
Kiwis' attitudes to investing

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Sharesies and Smartshares joined together to understand New Zealanders' attitudes towards investing.



Sharesies

Sharesies is an online platform that makes it more accessible to invest. We believe everyone deserves the opportunity to grow their wealth—no matter how much money they have.

Our goal is for all New Zealanders to know that investing is accessible to them, and to create a generation of motivated and confident investors.

We're excited to learn more and share insights about how Kiwis currently feel about investing.



NZX Smartshares

NZX Smartshares is New Zealand's main provider of Exchange Traded Funds (ETFs), where with one purchase you get an investment in a range of shares.

Smartshares is always wanting to better understand New Zealanders' attitudes to investing so we can offer ETFs that appeal to a wider audience.

So, we have teamed up with Sharesies to better understand the broader public's attitude to shares and investing in general. We'll use the findings from this research to inform our product offering and communications with investors.

Here's what we found...

Attitudes towards money

While the majority of New Zealanders feel confident managing their money (69%), in control of their spending (71%), and plan for the future (73%), not everyone feels they have enough money to live the life they want (35%).

Money can be a source of guilt and stress for a lot of people (41%). Younger age groups (18–24 year olds) feel they could do with the most help managing their money.

Hands up if you agree...

| The good... | | The not so good... | |
|---|-----|--|-----|
| I'm in control of my spending | 71% | I feel guilty spending money on myself | 41% |
| I get what I want from my money | 56% | Thinking about money is stressful | 41% |
| I'm confident managing my money | 69% | I often run out of money | 24% |
| I have enough money to live the life I want | 41% | | |
| Dealing with money is interesting | 55% | | |
| I plan for the future | 73% | | |
| I'm good with my money | 62% | | |
| I can understand financial jargon | 45% | | |
| I am comfortable talking about money with my friends and family | 53% | | |

Day-to-day what's your biggest priority?

On the whole, most people are focused on keeping healthy, spending time with family and staying out of debt.

This differed slightly by gender—keeping healthy and spending time with friends and family are more likely to be priorities amongst women, while men are significantly more likely to say making money motivates them.

| | |
|---------------------------------------|-----|
| Keeping healthy | 58% |
| Spending time with friends and family | 44% |
| Ensuring my family is taken care of | 36% |
| Keeping out of debt | 30% |
| Managing your money well | 27% |
| Having a job you enjoy | 23% |
| Travelling/seeing the world | 22% |
| Saving for retirement | 17% |
| Making money | 13% |
| Buying a home | 11% |
| Being successful in your job | 10% |
| Getting a good education | 5% |

Attitudes towards saving and investing

How are Kiwis currently saving and investing?

- The most common form of savings is through a savings account (72%) at a bank, and the majority plan to keep it there (56%).
- The most common form of investments are Kiwisaver (65%), and owning your own home (59%).
- 1 in 5 Kiwis own shares—3% say they have a Sharesies account!
- 4% of New Zealanders don't have any form of investments, and they aren't planning on getting any investments in the next 5 years.

What's stopping Kiwis from investing in shares?

With 20% saying they own shares, this means 80% of New Zealanders do not currently have shares at all! Either from not having the cash to spare (36%), not knowing how (34%), or a belief that investing in shares is risky (31%).

Who is more likely to have shares?

Knowledge is power, with those who feel knowledgeable about the share market more likely to own shares, as well as males, those over 60 and Aucklanders.

Shares uptake increases when Kiwis enter their late 20's, declines during their 30's, and starts to continue on an upwards rise as Kiwis enter their 40's.

Which savings or investments do you currently have?

| | |
|--|-----|
| Savings account | 72% |
| KiwiSaver | 65% |
| Own a home | 59% |
| A term deposit | 30% |
| Shares | 18% |
| Other superannuation scheme | 17% |
| Rental property | 14% |
| Bonds | 10% |
| A unit trust or managed fund | 6% |
| Investment portfolio managed by an advisor | 6% |
| Another type of investment | 4% |
| A Sharesies Portfolio | 3% |
| Government bonds | 3% |
| Peer to peer lending | 3% |
| Gold or other commodities | 3% |
| Commercial property | 2% |
| A property company or syndicate | 2% |
| Capital notes or hybrid bonds | 2% |
| Cryptocurrency | 2% |
| Derivatives | 1% |
| Equity crowdfunding | 1% |
| I don't have any of these | 4% |

Are you currently saving, and what for?

| | |
|-----------------------------------|-----|
| Travel or a holiday | 46% |
| For retirement | 41% |
| To renovate or repair my own home | 25% |
| To pay off debt | 25% |
| To buy or repair a car | 17% |
| A deposit for a house | 14% |
| For my or my children's education | 12% |
| To give or send money to family | 7% |
| To start a family | 6% |
| A wedding | 5% |
| To start or buy a business | 4% |
| To start an investment portfolio | 4% |
| To move overseas | 3% |
| Other | 6% |
| Not currently saving | 11% |

What would you consider doing with your savings?

| | |
|---|-----|
| Keep them in a bank account | 56% |
| Place them in a term deposit | 54% |
| Purchase property | 44% |
| Buy shares | 33% |
| Buy bonds | 19% |
| Buy gold or other commodities | 9% |
| Peer to peer lending | 6% |
| Invest in a private entity, not on the stock exchange | 6% |
| Buy cryptocurrency | 5% |
| Equity crowdfunding | 3% |
| Other | 2% |
| Not sure | 7% |

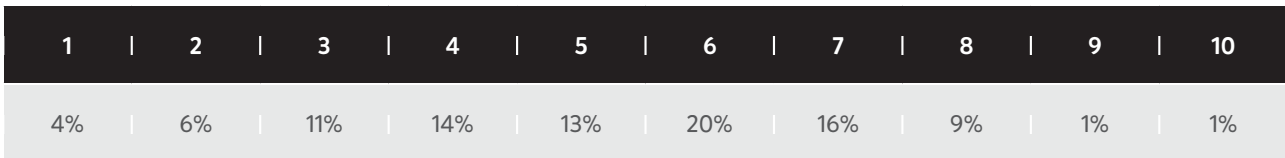
What best describes your attitude towards risk when you're thinking about what to do with your investments?

| | |
|--|-----|
| I am a conservative investor, I want all my money in low risk/low return investments | 25% |
| I am a cautious investor, I want most of my money in low risk investments, but I am happy to put a little in moderate or high risk investments | 48% |
| I am a considered investor, most of my money is in moderate to high risk investments | 13% |
| I am a risk taker with my money, I like high risk/high return investments | 3% |
| Don't know | 11% |

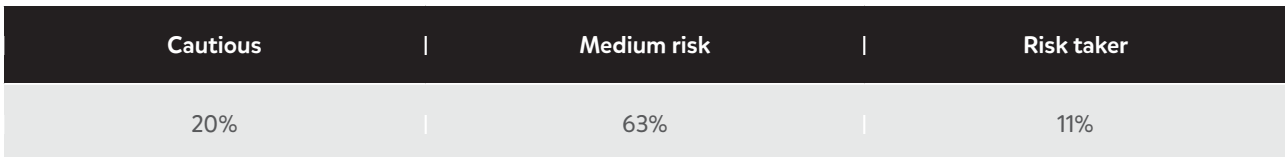
How would you go about reaching your financial goals?

I would choose a safe investment which grows slowly but steadily even if it means slower growth

I would invest in the best possible return even if there was a high level of risk involved



Overall



What would you do for \$1000 to invest?

| | |
|---|-----|
| Sell stuff on Trademe | 40% |
| Spend less on takeaways | 39% |
| Spend less on clothes | 33% |
| Dine out less | 31% |
| Travel locally instead of internationally | 20% |
| Pause Netflix subscription for a month | 16% |
| Ask for a payrise | 11% |
| None of these | 22% |

When it comes to investing in shares...

| Idea | % Agree |
|---|---------|
| Investing in shares is risky | 62% |
| Investing in shares is more risky than investing in property | 50% |
| Investing in shares is a good way to grow my money | 39% |
| I understand how investing works | 35% |
| Investing in shares is only for people with a lot of money | 35% |
| Investing in shares is a good way to save for retirement | 31% |
| NZ would be a wealthier country if people invested in shares | 22% |
| Investing in shares is a good thing to do no matter how much money you have | 22% |
| Investing in shares will make more money than investing in property | 15% |

How knowledgeable do you feel about the share market?

66% feel like they're not knowledgeable about the share market.

| Not at all knowledgeable | Not that knowledgeable | Don't know | A little bit knowledgeable | Very knowledgeable |
|--------------------------|------------------------|------------|----------------------------|--------------------|
| 39% | 27% | 3% | 27% | 5% |

How much money do you think you need to invest in shares each month for it to be worthwhile?

| | |
|---|-----|
| \$1-19 | 3% |
| \$20-\$100 | 19% |
| \$101-\$500 | 26% |
| \$501-\$1,000 | 11% |
| \$1,001-\$5,000 | 9% |
| \$5,001 or more | 6% |
| Don't think you need to make monthly payments | 25% |

If you had \$50 to invest right now, what would you invest in?

Most popular sectors to invest in are technology, renewable energy and healthcare.

| | |
|--------------------|-----|
| Technology | 23% |
| Renewable energy | 22% |
| Healthcare | 18% |
| Food | 8% |
| Agriculture | 4% |
| Developing markets | 4% |
| Don't know | 18% |

If you had the chance to invest \$5 a day to create an investment portfolio, would you?

| | |
|---|-----|
| I can invest \$5 a day without changing my habits | 59% |
| I want to invest \$5 a day but I'd need to change my habits | 23% |
| I'd be unable to invest \$5 a day | 8% |
| I'm not interested in investing | 9% |

If you're already an investor....

What do you do when there is a dip in the share market?

| | |
|-------------------------------------|-----|
| Nothing—it doesn't bother me | 22% |
| I keep an eye on it and ride it out | 55% |
| I buy more shares | 16% |
| I sell shares | 1% |
| Other | 1% |

What source of information do you trust to provide investment advice?

| | |
|--|-----|
| Professional investment/Financial advisors | 20% |
| I search online | 15% |
| Sorted.co.nz | 4% |
| My accountant/resources my accountant provides | 5% |
| My bank/resources my bank provides | 4% |
| Friends and family | 7% |
| I follow expert commentators in the media | 8% |
| Seminars/Webinars or conferences | 2% |
| Other | 1% |
| I don't trust one source any more than another | 35% |

If you're not an investor...

What's stopping you from investing in shares?

| | |
|--------------------------------------|-----|
| I don't have enough money to invest | 36% |
| I don't know how to invest | 34% |
| I think investing in shares is risky | 31% |
| I'd prefer to have cash savings | 18% |
| I'm saving for a house | 8% |

What kind of investor do you think you'd be?

| | |
|--|-----|
| A "DIY" investor who likes to select their own investments | 32% |
| A "discusser" who likes to discuss investing with friends or family members | 28% |
| A "do it for me" investor who likes to have a financial advisor select investments | 29% |
| A "non-investor" who does not get involved at all in investment decisions | 6% |
| A "delegator" who likes their partner to make these kind of decisions | 5% |

How likely are you to have any investments in the next 5 years?

| Not at all likely | Not that likely | Don't know | Quite likely | Very likely |
|-------------------|-----------------|------------|--------------|-------------|
| 30% | 18% | 23% | 23% | 5% |

KiwiSaver

- 65% of people have KiwiSaver
- 84% are currently contributing to it
- 69% don't think it will be enough to fund their retirement.
- 64% of people haven't changed KiwiSaver provider—most switch when they change their main bank.
- 35% of working age New Zealanders have not signed up to KiwiSaver and 70% don't intend to.

How much money do you think you'll need for retirement for the lifestyle you'd like to have?

| | |
|-------------------------------------|-----|
| Less than \$100,000 | 4% |
| Between \$100,001 and \$500,000 | 21% |
| Between \$500,001 and \$1,000,000 | 27% |
| Between \$1,000,001 and \$1,500,000 | 17% |
| Between \$1,500,001 and \$2,000,000 | 7% |
| More than \$2,000,001 | 10% |

Home ownership

Property is still thought of as the best form of investment above owning shares, and 50% believe it's not as risky as the share market.

18-24 year olds in particular have not been put off the goal of one day owning their own house. 92% would like to eventually own their own home, with only 4% believing it will be unachievable. However, it's still a distant dream for some, with 22% of young New Zealanders believing it will be at least another 10 years away.

Older New Zealanders are a little more pessimistic about the prospect, with higher proportions believing it is more unachievable the older they get.

People who either don't want or don't think homeownership will ever be achievable are happy to let their savings sit at the bank (42%), with only 10% saying they would invest in shares. There is also 1 in 10 who just don't think they will ever have any spare cash (11%).

The option for people who don't want to buy a house?

- 42% say they'll keep their money in a savings account
- 28% don't think they'll have spare money
- 11% will top up their KiwiSaver.

Research methodology

Colmar Brunton conducted a 15-minute online survey using their Fly Buys panel. Fieldwork was conducted between 11th June–18th June 2018. A total of n=1000 New Zealanders aged 18+ took part in the research. Results are weighted by age, gender, and region to ensure the results are representative of the New Zealand population. The margin of error for overall results n=1000 is +/- 3.1%.