

1 August, 2019

Media Release

Millennials now investing a fifth of their income in future wealth

Research by fund manager Nikko Asset Management has highlighted that when it comes to investment, New Zealanders are now starting young – with Millennials spending as much of their income on investments as their parents, and seeing investing as more ‘important’ than any other age group.

Nikko AM surveyed more than 1000 people aged 25+ with household incomes over \$75,000 to support the launch of its GoalsGetter online investment advice platform.

Nikko AMNZ managing director George Carter says as well as asking Kiwis about the new technology, the firm gathered insights into their attitudes to investing and saving, to help find out what they want from a fund manager.

“Among the questions asked were how much of their regular income they devote to savings and investments; and how important it was to them personally to have savings and investments,” says Carter. “Of particular note was the strong showing of the 25-34-year-olds, whom our survey suggests are well aware of the need to start early to achieve goals.”

The survey asked respondents to estimate the proportion of income they spent on key expenses: mortgage/rent, day to day spending and bills, discretionary spending (e.g. entertainment), savings or investments, or others.

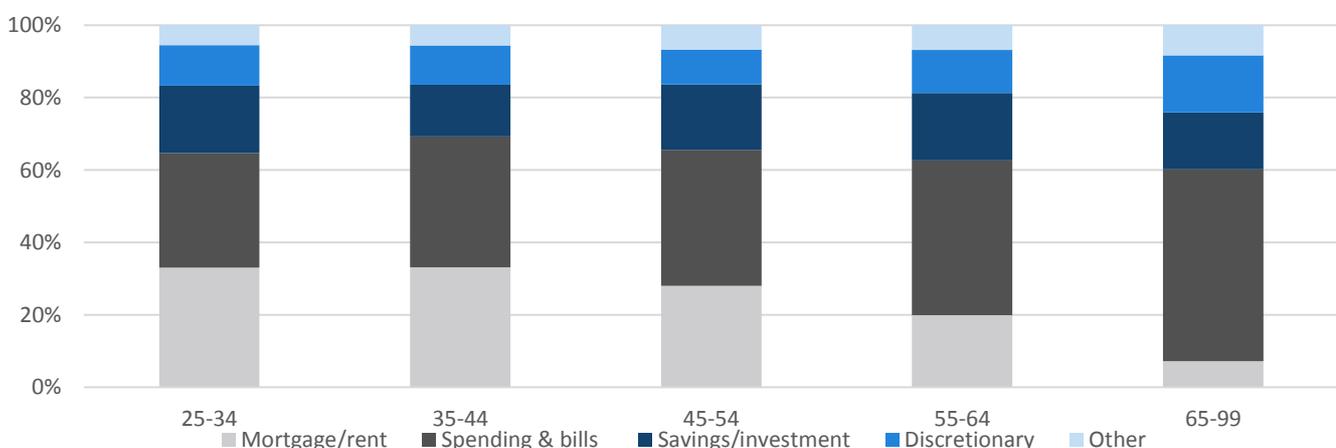
Average figures included 17% on savings or investment, 26% on mortgage or rent and 39% on daily spending and bills.

Chart 1 shows the breakdown by age, including the divergence of housing and other spending as they got older.

Notably, the survey found 25-34-year-olds were devoting as much to savings/investment as 55-64-year-olds (19%).

Other groups who exceeded the average for savings or investment included males (18%), especially those aged 45-54 (20%). Significantly lower results were recorded for 35-44-year-olds (14%), especially females of that age (12%).

Chart 1: Income expenditure

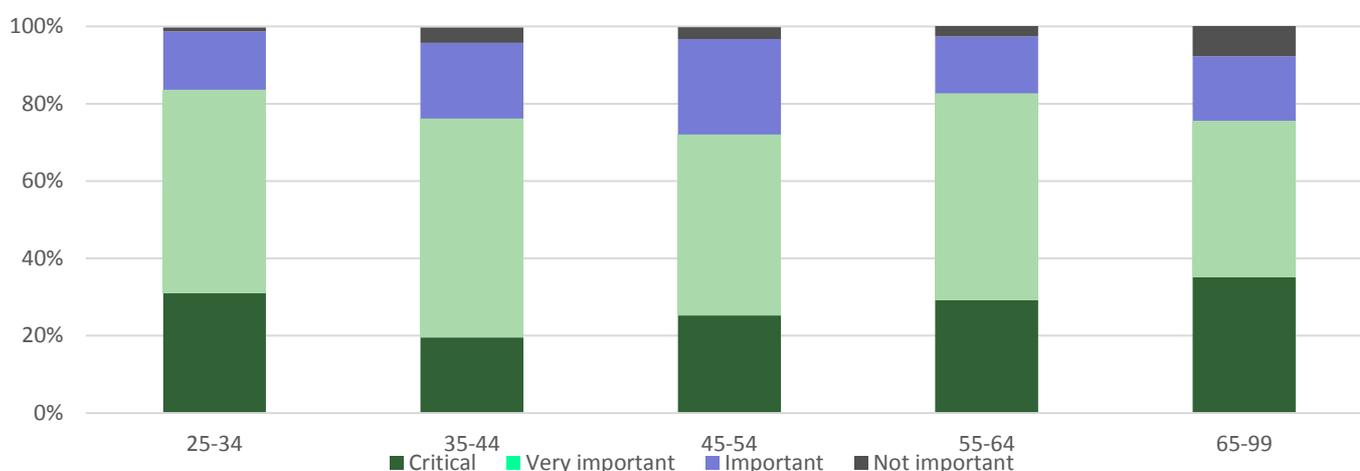


The survey also asked respondents how important it was to them personally to have investments and savings: critical, very important, important, nice to have but not important or not Important at all?

Nationwide, 28% said critical, 51% very important and 18% important. Just 3% said 'nice to have but not important' and less than 1% said not important at all.

By age, 25-34-year-olds were more investment-focused than most of their seniors, with 31% saying investments were of critical importance. Only 65-99-year-olds were more likely to say critical (35%). By comparison, just 20% of those 35-44 said the same.

Chart 2: Importance of investing/saving



Mr Carter says people of all ages can benefit from using GoalsGetter, an easy-to-use digital investment platform that lets investors – including KiwiSavers – set up and track their investment goals, providing a single view of where their investments are now and how they may look in the future.

“We’re the first to launch a digital advice platform that provides real time recommendations and advice. GoalsGetter is designed to help give you confidence in making investment decisions.”

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About Nikko AM

Nikko AM NZ actively manages around NZD6.1 billion of investments* for corporate superannuation schemes, community and charitable trusts, foundations, financial planners, banks, insurers, KiwiSaver Schemes, corporations, other fund managers, retail and KiwiSaver investors. It is part of one of the largest asset management companies in Asia, Nikko Asset Management (Nikko AM), which has US\$223 billion* under management. Nikko AM NZ the only dedicated investment manager in NZ to be a part of a specialist global investment manager. * All data as at 30 June 2019