



# Who is enrolling in KiwiSaver?

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Profiling, using the SoFIE–Inland Revenue linked data set

*Prepared for:*  
KiwiSaver Evaluation Steering Group

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February 2015

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**National Research and Evaluation Unit**

Te Wāhanga ā-motu mo te Rangahau me Aromātai

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# Executive summary

This report summarises the key trends and demographic profiles from the analysis findings of the SoFIE (Survey of Family, Income and Employment) and Inland Revenue KiwiSaver administrative linked data set.

It covers three main areas, each describing:

- the profile of KiwiSaver members and drawing comparisons between KiwiSaver members and those who have never enrolled
- the profile of KiwiSaver members in relation to membership status and enrolment type
- the profile of KiwiSaver members in relation to the use of KiwiSaver features.

## Methodology

The analysis conducted in this report makes use of SoFIE waves 6 to 8 (October 2007 to September 2010) linked with Inland Revenue-held KiwiSaver administrative records.

The linked SoFIE and Inland Revenue KiwiSaver administrative data provides a comprehensive data set. Information on people's demographic characteristics such as ethnicity, employment, education, family and relationships were linked to KiwiSaver members' contribution value, membership status and method of enrolment. The linked data set also gives us an opportunity to compare members' demographic characteristics with those who have never joined KiwiSaver.

## Key results

### Enrolment patterns

From weighted SoFIE data, at the end of wave 8:

- 933,865 individuals aged 18+ or 44.2% have enrolled while 1.2 million individuals or 55.8% have never enrolled
- of the 933,865 enrolments:
  - 38.6% were automatically enrolled
  - 22.1% opted in through their employer
  - 39.3% opted in directly through a provider

- 124,475 have opted out
- the KiwiSaver participation rate of 18 to 24 year olds has reached 66.0%, which is the highest among all age groups.

### Membership profile

There is a slightly higher proportion (53.7%) of female KiwiSaver members than male. Females are also 30% more likely to join directly through a scheme provider.

Age distribution of individuals differs notably between members and those who have never joined, as well as between methods of enrolment. Individuals aged between 18 and 24 are approximately one-third more likely to join KiwiSaver compared to other age groups. The profile of those who have been automatically enrolled is more heavily weighted towards this younger group, suggesting that automatic enrolment has been effective in enrolling individuals who are new to the workforce. Opting in through a provider is more popular for those over 55. Those opting in through an employer tend to be middle-aged with nearly 48% between the ages of 35 to 55 years.

The most common main income sources for KiwiSaver members are salary and wage earners (71.0%) followed by beneficiaries (10.5%) and self-employed individuals (9.3%). When comparing KiwiSaver membership by main income source individuals earning salary and wages are much more likely to be in KiwiSaver than other types of income sources. Members earning salary and wages are also more likely to be either automatically enrolled (for those 18 to 24 years olds) or opt in through their employer (35 to 55 years olds) over other income sources while self-employed and beneficiaries tend to opt in through a provider.

Although the difference in income bands between members and those who have never enrolled are not significant, individuals with \$30,000 or less employment income are more likely to join KiwiSaver among all other income bands. Those in the \$30,000 or less income band are more likely to be automatically enrolled rather than opting in through an employer or a scheme provider.

Individuals who are university educated, including those who also have a postgraduate degree, are more likely to be KiwiSaver members than those who have lower

qualifications, in particular, to those with no formal qualifications.

### Saving choices

For those who are automatically enrolled or opted in through their employer, it appears that scheme membership is being influenced by the enrolment process. Of those who have been allocated to a scheme (default allocated or employer nominated), the majority does not actively switch to another scheme later. Members with mid-high income and older age groups are more likely to switch to another scheme.

The default contribution rate influences the level of members' contributions, with over half of KiwiSaver

members contributing the minimum employee contribution rate from their salary or wages to their accounts.

Compared to auto-enrolees and members who opted in through a provider, members who opted in through their employer have the highest mean contribution value, and are associated with gender, age and income levels. Males, members aged between 45 and 55 years old, and those with high income, contribute more.

Members in the 25 to 34 year old age band with lower to middle incomes are more likely to have taken a contributions holiday than others.

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### Who are KiwiSaver members?

In the scenario below, "Ben" and his family represent typical KiwiSaver members and a range of circumstances based on findings from this report.

In July 2007 (wave 6), Sarah was a 22-year old university graduate and had just found a full-time job as a junior sales consultant in a well-known retail trade corporation. On the first day of her new job she received a KiwiSaver information pack and was automatically enrolled into KiwiSaver by her employer. She was randomly allocated one of the six default KiwiSaver schemes and started to contribute the minimum employee contribution rate. One month later she decided to opt out and asked for a refund of the KiwiSaver contribution already deducted by her employer. Sarah was living with her partner Ben, a 28 year old earning \$70,000 a year. His employer established a KiwiSaver scheme and he decided to opt in. On top of contributing the 2% minimum into KiwiSaver he also received contributions from his employer and member tax credits from the government.

Ben's parents Chris and Amy were, respectively, a 60 year old self-employed real estate agent and a 50 year old unemployed female. Chris made an active decision to opt in through a KiwiSaver scheme provider and contributed both on a regular and an ad hoc basis at his preferred contribution amount. Amy decided not to join KiwiSaver because she was happy with her current retirement savings plan.

Late in 2007 Sarah found a new job with a better salary and was automatically enrolled into KiwiSaver again. Three years passed (June 2010—wave 8) and Sarah noticed that she had made approximately \$3,000 of member contributions. Ben had accumulated between \$5,000 and \$6,000 of member contributions due to his higher income earnings. Chris's contribution was somewhere between Sarah's and Ben's. Because Sarah wanted to save for a wedding and for a deposit on a first home, she decided to apply for a contributions holiday. Ben continued to contribute to KiwiSaver. Chris retired at the age of 65 and withdrew all his KiwiSaver funds.

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## Section 1. Introduction

The purpose of this report is to summarise the findings on the analysis of the SoFIE–Inland Revenue linked data set.

We are interested in the:

- demographic characteristics of KiwiSaver members and how those differ to the demographics of those who do not want to participate
- demographic characteristics of KiwiSaver members in relation to membership status, such as opting out and enrolment types
- use of KiwiSaver features by members such as contributions holiday.

### Background and objectives

KiwiSaver is a voluntary work-based saving scheme that aims to make it easier for New Zealanders to save for their retirement. While membership is not compulsory, anyone aged 18 years and over who starts a new job with a new employer and is not already a member is automatically enrolled. It is possible to choose to opt out of KiwiSaver between two and eight weeks after enrolment. Scheme enrolment is not automatic for workers under 18, over 64, employed for less than four weeks, or who were employed when KiwiSaver started in 2007. They may join voluntarily. Those who are self-employed, beneficiaries, and non-workers can join KiwiSaver by making payments directly to scheme providers.

Inland Revenue collects a wealth of KiwiSaver data in its role as administrator. Linking Inland Revenue's KiwiSaver administrative data with Statistics New Zealand's SoFIE provides a number of advantages:

- It yields a broader set of demographic and socioeconomic information.
- It also improves the quality of the survey data.
- A counter-factual group can be identified.
- We are able to study the same group of individuals over a period of time (across waves).

This report makes use of data from SoFIE waves 6 to 8 (October 2007 to September 2010) linked with Inland

Revenue-held KiwiSaver administrative records to seek answers to two questions:

1. What are the individual and household characteristics associated with KiwiSaver membership?
2. What are the characteristics associated with KiwiSaver membership enrolments and the use of KiwiSaver features?

This report aims to assess characteristic differences that may be observed to gain a greater understanding of the profile of KiwiSaver participants. By taking advantage of this longitudinal data set, this report tries to identify uptake trends across SoFIE waves.

Section 2 discusses a set of demographic characteristics that highlights demographic differences between KiwiSaver members and those who have never enrolled. It also looks at trends of uptake across different waves and results from multivariate analysis that identify key member characteristics associated with KiwiSaver uptake. Section 3 presents findings on membership type and enrolment methods. Section 4 focuses on members' contributions, KiwiSaver features, choices in schemes and contribution rates. Section 5 briefly reviews the analysis conducted and main findings.

### Analytical sample

This paper used a sample selected from SoFIE respondents who had the following characteristics:

- They were eligible and responding individuals in wave 1 of the survey and continued to respond for all eight waves.
- They have a complete longitudinal history. This means they have responded to all eight waves of the survey. Using respondents with a complete longitudinal history allows the sample to be weighted appropriately for each wave.
- They were between the ages of 17 and 64 in wave 5. This ensures that they were eligible to be part of KiwiSaver when the scheme was first introduced in 2007, which coincides with the end of wave 6 of SoFIE.

## Section 2. Profile of KiwiSaver members and non-participants

This section provides a demographic description of KiwiSaver members and those who have never joined. A profile of demographics that associates with KiwiSaver membership is explored.

One purpose of KiwiSaver is to encourage a long-term savings habit and asset accumulation for individuals who are not in a position to enjoy standards of living in retirement similar to those in pre-retirement. Three years after its introduction, over one million individuals had signed up from the eligible population<sup>1</sup> (KiwiSaver Annual Evaluation Report, Inland Revenue).

By analysing a sample of the linked data set, this section:

1. gives an overview of KiwiSaver enrolment trends
2. explores demographic profiles of KiwiSaver members
3. compares KiwiSaver members and those who have never enrolled in the eligible population.

### Key findings

**At the end of wave 8, KiwiSaver participation levels reached 44.2% of the sample population.**

What the results show:

- 18 to 24 year old individuals are enrolling in KiwiSaver at an increased rate, with approximately 66% having joined.
- Ethnic minority groups continue to enrol.
- More low-income earners are enrolling.
- Steady numbers of mid-income earners are enrolling.
- Fewer high income earners are enrolling.

**KiwiSaver members are more likely to be young individuals who are in the early stage of their career.**

A likely KiwiSaver member profile would be:

- between 18 and 24 years old
- university educated
- partnered
- working in lower white collar occupations (ie, lower-skilled white collar).
- working in retail and health care industries
- earning below \$50,000 in employment income.

**Non-KiwiSaver participants who have never enrolled are more likely to be middle aged or non-salary and wage earners with moderate personal income.**

A likely non-KiwiSaver profile would be:

- aged between 35 and 55 (middle-aged)
- without formal qualifications
- working in upper blue collar (ie, higher-skilled blue collar) occupations or no employment income
- ethnic minority groups with moderate earnings (\$50,000 or above).

<sup>1</sup> Refer to Appendix 2: KiwiSaver features and glossary

## Overview of enrolment trends

Table 1 shows KiwiSaver uptake trends across waves.

Taking into account the 124,475 who have opted out, there are 1.2 million individuals (55.8%) who have neither joined KiwiSaver nor opted out of it. This suggests that at the end of wave 8, uptake reached 44.2% of those aged between 18 and 65 years. A point will be reached at which the number of prospective new KiwiSaver members becomes limited.

It is evident that most KiwiSaver members chose to join fairly quickly after the scheme came into existence. Of the 933,865 individuals who between waves 6 and 8 have joined KiwiSaver, 538,209 individuals (57.6%) joined by wave 6, a further 215,911 new individuals (23.1%) become members in wave 7 and 179,745 (19.2%) joined in wave 8. However, the trend in KiwiSaver participation for eligible respondents aged between 18 and 65 at wave 6 shows a declining rate of growth from 40.1% in wave 7 to 23.8% in wave 8.

**Table 1: KiwiSaver membership reach into sample population (weighted)**

KiwiSaver membership		Wave 6	Wave 7	Wave 8
Non-participants (never been a member)	Count	1,745,885	1,426,954	1,177,650
	%	76.4%	65.4%	55.8%
KiwiSaver member (current)	Count	538,209	754,120	933,865
	%	23.6%	34.6%	44.2%
% change from previous wave			40.1%	23.8%
Member and non-participants		2,284,094	2,181,074	2,111,515
Members who had opted out	Count	61,479	101,665	124,475
	%	2.6%	4.5%	5.6%
Total		2,345,573	2,282,739	2,235,990

Although membership continues to grow, 55.8% of the analytical sample has never enrolled in KiwiSaver. The age distribution of KiwiSaver members exhibits three patterns. Table 2 shows KiwiSaver membership uptake rate differ by age group across waves. For those entering the workforce for the first time (ie, 18 to 24 year olds), they demonstrate the fastest growth rate among other age groups. By wave 8, KiwiSaver

membership growth reached 66.0% of the 18 to 24 age group, growing from 27.8% in wave 6. Figures for those in the 18 to 24 year age band reflect the automatic enrolment of those entering the job market, while those in the other age bands show a steady growth across waves.

**Table 2: KiwiSaver reach in to sample population by age across waves (cumulative)**

Age band at joining wave	KiwiSaver membership			Analytical sample			Uptake		
	Wave 6	Wave 7	Wave 8	Wave 6	Wave 7	Wave 8	Wave 6	Wave 7	Wave 8
18–24 years	94,919	139,132	169,481	341,462	290,571	256,623	27.8%	47.9%	66.0%
25–34 years	87,453	129,103	166,626	416,432	393,075	377,544	21.0%	32.8%	44.1%
35–44 years	98,861	144,747	182,460	529,450	501,861	481,294	18.7%	28.8%	37.9%
45–55 years	118,862	164,411	207,795	539,102	536,366	535,538	22.0%	30.7%	38.8%
55–65 years	138,113	176,723	207,497	457,647	459,199	460,513	30.2%	38.5%	45.1%
Total	538,208	754,119	933,864	2,284,094	2,181,073	2,111,514	23.6%	34.6%	44.2%



## KiwiSaver demographics

This section examines the demographic characteristics of the analytical sample, KiwiSaver members and, those who have never enrolled into KiwiSaver. It also suggests how KiwiSaver enrolment is related to, and varies with, each characteristic. This section takes into account demographics that affect earnings and earnings over time, such as age, education and occupation.

### Age and sex profile

#### *A higher proportion of females and 18 to 24 year old individuals are joining KiwiSaver*

Table 3 shows the KiwiSaver member group contains slightly more females than males with just over half (53.7%) being female.

Furthermore, in the 18 to 24 year old age band, individuals are more likely to be KiwiSaver members (14.9%) compared to those who have never been a member (7.1%). The median age of KiwiSaver members is 44, compared to 45 for those who have never

enrolled. This is consistent with the median age in the eligible sample.

Table 4 shows that the KiwiSaver participation rate of individuals aged between 45 and 65 years has remained high, but has gradually fallen from a 47.8% in wave 6 down to 41.2% at the end of wave 8. In particular, the proportion of KiwiSaver members aged between 55 and 65 has decreased from 25.7% in wave 6 to 17.1% in wave 8. Conversely, individuals in the 25 to 34 year age group have risen from 16.3% to 20.9% between wave 6 and wave 8. Despite this, the overall participation rate of individuals aged between 45 and 65 years is higher, due to the greater proportion (around 50%) of individuals in this age group in the eligible population.

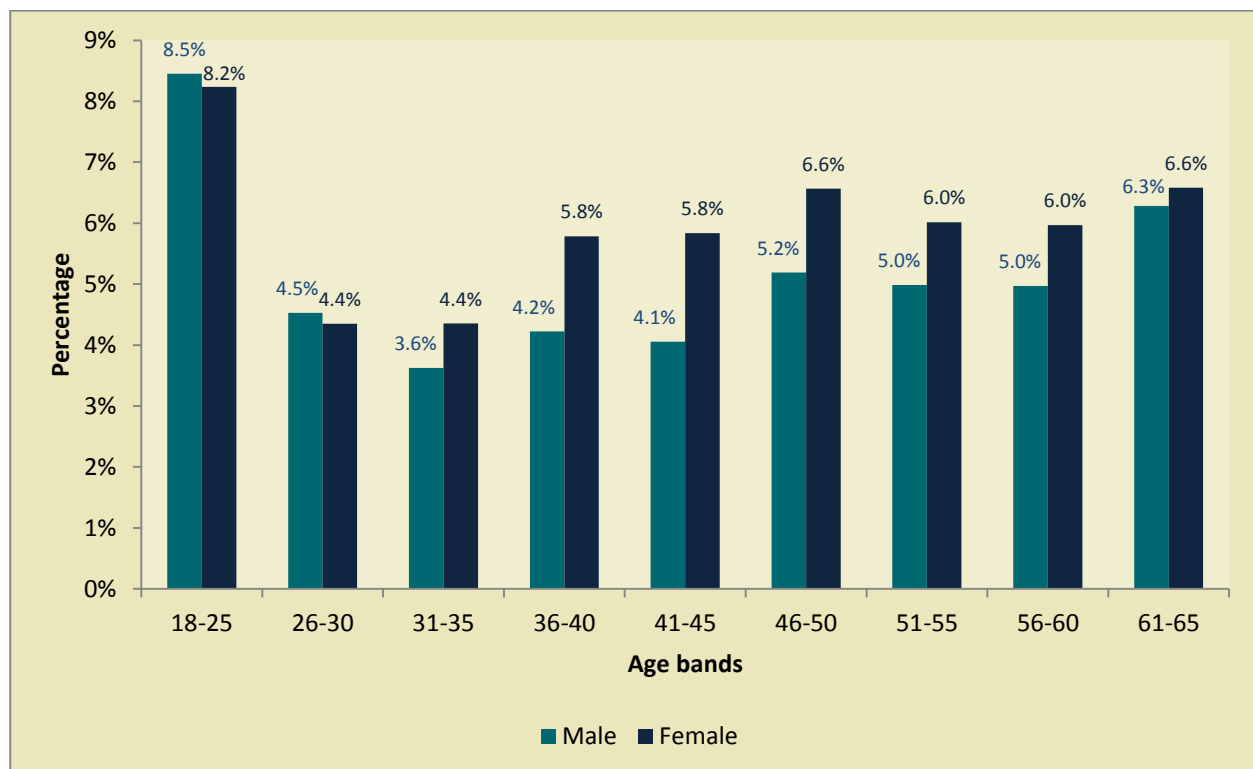
Figure 1 shows that females aged over 30 are more likely to join KiwiSaver than males of the same age bands.

**Table 3: Age and sex profile of KiwiSaver members (weighted percentage)**

Demographic characteristics	KiwiSaver member %	Never been a member %	All persons %
Age band at joining wave	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$	$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
18–24 years	14.9	7.1	10.5
25–34 years	17.2	17.2	17.2
35–44 years	19.3	24.4	22.3
45–55 years	22.3	26.8	24.9
55+ years	26.2	24.5	25.2
	100.0	100.0	100.0
Average age	42.8	44.4	45.2
Median age	44.0	45.0	45.0
<b>Gender</b>			
Male	46.3	50.6	48.8
Female	53.7	49.4	51.3
	100.0	100.0	100.0

**Table 4: Age distribution of KiwiSaver members and those who have never enrolled across waves (weighted percentage)**

Age band at joining wave	Wave 6		Wave 7		Wave 8		Total	
	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %
18–24 years	17.6	14.1	20.5	10.6	16.9	7.4	18.1	11.2
25–34 years	16.3	18.8	19.3	18.5	20.9	17.9	17.8	18.5
35–44 years	18.4	24.7	21.3	25.0	21.0	25.4	19.5	25.0
45–54 years	22.1	24.1	21.1	26.1	24.1	27.8	22.3	25.7
55–65 years	25.7	18.3	17.9	19.8	17.1	21.5	22.2	19.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Figure 1: Age distribution of KiwiSaver members by gender as proportions of sample population**

### Ethnicity profile

*Ethnic minority groups with high earnings are less likely to be KiwiSaver members than New Zealand Europeans in the same earnings group*

Table 5 shows 29.3% of KiwiSaver members are from a non-New Zealand European ethnic group (Māori, Pacific Island, Asian and other ethnicity) which is consistent with the ethnicity distribution in the sample population.

Results in Figure 2 show individuals from a non-New Zealand European ethnic group earn less than New Zealand Europeans with 53.7% of New Zealand European KiwiSaver members earning \$50,000 or less (excluding zero income) and 58.8% of non-New Zealand European KiwiSaver members earning less than \$50,000. New Zealand European and non-New Zealand European groups in the upper earning bands show similar results between members and non-members.

Non-New Zealand Europeans with zero income are more likely to be KiwiSaver members compared to New Zealand Europeans who are in the same income bands (25.7% compared to 18.3%). As income increases, the difference between members and non-members narrows. KiwiSaver members, who are New Zealand Europeans earning \$50,000 or more, overshadow those who are non-New Zealand European in the same earnings bands.

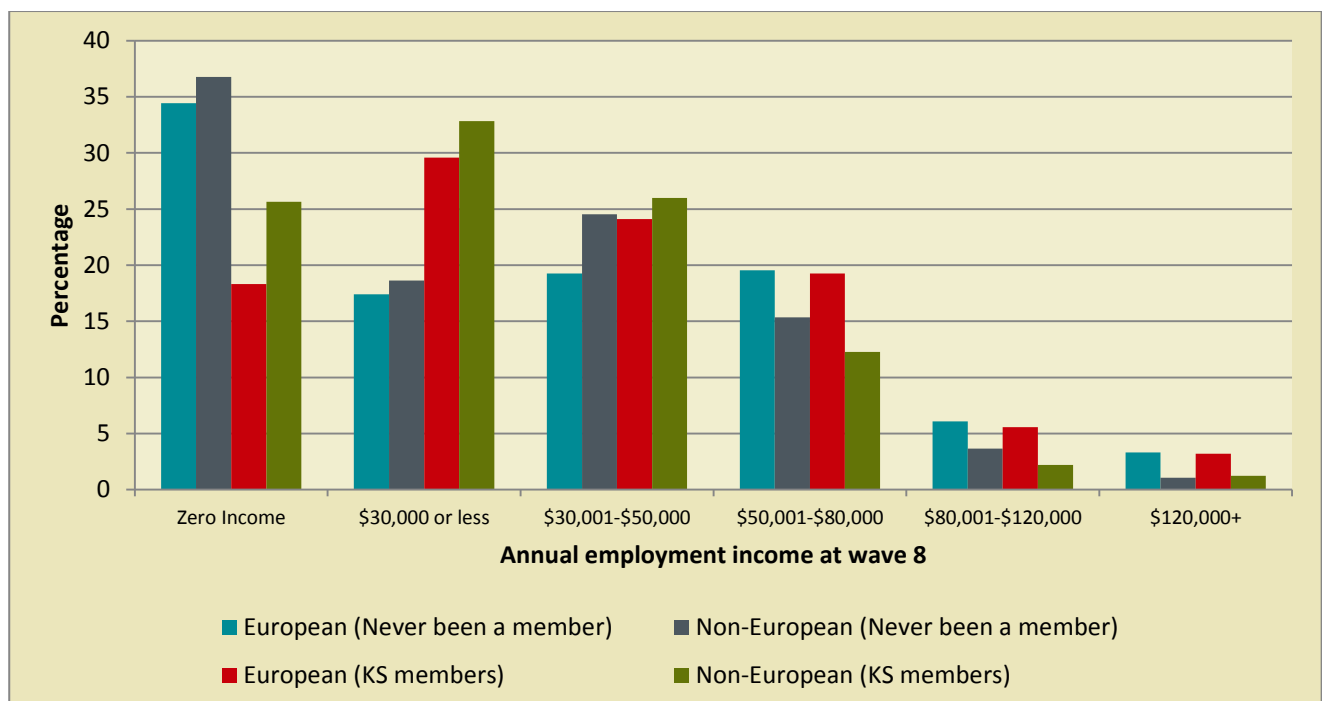
The New Zealand European ethnic group has the highest KiwiSaver participation rate, although declining from 73.8% in wave 6 to 63.8% in wave 8. Apart from the other ethnicity group, the second lowest participation is from the Pacific Island ethnic group, although this has slightly increased from 5.4% in wave 6 to 7.8% in wave 8. The other two ethnic groups, Māori and Asian, also show increasing participation rates across waves.

Table 6 shows trends in participation for different ethnic groups.

**Table 5: Ethnicity profile (weighted percentage)**

Demographic characteristics at wave 8	KiwiSaver member %	Never been a member %	All persons %
Ethnicity (prioritised)	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$	$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
New Zealand European	70.7	71.2	71.0
Māori	13.5	13.8	13.7
Pacific Island	6.1	5.3	5.6
Asian	7.5	8.1	7.8
Other ethnicity	2.2	1.6	1.9
	100.0	100.0	100.0

**Figure 2: Individuals' earning by ethnicity**



**Table 6: Ethnicity diversity across waves (weighted percentage)**

Ethnicity at joining wave	Wave 6		Wave 7		Wave 8		Total	
	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %
New Zealand European	73.8	70.3	67.7	70.3	63.8	70.9	70.4	70.5
Māori	11.8	14.4	15.8	14.4	17.8	14.0	13.9	14.3
Pacific Island	5.4	5.6	7.0	5.6	7.8	5.3	6.2	5.5
Asian	7.0	7.9	7.6	7.9	8.0	8.2	7.3	8.0
Other ethnicity	2.1	1.8	1.9	1.8	2.6	1.6	2.1	1.8
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

### Highest qualifications

#### *University-educated young individuals are likely to be KiwiSaver members*

Table 7 shows that KiwiSaver participation is associated with the level of qualifications, with those individuals holding bachelor and postgraduate degrees more likely to join KiwiSaver than those with no qualifications.

The proportions of those with School Certificate or trade/diploma do not differ significantly in relation to being a KiwiSaver member or not.

We can see that 58.4% of the eligible sample is made up of individuals with post-School Certificate qualifications (trade/diploma, bachelor's degree and postgraduate). Those individuals with School Certificate/NCEA and no formal qualifications make up 41.6% of the eligible sample.

**Table 7: Highest qualification of KiwiSaver members (weighted percentage)**

Demographic characteristics at wave 8	KiwiSaver member %	Never been a member %	All persons %
Highest qualification	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,831$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,824$	$n_{\text{weighted}} = 17,655$ $n_{\text{unweighted}} = 17,871$
No qualification	13.5	16.9	15.5
School Certificate/NCEA	26.8	25.6	26.1
Trade/diploma	35.7	37.5	36.7
Bachelor's degree	15.4	12.6	13.8
Postgraduate	8.5	7.4	7.9
	100.0	100.0	100.0

Table 8 shows individuals in all age bands and with a bachelor's or postgraduate degree are more likely to be KiwiSaver members than non-members. We can also see that level of education changes as individuals' age increases for KiwiSaver members. Members aged between 18 to 24 years old are more likely to have School Certificate/NCEA qualifications while members in other age bands more likely to have a trade/diploma.

**Table 8: Highest qualifications of KiwiSaver members by age bands (weighted percentage)**

Highest qualification	Age bands									
	18–24		25–34		35–44		45–54		55–65	
	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %	Member %	Never been a member %
No qualification	9.5	11.1	8.1	10.7	9.2	13.1	14.7	17.5	21.1	24.0
School Certificate/NCEA	46.7	48.5	21.9	24.0	23.2	25.0	24.5	24.2	23.3	22.8
Trade/diploma	25.7	27.8	37.1	40.4	37.6	38.2	37.2	37.9	37.8	37.5
Bachelor's degree	14.6	10.6	24.6	18.4	19.1	14.9	12.5	12.1	9.9	7.8
Postgraduate	3.5	2.0	8.3	6.6	10.8	8.8	11.0	8.3	8.0	8.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

### Occupations profile

*Lower white collar workers are more likely to enrol in KiwiSaver*

Table 9 shows lower white collar workers are more likely to be KiwiSaver members than upper blue collar workers. This may be due to those individuals in the early stage of their career being automatically enrolled. Correspondingly, upper blue collar workers are less likely to enrol in KiwiSaver.

**Table 9: Occupation profile of KiwiSaver members (weighted percentage)**

Demographic characteristics at wave 8	KiwiSaver member %	Never been a member %	All persons %
Occupation	$n_{\text{weighted}} = 749,549$ $n_{\text{unweighted}} = 4,000$	$n_{\text{weighted}} = 943,337$ $n_{\text{unweighted}} = 4,996$	$n_{\text{weighted}} = 1,692,886$ $n_{\text{unweighted}} = 8,996$
Upper white collar	48.5	48.6	48.6
Lower white collar	27.2	21.3	23.9
Upper blue collar	11.0	17.4	14.6
Lower blue collar	13.0	12.3	12.6
Unidentifiable	0.4	0.3	0.3
	100.0	100.0	100.0

## Main income sources and earnings

*Young individuals are more likely to enrol in KiwiSaver compared to older with the same level of earnings*

Differences in age in relation to level of earnings are evident. Those individuals aged between 18 and 24 with \$30,000 or less (62.7%) and over \$30,000 to \$50,000 (61.6%) are slightly more likely to join KiwiSaver than other age groups.

**Table 10: Income by age bands (weighted percentage)**

	18–24		25–34		35–44		45–54		55–65		All	
	M %	No %	M %	No %	M %	No %	M %	No %	M %	No %	M %	No %
Personal income												
Zero income	43.4	56.6	15.8	84.2	13.3	86.7	31.7	68.3	22.6	77.4	24.6	75.4
\$30,000 or less	62.7	37.3	47.4	52.6	39.3	60.7	35.9	64.1	39.5	60.5	44.1	55.9
Over \$30,000 to \$50,000	61.6	38.4	43.1	57.0	38.3	61.7	40.8	59.2	51.9	48.2	45.6	54.4
Over \$50,000 to \$80,000	52.2	47.8	38.7	61.3	37.8	62.2	40.0	60.0	48.4	51.7	41.3	58.7
Over \$80,000 to \$120,000	40.0	60.0	41.7	58.3	35.7	64.3	39.8	60.3	46.5	53.5	40.6	59.4
Over \$120,000	0.0	0.2	7.4	6.4	19.4	27.3	36.9	38.4	36.3	27.6	37.4	62.6

M = member

No = never been a member

Figure 3 provides average gross annual income of KiwiSaver members and non-members by age bands. Although individuals aged between 18 and 24 are more likely to join KiwiSaver than other age groups, the average gross income for members is similar to those who have never joined. KiwiSaver members aged between 45 and 54 tend to earn more than those who are in the same age group but have never joined. Income between members and non-members in other age groups is also similar.

Table 11 shows the most common main income sources for KiwiSaver members are salary and wages (71.0%), followed by benefits (10.5%) and self-employed income (9.3%). Comparing the same income sources for those who have never enrolled, individuals with salary and

wage earnings are more likely to join KiwiSaver while self-employed and beneficiaries are less likely to join.

The proportion of salary and wage earners joining KiwiSaver decreased over time, while beneficiaries show the opposite trend, as shown in Table 12. For KiwiSaver members/non-members whose main source of income is not salary and wages or government benefits, the proportions are relatively stable across waves.

Figure 3: Annual income by age bands

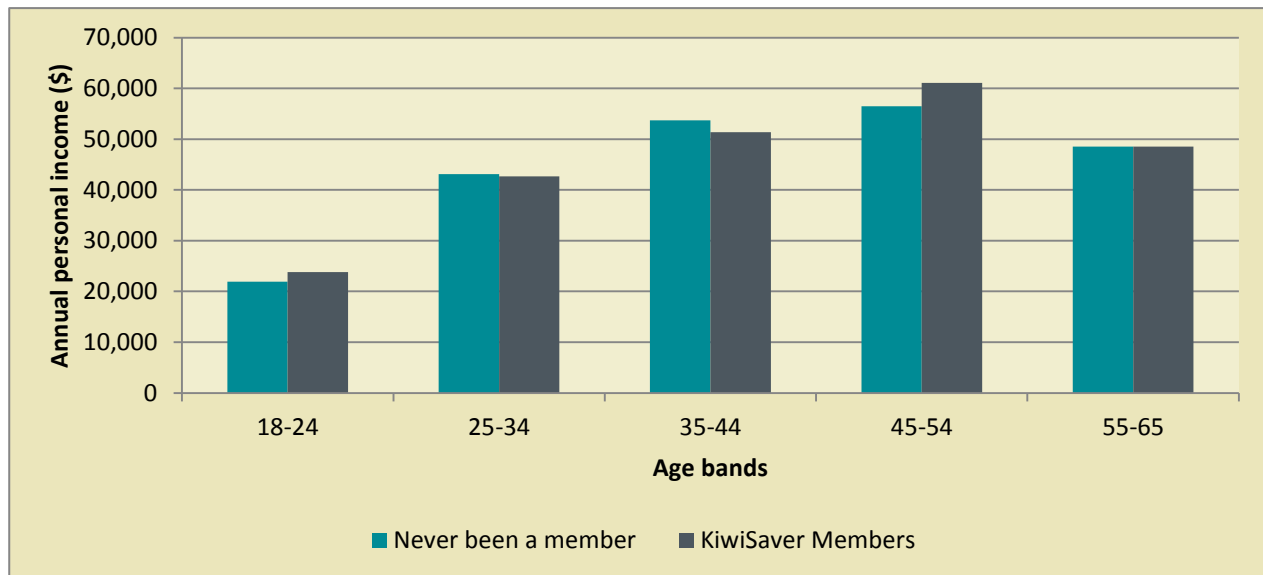


Table 11: Employment status (weighted percentage)

Main income source at wave 8	KiwiSaver member %	Never been a member %	All persons %
	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$	$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
Salary and wages	71.0	57.9	63.7
Self-employed	9.3	14.8	12.2
NZ Super	1.1	2.1	1.7
Government benefits	10.5	14.4	12.8
Interest and investment	3.3	4.3	3.9
Other sources	3.3	3.3	3.3
No income source	1.5	3.3	2.5
	100.0	100.0	100.0

**Table 12: Income sources of KiwiSaver and non-members across waves**

Main income source at joining wave	Wave 6		Wave 7		Wave 8		Total	
	Member (n = 3,888)	non- member (n = 14,511)	Member (n = 1,629)	non- member (n = 12,341)	Member (n = 1,372)	non- member (n = 10,562)	Member (n = 6,889)	non- member (n = 37,414)
Salary and wages	73.3	63.2	70.5	60.8	63.8	59.2	70.8	61.3
Self-employed	9.0	12.3	9.2	13.5	9.3	14.9	9.1	13.4
NZ Super	0.5	0.9	0.6	0.8	0.6	0.8	0.6	0.8
Government benefits	7.8	13.6	12.1	14.4	17.8	14.5	10.7	14.1
Interest and investment	3.7	3.9	3.5	3.9	1.9	4.1	3.3	3.9
Other sources	3.6	3.2	3.3	3.3	4.0	3.2	3.6	3.1
No income source	2.2	3.0	0.8	3.6	2.7	3.4	1.9	3.3
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

### Industry sectors

*Employees in retail trade and accommodation sectors are more likely to enrol than those in other industry sectors*

KiwiSaver members are spread across all industry sectors, but as Table 13 shows, over 50% work in just four major sectors: retail trade and accommodation (15.6%), rental, hiring and real estate services (14.9%), health care and social assistance (11.7%) and manufacturing (10.1%).

Of those four major sectors only manufacturing shows a slightly smaller proportion of members than non-members.

In addition, individuals who work in primary industry sectors with high employment turnover such as agriculture, forestry and fishing and construction, and those industry sectors such as education and training and government administration, are less likely to enrol in KiwiSaver.



**Table 13: Industry sectors (weighted percentage)**

Occupation at joining wave 8	KiwiSaver member %	Never been a member %	All persons %
	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 10,831$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 6,834$	$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,665$
Agriculture, forestry and fishing	5.6	8.9	8.5
Mining	0.3	0.3	0.2
Manufacturing	10.1	11.9	12.0
Electricity, gas, water and waste services	0.5	0.5	0.6
Construction	6.8	8.5	8.3
Wholesale trade	5.9	5.6	5.8
Retail trade and accommodation	15.6	11.6	12.6
Transport, postal and warehousing	4.8	3.5	3.8
Communication services	1.5	1.6	1.6
Financial and insurance services	2.9	2.5	2.7
Rental, hiring and real estate services	14.9	14.0	13.4
Government administration	4.7	5.5	5.4
Education and training	7.6	10.2	9.4
Health care and social assistance	11.7	7.9	8.4
Arts, recreation and other services	7.1	7.6	7.4
Not elsewhere included	0.0	0.0	0.0
	100.0	100.0	100.0

### Household type

#### *Higher proportion of KiwiSaver members live in a partnered household*

The following analysis looks at household memberships of KiwiSaver. Note, only households with at least one adult aged 18 to 65 years are included.

Analysis of various household types suggests that households with more than one adult are more likely to have one or more KiwiSaver members in the household. Table 14 shows 19.7% of households in the analytical sample consist of a single adult. Of those single households, 36.9% (with no resident children) and 39.0% (with resident children) of adults are KiwiSaver members.

Households that consist of two adults (respondent plus partner), regardless of whether or not they have dependent children, show approximately 49% of neither adult as members of KiwiSaver, approximately 35% have

one adult as a KiwiSaver member and approximately 15% have two adults as KiwiSaver members.

There are no noticeable differences in KiwiSaver uptake between households with children and those without.

Households earning high-income levels (over \$80,000) are more likely to have one or more KiwiSaver members in the household.

Table 14: Household (weighted percentage)

	No KiwiSaver members in household %	One KiwiSaver member in household %	Two KiwiSaver members in household %	Two or more KiwiSaver members in household %	All households %
<b>Household type</b>					
Single, no resident children	63.1	36.9	--	--	11.2
Single, with resident children	57.3	39.0	--	3.8	8.5
Partnered, no resident children	49.2	35.3	15.5	--	24.1
Partnered, with resident children	49.3	32.3	15.5	2.9	44.1
Partnered, with others	55.3	32.5	12.2	--	0.7
<b>Combined household income</b>					
Loss	77.5	14.5	6.1	1.9	
Zero income	76.9	18.7	4.4	0.0	
\$30,000 or less	55.2	42.4	2.2	0.2	
Over \$30,000 to \$50,000	53.0	41.7	5.0	0.3	
Over \$50,000 to \$80,000	54.6	34.7	10.0	0.8	
Over \$80,000 to \$120,000	46.4	31.9	19.2	2.5	
Over \$120,000	42.9	30.8	22.4	4.0	

## Comparisons of KiwiSaver members and those who have never enrolled

In the previous section we explored demographic characteristic profiles of KiwiSaver members and those who have never enrolled. Findings show there are distributional differences of demographics in each profile.

In this section we test the magnitude of these demographic differences between KiwiSaver members and those who have never enrolled, look at whether they are a function of other demographic differences between the groups and consider the significance of these factors as predictors of KiwiSaver membership uptake.

Table 15 shows, at the end of wave 8, the demographic characteristic differences between KiwiSaver members and those who have never been a member.

Comparing KiwiSaver members to those who have never enrolled we see the following:

- KiwiSaver members are more likely to be younger with 60.9% of the 18 to 24 age group being members. Those aged between 35 and 55 years are less likely to join KiwiSaver.
- Females are slightly more likely to enrol than male (44.6% compared to 40.5% for males).
- Of those who do not have a formal qualification, the proportion of KiwiSaver members is 25.4 percentage points lower than those who have never enrolled, while individuals who are university educated are more likely to be members.
- Individuals living in a single household with no children are less likely to be KiwiSaver members.
- Individuals working in upper blue collar occupations are less likely to be KiwiSaver members.
- There are considerable differences between the main income source characteristics. Individuals who are salary and wage earners are more likely to join KiwiSaver (than those earning other income sources) while those without income or receiving NZ Super are less likely to be KiwiSaver members.

Table 15: Differences between KiwiSaver members and those who have never been a member

Demographic characteristics at wave 8	KiwiSaver member %	Never been a member %	% Difference	Proportion of eligible sample %
<b>Age band</b>	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$		$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
18–24 years	60.9	39.1	21.8	10.5
25–34 years	42.6	57.4	-14.8	17.2
35–44 years	37.0	63.0	-25.9	22.3
45–55 years	38.2	61.8	-23.5	24.9
55–65 years	44.3	55.7	-11.4	25.2
				100.0
<b>Gender</b>	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$		$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
Male	40.5	59.5	-19.0	48.8
Female	44.6	55.4	-10.7	51.3
				100.0
<b>Ethnicity</b>	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$		$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
New Zealand European	42.4	57.6	-15.1	71.0
Māori	41.9	58.1	-16.1	13.7
Pacific Island	46.5	53.5	-7.0	5.6
Asian	40.8	59.2	-18.3	7.8
Other ethnicity	50.4	49.6	0.8	1.9
				100.0
<b>Highest qualification</b>	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 10,982$		$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 17,871$
No qualification	37.3	62.7	-25.4	15.5
School Certificate/NCEA	43.7	56.3	-12.6	26.1
Trade/diploma	41.4	58.6	-17.1	36.7
Bachelor's degree	47.8	52.2	-4.4	13.8
Postgraduate	46.0	54.0	-8.1	7.9
				100.0
<b>Household type</b>	$n_{\text{weighted}} = 908,962$ $n_{\text{unweighted}} = 6,889$	$n_{\text{weighted}} = 1,224,802$ $n_{\text{unweighted}} = 6,682$		$n_{\text{weighted}} = 2,133,764$ $n_{\text{unweighted}} = 11,591$
Single, no resident children	38.4	61.6	-23.1	11.2
Single, with resident children	41.5	58.5	-17.1	8.5
Partnered, no resident children	45.0	55.0	-10.1	24.1
Partnered, with resident children	40.5	59.6	-19.1	44.1
Partnered, with others	38.5	61.5	-23.0	0.7
Other household situation	13.6	9.6	4.0	11.3
				100.0
<b>Occupation</b>	$n_{\text{weighted}} = 749,549$ $n_{\text{unweighted}} = 4,000$	$n_{\text{weighted}} = 943,337$ $n_{\text{unweighted}} = 4,996$		$n_{\text{weighted}} = 1,692,886$ $n_{\text{unweighted}} = 8,996$
Upper white collar	44.2	55.8	-11.6	48.6
Lower white collar	50.4	49.6	0.9	23.9
Upper blue collar	33.4	66.6	-33.2	14.6

Demographic characteristics at wave 8	KiwiSaver member %	Never been a member %	% Difference	Proportion of eligible sample %
Lower blue collar	45.5	54.5	-9.0	12.6
Unidentifiable	34.1	65.9	-31.8	0.3
				100.0
Main income source	n <sub>weighted</sub> = 908,962 n <sub>unweighted</sub> = 6,889	n <sub>weighted</sub> = 1,224,802 n <sub>unweighted</sub> = 10,982		n <sub>weighted</sub> = 2,133,764 n <sub>unweighted</sub> = 17,871
Salary and wages	47.7	52.3	-4.7	63.7
Self-employed	31.8	68.2	-36.5	12.2
NZ Super	29.4	70.6	-41.1	1.7
Government benefits	35.2	64.9	-29.7	12.8
Interest and investment	36.2	63.8	-27.6	3.9
Other sources	42.3	57.7	-15.4	3.3
No income source	25.5	74.5	-49.0	2.5
				100.0
Employment Income	n <sub>weighted</sub> = 908,962 n <sub>unweighted</sub> = 10,831	n <sub>weighted</sub> = 1,224,802 n <sub>unweighted</sub> = 6,834		n <sub>weighted</sub> = 2,133,764 n <sub>unweighted</sub> = 17,665
Zero Income	24.6	75.4	-50.8	3.5
\$30,000 or less	44.1	55.9	-11.8	35.0
Over \$30,000 to \$50,000	45.6	54.4	-8.8	27.1
Over \$50,000 to \$80,000	41.3	58.7	-17.4	21.7
Over \$80,000 to \$120,000	40.6	59.4	-18.8	7.6
Over \$120,000	37.4	62.6	-25.2	5.1
				100.0

### Demographic characteristics associated with KiwiSaver participation

We next examine KiwiSaver participation between wave 6 and wave 8 in a multivariate analysis framework. This allows us to examine the relationships between various demographic characteristics and KiwiSaver participation, holding all other characteristics constant. The following findings are from a logistic regression model which examined the characteristics that relate to KiwiSaver participation.

Individuals aged between 18 and 24 are 36–43% more likely to be KiwiSaver members than individuals aged between 25 and 54. The participation rate for individuals aged 55 to 65 is similar to that of those aged between 18 and 24.

Other than the 18 to 24 year age group, individuals who reported themselves as a Māori or Pacific Islander are less likely to join KiwiSaver.

Other than age characteristic, the income characteristic suggests individuals on lower employment incomes (\$30,000 or less) are 24.0% more likely to join KiwiSaver than those earning between \$30,000 and \$50,000.

Those with no income were less likely to join KiwiSaver. Compared to the lower white collar workers those classed as upper blue collar are 25.0% less likely to join KiwiSaver. Those in the middle to high income band (\$50,000 to \$120,000+) show that the main source of income is not significantly associated with KiwiSaver participation.

Bachelor's degree graduates are 17.4% more likely to be KiwiSaver members compared to those who have a diploma/trade certificate and 25.3% more likely than those without a formal qualification.

Results do not show significant differences by gender.

In summary, these initial results were generally consistent with the descriptive findings in previous sections. The findings demonstrate the relevance of the characteristics studied as drivers of KiwiSaver participation. The next section will group individuals' characteristics of KiwiSavers and non-participants into clusters.

**Table 16: Results of logistic regression model showing significance level**

Characteristics at joining wave	Odds ratio
<b>Respondent is a female</b>	1.098**
<b>Age (ref = 18–24 years)</b>	
25–34 years	0.633***
35–44 years	0.568***
45–54 years	0.644***
55–65 years	1.069***
<b>Ethnicity (ref = respondent is )</b>	
New Zealand European	NS
Māori	1.397**
Pacific Islanders	1.327*
Asian	NS
Other	NS
<b>Highest qualification (ref = Bachelor's degree)</b>	
No qualification	0.747***
School Certificate/NZCA	0.827*
Diploma/trade certificate	0.826*
Postgraduate	0.999***
<b>Household composition (ref = single live alone)</b>	
Single with children	NS
Couple only	1.149*
Couple with children	NS
<b>Major income sources (ref = earnings)</b>	
No income source	NS
Self-employed	NS
NZ Super	NS
Other government benefits	NS
Investment	NS
Other	NS
<b>Occupation (ref = lower white collar)</b>	
Lower blue collar	NS
Upper blue collar	0.75**
Upper white collar	NS
<b>Employment income band (ref = \$30,001–\$50,000)</b>	
Zero income	0.632***
\$30,000 or less	1.240***
\$50,001–\$80,000	NS
\$80,001–\$120,000	NS
\$120,001+	NS

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = not significant

Odds ratio is to measure how strongly the presence of one demographic characteristic (eg, 25–34 years) is associated with the presence of reference group (eg, 18–24 years old) in a given population

## Mapping the characteristics

In an effort to further understand the relationships between KiwiSaver participation (ie, members and those who have never enrolled) and individuals' demographic characteristics, a multiple correspondence analysis was carried out on those two groups. Correspondence analysis is a multivariate technique which maps attributes (gender, ethnicity, highest qualification occupation and employment income band which are strongly associated with the KiwiSaver interaction) against the variable of interest (KiwiSaver participation status) allowing the exploration of relationships.

Results are consistent with what the logistic regression model has found and are listed below.

KiwiSaver members are likely to be:

- Aged between 18 and 24
- earning \$50,000 or less
- female
- lower white collar.

Non-members are likely to be:

- aged between 35 and 54
- zero income or middle level of income
- upper blue collar worker.

## Profile summary

### Overview of KiwiSaver enrolment trends

By the end of wave 8 of SoFIE, 933,865 individuals, or 44.2% of the analytic sample had been enrolled in KiwiSaver. Among all age groups, the 18 to 24 year age group demonstrated the fastest growth, from 27.8% in wave 6 to 66.0% at the end of wave 8. Those in other age bands were shown to grow steadily during waves. This finding may suggest that the rapid growth in membership for the young is related to auto-enrolment for those who enter the workforce.

Although membership continues to grow steadily, 55.8% of those in the analytic sample have never enrolled in the scheme (excluding those who have opted out).

### Demographic characteristics of KiwiSaver members

Results suggest that income levels are strongly associated with KiwiSaver participation. Individuals earning \$30,000 to \$50,000 are 36.8% more likely to join KiwiSaver than those who have zero income and those earning \$30,000 or less are 24.0% more likely to join KiwiSaver than those earning \$30,000 to \$50,000.

The main groups based on income sources for KiwiSaver are salary and wage earners (71.0%), followed by beneficiaries (10.5%) and self-employed individuals (9.3%). Comparing the main income sources of those who have enrolled, individuals with salary and wage earnings are more likely to join KiwiSaver than self-employed and beneficiaries. KiwiSaver offers additional channels to encourage salary and wage earners to participate. Individuals with new employment are automatically enrolled with an opt-out option, or individuals can enrol with their existing employers. They also benefit from the employer contributions that their employer contributes.

Age is strongly associated with KiwiSaver participation. Individuals aged between 18 and 24 are 35–44% more likely to join KiwiSaver than other age groups, with the exception of the 55 to 65 age group which shows similar odds of participating. Annual income by age band shows that KiwiSaver members aged between 45 to 54 years old earn more than those who never enrolled, while income differences between those two groups in the other age groups are minimal.

Although there is a higher proportion of female in KiwiSaver than males, there is no difference in gender when comparing KiwiSaver enrolment and those who have never enrolled. In terms of ethnicity breakdown, there is no clear evidence to suggest ethnic diversity is strongly associated with KiwiSaver participation. When comparing ethnicity and income, non-Europeans with zero or low income are more likely to join KiwiSaver, compared to New Zealand Europeans with the same level of income (25.7% versus 18.3%). In relation to income, there is a lower participation difference for those who earned between \$30,000 and \$50,000. There is a higher proportion of KiwiSaver participation among Europeans who earned \$50,000 or more, compared to non-Europeans.

Individuals who are university educated, including those who have a postgraduate degree, are 25.3% more likely to join KiwiSaver than those who have no formal qualifications.

Of those in lower white collar occupations, the proportion of KiwiSaver participation compared to those who have not enrolled is almost evenly split (50.4% versus 49.6%). The lowest KiwiSaver participation rate observed belongs to upper blue collar workers with 33.4% joining KiwiSaver. Lower white collar workers are 25.0% more likely to join KiwiSaver than upper blue collar workers.

KiwiSaver members are spread across all industry sectors studied. The top four sectors were retail trade and accommodation (15.6%), rental, hiring and real estate services (14.9%), health care and social assistance (11.7%) and manufacturing (10.1%). These four sectors comprise over 50% of KiwiSaver members among all industry sectors.

Results suggest that partnered adults are more likely to have at least one KiwiSaver member in the household, compared to single adult households. Around 37% of single adults living alone are KiwiSaver members compared to 51% of partnered households with no children having at least one KiwiSaver member in the household. Households with resident children share similar percentages to those with no children.

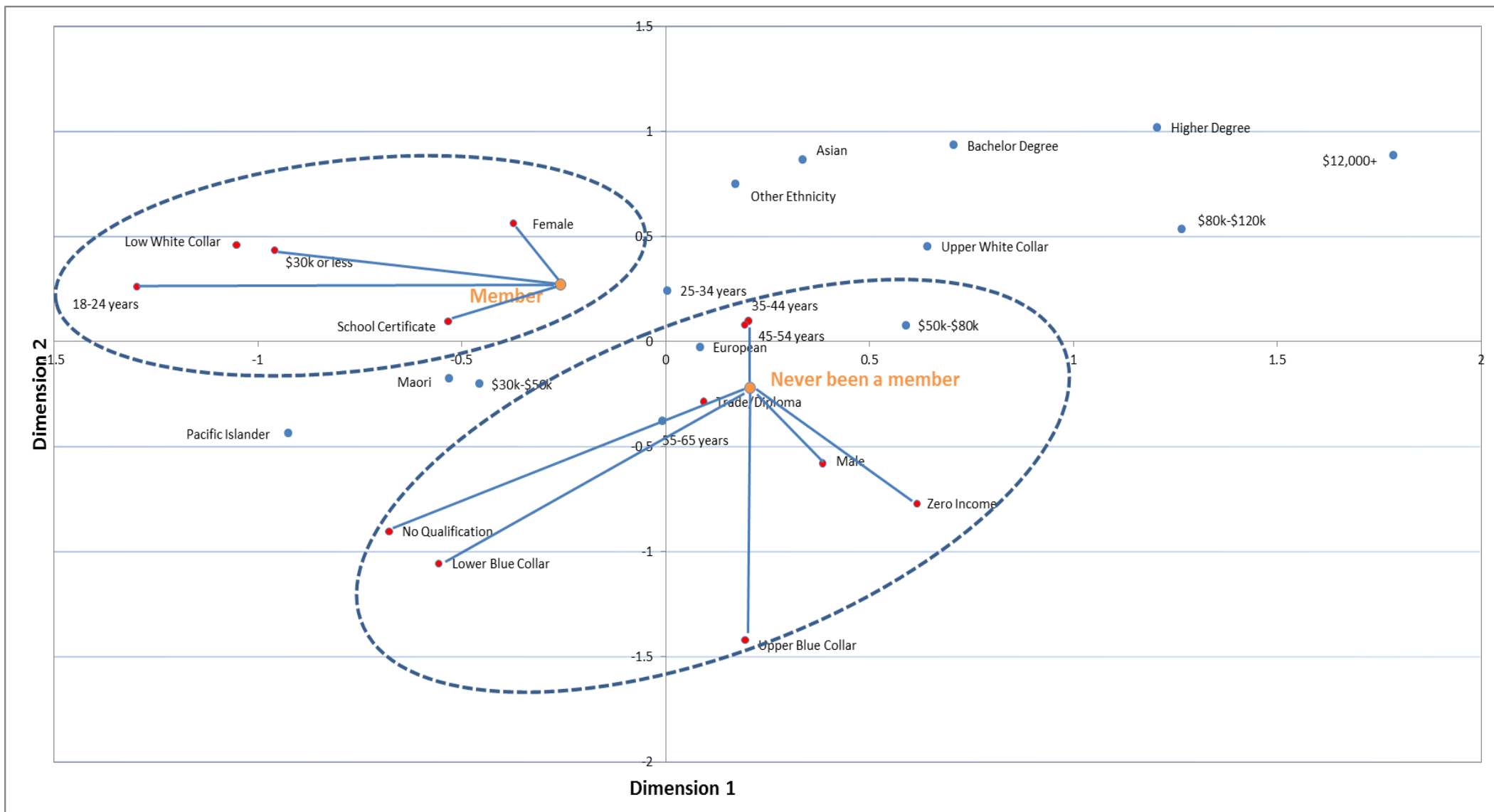
Results comparing housing income with KiwiSaver uptake suggest that households with zero or low income are more likely to have no KiwiSaver members living in them, while a one-KiwiSaver member household is more likely to come from households with income between \$30,000 and \$50,000. Not surprisingly, households with two KiwiSaver members have higher household income.

To summarise, a likely KiwiSaver member is:

- younger, employed, university educated and married or living with a partner
- in the low–middle income bands with \$50,000 or less in employment earnings
- a low white collar worker and working in retail, the manufacturing, rental or health care industries.

These characteristics indicate that KiwiSaver members are more likely to be young individuals who are in the early stage of their career.

Figure 4: Mapping membership by demographic characteristics





## Section 3. KiwiSaver membership status and enrolment methods

This section investigates who is participating, through automatic enrolment or voluntary enrolment, and opting out.

KiwiSaver is a voluntary savings scheme. Individuals who are eligible can opt in any time, either through their employer or directly through a KiwiSaver scheme provider. Individuals who start a new job and who are not already members are automatically enrolled by their employers. They have the choice to opt out of the scheme within an eight-week period. Previous research suggests age distribution differs notably by method of enrolment. The profile of those who have been automatically enrolled is more heavily weighted towards younger individuals. Opting in through a provider peaks at the over-55 year age bands. Those who opt in through an employer tend to be over 45. Apart from age distribution, what are the other characteristics we may associate with KiwiSaver membership enrolments?

Section 2 looked at demographic characteristics and differences between KiwiSaver members and those who have never been members. This section's focus is on membership status and enrolment types. Key analysis includes comparing the distributions of demographic characteristics related to membership status and types as well as exploring characteristics that are associated with the decision to opt in as distinct from auto-enrolment.

### Key findings

**Automatic enrolment and opt-ins through a scheme provider are the two most popular enrolment methods.**

At the end of wave 8:

- 39.3% of members chose to opt in to KiwiSaver, through a scheme provider
- 38.6% of members were automatically enrolled, with around 9%, deciding to opt out later
- 22.1% of members chose to opt in to KiwiSaver with their employer.

**Automatic enrolment is more likely to affect young individuals who had just entered the workplace for the first time.**

When compared with other enrolment methods a likely auto-enrollee's profile would be:

- single and between 18 and 24 years old
- Māori or Pacific Islander
- secondary school educated
- working in a lower white collar occupation
- working in the retail trade and accommodation industry
- earning \$30,000 or less in employment income.

**Opting in through an employer is more likely for middle-aged individuals with moderate earnings.**

When compared to other enrolment methods a likely profile for those opting in through an employer would be:

- aged between 35 and 55 years old
- New Zealand European
- university educated
- working in upper white collar positions
- working in wholesale trade, manufacturing and health care and social assistance industries
- earning between \$30,000 and \$80,000 in employment.

**Opting in through a scheme provider is more likely to be chosen by non-salary and wage earners.**

When compared to other enrolment methods, a likely profile for those opting in through a scheme provider would be:

- aged between 55 and 65
- Asian
- female
- self-employed or receive interest and investment or beneficiaries
- without employment income.

**Compared to those who have never been in KiwiSaver, members who chose to opt out tend to be younger individuals with low earnings.**

A likely profile would be:

- aged between 18 and 34
- holding a Bachelor's degree
- earning \$30,000 or less in employment
- working in lower white collar positions.

proportion of those who opted in through a provider rather than an employer. The table also shows a change in enrolment type over time. In particular, the proportion of individuals who opted in through an employer decreased in waves 7 and 8. In contrast, the proportion of members who enrolled directly through a provider grew, while the proportion of members being automatically enrolled remains steady over time. For non-members, the proportion which decided to opt out continues to increase, while the proportion of new members in the sample population decreased.

## Trends in KiwiSaver membership status

Table 17 shows that in wave 6 of SoFIE, 65.7% of members chose to opt in to KiwiSaver, either through an employer or a provider—as opposed to those who were automatically enrolled (34.4%). There is a slightly higher

**Table 17: Membership status and enrolment type across waves (cumulative)**

Membership types		Wave 6	Wave 7	Wave 8
<b>Types of current KiwiSaver members</b>				
Auto-enrolled	Count	184,929	293,119	360,241
	%	34.4	38.9	38.6
Opted in through employer	Count	169,293	193,677	206,186
	%	31.5	25.7	22.1
Enrolled directly through a provider	Count	183,988	267,325	367,439
	%	34.2	35.4	39.3
Total		538,209	754,120	933,866
<b>Types of non-KiwiSaver members</b>				
Opted out	Count	61,479	101,665	124,475
	%	3.3	6.4	9.2
Closed KiwiSaver account	Count	1,244	8,270	13,656
	%	<1	<1	<1
Never been a KiwiSaver member	Count	1,745,885	1,426,953	1,177,650
	%	94.0	90.3	86.9
Total		1,857,585	1,579,967	1,354,438

## Demographic profiles of groups defined by their membership status

Table 18 provides demographic profiles for five groups of respondents as determined by their membership status and enrolment type. Following is a summary of characteristics for each of the five KiwiSaver types.

### Automatic enrolment

Compared to other KiwiSaver membership types, those who were automatically enrolled tend to be:

- younger, possibly those entering the labour market for the first time (32.9% compared to 9.2% for those who opted in through an employer and 8.7% who enrolled directly through a provider, in the 18 to 24 year age group)
- Māori (18.5% compared to 10.8% for those who opt in through an employer) or Pacific Islanders (7.6% compared to 3.9% for those who opted in through an employer)
- up to School Certificate education level (32.9% compared to 25.4% for those who opt in through an employer and 26.9% for those who enrolled directly through a provider)
- single (12.0% compared to 8.7% for those who opted in through an employer and 8.9% who enrolled directly through a provider)
- working in lower white collar occupations (33.3% compared to 24.4% for those who opted in through an employer and 22.0% for those who enrolled directly through a provider)
- earning less than \$30,000 from employment income (53.2% compared to 25.9% for those who opted in through an employer and 23.6% for those who enrolled directly through a provider)
- working in retail trade and accommodation sectors which have high job turnovers (20.6% compared to 11.9% for those who opt in through an employer and 12.3% for those who enrolled directly through a provider).

### Opt in through employer

Compared to other KiwiSaver membership types, those who opted in through their employer tended to:

- be middle-aged (47.3% compared to 36.7% for those who automatically enrolled and 43.8% for those who enrolled directly through a provider, in the 35 to 55 year age group)
- be New Zealand European (76.8% compared to 65.6% for those who automatically enrolled and 71.6% for those who enrolled directly through a provider)

- have a Bachelor's or postgraduate degree (27.5% compared to 18.3% for those who were automatically enrolled and 22.6% who enrolled directly through a provider)
- be working in upper white collar occupations (56.4% compared to 38.1% for those who automatically enrolled and 51.9% who enrolled directly through a provider)
- be earning between \$30,000 and \$80,000 in employment income (56.6% compared to 32.4% for those who were automatically enrolled and 32.9% who enrolled directly through a provider).

### Opt in directly through provider

Compared to the other KiwiSaver membership types, those who opted in directly through a provider tend to:

- be between 55 and 65 years old (33.5% compared to 9.1% for those automatically enrolled and 25.0% who opted in through an employer)
- be female (57.0% compared to 52.1% for those automatically enrolled and 51.3% who opt in through an employer)
- be Asian (8.9% compared to 6.2% for those automatically enrolled and 6.9% who opt in through an employer)
- be self-employed, beneficiaries or receiving interest and investment as their main income sources
- have zero employment income (37.6% compared to 11.1% for those automatically enrolled and 5.2% who opt in through an employer).

### Opt-outs

Compared to those who have never been a KiwiSaver member, those who opted out tended to:

- be between 18 and 34 years old (50.8% compared to 29.7% for those who have never been a member)
- be earning \$30,000 or less in employment income (44.8% compared to 22.4% for those who have never been a member)
- have a Bachelor's degree (16.6% compared to 12.5% for those who have never been a member)
- be working in lower white collar occupations (26.4% compared to 22.6% for those who have never been a member)
- be working in retail trade and accommodation and health care and social assistance sectors.

### Never been a member

Compared to those who opted out, those who have never been a member tended to:

- be aged between 45 and 65 (45.4% compared to 24.5% for those who opted out)

- be Pacific Islanders (5.5% compared to 2.4% for those who opted out)
- have no formal qualifications (16.3% compared to 10.5% for those who opted out)
- be self-employed (13.4% compared to 3.4% for those who opted out) or receiving government benefits (14.1% compared to 9.0% for those who opted out)
- be working in the education and training industry sector (10.2% compared to 3.0% for those who opted out)
- have zero employment income (32.2% compared to 7.3% for those who opted out).

**Table 18: Demographic profiles by membership status and enrolment type (weighted percentage)**

Demographic characteristics at wave 8	Current members			Non-members	
	Current members who automatically enrolled %	Current members who opt in through employer %	Current members who enrolled directly through a provider %	Members who opted out %	Individuals who have never been a member %
<b>Age band</b>					
18–24 years	32.9	9.2	8.7	23.0	11.2
25–34 years	21.3	18.5	14.1	27.8	18.5
35–44 years	19.4	20.9	19.0	24.8	25.0
45–55 years	17.3	26.4	24.8	17.3	25.7
55–65 years	9.1	25.0	33.5	7.2	19.7
	100.0	100.0	100.0	100.0	100.0
<b>Gender</b>					
Male	47.9	48.7	43.0	46.5	49.9
Female	52.1	51.3	57.0	54.5	50.1
	100.0	100.0	100.0	100.0	100.0
<b>Ethnicity</b>					
New Zealand European	65.6	76.8	71.6	70.0	70.5
Māori	18.5	10.8	11.0	15.9	14.3
Pacific Island	7.6	3.9	6.3	2.4	5.5
Asian	6.2	6.5	8.9	9.8	8.0
Other ethnicity	2.1	1.9	2.2	1.9	1.8
	100.0	100.0	100.0	100.0	100.0
<b>Highest qualification</b>					
No qualification	13.6	12.0	14.9	10.5	16.3
School Certificate/NCEA	32.9	25.4	26.9	29.4	27.5
Trade/diploma	35.3	35.2	35.5	38.1	36.6
Bachelor's degree	13.2	16.7	14.1	16.6	12.5
Postgraduate	5.1	10.8	8.5	5.4	7.0
	100.0	100.0	100.0	100.0	100.0
<b>Household type</b>					
Single, live alone	12.0	8.7	8.9	8.1	10.9
Single parent	10.4	6.9	7.1	8.8	8.5
Couple with children at home	44.5	43.2	42.1	47.9	46.9
Couple with no children at home	14.9	26.5	28.9	20.1	20.9
Couple with others	1.0	1.2	0.5	0.2	0.9
Other household situation	17.3	13.6	12.4	14.9	11.9
	100.0	100.0	100.0	100.0	100.0
<b>Occupation</b>					
Upper white collar	38.1	56.4	51.9	45.8	47.5
Lower white collar	33.3	24.4	22.0	26.4	22.6
Upper blue collar	11.8	8.7	13.4	14.8	16.7
Lower blue collar	16.7	10.3	12.5	13.1	12.9
Unidentifiable	0.2	0.3	0.2	0.0	0.3

Demographic characteristics at wave 8	Current members			Non-members	
	Current members who automatically enrolled %	Current members who opt in through employer %	Current members who enrolled directly through a provider %	Members who opted out %	Individuals who have never been a member %
	100.0	100.0	100.0	100.0	100.0
<b>Main income source</b>					
Salary and wages	76.5	89.4	54.9	82.1	61.3
Self-employed	4.6	3.4	16.6	3.4	13.4
Superannuation	0.2	0.0	1.2	0.0	0.8
Government benefits	12.2	2.3	14.1	9.0	14.1
Interest and Investment	1.6	1.2	6.1	1.3	3.9
Other sources	2.8	2.1	5.2	2.9	3.1
No income source	2.1	1.6	2.0	1.3	3.3
	100.0	100.0	100.0	100.0	100.0
<b>Industry sectors</b>					
Agriculture, forestry and fishing	5.0	3.9	7.2	6.6	8.9
Mining	0.7	0.2	0.0	0.2	0.3
Manufacturing	11.5	13.0	11.0	12.4	11.9
Electricity, gas, water and waste services	0.4	0.5	0.6	0.9	0.5
Construction	7.1	5.1	7.2	9.1	8.5
Wholesale trade	5.6	7.8	4.5	5.4	5.6
Retail trade and accommodation	20.6	11.9	12.3	18.4	11.6
Transport, postal and warehousing	4.2	4.5	5.3	3.5	3.5
Communication services	1.4	1.2	1.6	1.4	1.6
Financial and insurance services	1.2	4.3	3.3	1.5	2.5
Rental, hiring and real estate services	14.5	13.5	15.4	14.2	14.0
Government administration	4.2	5.2	4.6	4.0	5.5
Education and training	5.7	8.3	9.2	3.0	10.2
Health care and social assistance	10.7	13.6	10.8	12.3	7.9
Arts, recreation and other services	7.0	6.9	6.8	7.3	7.6
Not elsewhere	0.0	0.0	0.1	0.0	0.0
	100.0	100.0	100.0	100.0	100.0
<b>Personal income</b>					
Loss	0.3	0.1	0.5	0.4	10.0
Zero income	2.1	1.6	2.0	1.3	3.3
\$30,000 or less	52.9	22.0	38.7	42.0	36.3
Over \$30,000 to \$50,000	25.7	34.7	24.6	29.9	26.2
Over \$50,000 to \$80,000	13.3	24.7	19.9	18.0	21.0
Over \$80,000 to \$120,000	3.6	10.3	8.6	5.3	7.0
Over \$120,000	2.0	6.5	5.7	3.2	5.1
	100.0	100.0	100.0	100.0	100.0
<b>Employment income</b>					
Zero income	11.1	5.2	37.6	7.3	32.2
\$30,000 or less	53.2	25.9	23.6	44.8	22.4
Over \$30,000 to \$50,000	21.4	35.5	17.6	27.2	21.7
Over \$50,000 to \$80,000	11.0	21.1	15.3	16.5	17.0
Over \$80,000 to \$120,000	2.4	7.9	3.9	3.3	4.6
Over \$120,000	0.9	4.4	1.9	1.0	2.2
	100.0	100.0	100.0	100.0	100.0

## Demographic characteristics associated with enrolment method

There are three ways to join KiwiSaver. Individuals who start a new job, if not already a member and are eligible, will be automatically enrolled into KiwiSaver by their employer. Alternatively, individuals can opt in either through their employer or directly with a scheme provider.

In this section, we explore the demographics associated with the enrolment methods. Three individual logistic regression models were performed to examine the relationship between enrolment types. Similar to the logistic regression performed on KiwiSaver participation, results are presented in odds ratios where an odds ratio is a measure of association between demographic characteristics and enrolment type.

**Table 19: Demographic characteristics associated with enrolment type**

Characteristics at joining wave	Odds ratio estimate		
	Automatically enrolled	Opt in through employer	Opt in through provider
<b>Female</b>	0.822	0.923	1.309**
<b>Age</b>	<b>Ref = 18–24 years</b>	<b>Ref = 25–34 years</b>	<b>Ref = 18–24 years</b>
18–24 years	1.000	0.502***	1.000
25–34 years	0.500***	1.000	1.605***
35–44 years	0.392***	1.103***	2.010***
45–54 years	0.282***	1.316***	2.402***
55–65 years	0.135***	1.385***	3.863***
<b>Ethnicity (ref = European)</b>			
Māori	1.425*	0.956	0.707**
Pacific Islanders	1.084	0.825	1.114
Asian	0.760*	1.010	1.274
<b>Highest qualification (ref = Bachelor's degree)</b>			
No qualification	1.078	1.059	0.886
School Certificate/NZCA	0.958	1.000	1.033
Post-School Certificate/trade certificate	1.007	1.025	0.983
Higher degree	0.913	1.136	0.948
<b>Household composition (ref = single live alone)</b>			
Single with children	0.858	0.949	1.137
Couple only	0.699	1.049	1.363**
Couple with children	0.706	1.263	1.146
<b>Major income sources (ref = earnings)</b>			
No income source	1.875***	3.195**	0.269**
Self-employed	1.047***	0.417	1.615
NZ Super	NA	0.471	7.407
Other government benefits	1.626***	0.625	0.752*
Investment	0.895***	0.720	1.565
Other	0.771***	0.848	1.496
<b>Occupation</b>	<b>Ref = lower white collar</b>	<b>Ref = upper white collar</b>	<b>Ref = lower white collar</b>
Lower blue collar	1.189***	0.591*	1.096
Upper blue collar	0.986***	0.692	1.156
Lower white collar	1.000	0.829	1.000
Upper white collar	0.854***	1.000	1.000
<b>Employment income band (ref = \$30,001–\$50,000)</b>			
Zero income	1.048	0.259**	2.055*
\$30,000 or less	2.144***	0.463	0.876***

Characteristics at joining wave	Odds ratio estimate		
	Automatically enrolled	Opt in through employer	Opt in through provider
\$50,001–\$80,000	0.915	0.745	1.398
\$80,001–\$120,000	0.814	0.850	1.308
\$120,001+	0.475**	1.145*	1.275
<b>Industry (ref = retail trade)</b>			
Agriculture, forestry and fishing	0.845	0.847	1.318***
Arts, recreation and other services	0.855	1.107***	1.107***
Communication service	0.886	0.772	1.512***
Construction	0.869	0.967**	1.202***
Education and training	0.522*	1.179***	1.582***
Electricity, gas, water and waste services	0.575	1.333	1.482**
Financial and insurance services	0.325***	1.640***	1.591***
Government administration	0.844	1.021**	1.178***
Health care	0.85	1.283***	0.976***
Manufacturing	0.763	1.227***	1.102***
Mining	7.595**	0.652	NA
Rental, hiring and real estate	1.147	0.997***	0.911***
Wholesale	0.843	1.536***	0.824***
Transport, postal and warehousing	0.904	0.943	1.21***
<b>Wave (ref = wave 8)</b>			
Wave 6	0.723***	6.221***	0.373***
Wave 7	1.646***	1.631**	0.492*

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = not significant

Odds ratio is to measure how strongly the presence of one demographic characteristic (eg, 25–34 years) is associated with the presence of reference group (eg, 18–24 years old) in a given population.

### Demographic characteristics associated with automatic enrolment

As shown in Table 19 there is no statistical evidence to suggest that gender difference is associated with the likelihood of being automatically enrolled. As automatic enrolment is designed to target individuals who enter the labour force for the first time, those aged between 18 and 24 are at least 50% more likely to be automatically enrolled than those in a different age group. Those earning \$30,000 or less are at least twice as likely to be automatically enrolled, compared to those who earn higher income. Māori are 42.5% more likely to be automatically enrolled than New Zealand Europeans with Asians 24.0% less likely to be automatically enrolled. Having a university degree does not increase the odds of being automatically enrolled. In the industry sector, members who work in the retail trade sector are more likely to be automatically enrolled than those in other industrial sectors, except for those in the mining industry.

### Demographic characteristics associated with opting in through an employer

As expected, members who joined KiwiSaver through this enrolment type are middle-aged. The likelihood of members who are 35 years or older opting in through their employer is between 10% and 40% higher than those aged between 25 and 34. In contrast to those employed in the retail trade sector, those who work in arts, recreation and other services (10.7%), education and training (17.9%), financial and insurance services (64.0%), health care (28.3%), manufacturing (22.7%) and wholesale (53.6%) sectors are more likely to opt in through their employer. Those in the construction and rental, hiring and real estate are less likely to opt in through their employer.

Other characteristics examined such as ethnicity and highest qualification are not associated with this enrolment type.

Those members who earned over \$120,000 are more likely to opt in through their employer, although this effect was of marginal statistical significance (p<0.05).



### Demographic characteristics associated with opting in through a provider

Those that are female, older, partnered and earning at mid to high income levels are more likely to opt in through a provider. Females are 30.9% more likely to join through a scheme provider than males, while individuals between the ages of 35 and 65 are at least twice as likely to opt in through a provider when compared to the 18 to 24 age group. Individuals living with a partner are 36.3% more likely to opt in through a provider than those who are single and living alone. Those earning \$30,000 or less are 12.4% less likely to opt in through a provider than those earning between \$30,000 and \$50,000. Opting in through a provider seems to be less popular for those working in the retail trade sector, although this sector has higher odds of opting in through a provider compared to health care, rental, hiring and real estate and wholesale.

### Mapping the characteristics

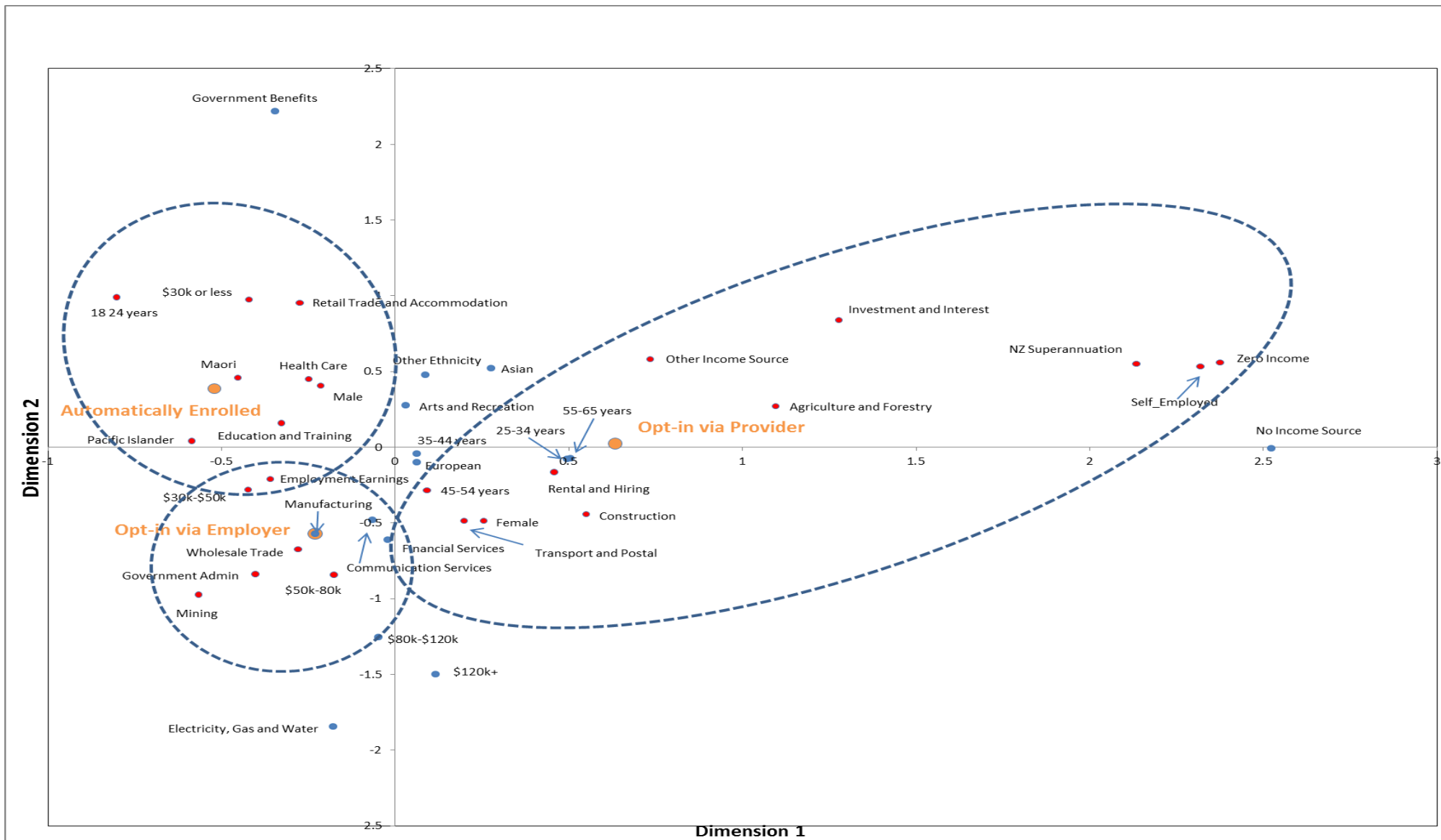
A mapping analysis was undertaken on KiwiSaver members to understand associations between members' methods of enrolment and their demographic characteristics.

The analysis finds the following:

- The age distribution of KiwiSaver members and enrolment type appear to be related. Those members who opted in to KiwiSaver through a provider are older than those who were automatically enrolled. Those who opted in through their employer are older than those who were automatically enrolled.
- Automatic enrolment and opting in through an employer are strongly associated with income levels. Individuals earning \$30,000 or less are associated with automatic enrolment while those in the \$30,000 to \$80,000 income bracket more likely to opt in through their employer.
- Opting in through a scheme provider is associated with non-salary and wage earners, those aged between 45 and 65 and females.
- The mid to older age group, along with those earning high incomes are not strongly associated with either opting in through a provider, opting in through an employer or automatic enrolment.



Figure 5: Mapping active members by enrolment type



## Section 4. Choice of scheme provider, contribution rates and contributions holidays

This section describes the choices that KiwiSaver members are making about their accounts. Understanding the way in which individuals use their accounts and the various features of KiwiSaver will assist in determining KiwiSaver's impact on savings outcomes over the longer term.

We will examine how KiwiSaver members decide on the degree of involvement they have with the scheme in relation to some demographic variables.

### Key findings

#### Contribution rate

The default contribution rate influences the level of members' contributions, with over half of KiwiSaver members currently contributing the minimum employee contribution rate from their salary or wages.

#### Scheme choices

Of those who have been allocated to a scheme, the majority have stayed with their current scheme, suggesting that their scheme membership is being influenced largely by the enrolment process rather than active investment choice.

#### Making contributions

Members who opted in through their employer have the highest mean value of total contribution while members who are automatically enrolled or enrolled directly through a provider have similar mean contribution values.

#### Contributions holiday

Younger members with low to middle income levels are more likely to have taken a contributions holiday. This is also consistent with the age and income distribution of KiwiSaver members who automatically enrolled into KiwiSaver.

### Choosing a contribution rate

Members contributing to KiwiSaver through deductions from their salary or wages can choose to contribute 2%, 4% or 8% of their gross salary or wage earnings. Table 20 shows 42.0% of KiwiSaver members are contributing 4% of their salary or wages to their accounts at the end of wave 8. Of those who joined during waves 6 and 7, at least 50% of members contributed at 4%. At wave 8, there was an increase of 12 percentage points of members contributing 2% compared to those who contributed at the same rate in wave 7. This change may reflect the change in default contribution rate to 2% for new members which was introduced during wave 8.

**Table 20: Contribution rate by wave**

Contribution rate	All KiwiSaver members %	Wave 6 % (default rate was 4%)	Wave 7 % (default rate was 4%)	Wave 8 % (default rate was 2%)
2%	45.5	45.0*	41.0	53.0
4%	50.0	51.0	54.0	42.0
8%	3.5	3.0	4.0	4.0
Other %	1.0	1.0	1.0	1.0
	100.0	100.0	100.0	100.0

\* Changes in the Budget that came into effect on 1 April 2011 increased the minimum employee contribution rate from 2% to 3% for all new and existing members. The default contribution rate for new employees who do not select a rate also become 3% on this date.

## Scheme choices

Depending on the enrolment type, KiwiSaver members are likely to enter a KiwiSaver scheme in one of three ways:

1. Allocation to one of the six default schemes
  - 74.2% of members who are automatically enrolled
2. Opt in through their employer
  - 70.1% of members who opt in through their employer are allocated to one of the six default schemes and 19.5% of members join a scheme nominated by their employer
3. Opt in directly through a provider
  - 98.2% of members who opted in directly through a provider make an active choice of scheme.

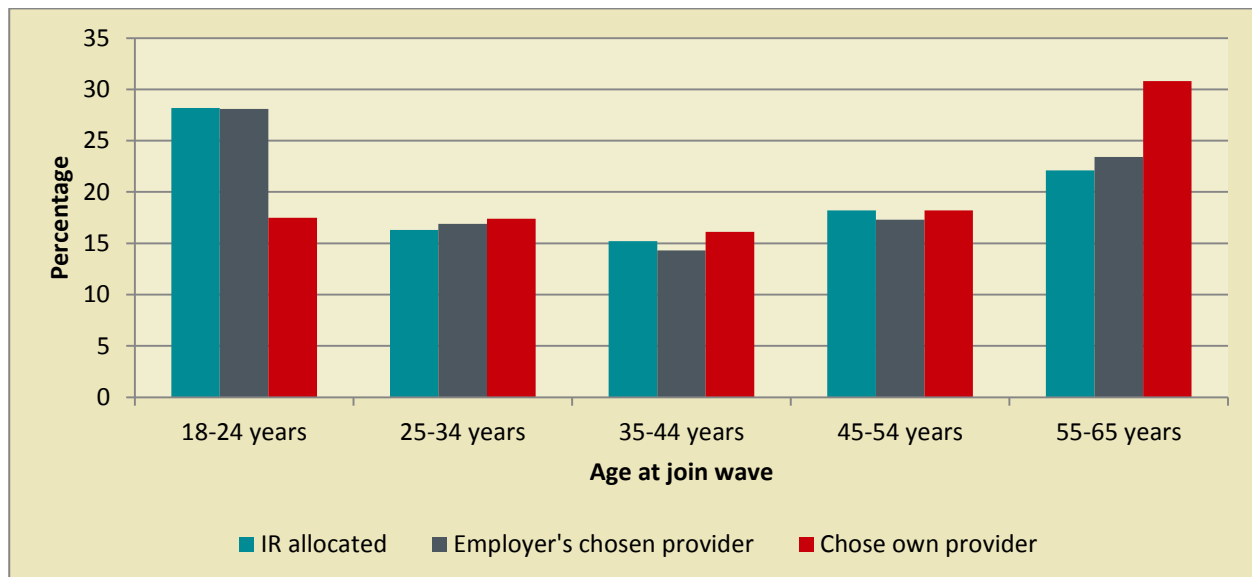
Because the majority of those who are automatically enrolled or opt in through an employer are allocated to one of the default providers, only a small proportion of these KiwiSaver members actually make an active choice of scheme (see Table 21). Scheme membership for these members is influenced by the enrolment process rather than a proactive investment choice. As a result, these members, particularly those who are young with considerable time before they retire, may not be in schemes or funds that are likely to maximise their investment returns over the long term. On the other hand, nearly all (98.2%) of those who opt in directly through a provider make an active choice of provider and scheme.

As shown in Figure 6 those in the 55 to 65 year old age group are more likely to opt in through a provider than any other age group. Those in the 18 to 24 year old age group are more likely to be automatically enrolled than any other age group.

**Table 21: Enrolment type and scheme choice**

Enrolment type and scheme choice	%
<b>Opt in through provider</b>	<b>39.4%</b>
Active choice scheme	98.2%
Default scheme	1.0%
Employer nominated scheme	0.2%
Unspecified	0.6%
<b>Auto-enrolled</b>	<b>38.6%</b>
Active choice scheme	1.7%
Default scheme	74.2%
Employer nominated scheme	23.9%
Unspecified	0.2%
<b>Opt in through employer</b>	<b>22.1%</b>
Active choice scheme	10.2%
Default scheme	70.1%
Employer nominated scheme	19.5%
Unspecified	0.2%
<b>Total</b>	<b>100.0%</b>

Figure 6: Scheme choice by age



### Scheme providers for employee members

Members who are automatically enrolled in KiwiSaver or opt in through their employer are likely to be placed into a default scheme or employer preferred scheme. Table 22 compares profiles of these KiwiSaver members in relation to whether they remained in the scheme they were allocated to, or whether they chose to switch to another scheme.

The comparison shows that most members of existing schemes have stayed in their current scheme, with the exception of 45 to 65 years olds. The 18 to 24 year old age group shows no difference between those who stayed in their current scheme and those that switched to another scheme. Members with employment income

of between \$30,000 and \$50,000 and over \$120,000 are more likely to switch to another scheme when compared to others.

These results only provide brief demographics of those who made a scheme transfer. There are other factors that influence members' decisions which have not been discussed including the advice of others, existing relationships with other scheme providers or being attracted to incentives that other providers were offering, such as a more attractive rate of return or a lower level of risk.

Table 22: Scheme transfers by selected characteristics

Demographic characteristics at wave 8	No transfer of scheme %	Transfer of scheme %	All persons %
<b>Age band at joining wave</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
18–24 years	25.3	25.3	25.3
25–34 years	21.3	18.1	20.2
35–44 years	20.8	16.8	19.4
45–54 years	19.5	21.9	20.4
55–65 years	13.2	17.8	14.8
	100.0	100.0	100.0
<b>Ethnicity</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
New Zealand European	69.6	69.0	69.4
Māori	16.3	14.9	15.8
Pacific Island	5.8	7.1	6.3
Asian	6.3	6.5	6.4
Other ethnicity	2.0	2.5	2.2
	100.0	100.0	100.0

Demographic characteristics at wave 8	No transfer of scheme %	Transfer of scheme %	All persons %
<b>Highest qualification</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
No qualification	12.1	15.1	13.2
School Certificate/NCEA	31.4	28.3	30.3
Trade/diploma	35.9	34.0	34.0
Bachelor's degree	14.4	14.2	14.2
Postgraduate	6.2	8.4	8.4
	100.0	100.0	100.0
<b>Occupation</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
Upper white collar	45.6	44.6	45.3
Lower white collar	29.8	30.6	30.1
Upper blue collar	10.8	10.0	10.5
Lower blue collar	13.6	14.7	14.1
Unidentifiable	0.2	0.2	0.1
	100.0	100.0	100.0
<b>Main income source</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
Salary and wages	79.5	82.8	80.7
Self-employed	4.5	3.6	4.2
Government benefits	9.5	8.3	9.1
Interest and investment	1.8	1.0	1.5
Other sources	2.7	2.5	2.6
No income source	1.8	1.9	1.9
	100.0	100.0	100.0
<b>Average employment income</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
Zero income	10.1	7.5	9.1
\$30,000 or less	45.7	42.9	44.7
Over \$30,000 to \$50,000	24.2	29.0	25.9
Over \$50,000 to \$80,000	14.3	13.6	14.0
Over \$80,000 to \$120,000	4.2	4.3	4.3
Over \$120,000	1.5	2.8	2.0
	100.0	100.0	100.0
<b>Average personal income</b>	<b>n<sub>weighted</sub> = 340,596</b> <b>n<sub>unweighted</sub> = 10,982</b>	<b>n<sub>weighted</sub> = 187,552</b> <b>n<sub>unweighted</sub> = 6,889</b>	<b>n<sub>weighted</sub> = 528,147</b> <b>n<sub>unweighted</sub> = 17,871</b>
Loss	0.2	0.4	0.26
Zero income	1.8	1.9	1.8
\$30,000 or less	44.3	41.0	43.1
Over \$30,000 to \$50,000	27.7	30.9	28.8
Over \$50,000 to \$80,000	17.4	15.7	16.8
Over \$80,000 to \$120,000	5.8	5.6	5.7
Over \$120,000	2.9	4.6	3.5
	100.0	100.0	100.0

## Making member contributions

KiwiSaver members can select the rate at which they want to contribute to their KiwiSaver account from their salary and wages. Contribution rates are 2%, 4% or 8% of gross income. On top of the regular contributions KiwiSaver members can also make voluntary contributions if they wish. Those who are either self-employed or not employed can determine their own level and frequency of contribution (subject to any requirement by their provider or scheme).

To better understand how KiwiSaver contributions cumulate across waves, the following analyses on member contributions and contribution holidays focus on a cohort of members who joined since wave 6, cumulating their total contributions across waves. Table 23 summarises the mean of cumulated contributions made by various demographic socio-economic characteristics and methods of enrolment.

Members who opted in through their employer have the highest mean value of total contribution while members who are automatically enrolled or enrolled directly

through a provider have similar mean contribution values across various demographic characteristics. Those who opt in through an employer have an average contribution approximately 80% higher than the average contribution made by those 18 to 65 year olds who are automatically enrolled. Those who opt in through a provider have, on average, 30% lower contributions than those who opt in through an employer. Results also show:

- income levels have a direct relationship with the level of member contributions, as the majority of members with employment are contributing a fixed rate of their salary and wage income into KiwiSaver accounts
- males have a higher mean value of contribution than females
- age breakdown shows the value of contribution peaks at the 45 to 55 age group
- members who earn salary and wages contribute more as a result of regular contributions they make through the PAYE system
- compared to contributions made by other ethnic groups, Pacific Islanders contribute the least.

**Table 23: Mean value of member contribution (in \$), by selected characteristics**

Demographic categories	Automatically enrolled	Opted in through employer	Enrolled directly through a provider
	Mean	Mean	Mean
<b>Age band</b>			
18–24 years	1,358	2,417	1,757
25–34 years	2,479	4,307	2,883
35–44 years	2,884	5,887	3,676
45–55 years	3,915	6,137	4,926
55–65 years	3,254	5,973	4,077
<b>Gender</b>			
Male	3,113	6,693	5,001
Female	2,118	4,470	3,215
<b>Main income source</b>			
Salary and wages	2,943	5,832	5,213
Self-employed	2,374	5,541	2,858
Superannuation	2,065	3,181	2,084
Government benefits	708	1,366	1,028
Interest and investment	874	3,058	2,623
Other sources	1,198	4,234	2,391
No income source	1,533	2,523	2,415
<b>Highest qualification</b>			
No qualification	2,452	4,167	2,727
School Certificate/NCEA	2,091	4,864	3,036
Trade/diploma	2,715	4,826	4,127
University	2,785	6,780	5,129
Postgraduate	3,958	4,826	6,062
<b>Ethnicity</b>			
New Zealand European	2,732	5,905	4,264
Māori	2,370	3,802	3,627

	Automatically enrolled	Opted in through employer	Enrolled directly through a provider
Demographic categories	Mean	Mean	Mean
Pacific Island	2,124	4,271	1,910
Asian	2,259	5,411	2,948
Other ethnicity	2,297	5,311	2,148
<b>Personal income</b>			
Zero income	1,533	2,523	2,314
\$30,000 or less	1,149	2,472	2,059
Over \$30,000 to \$50,000	2,675	4,198	3,296
Over \$50,000 to \$80,000	4,562	6,067	4,611
Over \$80,000 to \$120,000	6,175	7,821	6,588
Over \$120,000	10,679	14,950	11,541

## Contributions holidays

Members who have been making KiwiSaver contributions for 12 months or more can take a contributions holiday of between three months and five years. Taking a contributions holiday removes the requirements on an individual to contribute regularly from their salary and wage income. Members can still make contributions to their accounts while on holiday if they choose.

Table 24 indicates that income distribution of those members who have taken a contributions holiday generally fall within the lower to middle annual income ranges with equal proportions of \$30,000 or less and those earning between \$30,000 and \$50,000. This is generally consistent with the average income distribution of KiwiSaver members in the sample population.

The gender distributions of those who have taken a contributions holiday are 46.9% for male and 53.1% for female. This is consistent with the total gender distribution of KiwiSaver members. At 76.1%, those aged between 18 and 44 years make up the majority of members who have taken a contributions holiday. The majority within that group is aged between 25 and 34 years old.

Members with a trade/diploma qualification are more likely to take up a contributions holiday, compared to members with a different qualification or no qualification.

**Table 24: Contributions holidays and demographic characteristics**

Demographic characteristics	Members who have taken a contributions holiday		All members who have joined since wave 6
	Members	%	%
<b>Age band</b>			
18–24 years	9,923	25.3	13.6
25–34 years	10,643	27.1	15.8
35–44 years	9,289	23.7	18.6
45–55 years	5,772	14.7	22.7
55–65 years	3,596	9.2	29.3
	39,223	100.0	100.0
<b>Gender</b>			
Male	18,387	46.9	46.1
Female	20,836	53.1	53.9
	39,223	100.0	100.0
<b>Ethnicity</b>			
New Zealand European	28,144	71.8	74.0
Māori	6,122	15.6	11.3
Pacific Island	1,615	4.1	5.3
Asian	2,138	5.5	7.3

Demographic characteristics	Members who have taken a contributions holiday		All members who have joined since wave 6
	Members	%	%
Other ethnicity	1,204	3.1	2.3
	39,223	100.1	100.1
<b>Highest qualification</b>			
No qualification	3,858	9.8	12.9
School Certificate/NCEA	10,457	26.7	27.8
Trade/diploma	15,675	40.0	34.7
University	5,387	13.7	15.2
Postgraduate	3,846	9.8	9.4
	39,223	100.0	100.0
<b>Occupation</b>			
Upper white collar	15,897	46.5	48.0
Lower white collar	10,235	30.0	28.9
Upper blue collar	3,567	10.4	10.9
Lower blue collar	4,470	13.1	11.9
	34,169	100.0	99.7
<b>Income source</b>			
Salary and wages	34,183	87.2	74.5
Self-employed	446	1.1	9.1
Superannuation	--	--	--
Government benefits	2,855	7.3	8.0
Interest and investment	670	1.7	3.3
Other sources	545	1.4	1.4
No income source	525	1.3	0.7
	39,223	100.0	97.1
<b>Employment income</b>			
Zero income	2,512	6.4	18.3
\$30,000 or less	13,113	33.4	29.0
Over \$30,000 to \$50,000	12,966	33.1	26.5
Over \$50,000 to \$80,000	7,749	19.8	18.1
Over \$80,000 to \$120,000	1,990	5.1	5.0
Over \$120,000	892	2.3	3.2
	39,223	100.0	100.0



## Conclusion

This section reviews the analysis presented so far on understanding KiwiSaver membership status and enrolment types.

This analysis focused on:

- KiwiSaver members' and non-members' profiles in relation to demographic characteristics
- KiwiSaver membership status and enrolment types and how these differ across various demographic characteristics
- contribution levels in relation to contribution rates. This outlines the extent to which KiwiSaver members have taken advantage of the flexibilities built into the scheme, such as choosing a provider, determining contribution level and taking a contributions holiday.

Overall, the analysis of the demographic differences between KiwiSaver members and non-members that are associated with membership and method of enrolment show some degree of consistency with research results reported in the KiwiSaver Annual Evaluation Reports. In general, younger, low-income earners are more likely to join KiwiSaver because automatic enrolment captures those who enter the workplace for the first time.

The main innovation in terms of content in this study is the focus on use of the SoFIE–Inland Revenue linked data set. It provides richer information on individuals' demographic characteristics. In particular, we considered whether individuals' ethnicity, education, household compositions and occupation are associated with KiwiSaver participation and membership choices. These characteristics have been rarely available in the administrative data and the findings from our analysis showed that a number of these characteristics are important factors.

Our analysis initially examined associations between members and non-members and automatic enrolment, opting in through an employer and opting out, with various characteristics considered. This enables assessment on whether there are significant demographic differences between members and those who have never enrolled. This step was purely descriptive. Secondly, we modelled the characteristics of members and those who have never enrolled, as well as methods of enrolment, to identify whether the effects are present in both members and non-members. For

example, whether there was a member-specific presentation of the effect and/or whether there was interaction effect.

We have also explored how different KiwiSaver unique features have been used by members.

## Who is enrolling?

By the end of wave 8, the KiwiSaver uptake reached 44.2% of the sample population, in particular, 66.0% of those aged between 18 and 24 have enrolled.

A likely KiwiSaver profile would be:

- aged between 18 and 24
- university educated
- partnered
- working in lower white collar positions
- working in retail and health care industries
- earning under \$50,000 in employment income.

Analysis of members and those who have never enrolled shows that KiwiSaver membership is associated with low to mid employment income and young age groups, while non-members are associated with zero or moderate employment income and mid to high age groups. Individuals who are university educated are more likely to join KiwiSaver. Opting out of KiwiSaver is associated with lower incomes and younger age groups. Ethnicity is not associated with membership status.

## Enrolment types

Of the 933,865 members at the end of wave 8, 39.3% had enrolled directly with a provider, 38.6% were automatically enrolled and 22.1% had opted in through their employer. Automatic enrolments grew steadily across waves.

**Automatic enrolment is more likely for young individuals who have just entered the workplace for the first time.**

Compared to other enrolment methods, a likely auto-enrollee's profile would be:

- single and aged between 18 to 24
- Māori and Pacific Islander
- Secondary-school educated
- working in lower white collar positions
- working in retail trade and accommodation industry
- earning \$30,000 or less in employment income.

**Opting in through an employer is more likely to be associated with middle-aged and moderate earning individuals.**

Compared to other enrolment methods, a likely profile for opting in through an employer would be:

- aged between 35 and 55
- New Zealand European
- university educated
- working in upper white collar positions
- working in wholesale trade and health care and social assistance industries
- earning between \$30,000 and \$80,000 in employment income.

**Opting in through a scheme provider is more likely to be associated with non-salary and wages earners.**

Compared to other enrolment methods, a likely profile for opting in through a scheme provider would be:

- aged between 55 and 65
- Asian
- female
- self-employed, receiving interest and investment income, or a benefit
- without employment income.

## Who is saving more?

KiwiSaver is principally a work-based scheme intended to accommodate changes in individuals' saving priorities over their lifetime. This report has examined some of the early savings choices that members are making about their KiwiSaver accounts.

### Scheme choices

Most members who opted in through a provider chose their own scheme, while those members who were automatically enrolled or opted in through their employer are allocated to a default scheme by Inland Revenue or allocated to an employer-nominated scheme. Nearly three-quarters (74.2%) of automatic

enrollees have been allocated to a default scheme and approximately 90% of members who opted in through an employer have been either allocated to a default scheme (70.1%) or to an employer-nominated scheme (19.5%). Of those who have been allocated to a default scheme, the majority have stayed with their current scheme, which suggests that their scheme membership is being influenced largely by the enrolment process rather than active investment choice. Individuals aged between 45 and 65 who joined KiwiSaver through their employer or are high-income earners are likely to switch to a different provider.

### Contribution rate

The default contribution rate influences the level of members' contributions, with over half of KiwiSaver members contributing the minimum employee contribution rate from their salary or wages. More than 50% of KiwiSaver members contributed at 4% for those who joined during wave 6 and 7. During wave 8, there is an increase of 12 percentage points of members contributing 2%, compared to those who contributed the same rate in wave 7. This change likely reflects the change of default contribution rate of 2% for new members, which was introduced during SoFIE wave 8. Of those who joined in earlier waves, most have not changed their previous contribution rate. This suggests that most individuals are being influenced by the default arrangements in place when they join KiwiSaver.

### Making contributions

Members who opted in through their employer have the highest mean value of total contribution while members who are automatically enrolled or enrolled directly through a provider have similar mean contribution values across various demographic characteristics. Gender, age and income level are all associated with value of contribution. In particular, males and members aged between 45 and 55, with high income, have a higher mean value of contribution than others.

### Contributions holiday

Younger members in the low to mid income groups are more likely to have taken a contributions holiday than others. This is generally consistent with the age and income distribution of KiwiSaver members who automatically enrolled in the scheme. Those aged between 18 and 44 make up the majority of members who have taken a contributions holiday. This report did not specifically investigate the reasons for members taking a contributions holiday, but previous research has highlighted affordability, the repayment of personal debt, covering living expenses and employment status as factors in people's decisions.

# Appendix 1: Methodology

## Data source

Linked SoFIE and Inland Revenue's KiwiSaver administrative data was analysed to increase understanding of the ways demographic characteristics may influence people's decisions on KiwiSaver participation.

Inland Revenue KiwiSaver administrative data contains the records of over two million individuals who have had contact with KiwiSaver (including members and those who chose to opt out) between 1 July 2007 and 30 June 2011. The data provides quarterly information on individuals' contribution values, employment earnings and number of jobs held. It also contains information on individuals' current KiwiSaver membership status, method of enrolment and enrolment date.

The SoFIE survey data includes information collected from a stratified random sample that appeared at least once in the SoFIE over an eight-year period (waves) between October 2002 and September 2010. Respondents were asked to provide information on topics such as employment, education and family relationships. Additional information around assets and liabilities were also collected during waves. A set of KiwiSaver-related questions were asked in wave 8 only.

Data to support this research was derived from survey responses and their linked administrative data. Individuals who have closed their KiwiSaver account were not used in this analysis as the numbers of matched cases were too small and introduced sample bias.

The linking exercise between SoFIE and Inland Revenue KiwiSaver administrative data set was conducted by an external contractor, Alistair Gray.

### Analytical sample

The paper used a sample selected from SoFIE respondents who had the following characteristics:

- They were eligible and responding individuals in wave 1 of the survey that continued to respond for all eight waves.
- They had a complete longitudinal history. This means they provided a complete response in all eight waves of the survey. Using respondents with a complete

longitudinal history allows the sample to be weighted using the appropriate weights for each wave

- They were between the ages of 17 and 64 in wave 5. This ensures that they were eligible to be part of KiwiSaver when the scheme was first introduced in 2007, which coincides with the end of SoFIE 6.

The sample is described further in Chart 1.

### *The dependent variables*

The analysis uses three member and non-member subgroups: Active members, opt-outs, and no KiwiSaver interaction.

Active members are those who have been enrolled in KiwiSaver for at least three months so their contributions will have passed from the Inland Revenue holding account to their scheme providers. The Inland Revenue system records those within the initial three-month period as provisional members. In addition to those who have been members for more than three months, those who have opted in through a provider or their employer but are within the three-month holding period are included in the active member sample. These members have been included because they have opted in to KiwiSaver and so cannot opt out. The only exclusions made from the active member group are those that have been automatically enrolled but are within their eight-week opt-out period. These individuals have been excluded from the analysis as, based on previous data, approximately a third of them will opt out.

Opt-outs are those who have been automatically enrolled but have opted out within the eight-week opt-out period. These individuals have made an active choice not to participate in KiwiSaver.

"No KiwiSaver interaction" includes those aged between 18 and 65 and have had no KiwiSaver interaction, those that are eligible to join KiwiSaver but have not opted in, and those who have not changed jobs within the past year and have not been through the automatic enrolment process.

The dependent variables are presented in Table 25.

Chart 1: Breaking down the sample

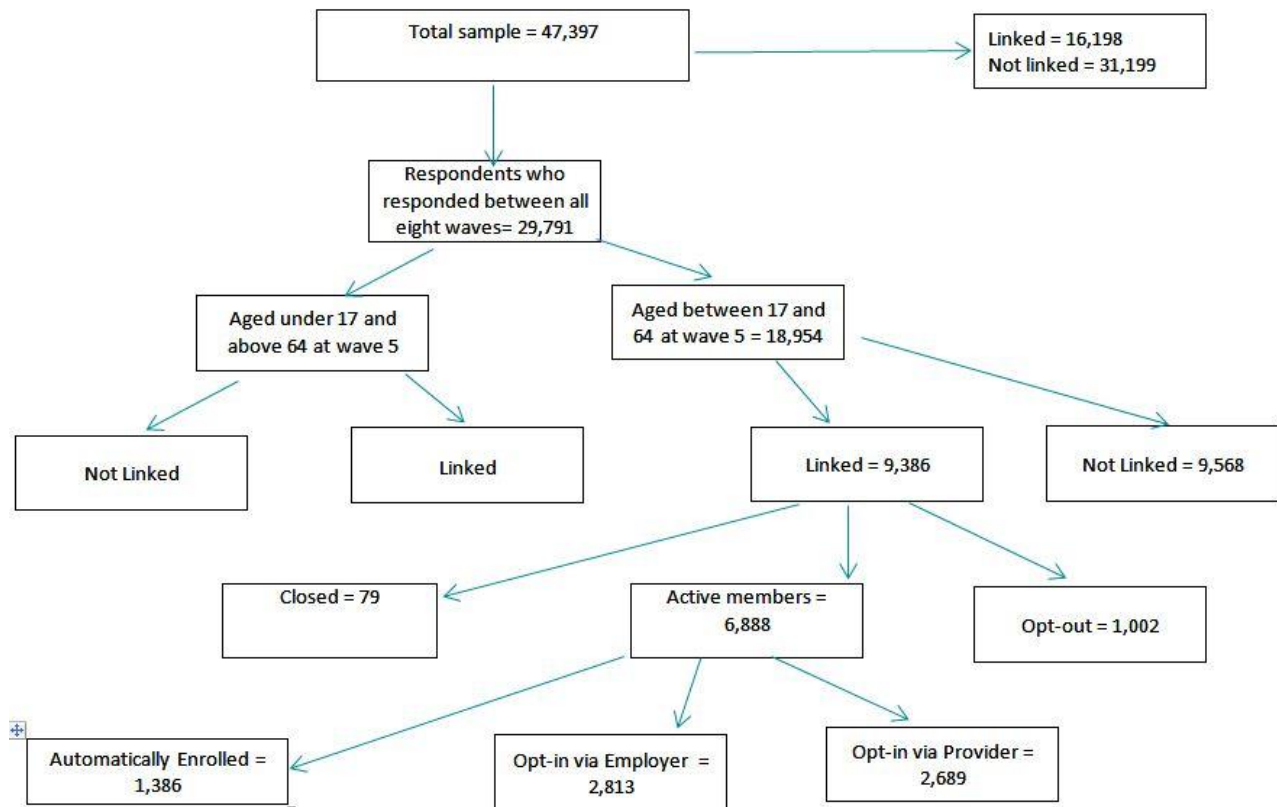


Table 25: Dependent variables

Dependent variables	coded = "1"	coded = "0"
Member	> revised enrolment date (IR) or enrolment date (SoFIE) prior to 30 June 2010 whichever comes first > member status is either "provisional" or "active"	
Never been a member (no contact)	> SoFIE respondents who are not in the Inland Revenue KiwiSaver data	
Opt-out	> revised enrolment date (IR) or enrolment date (SoFIE) prior to 30 June 2010 whichever comes first > member status is "opt out"	
Automatically enrolled	> is a member > enrolment method equals "AE"	> is a member > enrolment method not equal to "AE"
Opt in through employer	> is a member > enrolment method equals "EMPLOYER"	> is a member > enrolment method not equal to "EMPLOYER"
Opt in through a provider	> is a member > enrolment method equals "PROVIDER"	> is a member > enrolment method not equal to "PROVIDER"

### The independent variables

Independent variables include age (five levels), gender (two levels), and household composition which was coded into one of the six groups: single living alone, single parent, couple only, couple with children, couples with others and others. The highest education level qualified by respondents was recoded into five categories: No qualification, School Certificate/NCEA, trade/diploma, Bachelor's degree and postgraduate.

Respondents could belong to more than one group. In SoFIE, respondents were allowed to choose from more than one ethnic group, meaning that ethnicity was treated as a multi-coded response. For this analysis, we prioritised and collapsed multi-coded ethnicity into a single-coded ethnicity, in the following order: Māori, Pacific Island, Asian, European and other ethnicity.

Respondents also provided information about occupation, which we recoded into five categories: upper white collar, lower white collar, upper blue collar, lower blue collar and unidentifiable.

## Analysis techniques

### Correspondence analysis

Correspondence analysis is a multivariable descriptive data technique used to describe data patterns and explore systematic relations among categorical data by summarising the information in two-way contingency tables, providing a visual representation of data distribution in a two-dimensional map. Placement on the map (using axes of the Chi-Square distances) separates the row and column profiles and is used to compute variance, which measures the dispersion of these profiles in a multidimensional space. The map has the following features:

- The average profiles of the row and column distributions are situated at the origin of the map.
- The further the attributes are from the origin (0,0), the stronger the association.
- Attributes clustered together demonstrate an association.

Multiple correspondence analysis locates all the categories in a Euclidean space. The first two dimensions of this space are plotted to examine the associations among the categories.

This interpretation is based on points found in approximately the same direction from the origin and in approximately the same region of the space. In a multiple correspondence analysis, the interpretation of distances between points is not straightforward, which is different from a simple correspondence analysis where distances from the origin represent the level of contribution to the variance of dimension.

### Logistic regression

We used logistic regression to test hypotheses about the association of individual characteristics. The dependent variable  $Y$  is a categorical variable reflecting participation, auto-enrolment, opt-outs, contribution rate and contributions holiday. The independent variables are represented by a vector  $X$  so that the basic form of the model is:

$$Y = \beta' X + \epsilon$$

where:

$Y$  = a categorical variable (eg, KiwiSaver member = 1 otherwise = 0)

$\beta$  = a vector of coefficients

$X$  = a vector of independent variables including age, marital status, number of dependents, education, income, ethnicity, employment status, income source, occupation etc.

## Limitations

There are limitations to the analytic methods used. Our analysis of the longitudinal data was relatively modest and did not model or take account of the dynamic nature of the data. In part, this decision was driven by data limitations as we only considered three waves of data (waves 6 to 8) with limited opportunity to model change in circumstances preceding and following change in demographic characteristics.

Measurement limitations relate to timing of data collection between survey and administrative data, such as reporting lags, inexact matching of survey and administrative data, limited observation windows and income information. SoFIE waves 6 to 8 cover the period between October 2007 to September 2010 and respondents were interviewed once a year during the course of each wave. The Inland Revenue data covers the 16 quarters from 1 July 2007 to 30 June 2011. Issues can arise due to the difference of reporting period between survey and administrative data. Reporting lags resulted in some mismatch between the period covered by the survey and the period covered by the administrative data. Arguably, individuals' demographic characteristics should not change dramatically. Individuals' income and KiwiSaver contributions could potentially be affected by these mismatched reporting periods.

Since analysis has focused on the first three years of KiwiSaver data, it is too early to draw concrete conclusions on the members' profiles and their saving behaviours.

## Appendix 2: KiwiSaver features and glossary

Features	
Work-based scheme	KiwiSaver is a work-based initiative, meaning that information is provided by employers, and employees' contributions are deducted directly from their pay.
Eligibility requirements	To be eligible to join KiwiSaver, individuals must be New Zealand citizens (or entitled to live in New Zealand indefinitely), personally present or normally personally present in New Zealand, and be under the age of eligibility for NZ Super (currently 65).
Default providers	Those individuals who are automatically enrolled will be allocated to one of six government-selected default schemes. These members have three months to choose their own scheme and if they do not, they will be enrolled into the default scheme.
Opt in	Individuals can elect to join KiwiSaver directly, either through their employer or by contacting a scheme provider.
Automatic-enrolment and opt-out	Provided they are eligible for KiwiSaver, all new employees (ie, those starting a new job) will be automatically enrolled in KiwiSaver unless they meet one of the conditions for exemption. Individuals may choose to opt out within eight weeks (but not within the first two weeks) of starting the new job.
Scheme and contributions choice	KiwiSaver members can choose from a range of superannuation schemes and providers. They can also elect to contribute either 4% or 8% of their gross income.
Savings locked in	Savings cannot be withdrawn until the age of eligibility for NZ Super or until they have been a member for five years, whichever is the later.
Self- and non-employed	Those who are self-employed or not-employed can opt in to KiwiSaver and can determine their level of contributions.
Employer tax credit	An employer tax credit of up to a maximum of \$20 per week for each employee to reimburse employers for their contributions to employees' accounts (ceased).
Incentives	
Kick-start payment	Initial payment of \$1,000 to an individual's account on joining.
Member tax credit	Members are entitled to a tax credit of up to \$1,042.86 per year (\$20 per week) from 1 July 2007. The tax credit is paid automatically to an individual's KiwiSaver account, based on the level of contribution made.
Employer contributions	From 1 April 2008, employers are required to match individuals' contributions up to 1% from 1 April 2008, rising 1% a year to 4% from 1 April 2011.
Contributions holiday	Members are able to take a contributions holiday of between three months and five years after contributing for an initial 12-month period. Individuals can apply for a holiday within the first 12 months for reasons of financial hardship.
First home deposit subsidy	After three years of contributions, an individual can access a conditional grant towards buying a home, equal to \$1,000 per year of contribution up to \$5,000.

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First home withdrawal	After being a member for three years, individuals can withdraw all or part of their savings to contribute to a deposit on a first home.
Mortgage diversion facility	After being a member for 12 months, an individual can split their contributions between their KiwiSaver account and their mortgage payments (ceased).
Fee subsidy	Members are entitled to a \$40 provider fee subsidy each year (ceased).

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## Appendix 3: Demographics associated with KiwiSaver participation

KiwiSaver participants Characteristics at joining wave	Maximum likelihood estimate	Pr>ChiSq	Odds ratio estimate
<b>Gender</b>			
Female	0.0468	0.0065	1.098
<b>Age (control = 18–24 years)</b>			
25–34 years	-0.1780	<0.0001	0.633
35–44 years	-0.2858	<0.0001	0.568
45–54 years	-0.1613	<0.0001	0.644
55–65 years	0.3458	<0.0001	1.069
<b>Ethnicity (control = yes)</b>			
European	-0.1041	0.0735	0.812
Māori	0.1673	0.0077	1.397
Pacific Islanders	0.1415	0.0437	1.327
Asian	0.0982	0.1378	1.217
<b>Highest qualification (control = bachelor's degree)</b>			
No qualification	-0.1568	<0.001	0.747
School Certificate/NZCA	-0.0555	0.0569	0.827
Trade/diploma	-0.0563	0.0289	0.826
Postgraduate	0.1337	0.0030	0.999
<b>Household composition (control = single live alone)</b>			
Single with children	-0.0574	0.3007	0.999
Couple only	0.0830	0.0380	1.149
Couple with children	-0.0300	0.3988	1.027
<b>Major income sources (control = earnings)</b>			
No income source	-0.1066	0.4622	0.632
Self-employed	-0.0246	0.7358	0.865
NZ Super	-0.2578	0.3654	0.685
Other government benefits	0.0623	0.4847	0.943
Investment	0.0524	0.6039	0.934
Other	0.1534	0.0990	1.033
<b>Occupation (control = lower white collar)</b>			
Lower blue collar	0.0176	0.8618	1.008
Upper blue collar	-0.2774	0.0063	0.75
Upper white collar	0.0230	0.8123	1.013
<b>Employment income band (control = \$30,001–\$50,000)</b>			
Zero income	-0.3569	<0.0001	0.632
\$30,000 or less	0.3164	<0.0001	1.24
\$50,001–\$80,000	-0.0490	0.1810	0.86
\$80,001–\$120,000	-0.0768	0.1832	0.837
\$120,001+	0.0648	0.3930	0.964

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = not significant



## Appendix 4: Demographics associated with enrolment type

Automatic enrolment			
Characteristics at joining wave	Maximum likelihood estimate	Pr>ChiSq	Odds ratio estimate
<b>Gender</b>			
Female	-0.0983	0.0516	0.822*
<b>Age (control = 18–24 years)</b>			
25–34 years	2.4564	<0.0001	0.500***
35–44 years	2.2147	<0.0001	0.392***
45–54 years	1.8856	<0.0001	0.282***
55–65 years	1.1475	<0.0001	0.135***
<b>Ethnicity (control = European)</b>			
Māori	0.3043	0.0255	1.425**
Pacific Islanders	0.0309	0.8643	1.084
Asian	-0.3239	0.0481	0.760*
<b>Highest qualification (control = Bachelor's degree)</b>			
No qualification	0.0857	0.4616	1.078
School Certificate/NZCA	-0.0327	0.7013	0.958
Trade/diploma	0.0170	0.8243	1.007
Postgraduate	-0.0803	0.5602	0.913
<b>Household composition (control = single live alone)</b>			
Single with children	0.0605	0.6799	0.858
Couple only	-0.1449	0.2013	0.699
Couple with children	-0.1346	0.1533	0.706
<b>Major income sources (control = earnings)</b>			
No income source	2.1506	<0.0001	1.875***
Self-employed	1.5684	<0.0001	1.047***
NZ Super	-9.9235	<0.0001	NA
Other government benefits	2.0082	<0.0001	1.626***
Investment	1.4116	<0.0001	0.895***
Other	1.2626	<0.0001	0.771***
<b>Occupation (control = lower white collar)</b>			
Lower blue collar	1.8716	<0.0001	1.189***
Upper blue collar	1.6843	<0.0001	0.986***
Upper white collar	1.5403	<0.0001	0.854***
<b>Employment income band (control = \$30,001–\$50,000)</b>			
Zero income	0.0849	0.7706	1.048
\$30,000 or less	0.8012	<0.0001	2.144***
\$50,001–\$80,000	-0.0504	0.6781	0.915
\$80,001–\$120,000	-0.1676	0.3550	0.814
\$120,001+	-0.7065	0.0118	0.475**
<b>Industry (control = retail trade)</b>			
Agriculture, forestry and fishing	-0.1022	0.6290	0.845
Arts, recreation and other services	-0.0907	0.6018	0.855
Communication service	-0.0547	0.8782	0.886
Construction	-0.0738	0.6772	0.869

<b>Automatic enrolment</b>			
<b>Characteristics at joining wave</b>	<b>Maximum likelihood estimate</b>	<b>Pr&gt;ChiSq</b>	<b>Odds ratio estimate</b>
Education and training	-0.5832	0.0019	0.522*
Electricity, gas, water and waste services	-0.4864	0.3799	0.575
Financial and insurance services	-1.0586	0.0014	0.325***
Government administration	-0.1031	0.6277	0.844
Health care	-0.0959	0.5255	0.85
Manufacturing	-0.2040	0.1768	0.763
Mining	2.0936	0.0045	7.595**
Rental, hiring and real estate	0.2037	0.1498	1.147
Wholesale	-0.1050	0.5824	0.843
Transport, postal and warehousing	-0.0351	0.8683	0.904
<b>Wave (control = wave 8)</b>			
Wave 6	-0.3825	<0.0001	0.723
Wave 7	0.4403	<0.0001	1.646

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = Not Significant

<b>Opt in through employer</b>			
<b>Characteristics at joining wave</b>	<b>Maximum likelihood estimate</b>	<b>Pr&gt;ChiSq</b>	<b>Odds ratio estimate</b>
<b>Gender</b>			
Female	-0.0398	0.4583	0.923
<b>Age (control = 25–34 years)</b>			
18–24 years	-2.9891	<0.0001	0.502***
35–44 years	-2.2021	<0.0001	1.103***
45–54 years	-2.0261	<0.0001	1.316***
55–65 years	-1.9747	<0.0001	1.385***
<b>Ethnicity (control = European)</b>			
Māori	-0.0084	0.9555	0.956
Pacific Islanders	-0.1564	0.4218	0.825
Asian	0.0464	0.7884	1.010
<b>Highest qualification (control = Bachelor's degree)</b>			
No qualification	0.0151	0.8955	1.059
School Certificate/NZCA	-0.0416	0.6358	1.000
Trade/diploma	-0.0175	0.8248	1.025
Postgraduate	0.0858	0.5240	1.136
<b>Household composition (control = single live alone)</b>			
Single with children	-0.2707	0.1040	0.949
Couple only	-0.1706	0.1637	1.049
Couple with children	0.0152	0.8895	1.263
<b>Major income sources (control = earnings)</b>			
No income source	1.3656	0.0038	3.195**
Self-employed	-0.6698	0.0188	0.417
NZ Super	-0.5494	0.5758	0.471
Other government benefits	-0.2657	0.4072	0.625
Investment	-0.1238	0.7132	0.720
Other	0.0389	0.8917	0.848
<b>Occupation (control = upper white collar)</b>			
Lower blue collar	-0.5382	0.0768	0.591*
Upper blue collar	-0.3792	0.2201	0.692
Lower white collar	-0.1986	0.5000	0.829
<b>Employment income band (control = \$30,001–\$50,000)</b>			
Zero income	-0.9451	0.0079	0.259**

<b>Opt in through employer</b>			
<b>Characteristics at joining wave</b>	<b>Maximum likelihood estimate</b>	<b>Pr&gt;ChiSq</b>	<b>Odds ratio estimate</b>
\$30,000 or less	-0.3632	9.6690	0.463
\$50,001–\$80,000	0.1130	0.3688	0.745
\$80,000–\$120,000	0.2447	0.1705	0.850
\$120,001+	0.5429	0.0136	1.145*
<b>Industry (control = retail trade)</b>			
Agriculture, forestry and fishing	0.3431	0.1800	0.847
Arts, recreation and other services	0.6113	0.0008	1.107***
Communication service	0.2509	0.5365	0.772
Construction	0.4757	0.0132	0.967**
Education and training	0.6738	<0.0001	1.179***
Electricity, gas, water and waste services	0.7964	0.0923	1.333
Financial and insurance services	1.0037	<0.0001	1.640***
Government administration	0.5299	0.0168	1.021**
Health care	0.7584	<0.0001	1.283***
Manufacturing	0.7139	<0.0001	1.227***
Mining	0.0813	0.9210	0.652
Rental, hiring and real estate	0.5059	0.0004	0.997***
Wholesale	0.9383	<0.0001	1.536***
Transport, postal and warehousing	0.4505	0.0528	0.943
<b>Wave (control = wave 8)</b>			
Wave 6	1.0557	<0.0001	6.221***
Wave 7	-0.2834	0.0026	1.631**

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = not significant

<b>Opt in through provider</b>			
<b>Characteristics at joining wave</b>	<b>Maximum likelihood estimate</b>	<b>Pr&gt;ChiSq</b>	<b>Odds ratio estimate</b>
<b>Gender</b>			
Female	0.1347	0.0053	1.309**
<b>Age (control = 18–24 years)</b>			
25–34 years	1.9725	<0.0001	1.605***
35–44 years	2.1979	<0.0001	2.010***
45–54 years	2.3757	<0.0001	2.402***
55–65 years	2.8510	<0.0001	3.863***
<b>Ethnicity (control = European)</b>			
Māori	-0.3218	0.0296	0.707**
Pacific Islanders	0.1337	0.4524	1.114
Asian	0.2676	0.0786	1.274
<b>Highest qualification (control = Bachelor's degree)</b>			
No qualification	-0.0889	0.4080	0.886
School Certificate/NZCA	0.0646	0.4258	1.033
Trade/diploma	0.0144	0.8426	0.983
Postgraduate	-0.0217	0.8611	0.948
<b>Household composition (control = single live alone)</b>			
Single with children	0.1153	0.4563	1.137
Couple only	0.2964	0.0069	1.363**
Couple with children	0.1233	0.2208	1.146
<b>Major income sources (control = earnings)</b>			
No income source	-1.5602	0.0002	0.269**
Self-employed	0.2315	0.3357	1.615
NZ Super	1.7545	0.0848	7.407

<b>Opt in through provider</b>			
<b>Characteristics at joining wave</b>	<b>Maximum likelihood estimate</b>	<b>Pr&gt;ChiSq</b>	<b>Odds ratio estimate</b>
Other government benefits	-0.5328	0.0473	0.752*
Investment	0.2000	0.4883	1.565
Other	0.1549	0.5581	1.496
<b>Occupation (control = lower white collar)</b>			
Lower blue collar	0.3187	0.1899	1.096
Upper blue collar	0.3720	0.1372	1.156
Upper white collar	0.2271	0.3237	1.000
<b>Employment income band (control = \$30,001 - \$50,000)</b>			
Zero income	0.4813	0.0500	2.055*
\$30,000 or less	-0.3715	0.0003	0.876***
\$50,001–\$80,000	0.0960	0.3708	1.398
\$80,001–\$120,000	0.0292	0.8606	1.308
\$120,001+	0.0040	0.9855	1.275
<b>Industry (control = retail trade)</b>			
Agriculture, forestry and fishing	0.9800	<0.0001	1.318***
Arts, recreation and other services	0.8056	<0.0001	1.107***
Communication service	1.1176	0.0004	1.512***
Construction	0.8878	<0.0001	1.202***
Education and training	1.1626	<0.0001	1.582***
Electricity, gas, water and waste services	1.0973	0.0161	1.482**
Financial and insurance services	1.1686	<0.0001	1.591***
Government administration	0.8684	<0.0001	1.178***
Health care	0.6803	<0.0001	0.976***
Manufacturing	0.8016	<0.0001	1.102***
Mining	-12.6684	<0.0001	NA
Rental, hiring and real estate	0.6112	<0.0001	0.911***
Wholesale	0.5103	0.0077	0.824***
Transport, postal and warehousing	0.895	<0.0001	1.21***
<b>Wave (control = wave 8)</b>			
Wave 6	-0.4216	<0.0001	0.373***
Wave 7	-0.1442	0.0368	0.492*

Note: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001; NS = not significant