

PRESS RELEASE

Auckland, 24 August 2009

Financial literacy now key as KiwiSaver enrolments continue to grow strongly

Today's figures from Inland Revenue show that more than 1,137,000 New Zealanders have joined KiwiSaver and that, even during the current downturn, the total number of enrolments has continued to rise by approximately 32,000 a month over the last six months.

David Boyle, ING Head of KiwiSaver Distribution, said, "While some people expected the trend for enrolments might suffer in the current climate, all the data from the last six months has been positive and consistent.

"We believe that as more people join KiwiSaver, a stronger focus needs to be placed on ensuring members understand how the scheme operates and what their investment options are. Currently, many investors automatically start in a conservative default fund – but, depending on the investor's individual circumstances, this may not be the best option.

"We are focusing our attention on ensuring our members understand their investment options and seek good financial advice to ensure they take advantage of all the benefits KiwiSaver offers."

The increase in national enrolments is a trend mirrored by ING's own enrolment data, which showed steady growth across the four schemes the company manages. Currently, more than 253,000 members are enrolled in an ING-managed KiwiSaver scheme, firmly establishing the company as the nation's largest KiwiSaver provider.

Inland Revenue's latest figures also highlight that there is a relatively even split across all age groups for enrolment in KiwiSaver. In the last month, 32% of new members were between 18-34 years old, while 30% of new members fell into the 35-54 age bracket. ING is hopeful that this trend will continue, as it indicates people are starting to save for retirement from an earlier age.

Boyle continued, "KiwiSaver was introduced in July 2007, only a few months before one of the worst periods of market volatility in living memory. One important lesson from this period has been the necessity to improve New Zealanders' attitude toward savings.

"Kiwis tend to know a good thing when they see it, and the incentives and benefits offered through KiwiSaver have made the decision to join a scheme that much easier. We are now seeing increasing numbers of New Zealanders actively saving for their retirement and a much greater understanding that the earlier people start a good savings regime, the better off they will be when they come to retire."

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ING Profile

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