

MEDIA RELEASE

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Pre-budget Financial Expectations

Now that the 2010 Budget has come and gone, the debate has started over whether the expectations or fears about its impact on the financial circumstance of New Zealanders will be realised in the next 12 months or so.

Research New Zealand decided to measure, well before the 2010 Budget, the expectations New Zealanders had of the changes in their own economic circumstances in the next 12 months, and what their experience had been in the previous 12 months. When there is more clarity about the impact of the 2010 Budget on living standards, the measure will be repeated.

The Research New Zealand poll, taken in April, shows that 19 percent of New Zealanders felt that the current economic conditions had had a big impact on their financial circumstances. The middle income earners (\$30,000 to \$59,999 p.a.) in particular, at 26 percent, had felt the impact of the current economic circumstances.

Overall, some 47 percent of New Zealanders felt that their current financial situation was worse than it had been 12 months ago. Among those on incomes of between \$30,000 and \$60,000 the proportion was particularly high at 58 percent and lowest at 33 percent among those on incomes of \$100,000 or more.

However, 58 percent of New Zealanders feel their financial circumstances will improve in the next 12 months. "How much of this can be ascribed to pre-budget publicity is, of course, hard to tell, but it does suggest optimism is beginning to return", said Research New Zealand Director, Emanuel Kalafatelis.

Those that were employed were asked if they felt their job was secure. Seventy-six percent felt their job was secure, and again, at 83 percent the proportion was highest among those earning \$100,000 or more. Respondents were more or less evenly divided in their expectations of a pay rise in the next 12 months; 46 percent expected a pay rise and 48 percent did not. Among those earning \$100,000 or more per year 56 percent expected a pay rise.



The Research New Zealand poll of 510 people aged 15 and over was conducted by telephone between 20 and 27 April. The maximum margin of error is +/- 4.9 % (at the 95% confidence level). The data has been weighted to ensure it is an accurate representation of New Zealand's general population. The poll was not taken on behalf of any organization, but as part of Research New Zealand's monthly survey of attitudes and opinions.

Research New Zealand is an independent, New Zealand-owned research organisation undertaking social and business research.

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Table 1:

Q10. How much of an impact, if any, would you say the state of the economy has had or is having on your financial situation and standard of living at present?.

	Total	Under \$30,000	\$30,000 but less than \$60,000	\$60,000 but less than \$100,000	\$100,000 and over	Don't know/refused
	510	144	114	107	93	52
	%	%	%	%	%	%
A big impact	19%	21%	26%	16%	14%	16%
Somewhat of an impact	52%	47%	55%	60%	50%	52%
No impact at all	28%	31%	19%	24%	36%	32%
Don't know	0%	1%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%

Total may not sum to 100% due to rounding.

Table 2:

Q11. Compared to your financial situation at about the same time last year, would you say your current financial situation is...

	Total	Under \$30,000	\$30,000 but less than \$60,000	\$60,000 but less than \$100,000	\$100,000 and over	Don't know/refused
	510	144	114	107	93	52
	%	%	%	%	%	%
Current situation is worse	47%	46%	58%	49%	33%	47%
Current situation is better	29%	34%	18%	26%	40%	24%
No change	24%	20%	24%	25%	27%	28%
Total	100%	100%	100%	100%	100%	100%

Total may not sum to 100% due to rounding.



Table 3:

Q12. In the next 12 months do you expect your financial situation to be..

	Total 510 %	Under \$30,000 144 %	\$30,000 but less than \$60,000 114 %	\$60,000 but less than \$100,000 107 %	\$100,000 and over 93 %	Don't know/refused 52 %
Next 12 months will be worse	18%	21%	19%	17%	16%	13%
Next 12 months will be better	58%	55%	60%	58%	59%	60%
No change	21%	20%	20%	22%	21%	22%
DK/Refused	3%	3%	2%	3%	4%	5%
Total	100%	100%	100%	100%	100%	100%

Total may not sum to 100% due to rounding.

Table 4:

Q13. Given the current state of our economy, do you feel confident that your job is secure?

	Total 302 %	Under \$30,000 39 %	\$30,000 but less than \$60,000 72 %	\$60,000 but less than \$100,000 88 %	\$100,000 and over 83 %	Don't know/refused 20 %
Yes, I do feel confident	76%	76%	71%	73%	83%	81%
No, I do not feel confident	23%	24%	29%	26%	14%	19%
Don't know	1%	0%	1%	1%	3%	0%
Total	100%	100%	100%	100%	100%	100%

Total may not sum to 100% due to rounding. Sub-sample based on those who are currently in paid employment.

Table 5:

Q14. Do you expect a pay rise in the next 12 months?

	Total 302 %	Under \$30,000 39 %	\$30,000 but less than \$60,000 72 %	\$60,000 but less than \$100,000 88 %	\$100,000 and over 83 %	Don't know/refused 20 %
Yes	46%	45%	37%	46%	56%	43%
No	48%	51%	54%	50%	41%	48%
Don't know	5%	4%	9%	5%	3%	9%
Total	100%	100%	100%	100%	100%	100%

Total may not sum to 100% due to rounding. Sub-sample based on those who are currently in paid employment.