



research
NEW ZEALAND

**Public opinion about the impact of the current
economic situation on ordinary New Zealanders**





Purpose

This report presents the results of an opinion poll that was completed, by telephone, with a nationally representative sample of n=550 New Zealanders, aged 15 years or more. Interviewing was completed between 11 and 19 March 2008 from Research New Zealand's purpose-built interviewing call centre in downtown Wellington.

Post-interviewing, the survey data was 'weighted' (by age, gender and region) in order to ensure the results were a true and accurate reflection of the opinions of the New Zealand general public. The weighting parameters were sourced from the Census of Population & Dwellings, 2006, Statistics New Zealand).

Results based on the total sample of n=550 are subject to a maximum margin of error of plus or minus 4.4 percent (at the 95 percent confidence level). This means that if we found 50 percent of all those interviewed were "worried" about the impact of the current economic situation, we could be confident of getting the same result in at least 95 of 100 hypothetical repeat surveys (falling within the range 45.6 and 54.4 percent).

Conclusions

Based on our interpretation of the key findings, our conclusions are as follows. These conclusions are based on statistically significant results:

- ◆ Overall, the mood appears to reflect one of gloom and considerable anxiety:
 - ◆ Almost one-half of all respondents believed their current financial situation was worse than it was at the same time last year.
 - ◆ Over one half also believed the New Zealand economy would get worse in the next 12 months (61 percent) and against this background, one-third (34 percent) believed their financial situation would also be worse (34 percent).
 - ◆ Overall, one-quarter (25 percent) believed the state of the economy was having a "big impact" on their financial situation and standard of living, with another 54 percent claiming it was having "somewhat of an impact".



- ◆ Respondents who believed the state of the economy was having a “big impact” on their financial situation and standard of living have a definite demographic profile:
 - ◆ They are under 50 years of age.
 - ◆ They are more likely to be living with children in their household.
 - ◆ They are more likely to have combined (household) incomes of less than \$70,000 per annum.

- ◆ Respondents who believed their financial situation was worse than it was 12 months ago (45 percent) were most worried about three things. Generally, this was especially the case for those who claimed the current economic situation was having a “big” impact on them (second set of percentages):
 - ◆ Paying their household bills (30 percent, 37 percent).
 - ◆ Paying the mortgage (21 percent, 25 percent).
 - ◆ Saving for their retirement (17 percent, 7 percent).

- ◆ Despite the gloom and anxiety, two-thirds of respondents reported taking affirmative action to help manage their financial situation or improve it for the future and many of these people were. Generally, this was especially the case for those who claimed the current economic situation was having a “big” impact on them (second set of percentages):
 - ◆ “Cutting back on non-essential items” (65 percent, 73 percent).
 - ◆ “Cutting back on basics” (52 percent, 72 percent).
 - ◆ “Increasing the amount they save” (43 percent, 27 percent).
 - ◆ Finding new ways to “increase their income” (43 percent, 50 percent).

- ◆ Focusing on respondents who claimed they were “cutting back on basics” (52 percent), most reported cutting back on:
 - ◆ Fuel for private motor vehicles (61 percent).
 - ◆ Dairy foods such as butter, cheese and milk (29 percent).
 - ◆ Lighting, heating, power and phone (27 percent).



- ◆ Against this background, there was:
 - ◆ A strong level of public support for either not charging GST (44 percent) or GST being lower than the current 12.5 percent (25 percent) on basic products such as food. This was especially the case for those who claimed the current economic situation was having a “big” impact on them.
 - ◆ A strong belief that an extra \$20/week in the pocket, as a result of the promised tax cuts, would make a real difference. However, 26 percent claimed this would need to be at least \$50/week for there to be a real difference.
 - ◆ Relatedly, many claimed they would save the extra money resulting from tax cuts (37 percent), spend the money on basics (33 percent) or reduce their home loan/other debt (16 percent).
- ◆ Reflecting the earlier results, 45 percent reported they were worried by their current financial situation. Again, this was especially the case for those who claimed the current economic situation was having a “big” impact on them (79 percent):
- ◆ One third of respondents also reported experiencing personal problems because of their current financial situation. Not surprisingly, this was especially the case for those who claimed the current economic situation was having a “big” impact on them (60 percent) (second set of percentages). The most common problems experienced were:
 - ◆ Loss of sleep (18 percent, 37 percent).
 - ◆ Problems with their personal relationships (16 percent, 28 percent).
 - ◆ Problems with their job (14 percent, 23 percent).
 - ◆ Problems with their health (14 percent, 25 percent).



Four in ten New Zealanders claimed their current financial situation was worse than it was last year and one third (34 percent) believed it would deteriorate in the next 12 months

Forty five percent of all respondents (New Zealanders) believed their current financial situation was “somewhat worse” (37 percent) or “a lot worse” (eight percent) than it was at the same time last year.

- ◆ This compares with the fact that 24 percent believed their financial situation was “somewhat better” or “a lot better”.

Furthermore, many respondents (New Zealanders) believed the New Zealand economy would get “much worse” (19 percent) or “worse” (42 percent) over the next 12 months.

- ◆ This compares with the fact that just 11 percent believed the economy would be “better” or “much better”.

Against this background, one-third of all respondents (New Zealanders) believed their financial situation would get “somewhat worse” (29 percent) or “a lot worse” (five percent) in the next 12 months.

- ◆ This compares with a similar proportion who felt that their financial situation would improve (36 percent).

Table 1: Current financial situation

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

	Total
Base =	550
	%
A lot worse	8
Somewhat worse	37
The same	31
Somewhat better	18
A lot better	6
Don't know/Refused	0
Total	100

Total may not sum to 100% due to rounding.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



Table 2: New Zealand economy over next 12 months

Do you think the New Zealand economy will get better, get worse or stay the same over the next 12 months?

	Total
Base =	550
	%
Much worse	19
Worse	42
Same	24
Better	10
Much better	1
Don't know/Refused	4
Total	100

Total may not sum to 100% due to rounding.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.

Table 3: Financial situation over next 12 months

Do you expect your financial situation to get better or get worse in the next 12 months?

	Total
Base =	550
	%
A lot worse	5
Somewhat worse	29
The same	29
Somewhat better	27
A lot better	9
Don't know/Refused	1
Total	100

Total may not sum to 100% due to rounding.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



One in every four New Zealanders claimed the current economic situation was having an impact on them

The following table shows that 25 percent of all respondents (New Zealanders) reported the current economic situation was having a “big” impact on them financially and in terms of lifestyle.

Table 4: Impact of economy on financial situation

And how much of an impact, if any, would you say the state of the economy is having on your financial situation and standard of living at present?

	Total
Base =	550
	%
A big impact	25
Somewhat of an impact	54
No impact at all	20
Don't know/Refused	1
Total	100

Total may not sum to 100% due to rounding.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.

These people are most likely to be people who, compared to the total sample:

- ◆ Are more likely to be aged under 50 years (67 percent compared with 55 percent for the total sample).
- ◆ Are more likely to live in a household with children (57 percent compared with 44 percent for the total sample).
- ◆ Are more likely to have a combined household income of less than \$70,000 (68 percent compared with 58 percent for the total sample).
- ◆ Are more likely to state the New Zealand economy will get “much worse” over the next 12 months (37 percent compared with 19 percent for the total sample).
- ◆ Are more likely to state that their current financial situation is worse than it was 12 months ago (69 percent compared with 45 percent for the total sample).
- ◆ Are more likely to state that they expect their financial situation to deteriorate in the next 12 months (45 percent compared with 34 percent for the total sample).

At the other extreme, 20 percent of respondents claimed the current economic situation was having “no” impact on them. However, most others (54 percent) admitted that it was having “somewhat of an impact”.



Table 5: Age groups (by impact on finance)

Which of the following age groups do you come into?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
15 to 29	14	11	14	15	0
30 to 39	19	24	17	17	41
40 to 49	22	32	22	13	0
50 to 59	21	13	23	27	0
60+	24	19	23	29	59
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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Table 6: Household composition (by impact on finance)

Which of the following best describes your household?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Household with children	44	57	40	37	41
Household without children/Other	56	43	60	63	59
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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Table 7: Household income (by impact on finance)

Which of these best describes your/the joint income of you and your partner before tax, for the last year (includes any child support, benefits or other income support)?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Under \$40,000	35	40	32	32	92
40,000 - \$69,999	23	28	23	17	0
\$70,000 plus	35	27	37	42	0
Don't know/refused	7	5	7	8	8
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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Table 8: New Zealand economy over next 12 months (by impact on finance)

Do you think the New Zealand economy will get better, get worse or stay the same over the next 12 months?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Much worse	19	37	13	10	23
Worse	42	33	46	45	0
Same	24	18	24	31	42
Better	10	9	11	9	13
Much better	1	1	1	1	13
Don't know/Refused	4	3	5	5	8
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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Results in red indicate a significantly lower figure compared to the total sample.

Table 9: Current financial situation (by impact on finance)

And compared to your financial situation at about the same time last year, would you say your current financial situation is...?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
A lot worse	8	23	3	3	42
Somewhat worse	37	46	43	9	15
The same	31	14	32	51	8
Somewhat better	18	13	16	27	13
A lot better	6	5	6	9	21
Don't know/Refused	0	0	0	1	0
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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Results in red indicate a significantly lower figure compared to the total sample.



Table 10: Financial situation over next 12 months (by impact on finance)

Do you expect your financial situation to get better or get worse in the next 12 months?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
A lot worse	5	11	3	2	0
Somewhat worse	29	34	32	13	57
The same	29	22	28	38	21
Somewhat better	27	22	28	34	0
A lot better	9	8	9	10	13
Don't know/Refused	1	2	0	3	8
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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In the current environment, New Zealanders are mostly concerned about paying the mortgage, paying for other household bills and saving for retirement

Respondents who believed their current financial situation was worse than it was 12 months ago (45 percent) were asked what they were most worried about. The following table shows that they were mostly worried about three things:

- ◆ Paying household bills (30 percent).
- ◆ Paying the mortgage (21 percent).
- ◆ Saving for their retirement (17 percent).

Significantly, people who claimed the current economic situation was having a “big” impact on them (25 percent), were more likely to state that they were most worried about:

- ◆ Paying household bills (37 percent).
- ◆ Paying the mortgage (25 percent).



Table 11: Concern because of financial situation (by impact on finance)

What would you say is the biggest concern you have at the moment because of your current financial situation? Is it being able to...?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		236*	84	131	19**	2**
		%	%	%	%	%
Pay the mortgage		21	25	20	0	26
Pay other household bills		30	37	26	30	0
Pay school fees		1	2	0	13	0
Saving for your retirement		17	7	24	17	0
Go on holiday		6	5	6	10	0
Buy/build a new house/complete renovations		3	2	3	0	0
Other		19	19	17	22	74
Don't know/Refused		3	2	3	8	0
Total		100	100	100	100	100

Total may not sum to 100% due to rounding.

*Sub-sample based on those who reported their current financial situation is worse than 12 months ago.

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Given the current environment, many New Zealanders are taking affirmative action

All respondents (New Zealanders) were asked if they were doing anything to manage their current financial situation or improve it for the future. Two-thirds claimed they were taking such action and as the following table shows, this was particularly the case for those who felt the current economic situation was impacting them.

Table 12: Taking action to manage financial situation (by impact on finance)

Are you doing anything in particular to help manage your current financial situation or improve it for the future?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Yes	68	68	73	56	36
No	30	30	25	44	21
Don't know/Refused	2	2	1	0	42
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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When these people were asked what specific actions they were taking, most mentioned they were “cutting back on non-essential items” (65 percent), “cutting back on basics” (52 percent), “increasing the amount they save” (43 percent), or finding new ways to “increase their income” (43 percent).

As expected, these actions were more frequently mentioned by those respondents who felt the current economic situation was impacting them, although not insignificant proportions of those who did not believe the economic situation was impacting them, also reported these activities.



Table 13: Specific actions taken (by impact on finance)

Which of these are you doing?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		377*	92	215	67	3**
		%	%	%	%	%
Cutting back on basics such as food, power or fuel		52	72	50	28	40
Cutting back on non-essential spending such as entertainment and holidays		65	73	71	31	77
Finding ways of increasing your income by getting a new or second job, or working longer hours		43	50	43	32	37
Increasing the amount you save		43	27	48	50	77
Making lifestyle changes such as downsizing your home, or changing where you live		15	18	13	15	40
Other		11	7	13	10	0
None of the above		5	4	4	7	23
Don't know/Refused		0	1	0	0	0

Total may exceed 100% because of multiple response.

*Sub-sample based on those who are doing something to help manage their current financial situation or improve it for the future.

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Results in red indicate a significantly lower figure compared to the total sample.



Fuel for private motor vehicles is the number one basic item that is being cut back

Respondents who reported cutting back on basics (52 percent) were asked to specify what particular basics they were cutting back. Three particular basics were most frequently mentioned:

- ◆ Fuel for private motor vehicles (61 percent).
- ◆ Dairy foods such as butter, cheese and milk (29 percent).
- ◆ Lighting, heating, power and phone (27 percent).

Overall, respondents who claimed the current economic situation was having a “big” impact on them were, not surprisingly, more likely to mention cutting back on these basics than other respondents.

In comparison, basics such as bread, and visits to the doctor for themselves and/or children were less frequently mentioned.

Table 14: Cutting back on basics (by impact on finance)

What particular basics are you cutting back on?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		183*	66	98	18**	1**
		%	%	%	%	%
Fresh fruit and vegetables		12	14	11	15	0
Bread		6	8	5	8	0
Dairy foods such as butter, cheese and milk		29	32	30	15	0
Meat		7	11	4	11	0
Other foods/food in general		19	25	15	23	0
Lighting, heating, power and phone		27	37	20	34	0
Fuel for your motor vehicle		61	62	60	60	0
Shoes and clothing		11	15	9	8	0
Maintenance work around your home		3	5	3	0	0
Childcare		1	3	1	0	0
Visits to the doctor for yourself		1	1	2	0	0
Visits to the doctor for your children		0	0	0	0	0
Visits to other health providers such as dentists		4	1	7	0	0
Other		11	7	15	4	100
None		1	1	2	0	0
Don't know/Refused		6	7	5	13	0

Total may exceed 100% because of multiple response.

*Sub-sample based on those who reported they are cutting back on basics.

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Results in red indicate a significantly lower figure compared to the total sample.



Entertainment, eating out and holidays are the non-essential items most people are cutting back

Respondents who reported cutting back on non-essential items (65 percent) were asked to identify what specifically they were cutting back. Three items were identified by about 30 percent or more of these respondents:

- ◆ Going to the movies, shows, plays, etc. (40 percent).
- ◆ Going to restaurants, buying takeaways (37 percent).
- ◆ Going on holidays (29 percent).

Table 15: Cutting back on non-essentials (by impact on finance)

What particular non-essentials are you cutting back on?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		240*	64	152	22**	2**
		%	%	%	%	%
Going to the movies, shows, plays and other cultural events		40	36	40	46	48
Going out to restaurants and buying takeaways		37	38	38	29	0
Non-essential clothes, cosmetics, etc.		20	22	21	15	0
Treats for your children		3	8	2	0	0
Holidays		29	31	30	21	0
Hobbies and interests		4	7	3	0	0
Cigarettes		5	7	4	7	0
Alcohol		20	23	21	6	0
Other		37	31	38	54	52
Don't know/Refused		6	12	5	0	0

Total may exceed 100% because of multiple response.

*Sub-sample based on those who reported they are cutting back on non-essentials.

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Working longer hours was the most frequently mentioned way people were increasing their income

Respondents who reported doing things to increase their income (43 percent) were asked to identify what specifically they were doing in this regard. The most frequently mentioned activity was working longer hours (52 percent).

Table 16: Increasing income (by impact on finance)

What in particular are you or your partner doing to increase your income?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		153*	46	83	23**	1**
		%	%	%	%	%
Working longer hours		52	67	50	29	0
Got a new job		16	23	14	14	0
Got a second job		9	15	7	4	0
Sold some property, jewellery, art or other assets		3	3	3	3	0
Other		44	32	46	60	100
Don't know/Refused		1	0	2	0	0

Total may exceed 100% because of multiple response.

*Sub-sample based on those who reported they are finding ways of increasing their income.

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While fewer people had or were planning to make lifestyle changes, making less use of private motor vehicles was the most frequently mentioned lifestyle change

Fifteen percent of respondents reported making lifestyle changes (or thinking of doing so) in order to better manage their current financial situation. While this is a relatively smaller proportion compared to those cutting back on basics and non-essential items, the most significant lifestyle change that these people appeared to be making was not using their private motor vehicle as often, and more frequently using public transport or walking (25 percent). Some even mentioned selling their motor vehicle (six percent).

A range of other changes were identified, but by smaller proportions of these people, including “going to live in a different part of the city or town they lived in” (12 percent) and “going to live in a different town or city” (seven percent).

Table 17: Lifestyle changes (by impact on finance)

What particular lifestyle changes have you made to help manage your current financial situation or improve it for the future?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	60*	17**	32	10**	1**
	%	%	%	%	%
Not using motor vehicle as often (using public transport more, walking)	25	19	28	30	0
Sold or changed motor vehicle	6	14	3	0	0
Gone to live in a different part of the city or town that you live in	12	16	9	15	0
Gone to live in a different town or city	7	12	2	11	0
Thinking of going to Australia	1	3	0	0	0
Thinking of going to some other country to live	0	0	0	0	0
Other	79	88	80	59	100
Don't know/Refused	5	8	4	0	0

Total may exceed 100% because of multiple response.

*Sub-sample based on those who reported they are making lifestyle changes.

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People have also changed their purchasing patterns in relation to basics because of recent price increases

Respondents were reminded that the price of some basics had increased recently and were given some examples. They were asked what specifically they had done in response to these increases, if anything.

Overall 69 percent of all respondents (New Zealanders) claimed they had responded in some way, with the most frequently mentioned being:

- ◆ Using their private motor vehicle less often (20 percent).
- ◆ Shopping for specials (14 percent).
- ◆ Growing fruit and vegetables at home in a garden (14 percent).

Table 18: Changes due to price increases (by impact on finance)

Prices for some basics, such as fresh fruit and vegetables, power and fuel have increased recently. In addition to the things you've already said, what, if anything, have you also done specifically as a result of these price increases?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		550	129	298	117	6**
		%	%	%	%	%
Shop for specials		14	19	12	12	15
Buy food products in bulk		4	5	3	3	0
Grow fruit and vegetables at home in the garden		14	17	16	7	0
Buy from markets or roadside stalls		4	5	4	3	0
Not buy takeaways or eat out as often		4	7	4	1	0
Not using motor vehicle as often (using public transport more, walking)		20	14	23	20	0
Sold or changed motor vehicle		2	3	2	2	0
Other		43	52	46	28	28
Nothing		29	20	25	46	72
Don't know/Refused		2	0	2	5	0

Total may exceed 100% because of multiple response.

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One in four believed that GST on basics should be lower

Relative to the questioning about increases in the cost of basics, respondents were asked their opinion about the notion of GST on basics being lower than the current 12.5 percent, or not charged at all.

Overall, 44 percent of all respondents (New Zealanders) believed that GST should not be charged on basics. A further 25 percent believed GST should be charged, but it should be lower than the current rate. In comparison, 26 percent believed there should be no change to the status quo.

Not surprisingly, respondents who reported the current economic situation was impacting them were more likely to state the opinion that GST should not be charged on basics.

Table 19: GST on basics (by impact on finance)

Some people think that GST should be lower or not be charged on basic products like food. Do you agree or disagree with this?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Agree, GST should be lower	25	24	26	22	28
Agree, GST should not be charged	44	59	42	34	21
Disagree	26	13	28	37	42
Don't know/Refused	4	3	4	7	8
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

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\$20/week would make a big difference for about one-half of New Zealanders

Reflecting the results of earlier polling conducted by Research New Zealand, 49 percent of all respondents (New Zealanders) believed another \$20 per week, as a result of tax cuts, would make a real difference to them. \$20 per week has been quoted as the average amount New Zealanders get as a result of the promised tax cuts.

Notably, 26 percent of all respondents believed the tax cuts would need to deliver them at least an extra \$50 per week for the amount in question to make a difference.

Table 20: Tax cuts (by impact on finance)

Would an extra \$20 a week make a difference for you or your family? If not, about how much would the tax cuts need to give you per week to make a real difference?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Yes, an extra \$20/week would make a difference	49	46	52	42	70
No, but \$30/week would	6	2	8	9	0
\$40/week would	9	9	10	8	0
\$50/week would	15	22	12	13	13
\$60/week would	2	3	1	1	0
\$70/week plus would	9	9	9	11	0
Don't know/Refused	10	9	8	16	16
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

**Caution: low base number of respondents-results are indicative only.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



Most people claimed they would put their tax cut money in the bank (or KiwiSaver), or spend it on basics

All respondents (New Zealanders) were asked what they were planning to do with the extra money delivered by the tax cuts. Three particular plans were mentioned overall:

- ◆ Bank the money or put it into a KiwiSaver account (37 percent).
- ◆ Spend the extra money on basics (33 percent).
- ◆ Reduce their home loan or other debt (16 percent).

Spending the extra money on basics was most frequently mentioned by those respondents who reported the current economic situation was impacting them.

Table 21: Extra money from tax cuts (by impact on finance)

When the tax cuts come through, what are you likely to do with the extra money you get in your pocket? Which one of the following will you most likely do?

	Base =	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
		550	129	298	117	6**
		%	%	%	%	%
Spend extra money on basics		33	53	29	18	42
Spend extra money on non-essential items		5	3	6	4	0
Reduce your home loan or other debt		16	11	17	21	0
Save the money by putting it in the bank or a KiwiSaver account		37	25	40	46	44
Other		5	5	5	3	13
None of the above		2	1	2	3	0
Don't know/Refused		1	0	1	4	0
Total		100	100	100	100	100

Total may not sum to 100% due to rounding.

**Caution: low base number of respondents-results are indicative only.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



Four in every 10 people were worried by their current financial situation

At the conclusion of the interview and in the context of everything that had been discussed, all respondents (New Zealanders) were asked to comment on how worried and concerned they were about their current financial situation. Forty-five percent reported they were either “very worried” or “somewhat worried”.

Significantly, the 25 percent of respondents who had earlier reported the current economic situation was having a “big” impact on them, were more likely to state that they were worried (79 percent).

This compares with most of the 20 percent at the other end of the spectrum (the current economic situation is not having an impact on them) stating that they were not worried at all (only 20 percent of these people said they were worried).

Table 22: Concern with financial situation (by impact on finance)

Given what we have been talking about, are you worried or not worried about your current financial situation?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Very worried	9	28	2	3	8
Somewhat worried	36	51	36	17	28
Not worried at all	54	18	61	81	64
Don't know/Refused	1	3	0	0	0
Total	100	100	100	100	100

Total may not sum to 100% due to rounding.

**Caution: low base number of respondents-results are indicative only.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



About one third of people have experienced personal problems because of their current financial situation

All respondents (New Zealanders) were asked if they had experienced any personal problems because of their current financial situation. Thirty five percent stated that they had, with the most frequently mentioned being:

- ◆ Loss of sleep (18 percent).
- ◆ Problems with their personal relationships (16 percent).
- ◆ Problems with their job (14 percent).
- ◆ Problems with their health (14 percent).

Not surprisingly, respondents who reported the current economic situation was having a “big” impact on them (25 percent) were more likely to mention that they were having these types of problems. In fact, well over half had experienced a problem of some sort.

Table 23: Effects of financial situation (by impact on finance)

And has your current financial situation affected you in any of the following ways?

	Total	A big impact	Somewhat of an impact	No impact at all	Don't know/Refused
Base =	550	129	298	117	6**
	%	%	%	%	%
Your sleep	18	37	13	8	0
Your health	14	25	12	6	15
Your personal relationships	16	28	14	9	15
Your job	14	23	13	3	13
Other	2	3	1	1	0
Has had no effect at all	65	40	70	82	72
Don't know/Refused	0	0	0	0	0

Total may exceed 100% because of multiple response.

**Caution: low base number of respondents-results are indicative only.

Results in blue indicate a significantly higher figure compared to the total sample.

Results in red indicate a significantly lower figure compared to the total sample.



Appendix A: Verbatim

Q19. *What in particular might affect your financial situation in the next 12 months?*

Based on those who expected their financial situation to get “a lot worse” over the next 12 months:

Availability for work, personal availability.

Cost is going up. Food, power and water bills are high. General costs like running a car is more expensive [and] repairs of any kind, especially in old houses.

Cost of living going up.

Cost of living, health and pharmaceuticals.

Cost of living.

Downturn in the stock market.

Family assistance stopped because [my] son turned 18.

Husband will retire.

Increase in petrol and I stay a long way from my job and rely on my car. No rise in wages.

Increasing living costs (food & petrol) and the greed of the politicians.

Interest rates.

Interest rates.

Mostly the cost of food and milk.

No wage rise, petrol increases and interest rate going up.

Property I already own and interest is going up and values down.

Rising cost of food and petrol.

Rising costs and falling prices.



Rising costs of everything and wages not rising as well.

The impact of the credit crisis in the United States.

The real estate, the ability to sell real estate. The real estate market is a bit depressing.

Tightening up of [the] business.

Unemployment, high mortgages and food. But not the wages.



Based on those who expected their financial situation to get “somewhat worse” over the next 12 months:

A drop in the pension for a start.

Additional health cost and caring costs for spouse.

Another baby and being off work, high taxes.

Another child, interest rates.

Any more increases in mortgage rates. We're involved in the housing market, so any further downturn in the housing market will affect us.

Basically superannuation investments are going to fall in value.

Cost of living (groceries).

Cost of living and health issues.

Cost of living and the price of oil. It's costing me a lot more to get to work and there are no pay rises. Just the grocery bills have sky rocketed.

Cost of living is getting so high.

Cost of living is going up and wages are the same.

Cost of travel, local travel. Children's age related expenses (teenagers - fees/braces/travel).

Daily payout.

Depending, might have a change of government [that] might affect it. Depending petrol or mortgage interests rates, just general cost of living.

Economy slows people. Stop buying things and I stop making money - sales person.

Everything, cost of petrol, food, rates and water bill. Lack of wages going up.

Exchange rate.

Food prices.

Fuel costs.

Fuel prices and mortgage rates.



General pricing rises petrol and food.

Go forward with tax cuts.

Go to study and having a loan to pay.

Going on an expensive holiday.

Having to cut down work hours because of health.

Health problems.

Higher costs of mortgage and petrol.

House prices dropping and the cost of living.

Housing market going down and down, oil going up and share markets going down. The exodus to Australia.

Housing pricing, if you want to sell you may find it difficult.

I think it would be food prices and house prices.

If I got sick and couldn't work.

If the cost of living goes up.

I'm retired, is important and I am surviving [on my] pension. Minimum income, nice house, asset rich and cash poor.

In a recession now that will deepen and will be less work for people and less risk of unemployment for people.

Increase in costs of fuel and inflation.

Increased family cost.

Increasing mortgage interest rate.

Inflation will grow and affect our spending, wages wont increase as forecasted by our company.

Inflation.

Inflation.



Inflationary increase in prices rates, petrol [and] food.

Interest rate and the price of petrol.

Interest rates - all including mortgage and investment rates.

Interest rates and collapsed fiancée comps.

Interest rates and Fonterra payout.

Interest rates and less work about.

Interest rates and personal health of respondent or husband.

Interest rates and tax rates.

Interest rates coming down and the reducing of the NZ dollar. If the reserve bank can drop interest rates it will drop the NZ dollar and make farming incomes more better.

Interest rates on investments.

Interest rates, fuel and electricity going up. General level of economic activity coming down.

Interest rates.

Interest rates.

Interest rates.

Interest rates.

Interest rates. Rising fuel costs.

Investment interest rates [and] household rates.

Investments going bust.

Investments.

It's the price of oil, it affects everyone and everything.

I've just been watching the news and they're not talking about the price of food and petrol going up. A lot of people rely on their cars, I think it's just basically the cost of food, because of course everybody needs that.



Just get less pay.

Kiwi fruit market, the building trade and the teenagers.

Lack of income.

Less money in our income.

Losing a job.

Loss of business confidence, loss of employment.

Made a decision that I would start KIWISAVER at the time that I will get a pay rise - next month.

Me having to give up my work to nurse my husband.

Me not getting a job.

Money that supplements our living and if that falls, our standard of living falls. National might cut supper [and] that will have an effect on our living standards.

Mortgage and food.

Mortgage coming off, fixed to floating. Expecting a big jump. Kids needing help with starting out.

Mortgage interest rates, cost of living, cost of food [and] petrol etc.

Mortgages and I also think rising oil prices and rising food prices.

My health and ability to carry on working as [a] mother.

My husbands job, he is sort of going through restructuring at the moment so he is not sure if he will have a job in a few months time.

My inability to work due to my sons impending operation.

My job is under review. The price of petrol and food is too expensive.

My wife and her employment.

New job opportunity.

Not having a job.



Oil prices [and] electricity.

Opting from working part time than working full time and going completely off [the] benefit.

Our business that is reliant overseas, products being imported. The unstable political environment leading up to the election, increasing interest rates [and] the uncertainty over interest rates for borrowing.

Overall, increases in food and fuel. Electricity as part of general household costs.

Overseas investments and local investments are of decline.

Paying the bills, an increase in the cost of medication.

Petrol and food prices rising.

Petrol and food.

Petrol and resultant increase in food prices.

Petrol prices.

Petrol, our food and entertainment movies and things. Concerts and things like that in terms of costs.

Petrol.

Possibility of loss of job.

Price and interest rate rises.

Price increase for everything.

Price of petrol raises cost of transport/food.

Price of petrol, dairy products and cost of living.

Price of petrol, diesel. The cost of living.

Prices of everything going up, petrol and foodstuffs has risen.

Prices of everything going up.

Purchase of a house.



Raising fuel prices and the overall cost [of] living.

Rates.

Remortgaging - with mortgage rates going up.

Restructuring of mortgage.

Rise in fuel prices and the general cost of living is rising. Also my work situation.

Rising cost of food and petrol.

Rising cost of living, petrol [and] dairy products.

Rising cost of living, petrol [and] food.

Rising costs, don't have a mortgage.

Rising petrol prices, interest rates [and] food prices.

Rising prices and rates, thing like prices rising everywhere. Like food and imports will rise if the dollar goes down, carbon tax.

Rising prices of petrol and groceries.

Rising prices.

Starting a family, we are having our first child.

Starting university.

Superannuation scheme and [the] cost of living.

The cost of food and petrol.

The cost of fuel.

The cost of living and paying my bills.

The cost of living i.e. fuel interest rates.

The cost of living prices just going up and [the] cost [of] mortgages, rates, food, petrol [and] power. Everything is too high.



The cost of living.

The cost of living.

The cost of living.

The cost of petrol, groceries, power [and] telephone.

The down turn in the farming sector.

The drought and the interest rate.

The exchange rate and high taxes.

The food rising and petrol rising.

The general cost of living.

The increase in interest rates on the mortgage and if the rates increase again, the local property rates.

The industry slump which is the building industry we [are] in.

The loss of income.

The price of basic food going up.

The price of petrol and food.

The stock market.

The value of the dollar is going down - impacts on our costs. The pension is not being adjusted.

The way the economy's going it could have an effect on your job. Your hoping that you're still going to have a job, because the economy's getting worse. People are losing their jobs and they can't keep you on.

The weather.

The world monetary problem, US banking crashing and China's economy is not too flash.

Things are getting more expensive day by day.

We are moving, so [a] change of job. I hope this will give more money.



We are renewing our mortgage this month, bad timing for us.

Well I'm a pensioner, it's mainly rising prices that is affecting me at the moment.

Well it is a worldwide recession and the bank that we've got our money in goes through a ball of chalk because we live of the capital of the interest.

Work, involved in construction industry.



Based on those who expected their financial situation to get “somewhat better” over the next 12 months:

A change of government.

A down turn in the building industry.

A pay rise.

A promotion in seniority.

At the moment, both my wife and I are on a Disability Benefit. In three days time, when I turn 65, I will get the pension. My wife will also go onto it, as she is unable to work.

Because I'm heading back to work.

Because we bought a business and increasing turnover.

Building a house for a person.

Buying another house.

Change jobs.

Change of government, that is always going to have an impact and you don't know which way that is going to go. I don't know, even loss of a job, who knows. Sickness, I mean health. I don't know, could be any number of those things.

Change of government.

Change of govt to National.

Change of job and higher wage.

Change of jobs.

Cost of living.

Cutting out the superannuation scheme, the decreased value in houses.

Development, work education prospect.

DHB's, the way they budget their service, which have an affect on my employment and home.

Economic down turn, different taxation regimes [and the] demand for my type of work.



Finishing a dept coming to an end now.

Finishing study.

Foot and mouth disease.

Fuel prices.

Getting a part time job.

Getting stuff for my baby, like nappies and milk.

Have sold a rental building, so that will pay off [the] debt.

Having another child.

Health.

Hopefully it's not going to affect it. I can't see prices dropping [and] food is shocking.

Hoping to change jobs.

Housing markets.

How much money there is for people to spend.

Husband has been sick, but is now getting more hours.

I am working towards my career, so I hope that will improve my situation.

I have changed positions.

I suppose the stock market could do things to some of my things, but I've got fairly diversified stocks. Even if the stock market did crash I don't think that would alter my standard of living much. But I don't think that's likely to happen.

If [the] current personal projects turn out well.

If finance companies keep falling over, it is going to catch up with us.

If our business expands.

If prices increase in the next 12 months it could alter my cost of living.



If the dollar stay high and impact on dairy farming. Commodities prices drop.

If the local council stop spending money on the local infrastructure.

If there is a death in husband's family, would have to fly to Spain.

I'm going back to work.

I'm going to move back with [my] parents and next year will be working full time. Completing studies at the end of this year.

Increasing cost of living, everything lifting in price. The media, talking down the state of the economy-propaganda.

Increasing the family income.

Intend to start my own business.

Intend to subdivide, so that is a positive.

Interest comes down and hours of work increased.

Interest rates - the housing market. We're looking at buying a house in the next year.

Interest rates [and the] price of petrol. If one of us was to lose our jobs.

Interest rates, mortgage and deposit interest.

Interest rates.

Interest rates.

Investing in New Zealand shares.

It's all down to me because I run my own business, so my own productivity. But interest rates have increased my mortgage, but I fixed that a wee while ago and am feeling good about that because rates have kept going up.

Job progression.

Losing my job or getting sick.

Losing my job, house burning down assets.



Loss of job.

May go back to work after studying.

Might have to sell our house.

More work I get, the more money I earn.

Mortgage rates rising, food index, general price rising [and] petrol.

Mortgage.

Moved from Auckland to the country, it's not as expensive to live.

My health will improve.

My health.

My husband getting [a] pay rise.

My husband retiring, loss of income and the cost of living - food.

My mortgage.

My place where I work is going through structural review and my husband's health.

My up skilling will increase my resource.

My work situation, doing a bit more of the levels.

My work, ability to work.

Pay increase.

Pay rise - new contract.

Pay rise.

Pay rises [and] living costs could go down.

Pay rises and the baby.

Pay rises. The price of fuel, if it keeps going up. The price of food.



Personal thing, don't want to get into it.

Petrol prices going up.

Petrol.

Pick-up in the share market.

Prices go up, I will have to spend more.

Probably just savings.

Promotion through work - income increases.

Recovery of the share market.

Reducing our debt.

Remuneration pay [and] review increased cost of living.

Renovation cost.

Retailers putting prices up and [the] dairy company not having [a] good payout year. Cost of petrol going up again and another drought.

Returning to work, petrol [and] food.

Salary and bonus increases, sale of shares.

Selling of land and [my] husband has a new job. And me, been full time at work.

Sickness. Children going overseas.

Studying which will positively impact.

Success of my new small business - pregnancy.

Superannuation has matured.

Tax cuts, more money in [the] pocket, cost of living.

Taxes and the price of fuel.

The amount of work I have.



The building industry.

The change of government.

The cost of living going up.

The cost of running my car, petrol and maintenance. Food costs, everyday groceries.

The economy in general.

The fact that I now have a job and possible pay rises for [my] husband.

The financial housing market will effect my value of my property.

The general slow down of the economy affecting my job. Prospect of a National govt frightens me. They are more likely to cut services.

The government allowing us to super for 65+, if they reduce it.

The NZ dollar, price of petrol [and] trading partners.

The NZ dollar, the place I work for gets its money from the exports. So if we don't get much for it, then we can get a down turn in productivity.

The pay rise I am due to get.

The price of fuel and commodity items like food.

The price of fuel.

The rise in mortgage interest rates.

The strength of the dollar.

The strength of the New Zealand dollar.

The weather and Fonterra's performance, the exchange rate and interest rates.

There's lots of things. We're expecting my husband to get a bonus, that would be the main thing. I'm looking at possibly changing jobs, that might make a difference.

Wage increase, prices of basic food, tax relief.

We are a single income family.



We have a change of government to start with.

Based on those who expected their financial situation to get “a lot better” over the next 12 months:

A recession.

Because [we are] planning to move out of the country - Australia.

Depends on [the] Aussie economy and the rest. Shortage of skilled people, worldwide shortage of my particular skill.

Getting a car and getting a job.

Getting a fulltime job.

Getting paid more and getting a new job.

Having a job change with a higher income.

Health issues, about to go on [the] sickness benefit so this will affect it.

Health, severe down turn in the economy.

Hoping to sell my house so I can service my credit card.

Housing prices and a fall in the market.

I am going to go back to work full time and also we are getting flat mates, so that will help as well.

I live on a shoestring budget at the moment.

If housing market drops, it will effect our worth. Product I sell will be affected if the economy drops.

I'm going to work.

I'm hoping to get a pay rise.

Maybe a change of job.

Me going back to work, better commission sales for my partner.

Me returning to work.



More hours of work.

Moving home would affect [the] business.

My health - cancer.

My husband has applied for a new job, my inheritance.

My work.

New job.

Our work practice and our own careers. Pay rise.

People not coming into my restaurant.

Petrol.

Probably, I might just want to travel. That'll put a hole in the budget.

Promotion, wage rises [and] selling of assets.

Redundancy, loss of job [and] income.

Relocating to a cheaper city, petrol prices.

Salary raise.

Selling this house and I actually start a new job next month as well.

Superannuation.

The economy, [a] lotto win.

The sale of our house.

The US dollar and the New Zealand dollar against it.

Travel.

Unemployed.

Wage change in April.



Wage increase.

Work and family.

Work and property.

Working more hours.