

NEW ZEALAND RETIREMENT EXPENDITURE GUIDELINES



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The NZ Fin-Ed Centre aims to empower New Zealanders to make more financially savvy decisions – to give people the tools they need for the life-long process of managing their finances. Key projects include a 20-year longitudinal study that follows 300 New Zealanders to understand their needs for financial knowledge at different life stages, a multi-level certification programme for personal financial educators and the New Zealand Retirement Expenditure Guidelines Report to establish guidelines for 'modest' and 'comfortable' retirement.

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Acknowledgements

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Disclaimer

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FOREWORD

The transition into retirement remains one of life's most profound milestones. For many New Zealanders, the question is no longer simply what they are retiring from—but what they are retiring to. In a world of increasing complexity, uncertainty, and longevity, the need for clarity and confidence in retirement planning has never been greater.

Financial Advice New Zealand is proud to once again partner with Massey University's Fin-Ed Centre to support the release of the 2025 New Zealand Retirement Expenditure Guidelines. This annual research continues to be a cornerstone resource for financial advisers and their clients, offering a robust and realistic view of retirement living costs across different household types and regions.

This year's edition arrives at a pivotal time. With the number of New Zealanders aged 65 and over projected to reach one million by 2028, the implications for personal finances, public policy, and intergenerational wellbeing are significant. The data and insights in this report empower advisers to deliver advice that is not only technically sound but deeply relevant to the lived experience of retirees.

The Guidelines are more than just numbers—they are a reflection of real lives, real choices, and real futures. They help bridge the gap between aspiration and affordability, enabling New Zealanders to plan with purpose and retire with dignity.

As we launch this year's research, we reaffirm our commitment to advancing financial capability and advice excellence across Aotearoa. We thank the Massey Fin-Ed Centre for their continued rigour and academic leadership in this space, and we encourage all readers—advisers, policymakers, and everyday Kiwis—to engage with this report and use it as a catalyst for meaningful conversations about retirement.

Together, we can shape a future where every New Zealander has the opportunity to thrive in retirement.

Ngā mihi,

Nick Hakes
Chief Executive Officer
Financial Advice New Zealand





INTRODUCTION

The inflation rate has remained within the Reserve Bank of New Zealand's target range over the twelve months to June 2025, but the cost of living remains a pressing concern for New Zealanders. The June 2025 Ipsos New Zealand Issues Monitor reported inflation / cost of living as the primary concern for more than half of New Zealanders, and it had risen since February. However, this concern continues to be notably lower among New Zealanders aged 65 and older¹, for whom healthcare remains the primary concern. Since mid-2024 interest rates have fallen around two percentage points, providing relief for borrowers but reducing income for the many older New Zealanders who rely on the interest income from bank deposits to supplement their NZ Superannuation.

Retirement is recognised as one of the major milestones in life, with the move from employment representing a substantial, and often stressful, life transition for most New Zealanders. As our previous reports have discussed, most New Zealanders have aspirations about their future retirement, with good preparation and planning important contributors to the achievement of these goals. This challenge for retirement planning is that the context is not static, with both people's personal circumstances and the economic environment in which they are living changing over time. This means it is vital to regularly review retirement plans and, if necessary, revise them to reflect the changing circumstances.

Previous reports have noted that we are in the midst of a generational shift in retirement planning. When we started these reports in 2012, the Baby Boomer generation had just started to reach the conventional retirement age of 65, while this generation will all have reached that milestone by 2029, just five years away. In 2030, the first of Generation X will reach the age of eligibility for New Zealand Superannuation and qualify for their Gold Card, now the recognised symbol of retirement age in New Zealand. For Millennials, the prospect of retirement is also much closer, with the first of their cohort around 20 years from that landmark age and now at a point in their life when retirement planning begins to receive greater emphasis.

Determining the level of financial resources needed to meet their needs in retirement continues to be the central question for people planning for their retirement, underpinned by the fear of running out. The 2025 Retirement Expenditure Guidelines presented in this report are the fourteenth edition in a series that began in 2012^{2,3}, providing pre-retirement New Zealanders with information to assist their financial plans for retirement. The Guidelines offer insights into actual spending levels among retired New Zealanders but do not assess the adequacy of NZ Superannuation. Those planning for retirement can use this information to plan budgets for their desired future retirement lifestyle and provide a foundation for estimating the savings they need to achieve their retirement objectives.

The financial landscape of housing for retirees in New Zealand is evolving. While current retirees benefit from high home ownership rates, future generations may face increased rental reliance and associated financial pressures. The report explores key costs of home ownership alongside comparative data on rental accommodation and retirement village living. It emphasizes the importance of proactive financial planning, especially for those renting or considering retirement villages, where costs and legal arrangements can be complex.

Expenditure patterns shift over time due to the effect of inflation. This report addresses that shift by making an adjustment for inflation to 30th June 2025. In addition, we explore the question of housing in retirement.

¹ Source: <https://www.ipsos.com/en-nz/ipsos-new-zealand-issues-monitor-june-2025>

² Previous editions can be found on the Fin-Ed Centre website.

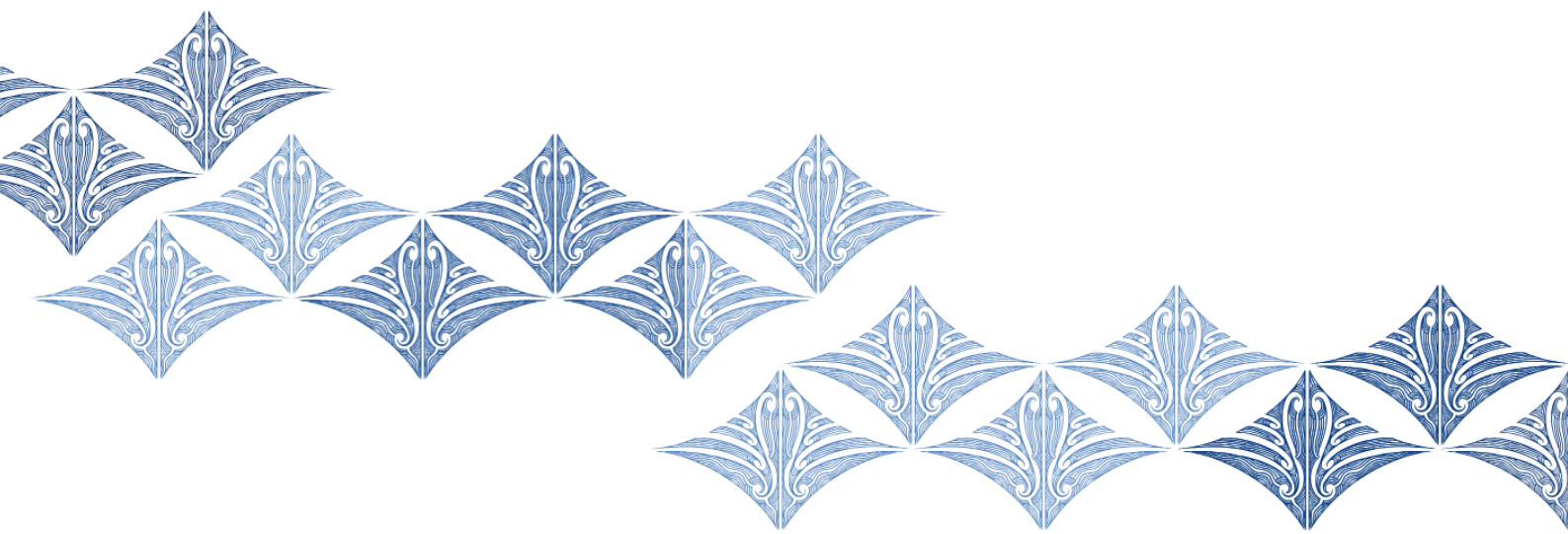
³ The basis for calculating the Retirement Expenditure Guidelines was changed with effect from the 2014 report. Details of the changes are provided in that report. A further adjustment of the data specification took effect from the 2024 report, and the impact is discussed in that report.

About This Report

The New Zealand Retirement Expenditure Guidelines as at 30th June 2025 are prepared from the Statistics New Zealand's triennial 2022/23 Household Economic Survey (HES) for the year ended 30 June 2023. The data extracted from the HES are only for 'retired' households, defined as being where one form of income received in the household is New Zealand Superannuation, a war pension or other government pension. However, this does not mean that NZ Superannuation, or other pension, is the only form of income, and the levels of expenditure make it clear that these households are either receiving other income, i.e. likely to indicate the individuals are not actually retired, or drawing down on investments. The sources of income for these households were discussed in more detail in the 2024 report.

Two levels of expenditure are included in the guidelines. The **No Frills** guidelines reflect a basic standard of living that includes few, if any, luxuries. The **Choices** guidelines represent a more comfortable standard of living, which includes some luxuries or treats. The No Frills Guidelines are based on the average expenditure of the second quintile of the HES for retired households, while the Choices Guidelines are based on the average expenditure of the fourth quintile of the HES for retired households.

The second quintile comprises households in the 21st to 40th percentile for household income, while the fourth quintile comprises households in the 61st to 80th percentiles for household income. The decision to use the second and fourth quintiles was based on expert statistical advice and reflects that the first and fifth quintiles will include outlying data that distorts the averages. We acknowledge that there are a group of households in the first quintile, i.e. 20% of retired households, with lower levels of expenditure than reflected in the No Frills guidelines.



KEY FINDINGS IN THIS REPORT

TABLE 1: THE NEW ZEALAND RETIREMENT EXPENDITURE GUIDELINES AS AT 30TH JUNE 2025

	One-person households		Two-person households	
Weekly NZ Super rates (after tax)	\$519.47		\$799.18	
Total Weekly Expenditure	Metro	Provincial	Metro	Provincial
No Frills budget	\$705.34	\$580.75	\$937.38	\$1060.65
Choices budget	\$790.62	\$771.89	\$1780.32	\$1243.41

- A majority of New Zealanders hope to enjoy a standard of living in retirement that exceeds what NZ Superannuation alone can provide.
- Most households which currently count NZ Superannuation as one of their income sources have successfully achieved this.

Expenditure changes from 2024 to 2025

- The effect of inflation on expenditure for each of the household groups was in the range 2.54% to 3.16% with only two household groups having an effective inflation rate above the CPI rate of 2.70% for the same period.
- The key drivers for increased costs for superannuants for the twelve months ended 30th June 2025 were *Food, Property rates and related services, Household energy, and Recreation and culture*.
- The household groups considered in this report are spending more than is received from NZ Superannuation, reflecting access to other income and/or savings.

Housing in Retirement

- These guidelines are based on the expenditure of current retirees who are from generations with a high level of home ownership, but future generations are expected to have lower levels of home ownership in retirement.
- The costs of home ownership may include loan repayments, local authority rates and maintenance.
 - Home loan repayments on a modest loan of \$50,000 over 5 years would represent approximately one-quarter of a couple's weekly superannuation payments.
 - Rates have risen well in excess of overall inflation recently, and further substantial increases are expected.
 - Home maintenance can be costly, but necessary to protect the value of the home.
- If expecting to rent in retirement, an individual's share in a multiple bedroom property is likely to be around \$250 per week, the cost of which could be covered with a lump sum of around \$271,000. Renting a one or two-bedroom alone will be more expensive (likely in the range \$400-\$500) which would require a commensurately higher lump sum.
- Retirement village living is increasing but understanding the financial, legal and lifestyle implications is important.
- Retirement village living may not offer substantial savings, with costs including the initial capital as well as the weekly fees, but can provide many lifestyle advantages

EXPENDITURE CHANGES IN 2025⁴

The expenditure changes noted from the 2024 report reflect the impact of inflation for the twelve months ended 30th June 2025.

TABLE 2: CHANGES IN TOTAL WEEKLY EXPENDITURE BY HOUSEHOLD GROUP 2024 - 2025

		Total Weekly Expenditure		Change 2024 – 2025	
		2024	2025	\$	%
One-person households	No Frills – Metro	687.84	705.34	17.50	2.54%
	No Frills – Provincial	564.25	580.75	16.50	2.92%
	Choices – Metro	768.76	790.62	21.86	2.84%
	Choices – Provincial	752.41	771.89	19.48	2.59%
Two-person households	No Frills – Metro	909.90	937.38	27.48	3.02%
	No Frills – Provincial	1031.85	1060.65	28.80	2.79%
	Choices – Metro	1739.85	1780.32	40.47	2.33%
	Choices – Provincial	1210.18	1243.41	33.23	2.75%
				CPI	2.70%

Table 2, above, shows the inflation-adjusted change in total expenditure for each of our household groups from 2024 to 2025. Most of our household groups experienced expenditure increases above the Consumer Price Index (CPI) inflation rate, with three households (No-Frills-Metro One-Person, Choices-Provincial One-Person and Choices-Metro Two-Person) each having an increase below the CPI. Notably, the Choices-Provincial One-Person Household had an increase substantially lower than the CPI, as it did in the previous two years.

Different inflation rates between the household groups are expected, as it reflects the specific expenditure pattern for each group. The CPI uses a standard, weighted basket of goods and services to measure inflation, but the spending of individual households does not exactly conform to this basket. The composition of this basket is reviewed from time to time, with the most recent review in 2024 resulting in a revised basket that has been used from the March Quarter 2025. The latest review resulted in 11 items being added to the basket and 21 items being removed⁵.

In addition, the inflation rate for individual expenditure groups within the CPI varies widely, from -25.2% for *Telecommunication equipment* to 11.9% for *Property Rates and related services*⁶ in the quarter ended 30 June 2025. The differences in spending patterns between our household groups combined with the varying inflation rates for the expenditure classes, result in distinct overall changes in expenditure for each group.

The three largest expenditure classes for all household groups include *Housing and household utilities* (16-35%) and *Food* (14-22%), with *Housing and household utilities* being the largest expenditure class for six of the household groups. The third category varies: for five groups it is *Transport* (12-24%); for two groups it is *Recreation and culture* (5-24%); and for the remaining group it is *Miscellaneous* (10-

⁴ The detailed Retirement Expenditure Guidelines are in Appendix 1.

⁵ Information about the 2024 review of the CPI and the resultant changes can be found at <https://www.stats.govt.nz/methods/consumers-price-index-review-2024/>

⁶ The breakdown of the CPI by group and sub-group can be found at <https://www.stats.govt.nz/information-releases/consumers-price-index-june-2025-quarter/>

15%). For half our household groups, we find that their proportional expenditure on *Food* expenditure is greater than for the CPI basket. This, coupled with the relatively high inflation rate for the *Food* expenditure class, contributes to the higher inflation rate for those groups. Within the *Housing and household utilities* expenditure class there are two expenditure subclasses, *Property Rates and related services* and *Household energy* where our household groups spend proportionally more than included in the CPI basket, and both these categories had a rate of inflation well above the overall CPI rate. Similarly, most of our households spend proportionally more on *Recreation and culture*, another expenditure class with an inflation rate above the overall CPI.

Table 3 below compares the proportional expenditure for selected expenditure sub-classes, where the proportional CPI change is substantially more than the overall CPI, and their weighting for our households' expenditure is greater than for the CPI basket. All our households spend more on *Grocery Food, Insurance, Property rates and related services, Household energy* than is included in the CPI, with the CPI increase greater than the overall CPI, particularly for the latter two.

TABLE 3: COMPARISON OF PROPORTIONAL EXPENDITURE IN SELECTED CLASSES & SUBCLASSES

		Class	Sub-classes				
		Food	Grocery food	Property rates & related services	Household energy	Recreational and cultural services	Insurance
One-person households	No Frills – Metro	18.90%	10.70%	13.10%	6.10%	7.40%	13.20%
	No Frills – Provincial	16.70%	9.90%	12.14%	8.30%	3.30%	10.30%
	Choices – Metro	16.30%	7.20%	9.20%	4.40%	10.80%	11.90%
	Choices – Provincial	14.00%	7.20%	7.80%	5.50%	1.60%	9.90%
Two-PERSON households	No Frills – Metro	22.30%	8.30%	8.40%	5.60%	6.50%	13.30%
	No Frills – Provincial	20.86%	11.50%	8.10%	7.40%	3.80%	8.90%
	Choices – Metro	18.10%	9.70%	6.70%	3.40%	3.70%	10.50%
	Choices – Provincial	18.80%	10.10%	6.50%	4.40%	2.90%	8.00%
CPI Basket 2024		18.45%	6.44%	3.55%	3.12%	2.86%	3.13%
CPI increase for 12m to 30/06/25		4.20%	4.80%	11.90%	9.10%	7.10%	6.00%

While there are two expenditure sub-classes with large negative contributions to the overall CPI, they make up only a small proportion of the CPI and our households' expenditure. As a result, their impact on the overall increase in costs is negligible. These are *Telecommunication equipment* (with a proportional change of -25.2% and CPI weighting of 0.52%), and *Audio-visual and computing equipment* (-11.1% and 0.60%).

Helping to offsetting these items which contribute to the greater inflation rates for our households is Transport. The inflation rate for the Transport expenditure class was -0.90%. While expenditure on Transport is roughly in line with its weighting in the CPI basket, it makes a substantial contribution to the overall figure as one of the three largest expenditure classes for most of our households.

Another factor of note is the lower expenditure of the No-Frills-Metro Two-Person Household compared to that of the No-Frills-Provincial Two-Person Household. The key contributors are the lower level of expenditure on *Recreation and culture*, and, to a lesser extent, *Housing and household utilities*.

EXPENDITURE RELATIVE TO NZ SUPERANNUATION IN 2025

On 1st April 2025, the two key rates of New Zealand Superannuation rates increased to⁷:

TABLE 4: NZ SUPERANNUATION RATES FROM 1 APRIL 2025⁸

Single, living alone	\$538.42 per week	after tax at the M rate
Couples, both qualify	\$828.34 per week	after tax at the M rate

The CPI rate for the year ended 31 March 2025 was 1.80%, while the increase in New Zealand Superannuation from 1 April was higher at 3.65% (relative to April 2024). This reflects the legislated adjustment methodology, which uses the annual CPI (for the 12 months ended 31 December of the previous year), while also maintaining relativity with the net average wage. The government paper⁹ on the annual adjustment noted that a further adjustment beyond the CPI adjustment was needed to keep the net married couple rate at a minimum of 66 percent of the net average wage.

TABLE 5: THE DIFFERENCE BETWEEN TOTAL EXPENDITURE AND CURRENT RATES OF NZ SUPERANNUATION¹⁰

		Total Weekly Expenditure	NZ Super	Difference in 2025	Difference in 2024	Change in Difference 2024 – 2025
One-person households	No Frills – Metro	705.34	\$538.42	(\$166.92)	(\$168.37)	\$1.45 / -0.9%
	No Frills – Provincial	580.75		(\$42.33)	(\$44.78)	\$2.45 / -5.5%
	Choices – Metro	790.62		(\$252.20)	(\$249.29)	(\$2.91) / 1.2%
	Choices – Provincial	771.89		(\$233.47)	(\$232.94)	(\$0.53) / 0.2%
Two-person households	No Frills – Metro	937.38	\$828.34	(\$109.04)	(\$110.72)	\$1.68 / -1.5%
	No Frills – Provincial	1060.65		(\$232.31)	(\$232.67)	\$0.36 / -0.2%
	Choices – Metro	1780.32		(\$951.98)	(\$940.67)	(\$11.31) / 1.2%
	Choices – Provincial	1243.41		(\$415.07)	(\$411.00)	(\$4.07) / 1.0%

For all household groups, the average household spends more than they receive from NZ Superannuation, which reflects that these households are receiving other income and/or drawing down on investments, i.e. they are not relying solely on NZ Super¹¹. In 2025 the difference between NZ Superannuation and weekly expenditure has changed only a little for most households, as seen in Table 5 above.

We have estimated the lump sum required at retirement to fund the additional spending over NZ Superannuation for each group (see Table 6 below), with the assumption that there is no other income. In addition, the table shows the weekly savings required to achieve that lump sum, with saving starting at either 25 or 50 years of age. Starting retirement savings at a younger age means the regular amount of savings required is smaller. We have continued with the addition to Table 6, begun in the 2022 report, of the per person split of the lump sum and savings required for the two-person household groups, to

⁷ Source: <https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2025.html>

⁸ NZ Superannuation rates increased again in August 2024 as a result of changes announced in the 2024 budget, to \$521.62 and \$803.48 for the equivalent single and married rates respectively.

⁹ <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2025/annual-general-adjustment-2025/paper-annual-general-adjustment-2025.pdf>

¹⁰ In the two-person households, part of the difference may reflect that one person is not yet eligible for NZ Super, so may be working and earning a higher income than would be provided by NZ Super.

¹¹ The 2024 report explored household income for our household groups.

reinforce that these figures are for two people. This assumes an even split of the savings between the two people.

TABLE 6: ESTIMATED SAVINGS REQUIREMENT TO FUND THE DIFFERENCES BETWEEN EXPENDITURE AND NZ SUPERANNUATION¹²

		Weekly Difference	Lump Sum Required ¹³	Weekly Savings		Per person	
				from age 50 ¹⁴	From age 25 ¹⁵	Lump sum	Savings from age 50
One-person households	No Frills – Metro	(\$166.92)	\$181,000	\$215	\$71	n/a	
	No Frills – Provincial	(\$42.33)	\$46,000	\$54	\$218		
	Choices – Metro	(\$252.20)	\$273,000	\$325	\$107		
	Choices – Provincial	(\$233.47)	\$253,000	\$301	\$99		
Two-person households	No Frills – Metro	(\$109.04)	\$118,000	\$140	\$46	\$59,000	\$70
	No Frills – Provincial	(\$232.31)	\$252,000	\$300	\$99	\$126,000	\$150
	Choices – Metro	(\$951.98)	\$1,033,000	\$1,230	\$406	\$516,500	\$615
	Choices – Provincial	(\$415.07)	\$450,000	\$535	\$177	\$225,000	\$268

Although these lump sums and the savings needed to achieve them may seem daunting, there are ways to make them more manageable as discussed in our previous reports. Two main strategies to reduce the required lump sum are supplementing retirement income, such as by working part-time, or delaying retirement to shorten the time the lump sum needs to support.

To lower the savings needed to reach a target lump sum, one option is to select a fund with a greater allocation to growth assets, as these are generally expected to produce higher returns over the long term. However, growth funds may not be suitable for all investors due to the increased volatility associated with the higher proportion of growth assets. For this reason, we use a balanced fund to estimate the required savings. Additionally, the savings shown in Table 6 assume no existing retirement savings, yet most New Zealanders have a KiwiSaver account, with an average balance of \$33,500 as at March 31, 2024¹⁶.

In Table 7 below, we compare the savings rate required for two of our household groups under different scenarios. As a base for comparison, we use the savings targets from Table 4 and consider how those savings targets change if funds are instead invested in a growth fund or if the household already has some savings towards retirement in a KiwiSaver account. In both scenarios there is a reduction in the required savings.

¹² The lump sums in Table 6 were calculated using the Sorted Retirement calculator at <https://sorted.org.nz/tools/retirement-calculator>, while the savings required to achieve the lump sums were calculated using the Savings calculator at <https://sorted.org.nz/tools/savings-calculator/>. The length of retirement to be planned for will vary by individual, depending on age of retirement and life expectancy. To help work this out, use the retirement planner at sorted.org.nz. We assume retirement at age 65 and a life expectancy of 90 (for both in couples), and investment in a balanced fund.

¹³ The Total Savings Required is rounded to the nearest \$000

¹⁴ For a 50-year old individual/couple.

¹⁵ For a 25-year old individual/couple.

¹⁶ From the Melville Jessup Weaver KiwiSaver Market Review (October 2024) available from <https://mjw.co.nz/wp-content/uploads/2024/10/2024-MJW-KiwiSaver-Market-Review.pdf>

TABLE 7: EFFECT ON WEEKLY SAVINGS FOR DIFFERENT SCENARIOS¹⁷

	Lump sum required	Base savings – age 25	Growth fund	Current KiwiSaver balance of \$9000	Base savings – age 50	Growth fund	Current KiwiSaver balance of \$45000
One-person household No Frills – Metro	\$181,000	\$71	\$57	\$65	\$215	\$200	\$153
Two-person household Choices – Provincial	\$450,000	\$177	\$143	\$166	\$535	\$497	\$411

In the 2025 Budget, the government announced changes to the KiwiSaver scheme. These changes included removing the government contribution entirely for those earning more than \$180,000 pa and halving it (to a maximum of \$260.72) for everyone else, increasing the minimum contribution rates for both employer and employee to 3.5% from 1 April 2026 and 4% from 1 April 2028, and extending eligibility to the government contribution (from 1 July 2025) and employer contributions (from 1 April 2026) to 16-year-olds.

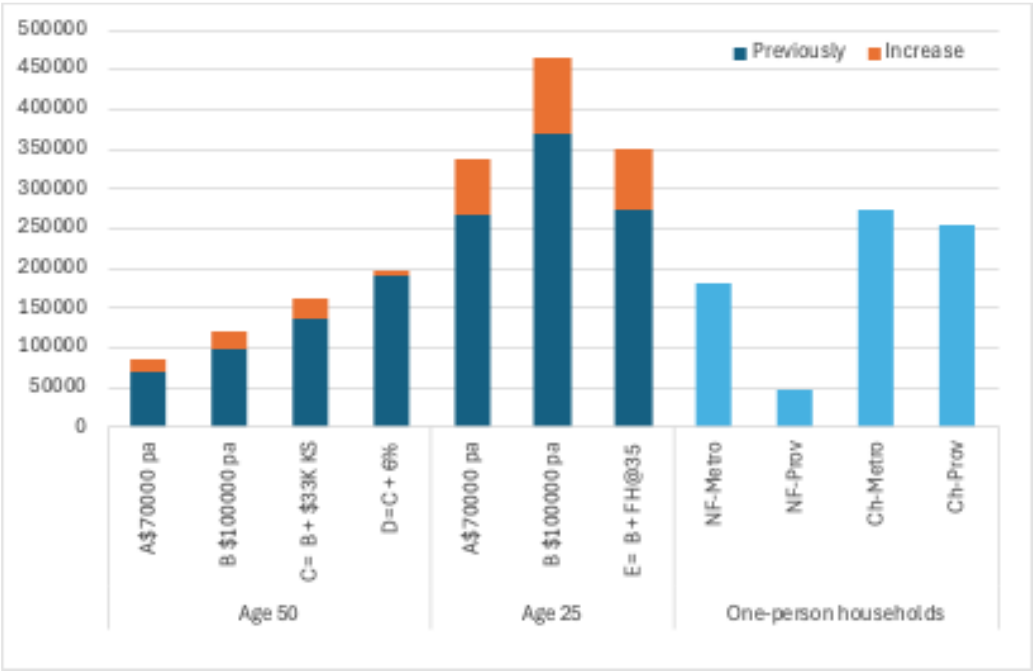
Figure 1 below considers the implications of these changes for retirement savings by comparing expected KiwiSaver balances at age 65¹⁸ with the estimated lump sum requirements from Table 6. We begin with scenarios for someone aged 25 or 50 today with an annual income of \$70,000 (the 2024 median New Zealand income) or \$100,000, making the minimum contribution and investing in a balanced fund (labelled A and B respectively). The bars to the left show the total expected KiwiSaver where the dark blue reflects the savings expected under the previous KiwiSaver scheme parameters, while the orange is the additional savings expected from the 2025 Budget changes. The bars to right are the estimated lump sum requirements from Table 6. While there is a gap for the 50-year-old scenarios, it is clear that the KiwiSaver minimums provide a substantial proportion of the estimated lump sum required before any additional savings. For the 25-year-old scenarios, the lump sums estimated in Table 6 for all the one-person household groups are comfortably achieved.

We have taken the opportunity to also consider other scenarios. For the 50-year-old, we have added one scenario (C) where they have annual income of \$100,000 and currently have the median KiwiSaver balance of \$33,000. In the fourth scenario (D) we amend scenario C to increase their KiwiSaver contributions to 6% (but the employer continues to pay the regulatory minimum). For the 25-year-old, we have added a scenario (E) where they withdraw their funds (\$74816) to buy their first home at age 35. While this clearly reduces their KiwiSaver balance at age 65, it still exceeds the lump sum calculated in Table 6 for all four one-person household groups.

¹⁷ The Base Savings figures are from Table 6, while the KiwiSaver balances are for both people in the two-person households.

¹⁸ The KiwiSaver balances in Figure 1 were calculated using the Sorted KiwiSaver calculator available at <https://sorted.org.nz/tools/kiwisaver-calculator/>

FIGURE 1: KIWISAVER SAVINGS



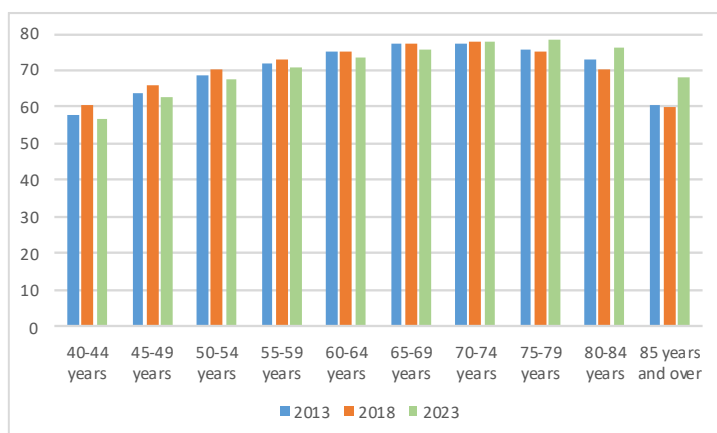
HOUSING IN RETIREMENT

A frequent topic of enquiry in relation to the Retirement Expenditure Guideline Reports is housing, and particularly the low level of rental expenditure included. The explanation for this is relatively simple, as the guidelines are based on the expenditure of current retirees who are from generations with a high level of home ownership. Future generations are expected to have lower levels of home ownership in retirement, but these guidelines do not seek to forecast future expenditure; however, it is worth considering the housing options available for retirees and the associated costs. We have looked at housing in previous reports, in 2013 and 2020, but it is timely to have another look.

Home ownership

In June 2025, Stats NZ released *Housing in Aotearoa: 2025*¹⁹, a report providing a range of information about housing and home ownership, primarily from the 2023 census and updating a similar report in 2020. A key finding in that report is that home ownership has risen slightly to 66%, the first increase in home ownership rates since the 1990s. Figure 2 below, based on data from that report, shows the percentage of people who own their own home or hold it in a family trust by age group. The two key points to note are the rate of home ownership continues to increase with age, up to around 70-75 years, while at most age groups the rate of home ownership has fallen over the period shown.

FIGURE 2: HOME OWNERSHIP RATES BY AGE GROUP²⁰



There are a number of costs associated with home ownership, which may include home loan repayments, rates, and maintenance. The specific costs will be influenced by the value and location of the home.

Ideally a homeowner would have fully repaid their home loan before retirement, so that home loan repayments were not an ongoing cost. However, this has become more difficult with the increased loan size required due to higher house prices. The repayments required will depend on the remaining loan balance and the interest rate, which will likely continue to vary over the remaining term of the loan. Over the last ten years the average floating home loan rate has moved in a range between 4.47% (June 2021) and 8.61% (October 2023), while the two-year fixed rate has moved in a range between 3.46% (April 2021) and 7.60% (October 2023)²¹. Table 8 below compares the repayments required for a loan of

¹⁹ Stats NZ suggest the increase in home ownership rates for the 75+ age groups in 2023 relates to the new derivation for retirement village status in the 2023 Census.

²⁰ Stats NZ (2025). *Housing in Aotearoa New Zealand: 2025*. Retrieved from www.stats.govt.nz.

²¹ Source: <https://www.rbnz.govt.nz/statistics/series/exchange-and-interest-rates/new-residential-mortgage-standard-interest-rates>

\$50,000 with a term of 5 or 10 years at these interest rates, and the current median for the respective terms.

TABLE 8: HOME LOAN REPAYMENTS (WEEKLY ON \$50,000)²²

	Floating rate			2-year Fixed		
	Low	High	Current Median ²³	Low	High	Current Median ²²
	4.47%	8.61%	6.47%	3.46%	7.61%	5.22%
Term – 5 years	\$215	\$237	\$226	\$210	\$232	\$219
Term – 10 years	\$120	\$144	\$131	\$114	\$138	\$124

At this size of loan, a moderate difference in interest rate makes only a limited difference to the weekly repayments required, with the term having a much more substantial effect. However, it is worth noting that the increase in term from 5 years to 10 years means that the amount of interest paid over the term of the loan more than doubles. For a couple, the weekly repayment over a five-year term represents approximately a quarter of their weekly NZ Superannuation payment.

Local authority rates vary considerably between councils, reflecting economies of scale and council activities, while variance within councils reflect property value differences. As noted in Table 9 below, there has been a considerable increase in rates over the last three years, well in excess of the 12.5% increase in general prices as measured by the CPI over that same period. This is a key unavoidable cost of home ownership for current retirees and the ongoing increases, which are expected to continue, cause angst for many. However, an annual rebate of up to \$805 is available to those that are eligible, upon application to the local council²⁴.

TABLE 9: COMPARATIVE LOCAL AUTHORITY RATES (2024/2025)

Local Authority ²⁵	Rates (p.a.)	Rates (weekly)	Property CV	3-year cumulative increase ²⁶
Auckland City	\$3,855	\$74.13	\$1,421,000	20.90%
Hamilton	\$2,838	\$54.58	\$830,000	41.15%
Tauranga	\$3,414	\$65.65	\$885,000	35.98%
Gisborne (Lytton West)	\$4,271	\$82.13	\$849,000	30.45%
New Plymouth	\$3,524	\$67.77	²⁷ L \$390,000	37.73%
Tararua District	\$3,770	\$72.50	L \$110,000	37.97%
Palmerston North (Median)	\$3,551	\$68.29	\$720,000	24.88%
Kapiti Coast (Paekakariki)	\$4,565	\$87.79	\$860,000	35.05%
Hutt City (Average)	\$3,910	\$75.19	\$815,000	44.66%
Wellington (without a water meter)	\$3,547	\$68.21	\$1,000,000	47.03%
Nelson	\$4,417	\$84.94	L \$560,000	23.53%
Westland (Hokitika)	\$2,035	\$39.13	\$960,000	34.60%
Christchurch (Average)	\$3,786	\$72.81	\$764,000	24.25%
Dunedin (Median)	\$3,481	\$66.94	\$590,000	38.53%
Southland (Te Anau)	\$4,409	\$84.79	\$620,000	31.15%

The final category of costs associated with home ownership is maintenance. Maintenance is an ongoing requirement to protect the value of the property, and to avoid small problems becoming big

²² Calculated using the mortgage calculator on the Sorted website at <https://sorted.org.nz/tools/mortgage-calculator/>

²³ The median interest rates were sourced from the Good Returns website [<http://www.goodreturns.co.nz/mortgage-rates.html>] on 24th August 2025. Only standard rates offered by the four major banks and the four main minor banks have been considered.

²⁴ Information about the rates rebate can be found at <https://www.govt.nz/browse/housing-and-property/getting-help-with-housing/getting-a-rates-rebate/>

²⁵ Where a suburb, particular locality or other qualifying description was provided by the local authority for the sample rates, this is noted

²⁶ Source: https://www.taxpayers.org.nz/rates_dashboard_2025

²⁷ L=Land value only

issues, as well as for the ongoing comfort of the occupants. Maintenance costs will vary according to the building materials used in the construction of the home, the size of the building, the current state of repair, and the environment. It is difficult to find estimates of how much to budget for home maintenance but putting aside 1-3% of the property value each year appears to be the consensus. Table 10 below uses the midpoint of 2% to illustrate what this means in dollar terms.

TABLE 10: COMPARATIVE MAINTENANCE COSTS (JUNE 2025)

Location	Median House Price ²⁸	2%	Weekly
Auckland	\$1,035,117	\$20,702	\$398
Waikato	\$783,806	\$15,676	\$301
Bay of Plenty	\$889,212	\$17,784	\$342
Gisborne	\$698,883	\$13,978	\$269
Taranaki	\$672,806	\$13,456	\$259
Manawatū – Whanganui	\$621,163	\$12,423	\$239
Wellington	\$832,141	\$16,643	\$320
Nelson & Bays	\$852,894	\$17,058	\$328
West Coast	\$413,191	\$8,264	\$159
Canterbury	\$713,015	\$14,260	\$274
Central Otago / Lakes District	\$1,570,450	\$31,409	\$604
Otago	\$637,412	\$12,748	\$245
Southland	\$524,915	\$10,498	\$202
New Zealand	\$852,882	\$17,058	\$328

It is possible to manage this cost to some extent, by having a low maintenance home and ensuring that the home is well maintained prior to retirement to reduce the need for ongoing maintenance during retirement.

Rental Accommodation

Many of those who don't own their own home will be in rental accommodation. While there are many advantages to living in your own home, there is no reason that a person cannot have a good retirement in rental accommodation. As noted above, there are costs associated with home ownership, but there is a certain element of control with parts of that which is not available with rental accommodation. This means that if you expect to rent during your retirement, you need to plan accordingly, which likely means having a greater amount of savings. However, it also means you don't have money tied up in a property that may be difficult to access.

Table 11 below compares median weekly rents for three common types of rental accommodation in a range of locations across New Zealand. At a national level, TradeMe²⁹ reported in June 2025 the median rental had fallen to \$620 per week, from a high of \$650 in May 2024. However, rents vary by property type, and the national median for a 3-4 bedroom house was \$690, while it was \$550 for apartments. The type of property sought will depend on the needs of the tenant, and the availability of properties in the preferred location. It is important to remember that tenants in properties with multiple bedrooms are likely to be sharing the rental cost with others, which means an individual's share would be around \$250 per week, requiring a lump sum of about \$271,000 at retirement³⁰. A retiree may not wish to share with others and therefore may choose to rent a one or two bedroom unit on themselves. This would increase the weekly cost to something in the range of \$400 to \$500 per week depending on the location, requiring a commensurately larger lump sum.

²⁸ Source: <https://news.realestate.co.nz/blog/new-zealand-property-market-2025-july>

²⁹ Source: <https://www.trademe.co.nz/c/property/article/rental-pulse-report>

³⁰ The lump sum is calculated similarly to the lump sums in Table 6, and assumes the rent is a weekly cost from age 65 to age 90.

It is clear that even a one-bedroom flat will use a substantial portion of the weekly NZ Superannuation payment, but an Accommodation Supplement³¹ may be available to assist in covering rental costs depending on an individual's circumstances.

TABLE 11: COMPARATIVE MARKET RENTALS (AUGUST 2025)³²

Location ³³	1-bedroom flat	2-bedroom flat	3-bedroom house
Devonport (Auckland)	\$475	\$640	\$950
Remuera (Auckland)	\$475	\$610	\$880
Mangere East (Auckland)	n.a.	\$530	\$668
Hamilton Central	\$360	\$470	\$615
Greerton (Tauranga)	n.a.	\$500	\$665
Gisborne	\$445	\$600	\$680
New Plymouth	\$400	\$450	\$668
Dannevirke	n.a.	\$380	\$480
Palmerston North	\$360	\$430	\$570
Waikanae (Kapiti Coast)	n.a.	\$540	\$673
Naenae (Lower Hutt)	n.a.	\$495	\$650
Khandallah (Wellington)	\$450	n.a.	\$768
Tahunanui (Nelson)	\$370	\$475	\$590
Hokitika	n.a.	n.a.	\$490
Fendalton (Christchurch)	n.a.	\$510	\$725
Sydenham (Christchurch)	\$100	\$450	\$575
Frankton (Queenstown)	\$500	\$750	\$900
St Kilda (Dunedin)	\$420	n.a.	\$555
Gore	n.a.	\$395	\$505

Retirement Village³⁴

An increasing number of New Zealanders are choosing to move to a retirement village, but it is important to understand the financial and lifestyle implications of retirement village living. Sorted makes the important point that legal and financial matters are more complicated when you are buying into a retirement village, and it is particularly important to consider the costs involved.

The Retirement Commissioner has a number of responsibilities in relation to retirement villages under the Retirement Villages Act 2003, and provides some useful information on their website, while sorted.org.nz also has useful guides about retirement village living, including the costs and other considerations. Retirement villages operate under a variety of financial structures and legal arrangements, and it is important to get legal advice from a lawyer with experience in retirement villages because it is a specialist area.

The biggest cost associated with a retirement village is the initial cost on entry, which is a capital sum that gives a person the right to occupy (but not purchase) a unit in the village. That cost varies by village and by unit within a village. A portion of that capital sum is transferred to the village owner over a 'vesting period' which is usually the first five years or so of the resident's time in the village. The transfer over time means that if the resident leaves the village within the 'vesting period' they don't lose the full portion. In many cases, moving into a retirement village will require the sale of the family home to cover this capital cost. It can be difficult to get information about the capital cost without making formal enquiries with the village operator, but the Retirement Villages Association suggests the average price

³¹ More information about the Accommodation Supplement is available from <https://www.workandincome.govt.nz/products/a-z-benefits/accommodation-supplement.html>. It is not limited to rental accommodation, and is available to assist with all accommodation costs.

³² The figures are the median rent for that property type as reported by Tenancy Services. Source: <https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/>

³³ The locations have been selected in an attempt to provide a breadth of coverage of New Zealand.

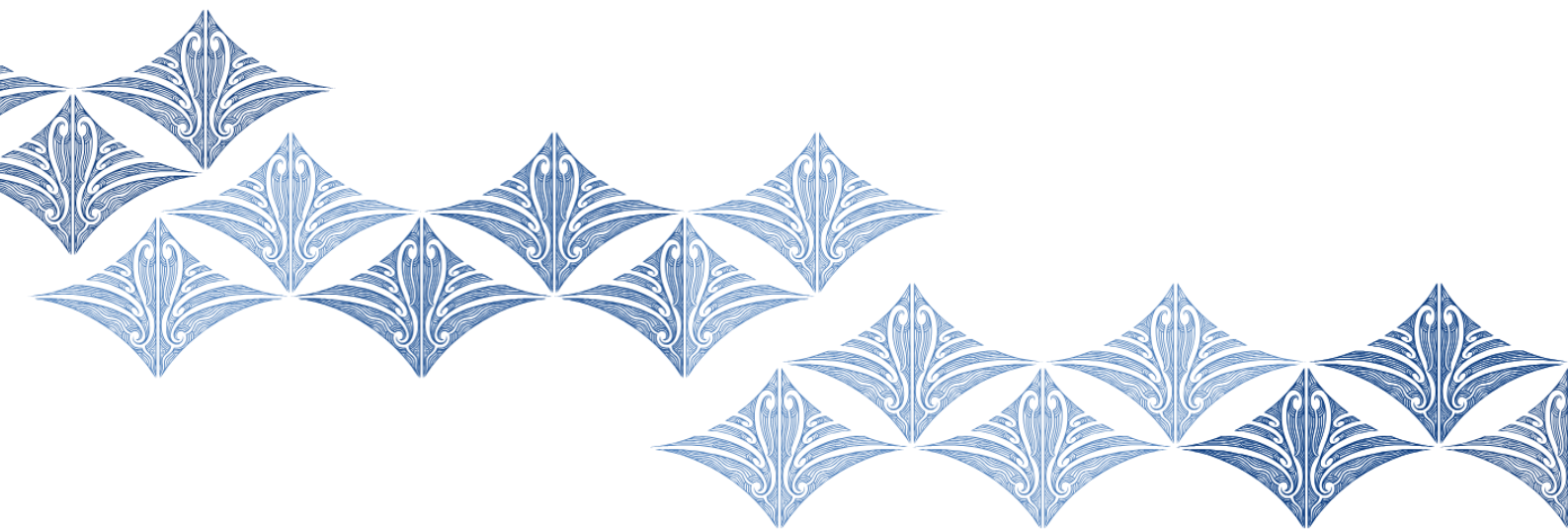
³⁴ Links to several websites with information about retirement villages can be found in Appendix 4

of an Occupation Right Agreement (which is the contract between the residents and the operator) is around 70% of the average freehold home value in the area where the village is located.

While living in a retirement village means that many things are taken care of for residents, such as rates and lawnmowing, there will also be a weekly fee to cover these operating costs. Some villages offer a menu of services which allows residents to choose which they want to purchase, but there will be a minimum package of basic services that must be bought. The Retirement Villages Association notes that the fees may be fixed for the time the resident is in the village or may be adjusted annually by the CPI. Information about the fees, payment arrangements and any adjustment process must be included in the Disclosure Statement that is required to be provided before signing up to become a resident.

Some housing-related expenses remain the responsibility of the resident, such as telephone, power and contents insurance, along with normal living expenses.

Retirement village living may not necessarily offer substantial savings, but it can provide many lifestyle advantages and is worth exploring to determine whether it aligns with individual needs and preferences.





SUMMARY AND CONCLUSIONS

The household groups in this survey (quintiles two and four) continue to spend at levels in excess of NZ Superannuation; however, for most of these groups there has been little change in the level of excess expenditure. Most New Zealanders aiming for the standard of living reflected in these spending levels will need to plan for additional income in retirement to supplement their NZ Superannuation.

The main contributors to the continued rise in costs for retirees for the twelve months ended 30th June 2025 were *Food* (where the CPI increase was 4.2%), *Property rates and related services* (11.9%), *Household energy* (9.2%) and *Recreation and culture* (3.6%). Our households have greater proportional expenditure on each of these expenditure classes or sub-classes than their respective weighting in the CPI, which was coupled with higher price increases than the overall CPI. The expenditure increases were above the overall CPI for all but two of our household groups. However, the annual increase in NZ Super in April 2025 largely compensated for the increased expenditure.

Accommodation expenses vary depending on the type of accommodation – owner-occupied vs rental vs retirement village – and the specifics, eg. location. While a substantial proportion of current retirees are homeowners, later generations are expected to be more likely to spend their retirement in rental accommodation. This means consideration of accommodation options and the related costs are an important part of planning for retirement. Those contemplating a move to retirement village need to understand the different financial and operational arrangements for retirement village living.

The guidelines contained in the report can be used as input to planning for retirement income. For example, the size of the weekly difference between NZ Superannuation and a particular level of expenditure might be multiplied to calculate a “ballpark” savings target for a given length of retirement. Targets derived this way can range from zero to several hundred thousand dollars. However, this crude method does not consider individual factors such as existing savings, time to retirement and life expectancy, nor inflation, fees and interest.

A more sophisticated approach is to feed desired retirement expenditure levels into a retirement planning calculator such as the one found at <https://sorted.org.nz/tools/retirement-planner>.

Alternatively, those planning their retirement income can consult a licensed Financial Advisor (see <http://fma.govt.nz/consumers/getting-financial-advice/>).

KiwiSaver provides a simple means of achieving a lump sum that can provide that investment income, with help from your employer, via the compulsory employer contribution, and the Government, via the annual Member Tax Credit.

Whatever path is taken, we hope that the guidelines contained in this report will be of assistance to New Zealanders as they plan for their retirements.



APPENDIX 1: THE NEW ZEALAND RETIREMENT EXPENDITURE GUIDELINES

TABLE 12: ONE-PERSON HOUSEHOLDS, EXPENDITURE PER WEEK

One-person households	No Frills Budget		Choices Budget	
	Metro	Provincial	Metro	Provincial
Food	133.33	96.89	129.15	108.06
Fruit and vegetables	25.14	12.89	15.32	15.14
Meat, poultry and fish	18.61	16.63	18.30	10.92
Grocery food	54.94	47.69	50.36	52.92
Non-alcoholic beverages	15.87	3.31	11.80	6.95
Restaurant meals and ready-to-eat food	17.12	15.84	33.38	21.83
Alcoholic beverages, tobacco and illicit drugs	8.54	18.72	8.32	13.90
Alcoholic beverages	4.95		7.68	9.58
Cigarettes and tobacco	..	..	..	..
Clothing and footwear	..	8.35	..	..
Clothing	..	8.36	..	11.78
Footwear				..
Housing and household utilities	190.88	204.45	222.91	244.19
Actual rentals for housing	..	26.82	66.95	86.09
Home ownership	..	..	..	32.50
Property maintenance	10.78	15.13	18.03	17.51
Property rates and related services	67.33	59.85	64.51	57.76
Household energy	31.32	39.71	30.52	40.73
Household contents and services	18.23	20.97	47.93	32.73
Furniture, furnishings and floor coverings	12.60	10.62	12.50	7.05
Household textiles	..	0.74	..	..
Household appliances	1.88	3.48	19.07	11.74
Glassware, tableware and household utensils	..		..	..
Tools and equipment for house and garden	..	0.96	7.87	3.74
Other household supplies and services	2.75	4.79	2.85	7.85
Health	15.22	22.89	27.10	44.26
Medical products, appliances and equipment	..	7.41	..	32.70
Out-patient services	12.82	15.01	22.79	8.66

One-person households	No Frills Budget		Choices Budget	
	Metro	Provincial	Metro	Provincial
Transport	165.65	68.31	101.24	159.19
Purchase of vehicles	..	32.85	..	72.65
Private transport supplies and services	21.82	24.86	30.61	40.49
Passenger transport services	53.14	..	31.03	42.38
Communication (Telecommunication)	23.47	23.25	31.36	23.79
Postal services	..	..	..	..
Telecommunication equipment		..		..
Telecommunication services	23.84	21.83	32.41	22.05
Recreation and culture	75.53	41.69	111.92	35.11
Audio-visual and computing equipment	7.90	1.83	..	..
Other recreational equipment and supplies	12.00	14.38	12.10	11.21
Recreational and cultural services	37.95	15.92	75.44	12.00
Newspapers, books and stationery	3.83	4.87	8.90	5.69
Accommodation services	..	..	17.13	..
Education	..	..	..	..
Miscellaneous goods and services	74.49	67.73	103.20	103.76
Personal care	8.07	9.18	20.08	8.07
Personal effects	..	..	0.90	12.22
Insurance	67.91	49.54	83.74	73.35
Credit services	1.14	0.48	0.57	0.48
Other miscellaneous services	..	9.07	..	..
Other expenditure	..	7.50	7.50	6.90
Interest payments	...	7.20	6.40	..
Contributions to savings			..	2.10
Money given to others (excluding donations)		...		..
TOTAL	705.34	580.75	790.62	771.89

TABLE 13: TWO-PERSON HOUSEHOLDS, EXPENDITURE PER WEEK

Two-person households	No Frills Budget		Choices Budget	
	Metro	Provincial	Metro	Provincial
Food	209.34	218.32	322.10	234.19
Fruit and vegetables	28.66	27.03	34.51	25.95
Meat, poultry and fish	41.90	29.42	52.40	29.42
Grocery food	75.32	98.68	153.42	122.80
Non-alcoholic beverages	10.03	11.24	13.78	10.80
Restaurant meals and ready-to-eat food	52.11	51.47	67.95	45.15
Alcoholic beverages, tobacco and illicit drugs	19.81	19.38	41.71	26.38
Alcoholic beverages	17.68	17.26	35.46	22.73
Cigarettes and tobacco	..	..	..	..
Clothing and footwear	6.64	24.85	31.48	11.97
Clothing	6.65	16.71	30.61	7.35
Footwear	..	..	..	4.71
Housing and household utilities	251.46	173.18	281.65	357.54
Actual rentals for housing	64.24	..	13.95	39.91
Home ownership	11.42	6.96	56.17	40.08
Property maintenance	42.59	15.65	59.28	143.53
Property rates and related services	75.43	69.78	105.23	79.35
Household energy	50.15	62.97	53.90	53.90
Household contents and services	17.64	44.69	51.65	54.20
Furniture, furnishings and floor coverings	..	15.51	3.67	18.99
Household textiles	..	..	14.78	3.72
Household appliances	4.13	7.33	7.80	7.14
Glassware, tableware and household utensils	..	3.20	2.47	..
Tools and equipment for house and garden	1.82	4.80	9.11	7.58
Other household supplies and services	4.79	11.41	14.98	11.01
Health	30.23	37.57	123.39	79.24
Medical products, appliances and equipment	8.50	11.46	23.61	16.20
Out-patient services	21.26	25.42	96.33	45.37
Transport	120.11	138.26	421.45	181.44
Purchase of vehicles	..	41.55	..	66.00
Private transport supplies and services	56.23	79.24	92.26	67.62
Passenger transport services	51.11	18.72	137.90	45.68
Communication (Telecommunication)	33.92	37.34	32.32	32.43
Postal services	..	2.48	..	..
Telecommunication equipment	1.88	1.88	1.11	..
Telecommunication services	30.74	34.08	32.30	32.08

Two-person households

	No Frills Budget		Choices Budget	
	Metro	Provincial	Metro	Provincial
Recreation and culture	103.86	258.00	173.03	89.64
Audio-visual and computing equipment	11.40	7.90	6.57	7.90
Other recreational equipment and supplies	12.30	21.22	28.76	25.59
Recreational and cultural services	58.66	32.58	58.66	35.19
Newspapers, books and stationery	4.99	5.32	8.90	5.65
Accommodation services	12.11	23.14	66.94	9.95
Education	..	..	..	..
Miscellaneous goods and services	137.57	100.88	240.55	130.58
Personal care	17.66	24.92	70.63	14.02
Personal effects	4.07	1.81	4.86	13.91
Insurance	120.24	76.98	165.79	96.67
Credit services	0.95	0.86	1.05	0.76
Other miscellaneous services	..	..	4.80	11.42
Other expenditure	6.80	8.20	61.00	45.80
Interest payments	3.10	2.80	28.10	9.80
Contributions to savings	..	..	18.90	35.60
Money given to others (excluding donations)	..	..	..	..
TOTAL	937.38	1060.65	1780.32	1243.41



APPENDIX 2: ABOUT THE RETIREMENT EXPENDITURE GUIDELINES

The Data

The data used to prepare the 2025 Retirement Expenditure Guidelines are from the Statistics New Zealand's triennial³⁵ 2022/23 HES³⁶ for the year ended 30 June 2023. The HES does not include the entire New Zealand population; rather it targets New Zealanders aged 15 years or older that are usually resident in New Zealand and that live in private homes. The sample for the HES comprised approximately 5500 households, an increase over the previous iteration. HES expenditure data was collected in different ways dependent on the nature of the expenditure: large or irregular expenditure types (eg health) were collected on the basis of three-month recall; twelve-month recall was used for housing-related costs and recreation and culture; regular commitments such as electricity, telephone and rates were collected via the latest payment; and a seven-day diary was used for smaller, more regular expenditure types.

Although data from the HES is published on the Statistics New Zealand website, it is not in a form that is helpful to a person interested in retirement expenditure. For this report, Statistics New Zealand extracted expenditure data from the HES using specifications we supplied, which we have then adjusted annually for inflation (for each of the 12-month periods ending 30th June 2024 and 30th June 2025). The data extracted are only for retired households, defined as being where one form of income received in the household is New Zealand Superannuation, a war pension or other government pension, and grouped according to the number of people in the household and geographic region.

The Retirement Expenditure Guidelines

The New Zealand Retirement Expenditure Guidelines comprise a set of eight expenditure guidelines, with each guideline reflecting a different group of retirees. The retirement groups represent specific combinations of geographic location, household size and budget type. It is important to note that the guidelines do not represent suggested or recommended levels of expenditure – they reflect actual levels of expenditure in retired households, as defined above, as determined from the HES.

The guidelines have been produced for two geographic-related groupings based on a household's location. The first is the **Metro** budget, based on data for the Auckland and Wellington Regional Council areas and Christchurch City. The second is the **Provincial** budget for the rest of New Zealand.

Two types of households have been included in the guidelines: the first is the **one-person household**; and the other is a **two-person household**³⁷. While it is true that retired households can comprise a range of living arrangements, including households of three or more people, these guidelines cannot cater for every situation. Approximately 80% of all people aged 65+ live in households of one and two persons according to data from the 2013 census³⁸.

³⁵ While the HES is described as a triennial survey, the most recent iteration (originally due 2021/22) was delayed for twelve months due to the COVID-19 restrictions.

³⁶ The description of the HES in this section is adapted from information on the Statistics New Zealand website. Information about the triennial Household Economic Survey can be found at <https://www.stats.govt.nz/information-releases/household-expenditure-statistics-year-ended-june-2023> and <https://datainfoplus.stats.govt.nz/item/nz.govt.stats/bb33039e-f49f-4d5d-90f1-d30d91fdadeb>

³⁷ In the two-person households, only one of the two persons may be receiving NZ Super.

³⁸ Source: 2013 Census Quick Stats about people aged 65 and over. Statistics NZ (available from <http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-65-plus.aspx>)

Finally, two levels of expenditure have been included in the guidelines. The **No Frills** guidelines reflect a basic standard of living that includes few, if any, luxuries. The **Choices** guidelines represent a more comfortable standard of living, which includes some luxuries or treats. The No Frills Guidelines are based on the average expenditure of the second quintile of the HES for retired households, while the Choices Guidelines are based on the average expenditure of the fourth quintile of the HES for retired households. The second quintile comprises households in the 21st to 40th percentile for household income, while the fourth quintile comprises households in the 61st to 80th percentiles for household income. The income ranges for the five quintiles, in 2023 figures, are shown below:

TABLE 14: QUINTILE INCOME RANGES

Quintile	One-Person Households		Two-Person Households		Retirement Expenditure Guideline
	Metro	Provincial	Metro	Provincial	
First	Under \$28100	Under \$28400	Under \$45200	Under \$43100	
Second	\$28100 to \$29799	\$28400 to \$30099	\$45200 to \$63399	\$43100 to \$50099	No Frills
Third	\$29800 to \$35899	\$30100 to \$37299	\$63400 to \$85099	\$50100 to \$69899	
Fourth	\$35900 to \$72399	\$37300 to \$59399	\$85100 to \$145899	\$69900 to \$114099	Choices
Fifth	\$72400 and over	\$59400 and over	\$145900 and over	\$114100 and over	

Data for the HES is collected over a 12-month period and can include expenditure that overlaps two calendar years – no adjustment is made for that difference in coverage. For this report the HES data have been adjusted for the effect of inflation³⁹ between the June 2023 quarter and the June 2025 quarter.

Explanatory Notes

- These guidelines do not represent recommended levels of expenditure.
- The levels of expenditure shown in the guidelines may be used to assist in the development of projected retirement budgets, by providing information about actual levels of expenditure in retired households in standard expenditure categories.
- The guidelines are based on averages for quintiles.
- There are too few responses for spending in some expenditure sub-classes to permit reliable estimation; however, these responses can be included in the class estimation where there are more responses. As a result, the classes are not always the totals of the sub-classes.
- The HES, on which the guidelines are based, relies on participants to accurately record their expenditure, and is only for a two-week period, which may not represent a typical fortnight for that household.
- The guidelines should not be used as a substitute for professional advice specific to individual circumstances.
- There is no retirement age in New Zealand, but the age of eligibility for NZ Superannuation (currently 65) is commonly used as a proxy for this. The definition of a retired household follows from this, as being a household where one form of income is New Zealand Superannuation, a war pension or other government pension. However, it is recognised that a retired household may include one or more persons who are still working part-time or even full-time.

³⁹ CPI information and data was sourced from <https://www.stats.govt.nz/information-releases/consumers-price-index-june-2025-quarter/>

An overall CPI figure is calculated by Statistics New Zealand, as well as CPIs for the constituent classes and sub-classes. The HES data have been adjusted for the effect of inflation using the appropriate class and sub-class CPIs.



APPENDIX 3: DEFINITION OF INCOME SOURCES⁴⁰

Investment income: net profit or loss received from investments, such as rent, Māori land or other leased land, dividends from New Zealand companies, royalties, or interest from: banks, other financial institutions, bonds, stocks, money market funds, debentures, or securities.

New Zealand Superannuation and war pensions: includes New Zealand Superannuation, and veteran's, war disablement, and surviving spouse pensions.

Other government benefits: all family assistance payments such as those receiving the 'Working for Families' package; main benefits (eg unemployment)' sickness, domestic purposes, and invalids benefits; student allowances, emergency benefits, and supplements.

Other sources of regular and recurring income: includes income received from ACC and private compensation providers, trusts, annuities, alimony, educational scholarships, and income protection insurance.

Private superannuation income: includes income received from both job-related superannuation schemes and other private schemes.

Self-employment income: net profit or loss received from all current and previous self-employment over the reference period. It includes drawings (cash or goods the respondent takes out of the business instead of a 'wage').

Wages and salaries: income received from all current and previous wage and salary jobs held over the reference period. This includes any job-related bonuses, commissions, redundancies, or other taxable income such as honoraria or directors' fees.

⁴⁰ Source: Suei, S. (2016). Comparing income information from census and administrative sources. Retrieved from <https://www.stats.govt.nz/assets/Research/Comparing-income-information-from-census-and-administrative-sources/Comparing-income-information-from-census-and-administrative-sources.pdf>



APPENDIX 4: USEFUL SOURCES OF INFORMATION

Age Concern – <https://www.ageconcern.org.nz/>

Family Services Directory – <https://www.familyservices.govt.nz/directory/>

Financial Advice New Zealand – <https://financialadvice.nz/>

Member Directory – <https://financialadvice.nz/find-an-adviser/>

Financial Markets Authority (Getting Financial Advice) –
<https://www.fma.govt.nz/investors/getting-financial-advice/>

Financial Service Providers Register – <https://fsp-register.companiesoffice.govt.nz/>

Money Talks – <https://www.moneytalks.co.nz/>

New Zealand Society of Actuaries (Retirement Income Interest Group publications) –
<https://actuaries.org.nz/resources-and-publications/publications/>

Sorted website – <https://sorted.org.nz/>

Te Ara Ahunga Ora Retirement Commission – <https://retirement.govt.nz/>

Retirement Villages

- Te Ara Ahunga Ora Retirement Commission – <https://retirement.govt.nz/retirement-villages/our-role>
- Sorted website – <https://sorted.org.nz/guides/retirement/living-in-a-retirement-village/>
- Ministry of Housing and Urban Development
<https://www.hud.govt.nz/our-work/retirement-villages-act-regulations-and-codes>
<https://www.hud.govt.nz/funding-and-support/your-rights-as-a-retirement-village-resident>
- Retirement Villages Register – <https://www.companiesoffice.govt.nz/all-registers/retirement-villages/>
- Retirement Village Residents Association of NZ – <https://rvr.org.nz/>
- Retirement Villages Association –
<https://www.retirementvillages.org.nz/Public/Public/About-Retirement-Life/Information-for-Residents.aspx?hkey=fe2c5338-2c3a-4835-9d64-1856fb2eeb7d>



APPENDIX 5: FIN-ED CENTRE COURSES

The Fin-Ed Centre runs a range of tailor-made and bespoke courses for individuals, groups and organisations, including financial management courses. The courses are affordable and practical, with many are available through distance and online learning, allowing individuals to learn when and where it suits them.

Money Smarts @ Work introduces some principles, tools, and techniques necessary for personal financial management. This self-paced, online course is ideally suited to the time demands of people in the workforce, and is for anyone interested in improving their financial capability.

More information can be found at <https://www.massey.ac.nz/research/research-centres/financial-education-and-research-centre-fin-ed-centre/#Financialeducationcoursesandmicro-credentials>

