

**Media release**

**EMBARGOED until 0100 4 March 2022**

**Financial Resilience Index reveals 68% of New Zealanders are worried about house prices and growing concern around the New Zealand economy**

The latest Financial Services Council (FSC) [Financial Resilience Index](#) (FRI) reveals growing concern among New Zealanders about the housing market and the direction of the New Zealand economy.

68% of survey respondents say they are worried about house prices, 65% are worried about interest rates, 79% are concerned about inflation and 43% are not confident in the New Zealand economy.

The tracking survey of 2,000 New Zealanders went into field just as Omicron was hitting our shores in January 2022, and subsequently offers an insightful snapshot of how the pandemic continues to impact New Zealanders' wellbeing.

"After two years of the pandemic, how New Zealanders are feeling about their future is shifting, and this is reflected in their concerns about the economy, house prices and interest rates," said FSC Chief Executive Richard Klipin.

"The volatility of global and local markets as a result of Russia's recent invasion of Ukraine is likely to further reinforce this sentiment."

Ryan Bessemer, CEO of research sponsor Trustees Executors, sees the numbers as concerning.

"We can see a lack of financial preparedness in the results. Two in five respondents said they would be unable to access \$5,000 if something unexpected were to happen."

"There has also been a drop in financial literacy of 5% from last year, which should be ringing alarm bells, as we face increasingly challenging economic conditions," said Bessemer.

"We as an industry need to consider why this is the case, and what action we can take to ensure that Kiwi consumers understand the products and services we are offering and how to use them to maintain and improve their financial wellbeing."

On the upside, feelings of job security are up on previous years, with sentiment on a trajectory to return to pre-pandemic levels.

“The silver lining is that job security and financial confidence are both on the rise, with 86% of New Zealanders reporting they are reasonably, very or extremely confident in making most financial decisions compared to 81% in 2021,” said Klipin.

### **About the Financial Resilience Index:**

The FRI is a tracking survey of New Zealanders’ views on five key resilience indicators, which this year was expanded to include questions around some of the topical issues and emergency spending in order to see what was most concerning New Zealanders and how prepared they are for a financial crisis.

The five key indicators measured by the survey are:

- Financial confidence
- Job security
- Financial preparedness
- Financial literacy
- Wellbeing

The latest report is available [here](#).

### **Research launch event:**

The FSC is holding an online launch event tomorrow morning (Friday 4 March) to present and discuss the latest findings from FRI.

Friday 4 March 2022

9.30am-10.30am

Panellists:

- Dr Jarrod Haar, Professor of Human Resource Management, AUT
- Mary Jo Vergara, Economist, Kiwibank
- Ryan Bessemer, CEO, Trustees Executors
- Vicki Caisley, Chief People and Strategy Officer, Southern Cross
- Adam Boyd, EGM Private Banking, Wealth and Insurance, ASB
- Richard Klipin, CEO, Financial Services Council

Zoom link to join: <https://us02web.zoom.us/j/83035125535>

Zoom Passcode: March2022

**ENDS**

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**About the Financial Services Council**

As the voice of the sector, the Financial Services Council is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 102 members manage funds of more than \$95bn and pay out claims of \$2.8bn per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers, and technology providers to the financial services sector.