



Attitudes towards New Zealand's financial markets

General public investor research
May 2017

Methodology



This is the fifth year that FMA has carried out investor research measuring attitudes towards, and investment in New Zealand's financial markets.



The research was carried out online using Colmar Brunton's omnibus.



Fieldwork was conducted between 29th March and 5th April 2017.



A total of 1,000 New Zealanders took part in the research in 2017. Results are weighted by age, gender, and region to ensure the results are representative of the New Zealand population.

$$m.e. = \pm \frac{1}{\sqrt{n}}$$

The margin of error for overall results n=1,000 is +/-3.1%.



Of the 1,000 people surveyed this year, 891 had an investment in New Zealand's financial markets.

Key outtakes



Confidence in New Zealand's financial markets has increased since 2016. Investors in general are driving this increase, and in particular those with superannuation schemes (other than KiwiSaver).



Two-thirds of respondents are confident that the market is effectively regulated, while half of people agree that the FMA supports market integrity. Investors, who have heard of the FMA, are most positive and confident.

Confidence in effective regulation has increased significantly for people with a superannuation scheme (other than KiwiSaver).

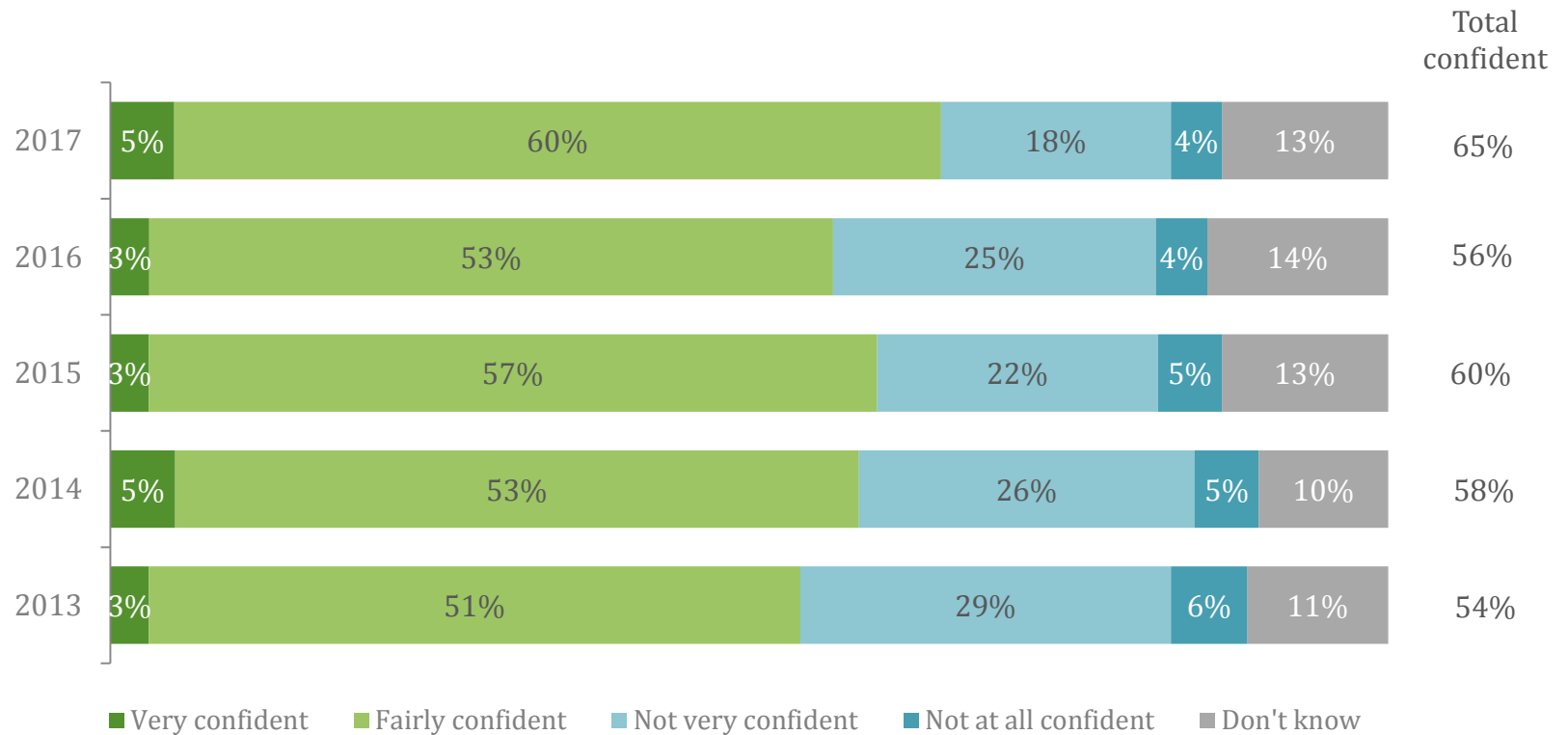


Nine out of ten people have an investment, the most common is KiwiSaver. Over half of investors find their investment materials helpful.

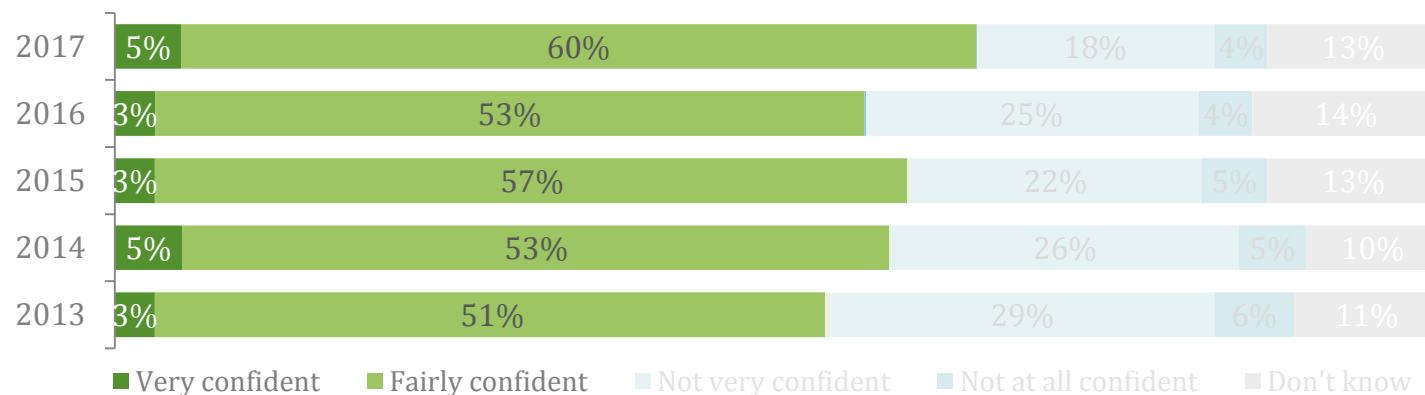
The biggest increases in perceptions of helpfulness from 2016 to 2017 are for investors with shares they bought themselves or another superannuation scheme besides KiwiSaver.

Confidence in New Zealand's financial markets

Confidence in New Zealand's financial markets has increased in 2017 to the highest level since the survey began in 2013.



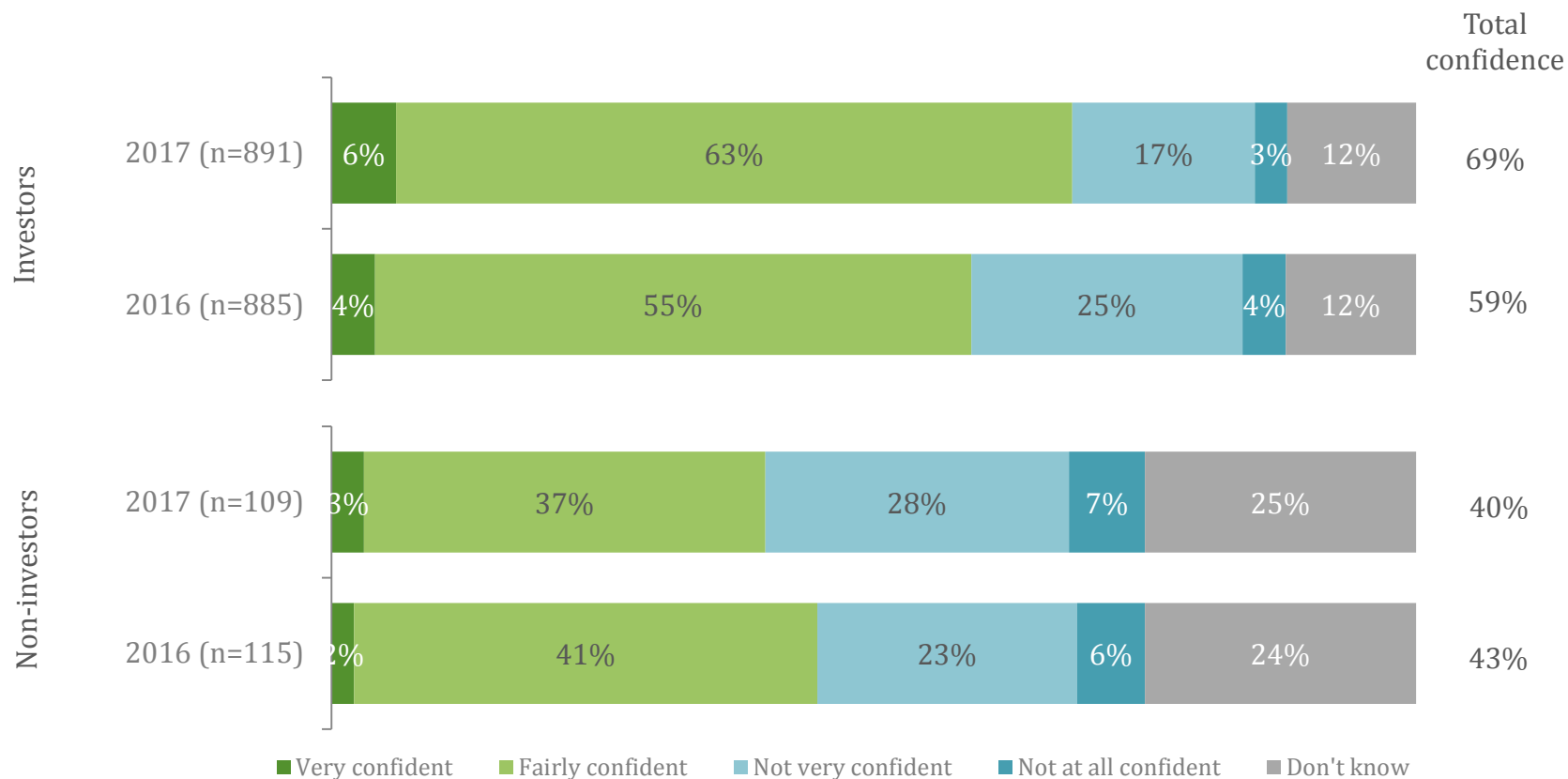
The group of people who are confident in New Zealand's financial markets...



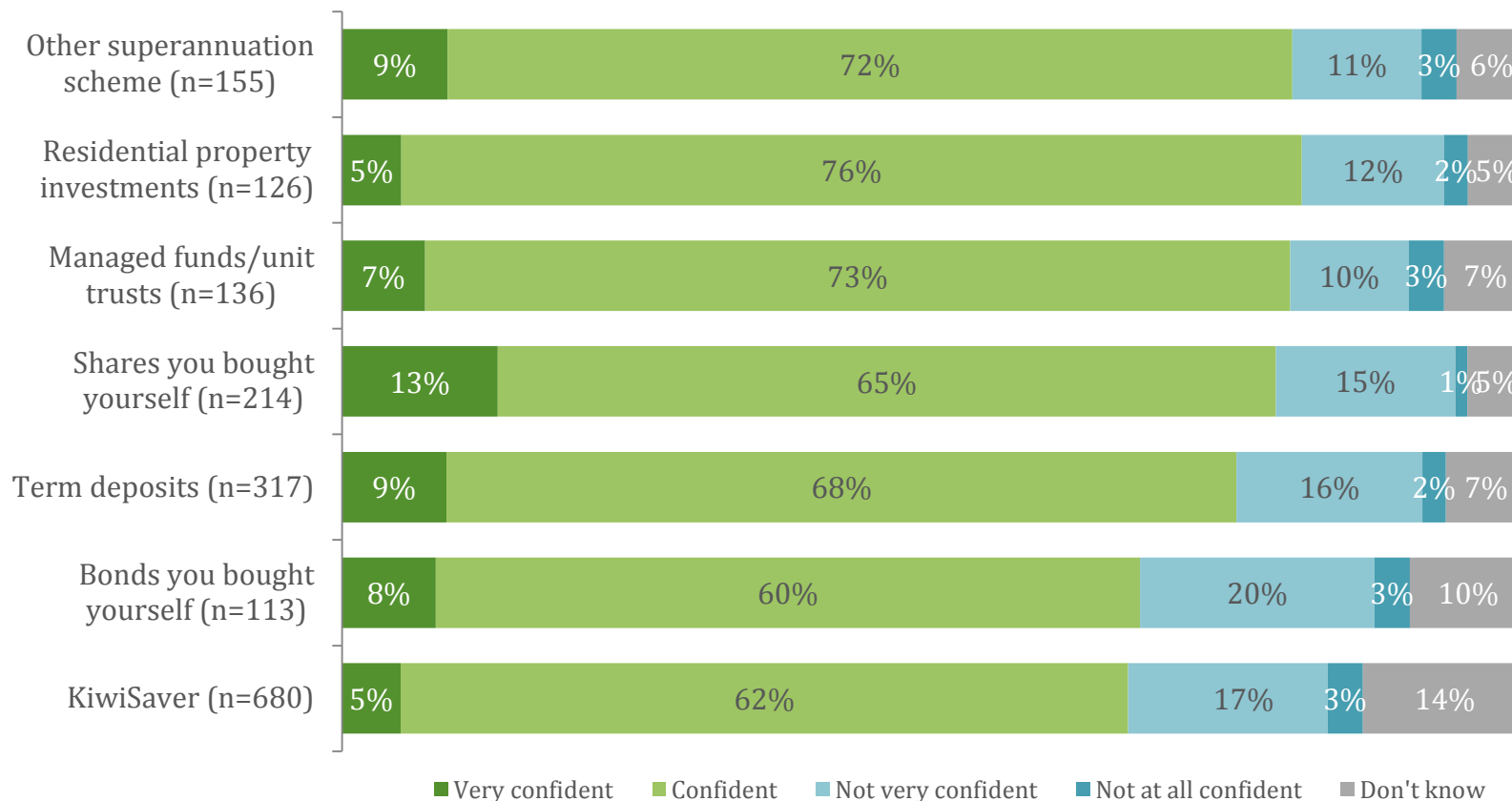
The group of people who say they are confident in New Zealand's financial market is more likely to be male and living in Auckland. They are more likely to be married or living with their partner, with a double income and no kids. They are most likely to have a high personal and household income (\$100k+).

Those who are not confident are more likely to be single with no children.

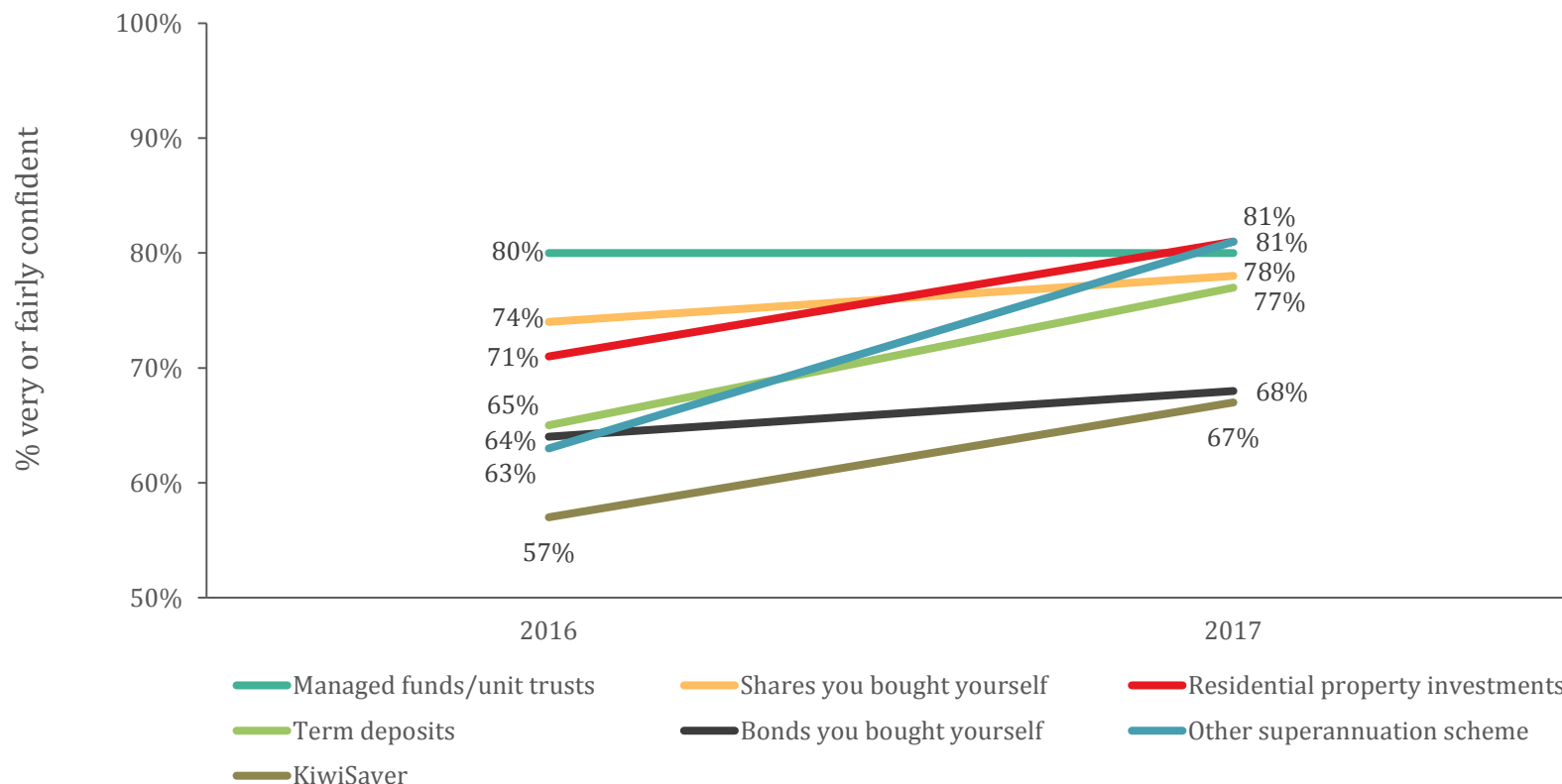
The increase in confidence in the financial markets is driven by investors.



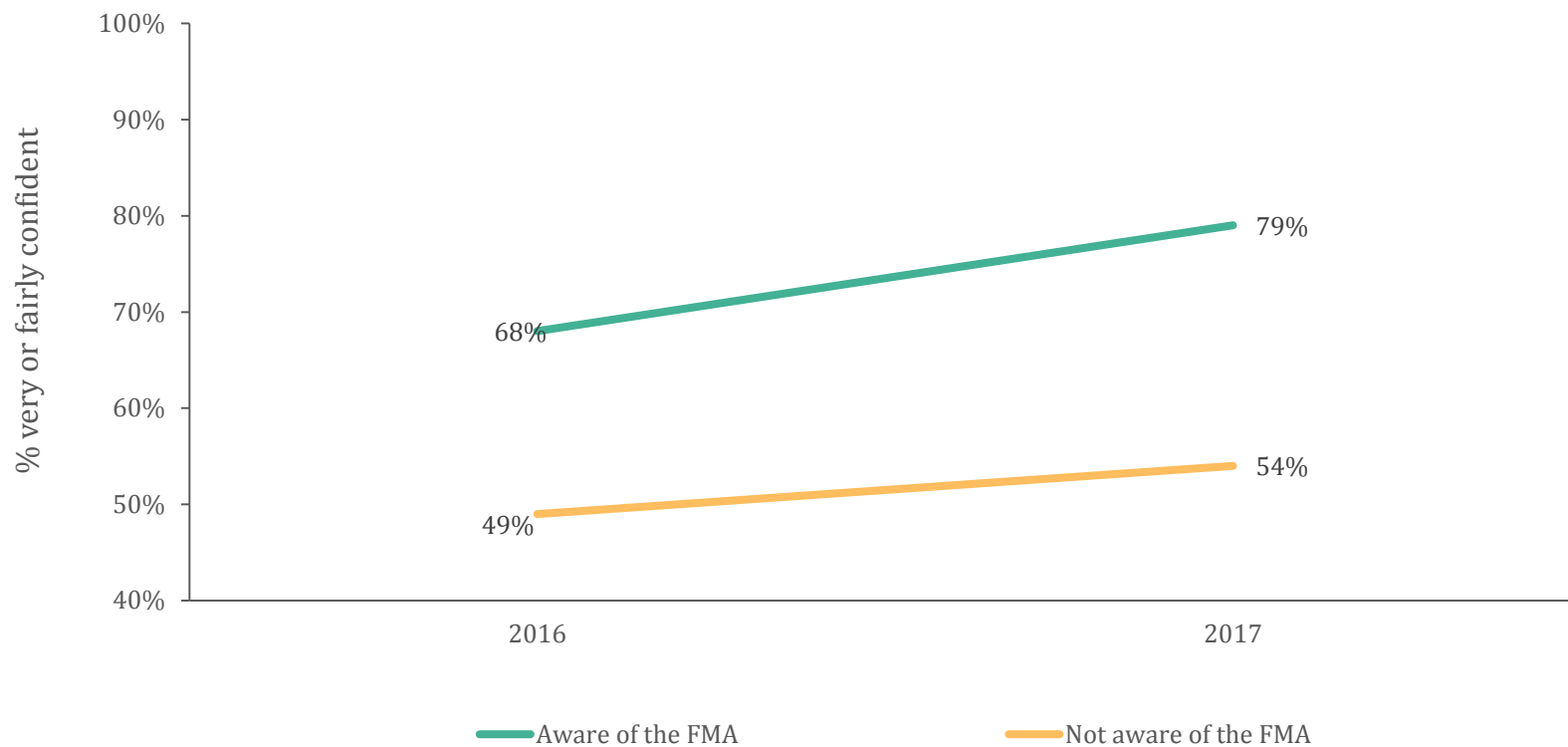
People with a superannuation scheme other than KiwiSaver are the most confident, while those with KiwiSaver and bonds they bought themselves are the least confident.



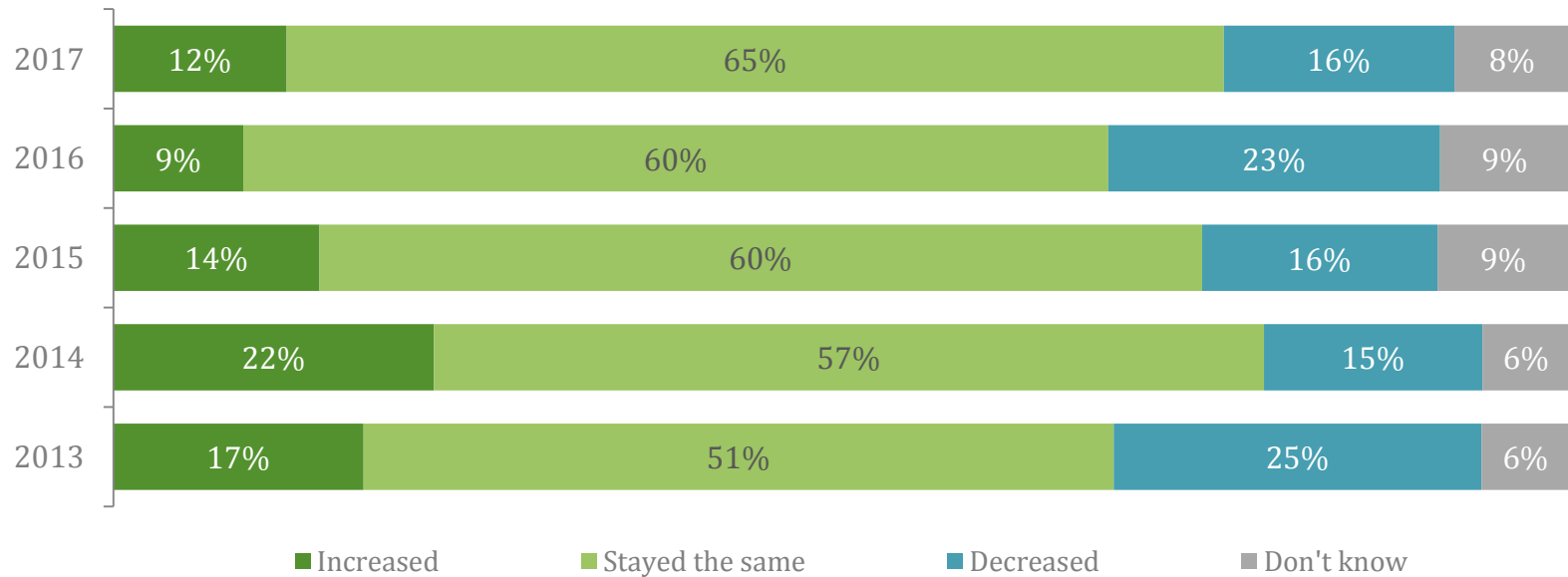
There are increases in confidence for all investment types apart from managed funds/unit trust, which remain the same from 2016 to 2017. The most marked increase comes from investors with other superannuation schemes.



Increases in confidence from 2016 to 2017 come from both people who are aware of the FMA and people who are not.



The number of people who say their confidence has increased has gone up slightly from 2016 to 2017 and the number of people who say their confidence has decreased has gone down from 2016, both positive shifts.

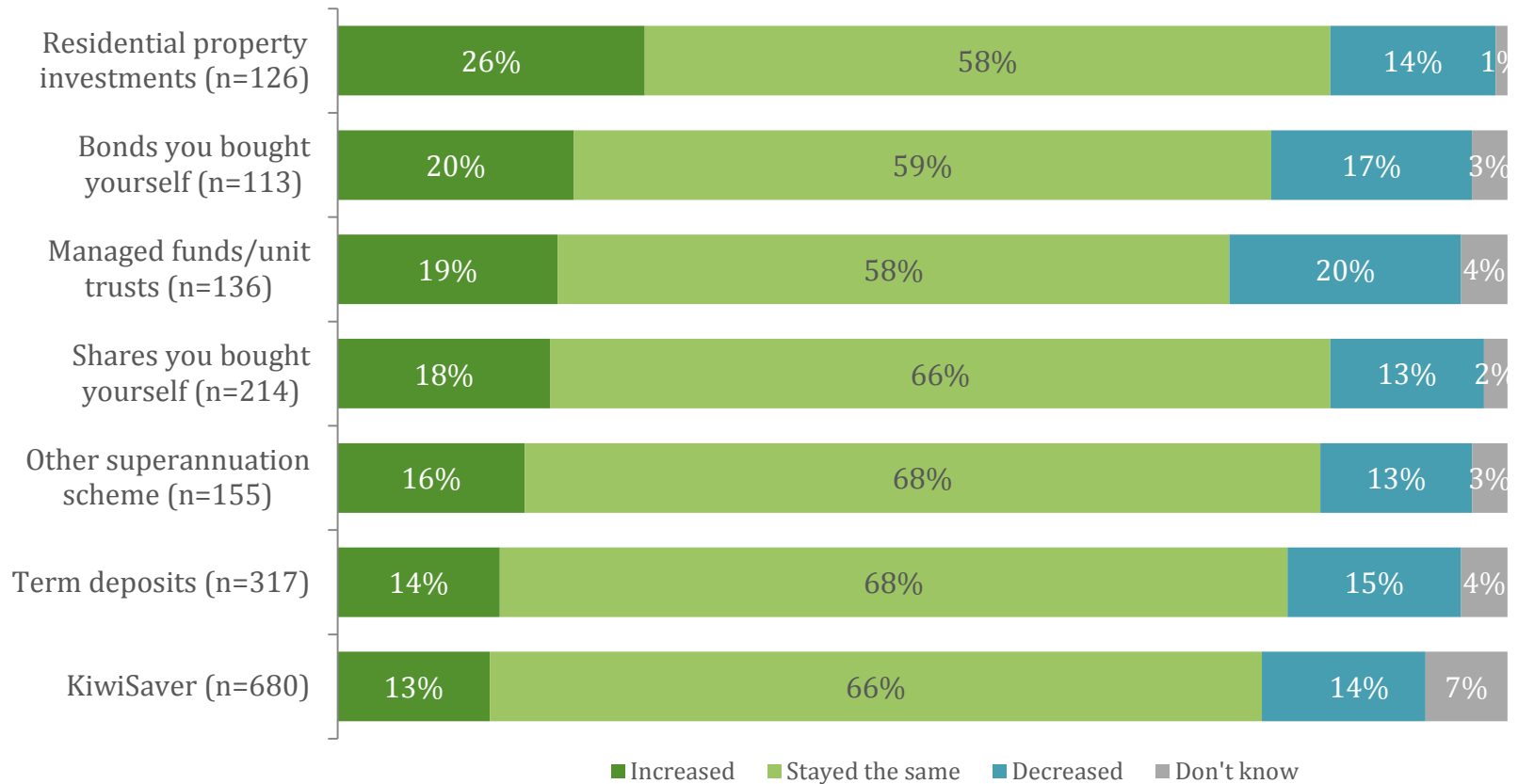


Males, who live in Auckland, with a personal income of \$100K or more are more likely to say their confidence has increased

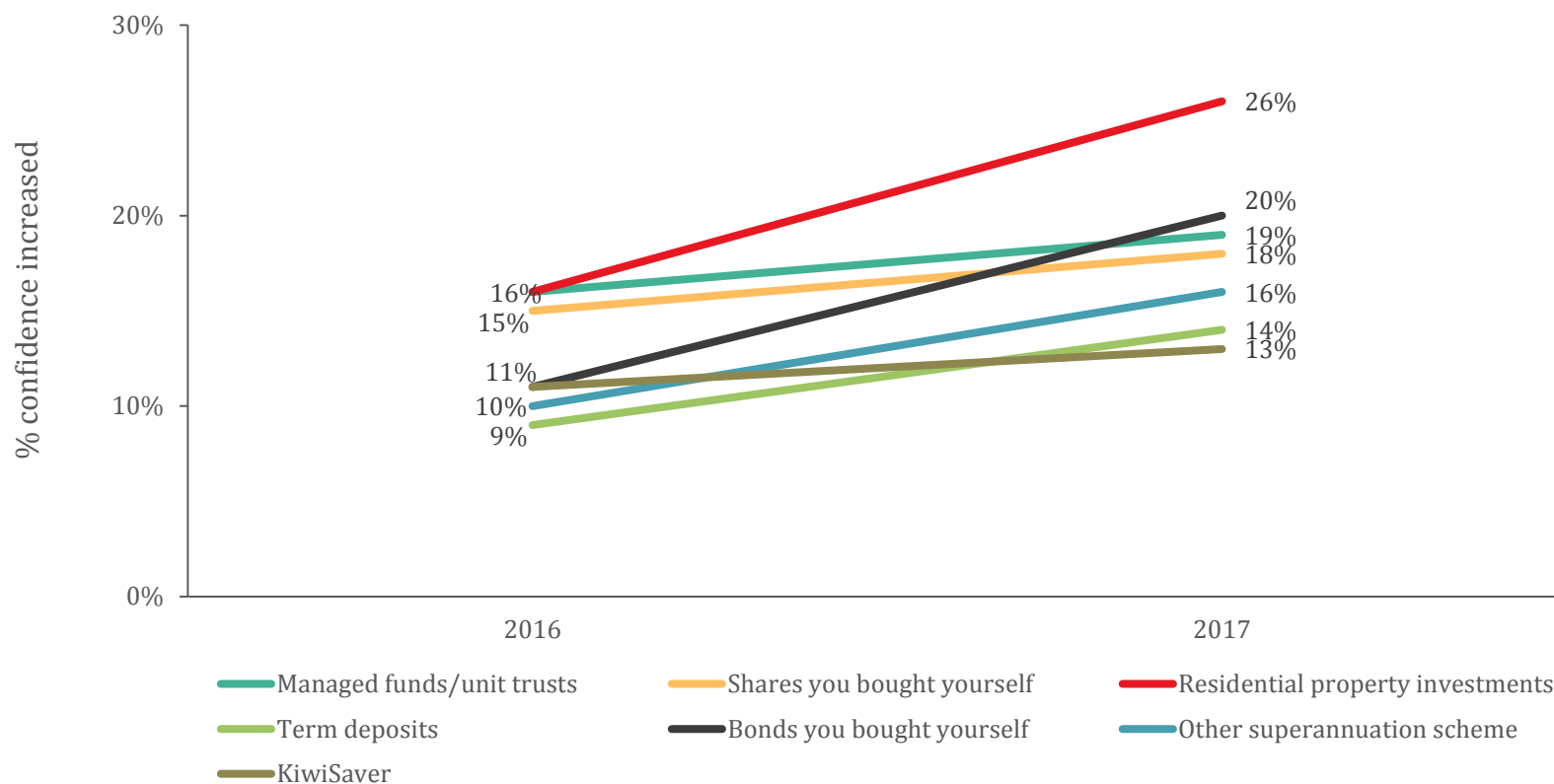


There are no demographic differences among the group of people who say their confidence has decreased

One quarter of people with residential property investments say their confidence has increased.



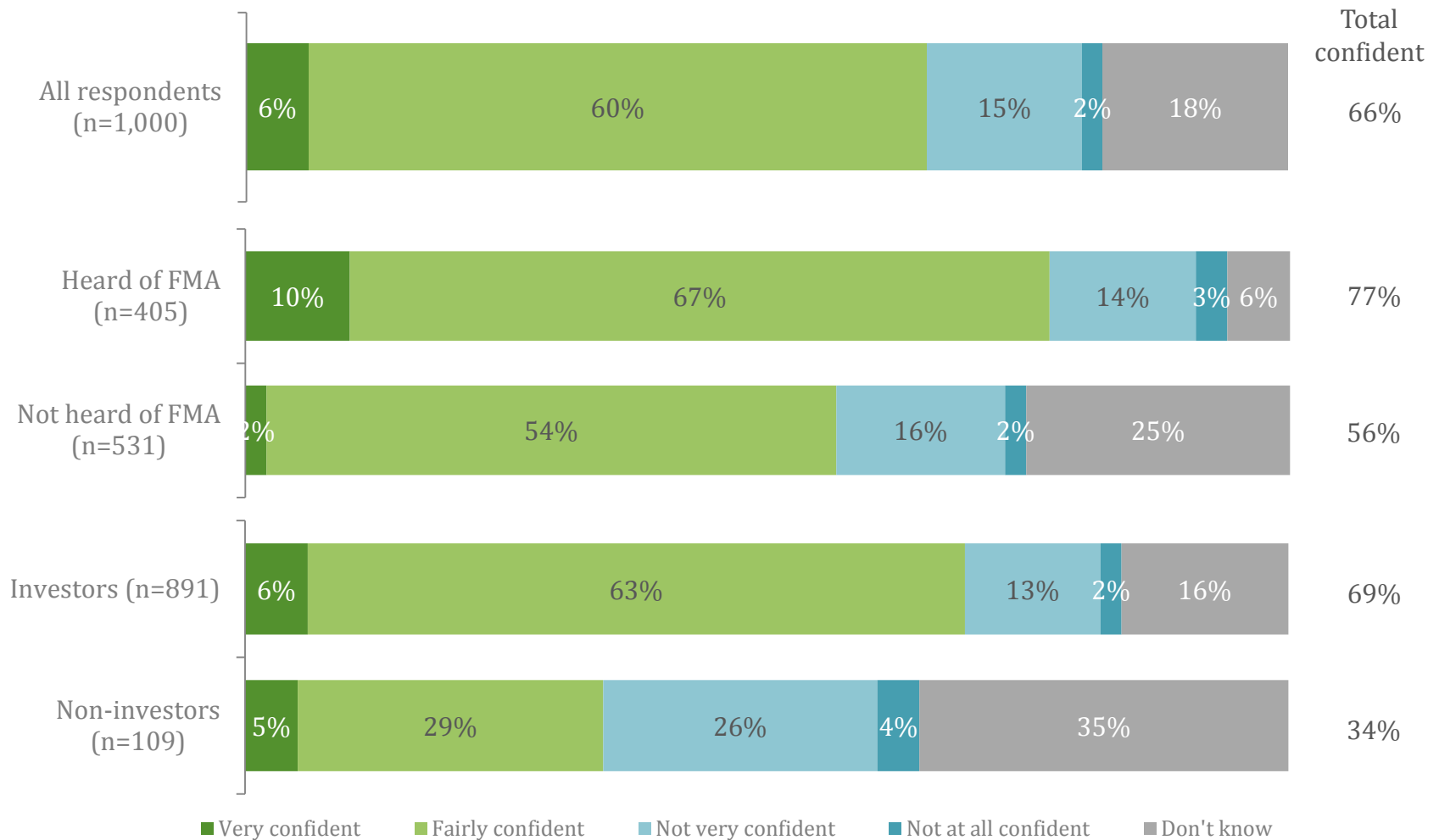
Confidence has increased across all investment types from 2016 to 2017 apart from managed funds/unit trust which remain the same. The most marked increase comes from investors with residential property investments and bonds they bought themselves.





Awareness and perceptions of FMA and regulation

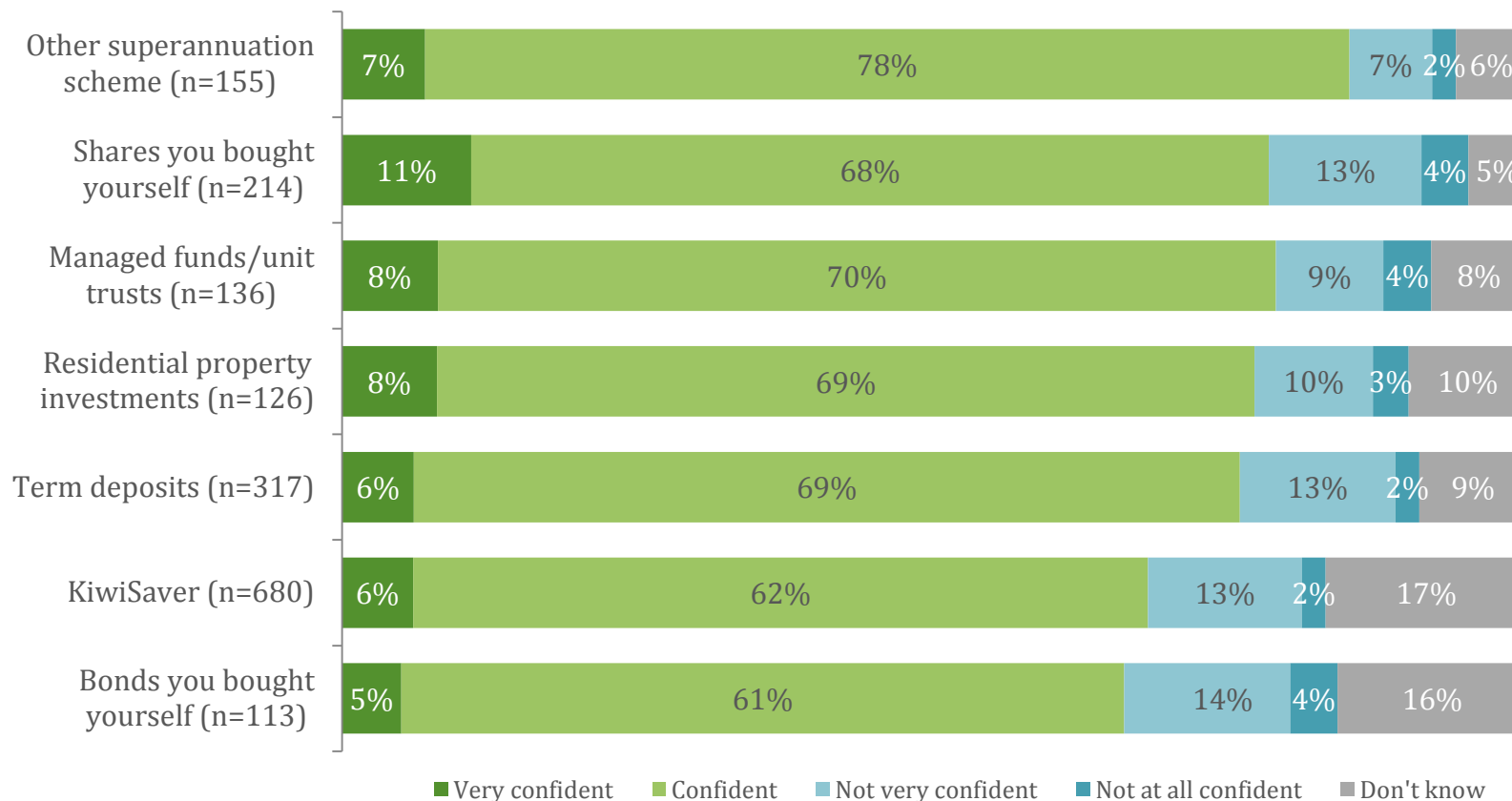
Two-thirds of people are confident that New Zealand's financial markets are effectively regulated. Confidence is highest among people who have heard of the FMA and people who have investments.



Qf. The responsibility for ensuring effective regulation and oversight of New Zealand's financial services and markets is shared by the FMA and front line regulators, including the NZX, and supervisors (or trustees) of both managed funds and KiwiSaver providers. How confident are you that New Zealand's financial markets are effectively regulated?

Base: All respondents

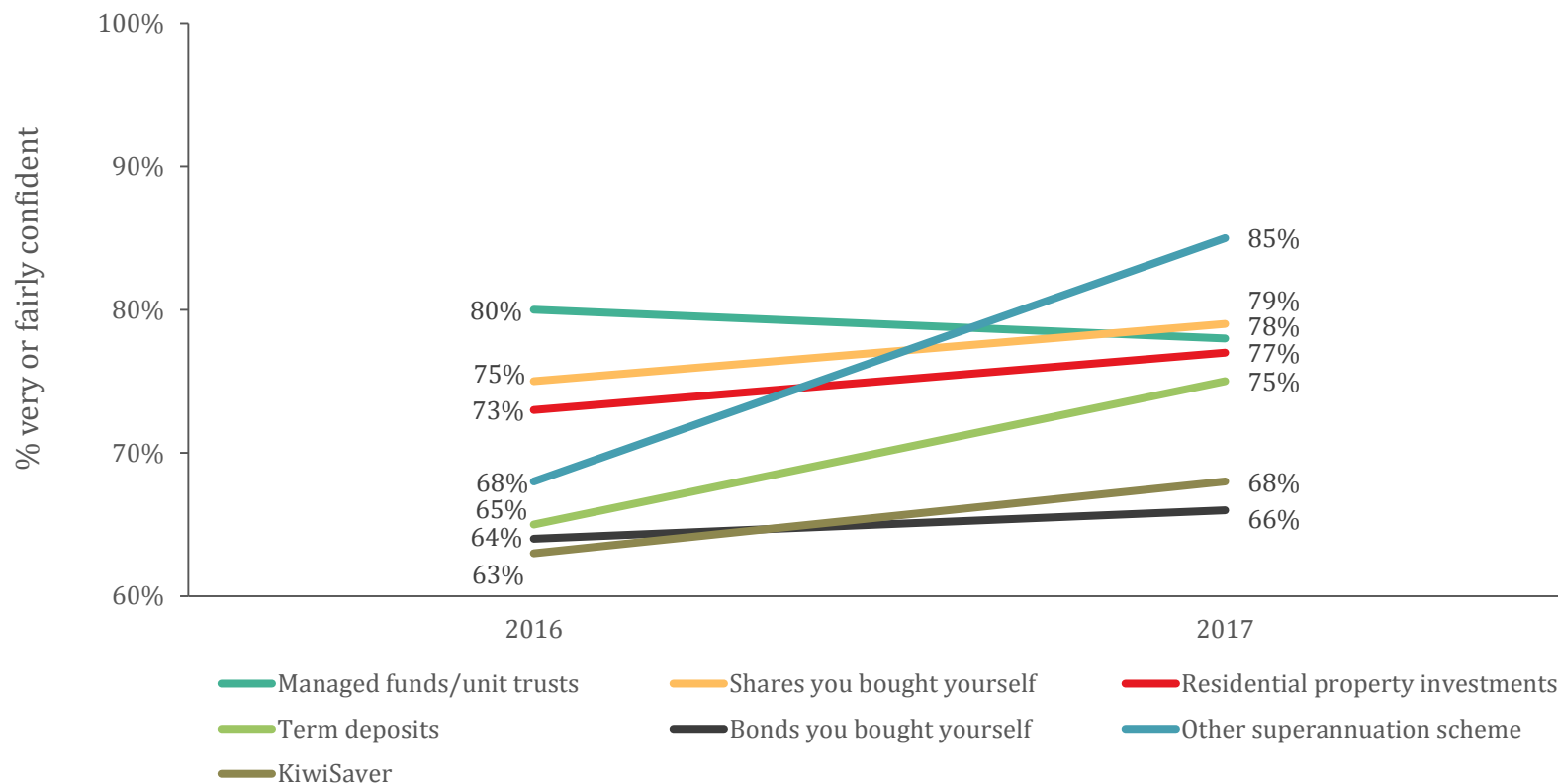
Confidence in the regulation of the markets is highest amongst people with an other superannuation scheme



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Base: Investors in each scheme

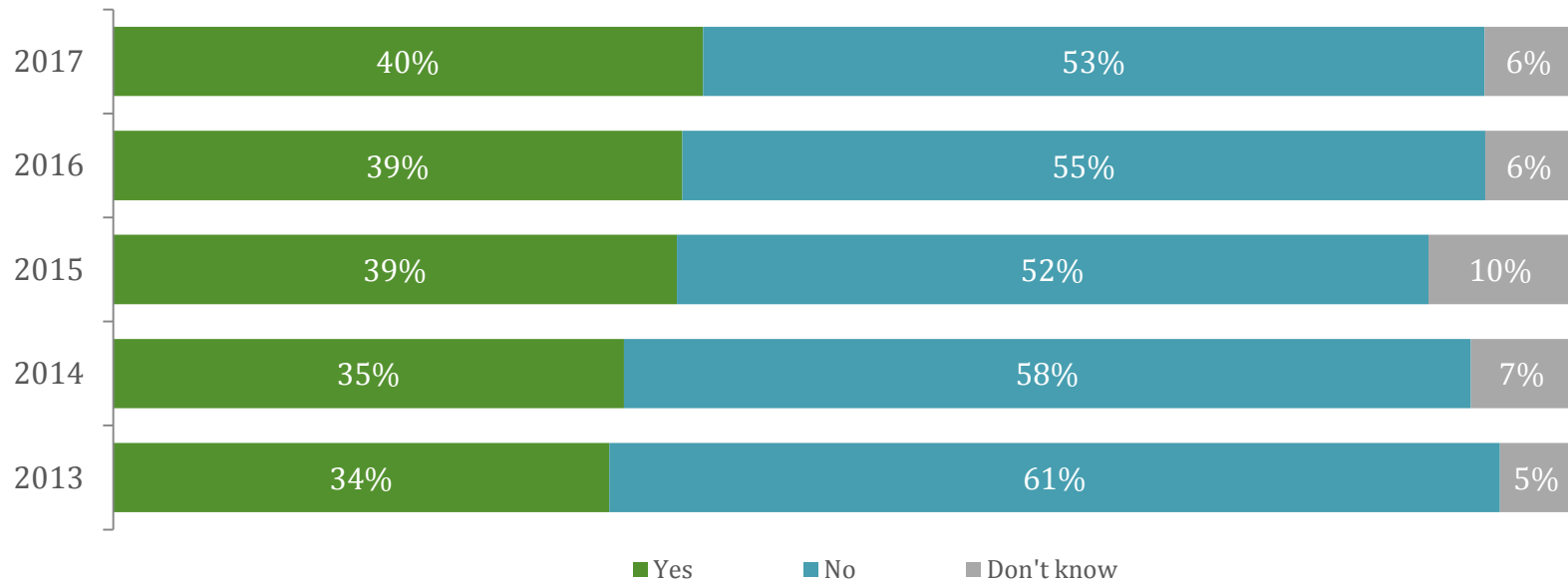
Confidence in effective regulation has increased the most for people with an other superannuation scheme from 2016 to 2017



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Base: Investors in each scheme

Awareness of FMA is slowly increasing over time and has remained stable in the last three years.

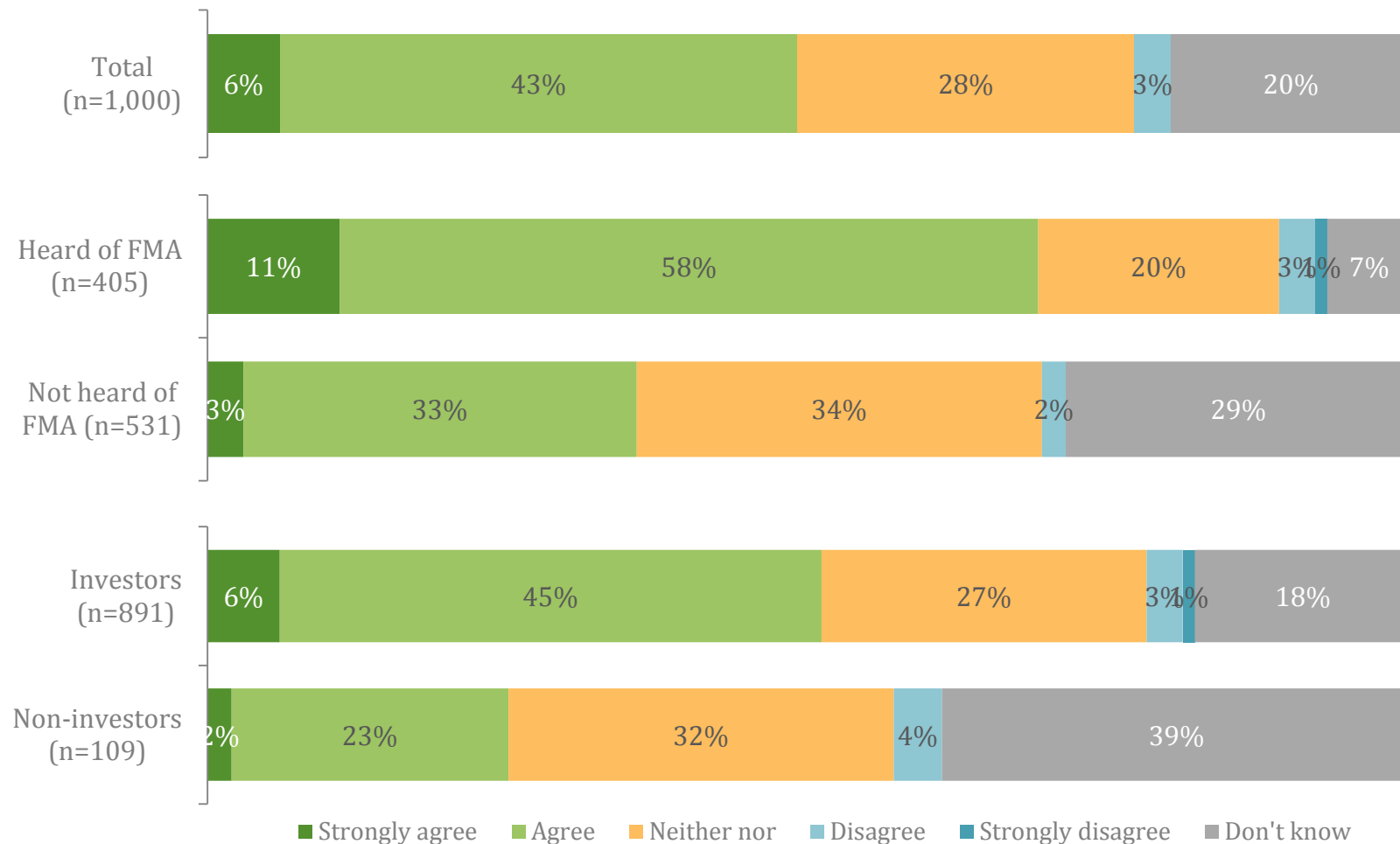


People who have heard of the FMA are more likely to be male, live in Auckland or Wellington, and be 60 years old and over. They are most likely to live in a double income house with no kids and have personal and household income of \$100K or over.



People who have not heard of the FMA are more likely to be female, aged 18-39 years, and live in the South Island outside of Christchurch. They are most likely to live in a household with kids and have a personal income of up to \$50K

Half of all people agree that the FMA supports market integrity. This is higher among people who have heard of the FMA and people who have investments.



Qg. One of the primary roles of the FMA is to support the integrity of New Zealand's financial markets which, for investors, means making sure NZ financial service providers operate in a way that is fair, honest and effective. To what extent do you agree or disagree that 'The FMA supports the integrity of NZ's financial markets'?

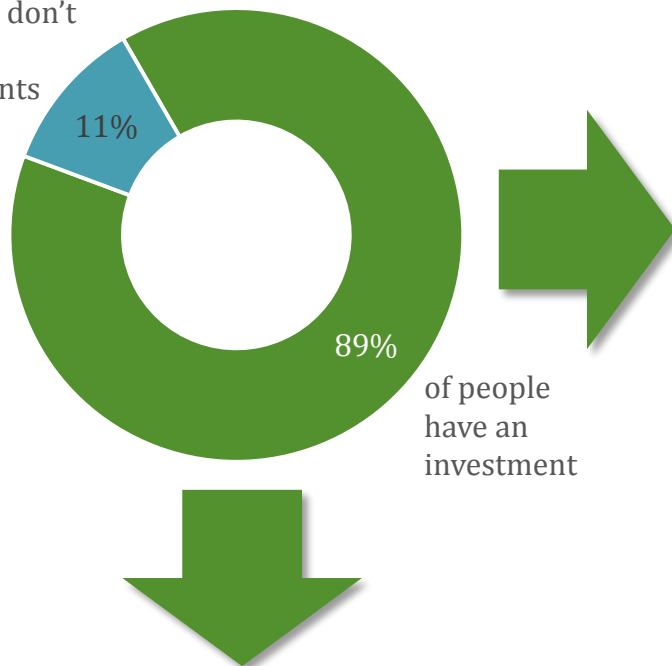
Base: All respondents



Investments

Nine out of ten people have an investment, the most popular of which is KiwiSaver, with over two-thirds of people invested. One-third of people have term deposits, the next most popular investment type.

of people don't
have any
investments



68%

KiwiSaver

32%

Term deposits

22%

Shares you bought yourself

16%

Other superannuation scheme

14%

Managed funds / Unit trusts

13%

Residential property
investments (other than your
own home)

11%

Bonds you bought yourself
(not through KiwiSaver or
other managed funds)

2%

Commercial property
investments

2%

Peer to peer lending

1%

Property syndicates

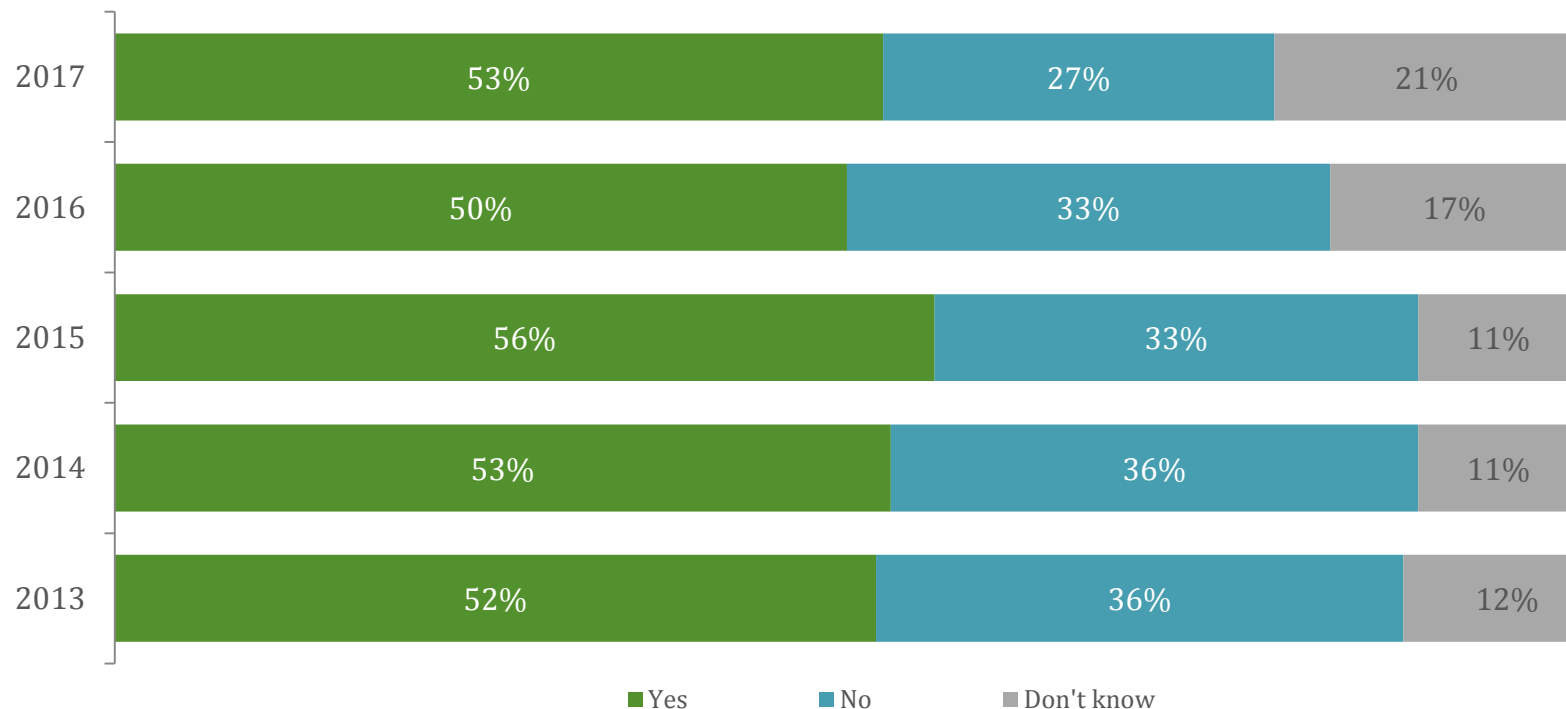
1%

Capital notes or hybrid bonds

People who are most likely to have investments live in Auckland, are married or living with a partner, and have personal income \$50k+ and a household income \$100k+.

People who are least likely to have investments single and live in the South Island outside of Christchurch. They are more likely to have lower incomes – less than \$50k personal and household income.

Over half of investors find the investment materials they receive helpful, and one quarter do not. The number of people who say they don't know is increasing over time.

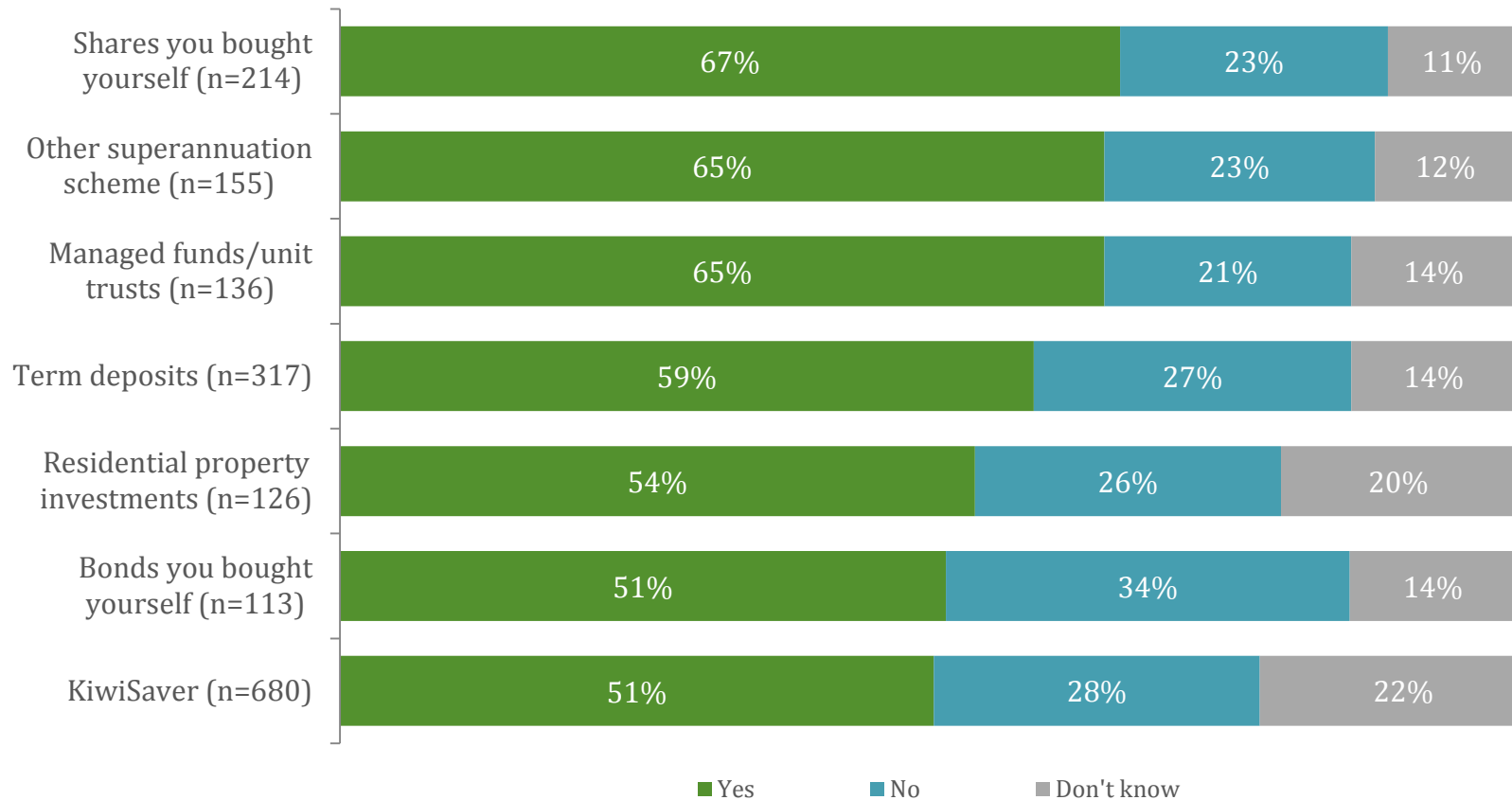


Note: The way investors are identified changed in 2016. Previously people were asked if they had any investments (Yes/No/Don't know). In 2016 and 2017 people were asked to identify which investments they have from a pre-coded list.

Qe. Thinking about your most recent investment, did the investment materials you received (e.g. prospectuses, investment statements, product disclosure statements or adviser disclosure statements etc) help you make an informed decision about whether or not to invest?

Base: All investors (2013 n=742, 2014 n=749, 2015 n=763, 2016 n=885, 2017 n=891)

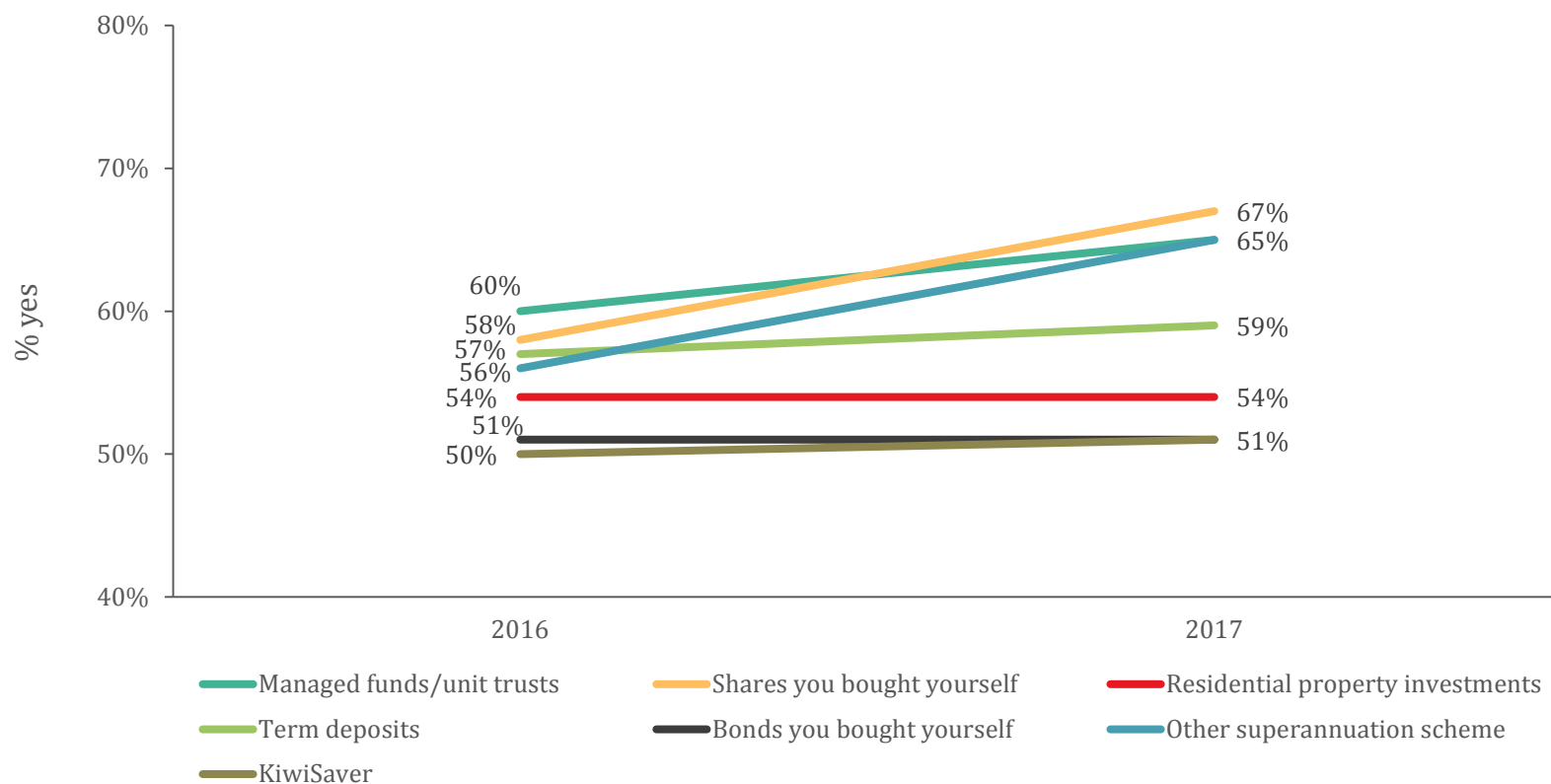
People who have shares they bought themselves are most likely to say their statements helped them make an informed decision, followed by those with an other superannuation scheme or a managed fund/unit trust. KiwiSaver members are least likely to agree their statements helped, and people with bonds they bought themselves are most likely to disagree their statements helped.



Qe. Thinking about your most recent investment, did the investment materials you received (e.g. prospectuses, investment statements, product disclosure statements or adviser disclosure statements etc) help you make an informed decision about whether or not to invest?

Base: Investors in each scheme

The biggest increases in perceptions of the helpfulness of investment materials comes from investors with shares they bought themselves, and investors with an other superannuation scheme.



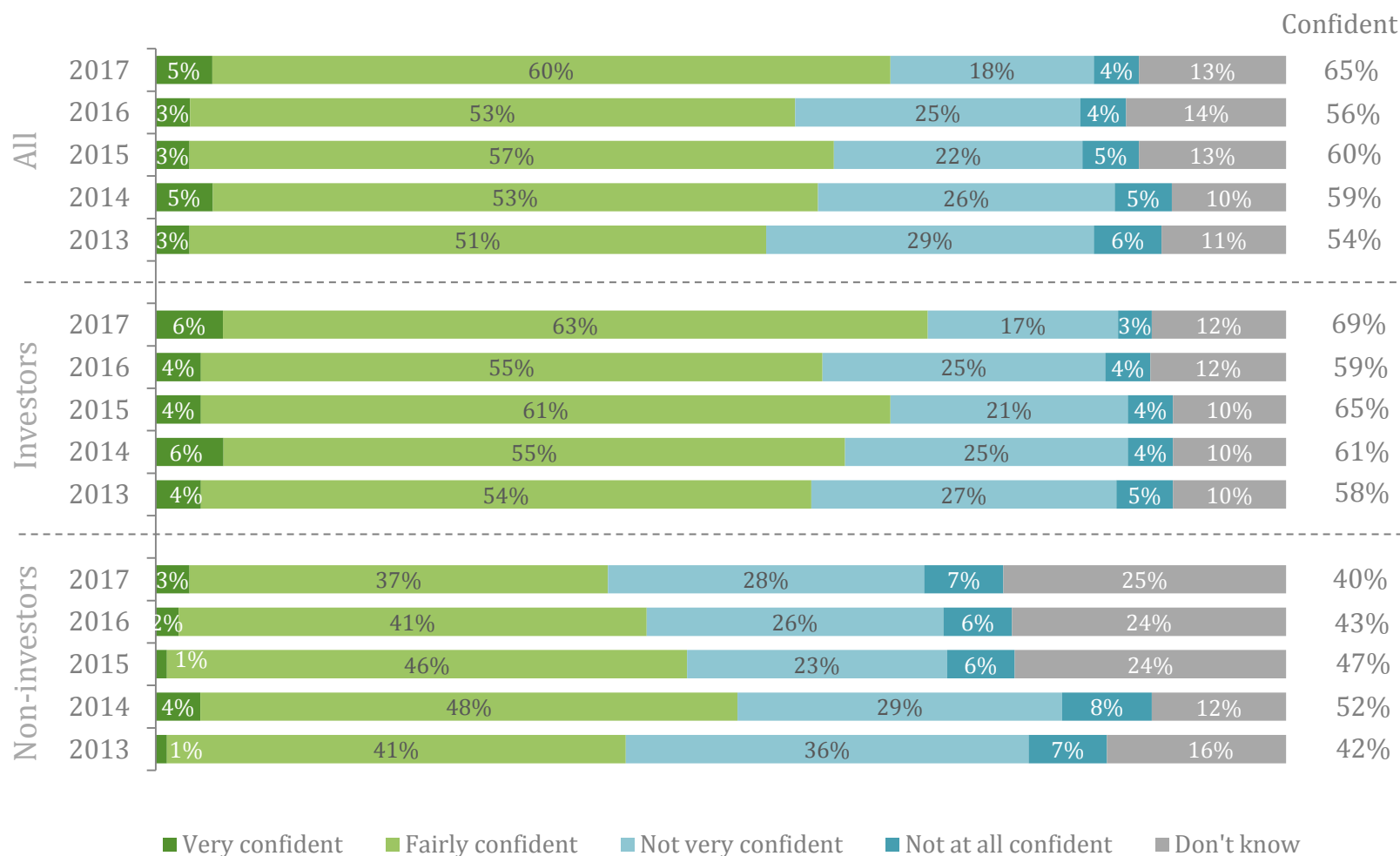
Qe. Thinking about your most recent investment, did the investment materials you received (e.g. prospectuses, investment statements, product disclosure statements or adviser disclosure statements etc) help you make an informed decision about whether or not to invest?

Base: Investors in each scheme

The background image shows a modern, multi-story building with a grid of windows. In the foreground, there is a public square with several tall, vertical wooden pillars. People are walking in the square. A semi-transparent white banner is overlaid across the middle of the image, containing the text 'Appendix: investors vs non investors'.

Appendix: investors vs non investors

Investor versus non-investor confidence in New Zealand's financial markets over time



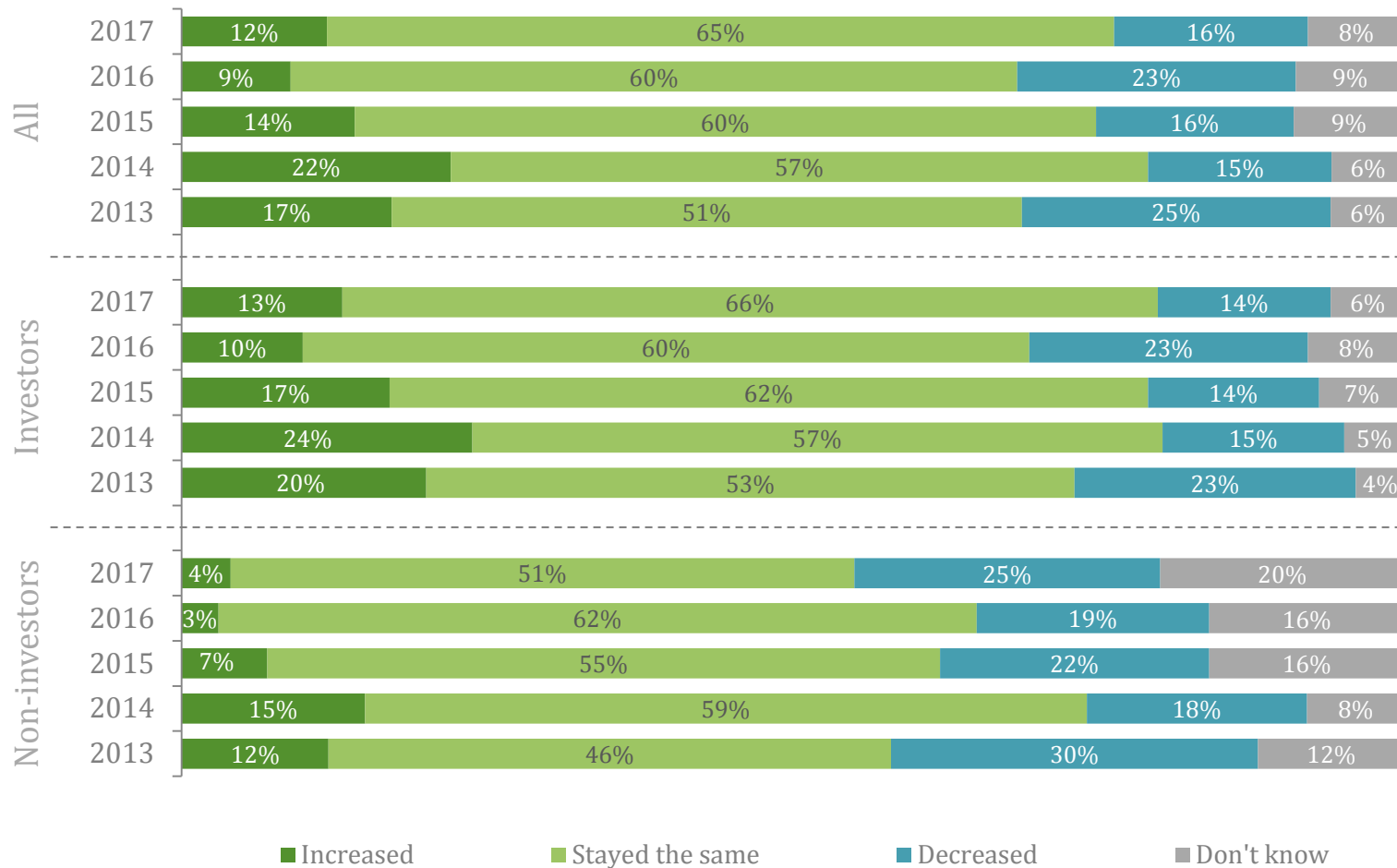
Note: The way investors are identified changed in 2016. Previously people were asked if they had any investments (Yes/No/Don't know). In 2016 and 2017 people were asked to identify which investments they have from a pre-coded list.

Qa. How much confidence do you have in New Zealand's financial markets? Are you...

Base: All respondents (2013 n=1,021, 2014 n=1,015, 2015 n=1,000, 2016 n=1,000, 2017 n=1,000) Investors (2013 n=742, 2014

n=749, 2015 n=763, 2016 n=885, 2017 n=891) Non-investors (2013 n=274, 2014 n=253, 2015 n=237, 2016 n=115, 2017 n=109) Colmar Brunton | SLIDE 26

Increases and decreases in investor versus non-investor confidence over time

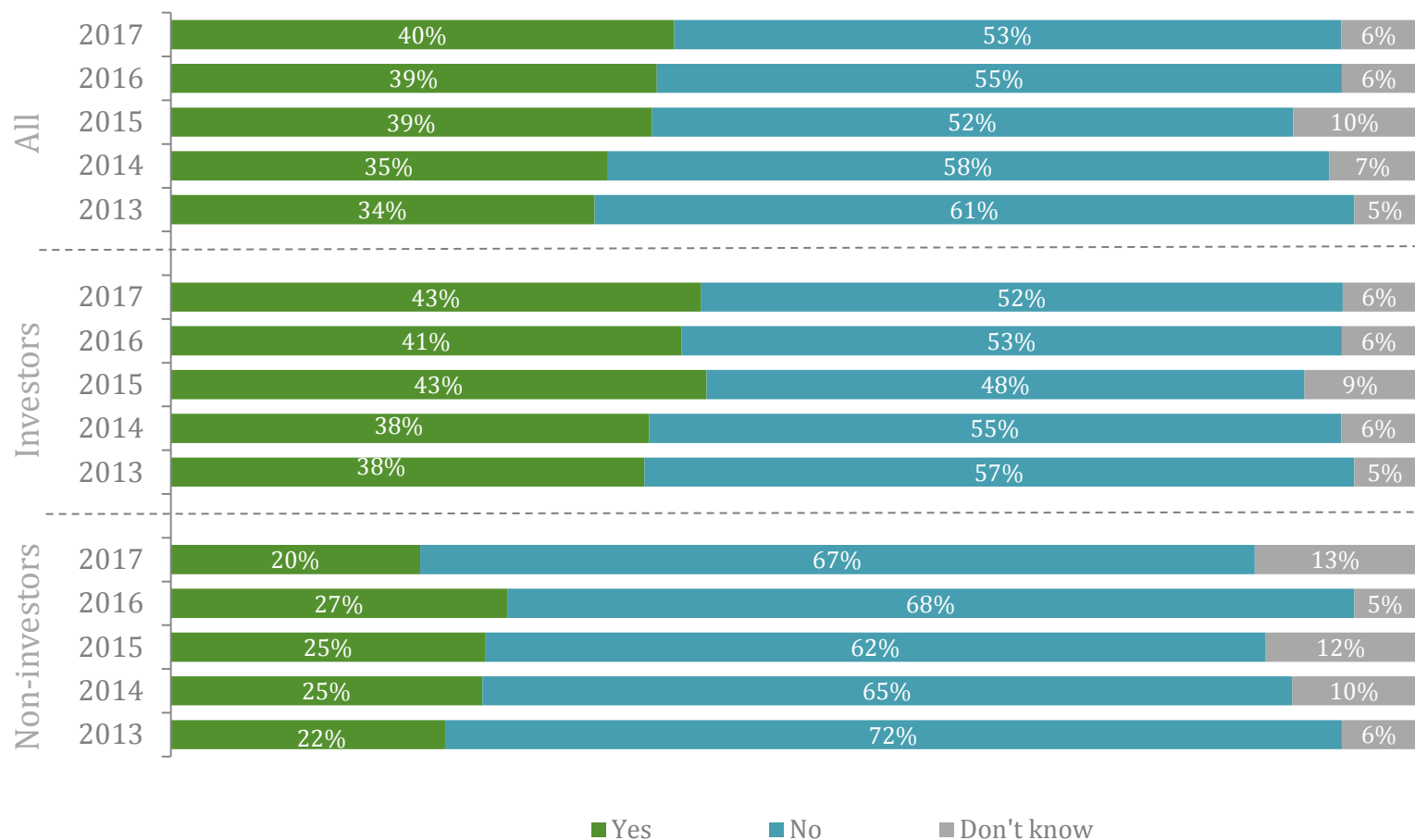


Note: The way investors are identified changed in 2016. Previously people were asked if they had any investments (Yes/No/Don't know). In 2016 and 2017 people were asked to identify which investments they have from a pre-coded list.

Qb. Has your level of confidence in New Zealand's financial markets increased, decreased or stayed the same over the last year?

Base: All respondents (2013 n=1,021, 2014 n=1,015, 2015 n=1,000, 2016 n=1,000, 2017 n=1,000); Investors (2013 n=742, 2014 n=749, 2015 n=763, 2016 n=885, 2017 n=891) Non-investors (2013 n=274, 2014 n=253, 2015 n=237, 2016 n=115, 2017 n=109)

Awareness of FMA among investors and non-investors over time



Note: The way investors are identified changed in 2016. Previously people were asked if they had any investments (Yes/No/Don't know). In 2016 and 2017 people were asked to identify which investments they have from a pre-coded list.

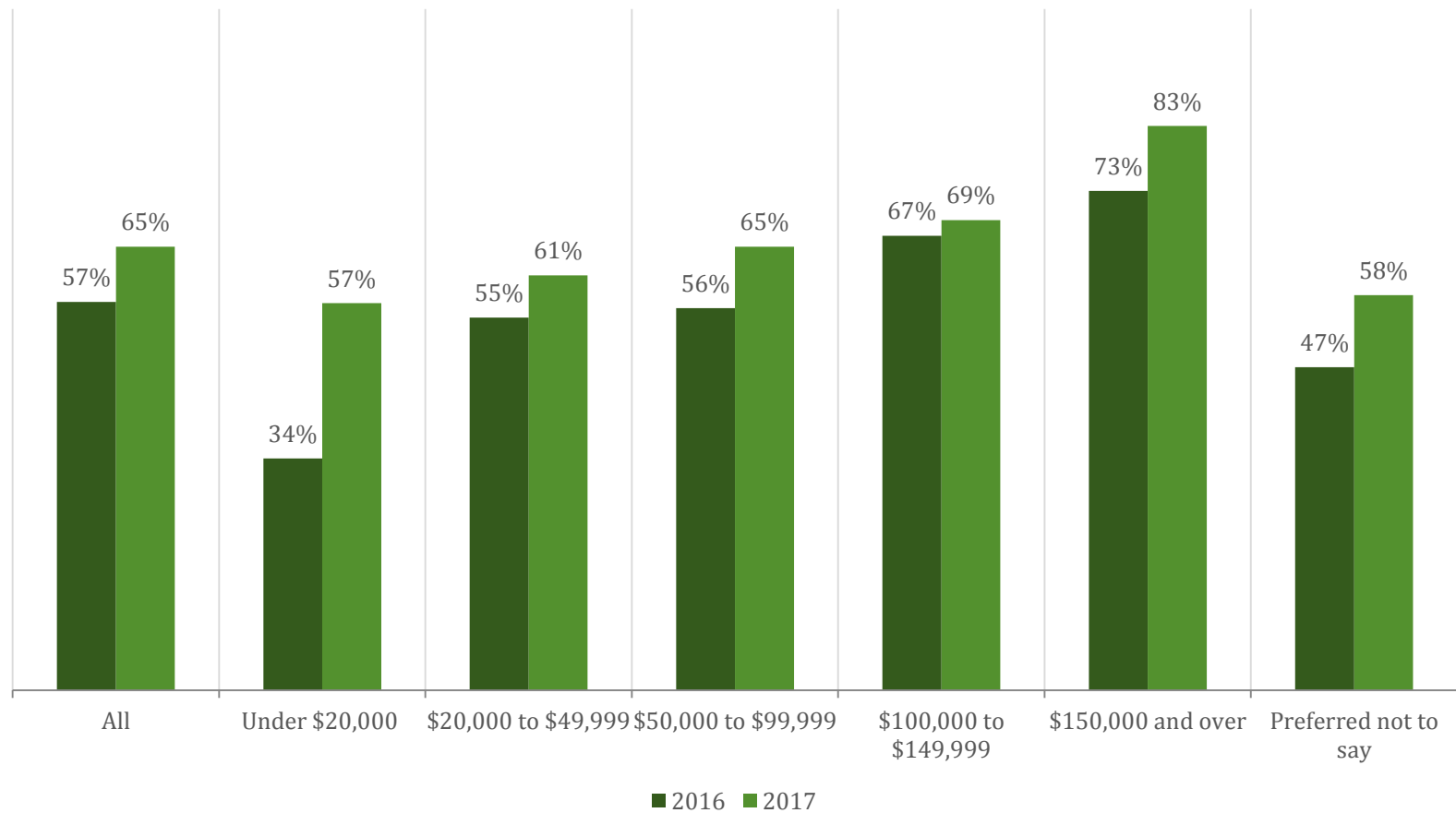
Qc. Have you heard of the Financial Markets Authority (FMA)?

Base: All respondents (2013 n=1,021, 2014 n=1,015, 2015 n=1,000, 2016 n=1,000, 2017 n=1,000); Investors (2013 n=742, 2014 n=749, 2015 n=763, 2016 n=885, 2017 n=891) Non-investors (2013 n=274, 2014 n=253, 2015 n=237, 2016 n=115, 2017 n=109)

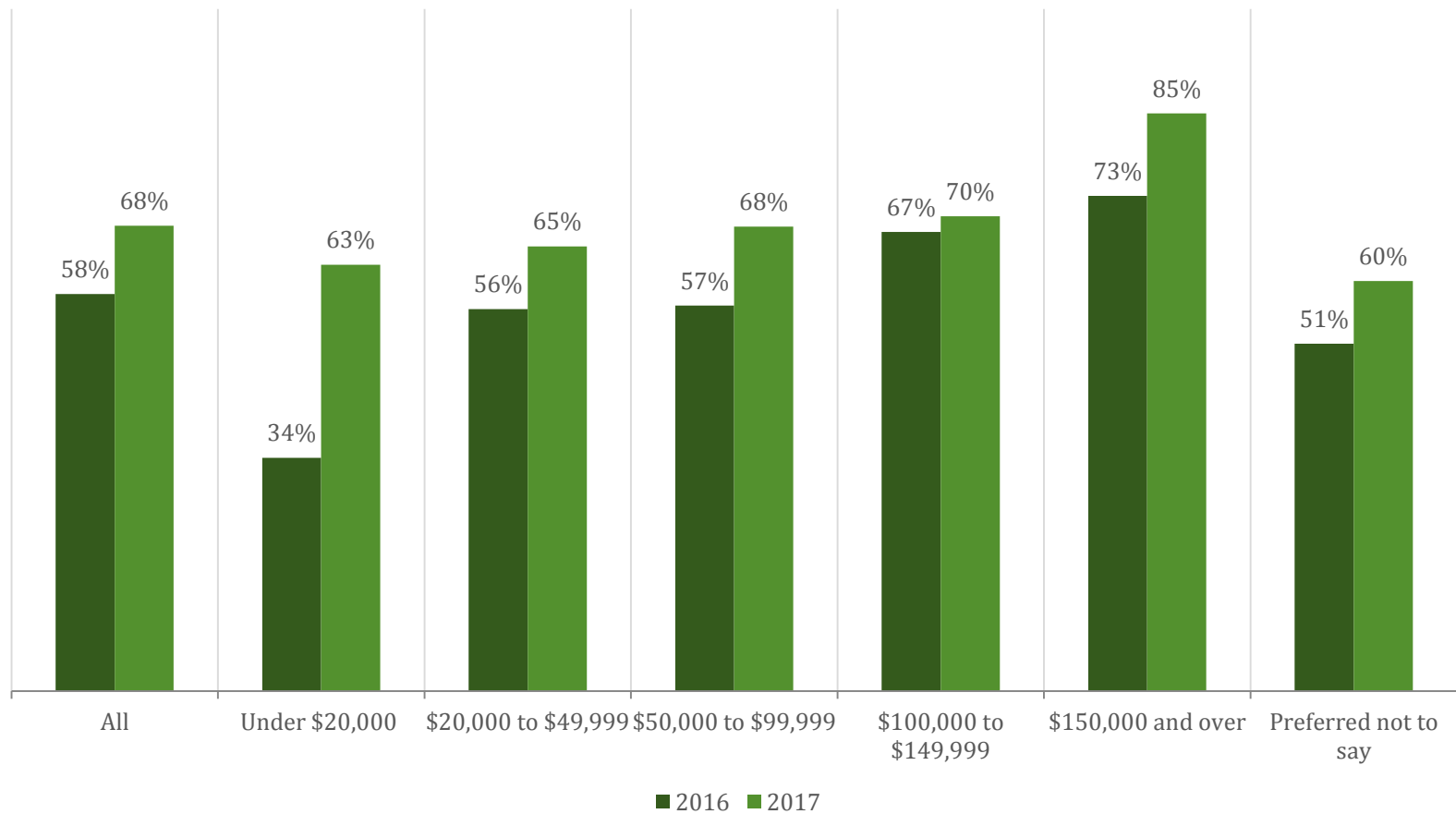
A photograph of a modern, multi-story building with a grid of windows. In the foreground, there is a plaza with several tall, vertical wooden pillars. The sky is clear and blue. The text "Appendix: confidence by income" is overlaid on the image in a large, bold, dark font.

Appendix: confidence by income

Confidence by income: All respondents



Confidence by income: Investors



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