

Money Matters 2025: The Power of Emergency Savings



**TE ARA
AHUNGA ORA**
Retirement Commission

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Executive summary

Te Ara Ahunga Ora Retirement Commission, which runs Sorted, surveys thousands of New Zealanders each year to track how people are feeling about their finances. The insights are used to help identify where particular challenges are and opportunities to provide better support.

Over the last few years, the Financial Sentiment Tracker has shown the power that having an emergency savings fund can have on people's financial wellbeing when they have some protections in place to cope with the unexpected. This latest report reveals that 44% of the population currently do not have an emergency fund in place, ultimately threatening their financial resilience. However, those who have recently set up an emergency fund are nearly three times more likely to feel optimistic about their future.

This year's findings also provide a deep dive into the general financial wellbeing of various demographic groups, including women, Māori, Pacific Peoples, and youth.

KEY FINDINGS

- 44% of the general population do not currently have an emergency savings fund.
- 64% of those who've set up an emergency fund in the last three months agree with the statement 'I/we feel optimistic and confident about my/our future right now' compared to only 22% of those who don't believe they will set one up in the near future.
- Only 35% of those with an emergency fund are concerned about finances from pay to pay, compared to 64% of those without a fund.
- 56% of participants feel financially uncomfortable, while 44% feel financially comfortable.
- The gap between women and men feeling financially comfortable has widened over the past four years, with only 38% of women feeling financially comfortable compared to 49% of men in 2025.
- The proportion 18 to 34-year-olds feeling financially comfortable has declined from 53% in 2022 to 43% in 2025.
- The proportion of Māori participants feeling financially comfortable has dropped from 42% two years ago to 34% this year.
- On a year-on-year basis, more people are concerned about finances from pay to pay this year (42%) compared to last year (40%), while optimism about the future has increased to 46% from 44%.



Methodology

The data in the following report are sourced from Te Ara Ahunga Ora Retirement Commission's Financial Sentiment Tracker run by TRA. The survey asks people living in New Zealand aged 18+ a range of questions centred around finance, including attitudes, behaviour, literacy, use of financial websites, sources of information, KiwiSaver, NZ Super and the Sorted brand.

- The data included in this report is based on survey results to 30 June 2025.
- The tracker has been running since February 2021 on an 'always-on' basis, collecting information via an online self-completion survey.
- Since February 2021, approximately 330 responses were collected each month (~950 per quarter), dropping to ~250 responses per month from October 2024 onwards.
- Where year-on-year comparisons are made, the time periods are 1 July to 30 June, and for the most current year, for 1 July 2024 to 30 June 2025 (n=3379). Total sample data are weighted to approximate national representation.
- Māori and Pacific People are oversampled to provide more robust comparisons.
- The Retirement Commission has four target audiences: women, Māori, Pacific Peoples and youth (18 to 34 year-olds). Where comparisons are made at the sub-population level, data are unweighted.

General NZ Population

EMERGENCY SAVINGS

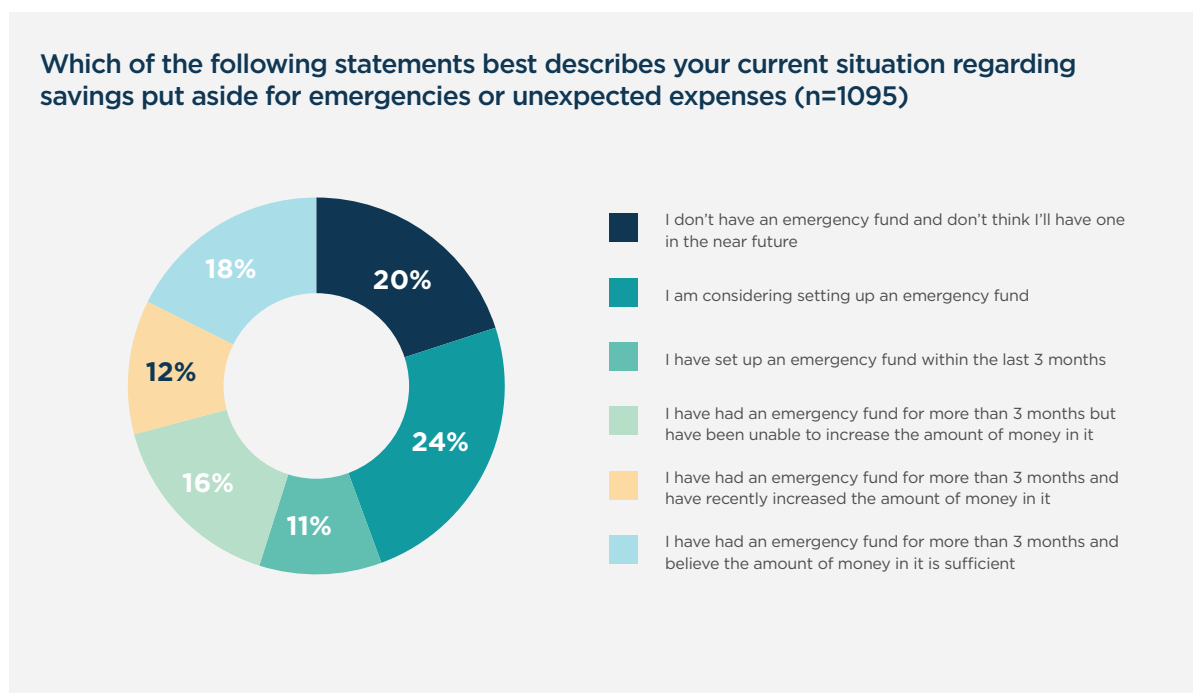
Sorted Money Month is a public awareness and engagement campaign coordinated by Te Ara Ahunga Ora Retirement Commission in partnership organisations involved with the [National Strategy for Financial Capability](#). This year's Money Month theme focuses on building the financial resilience of New Zealanders with a single call to action around encouraging emergency savings.

Looking at the journey a person takes to set up an emergency fund of sufficient size:

- Overall, over half (56%) of the general population have an emergency savings fund, however 44% of participants do not have an emergency fund and may be vulnerable to financial hardship when facing unexpected costs.
- 11% have set up an emergency fund in the last three months.
- 29% of the general population have recently been able to increase the amount in their fund or feel they now have sufficient put away.
- One in five (20%) don't think they will be able to have an emergency fund in the near future.
- Just under a quarter (24%) are considering setting an emergency fund up.



Figure 1. Journey to setting up an emergency fund



The process of setting up an emergency fund is associated with significant positive financial sentiment. For instance, setting up an emergency fund is associated with:

- Significantly greater likeliness to agree they feel optimistic and confident about the future (64% agree they feel this way), nearly 200% more than those who don't think they'll set up a fund in the near future (22%), and almost identical to those with established funds (65%).
- A developing ability to cover emergencies or unexpected expenses (55% agree they could do this), 129% more likely than those who don't think they'll set up a fund (24%).
- Significantly lower likeliness of being concerned about finances from pay-pay (only 35% say they're concerned), nearly half as many as those who don't think they'll set up a fund (64%).

Table 1. Relationship between attitudes and the process of establishing an emergency fund

	I don't have an emergency fund and don't think I'll have one in the near future	I have set up an emergency fund within the last 3 months	I have had an emergency fund for more than 3 months, and have recently increased the amount of money in it OR believe the amount of money in it is sufficient
I am confident I will be able to have a financially comfortable retirement	19%	59%	69%
I feel / we feel very optimistic and confident about my / our future right now	22%	64%	65%
I am actively saving for my retirement	24%	63%	67%
I set long term financial goals and strive to achieve them	30%	77%	75%
If an unexpected expense comes up I can easily find money to cover it	24%	55%	82%
I care about how other people see me	29%	50%	38%
I am confident in my ability to manage money day-to-day	49%	78%	91%
When making a big purchase like a car or a holiday I save for it first	54%	82%	86%
I pay my bills on time	72%	89%	98%
I keep a close personal watch on my financial affairs	68%	83%	92%
Before I buy something I carefully consider whether I can afford it	73%	85%	90%
I give money to others when I can't afford to and I don't know how to stop	21%	23%	11%
I am a spender rather than a saver	33%	33%	14%
I find it more satisfying to spend money than to save it for the long term	33%	31%	17%
I'm worried about the level of debt I'm in	46%	38%	10%
I tend to live for today and let tomorrow take care of itself	46%	27%	15%
I'm worried about my finances from pay to pay	64%	35%	12%
Base: Mar - June 2025	215	114	345

FINANCIAL SITUATION

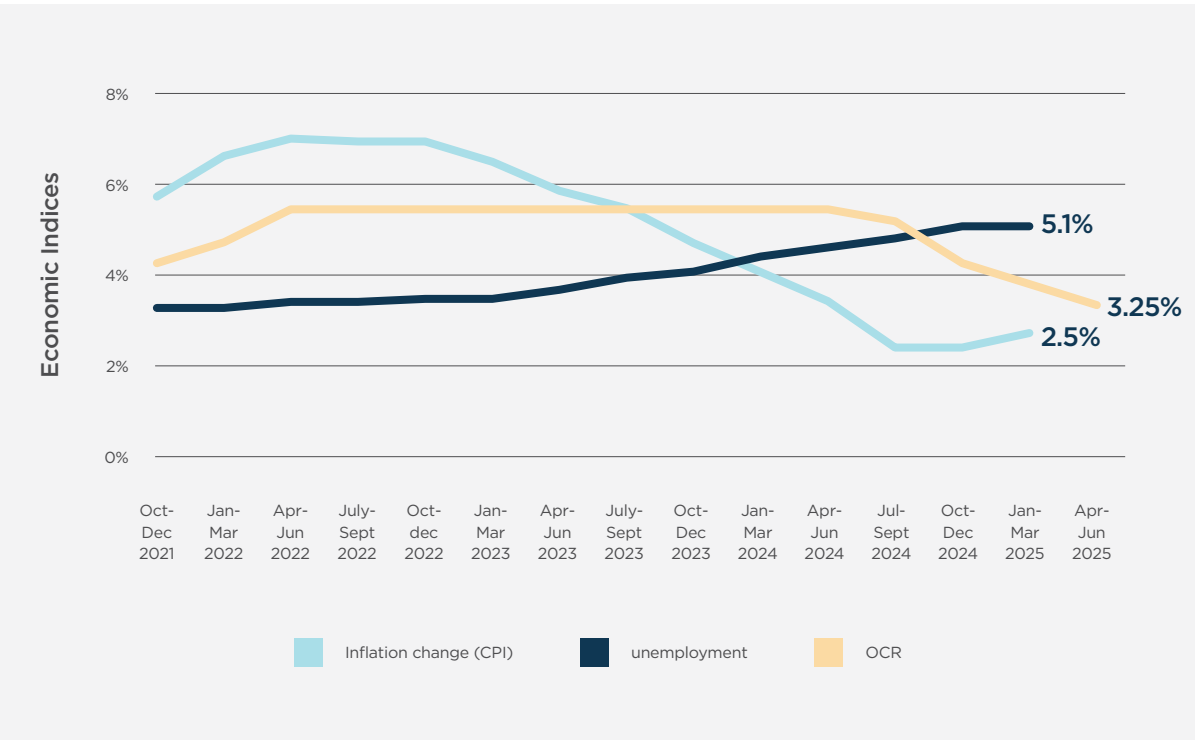
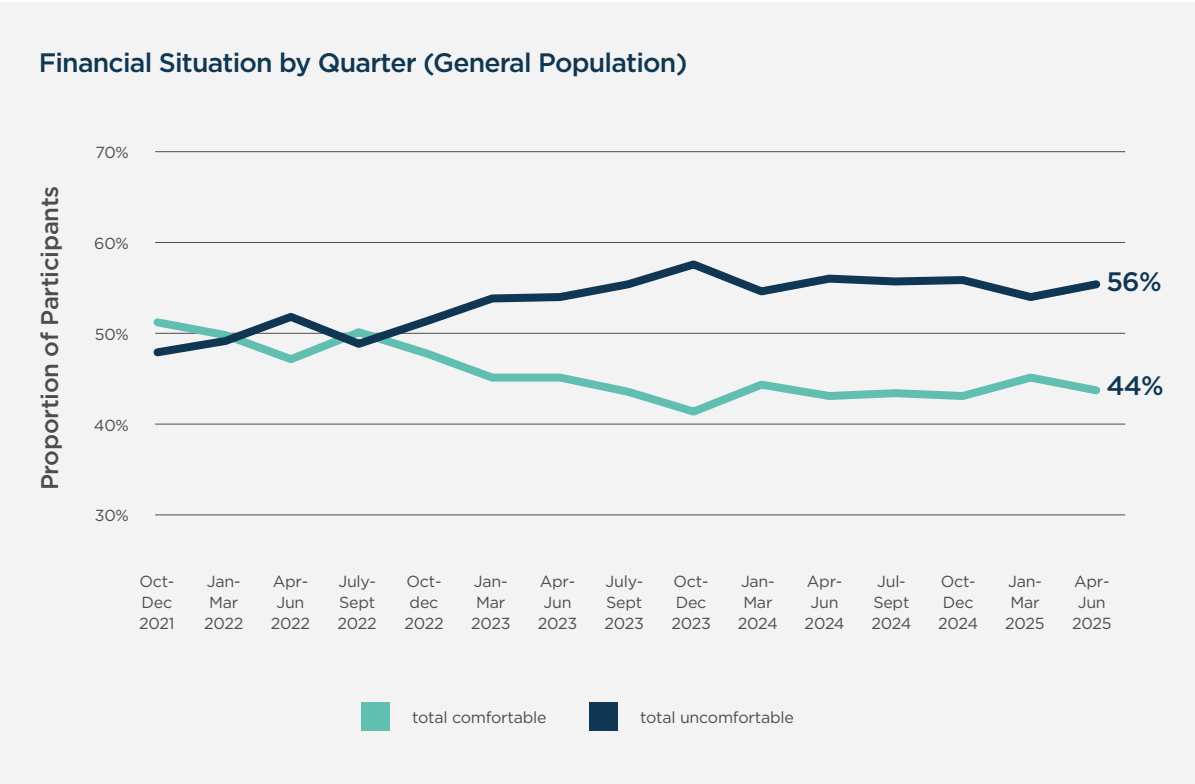
- Over the 2025 financial year, an average of 56% participants in New Zealand said they felt financially uncomfortable while 44% said they felt financially comfortable (no change from the previous financial year).
- As of the most recent quarter, 44% said they are financially uncomfortable, indicating no signs of improvement despite the falling OCR and inflation rates.

Table 2. Average year-on-year self-rated financial situation of participants in New Zealand aged 18+ years (July 2021 to June 2025).

Total	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
Flying ahead	2%	3%	3%	2%
Swimming happily	20%	17%	17%	17%
Starting to swim comfortably	28%	28%	24%	25%
Just treading water	35%	37%	38%	37%
Sinking a bit	10%	10%	12%	12%
Sinking badly	4%	5%	7%	6%
Net Financially Comfortable	51%	48%	44%	44%
Net Financially Uncomfortable	49%	52%	56%	56%
Base (weighted)	4251	4044	3792	3379



Figure 2. Quarterly self-rated financial situation of participants in New Zealand aged 18+ years (October 2021 to June 2025).¹²³



1 [Consumers price index \(CPI\) | Stats NZ](#)
 2 [New Zealand Interest Rate](#)
 3 [Labour market statistics: March 2024 quarter | Stats NZ](#)



FINANCIAL SENTIMENT

- On a year-on-year basis, more people say they are concerned about finances pay-pay this year, at 42% up from 40% in the last financial year, and the highest we have recorded since the tracker started in 2021.
- Conversely, more people now say they are optimistic about their future, now sitting at a yearly average of 46%, up from 44% in the last financial year, also at its highest.
- The proportion of participants who feel confident they will have a financially comfortable retirement closely tracks the optimism measure, sitting at 45% agreement, the highest it has been since we started the Financial Sentiment Tracker.
- The seeming contradiction in results may, at least in part, reflect people's intentions to refix mortgages/loans at lower rates in the near future.

Table 3. Average year-on-year financial sentiment of participants in New Zealand aged 18+ years (July 2021 to June 2025).

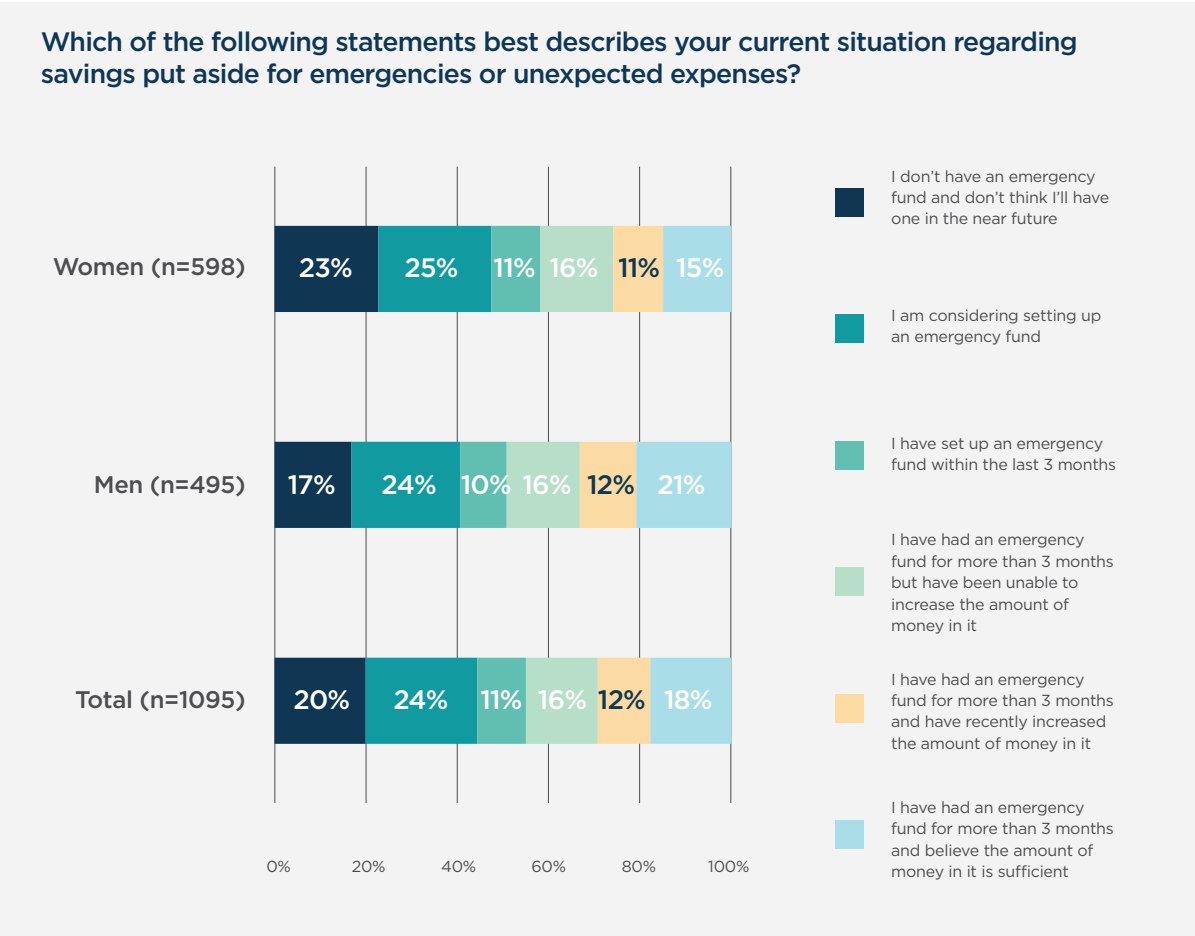
Total	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
I'm worried about my finances from pay to pay	35%	37%	40%	42%
I'm worried about the level of debt I'm in	27%	27%	30%	30%
I feel / we feel very optimistic and confident about my / our future right now	44%	43%	44%	46%
If an unexpected expense comes up I can easily find money to cover it	51%	50%	49%	50%
I am confident I will be able to have a financially comfortable retirement	43%	41%	43%	45%
Experienced financial stress	62%	63%	63%	63%
Base (weighted)	4251	4044	3792	3379
Experience barriers to managing money		64%	63%	63%
Base (weighted)		1951	3792	3379

Focus on Women

EMERGENCY SAVING

- Women were less likely than men to have an emergency fund (48% either don't think they'll have one or are just considering setting one up, compared to 41% of men).
- In contrast, 33% of men have an established emergency fund that is either sufficient, or is being added to, compared to only 26% of women.

Figure 3. Journey to setting up an emergency fund for women and men in New Zealand (March 2025 to June 2025)



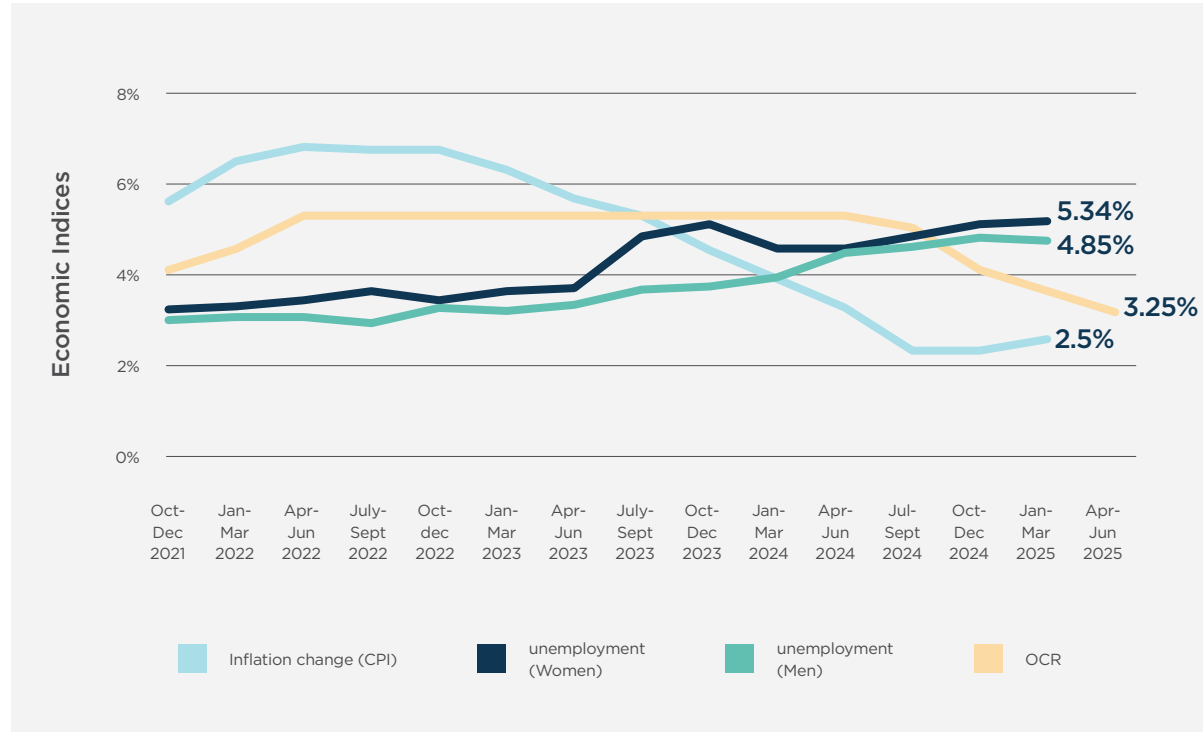
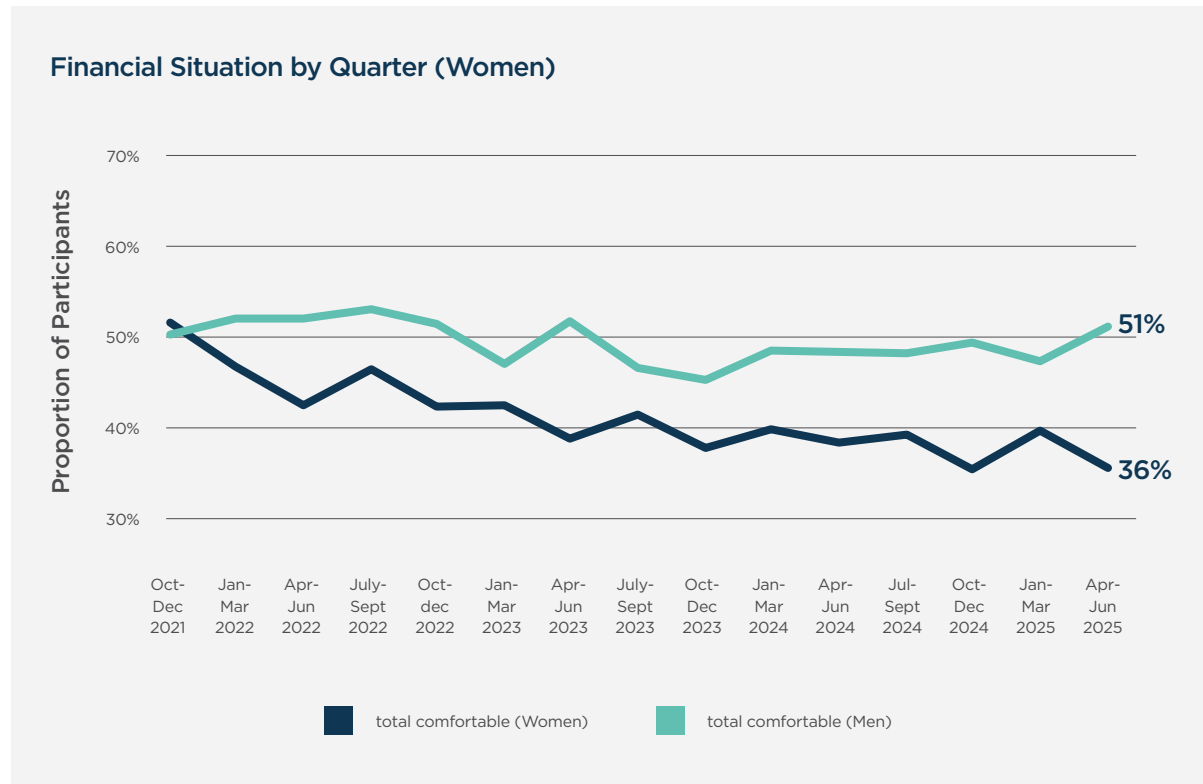
FINANCIAL SITUATION

- Over the years, the proportion of women who say they feel financially comfortable has slowly tracked downwards and sits at the lowest proportion since the Tracker began (now 38%, down from 40% in the 2024 financial year).
- The gap between men and women's self-rated financial comfort as widened significantly over the past four years moving from a 5-percentage point gap in 2022, to 11 percentage points in 2025.
- Viewed quarterly, it is apparent that while men are starting to recover financially, women's perceived financial situation has not recovered, finishing the last quarter at 36%.

Table 4. Average year-on-year self-rated financial situation of women in New Zealand aged 18+ years (July 2021 to June 2025).

Women	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
Flying ahead	1%	2%	2%	1%
Swimming happily	18%	14%	14%	14%
Starting to swim comfortably	29%	27%	24%	23%
Just treading water	37%	39%	40%	40%
Sinking a bit	11%	12%	13%	16%
Sinking badly	5%	5%	7%	7%
Net Financially Comfortable	48%	43%	40%	38%
Net Financially Uncomfortable	52%	57%	60%	62%
Gap between men and women (financially comfortable)	-5%	-8%	-8%	-11%
Base (weighted)	2302	2078	1956	1803

Figure 4. Quarterly self-rated financial situation of women in New Zealand aged 18+ years (October 2021 to June 2025).



FINANCIAL SENTIMENT

- On a year-on-year basis, the proportion of women who were worried about both their finances pay-pay and their levels of debt is the highest recorded since the Tracker began at 45% and 32% respectively, although this is also the case for men.
- In contrast to men, a significantly greater proportion of women say they have experienced some form of financial stress this year, now at 68%, up from 65% in 2024.
- Compared to men, women are less likely to feel optimistic about the future (41% agree they feel this way) compared to men (53% feel this way).
- They are also less likely to say they can cover an unexpected expense (46% agree they can do this) compared to men (54% can do this).

Table 5. Average year-on-year financial sentiment of women in New Zealand aged 18+ years (July 2021 to June 2025).

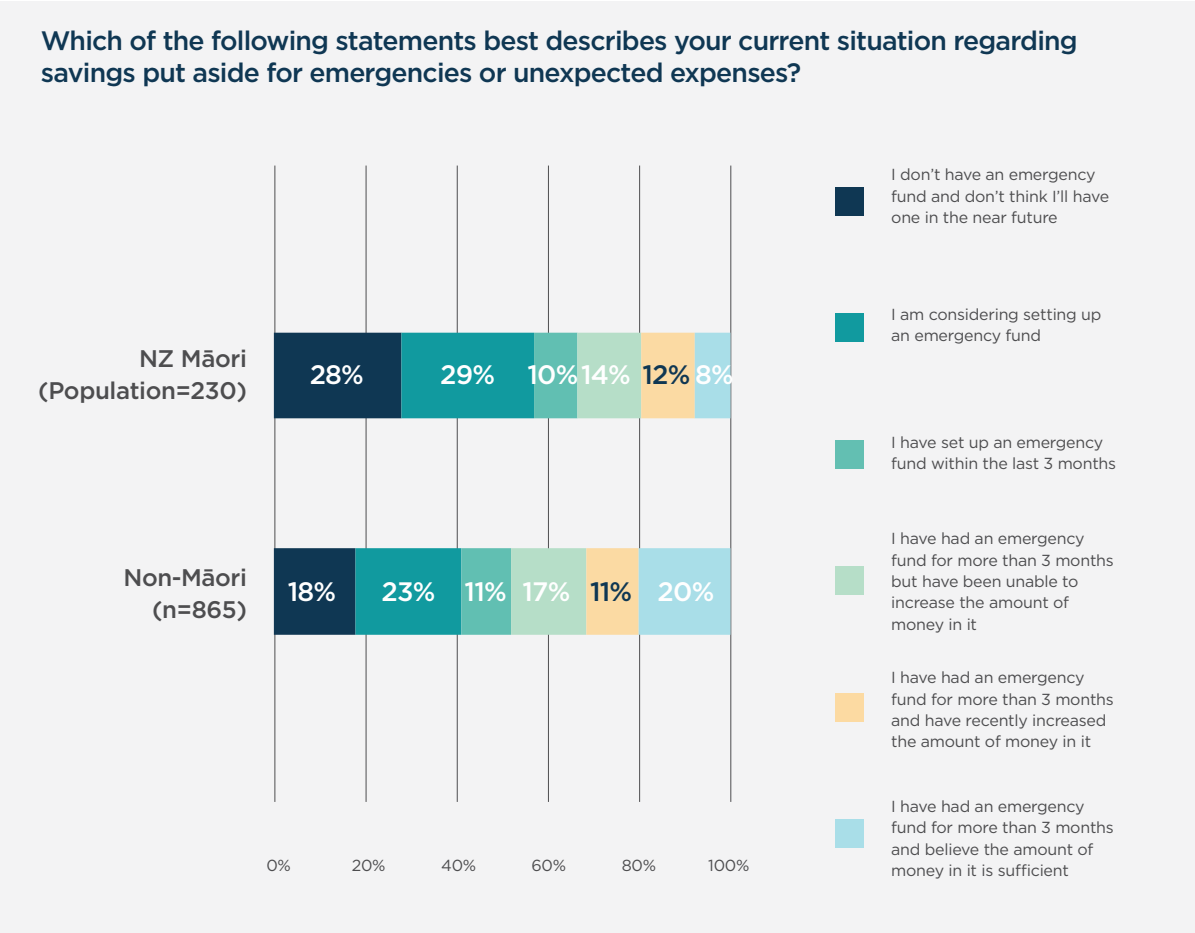
	Women				Men			
	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025
I'm worried about my finances from pay to pay	38%	39%	43%	45%	34%	36%	39%	41%
I'm worried about the level of debt I'm in	27%	28%	30%	32%	29%	29%	32%	32%
I feel / we feel very optimistic and confident about my / our future right now	42%	41%	42%	41%	47%	47%	47%	53%
If an unexpected expense comes up I can easily find money to cover it	47%	46%	45%	46%	54%	52%	52%	54%
I am confident I will be able to have a financially comfortable retirement	38%	37%	38%	39%	47%	46%	47%	50%
Experienced financial stress	66%	65%	65%	68%	60%	62%	62%	63%
Base (unweighted)	2302	2078	1956	1803	1935	1951	1829	1569
Experience barriers to managing money		66%	67%	68%		64%	62%	64%
Base (unweighted)		985	1956	1803		955	1829	1569

Focus on Māori

EMERGENCY SAVING

- On average, Māori participants are in the earlier stages of the emergency fund journey: 28% say they are unlikely to set one up and 29% are only considering it at the moment, compared to 18% and 23% of non-Māori respectively.

Figure 5. Journey to setting up an emergency fund for Māori and non-Māori in New Zealand (March 2025 to June 2025)



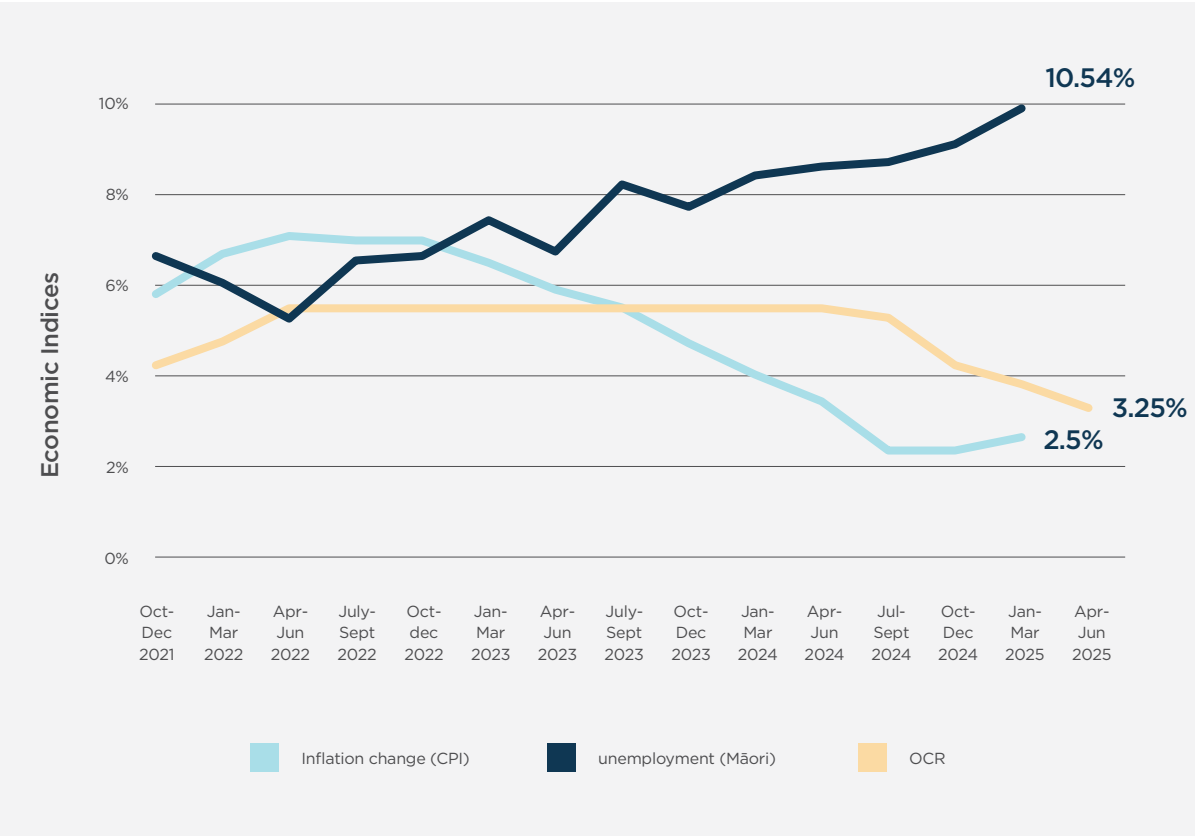
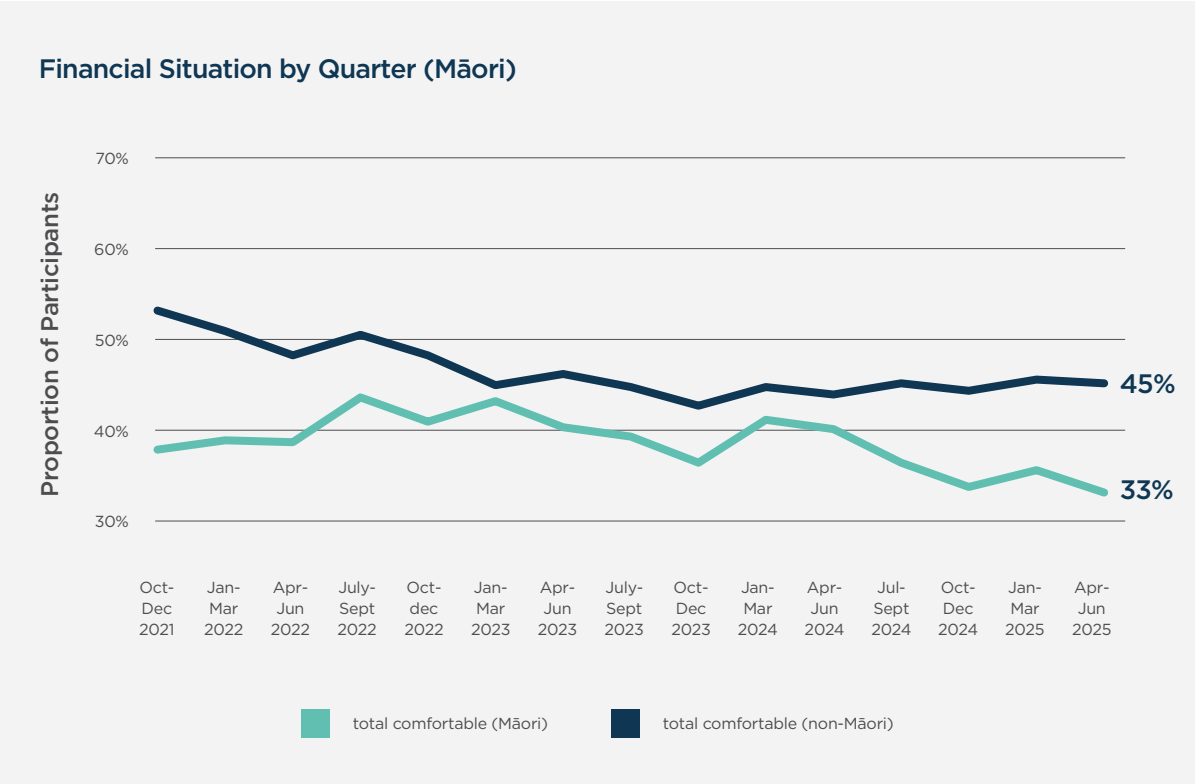
FINANCIAL SITUATION

- Year-on-year comparisons show a gradual decline in the proportion of Māori who say they feel financially comfortable, dropping significantly from 42% two years ago to 34% this year.
- The same trend is reflected in the quarterly data, ending at 33% of Māori feeling financially comfortable, in contrast to the stabilised levels seen among non-Māori. As a result, the gap between the two is now 11 percentage points.
- Rising unemployment among Māori may, at least in part, be responsible for the declining financial comfort.

Table 6. Average year-on-year self-rated financial situation of Māori in New Zealand aged 18+ years (July 2021 to June 2025).

Māori	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
Flying ahead	3%	4%	5%	4%
Swimming happily	14%	13%	12%	10%
Starting to swim comfortably	22%	25%	22%	20%
Just treading water	41%	36%	35%	38%
Sinking a bit	13%	15%	16%	18%
Sinking badly	7%	7%	10%	9%
Net Financially Comfortable	39%	42%	39%	34%
Net Financially Uncomfortable	61%	58%	61%	66%
Gap between Māori and non- Māori (financially comfortable)	-12%	-6%	-5%	-11%
Base (weighted)	712	810	679	715

Figure 6. Quarterly self-rated financial situation of Māori in New Zealand aged 18+ years (October 2021 to June 2025).



FINANCIAL SENTIMENT

- Māori financial sentiment is fairly stable, although at 56% the proportion of Māori concerned about their finances from pay-to-pay has trended up over the past two years and is significantly higher than in 2023.
- In comparison to non-Māori, Māori are significantly more likely to express concern with their finances (56%) and the levels of debt they are in (41%).
- Māori are also significantly more likely to identify aspects of financial stress (79% experience stress), and barriers to managing money (81% identify barriers) compared to non-Māori (61% and 62% respectively).

Table 7. Average year-on-year financial sentiment of Māori in New Zealand aged 18+ years (July 2021 to June 2025).

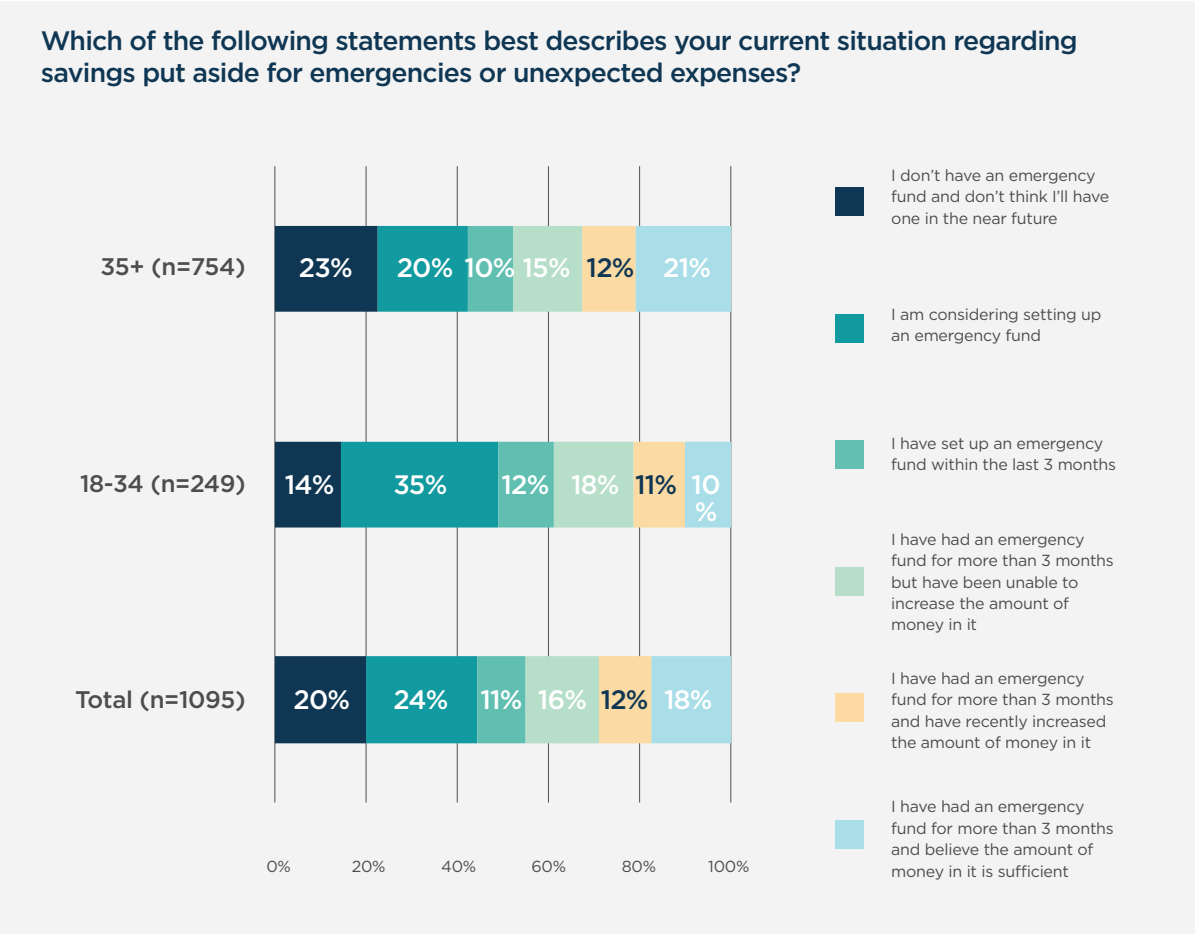
	Māori				non-Māori			
	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025
I'm worried about my finances from pay to pay	48%	48%	52%	56%	34%	35%	39%	40%
I'm worried about the level of debt I'm in	38%	40%	40%	41%	26%	26%	29%	30%
I feel / we feel very optimistic and confident about my / our future right now	43%	46%	44%	42%	45%	43%	45%	47%
If an unexpected expense comes up I can easily find money to cover it	39%	44%	43%	40%	53%	51%	50%	52%
I am confident I will be able to have a financially comfortable retirement	37%	36%	37%	38%	44%	42%	44%	46%
Experienced financial stress	78%	76%	76%	79%	59%	61%	61%	61%
Base (unweighted)	712	810	679	715	2738	3234	3113	2664
Experience barriers to managing money		76%	78%	81%		62%	62%	62%
Base (unweighted)		419	679	715		1532	3113	2664

Focus on 18 to 34-year-olds

EMERGENCY SAVING

- Compared to their 35+ year-old counterparts, participants aged under 35 are more likely to be in the considering phase of setting up an emergency fund (35%) compared to people aged 35 or older.
- In contrast, twice as many people over 35 years believe their emergency fund is sufficient in size (21%) compared to 18 to 34-year-olds (10%).

Figure 7. Journey to setting up an emergency fund 18 to 34-year-olds and 35+ year-olds in New Zealand (March 2025 to June 2025)



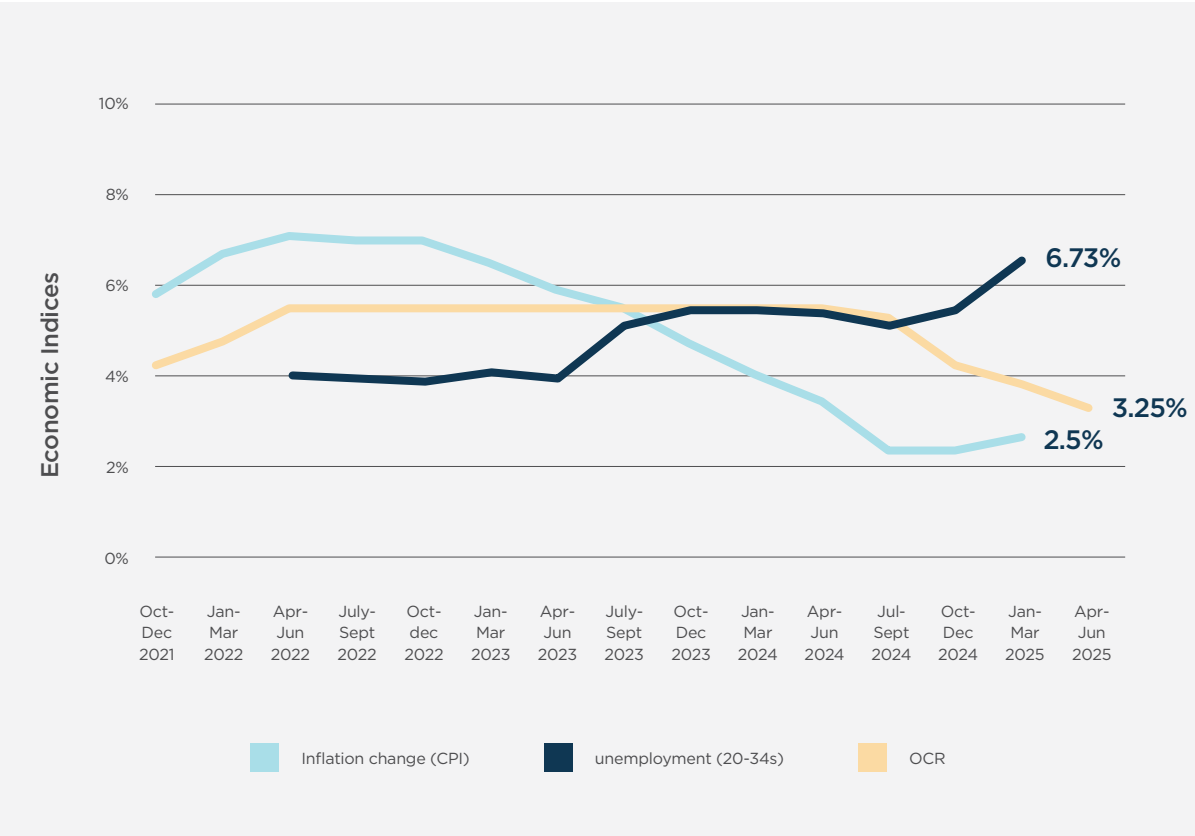
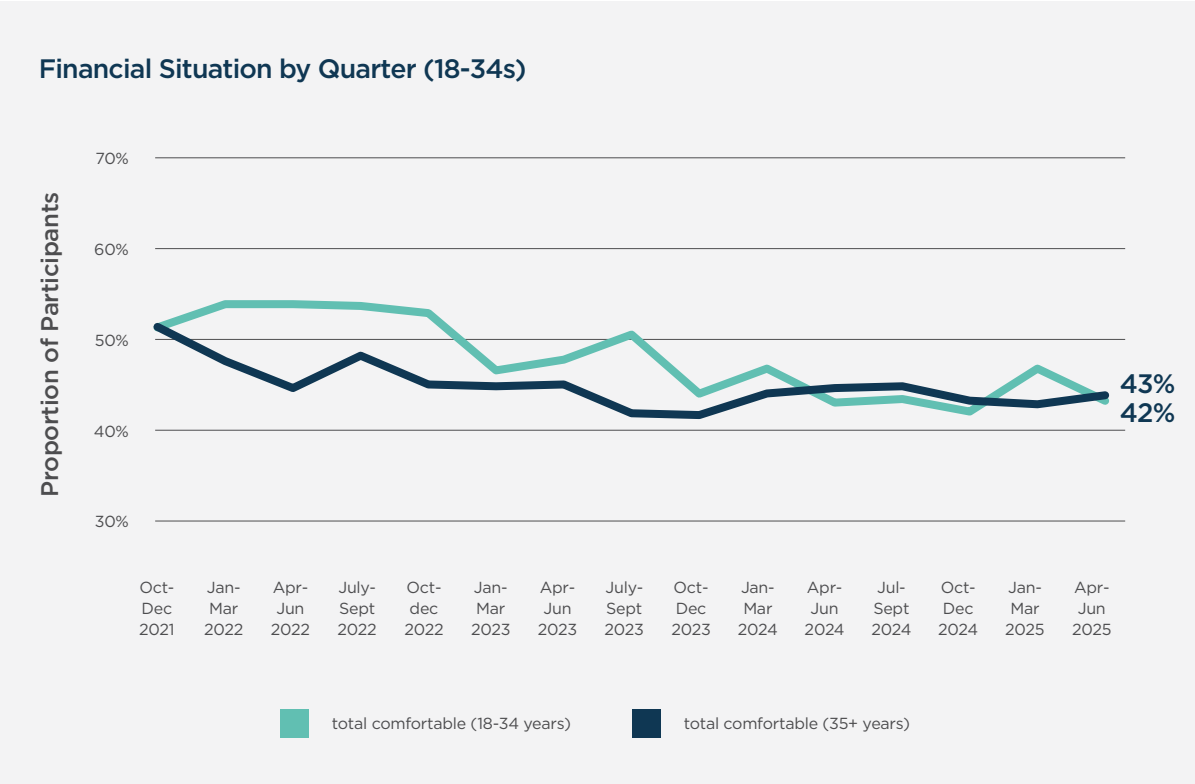
FINANCIAL SITUATION

- The proportion of people aged 18-34 who feel financially comfortable has trended downwards significantly over the last four years, now sitting at an average-year low of 43%, contrasting with the plateauing of financial comfort for participants aged 35+ (also 43%).
- As a result, the two groups now equally inclined to feel financially comfortable.
- On a quarterly basis, the year ended at 42% of 18 to 34-year-olds feeling financially comfortable.

Table 8. Average year-on-year self-rated financial situation of participants aged 18 to 34 years in New Zealand (July 2021 to June 2025).

18-34	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
Flying ahead	3%	5%	5%	3%
Swimming happily	19%	15%	14%	14%
Starting to swim comfortably	31%	30%	26%	26%
Just treading water	33%	34%	33%	35%
Sinking a bit	9%	12%	13%	15%
Sinking badly	4%	4%	8%	7%
Net Financially Comfortable	53%	50%	46%	43%
Net Financially Uncomfortable	47%	50%	54%	57%
Gap between 18 to 34-year-olds and 35+ year-olds (financially comfortable)	5%	5%	4%	0%
Base (weighted)	1292	1260	1173	1048

Figure 8. Quarterly self-rated financial situation of participants aged 18 to 34 years in New Zealand (Oct 2021 to June 2025).



FINANCIAL SENTIMENT

- Year-on-year comparisons see financial sentiment stabilise for the 18-34 year group, with no recovery apparent in the proportion of young people who are concerned about their finances (52%) or the levels of debt they are in (40% are concerned).
- In comparison to their older counterparts, 18 to 34-year-olds are significantly more likely to express concern with their finances and the levels of debt they are in.
- 18 to 34-year-olds are also significantly more likely to identify aspects of financial stress (82% experience stress), and barriers to managing money (81% identify barriers) compared to over 35 year-olds (58% and 60% respectively).

Table 9. Average year-on-year financial sentiment of participants aged 18 to 34 years in New Zealand (July 2021 to June 2025).

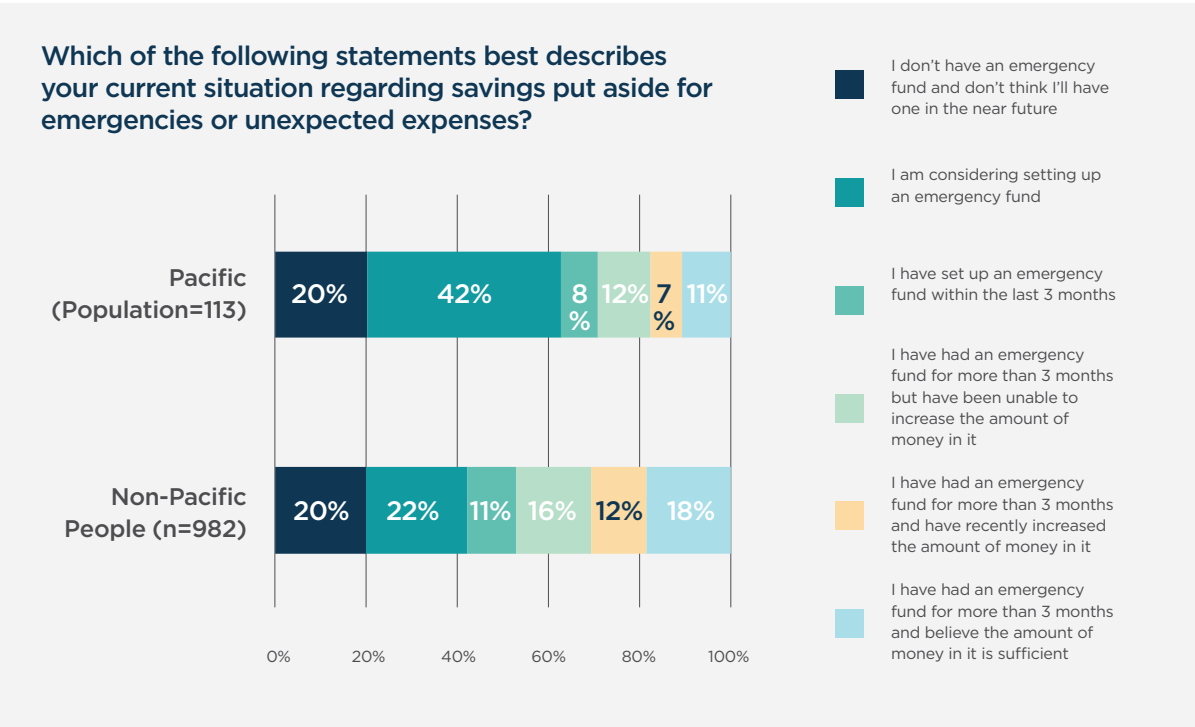
	18-34				35+			
	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025	July 2021-Jun 2022	July 2022-Jun 2023	July 2023-Jun 2024	July 2024-Jun 2025
I'm worried about my finances from pay to pay	42%	47%	51%	52%	34%	33%	36%	39%
I'm worried about the level of debt I'm in	34%	37%	40%	40%	26%	25%	27%	28%
I feel / we feel very optimistic and confident about my / our future right now	50%	51%	49%	48%	42%	40%	43%	46%
If an unexpected expense comes up I can easily find money to cover it	52%	48%	46%	48%	50%	50%	50%	50%
I am confident I will be able to have a financially comfortable retirement	46%	45%	43%	46%	41%	39%	43%	43%
Experienced financial stress	77%	81%	83%	82%	57%	56%	55%	58%
Base (unweighted)	1292	1260	1173	1048	2959	2784	2619	2331
Experience barriers to managing money		78%	82%	81%		60%	57%	60%
Base (unweighted)		611	1173	1048		1340	2619	2331

Focus on Pacific Peoples

EMERGENCY SAVING

- While similar proportions of Pacific and non-Pacific people don't believe they will have an emergency fund in the near future (20% each), Pacific participants are nearly twice as likely to be considering setting one up (42%) compared to non-Pacific participants (22%).
- In contrast non-Pacific participants are more likely have established emergency funds of sufficient size (18%) compared to Pacific participants (11%).

Figure 9. Journey to setting up an emergency fund for Pacific and non-Pacific participants in New Zealand (March 2025 to June 2025)



FINANCIAL SENTIMENT

- Averaged across the 2024/25 financial year, perceived financial situation among Pacific participants changed very little.
- A third of Pacific participants say they feel financially comfortable, significantly below the proportion of non-Pacific participants (45%).
- In line with the relative consistency of financial situation, financial sentiment is also stable year-on-year.
- In comparison to non-Pacific participants, Pacific participants are significantly more likely to express concern with their finances (50%) and the levels of debt they are in (43%).
- Three quarters of Pacific participants say that they have experienced some form of financial stress due to concern about money and personal finances, while 80% say they face barriers to managing their money. These figures are significantly higher than for non-Pacific participants (64% and 65% respectively).
- We do not report on Pacific situation or sentiment quarterly due to small sample sizes.

Table 10. Average year-on-year self-rated financial situation of Pacific participants in New Zealand aged 18+ years (July 2021 to June 2025).

Pacific People	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
Flying ahead	1%	3%	2%	1%
Swimming happily	13%	11%	12%	11%
Starting to swim comfortably	26%	24%	20%	20%
Just treading water	38%	40%	40%	40%
Sinking a bit	16%	13%	17%	20%
Sinking badly	5%	8%	9%	8%
Net Financially Comfortable	41%	38%	35%	33%
Net Financially Uncomfortable	59%	62%	65%	67%
Gap between Pacific and non-Pacific participants (financially comfortable)	-10%	-10%	-9%	-11%
Base (weighted)	378	381	372	358

Table 11. Average year-on-year financial sentiment of Pacific participants in New Zealand aged 18+ years (July 2021 to June 2025).

	Pacific People				non-Pacific People			
	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025	July 2021- Jun 2022	July 2022- Jun 2023	July 2023- Jun 2024	July 2024- Jun 2025
I'm worried about my finances from pay to pay	46%	47%	56%	50%	35%	37%	39%	42%
I'm worried about the level of debt I'm in	40%	40%	46%	43%	27%	27%	30%	31%
I feel / we feel very optimistic and confident about my / our future right now	44%	50%	48%	45%	44%	43%	44%	46%
If an unexpected expense comes up I can easily find money to cover it	41%	41%	38%	41%	51%	50%	50%	51%
I am confident I will be able to have a financially comfortable retirement	40%	40%	39%	40%	43%	41%	43%	45%
Experienced financial stress	79%	77%	79%	75%	62%	63%	62%	64%
Base (unweighted)	378	381	372	358	3873	3663	3420	3021
Experience barriers to managing money		75%	83%	81%		64%	63%	65%
Base (unweighted)		125	372	358		1754	3420	3021