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# Making Good Cents of Vulnerability

## Viewed through Age and Ethnicity

Insights from the 2024 Savings and Debt Reduction survey reveal where financial vulnerability is showing up most across age and ethnic groups in Aotearoa. These findings help build a clearer picture of which communities are under the most pressure, and why.

As part of the Financial Markets Authority's role in supporting confident and informed participation in the financial system, this work helps us better understand the real experiences behind the numbers. That understanding is key to shaping smarter regulation and encouraging products, services, and messaging that meet people where they're at.

To support wider use, the findings are also summarised in two quick-reference infographics, offering a visual snapshot of key trends by age and ethnicity for use across the sector.

## Why age and ethnicity?

Vulnerability doesn't exist in a vacuum! It plays out along familiar lines, shaped by people's identities, circumstances, and histories. Age and ethnicity were specifically selected as focal points because they consistently correlated with different kinds of financial pressure and resilience.

Age captures generational trends in income, debt, and exposure to rising costs. Ethnicity highlights the effects of systemic disadvantage, particularly for Māori and Pasifika communities, who continue to face structural barriers to financial stability and inclusion. Age and ethnicity are reliable indicators of where gaps exist in access, literacy, confidence, and outcomes (Lichtenberg, Paulson, & Han, 2020; Hasler, Lusardi, Mitchell, & Sconti, 2023).

Other demographic factors like gender, region, and income level also play an important role in shaping financial experiences (Fernandez & Tranfaglia, 2020; Ndou, 2023). While these will be discussed elsewhere in the *Good Cents* collection, this snapshot specifically focuses on age and ethnicity to help build a clearer picture of how financial pressure is showing up across different communities in New Zealand.

By understanding where there are gaps across demographic groups, we can gain insights into where the greatest opportunities lie for support, education, and better design.

## Key Findings

The *Savings and Debt Reduction* survey collected insights across all age groups and ethnicities in New Zealand. While financial vulnerability can affect anyone, the findings showed particularly significant challenges for Māori and Pasifika communities, and for New Zealanders aged 18–24 and 45–54. Our key findings reflect this.

### Age:

#### 1. Younger Kiwis are more financially vulnerable.

Kiwis aged 18-24 are significantly more likely to struggle with the essential costs of food, housing, medicine, and transport - for example, 1 in 3 report being unable to pay for food in the past three months, compared to 1 in 6 of all New Zealanders.

#### 2. Confidence and literacy are lower among younger age groups.

Young people are less confident in their financial decision-making, less comfortable discussing money, and more likely to answer basic financial literacy questions around rates and equities incorrectly.<sup>12</sup>

#### 3. Kiwis aged 45-54 are experiencing vulnerability too – just differently.

1 in 4 in this age group mention the cost of living as a concern. Many report that food is an everyday expense they struggle to meet, and debt is a key source of financial pressure.

### Ethnicity:

#### 4. Māori and Pasifika communities face greater financial strain.

1 in 4 report they are “sinking” financially, compared to 1 in 6 of all New Zealanders.

Among those with debt, 40% is Buy Now Pay Later (BNPL) debt. The use of BNPL by this community is significantly higher than that of the New Zealand population (23%), signalling an area of opportunity for trusted advisers.

#### 5. Trusted sources of financial advice differ by community.

Most Māori (67%) and Pasifika (74%) are open to receiving advice and will turn to mainstream institutions such as their bank when seeking guidance – but trusted personal relationships remain important. Māori are equally likely to approach their partner or whānau for advice as their bank (64% for both). Similarly, 71% of Pasifika would approach their bank, while 60% would consult their partner or family. Culturally relevant, relationship-based support may help close the trust gap, but it is not a precondition for engagement.

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<sup>1</sup> Financial literacy in the *Savings and Debt Reduction* survey was assessed using the “Big Three” questions developed by Annamaria Lusardi and Olivia S. Mitchell of the Wharton School. A deeper look at these results will be available in future publications.

## 6. Financial pressure today coexists with optimism about the future.

Despite current challenges, most people across all ethnic groups believe their financial situation will improve or at least stabilise over the next 12 months. This is a good sign of resilience and forward-looking confidence, even in tough conditions.

## Why these findings matter

The patterns in the Savings and Debt Reduction data aren't just interesting, they're instructive. They offer insights that can help inform how the FMA and the industry understand and respond to financial vulnerability.

For the industry, these insights have clear implications for how products are designed, how services are delivered, and how information is communicated. If younger New Zealanders are less confident and less financially literate, then tools and advice need to be simpler, more accessible, and more attuned to how the group prefers to engage. If Māori and Pasifika communities are potentially turning to short-term debt to cover everyday costs, then we need to understand what is missing from the mainstream options – and who is being left behind.

There's also value here for how we engage with the industry. These insights can help shape the conversations we have with regulated entities by providing useful evidence on where different groups are struggling and why. Sharing this kind of data can help influence how products are designed, how disclosures are framed, and how providers think about accessibility and inclusion. It's one way we can support better outcomes across the system, without prescribing a single path forward.

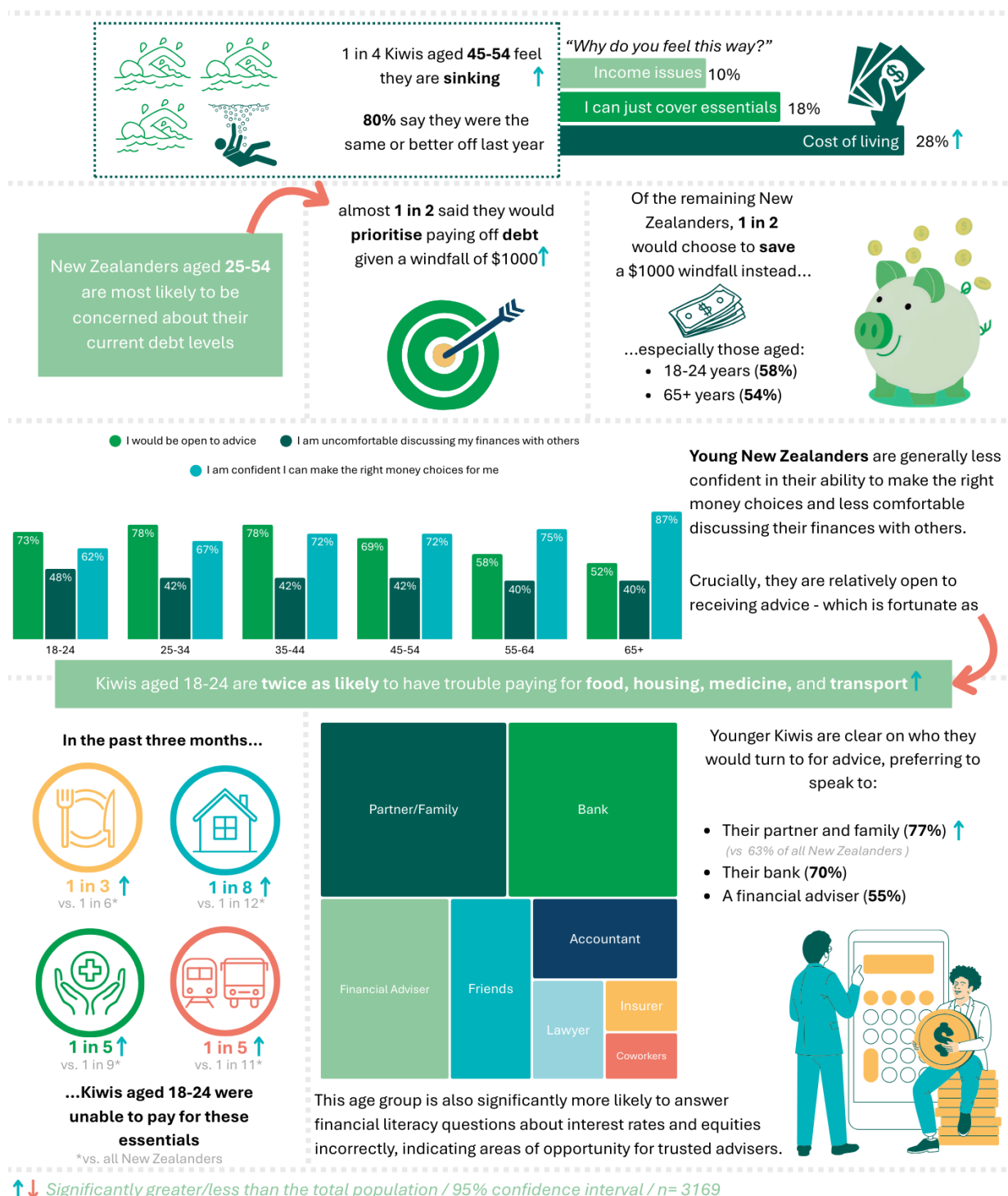
## Next steps

This is one part of Good Cents: Kiwis on Savings and Debt - a wider body of work using data from the 2024 Savings and Debt Reduction survey. This instalment focuses on financial vulnerability across age and ethnicity, but there is more to come.

Future releases will take a closer look at other areas of interest, including a deeper look at financial literacy. Each project adds another layer to our understanding of how Kiwis relate to savings and debt, and where the biggest gaps and opportunities for our regulated entities sit.

## Making Good Cents of: Age

As part of our Good Cents: Kiwis on Savings and Debt series, this snapshot uses our 2024 Savings and Debt Reduction survey data to show where financial vulnerability shows up most by age — and where support could make a difference.



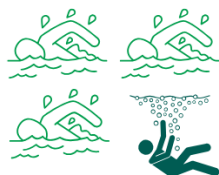
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## Making Good Cents of: Ethnicity

As part of our Good Cents: Kiwis on Savings and Debt series, this snapshot uses our 2024 Savings and Debt Reduction survey data to show where financial vulnerability shows up most by ethnicity — and where support could make a difference.

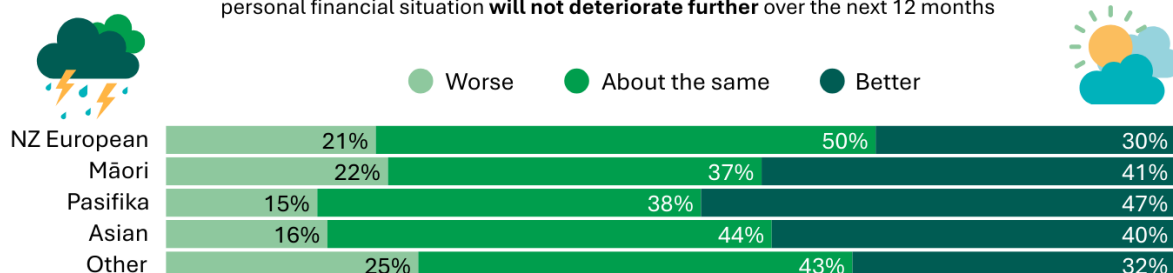
Māori and Pasifika are our most financially vulnerable communities



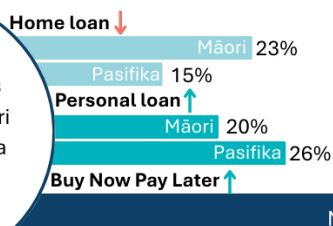
1 in 4 Māori and Pasifika report they are **sinking** financially  
25% vs. 18% all NZ

78% of Māori say they were the same or better off last year

Optimistically, the majority of all ethnic groups believe that **the worst of the storm is over** and their personal financial situation **will not deteriorate further** over the next 12 months



Home loan use is lower among Māori (23%) and Pasifika (15%)  
vs. 32% all NZ



Māori home loan utilisation sits at only **two-thirds** that of the general population

However, they have adopted BNPL schemes at almost **twice** the rate of the population

This is worth keeping an eye on, as BNPL is increasingly available for everyday essential expenditure

In the past three months...



... were unable to pay for these essentials

\*vs. all New Zealanders

67% of Māori and 74% of Pasifika Kiwis said they would be **open to receiving financial advice**, however Māori in particular preferred to speak to:



- Their bank\* (64%) ↓
- Their partner and whānau (64%)
- A financial adviser (54%)

\*Māori are **less likely** to approach their bank for advice than other New Zealanders (71%) — even though it's **still their top choice**.



↑↓ Significantly greater/less than the total population / 95% confidence interval / n = 3169

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