

# YOUNG NEW ZEALANDERS' ONGOING PERSONAL FINANCE JOURNEY: A LONGITUDINAL STUDY

Organised by Financial Advice New Zealand (FANZ)  
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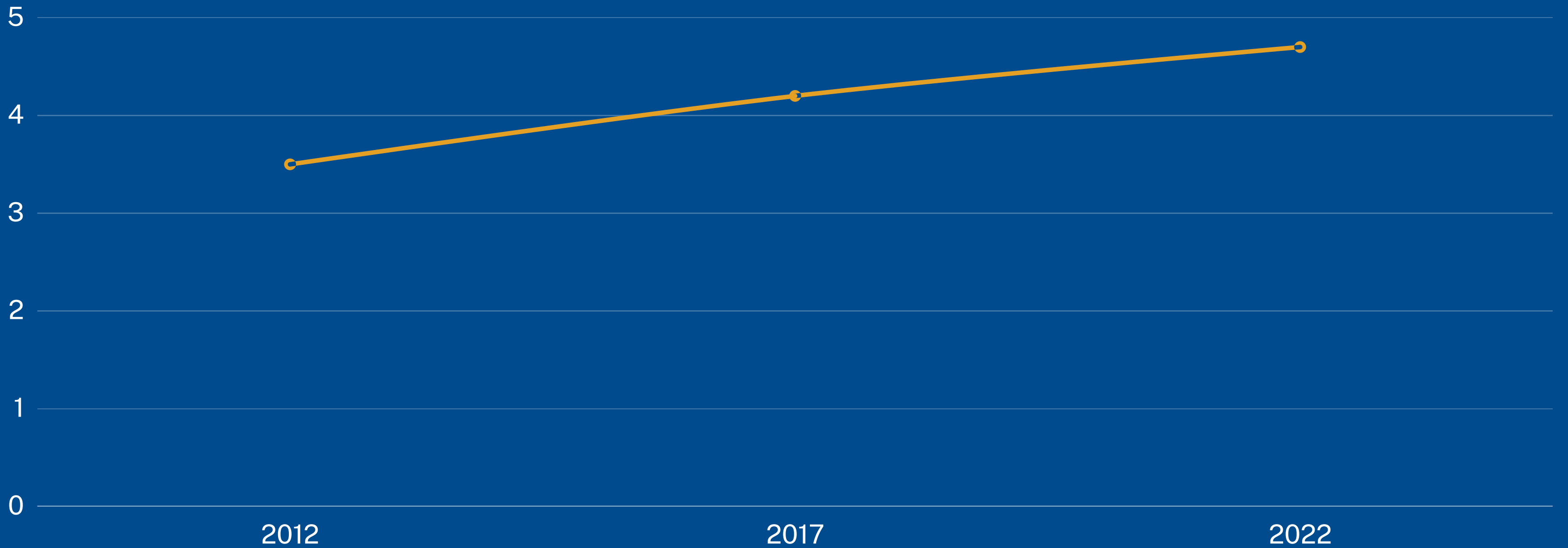
# YOUNG NEW ZEALANDERS' ONGOING PERSONAL FINANCE JOURNEY: A LONGITUDINAL STUDY

The report presents findings from the third stage of the Fin-Ed Centre's 20-year longitudinal study, which tracks the financial knowledge, attitudes and behaviours of a group of New Zealanders through different life stages. The longitudinal study is unique in New Zealand. The first stage occurred in 2012 when the cohort aged 18 to 22 years, with stage 2 following in 2017. Now, five years later, in the third stage, the participants are aged from 28 to 32 years. The study will repeat again in 2027 before concluding in 2032.

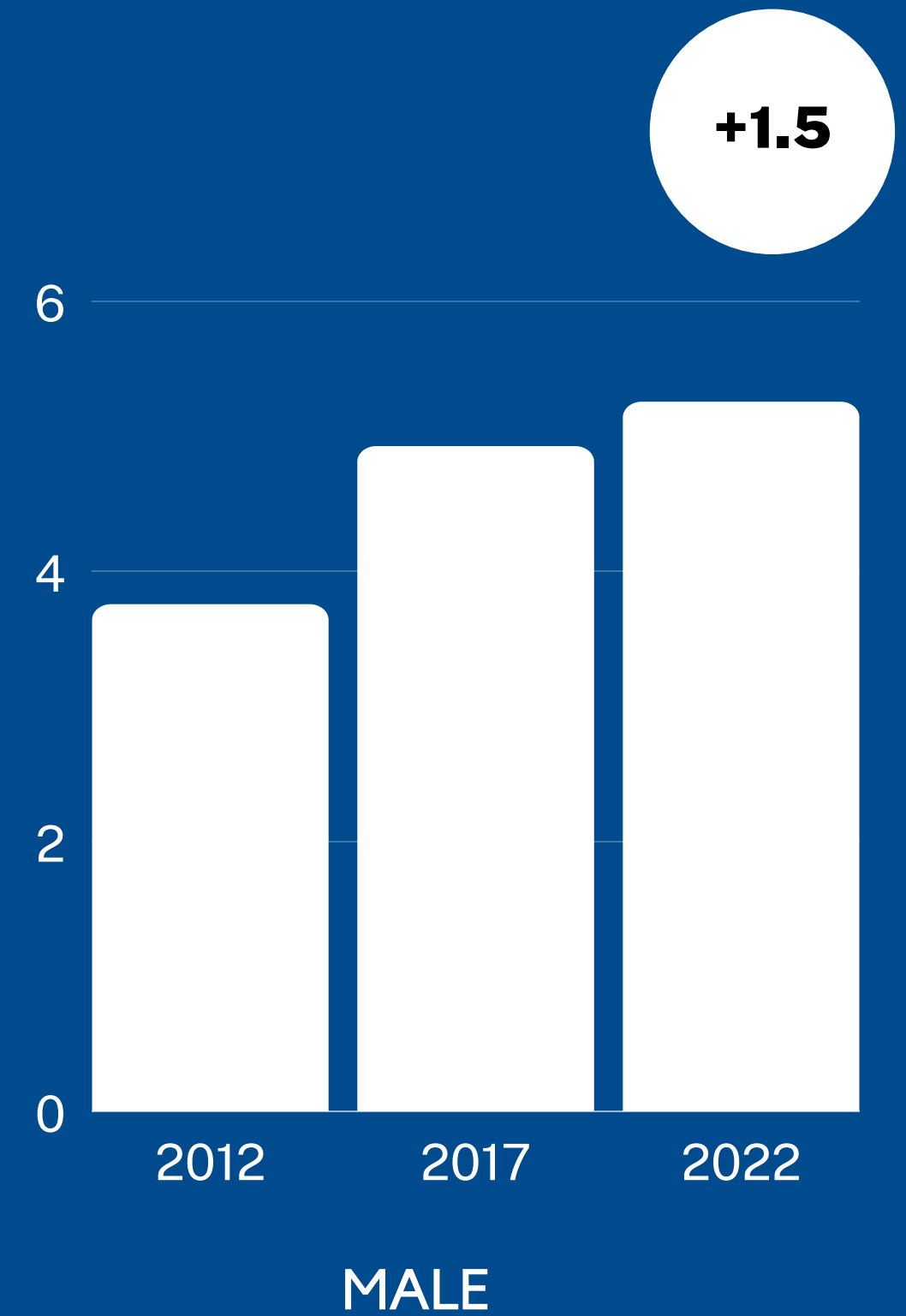
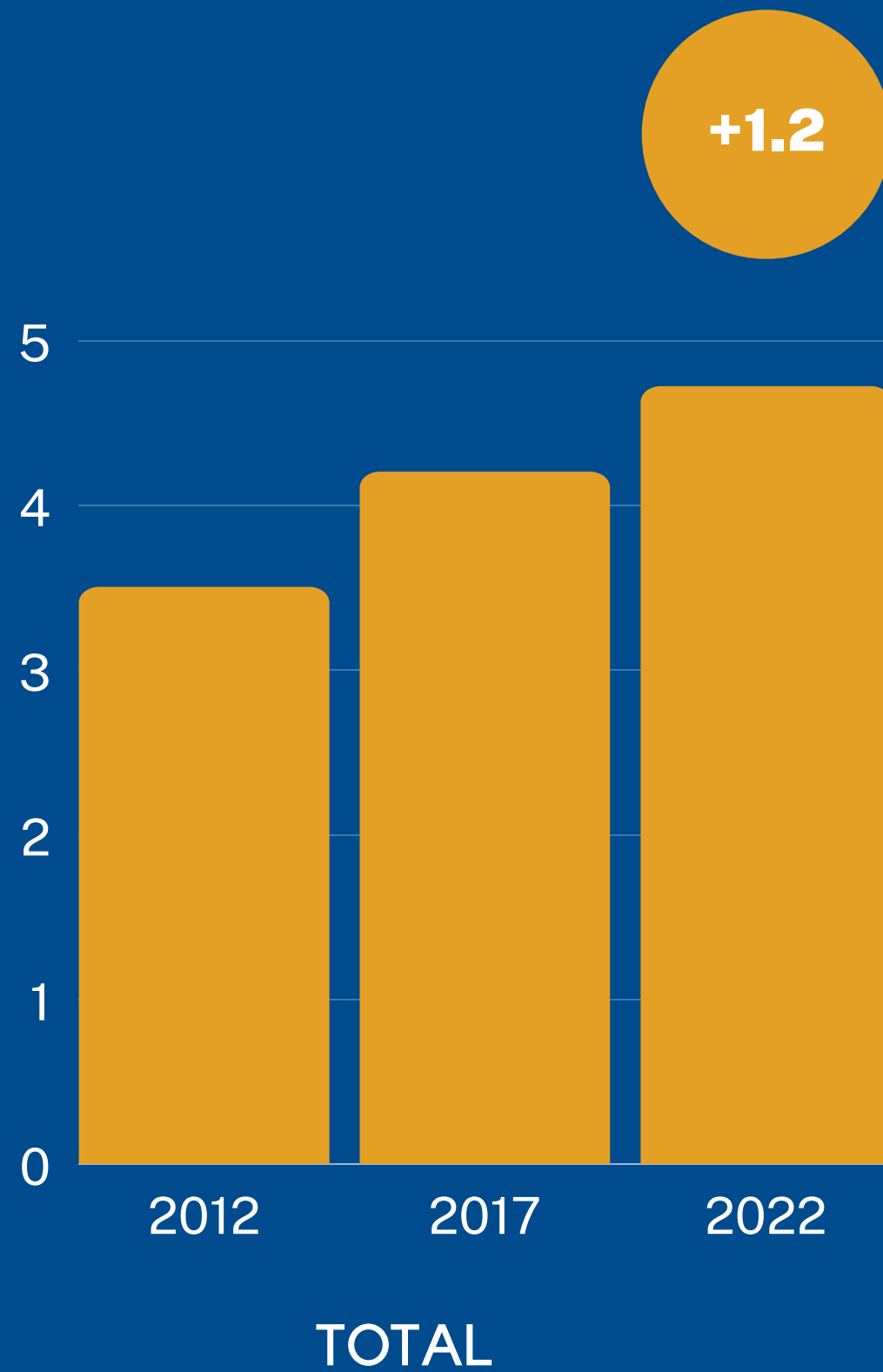
# **KEY CHANGES 2012 - 2022**

# Financial knowledge

+1.2



# Financial knowledge



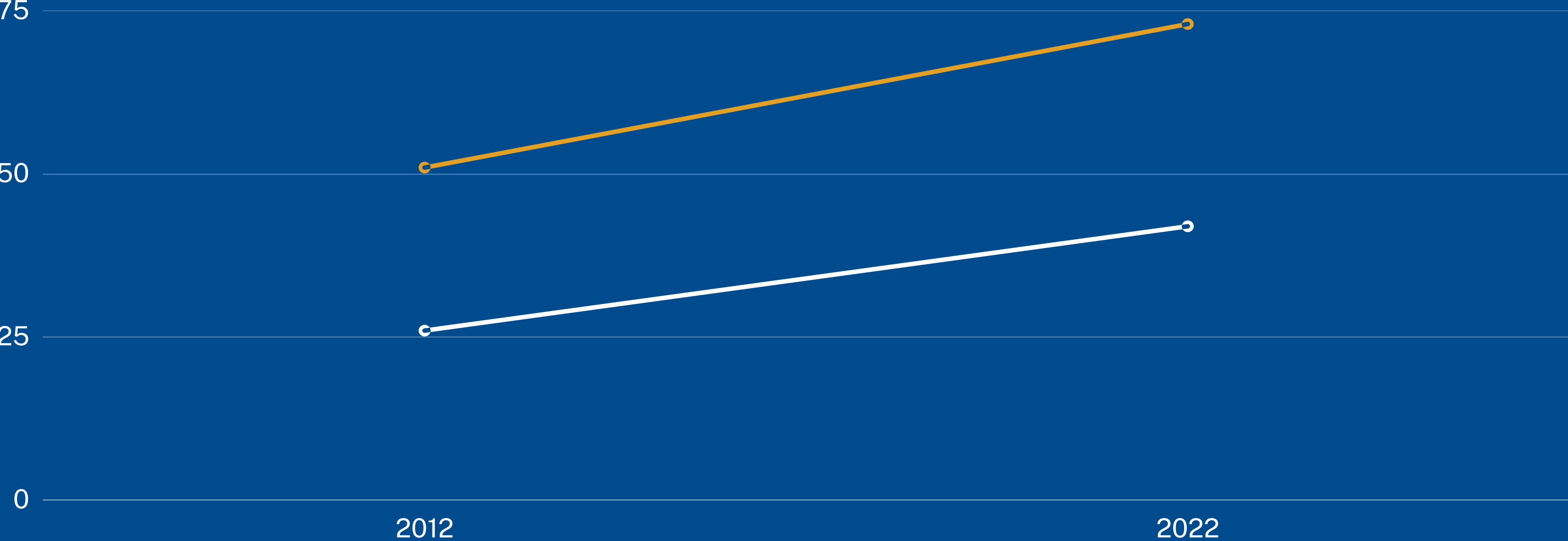
# Financial knowledge

+14%

Reading

+22%

Thinking about financial goals



”

All of my lessons have really been self-learned, I guess. It's just honestly, it's mostly been me making mistakes. And being like; that was a terrible idea, or like, I should have done so and so. Now I know to do that.

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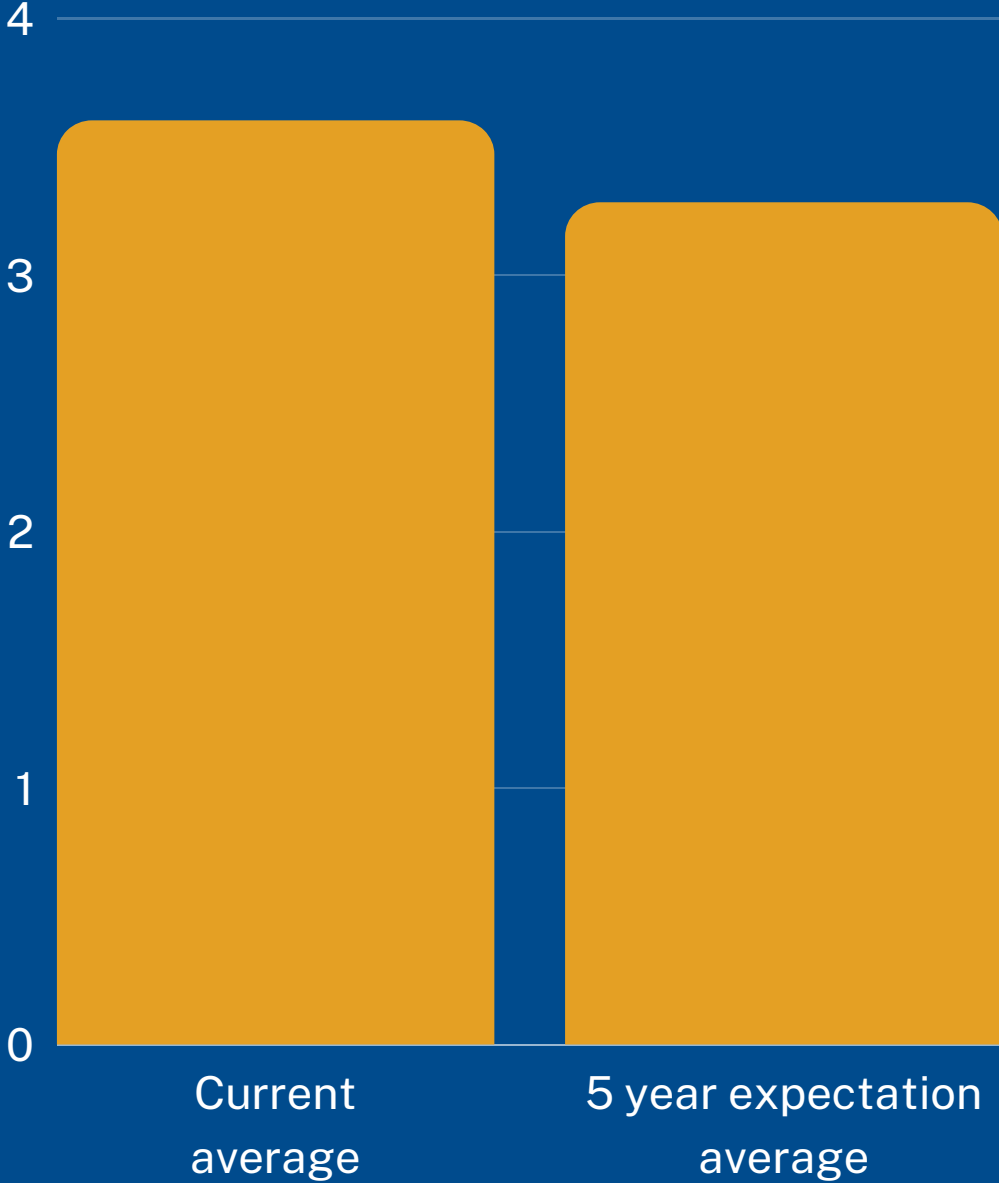
”

I hate owing money. I would rather wait to buy luxury things and budget more and skimp more when we can, to pay things off faster if we need to do things like that; I've never really had much debt. And I don't like it. Well, actually, I have a mortgage now. But I feel in control of it; and I don't want to get debt that's not necessary.

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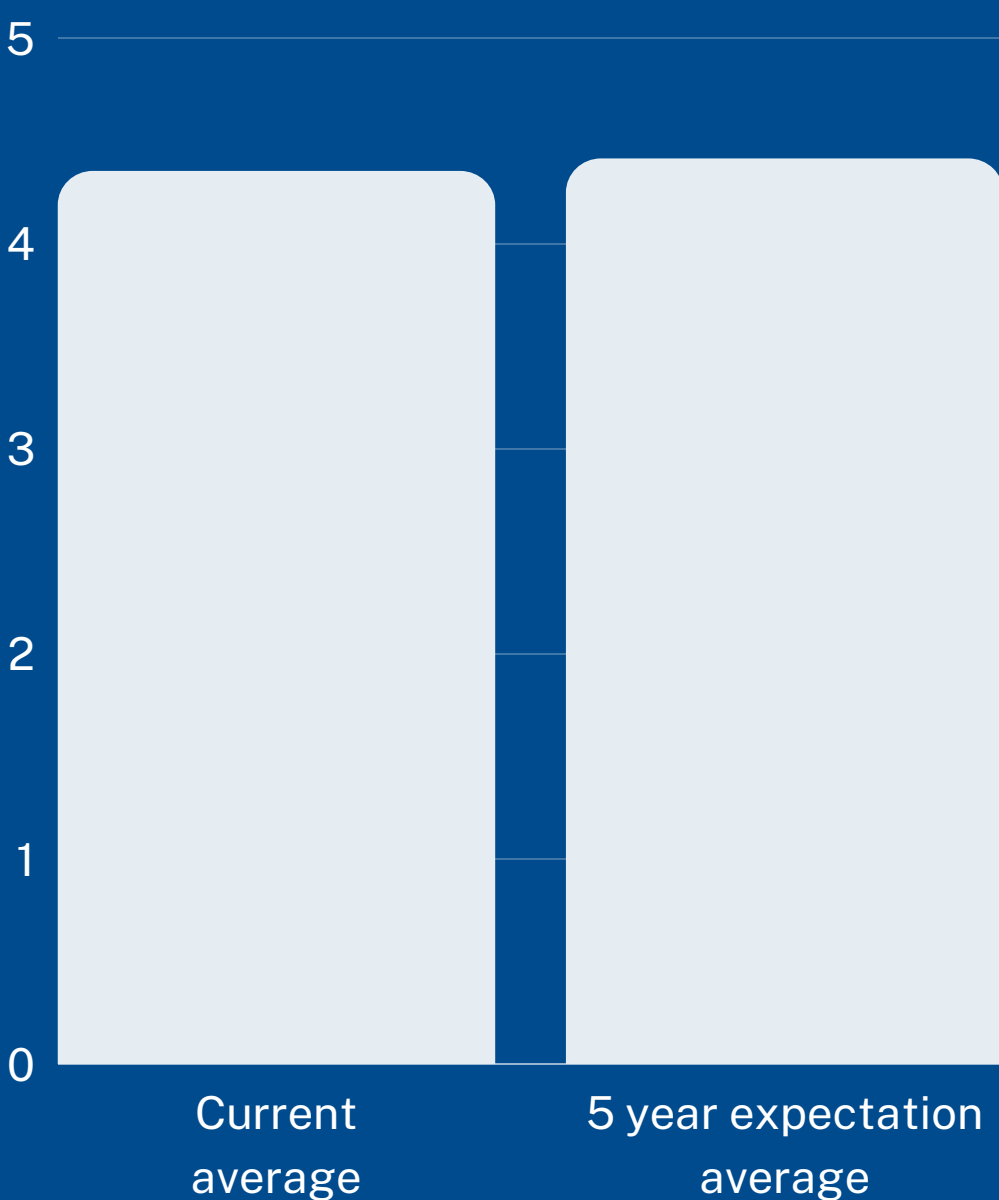
# Financial knowledge

**-0.32**



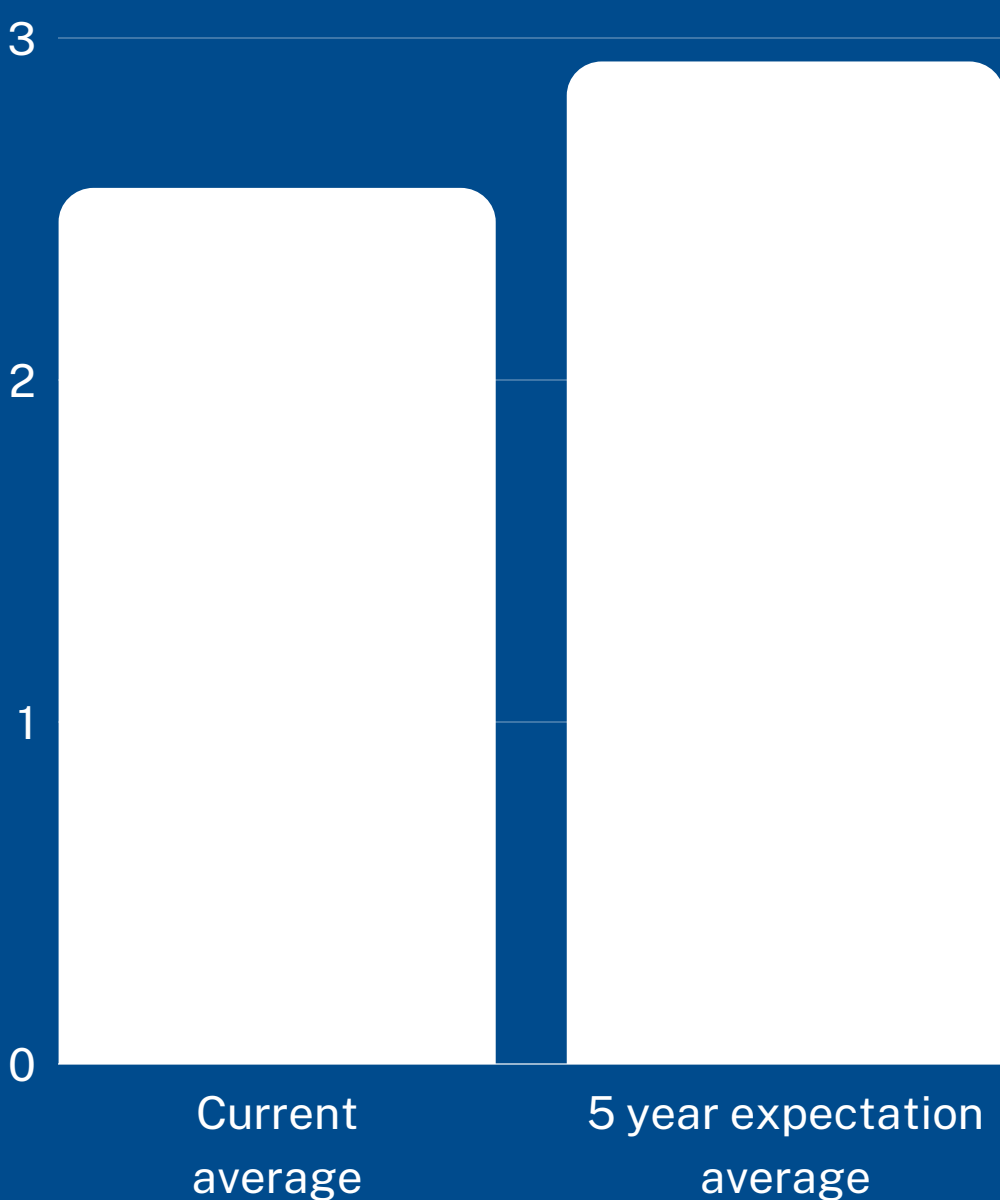
**PARENTS**

**+0.06**



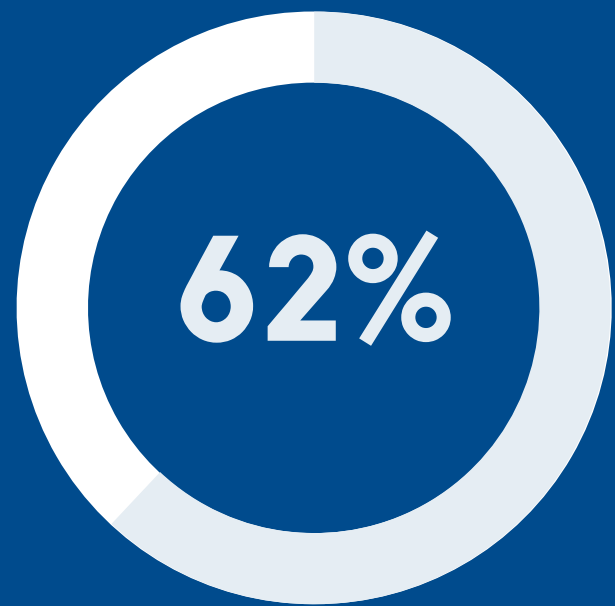
**LIFE EXPERIENCES**

**+0.37**



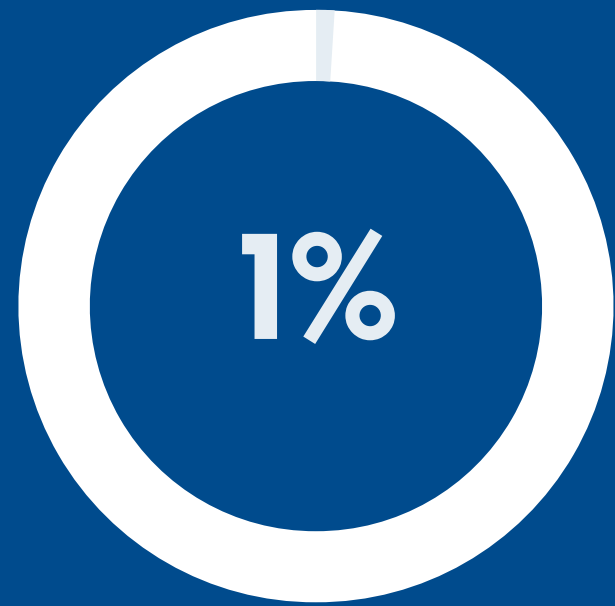
**PROFESSIONAL ADVISORS**

KiwiSaver membership



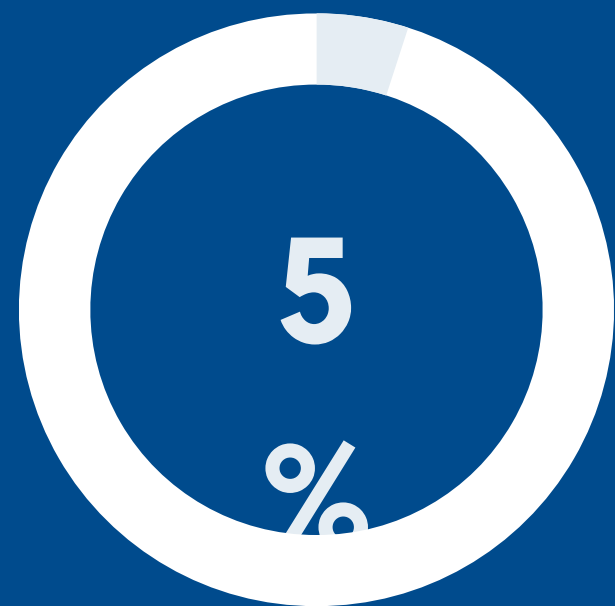
2012

Home loans



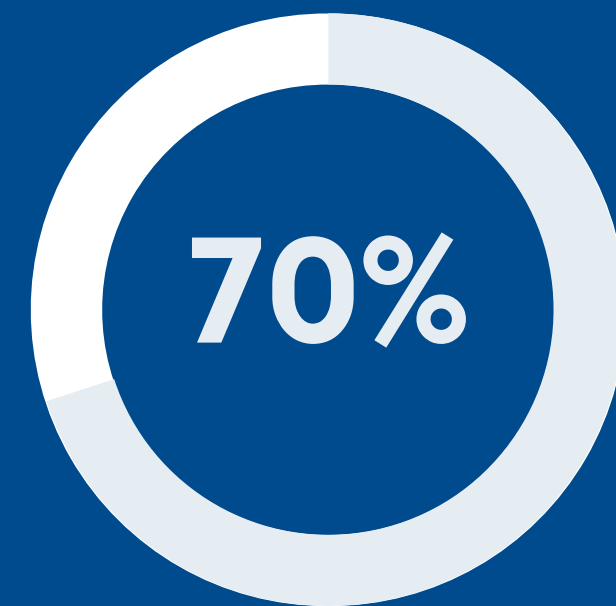
2012

Shares



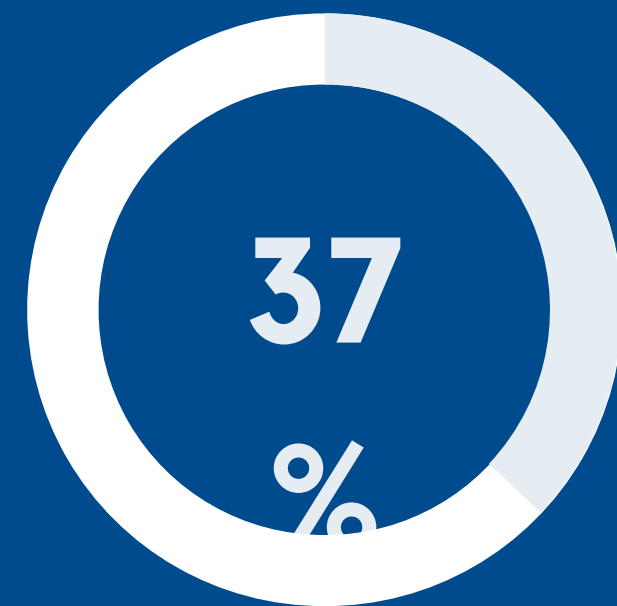
2012

Student loans

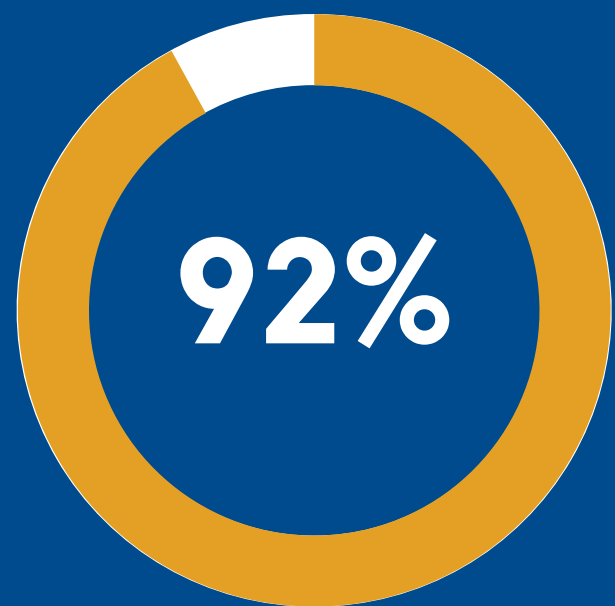


2012

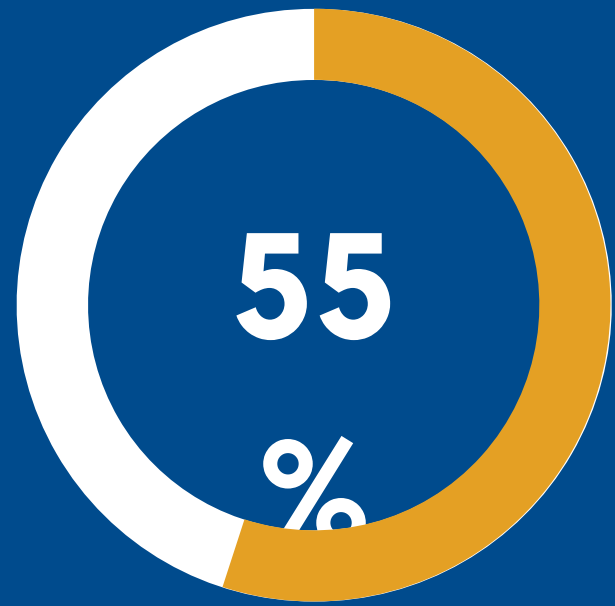
No insurance



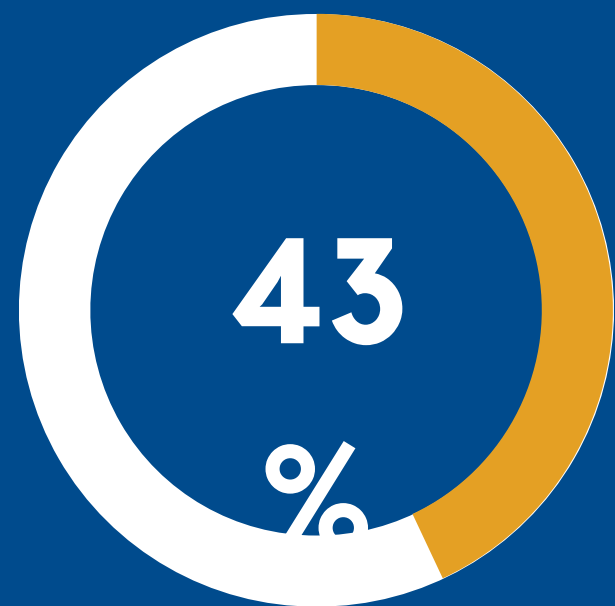
2012



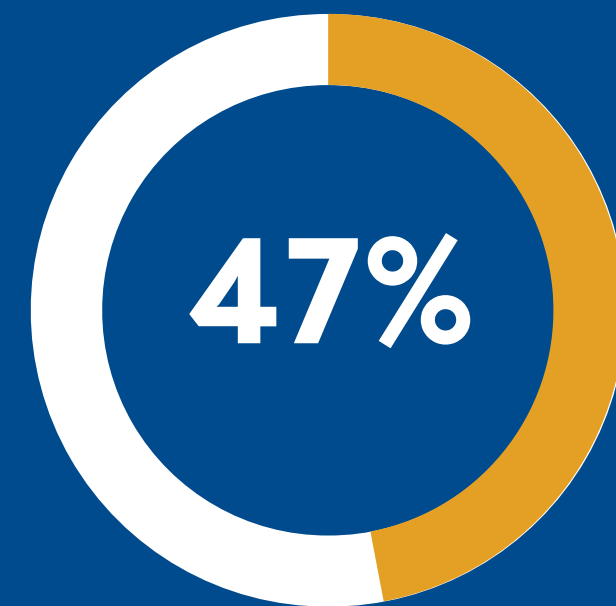
2022



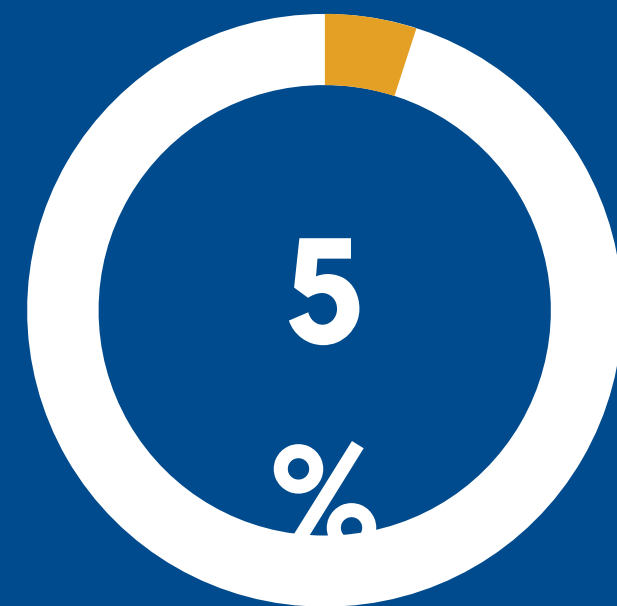
2022



2022



2022



2022

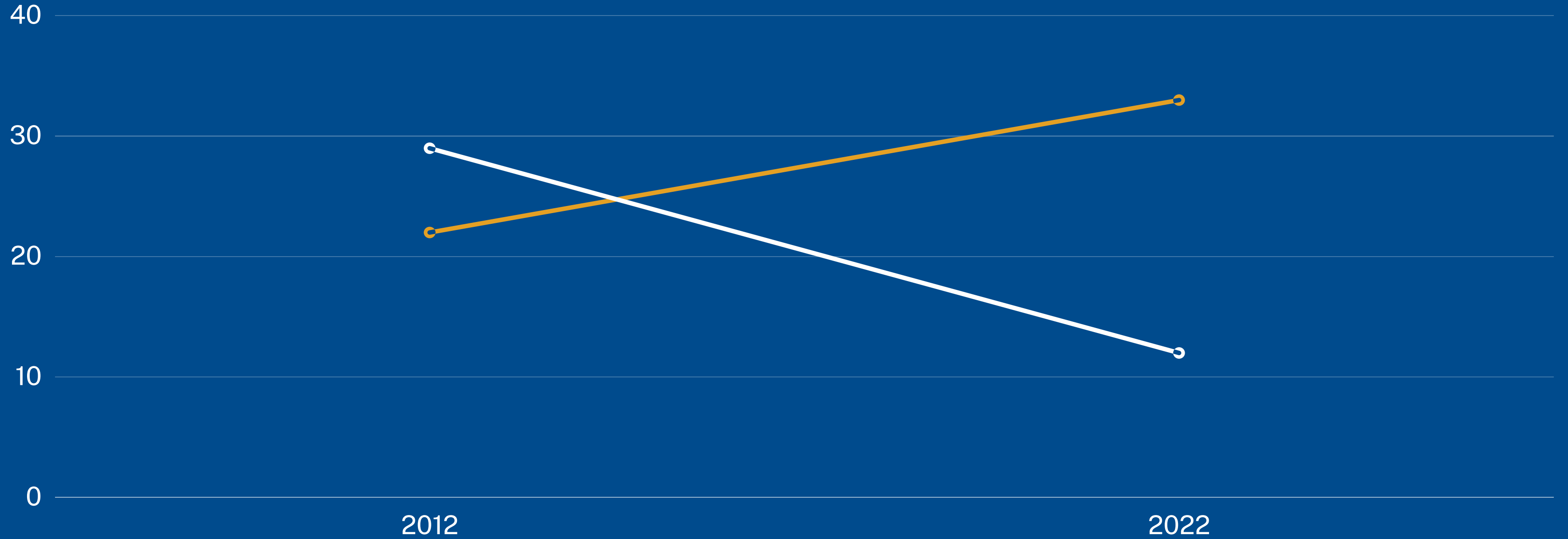
# Confidence in money management

+11%

Focussed on a planning horizon of 5+ years

-27%

Focussing on just the next year



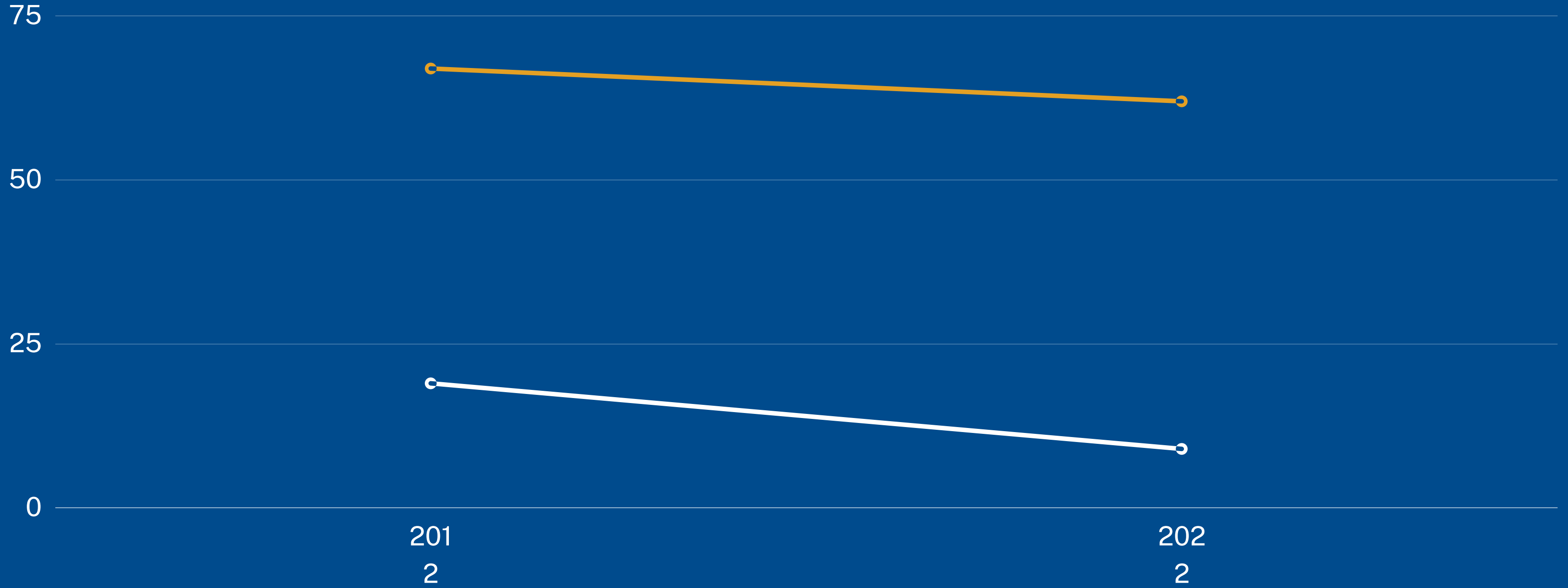
# Confidence in money management

-5%

Feel good about their money management abilities

-10%

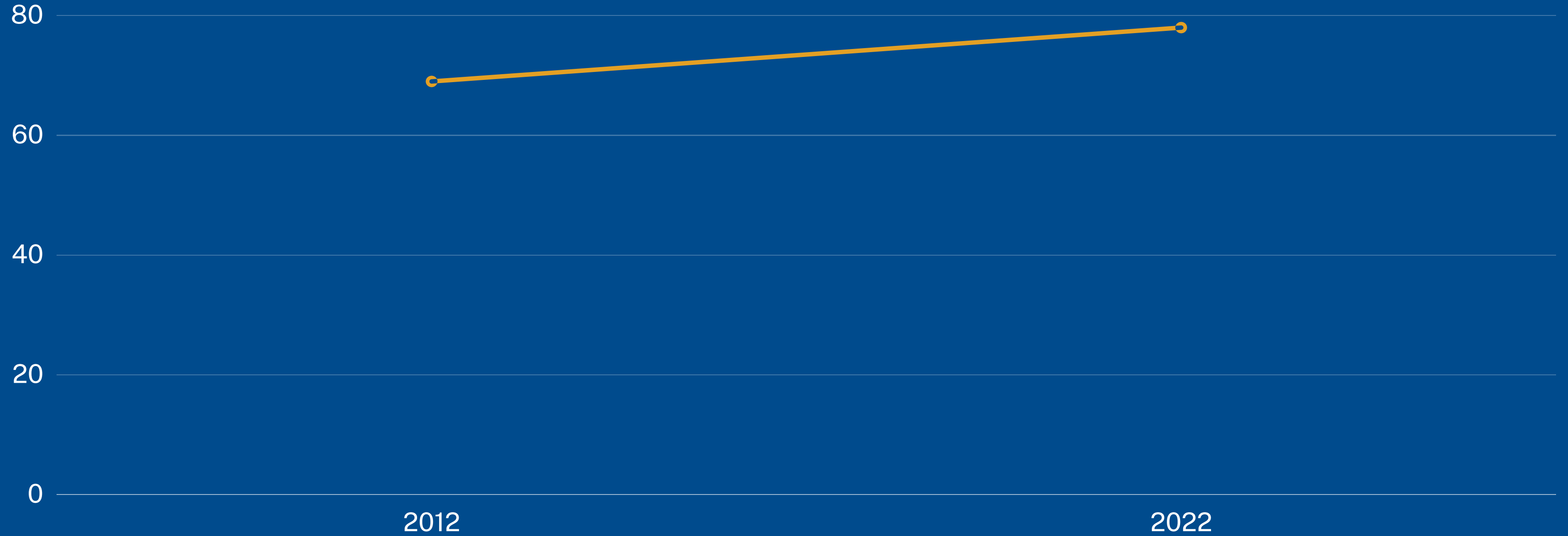
Don't feel good about their money management abilities



# Confidence in money management

+9%

Feeling in control of their financial situation



# Confidence in money management



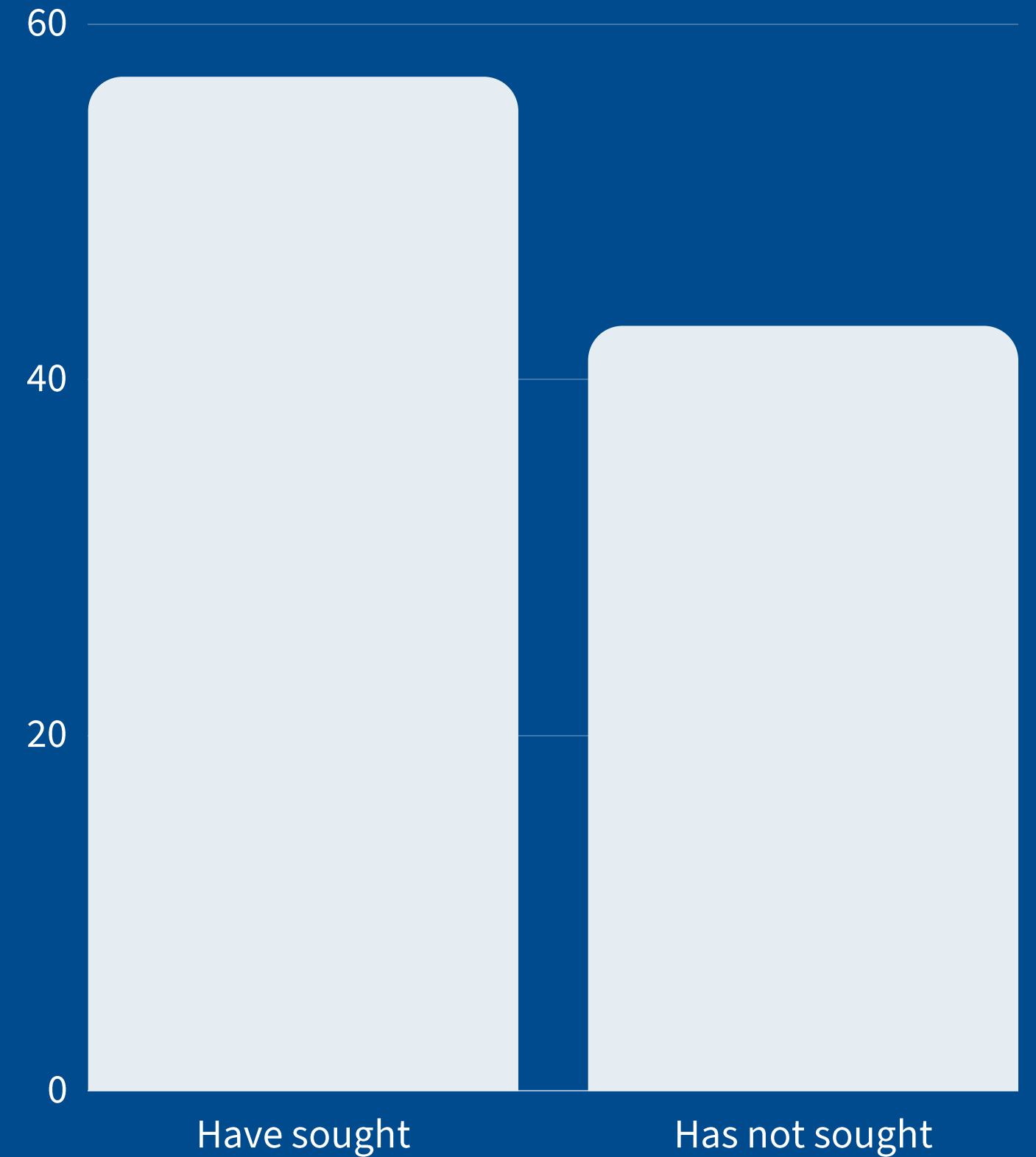
The 'No-worries' group were reported to be more likely to speak to a professional (accountant or financial planner) than the national average.



The other three groups were more likely to seek parental support,

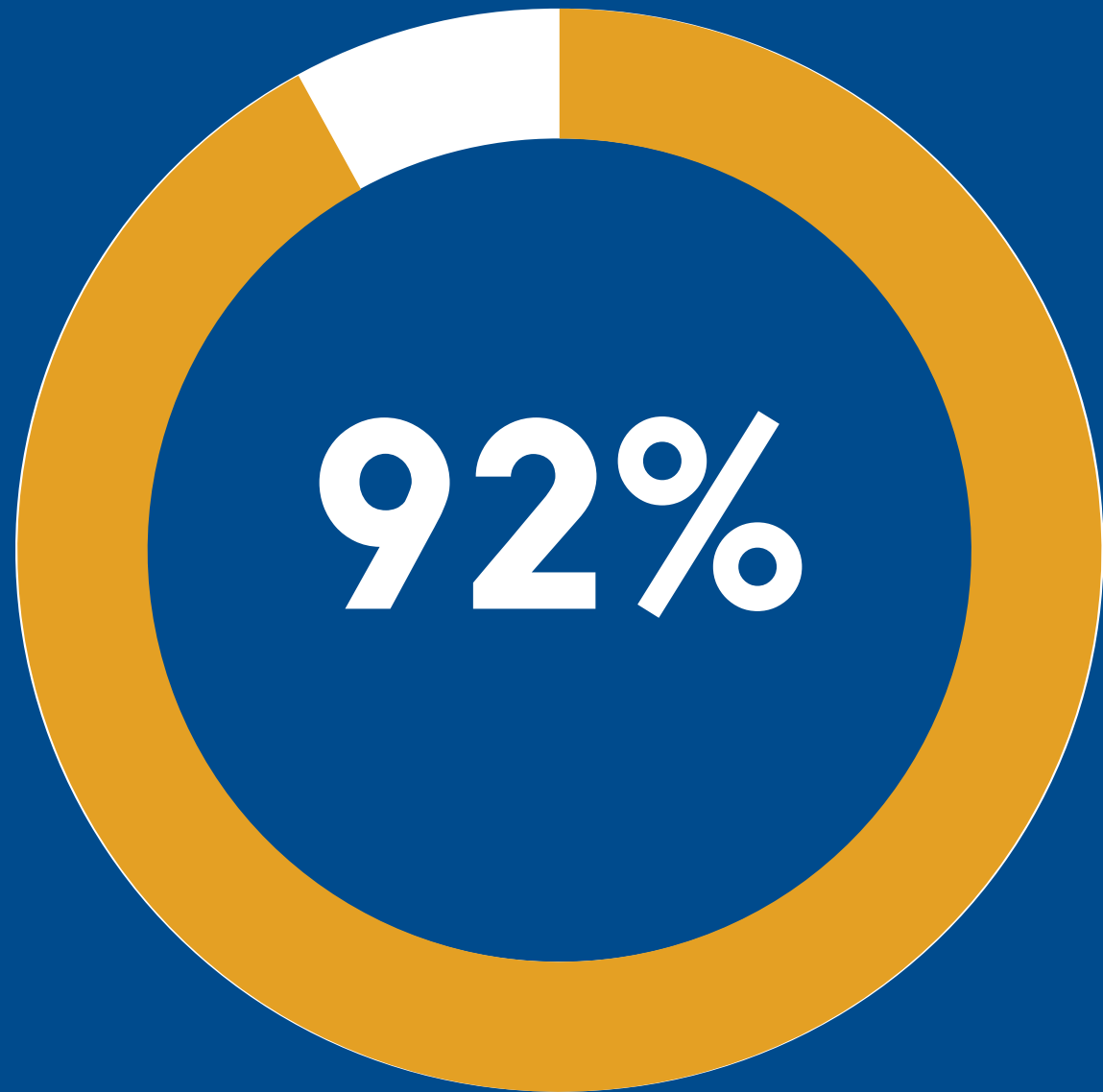


Furthermore, a large proportion of the Struggling group (57%) reported not seeking any information, guidance or support.

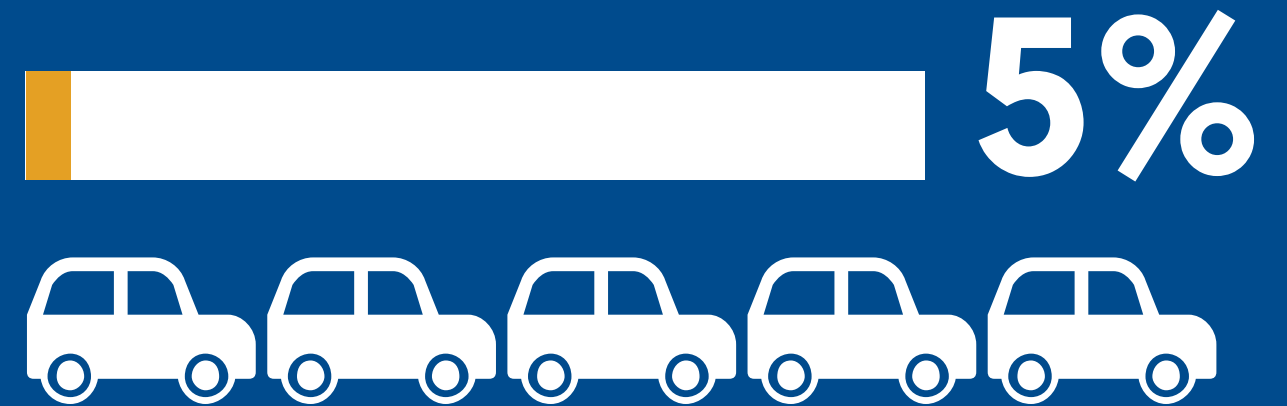


# KEY FINDINGS 2022





**Participation in KiwiSaver remained high**



**Just 5 percent had no form of insurance, with car and contents insurance the most common**



**73 percent have spent time thinking about financial goals, credit cards and spending habits**

”

I hate owing money. I would rather wait to buy luxury things and budget more and skimp more when we can, to pay things off faster if we need to do things like that”; “I've never really had much debt. And I don't like it. Well, actually, I have a mortgage now. But I feel in control of it”; and “I don't want to get debt that's not necessary.

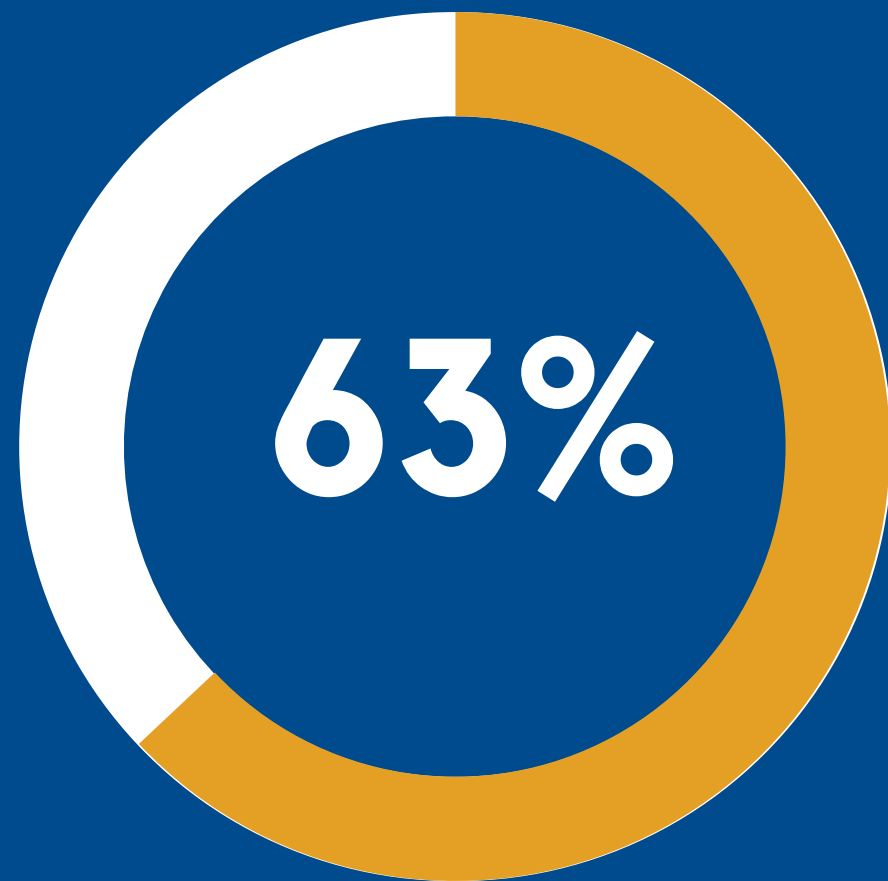
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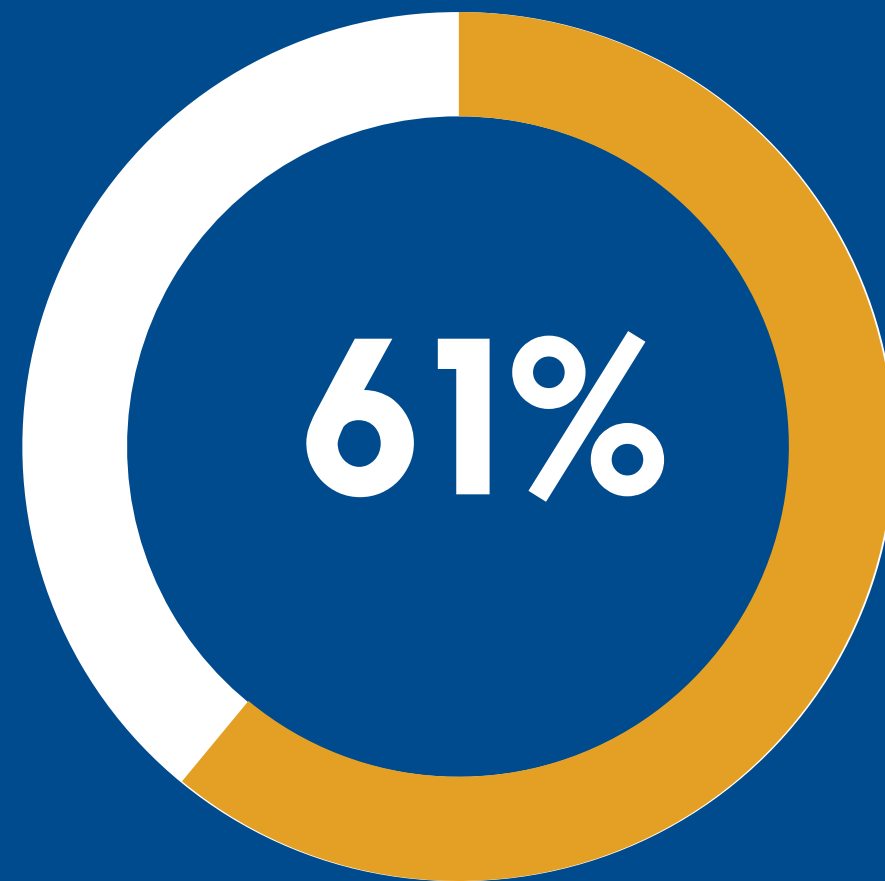
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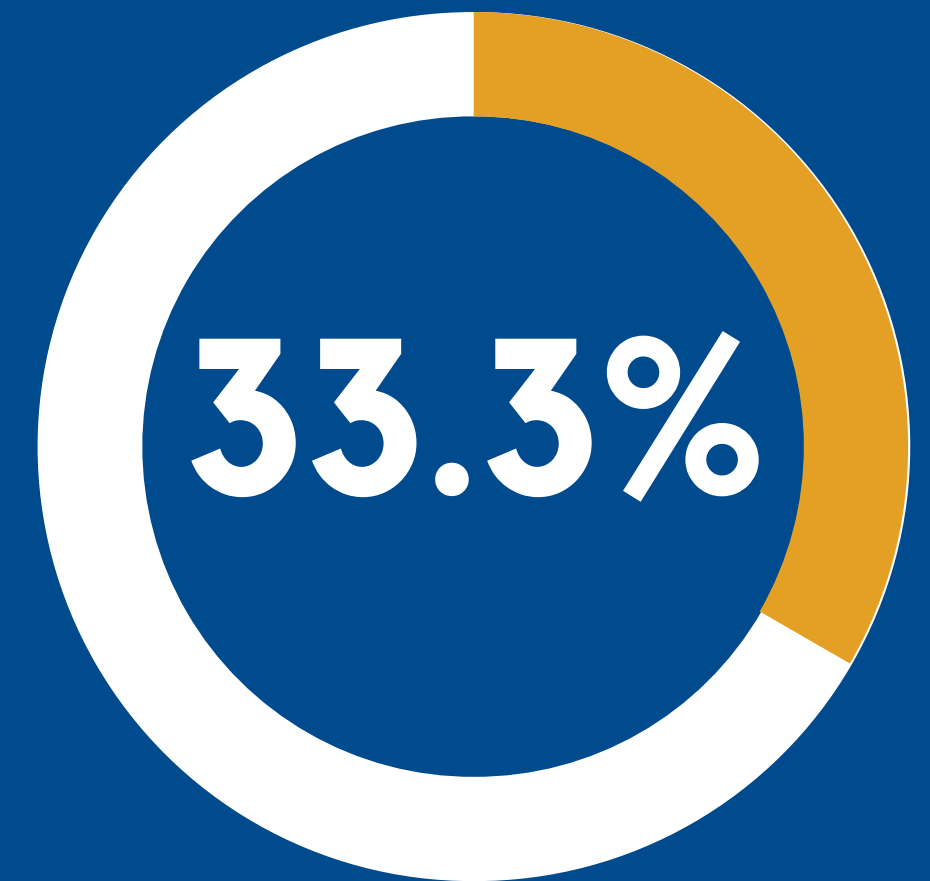
**MONEY  
MANAGEMENT**

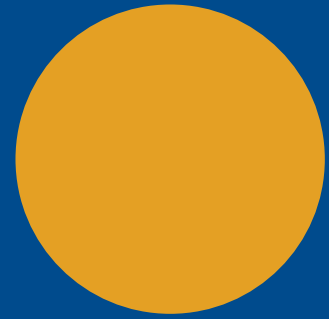


**OPTIMISTIC  
ABOUT THEIR  
FINANCIAL  
SITUATION**

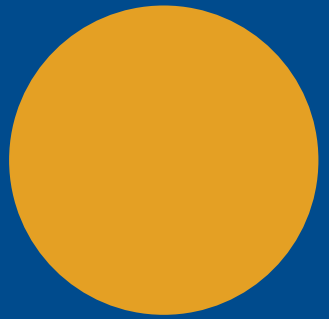


**LONG-TERM  
PLANNING**

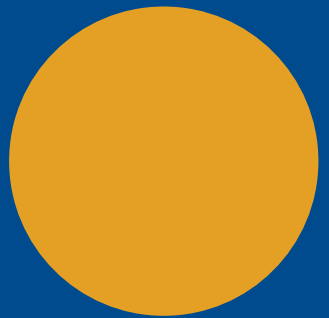




**Financial literacy improved, as did participants' self-assessment of their financial literacy, although the gender gap remained**



**Participants reported being more pro-active in seeking to improve their financial knowledge**



**Confidence in their ability to manage their money remained high and satisfaction with their current financial situation is improving**