



KIWISAVER EMPLOYEE CONTRIBUTION SURVEY REPORT

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Introduction

There's been a lot said on the topic of KiwiSaver settings in recent years—most of it from industry or government. The Sharesies Employee Contribution Survey 2024 aims to add the voice of KiwiSaver members to the discussion.

KiwiSaver settings are important because these can determine our wellbeing and financial independence, particularly in retirement. More crucially today, the settings establish the level at which we think we are creating a safe and secure future.

By conducting this research Sharesies wanted to understand how people feel about contributing more now, even though this means less to take home. What we found is broad support, provided that increases are gradual.

One conclusion we have drawn is that we need more education on the amount needed to support a dignified retirement because the current settings provide a false sense of security for Kiwis.

Matt Macpherson

Sharesies Head of KiwiSaver

Executive Summary

The Sharesies KiwiSaver Scheme launched to the public just over a year ago and in this short space of time has attracted 10,000 members. Our view is that current employee contributions at 3% will not be enough for many of our investors to retire in a reasonable level of comfort.

While many fund managers agree with this, there is little current research that canvases the views of members, which is why we have conducted the Sharesies KiwiSaver Employee Contribution Survey reproduced in this report. This research confirms our hypothesis that there is appetite from members for a small drop in their take home pay for future gains. This question had a positive 78% response rate—the highest consensus across the 20 questions.

The survey shows there is uncertainty around this topic. How a question was phrased produced quite different feelings. For instance just 20% of respondents supported raising the minimum contribution rate, yet later in the survey 67% told us that the ideal contribution rate is higher than the current 3%. This may indicate that people are unaware of the current settings, as when respondents were asked about lifting the minimum from 3% to 6%, there was 56% support for a significant increase to the minimum.

The majority of respondents (65%) also wanted increases to be gradual, when given the option of gradual or all at once.

Survey methodology and respondent make-up

The online survey (reproduced in this report) was sent to 28,000 Sharesies customers at random in late November 2024. There were 587 responses received. Of these **525** people who had a KiwiSaver account went on to answer all questions in the survey. If the respondent did not have a KiwiSaver account the survey didn't proceed further.

Respondents ranged from 18 to 65+ with 35-44 years being the most common age group. Most were full-time employees and to a lesser extent self-employed, and around a third earned above \$100,000 annually. More than 75% had been in KiwiSaver 5 years or more and the most common balance was between \$30,000-\$50,000. The time until respondents were to access KiwiSaver for retirement was mixed with 70% having 15 years or more.

Understanding how KiwiSaver works was high with 67% saying they were knowledgeable. (This may reflect a Sharesies customer bias where our customers tend to have a greater level of knowledge about financial products, which in part is due to the educational approach Sharesies takes.) There was also a reasonable level of comfort with the financial situation of respondents.

Many don't know if they will have enough

Respondents were generally unsure if their KiwiSaver will be enough for retirement with 66% answering *No* or *Not sure*. Nor was there a clear consensus around whether or not KiwiSaver would be the main way to support respondent's retirement. This likely reflects that many don't really know how much their KiwiSaver will be worth when they retire, or how much they actually need to meet their expectations. It also raises the issue that the default contribution rate of 3% is a false anchor for people.

For the time being respondents were sticking to the minimum contribution level—42% were contributing 3% and had little appetite to change it, and 58% of respondents were unlikely to change the contribution level in the next 12 months. In contrast, what was surprising was that close to 9% of respondents had a 10% contribution rate.

Concerns about how to raise the level of contributions

While many respondents said they didn't have any concerns about an increase, some did have concerns around being on a low income and how this might affect them. Others were worried about how this might squeeze them financially with expenses such as mortgage repayments etc. There was also a consistent suggestion that both employer as well as employee minimum contributions need to be increased, not just the employee contribution.

Key Findings

Respondents were generally unsure if their KiwiSaver will be enough for retirement.

55% of respondents supported an increase to the minimum rate from 3% to 6%.

65% of respondents preferred an increase to be gradual.

Few respondents are planning to increase their contribution rate in the medium term.

78%

Respondents were more likely to support a small drop in take home pay for future gains with 78% of respondents supporting the statement:

‘Do you agree with the following statement: I would be happy to take a small decrease in my take home pay now to have a larger retirement balance later on in life.’

Survey questions and responses

01.

What is your age?

18-24	7.24%
25-34	24.00%
35-44	28.19%
45-54	20.76%
55-64	15.05%
65+	4.38%
Prefer not to say	0.38%

02.

Which of the following best represents you?

Doing unpaid voluntary work	0.38%
Student	0.57%
Prefer not to say	0.76%
Not employed and unavailable for work	0.95%
Parent or parental leave	1.15%
Not employed and available for work	2.29%
Retired	2.29%
Employed part-time (less than 30 hours per week)	8.40%
Self-employed/contractor/running your own business	12.98%
Employed full-time (more than 30 hours per week)	70.23%

03.

What is your personal annual income?

Prefer not to say	5.71%
More than \$30,000 but less than \$50,000	7.62%
Less than \$30,000	8.57%
More than \$50,000 but less than \$75,000	18.48%
More than \$75,000 but less than \$100,000	25.14%
More than \$100,000	34.48%

04.

How comfortable do you feel about your household's current financial situation?

Prefer not to say	0.95%
Very uncomfortable	3.81%
Very comfortable	9.90%
Somewhat uncomfortable	23.24%
Neutral	25.90%
Somewhat comfortable	36.19%

05.

How long have you been a KiwiSaver member?

Note sure	0.57%
Less than 1 year	4.19%
1-3 years	8.95%
3-5 years	9.52%
More than 5 years	76.76%

06.

What is your current KiwiSaver employee contribution rate?

3%	42.29%
4%	18.48%
6%	6.29%
8%	3.81%
10%	8.95%
0% (not contributing right now)	8.00%
Not sure	3.43%
Voluntary contributions only	8.76%

07.

How often do you check or review your KiwiSaver balance or fund performance?

Annually	5.90%
Rarely/never	10.10%
Weekly	23.62%
Every few months	29.33%
Monthly	31.05%

08.

What is your current KiwiSaver balance?

\$0-\$9,999	15.62%
\$10,000-\$29,999	19.81%
\$30,000-\$59,999	24.38%
\$60,000-\$99,999	15.05%
\$100,000+	18.67%
Prefer not to say	4.00%
Not sure	2.48%

09.

How knowledgeable do you feel about KiwiSaver and how it works?

Not knowledgeable at all	2.67%
Not very knowledgeable	10.10%
Neutral	18.67%
Somewhat knowledgeable	50.86%
Very knowledgeable	17.71%

10.

Will your KiwiSaver be the main way you support your retirement?

Prefer not to answer	0.76%
Yes	31.62%
Not sure	32.76%
No	34.86%

11.

How confident are you that your savings and investments (including KiwiSaver) will be enough to support you in retirement?

Not confident at all	7.81%
Very confident	7.81%
Neutral	25.14%
Somewhat confident	28.95%
Not very confident	30.29%

12.

When do you expect to access your KiwiSaver funds for retirement?

Less than 5 years	8.19%
6-10 years	10.29%
11-15 years	10.86%
15 years or more	70.67%

13.

Have you increased your employee contribution rate to your KiwiSaver in the last 12 months?

Yes	16.19%
No	83.81%

14.

How likely are you to increase your employee contribution rate to your KiwiSaver in the next 12 months?

Very unlikely	28.95%
Unlikely	28.95%
Neutral	16.76%
Somewhat likely	13.90%
Very likely	6.29%
Not sure	5.14%

15.

Do you think the minimum employee KiwiSaver contribution rate should be higher?

Yes	19.81%
No	29.33%
Unsure	50.86%

16.

What do you believe is the ideal minimum employee contribution rate for KiwiSaver?

3%	18.10%
4%	22.67%
6%	26.10%
8%	5.71%
10%	12.19%
Not sure	15.24%

17.

How would you feel about an increase in the minimum employee contribution rate from 3% to 6%?

Strongly oppose	8.00%
Somewhat oppose	17.52%
Neutral	18.48%
Somewhat support	26.48%
Strongly support	29.52%

18.

If contribution rates had to increase, would you prefer a gradual increase or all at once?

Not sure	8.76%
All in one go	25.71%
Gradual increase	65.52%

19. Why did you give that answer? (Open text field)

For the people who selected 'All in one go' the most common reasons were

- Easier for long term budgeting knowing exactly how much was coming out
- Getting more funds invested quicker and quicker investment returns
- Rip the band aid off and avoid confusion over gradual increases
- Better long term benefits, time value of money

For people who selected 'Gradual increase' the most common reasons were

- Less of a shock to people's take home pay
- Ease people into it and get them used to increases in contributions
- Longer adjustment period for the public
- Ease financial hardship
- Cost of living is high enough as it is so as minimal impact as possible
- Easier for low income earners
- Ease burden on employers as well

For people who selected 'Not sure' the most common reasons were

- Should be up to the individual what they contribute
- Haven't thought about it enough

20.

**Do you agree with the following statement:
I would be happy to take a small decrease in my take home pay now to have a larger retirement balance later on in life.**

Yes	78.48%
No	21.52%

21.

**What concerns, if any, do you have about increasing KiwiSaver contribution rates?
(Open text field)**

Most common responses to this question were

- Cost of living crisis and inflation mean that I would have even less
- KiwiSaver is locked away, would prefer putting that money in investments I can access at any time
- Not having enough money left over
- No concerns
- As long as the employer matches it I'm fine
- More pressure on family spending
- Can't afford it/affordability issues



About Sharesies

Sharesies is a wealth app that over 750,000 Kiwis and Aussies use to build long-term wealth. With over \$7.6 billion in assets on the platform, it offers investing in shares, save accounts, KiwiSaver and car insurance.

Sharesies Business works with over 600 private companies and 30% of NZX listed companies to better understand and connect them with their retail investors. Services include raising capital, staff share schemes, plus investor relations tool and dashboard, Sharesies Open.

Sharesies is a certified B Corp and is committed to delivering a positive impact for its customers, suppliers, workers, the community, and our environment.



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