CFFC

IMPACT OF COVID-19 ON FINANCIAL WELLBEING

Key findings from a national survey

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Background

The Commission for Financial Capability surveyed 3,085 people on how their personal and household finances were affected by the COVID-19 pandemic. They were asked about their income, payment of bills, borrowing, debt, savings and ability to pay for other essentials such as food. This questionnaire was designed by Professor Elaine Kempson of the University of Bristol and distributed to eight countries.[1] The New Zealand fieldwork took place between 14-28 April 2020, using the Dynata online panel. So far results are also in from the UK and Norway, and are compared in the accompanying report.

The base for analysis is people who are responsible for the household finances (N=2,778). Non-householders who are responsible only for their own personal finances (most of whom were aged under 25 and lived at home with their parents) are not included, except for the sections on KiwiSaver behaviours and gendered impacts which use individual level data (N=3,085).

Households' situation

As at 28 April an estimated 232,500 households (13%) had lost either a substantial part (more than one third) or all of their earned income as a consequence of the COVID-19 crisis. A further 447,000 households (25%) had experienced a reduction in income of less than a third. These losses were after accounting for the wage subsidy (40% of households report that someone in the household was receiving a wage subsidy through their employer).

The immediate consequences of the crisis for New Zealand households are seen in the large numbers who were experiencing financial difficulties. One in four households (26%) reported being in arrears on at least one payment (including consumer loans, utility bills and housing costs). One in ten households (estimated 179,000) had missed a rent or mortgage payment. 41 per cent of respondents agreed or strongly agreed that thinking about their financial situation made them feel anxious.

Using a set of detailed questions about the levels of financial stress experienced and the financial reserves they have to deal with financial shocks, it was possible to segment the New Zealand population into three broad groups:[2]

- 26 per cent (an estimated 447,000 households) appeared to be financially secure; they were showing no signs of any financial difficulty and had enough money in savings to meet financial shocks in the future.
- 40 per cent (equivalent to 715,000 households) had little financial resilience and were potentially exposed to financial shocks. These households were not in financial difficulty yet but were at risk of financial difficulty in the future if they experienced a drop or further drop in income; 40% of these exposed households said they expected a loss of income in the next 3 months.
- 34 per cent (equivalent to 608,000 households) were experiencing financial difficulties.

A comparable survey has been conducted the United Kingdom and Norway. Compared with New Zealand, the population of the UK is faring slightly better: 35 per cent of households are financially secure (compared to 26 per cent in New Zealand) and 28 per cent are in financial difficulty (compared to 34 per cent in New Zealand). The population of Norway is faring much better than UK or New Zealand, with 62 per cent of households in the financially secure category and only 8 per cent pf households in financial difficulty.[3]

1 We are very grateful to Professor Elaine Kempson, for sharing her questionnaire and analysis template with us and for generous advice and consultation, and to Christian Poppe for his extensive assistance with segmentation analysis. Our thanks also go to the members of Dynata's online panel who answered the questions willingly and honestly. We hope that this report accurately reflects the situations they were experiencing.

2 The segmentation of households is based on scores from a principal component analysis of nine survey questions that cover the extent to which households could meet their financial obligations and the resources they had for dealing with an economic shock. These questions are marked with an asterisk in the questionnaire in Appendix 1. Full details of the methodology employed can be found in Kempson, Finney and Poppe (2017), Financial Well-Being: A Conceptual Model and Preliminary Analysis, Oslo and Akershus University http://www.hioa.no/content/download/142124/4026299/file/PN%203%20-%202017%20Financial%20Well-Being.pdf

3 According to the authors of the Norwegian report from this study, the reasons for the situation in Norway include high financial resilience before the crisis, higher social welfare benefits and a small percentage of households who were self-employed or working in the gig economy. The situation in New Zealand is affected by low levels of household savings before the crisis, low social welfare benefits and economy's greater reliance on the tourism industry which has been among the worst affected sectors.

In financial difficulty

34 per cent of respondents (equivalent to 608,000 households) were experiencing financial difficulty. Almost all said that it was a struggle to pay bills and meet other commitments. More than four in ten (42 per cent) said it was a constant struggle. More than half (52 per cent) admitted to owing money in missed payments on household bills or credit commitments.

In this group, many were in a precarious financial situation before the crisis. This group had the highest percentage of those unemployed or not in the labour market pre-COVID-19 (38 per cent, including unemployed (14 per cent), stay at home parents, sickness beneficiaries and retirees). Just over six in ten (62 per cent) were employed, self-employed or running their own business in 2020.

One in three of households in this group (or over half of those connected to the labour market) had at least one of the earners in one of insecure forms of employment in February 2020; for one fifth of these households (or one third of those connected to the labour market) income from insecure employment constituted their main source or all of their income.

This group was the most affected by job and income losses: 51 per cent of these households reported a drop in income or loss of income; for 23 per cent this drop was substantial (more than one third). 24 per cent had applied to Work and Income for support since the crisis started, and a further 23 per cent planned to apply in the near future.

Very few had savings to fall back on: eight in ten (79 per cent) said that they currently had no savings at all to draw on or that the amount they had in savings was the equivalent of less than their monthly household income had been in February. Reflecting this, half (49 per cent) had borrowed money to buy food and other essentials over the past 4 weeks. 17 per cent were in arrears on rent or mortgage payments; 36 per cent were in arrears on unsecured credit or car finance. They were pessimistic about the future, with 48 per cent expecting a further drop in income in the next 3 months. This group had the highest percentage of respondents who said they planned to apply for a KiwiSaver hardship withdrawal (23 per cent; a further 3 per cent had already applied).

Despite these difficulties, only 9 per cent sought guidance from budgeting services and only 2 per cent used the free MoneyTalks helpline. This low utilisation of available guidance may be due to lack of confidence that anything other than financial assistance could improve their situation. However, accessing guidance could help more of these households to negotiate with their creditors (30 per cent have contacted creditors) or negotiate with creditors more successfully (28 per cent of those who attempted to make new arrangement with their creditors were turned down, the highest percentage across the three segments). It is of concern that 14 per cent planned to take out new loans to cover expenses (and 4 per cent had already done so). Given their poor financial situation, it was likely that many of these loans would be from third-tier lenders and at high interest rates.

This group of households included people from all walks of life and across New Zealand, but the ones over-represented in the segment, compared to their proportion in the population, were:

- aged 35 to 54 (prime years of the working life),
- Māori (22 per cent of this group) and Pacific Peoples (8 per cent of this group),
- households in rented accommodation (50 per cent of this group)
- sole parents and single people with no children

Exposed to financial shocks

This largest group - 40 per cent or an estimated 715,000 of all New Zealand households - were not facing anything like the financial strain of the previous group. What marked them out from the financially secure group of households was their much lower level of financial resilience and potential exposure to financial difficulties in the coming months. With 4 in ten (40 per cent) anticipating loss of some or all income in the next three months, it is estimated that up to one in 4 (25 per cent, 179,000 households) could slide into financial difficulty in the next few months.

Although their finances were not as stretched as the previous two groups, almost half (47 per cent) said they struggled to pay bills from time to time and one in five (19 per cent) currently owed money because they had missed payments on household bills or credit commitments. 27 per cent had already lost up to one third of their income due to the COVID-19 crisis and a further 9% lost more than one third of their income.

6 in 10 (60 per cent) had savings equivalent to more than one months' income in February. Out of those whose income has fallen by less than one third, remained stable or increased, only half (51 per cent) could cope more than 3 months without borrowing if their income were to fall by a third or more. Just over 1 in 6 (17 per cent) were not confident about their financial situation in the next three months. A similar number (16 per cent) had already borrowed money to pay for food and other essential expenses. Out of those who have a mortgage (43 per cent of households in this group), approximately 1 in 9 (12 per cent) had already applied for a mortgage holiday.

This group had the highest percentage of respondents who were in employment in February 2020 (including self-employment and business ownership) – 78 per cent. This group also reported the highest utilisation of the wage subsidy (46 per cent of households). Whether this group slides into financial difficulty in the next 3 months depends on whether they receive further income support after the wage subsidy scheme ends, or whether their earnings recover to pre-crisis levels. If their income is not sustained through the crisis many will struggle to stay afloat.

Like the previous group, this group of households included people from all walks of life and across New Zealand, but the ones over-represented in the segment, compared to their proportion in the population, were:

- aged 18-34
- Asians (14 per cent of this group)[4]
- Living in own house with a mortgage (43 per cent)
- Couples with children at home (35 per cent of this group)

4 "Asian" is a grouped ethnicity category which includes respondents who selected any of the following response options: Indian, Chinese, Korean and Other Asian.

Financially secure households

Just over a fourth of all New Zealand households (26 per cent) could be considered financially secure at the time of the survey. They were not showing signs of financial strain and, although one in four (27 per cent) had lost income as a result of the COVID-19 crisis, this was mostly due to a fall in earnings rather than job loss or the loss of all self-employed income. They just about all paid bills without any difficulty (99 per cent) and had more than one month's income in February in savings (in fact, more than half had more than 12 months' income in February in savings). Almost all said they could cope more than 3 months without borrowing if income were to fall by a third or more. Even so, a very small number of them (5 per cent), representing approximately 22,000 households, could begin to struggle to make ends meet over the coming three months.

Compared to the rest of New Zealand, these households tend to be older (more than half of respondents in this group were aged 55 or over), European,[5] living in their own home without a mortgage (54 per cent of the group) and with no children living at home. They are slightly more likely, compared to population average, to live in the Wellington region.

Table 1 below summarises the profiles of the three segments. The tables in appendix 1 provide a detailed overview of differences between the three groups.

TABLE 1.

Segment	In difficulty	Exposed	Secure
Defining characteristic	Struggling to pay bills	Low savings, high commitments	High savings, secure incomes
Predominant housing type	Renting	Own with mortgage	Own with no mortgage
Predominant family type	Single, single with dependent child(ren)	Couple with dependent child(ren)	Couple with no dependent children
Connection to pre-crisis labour market	Low – high percentage of beneficiaries, stay at home parents and casual/ insecure workers	High	Medium – high percentage of retired
Over-represented industries worked in before crisis	Construction Accommodation and Food services, Transport, Postal and Warehousing	Retail trade Construction Financial and Insurance services Administrative and Support services	Professional, Scientific and Technical Services Public Administration and Safety
	Agriculture, Forestry and Fishing Other services	Arts and recreation services	Education and Training Health care and social assistance

5 Includes NZ European and Other European.

Differences by age, dependent children and housing tenure

Households where the respondent was aged 18-34 years old had the lowest percentage of secure households (15%) and the highest percentage of exposed households (50%; Table 2). This exposure is due to young households' low savings and above average reliance on insecure employment, often in retail trade, accommodation and food services.[6] While the percentage of young households in difficulty was close to national average, these households are most at risk of seeing their situation worsen.

Young households often make decisions that put them at risk of worsening their situation in the long term. Those who were in arrears (on any payment) were the least likely of all age groups to have negotiated with creditors. Young households were also the most likely to have taken out a new loan to cover expenses and most likely to have applied for, or were considering applying for, a KiwiSaver hardship withdrawal.

TABLE 2.

Age group	18-34	35-50	51-64	65+
In difficulty	35%	40%	35%	18%
Exposed	50%	41%	35%	31%
Secure	15%	19%	30%	52%

The percentage of secure households increased with the age of the respondent, reaching 52% in households where the respondent was 65 or over. This reflected the accumulation of assets over lifetime, but also the security of income from New Zealand Superannuation.

Households where the respondent is aged 35-50 had the highest percentage of those already in difficulty. High expenses, such as mortgages and the cost of raising children, contributed to this hardship. Families with young children were more likely to be in difficulty (Table 3).

The pre-retirement group (51-64) was almost equally divided between the three segments. At this life stage, home ownership was an important factor in the situation the household was in. Among households with respondents 51-64-year old who were renting, 63 per cent were in financial difficulty. Across all age groups, housing tenure was linked to financial wellbeing. Mortgage-free home ownership increased the likelihood of being in the "secure" group, ownership with mortgage increased the likelihood of being in the "exposed" group and renting – the segment "in difficulty" (Table 5).

TABLE 3.

Age of dependent children[7]	0-4 years	5-12 years	13-17 years	no children under 18
In difficulty	45%	39%	43%	31%
Exposed	43%	44%	40%	38%
Secure	12%	17%	17%	31%

6 Age group reflects the age of the respondent who is the financial decision maker or joint decision maker in the household; the survey did not ask about the age of the respondent's partner (if any). When classifying households into "younger" and "older" an assumption is made that in most cases the age of the respondent's partner would not differ a lot from the age of respondent.

7 Households with children in different age groups were counted in each respective category.

TABLE 4.

Age and housing tenure	Age 51-64 own home with a mortgage	Age 51-64 own home with no mortgage	Age 51-64 renting
In difficulty	37%	13%	63%
Exposed	43%	31%	28%
Secure	20%	56%	9%

TABLE 5.

Housing tenure	I live in my own home with a mortgage	I live in my own home without a mortgage/ freehold	I live in a rented home/flat
In difficulty	32.1%	12.1%	50.8%
Exposed	48.4%	30.4%	37.9%
Secure	19.6%	57.5%	11.4%

Differences by ethnicity

Māori and Pacific households[8] were faring much worse than other households; more than half were in difficulty and a very low percentage (10% and 8%, respectively) were secure (Table 6). 16 per cent of Māori and Pacific households were in housing arrears. 13 per cent of Pacific respondents and 10% of Māori respondents reported that they lost their job or lost all of their self-employed income. Māori and Pacific households reported more often than the income of one of the main earners before the COVID-19 crisis was from working in construction and accommodation and food services – industries that were among the worst affected. Those with income from jobs in public administration, health or social care, and education were more likely to be in the small group of secure households.

The situation of Māori and Pacific households was partially the result of the precarious situation of many of these households before the crisis. Due to low average incomes and low savings many of these households did not have a buffer to get through a period of reduced income without falling into financial difficulty. Turning to borrowing money at high interest rates to make ends meet puts these households at risk of further worsening their situation. One in 5 have missed a credit card repayment, and 7% of Māori and 5% of Pacific households reported they owed money due to missed payments on a payday lender loan.

European households had the highest percentage of secure households, in part due to higher proportion of older, retired people among European respondents. Asian households had the highest percentage of exposed households, which is linked to their high reliance on insecure forms of employment and jobs in sectors that were affected the worst by the crisis, such as food and accommodation services.

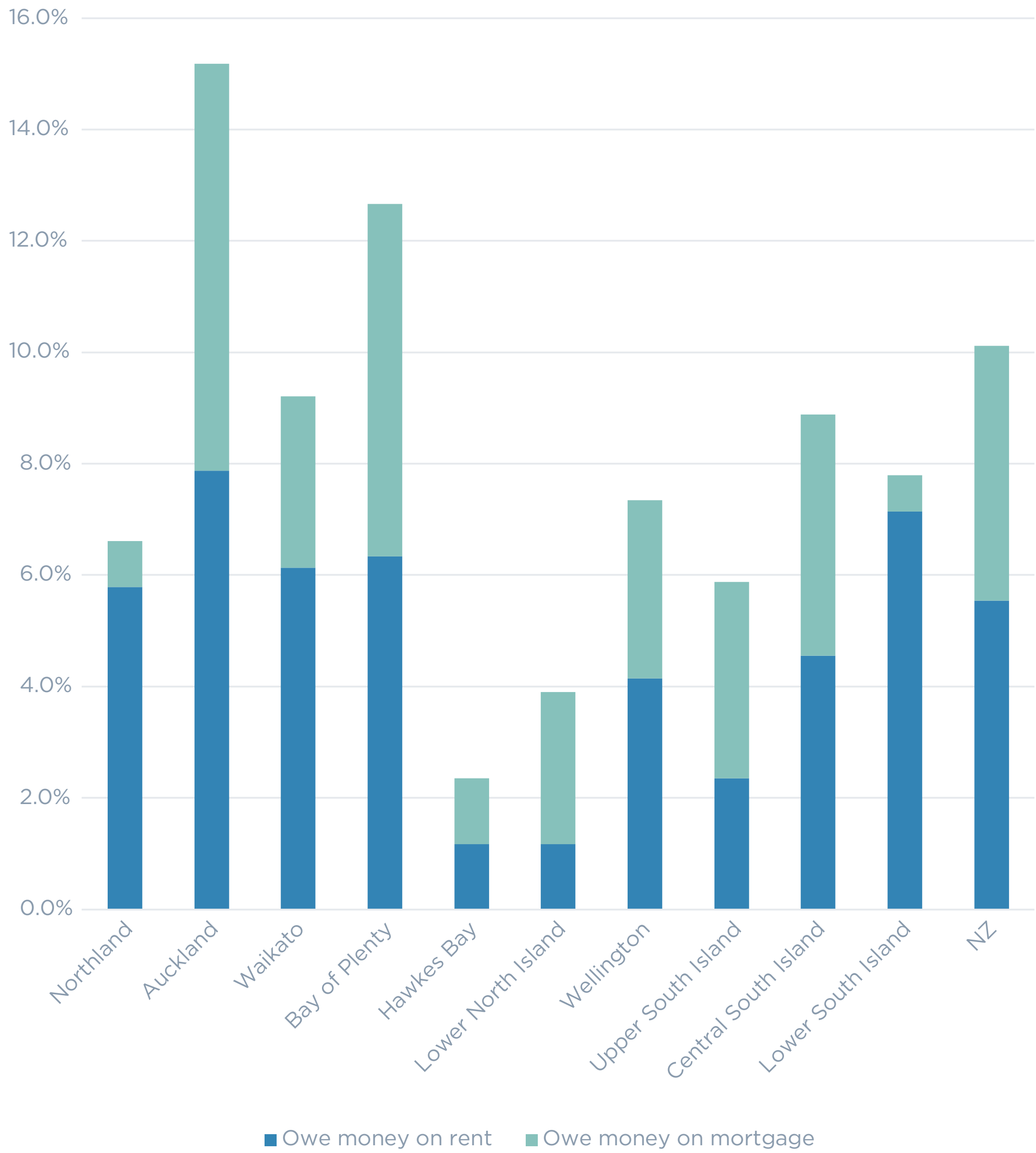
TABLE 6.

Ethnic group[9]	Maori	Pacific Peoples	European	Asian
In difficulty	51%	52%	31%	33%
Exposed	39%	40%	39%	50%
Secure	10%	8%	30%	17%

9 Ethnicity was self-reported. Participants could select more than one ethnicity and in that case they were included in statistics for each of the ethnic groups they selected. "Other" ethnic category is not included in the table because the number of responses was too small to provide meaningful data.

In arrears on housing costs

Households in housing arrears were equally divided between renters and mortgage holders. They were affected by loss of income (21 per cent experienced a substantial drop in income and 30 per cent a drop by up to a third). They were pessimistic about their ability to pay bills in the next 3 months (80 per cent expect to struggle constantly or from time to time). Māori, Pacific Peoples and Asians were all overrepresented in these households; only 56% of respondents from these households were Europeans (compared to 76 per cent in the sample). The percentage of households in housing arrears differs by region, with housing arrears most common in Auckland and Bay of Plenty. In Northland and lower South Island, the majority of those in arrears are renters (Figure 1).



Insecure work

Out of households where the main source or all income came from insecure employment in February 2020, 41 per cent were in financial difficulty (compared to 34% per cent of all households) and only 18 per cent were secure (compared to 26 per cent of all households). Asian and younger respondents were over-represented among households where main or all income came from insecure employment.

These households were hit especially badly by income losses due to the COVID-19 crisis: 32 per cent lost all or a substantial part of their income (compared to 13 per cent of all households). One in 4 of these households struggled to pay for food or other expenses.

KiwiSaver behaviour

For this section we have looked at individual rather than household responses and selected only respondents aged younger than 65 (N=2699). We asked whether, as a result of the COVID-19 crisis, respondents had or were considering hardship withdrawal of KiwiSaver funds (N=2270[10]) or moving KiwiSaver to a lower risk fund (N=2247).

3 per cent of KiwiSaver members had applied for hardship withdrawal and a further 17 per cent intended to do so in the near future (it is important to note that they may not be successful in their application). Over-represented among those who were considering a KiwiSaver hardship withdrawal were young people (18 to 34), Māori, Pacific Peoples, renters, those living in Auckland and experiencing financial hardship (25 per cent were in arrears on housing and 64 per cent were in arrears on some payment).

7 per cent of KiwiSaver members had already switched to a lower risk fund. Those who moved or were considering moving to a lower risk fund had a similar profile to those who applied / were considering applying for hardship withdrawal, but with fewer signs of financial hardship. Tables in Appendix 2 provide a detailed overview of the demographics of both groups.

Individual loss of income by gender and industry

This section uses individual rather than household data. When interpreting this data it is important to remember that most respondents lived with a partner in the same household, so in many cases the effects of individual income loss is not limited just to the respondent or to people who share the respondent's gender. Nonetheless, among 1-person (unpartnered) households, female households were doing worse than male unpartnered households (Table 7).

TABLE 7.

	Single male households	Single female households
In difficulty	37.8%	52.1%
Exposed	41.3%	31.6%
Secure	20.9%	16.3%

Men were more affected by loss of income than women, because they were more likely than women to be employed before the COVID-19 crisis and were also more likely to be self-employed, contractors or business owners. Women were over-represented both in the most secure industries (health care, social assistance, education and training) and those most affected (retail and accommodation/food services).

10 Sample for this and following question excludes those who selected "non applicable" due to not being in KiwiSaver and/or not being able to move to lower risk fund.

Concluding comments and questions for discussion

This survey was conducted during the last weeks of Level 4 lockdown so is a snapshot of the state of New Zealanders' finances and peoples' attitude toward them at that time. Some may be feeling more optimistic since lockdown ended and following the Budget announcements in mid-May. However, it is generally accepted that income loss will get worse before it gets better.

The extent of financial difficulty reported by New Zealand households after only a few weeks of loss of income exposed low levels of financial resilience. For some households, this lack of resilience was the result of low wages and insecure forms of works before the crisis. For others, with good income and more secure employment, high levels of debt meant they were not financially resilient despite not appearing disadvantaged in statistics. The high cost of housing and the importance of home ownership for long-term financial resilience highlights the need to increase the affordability of housing.

The 40% group at risk of slipping into financial difficulty if their income reduced in the next three months, as many expected it would, is concerning. They are the group that should be instrumental in helping to rebuild our economy – young couples with children and mortgages, most of them employed, self-employed or business owners. Their lack of financial resilience means they will rely on the recovery of the labour market, or on continued income support, to survive the coming months. We need to help them bounce back so they can play a defining role in post-COVID New Zealand.

After the crisis is over, improving the financial resilience of New Zealand households needs to be a priority. For example, New Zealanders might need help with saving to build a buffer against future financial shocks. The Retirement Commissioner's 2019 Review of Retirement Income Policies recommended that KiwiSaver accounts be built with a sidecar savings facility which could be drawn upon in emergencies.

This may also prevent people in hardship turning to their KiwiSaver fund as a first rather than a last resort. While the numbers who had actually applied to withdraw their KiwiSaver funds under hardship by the end of April was low, 16% of members were considering it, including 30% of Māori and Pacific members and 22% of renters. Renters drawing down their funds could derail plans to use them as a deposit on a first home.

Conversely, there had been relatively low uptake of free financial guidance such as that provided by FinCap's MoneyTalks service. The 2019 Review also recommended a financial capability hub for KiwiSaver hardship applicants, so they could gain budgeting help and assess all their options before potentially damaging their retirement income. This crisis indicates a hub would be helpful in helping people take a breath and access other forms of assistance.

Overall, the results of this survey show we need to look hard at the efficacy of financial capability programmes to focus on resilience. Household financial resilience is a combination of household behaviour (savings and debt) and policies that protect workers and consumers. Improving financial resilience of New Zealand households will require a combination of policy and education. For young households in particular, more information and education could make the difference between, for example, withdrawing their retirement savings or not, or negotiating terms with their creditors or not. Decisions like these have significant consequences for a household's long-term financial future.

CFFC will update the results of this survey when data from the other countries taking part becomes available.
We will seek to do the survey again at a later date to see how New Zealanders are faring.

Appendix 1. Segmentation tables.

Economic circumstances by levels of current financial wellbeing				
	In difficulty	**Exposed**	**Secure**	**Total**
% of households	34%	40%	26%	100%
Income development				
Decreased by one third or more	23%	9%	8%	13%
Decreased by less than one third	28%	27%	19%	25%
Stayed stable	42%	56%	62%	53%
Increased	7%	8%	12%	9%
Work status in Feb 2020				
Employed full-time	39%	54%	47%	47%
Employed part-time	15%	16%	12%	14%
Self-employed/ contractor/ running own business	8%	8%	10%	9%
Not in the labour market	16%	8%	4%	9%
Unemployed	14%	5%	1%	7%
Retired	8%	10%	27%	13%
self/partner in insecure employment	34%	31%	24%	30%
Main/all income from insecure employment (base: all households)	21%	18%	13%	18%
Temporarily laid off, no wage	24%	20%	6%	17%
Unemployed, lost job/lost all self-emp income	21%	13%	5%	13%
Substantial drop in wages/self-emp income	49%	37%	23%	36%
Wage subsidy received by household	40%	46%	33%	40%

Financial strain at different levels of current financial wellbeing				
	In difficulty	**Exposed**	**Secure**	**Total**
Percentage of households	34%	40%	26%	100%
Thinking about my financial situation makes me anxious (all who agree)	68%	37%	12%	41%
Struggle to pay for food/expenses	42%	10%	0%	18%
Current ability to pay bills and credit commitments				
Constant struggle to pay bills	41.8%	1.1%		14.8%
Struggle from time to time to pay bills	56.0%	46.8%	1.1%	38.2%
Pay bills without difficulty	2.2%	52.2%	98.9%	47.0%
Arrears on bills and credit commitments				
Arrears on rent/mortgage	17%	9%	1%	10%

Arrears other bills	30%	8%	1%	14%
Arrears on unsecured credit and car finance	36%	13%	1%	18%
Any arrears	52%	19%	3%	26%

Strategies to make ends meet at different levels of current financial wellbeing

	In difficulty	Exposed	Secure	Total
Percentage of households	34%	40%	26%	100%
Use of savings to make ends meet				
Didn't have any savings	43%	12%	1%	20%
Have used savings last four weeks to make ends meet	41%	31%	14%	30%
Have savings but did not use any of them	16%	56%	85%	49%
Have used credit for food and other expenses last four weeks	49%	16%	3%	24%
Contacted creditors to get agreed payment arrangements and outcome				
Have contacted creditors	30%	13%	2%	16%
Outcome 1: Agreed with one or more creditor	74%	76%	82%	75%
Outcome 2: Turned down by one or more creditor	28%	21%	18%	25%
Other actions taken as a result of the COVID-19 crisis				
applied for KiwiSaver hardship withdrawal	3%	3%	1%	2%
plans to apply for KiwiSaver hardhip withdrawal	23%	10%	2%	12%
applied for mortgage holiday	9%	5%	1%	5%
has taken out new loans to cover expenses	4%	3%	0%	3%
plans to take out new loans to cover expenses	14%	6%	1%	7%
applied to WINZ	24%	8%	2%	12%
plans to apply to WINZ	23%	12%	3%	14%
sought free advice from budgeting services	9%	3%	1%	4%
sought financial advice on sorted.org.nz	13%	11%	9%	11%
used MoneyTalks	2%	3%	1%	2%
consulted CAB	9%	4%	1%	5%

Financial resilience

	In difficulty	Exposed	Secure	Total
Percentage of households	34%	40%	26%	100%
How much of a large unexpected expense could be covered?				
None of it	51%	8%	2%	21%
Some of it	42%	63%	10%	42%
All of it	8%	29%	88%	37%
Ability to make ends meet if income were to fall (has fallen) by a third or more				
--Income has increased, remained stable or fallen by less than one third				
Could not cope	14%	15%	3%	11%
Could cope up to month without borrowing	47%	9%		18%
Could cope between 1 and 3 months without borrowing	26%	26%	1%	19%
Could cope longer than 3 months without borrowing	13%	51%	96%	51%
--Income has fallen by one third or more				

Could not cope	16%	7%		11%
Could cope up to one month without borrowing	40%	9%		26%
Could cope between 1 and 3 months without borrowing	32%	33%	2%	28%
Could cope for longer than 3 months without borrowing	12%	51%	98%	35%
Amount currently held in savings				
No savings	16%	12%	4%	11%
Have savings (one month's income in February or less)	63%	28%	3%	33%
Have savings (more than one month's income in February)	22%	60%	93%	55%

Future outlook

	In difficulty	Exposed	Secure	Total
Percentage of households	34%	40%	26%	100%
Anticipates income fall next three months	47.7%	39.9%	25.3%	38.8%
How confident about the financial situation next three months				
Not at all	12.2%	1.1%	0.1%	4.6%
Not very	34.6%	15.9%	2.5%	18.9%
Ability to pay bills and credit commitments next three months				
Will be a constant struggle	42.1%	5.5%	0.1%	16.7%
Will be a struggle from time to time	54.6%	55.7%	10.8%	43.8%
Will be done without any difficulty	3.3%	38.8%	89.0%	39.5%

Demographics

	In difficulty	Exposed	Secure	Total
Percentage of households	34%	40%	26%	100%
18 to 34 yrs	23.6%	28.8%	13.3%	23.1%
35 to 54 yrs	48.7%	43.1%	33.3%	42.5%
55 to 64 yrs	20.6%	17.6%	25.7%	20.7%
65 +	7.0%	10.5%	27.7%	13.7%
Maori	21.6%	14.4%	5.5%	14.6%
Pacific Peoples	8.1%	5.4%	1.7%	5.4%
Asian	11.2%	14.4%	7.6%	11.6%
European	69.0%	73.6%	87.5%	75.6%
Other	2.1%	1.1%	2.1%	1.7%
I live in my own home with a mortgage	33.4%	43.1%	27.2%	35.7%
I live in my own home without a mortgage/freehold	8.5%	18.3%	54.2%	24.2%
I live in a rented home/flat	49.7%	31.7%	14.9%	33.5%
I live with my parents/guardians	4.3%	4.2%	1.7%	3.6%
Something else (rent free, boarding house, hostel, retirement village etc.)	4.1%	2.7%	2.0%	3.0%

Household income below $50,000 per annum	41%	23%	19%	28%
Household income $50,000 to $100000 per annum	42%	42%	33%	40%
Household income over 100,000 per annum	17%	35%	48%	32%
Family composition				
couple with children at home	31.9%	34.9%	22.2%	30.6%
couple with no children at home	24.1%	35.9%	54.5%	36.6%
single no children	31.9%	23.3%	20.6%	25.6%
sole parent	12.1%	5.8%	2.7%	7.2%
Children aged 0-4 years living in your household	20.5%	16.7%	7.0%	15.5%
Children aged 5-12 years living in your household	24.3%	23.2%	14.2%	21.2%
Children aged 13-17 years living in your household	18.3%	14.8%	9.8%	14.7%
Auckland	32.1%	34.4%	26.3%	31.5%
Porirua/ Hutt Valley/ Wellington	8.4%	11.8%	14.3%	11.3%
Christchurch	11.7%	12.9%	13.9%	12.7%
Other NI	34.2%	31.1%	33.6%	32.8%
Other South Island	13.6%	9.9%	11.9%	11.7%

Financial wellbeing and insecure work	insecure employment as main or all income	Total
In difficulties	40.5%	34.3%
Exposed	41.3%	40.1%
Secure	18.3%	25.6%
18 to 34 yrs	33.5%	23.1%
35 to 54 yrs	40.5%	42.5%
55 to 64 yrs	20.3%	20.7%
65 +	5.7%	13.7%
Maori	15.4%	14.6%
Pacific Peoples	6.0%	5.4%
European	68.8%	75.6%
Asian	18.5%	11.6%
Other	1.4%	1.7%
arrears on at least one loan payment	32.0%	18.0%
arrears on at least one bill	25%	14%
arrears on housing	17.9%	9.5%
any arrears	42.7%	26.1%
Income development		
Decreased by one third or more	31.6%	13.4%
Decreased by less than one third	28.7%	25.3%
Stayed stable	33.1%	52.5%
Increased	6.6%	8.7%
Struggle to pay for food and necessary expenses	25%	18%
more than 3 months in savings	42.9%	38.0%

Appendix 2: KiwiSaver tables

N=2270 (individual responses)	Applied for hardship withdrawal (3%) NOTE: Small sample size	Is considering applying for hardship withdrawal (17%)	No hardship withdrawal (80%)	Total(*)
18 to 34 yrs	56%	43%	27%	31%
35 to 54 yrs	38%	41%	49%	48%
55 to 64 yrs	7%	16%	23%	21%
Maori	28%	32%	14%	18%
Pacific Peoples	11%	12%	5%	7%
European	58%	56%	75%	71%
Auckland	54%	45%	31%	34%
Porirua/ Hutt Valley/ Wellington	8%	10%	12%	11%
Christchurch	1%	11%	13%	13%
Other NI	25%	27%	33%	32%
Other South Island	11%	6%	11%	10%
I live in my own home with a mortgage	33%	31%	40%	38%
I live in my own home without a mortgage/freehold	11%	9%	18%	16%
I live in a rented home/flat	38%	45%	31%	34%
I live with my parents/guardians	15%	10%	8%	9%
Something else (rent free, boarding house, hostel, retirement village etc.)	3%	5%	3%	4%
Arrears on housing	38%	25%	7%	11%
Arrears on any bill	82%	64%	21%	30%

	Moved KiwiSaver to a lower risk fund (7%)	Is considering moving KiwiSaver to a lower risk fund (12%)	No move to lower risk fund (81%)	Total
18 to 34 yrs	42.8%	48.9%	26.6%	30.4%
35 to 54 yrs	40.9%	39.2%	50.2%	48.2%
55 to 64 yrs	16.4%	11.9%	23.1%	21.3%
Maori	16.4%	26.5%	15.9%	17.2%
Pacific Peoples	8.2%	10.4%	6.0%	6.7%
European	64.8%	56.3%	74.2%	71.4%
Auckland	42.8%	47.0%	30.9%	33.7%
Porirua/ Hutt Valley/ Wellington	8.8%	10.1%	12.0%	11.6%
Christchurch	10.1%	12.7%	12.9%	12.7%
Other NI	29.6%	22.4%	32.9%	31.4%
Other South Island	8.8%	7.8%	11.2%	10.6%
I live in my own home with a mortgage	40.9%	31.3%	39.0%	38.2%
I live in my own home without a mortgage/freehold	12.6%	12.7%	17.0%	16.2%
I live in a rented home/flat	35.8%	37.7%	32.6%	33.5%
I live with my parents/guardians	8.8%	14.2%	7.8%	8.6%
Something else (rent free, boarding house, hostel, retirement village etc.)	1.9%	4.1%	3.6%	3.6%
arrears on housing	18%	22%	9%	11%
any arrears	43%	57%	24%	29%