

# Attitudes towards New Zealand's financial markets

Investor confidence PART 2  
Impacts of COVID-19

June 2020



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# Background

The FMA commissioned Buzz Channel to measure New Zealanders' attitudes towards and confidence in New Zealand's financial markets.

This is the eighth year the FMA has carried out investor confidence research, and the third year Buzz Channel has been involved.

The main research objectives were to:

- Measure the level of confidence the New Zealand public have in the New Zealand financial markets;
- Measure perceptions and awareness of the FMA.

An online survey was conducted among a representative sample of the New Zealand population aged 18 years and over.

Fieldwork took place between 5 and 14 May 2020.

As context, COVID-19 was declared a pandemic by the World Health Organization on 11 March 2020. New Zealand entered Level 4 lockdown on 25 March and was in Level 3 during the research period (Level 2 came into force on the last day of fieldwork on 13 May).

A total of 1,003 New Zealanders participated in the research in 2020. The data has been weighted by age, gender, region, and ethnicity to ensure results are representative of the New Zealand population.

The margin of error on this sample is +/-3% at the 95% confidence level.



# COVID-19 impact on investor confidence and behaviour

# Summary – COVID-19 impact on investor confidence and behaviour

With the COVID-19 virus beginning to impact markets in early 2020, the virus being declared a pandemic in mid-March and New Zealand entering lockdown shortly after, there have been clear impacts on investors' behaviour and confidence. When it comes to financial attitudes, there is a sense that many are doubling down in the year ahead, supported by an overriding sense that markets will recover. Although financial attitudes vary significantly across different groups (eg exclusive KiwiSaver investors, non-investors, investors with both KiwiSaver and other investments etc.), they are united by the impact on their personal financial situation, which at least 4 in 10 within each group express concern over.

The majority (60%) of investors have seen their investments decrease in value due to market fluctuations linked to the COVID-19 pandemic. For around half of this group, their loss was estimated to be around 10% or less while over one-third reported a loss of 20% or more. There were no significant differences in the extent of losses based on the type of investment(s) an investor held, however those who had decreased or increased investments in the past 12 months were more likely than average to have experienced losses and these losses were also at a higher rate than average.

The outlook in the short-term is somewhat pessimistic, although most people think that the markets will inevitably recover longer-term. In the year ahead, emphasis is firmly on recovery with market growth anticipated by less than 1 in 5 for both domestic and international markets. Predictions are more positive for domestic markets than international markets and investors are more optimistic than non-investors.

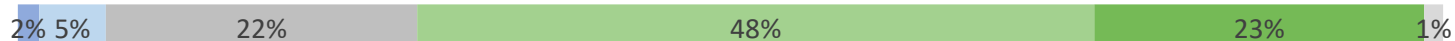
Although confidence in financial markets and financial service providers is generally healthy and growing in regards to effective regulation, COVID-19 and subsequent market volatility has knocked confidence in this space: since COVID-19 struck, nearly 4 in 10 New Zealanders stated that they are now less confident in financial markets and one-third less confident in financial service providers (compared to 4% or fewer who state that they are now more confident).

For investors who had been active within the past year, around half made a change to their investments after the pandemic started. The vast majority of this group (around 8 in 10) were influenced in their actions by market volatility. The COVID-19 situation has also impacted on how KiwiSaver members engage with their fund. Nearly one-quarter indicated that they now check their fund balance more frequently, compared to around half this proportion who are more 'switched off' and checking less frequently since COVID-19 struck. Over one-third also reported using an online resource to help establish how their fund has been impacted, most frequently those supplied by their provider. Despite these shifts in behaviour suggesting a level of nervousness has developed among KiwiSaver members, nearly 8 in 10 are confident that KiwiSaver will be available for them when they retire, with just 15% having low confidence in this respect.

# Financial attitudes in COVID-19 climate

## To what extent do you agree or disagree... ?

This pandemic will pass eventually, and markets always recover with time. Base: All 1003



My KiwiSaver is for the long term and I don't need to change course this year. Base: KiwiSaver n=675



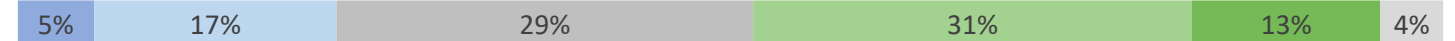
I am more focused on my household income this year than the value of my investments. Base: Investors n=832



I am worried about the impact of COVID-19 on my personal financial situation. Base: All n=1003



I am worried about the impact of COVID-19 on my investments. Base: Investors n=832



I will look for opportunities in the markets this year. Base All n=1003



I can't afford to think about investments or KiwiSaver this year. Base n=1003



I am looking for an adviser to help me review my investments. Base Investors n=832

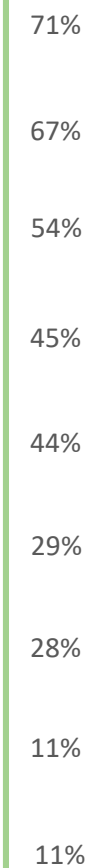


I have already been working with my adviser to review my investments. Base Investors n=832



■ Strongly Disagree ■ Disagree ■ Neither agree nor disagree ■ Agree ■ Strongly Agree ■ Not applicable

Total agree



When it comes to financial attitudes, there is clear concern about personal financial implications and a sense that many are doubling down in the year ahead; most won't be taking drastic actions and the overriding sense is that markets will recover.

Most people agree that the markets will, inevitably, recover in time (71%). Right now, however, there is fairly widespread concern about the immediate personal financial implications of the COVID-19 'climate': over 4 in 10 New Zealanders (45%) stated that they are now worried about their personal financial situation and a similar proportion of investors (44%) were concerned about the impact on their investments. Many are focusing on household income first and foremost, ahead of any existing or prospective investments.

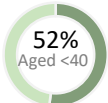
Despite this, fewer than 3 in 10 felt that they could not afford to think about investments this year, and among KiwiSaver members, commitment to this form of investment is also fairly strong with two-thirds stating that they're in it for the long-term and they don't need to change course this year (only 11% disagreed with this).

# How attitudes and behaviour varies across different groups

Those **looking for opportunities in the market** in the year ahead are significantly more likely to be:



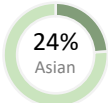
**Male:** 60%, compared to 49% of the sample overall.



**Younger:** Over half are aged under 40 compared to 37% across the sample overall.



**Higher earners:** 44% have a household income of \$100k or more compared to 28% on average.



**Ethnically diverse:** nearly one-quarter identify as Asian, significantly higher than the average overall (15%).



**Working full-time:** Nearly 6 in 10 work full-time compared to an average across all New Zealand adults of 44%.



**Aware of the FMA:** Over half (52%) of this group has heard of the FMA compared to 37% across all New Zealanders.

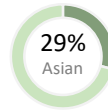


**More confident in New Zealand's financial markets:** nearly 8 in 10 are 'very' or 'fairly' confident in NZ's markets, significantly higher than average (63%). They're also more active, being more likely to have multiple investments and more likely to have a financial adviser.

Those **looking for an adviser** to help review their investments are significantly more likely to be:



**Male:** 63%, compared to 49% across all investors.



**Ethnically diverse:** nearly 3 in 10 identify as Asian, significantly higher than the average across all investors (17%).



**Investors across multiple products:** Nearly 6 in 10 have KiwiSaver plus other investments compared to 43% across all investors.



**Working full-time:** Around 7 in 10 are working full-time compared to half of all investors.



**More confident in NZ's financial markets:** 27% are 'very' confident, nearly three times the average across all investors (10%) and 23% state that their confidence has increased in the past year compared to 7% across all investors.



**Aware of the FMA:** Nearly 6 in 10 (57%) have heard of the FMA compared to 39% across all investors.

Those who have **already been working with an adviser** to review their investments have a similar profile to those seeking an adviser. It's also worth noting there's a lot of cross-over between these two groups. Around half of those who have already been working with an adviser also plan to seek advice from an adviser in future.

Those who feel that they **can't afford to think about investments or KiwiSaver this year** are significantly more likely to be:



**Non-investors or KiwiSaver-only investors:** 24% are non-investors (compared to 18% on average across all adults aged 18 and over) and 37% are KiwiSaver-only investors (compared to 30% on average)



**Less confident in NZ's financial markets:** 36% state that they are 'not at all' or 'not very' confident in the market compared to an average of 27%. This group is also more concerned about their personal finances than general, and more likely to have recently experienced a substantial loss in investment value.



**Unaware of the FMA:** 30% of this group has heard of the FMA compared to 37% across all New Zealanders.



**In the market for a financial adviser:** around 1 in 5 of investors within this group agree they're looking for an adviser to help review their investments, around double the average across all investors. Similarly, they're significantly more likely than average to have worked with an adviser already (17% vs. 11%).



**In KiwiSaver for the long-term:** 74% of KiwiSaver members in this group agree it's a long-term investment and won't be changing course this year, significantly higher than average (67%).

# Financial attitudes by investor type

## Financial attitudes by investor type ('agree' or 'strongly agree')

	Non-investor	Exclusive KiwiSaver investor	KiwiSaver with other investments	Other Investments but no KiwiSaver
This pandemic will pass eventually, and markets always recover with time <i>(Base: All)</i>	60%	66%	77%	76%
My KiwiSaver is for the long term and I don't need to change course this year <i>(Base: KiwiSaver Investors)</i>	-	63%	70%	-
I'm more focused on my household income this year than the value of my investments <i>(Base: Investors)</i>	-	61%	52%	46%
I am worried about the impact of COVID19 on my personal financial situation <i>(Base: All)</i>	41%	45%	49%	43%
I am worried about the impact of COVID19 on my investments <i>(Base: Investors)</i>	-	36%	51%	43%
I will look for opportunities in the markets this year <i>(Base: All)</i>	16%	23%	42%	28%
I can't afford to think about investments or KiwiSaver this year <i>(Base: All)</i>	38%	35%	21%	21%
I am looking for an adviser to help me review my investments <i>(Base: Investors)</i>	-	8%	16%	8%
I have already been working with my adviser to review my investments <i>(Base: Investors)</i>	-	8%	15%	9%
	Base: n=171	Base: n=314	Base: n=361	Base: n=157

There are significant differences in financial attitudes in the current COVID-19 climate across core segments, however all groups are united by a shared concern about the impact on their personal finances.

Non-investors are the least convinced of the market's inevitable recovery, while investors with KiwiSaver and other forms of investment are the most convinced. Those who invest only in KiwiSaver are significantly more likely to state that they are focusing on household income in the current climate and many (35%) feel that they can't afford to think about investments right now.

Those with KiwiSaver and other investments are most concerned about impacts on their investments and are also most proactive, with 42% stating that they will look for opportunities in the year ahead and around 3 in 10 seeking advice from an adviser to review their investments.

Prevalent across all groups more or less equally, however, is the concern about the COVID-19 impact on their personal finances.

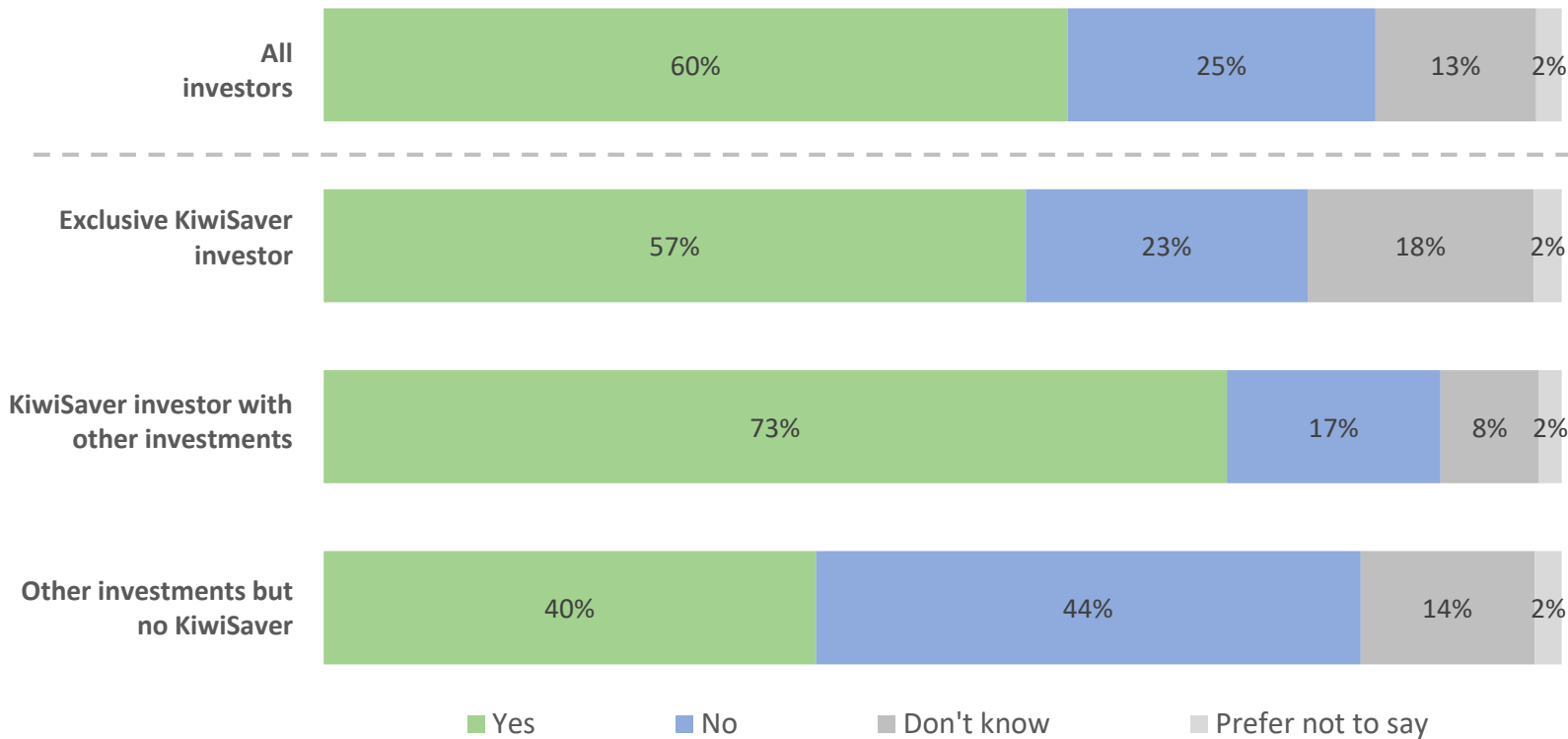
Blue shading shows where segment is significantly more likely than other groups to agree

Red shading shows where segment is significantly less likely than other groups to agree



# Losses in investments due to COVID-19 by investor type

Experienced losses in investments due to COVID-19 (by investor type)?:

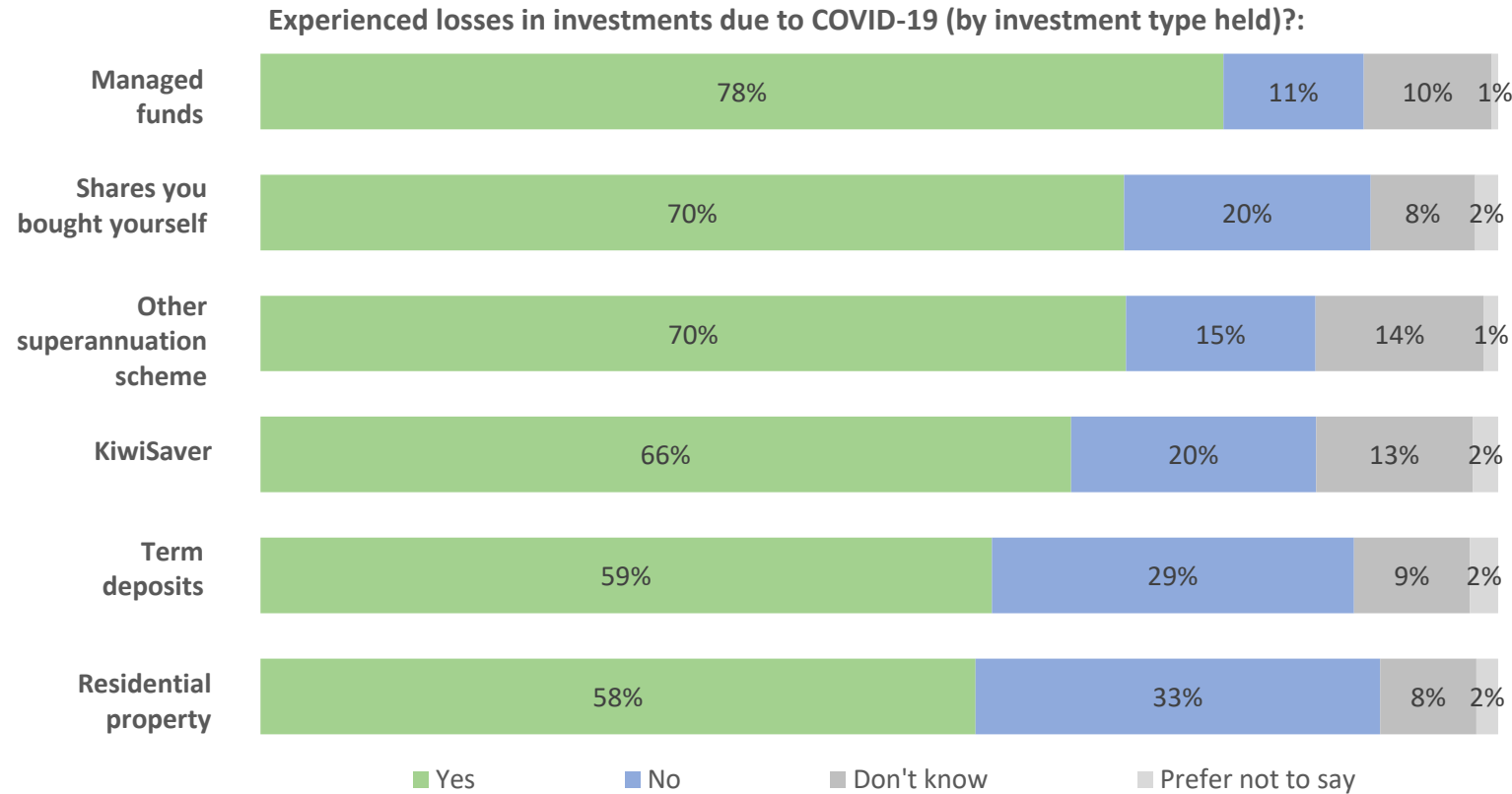


The majority of investors have seen their investments decrease in value due to market fluctuations linked to the COVID-19 pandemic. Those with a mixed investment portfolio were most likely to have experienced losses.

Six in ten investors reported that their investments had decreased in value after the COVID-19 pandemic compared to just one-quarter who reported no decreases in value (the remaining 15% either didn't know or declined to say).

Those with KiwiSaver alongside other investments were significantly more likely than other groups to have experienced losses (73%), while those with other investments which did not include KiwiSaver were least likely to report losses (40%).

# Losses in investments due to Covid-19 by investment type held



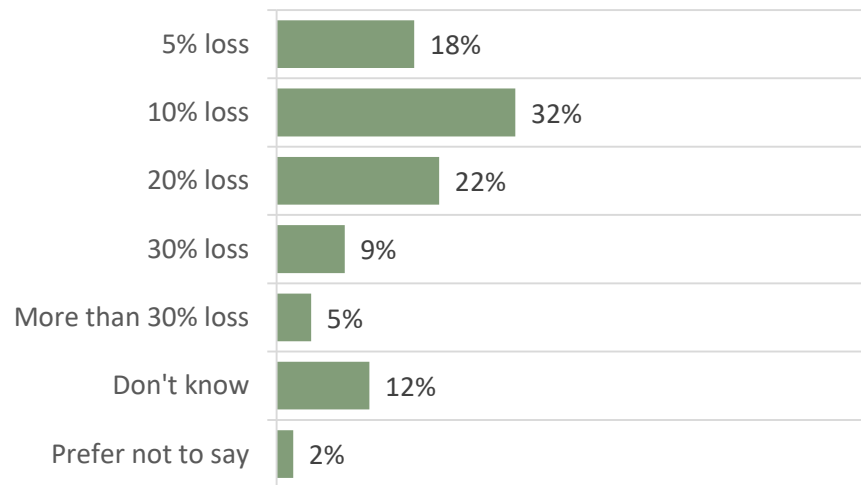
Investors holding certain types of investment were more likely than average to have experienced losses (across any of their investments collectively).

Those whose investments include managed funds (78%), personally-bought shares (70%) or KiwiSaver (66%) were significantly more likely than the average across all investors (60%) to have indicated that they had experienced losses.

It's important to note when considering this data that respondents were not asked in which investment they experienced losses.

# How much have the value of investments fallen since COVID-19?

Estimated loss in value among investors who have experienced losses since COVID-19:



For half of those who experienced a loss, this was 10% or less while over one-third reported a loss of 20% or more.

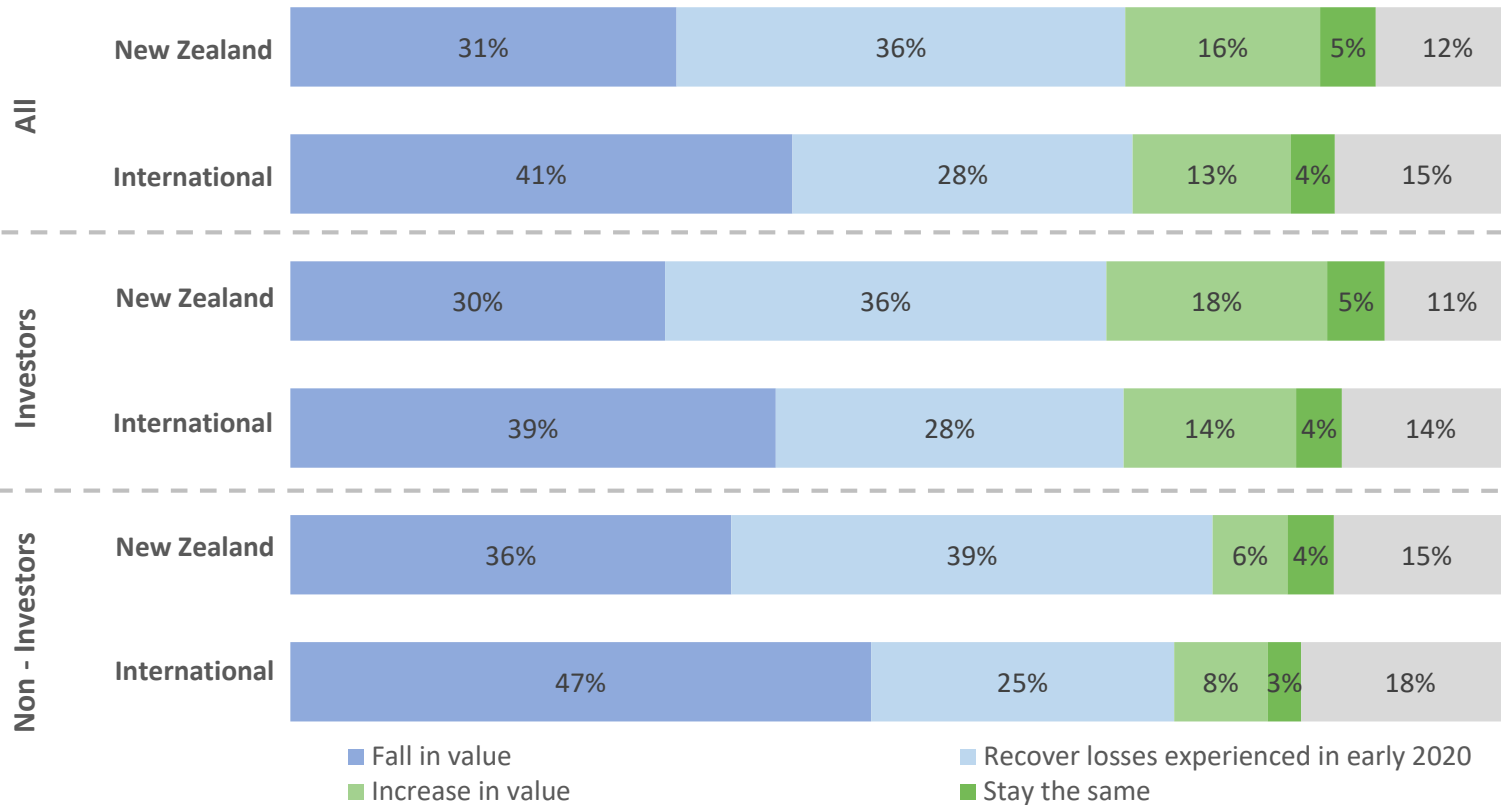
Half of investors who experienced a loss in their investment value since COVID-19 struck estimated their loss to be either 10% (32%) or 5% (18%), while over one-third (36%) reported losses of 20% or more.

There were no significant differences in results based on the type of investment(s) an investor held, however those who had decreased or increased investments in the past 12 months were more likely than average to have experienced losses and these losses were also at a higher rate than average.

There were no patterns in the data when it comes to rate of loss and planned investor actions over the next 12 months.

# Expectation of financial market future performance by investor / non-investor

Expectation of financial market performance domestically and internationally in the next 12 months (by investor status):



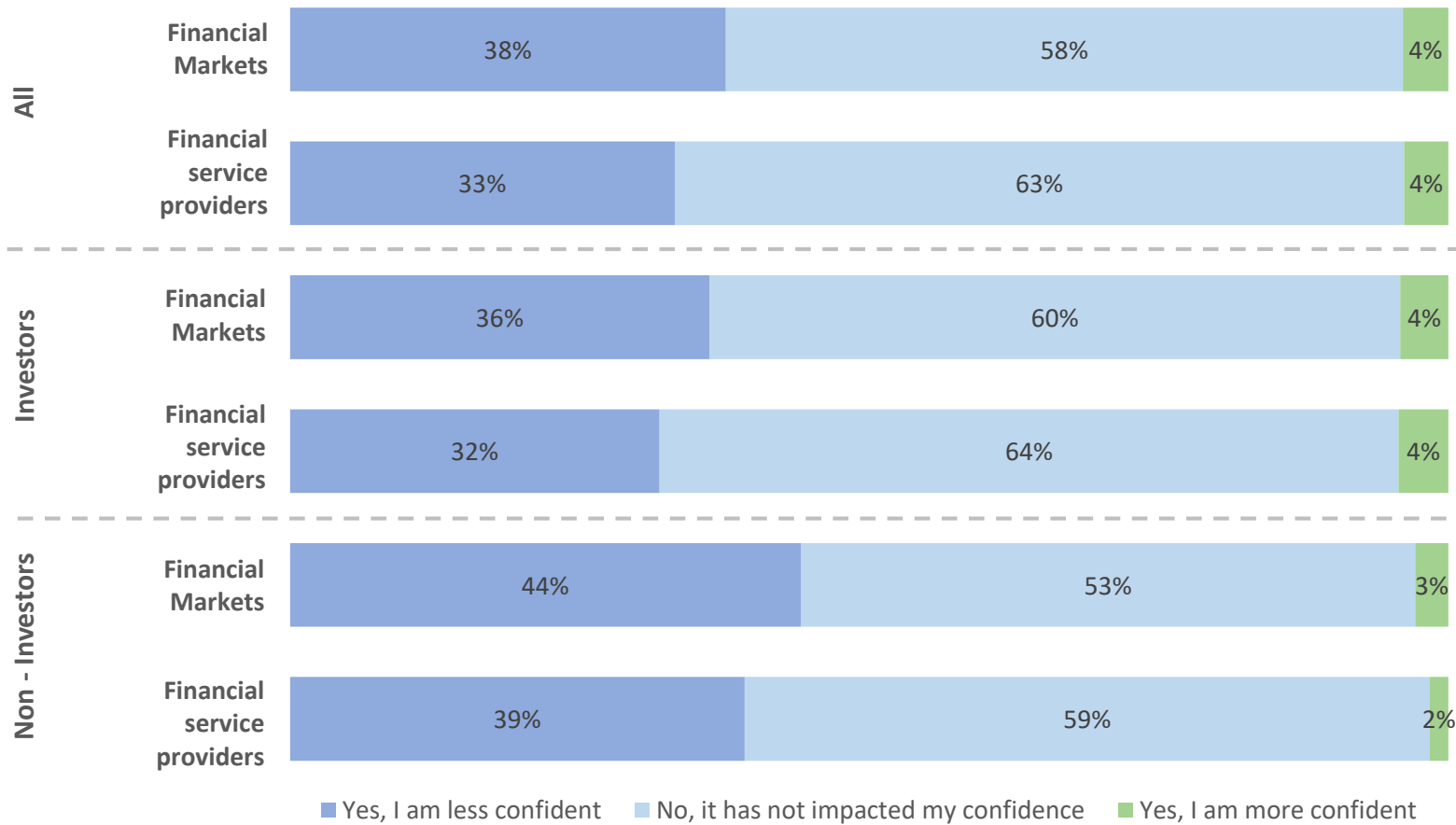
Market growth is anticipated by fewer than 1 in 5 for both domestic and international markets. Predictions are more positive for domestic markets than international markets and investors are more optimistic than non-investors.

Over the course of the next 12 months, opinion is split as to whether the domestic market will recover the losses experienced in early 2020 (36% of New Zealanders aged 18 and over predict this) or if they will fall in value (31%). A minority of 16% expected domestic markets to grow. Predictions for international markets are, however, more pessimistic, with people most commonly anticipating that they will fall in value (41%).

Investors were more optimistic than non-investors that markets will experience growth in the year ahead, and this was a significant difference when it comes to the domestic market where investors were three times more likely than non-investors to predict growth (18% vs. 6%).

# Impact of market fluctuations on confidence in markets and providers

Confidence in financial markets and financial service providers (by investor status):



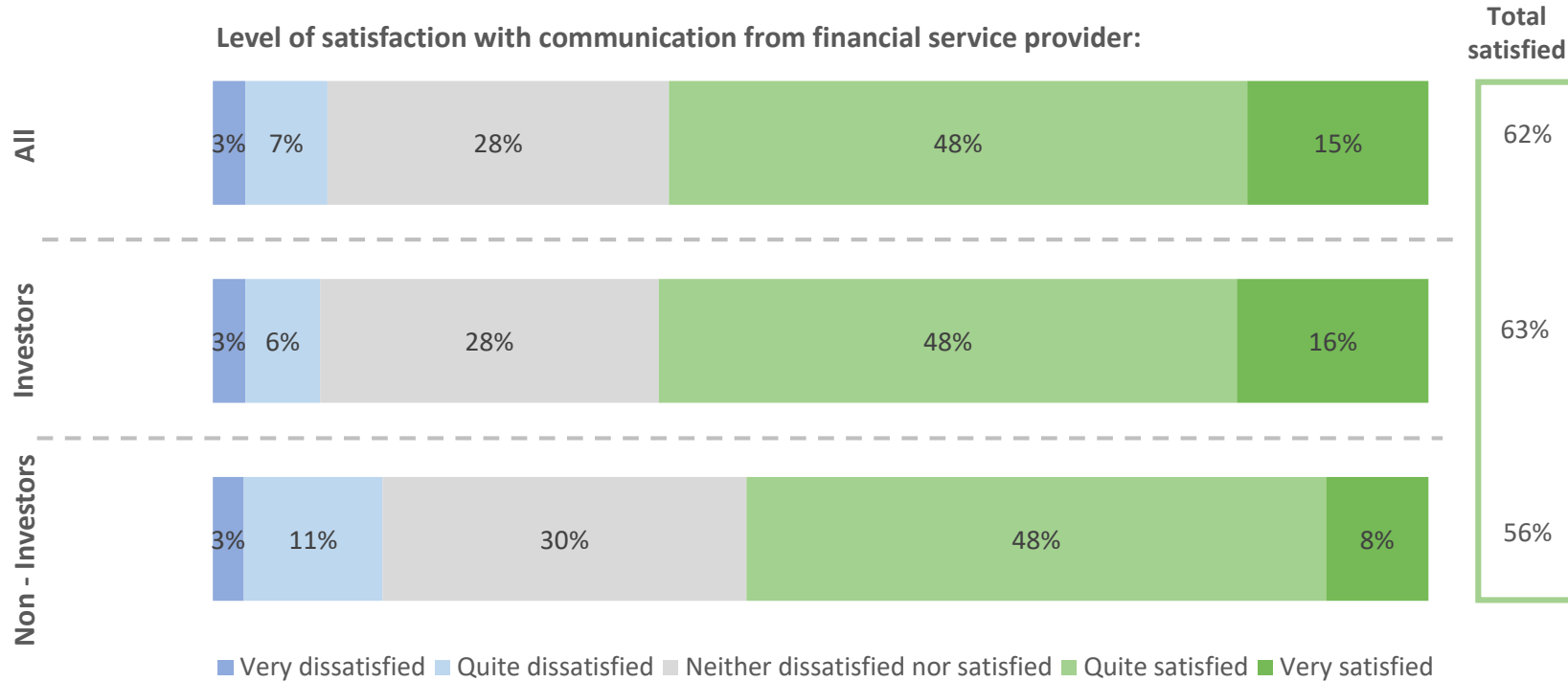
Confidence in financial markets and financial service providers has been knocked by recent volatility, with similar shifts across investors and non-investors alike.

Although the impact of market fluctuations caused by the COVID-19 situation has not impacted confidence in financial markets and service providers for the majority, nearly 4 in 10 stated that they are now less confident in financial markets and one-third less confident in financial service providers (compared to 4% or less who state that they are now more confident).

Results are relatively similar across investors and non-investors; the latter are more likely to now have less confidence than previously, however differences between the two groups are not statistically significant.

# Satisfaction with communication by investor / non-investor

Level of satisfaction with communication from financial service provider:



Around half of people reported some form of communication from their financial service provider(s) about the potential impacts during the COVID-19 situation and around 6 in 10 were satisfied with this communication.

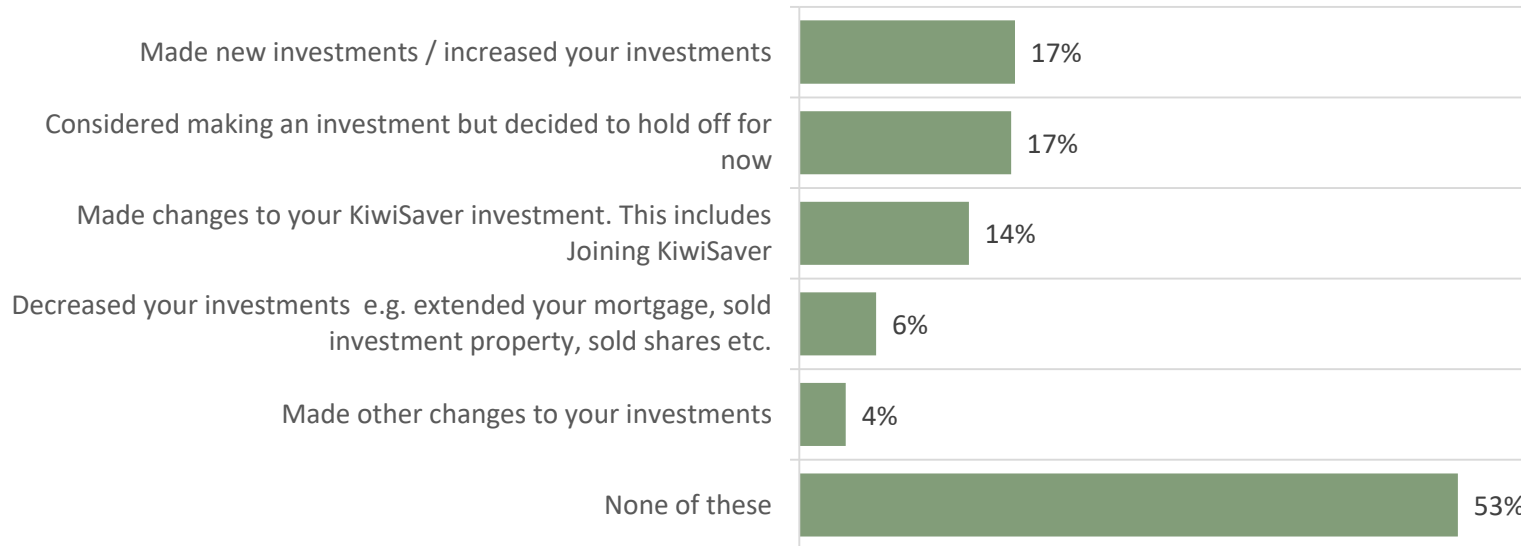
Just under half of New Zealanders aged 18 or over (48%) reported that their financial service providers had kept them informed about potential financial impacts during the COVID-19 situation. Investors (52%) were significantly more likely than non-investors (32%) to report this.

Around 6 in 10 of those who had been contacted were satisfied with the communication they received and 1 in 10 dissatisfied. Satisfaction was slightly lower among non-investors but not significantly so.

To what extent are you satisfied with the communications you have received from your financial service provider about COVID-19 and its impacts on you personally? Base: (only those who have been kept informed about potential financial impacts during the Covid-19 situation by financial service provider(s)) All n=490; Investors n=436; Non-Investors n=54

# Investment activity over past 12 months

Investment activity over the past 12 months (2020):



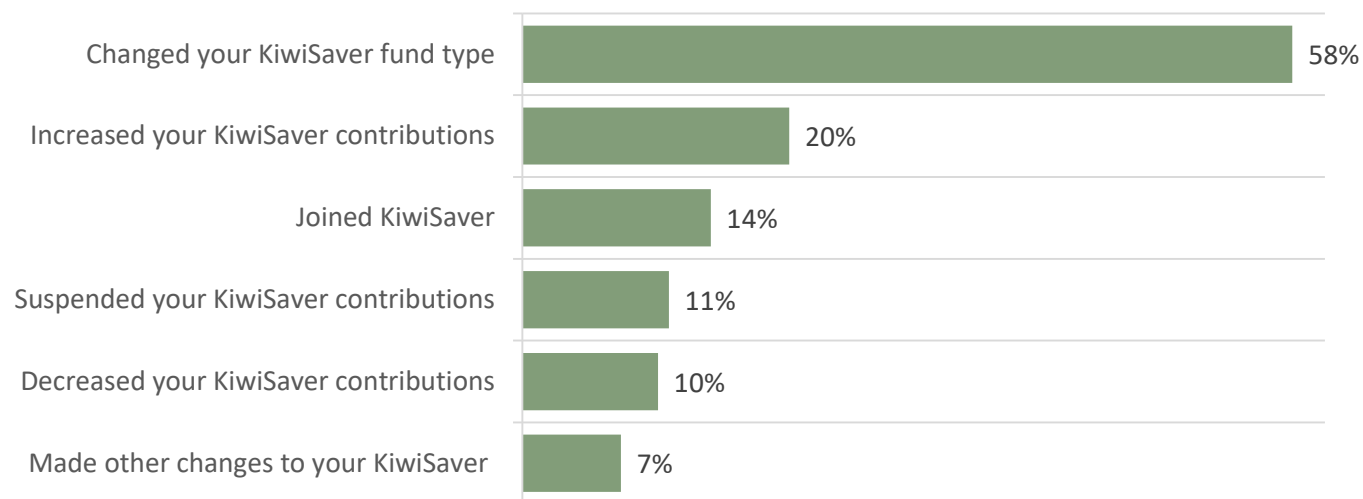
Just under half of New Zealanders aged 18 or over indicated that they had carried out some sort of investment activity over the past year, most frequently through making new investments or increasing existing investments.

Nearly half (47%) of New Zealanders have done some sort of investment activity over the past 12 months, ranging from making new investments (17% of New Zealanders have done this), considering new investments (17%), joining or making changes to KiwiSaver (14%) or decreasing investments (6%).

The next two pages look more in-depth at the group that has made changes to their KiwiSaver investment before exploring what impact COVID-19 had on recent investment activity.

# Made changes to KiwiSaver investment in past 12 months

Changes to KiwiSaver investment (including joining KiwiSaver) in past 12 months (2020):



Over 1 in 10 (14%) New Zealanders made changes in relation to KiwiSaver in the past 12 months and this was most frequently through changing fund type, which nearly 6 in 10 of this group had done.

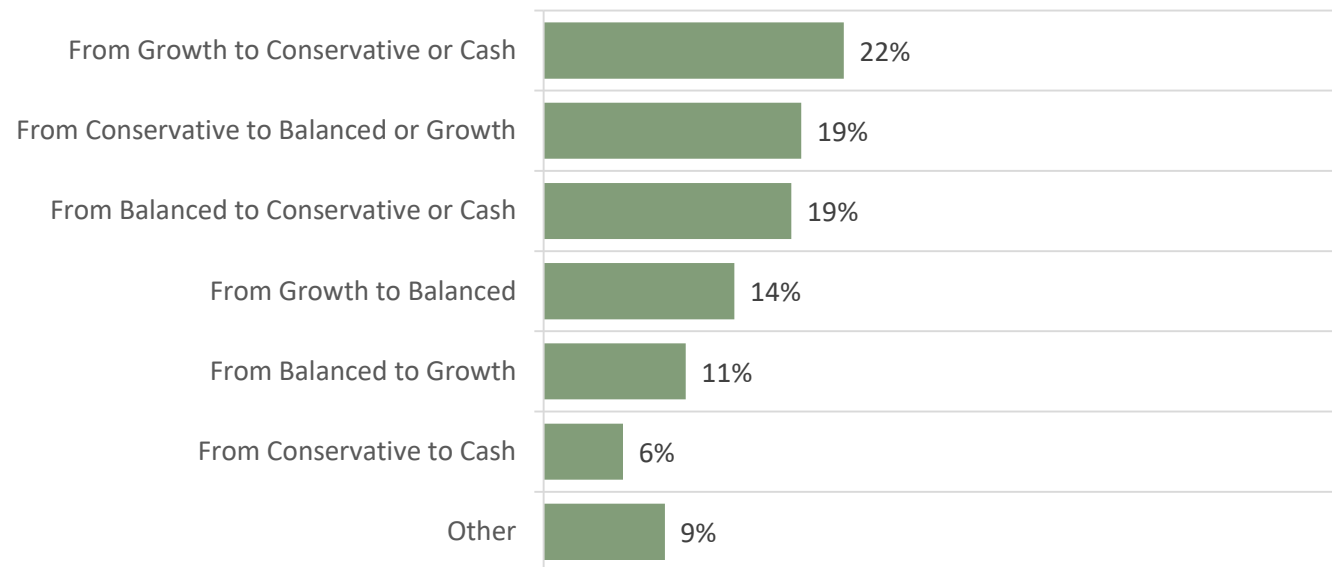
Making changes to an existing KiwiSaver or joining KiwiSaver was an activity done by 14% of New Zealanders aged 18 or over in the past year. By far the most common activity in this space was changing fund type, which 58% of this group had done recently.

Fund switchers were significantly more likely than average to be aged 18-29 and have higher than average confidence in New Zealand's financial markets (69% are confident compared to 63% across all groups). This group was, however, significantly more likely than average to have experienced losses in their investments (although not specifically KiwiSaver) after the markets became more volatile due to the COVID-19 pandemic: 73% reported losses compared to 60% across all investors.



# Changed KiwiSaver fund type in past 12 months

Changes to KiwiSaver fund type in past 12 months (2020):



There was no stand-out type of switch among KiwiSaver members who had changed their fund: the proportion switching from Growth to Conservative, for example, and vice versa was similar.

Just under 1 in 10 (8%) New Zealanders aged 18 and over had changed KiwiSaver fund type in the past year (or 58% of the 14% of New Zealanders who had made some form of change to their KiwiSaver).

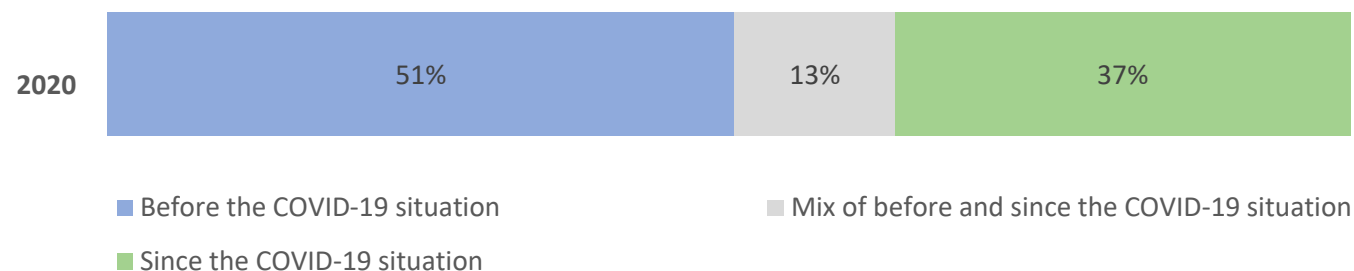
Around 1 in 5 had switched their fund from Growth to Conservative or Cash (22%) and similar proportions had switched from Conservative to Balanced or Growth (19%) or from Balanced or Conservative to Cash (19%).

Compared to those who made a lower risk switch to a conservative fund, those who made a switch from Balanced or Conservative to Growth were:

- Significantly more likely to be female (over two-thirds were compared to less than half of those switching to a conservative fund).
- Significantly more likely to have switched **before** the COVID-19 pandemic (31 of 37 respondents in this group or 84%, compared to 17 of 48 of respondents in the group switching to a conservative fund, or 36%).

# Period when changes were made

Period when change / changes to investments were made:



Around half of recently active investors made a change to their investments since the COVID-19 pandemic struck.

After providing more detail on their recent investment activity, respondents were asked if they made this change before or after COVID-19 struck and to what extent the related market volatility had influenced their decision.

Around half of investors who had been active in the past year made all of their recent changes *before* the COVID-19 situation. The other half had made at least some of their recent changes since the markets became more volatile. And for nearly 4 in 10 investors who had been active in the past year, all changes were made since the COVID-19 situation.

8 in 10 investors who had been active since COVID-19 struck reported losses in their investments post-pandemic compared to 7 in 10 of those who had made a change in the past 12 months but before the COVID-19 situation.

# Different profiles based on pre- or post-COVID activity

There are some key differences between investors who were recently active (within the past 12 months) but before COVID-19 and those who were active post COVID-19.

Compared to those active since the pandemic, **those active only before COVID-19 struck** (equating to 18% of New Zealanders aged 18 and over) are significantly:

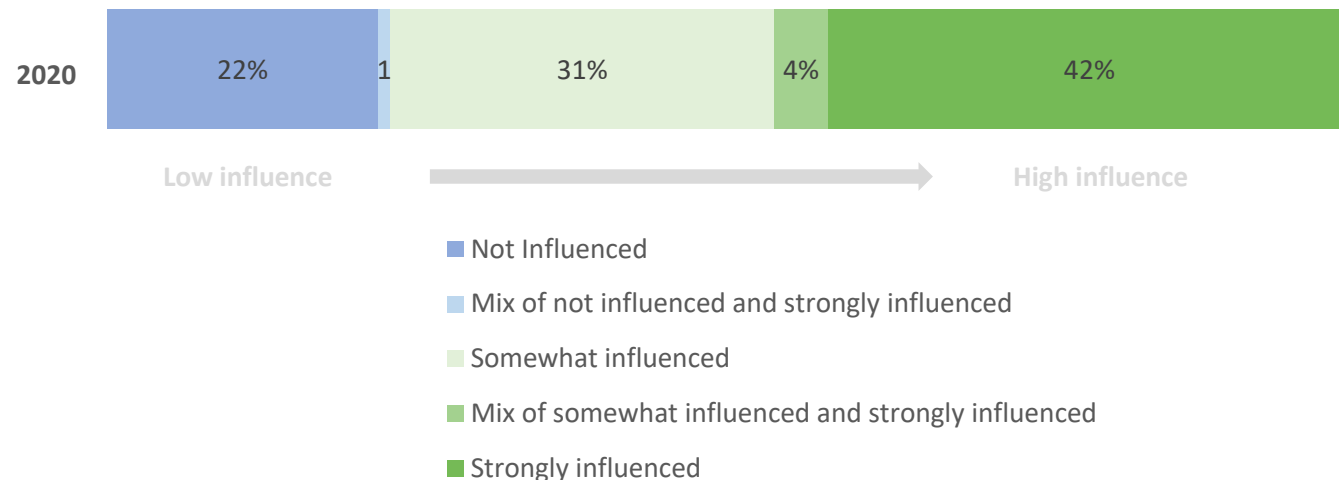
- Less likely to be considering some sort of investment activity in the next 12 months (although a majority of 65% are).
- More likely to state that the pandemic has reduced their confidence in financial service providers (40%), and financial markets (44%).
- More likely to have switched their KiwiSaver scheme from a Conservative or Balanced to a Growth fund among the 21% who made a change to their KiwiSaver scheme in the past 12 months – around half of this group did this.
- Less confident, being significantly more likely to think that the domestic and international markets will fall in value in the year ahead (35% and 44% respectively think this).
- More likely to have made their most recent investment choice because it seemed 'less risky than other options' (24%).
- More likely to have KiwiSaver as the only form of investment (28%).

Compared to those active only before the pandemic, **those active since COVID-19 struck** (equating to 17% of the New Zealanders aged 18 and over) are significantly:

- More likely to be considering an investment activity in the next 12 months (82% are).
- More likely to state that the pandemic has had no impact on their confidence in financial service providers (68%)
- More likely to have switched from a Growth to Conservative / Cash KiwiSaver scheme among the 24% who made a change to their KiwiSaver in the past 12 months - around one-third of this group did this.
- More confident, being significantly less likely to believe that domestic and international markets will fall in value in the next year (19% and 30% respectively think this).
- More likely to have made their most recent investment choice because it enabled them 'to take advantage of the correction in the financial market' (20%).
- More likely to have personally-bought shares (42%).

# Were changes influenced by the COVID-19 situation?

Influence of COVID-19 on changes made to investments:



For investors who had undertaken some sort of investment activity since COVID-19 struck, nearly 8 in 10 were reactive, being influenced by the subsequent volatility of the market.

For some recently active investors who made a change to their investments since the pandemic began, these changes might have been planned regardless of the pandemic, so it's useful to consider how influential COVID-19-related market volatility was in their actions.

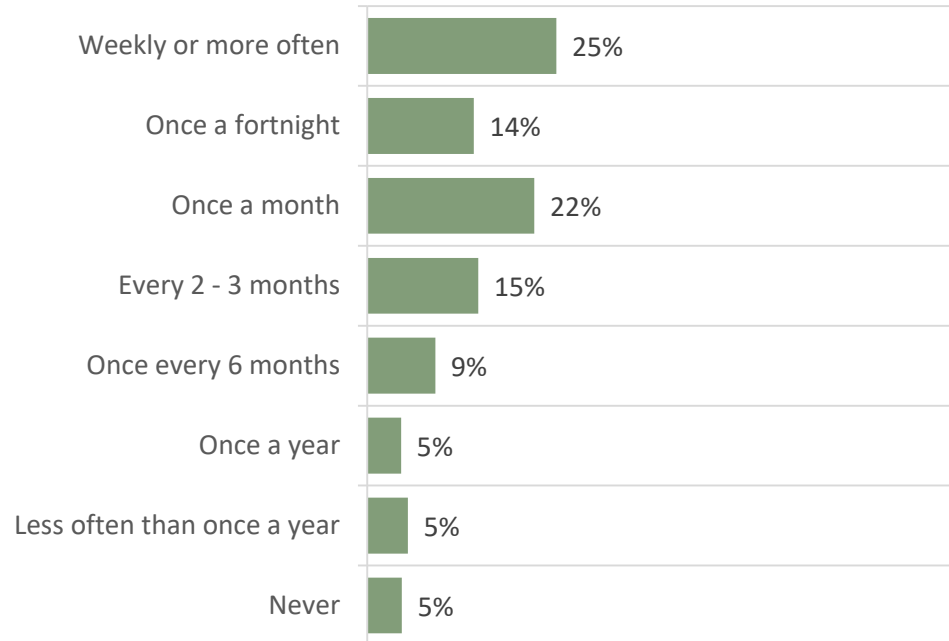
Nearly 8 in 10 within this group were, to some extent, influenced by COVID-19 market fluctuations, with just 22% stating that it had not influenced the activity they took after the pandemic struck. This latter group were less likely than average to have experienced investment losses post COVID-19.

Among those who were influenced, just over half stated that they were strongly influenced by the COVID-19-related market fluctuations. A further 4% had taken actions that were both strongly and somewhat influenced by market volatility and 31% described themselves as 'somewhat' influenced.

Those influenced were three times more likely than those not influenced to be aged 18 – 29 (33% vs. 11%). They were also significantly less likely to have taken out a new investment in the past 12 months (61%) than those not influenced (84%).

# Frequency of KiwiSaver balance check

How often KiwiSaver balances are looked at:



Most KiwiSaver members check their balance at least once a month and those who have experienced recent investment losses, or who took out some form of investment recently were most likely to check their balance regularly.

Just over 6 in 10 KiwiSaver members (62%) check their balance at least once a month. And for one-quarter, balance checks are at least a weekly activity.

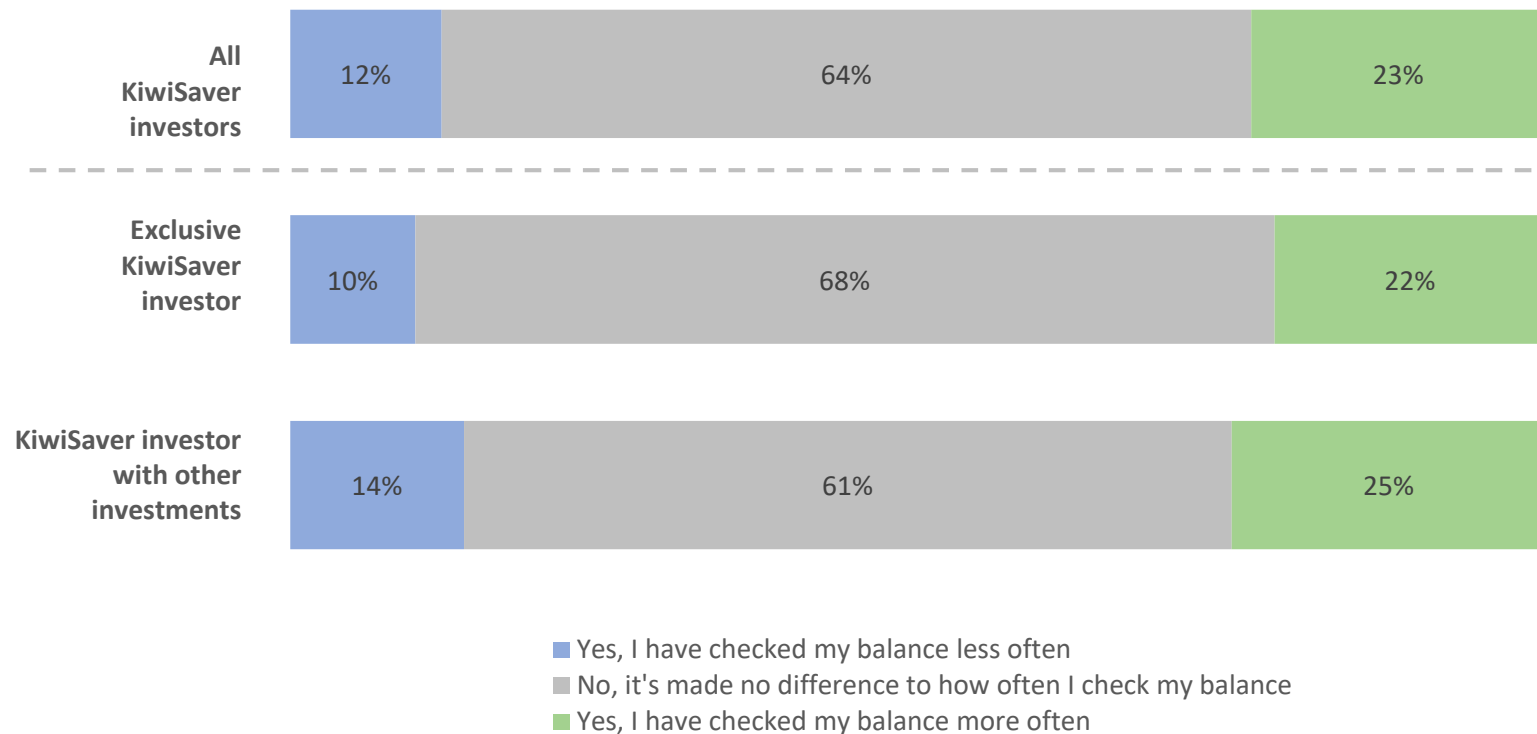
Those who have taken out a new investment recently (in the past 12 months) tend to check their balance more frequently, with 33% doing this weekly or more compared to 22% who last took out an investment over one year ago.

Those who have experienced losses in their investments due to market fluctuations since COVID-19 were also significantly more likely to check their balance frequently, with 32% of this group doing so at least weekly.

There are no significant variations in results based on demographic profile.

# COVID-19 impact on KiwiSaver balance check by investor type

Impact of Covid-19 on KiwiSaver balance check:



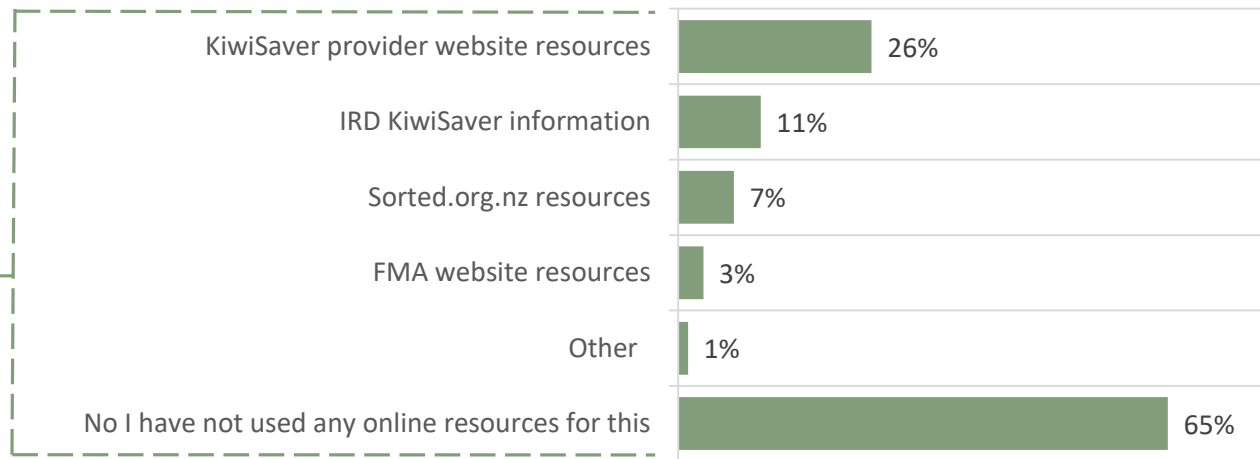
Just over one-third of KiwiSaver members adjusted how frequently they check their KiwiSaver balance during the COVID-19 pandemic.

Those who adjusted how frequently they checked their balance were twice as likely to start checking more often as they were to decrease how often they looked at their balance.

Whether or not KiwiSaver was their only investment made little difference to adjustments in the frequency of balance checks.

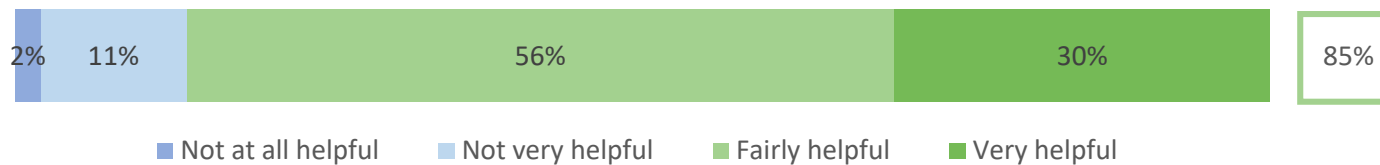
# Use of online resources to establish impact on KiwiSaver

Online resources used:



How helpful were these online resources?:

Total helpful



Given the frequency with which most KiwiSaver members are checking their balance, it's perhaps unsurprising that just over one-third have used an online resource to help establish how their fund has been impacted since the COVID-19 situation.

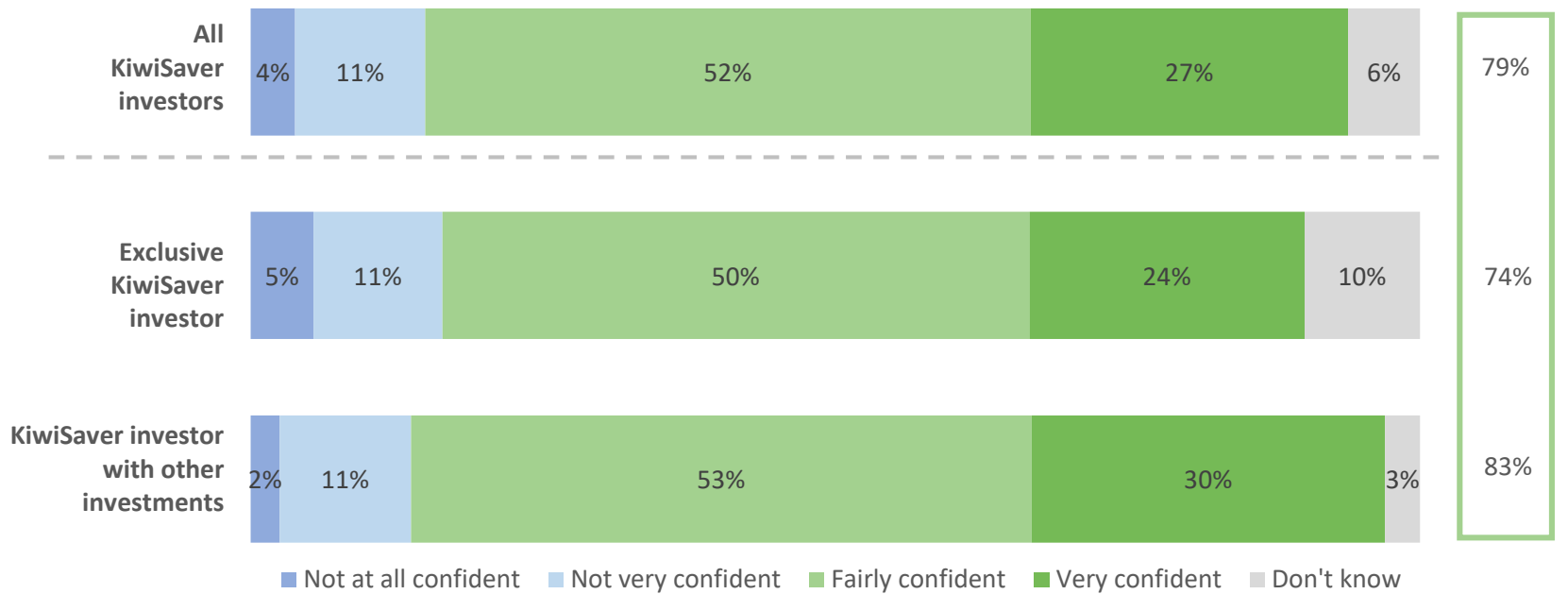
Most of those who have used an online resource to establish the impact on their fund turned to their KiwiSaver provider website, with IRD KiwiSaver information the second most popular source.

The FMA's website resources were consulted by 3% of KiwiSaver members to establish the impact on their fund.

Online resources have, collectively, been rated as helpful by 85% of those who used them.

# Confidence in longevity of KiwiSaver by investor type

Confidence in KiwiSaver being available for retirement (KiwiSaver Investors):



Most KiwiSaver members are confident that it will exist when they retire. Just 15% have low confidence in this respect.

Nearly 8 in 10 (79%) KiwiSaver members are 'fairly' or 'very' confident that KiwiSaver will be available to them on their retirement. Those who have other investments alongside KiwiSaver were significantly more confident (83%) than those whose only investment is KiwiSaver, although nearly three-quarters of this group do have confidence in the longevity of the scheme.

There were no significant differences in confidence in the longevity of KiwiSaver based on age or other demographics.



# Reasons for low confidence in longevity of KiwiSaver

*"If the market doesn't recover then I will be behind when I retire."*

*"The market is highly flakey and I have no control over the money. I was near retirement age when I started so the balance is quite low anyway, so a large fluctuation in the market alters the balance reasonably significantly."*

*"I don't even know what the retirement age will be when I go to retire. I will be making my own plans."*

*"I am self employed so make no contributions other than to get the bonus. I consider other investments (e.g. property) to be my retirement fund. KiwiSaver is not worth putting money into."*

*"If it keeps decreasing, I am losing my contributions. I am paying money into a black hole. Never to be seen again. I would be better to just save it myself instead of investing."*

*"Because it is not guaranteed by government. In other words, in the case of a financial collapse, that money will disappear into thin air. Also, the money that is in there now will be worth nothing by the time I retire (40 years or so) due to the devaluation of our money."*

*"Because I would like to use it to buy a house and retirement is a long way away things might have changed since now."*

*"Because I feel like that there will probably be more health or environmental issues in the coming future that will 'eat away' at my KiwiSaver. I feel like this pandemic is only the start of something bigger to come."*

*"High inflation rate and low return."*



# Future behaviours

# Summary – future behaviours

Around half of New Zealand adults aged 18 or over are in the market for making some form of new investment or change to an existing investment in the year ahead, most frequently through taking out a new investment or increasing an existing investment which 23% plan to do. Just 6% of New Zealanders plan to decrease their investments.

Those with a wider range of investments are planning more investment activity than those with, for example, KiwiSaver only and while most non-investors are not planning any investment activity, around 4 in 10 are open to making an investment in the next 12 months, revealing a sizeable portion of non-investors that could be converted into investors.

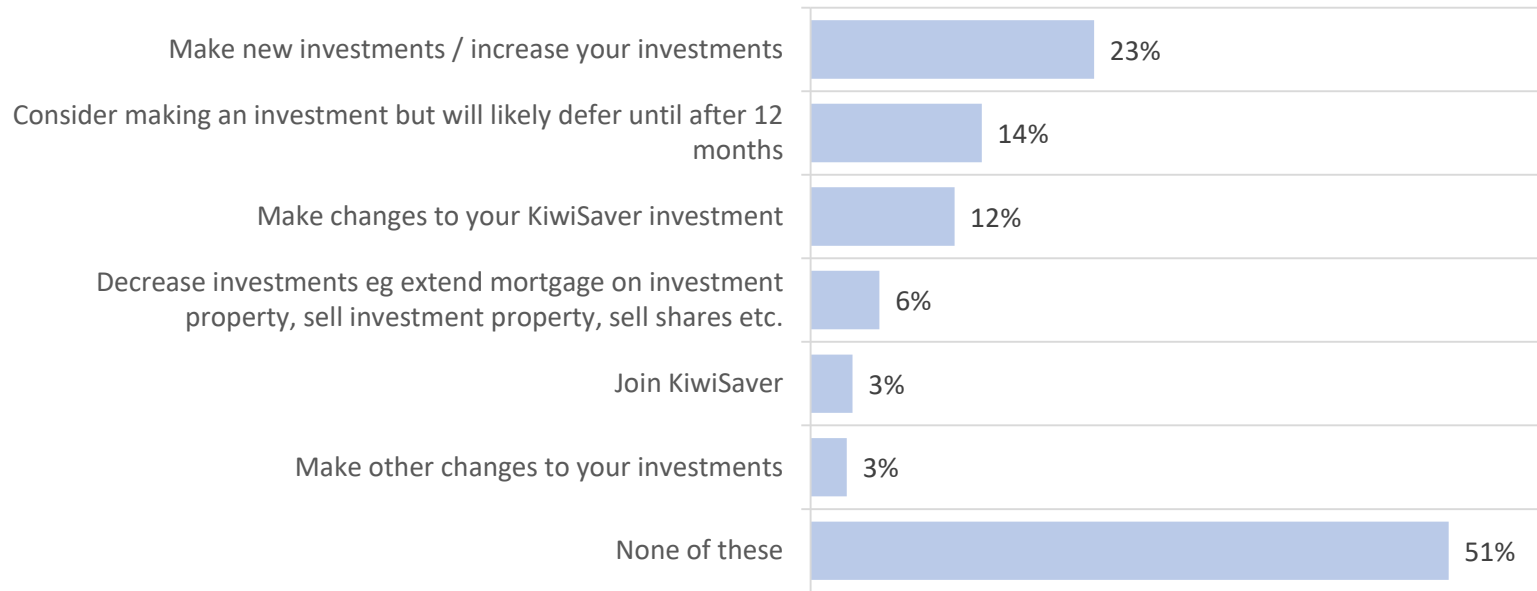
Just over 1 in 10 New Zealanders plan to make a change to an existing KiwiSaver in the next 12 months, most frequently through increasing their contributions which just over half of this group plan to do, nearly three times the proportion who plan to either decrease (11%) or suspend (8%) their contributions. A further 42% of this group plan to change their KiwiSaver fund type.

For the 23% of New Zealand adults planning to increase their investments in the near future, just over half plan to buy shares and at least one-third plan to invest in a managed fund or a residential investment property. This group of prospective investors are typically younger, more likely to be working full-time and from higher earning households. They are generally already fairly active investors and confident in New Zealand's financial markets, despite being more likely than average to have recently experienced investment losses.

Meanwhile, for the 6% of New Zealanders seeking to disinvest in the year ahead, confidence in the financial markets was relatively high and they were no more likely than average to have experienced recent investment losses. Most frequently this group was planning to withdraw all or some of their investments (42%) or seeking to extend an investment property mortgage (38%).

# Future behaviours

## Planned / considered investment activity in next 12 months (2020):



**Around half of New Zealand adults aged 18 or over are considering making some form of new investment or change to an existing investment in the next 12 months.**

In the year ahead, around half (49%) of New Zealanders will be in the market for making a change to an existing investment or taking up a new investment, most frequently the latter. Just 6% indicated that they would be looking to decrease their investments.

# Future behaviours

## Future / planned behaviour by investor segment (2020):

	Average	Non-investor	Exclusive KiwiSaver investor	KiwiSaver with other investments	Other Investments but no KiwiSaver
Make new investments / increase investments	23%	11%	14%	38%	20%
Consider making an investment but will likely defer until after 12 months	14%	20%	10%	13%	15%
Make changes to KiwiSaver investment	12%	-	19%	17%	-
Decrease investments	6%	-	4%	7%	9%
Join KiwiSaver	3%	12%	-	-	8%
Make other changes to investments	3%	-	1%	3%	8%
None of these	51%	61%	62%	37%	52%

Blue shading shows where segment is significantly more likely than other groups to agree

Red shading shows where segment is significantly less likely than other groups to agree

Anticipated investment activity varies significantly by current investor status: those with a wider portfolio are planning the most amount of activity. Nevertheless, 4 in 10 non-investors are open to making an investment in the year ahead.

Around 4 in 10 non-investors are open to making an investment in the next 12 months, although around half of these will likely defer to beyond this time period. A similar proportion of around 4 in 10 exclusive KiwiSaver investors will likely have some form of investment activity in the next 12 months, most frequently making a change to their existing KiwiSaver (explored in more detail overleaf), although 14% of this group are looking to make a new investment.

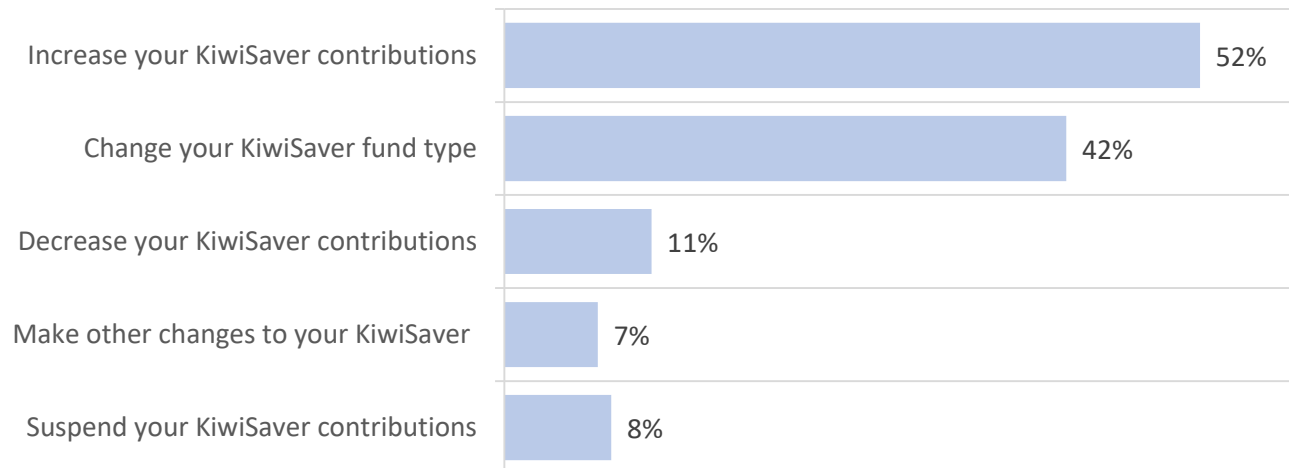
The majority of those with KiwiSaver and other investments anticipate making a change to their portfolio in the year ahead, most frequently by taking out a new investment or increasing an existing investment which nearly 4 in 10 within this group anticipate doing (38%). For those without KiwiSaver but who have other investments, 8% anticipate joining KiwiSaver while a similar proportion (9%) expect to decrease their investments.

# Future behaviours – make changes to KiwiSaver investment

12%

of New Zealanders 18+ planned a change to an existing KiwiSaver investment in next 12 months.

Planned change among the 12% of New Zealanders anticipating making a change to existing KiwiSaver investment:



Just over 1 in 10 New Zealanders aged 18 or over plan to make a change to an existing KiwiSaver in the next 12 months, most frequently through increasing their contributions.

For the 12% of people who plan to make a change to an existing KiwiSaver in the year ahead, this is most frequently through increasing contributions which just over half of this group plan to do (52%). This is nearly three times the proportion who instead plan to either decrease (11%) or suspend (8%) their contributions.

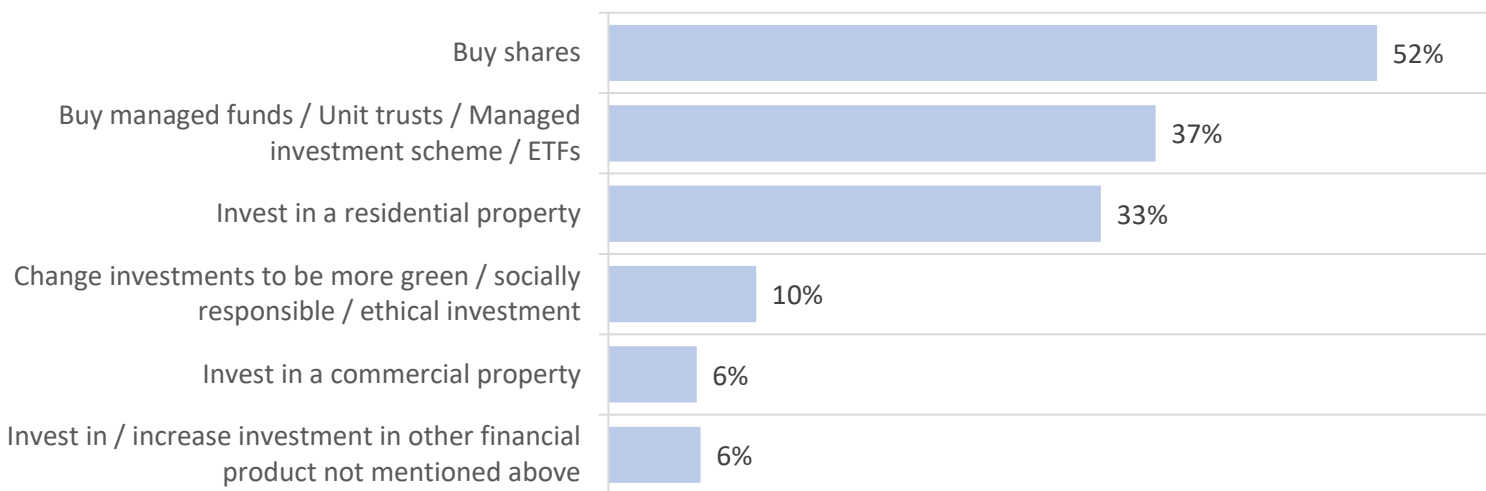
Around 4 in 10 (42%) plan to change their KiwiSaver fund type.

# Future behaviours – increase / make new investments

23%

of New Zealanders 18+ planned to increase an existing investment or make a new investment in next 12 months.

## Planned activity among the 23% looking to increase / take out new investments in next 12 months:



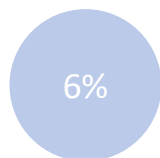
Those seeking new or increased investments in the next year are already relatively active investors. They are confident in the markets despite being more likely than average to have recently experienced investment losses.

For the 23% of people thinking about making a new investment or increasing their portfolio in the next year, just over half plan to buy shares (52%), 37% to invest in a managed fund and 33% to invest in a residential property.

Those who experienced a loss in investments since COVID-19 were significantly more likely than average to be seeking to take out new / increased investments (30%), as were those who had recently taken out new investments in the preceding 12 months (57%). Those confident in the country's financial markets and those who stated that their confidence had increased in the past 12 months were also more likely than average to be looking for new investments (31% and 42% respectively).

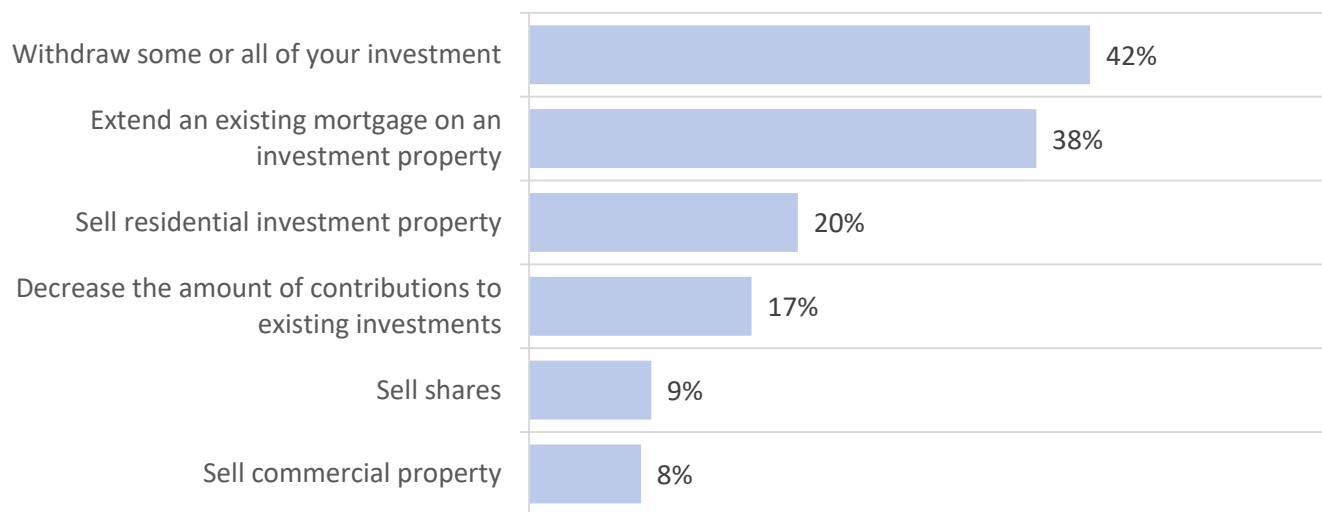
Prospective investors were also younger - with those in their 20s and 30s significantly more likely than average to be looking to invest – as well as more likely to be working full-time and from higher earning households.

# Future behaviours – Decrease investments



6% of New Zealanders 18+ planned to decrease their investment(s) in next 12 months.

## Planned activity among the 6% expecting to decrease their investment(s) in next 12 months:



For those seeking to decrease investments in the next 12 months, confidence in financial markets is relatively high, and this group was no more likely than average to have experienced losses since COVID-19.

For the 6% of New Zealanders aged 18 and over who plan to decrease investments in the year ahead, this is most frequently through withdrawing investments (42%) or extending an investment property mortgage (38%). Those who hold term deposits (8%) or managed funds (11%) were significantly more likely than average to be planning to decrease an investment. Additionally, those who had already decreased their investments in the past 12 months were more than five times more likely than average to be seeking to also do this in the next 12 months (29%).

Interestingly, those who are 'very confident' in New Zealand's financial markets (14%) and who state that their confidence has increased over the past 12 months (12%) were around twice as likely as average to be looking to decrease investments in the next 12 months. And this group was no more likely than average to have reported recent losses since the COVID-19 pandemic.