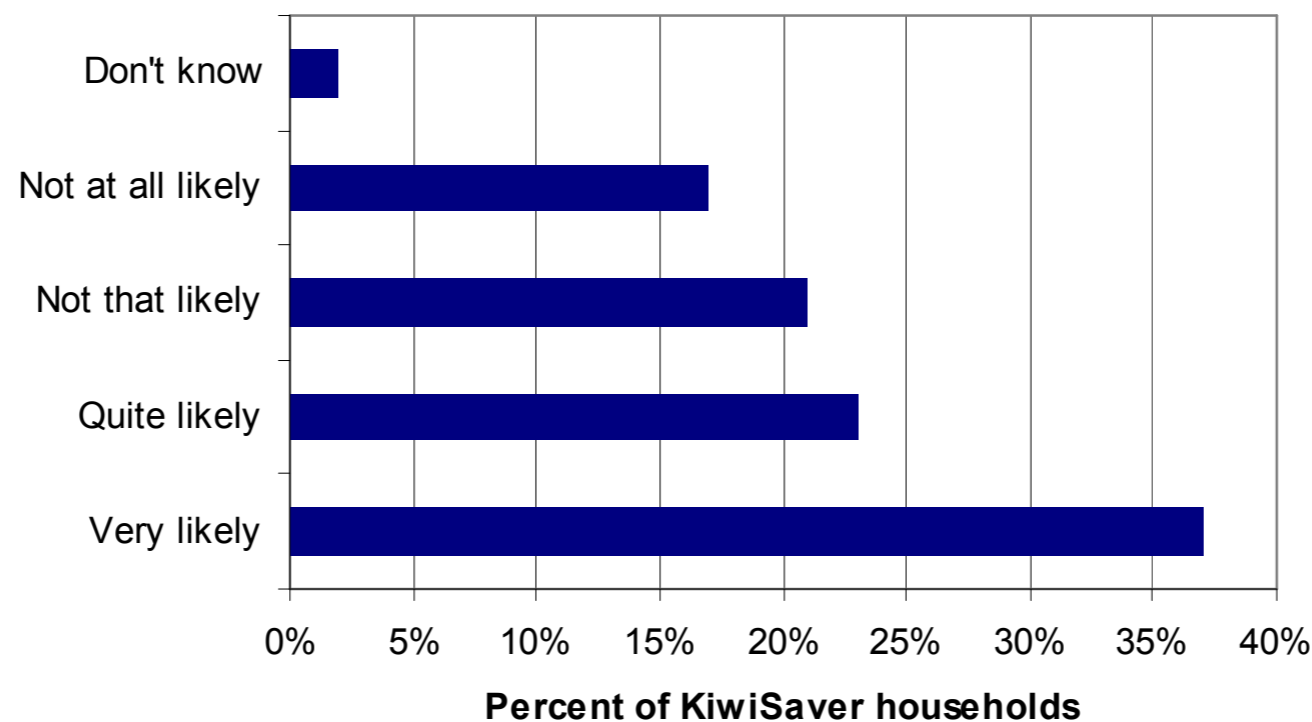


- Design features are effective at getting people in
 - 45% of auto-enrolees wouldn't have joined otherwise
 - 15% would opt-out "straight away"
 - KiwiSaver as an "easy way to save" is a membership driver
 - Lock-in is a membership driver for some
 - So are incentives
 - 77% joined for government and employer contributions
 - 83% of parents motivated by \$1,000
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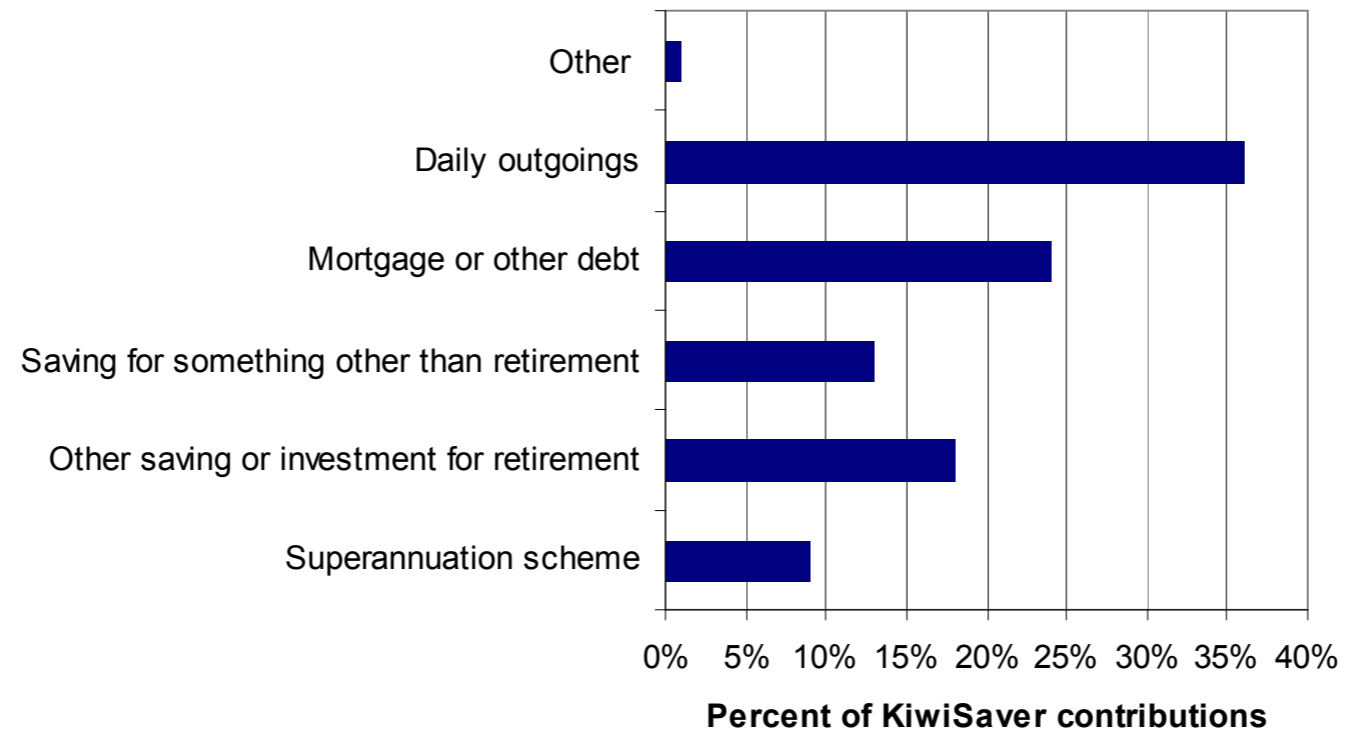
KiwiSaver members are...

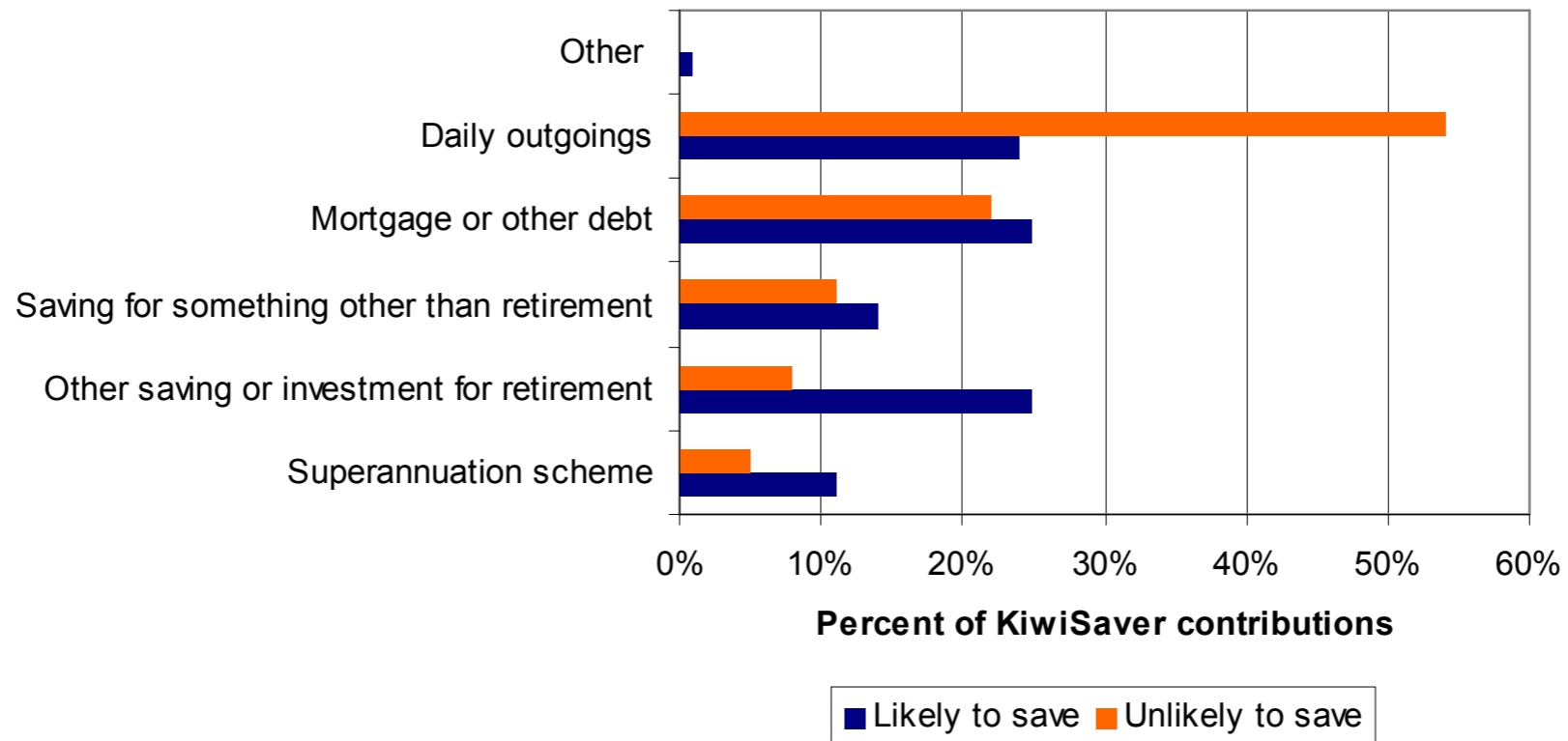
- More likely to:
 - Say KiwiSaver has increased the value they place on financial planning
 - Fall short of a “comfortable” retirement
 - Not more likely to:
 - Know their expected retirement income
 - Fall short of “just getting by” in retirement
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- 38% KiwiSaver households unlikely to save for retirement without KiwiSaver



- 36% KiwiSaver contributions would be spent on daily outgoings





- Two-thirds of households paying off debt
- Half of households are saving (not KiwiSaver or super)
- Quarter have a super scheme

⇒ No difference between KiwiSaver and non-KiwiSaver households



- Of the KiwiSaver households with a super scheme
 - 53% maintained contribution level
 - 21% stopped or decreased contributions
 - Of the KiwiSaver households who closed a super scheme
 - 9% transferred all or some of the funds to KiwiSaver
 - 90% didn't transfer the funds to KiwiSaver
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- Of the KiwiSaver households saving
 - 29% maintained saving levels
 - 17% started or increased their saving
 - 15% stopped or decreased saving
 - Of the KiwiSaver households with debt when they joined
 - 38% maintained repayment levels
 - 21% started or increased repayments
 - 10% stopped or decreased repayments
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Is KiwiSaver growing the retirement savings pool?
