

 Mindful
Money

Find a more ethical KiwiSaver.

 riaa Responsible Investment
Association Australasia

Responsible Investment: New Zealand Survey 2020

Exploring New Zealanders' attitudes towards responsible investment

October 2020


dynata™

Research Background

Mindful Money and RIAA co-commissioned Dynata to design and deliver this 2020 research

The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and New Zealand, and is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy. With over 300 members managing more than \$9 trillion in assets globally, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.

Mindful Money is a New Zealand charity that aims to make money a force for good. Mindful Money is building a public movement of Kiwis to shift their investment from pollution and exploitation towards sustainability and positive impact. The Mindful Money website shows what companies are in KiwiSaver funds and investment funds, categorised by issues of concern, as identified in these annual surveys. Users can then use the fund finder tool to find a fund that fits their values and criteria.

This is the third year we have conducted this research better enabling us to look at trends.

Key take-outs

Consumer demand for ethical and responsible investment has continued to be strong through the COVID crisis. Two thirds of the public intend to invest ethically within the next five years, most of those within the next year (42%).

Over three quarters of the public (78%) recognise that investing ethically is likely to earn higher returns over the long term than investing without taking social and environmental issues into account.

There is demand for deeper forms of impact investing. The survey shows that 60% of the public would be motivated to save and invest more money in order to make a positive different to the environment and society.

Methodology



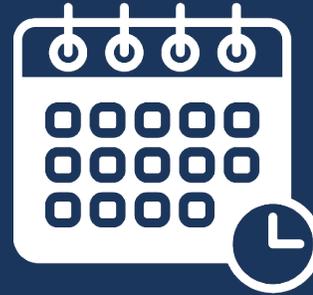
METHOD

1,000 New Zealanders aged 18+ completed the survey online.

The survey took 10 minutes on average.

The sample has been weighted to be nationally representative of the NZ population aged 18+ by age, gender and region.

Dynata is certified and complies with ISO 20252 standards.



TIMING

The survey took place from 21 and 29 September 2020.



MARGIN OF ERROR

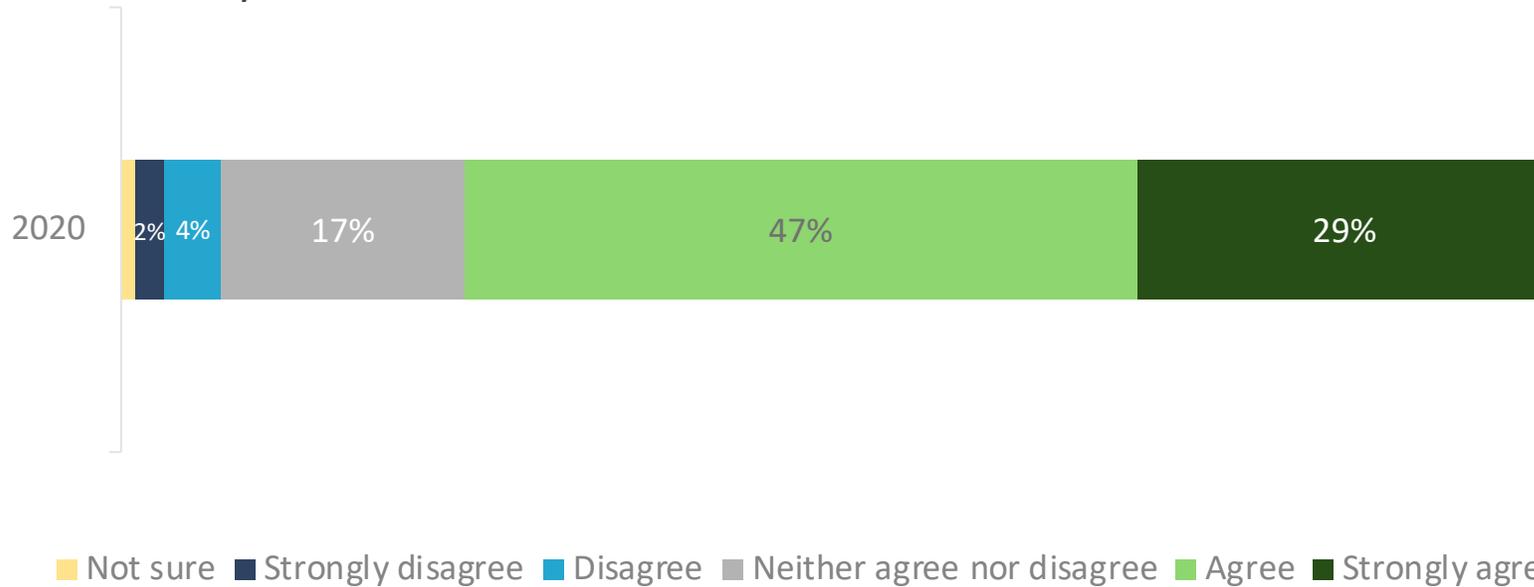
The maximum margin of error on the total sample of n=1000 is +/-3.1%.

Significant differences noted throughout this report denote results that are different to the average (i.e. total). These are statistically significant at the 95% confidence level.

Expectations of KiwiSaver funds and other investments to be invested responsibly and ethically

Over three quarters of New Zealanders expect their KiwiSaver funds and other investment to be managed responsibly and ethically. Women and those under 50 years of age are more likely to agree with these expectations.

% I expect my KiwiSaver funds and investments to be invested responsibly and ethically



Agree (nett)	Disagree (nett)
76	6

The following demographic groups are more likely to agree (nett):

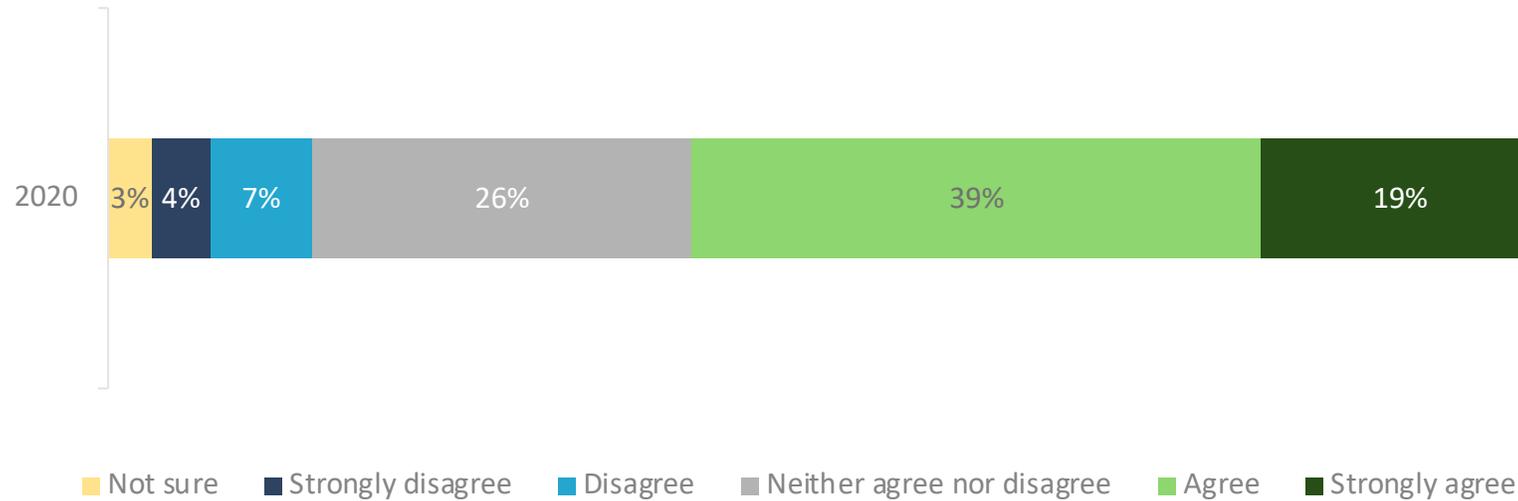
- Women (84%)
- Under 50 years of age (79%)



Consideration of changing KiwiSaver funds provider /moving investments if discovering investments do not align with personal values

Almost 60% of New Zealanders with KiwiSaver funds or other investments would consider moving to another provider if their current provider did not align with their personal values. Women and those under 50 years of age are the most likely to agree with this action.

% I would consider moving my KiwiSaver funds to another provider / investment elsewhere if I found out they were investing in companies that engage in activities not consistent with my values



Agree (nett)	Disagree (nett)
58	11

The following demographic groups are more likely to agree (nett):

- Women (65%)
- Under 50 years of age (65%)

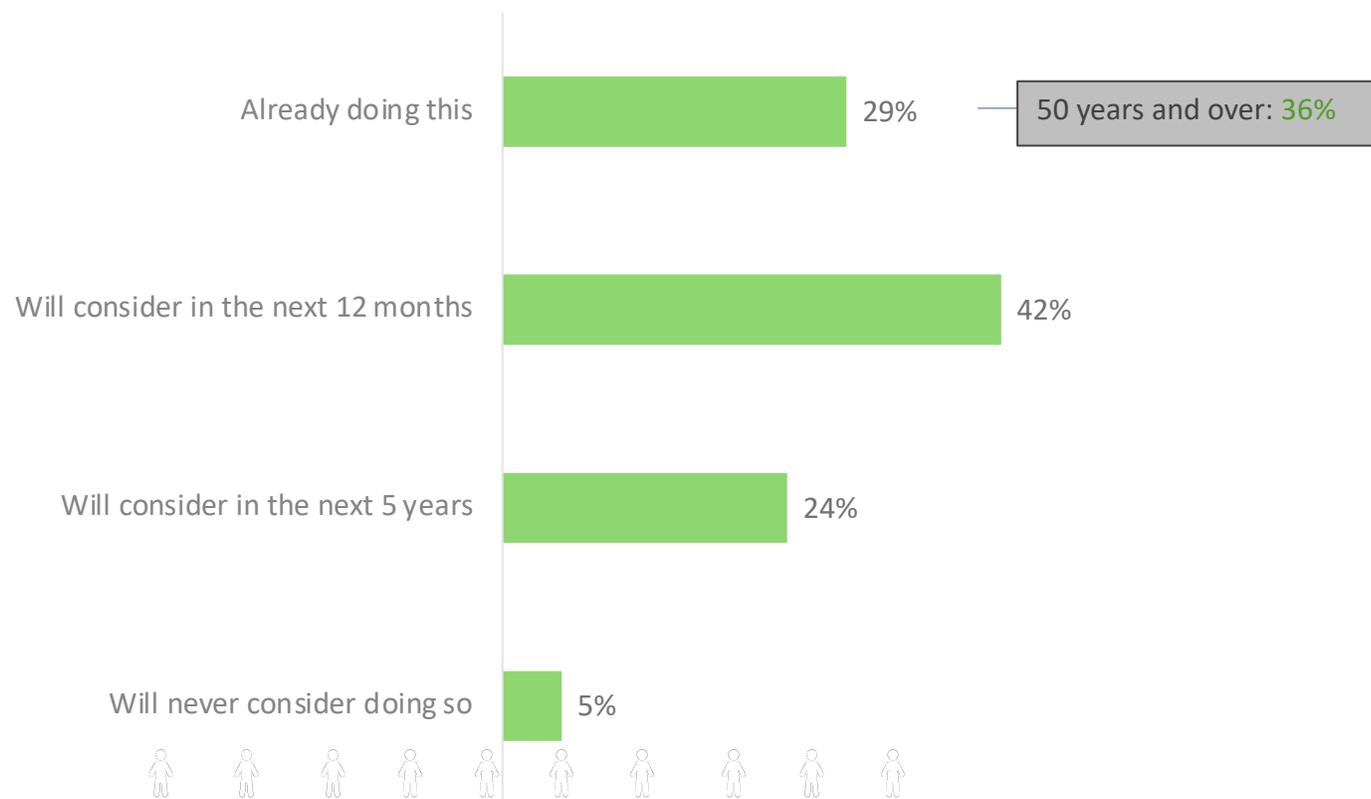


Timeframe in which New Zealanders would consider investing in an ethical or responsible KiwiSaver fund or other financial investment

A large majority (93%) of the New Zealanders who do not already consider that they invest ethically or responsibly intend to do so, most of them in the next year.

%

The following demographic groups are higher:



Ethical investments are expected to perform better in the long term

More than three-quarters of New Zealanders with KiwiSaver funds or other financial investments expect ethical or responsible investments to perform better in the long term. This is especially strong amongst women and those under 50 years of age.

% Ethical (or responsible) KiwiSaver funds and other investments perform better in the long term



Agree (nett)	Disagree (nett)
78	21

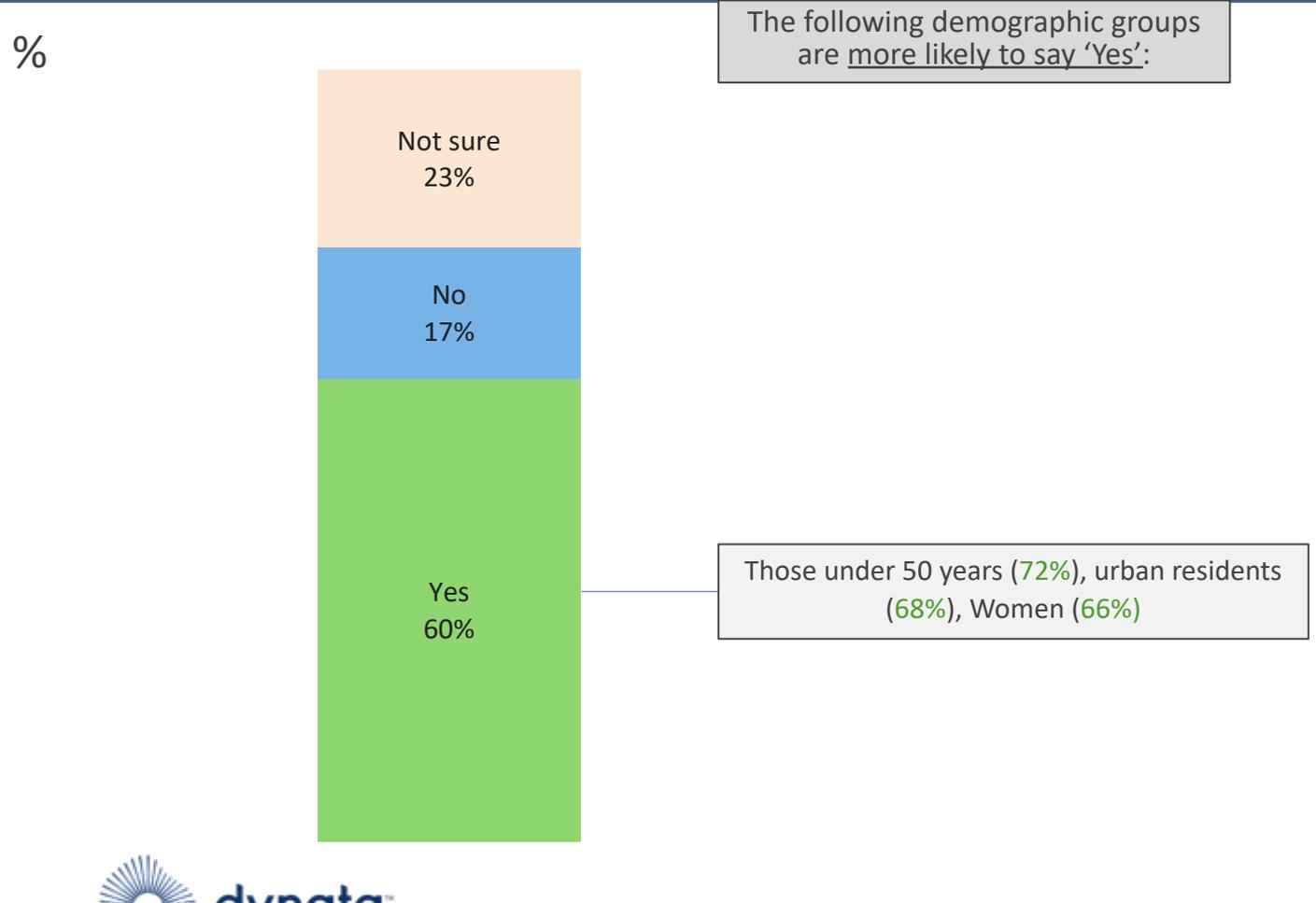
■ Strongly disagree ■ Disagree ■ Agree ■ Strongly agree

The following demographic groups are more likely to agree (nett):

- Women (86%)
- Under 50 years of age (84%)

Motivation to save and invest more money to make a positive difference

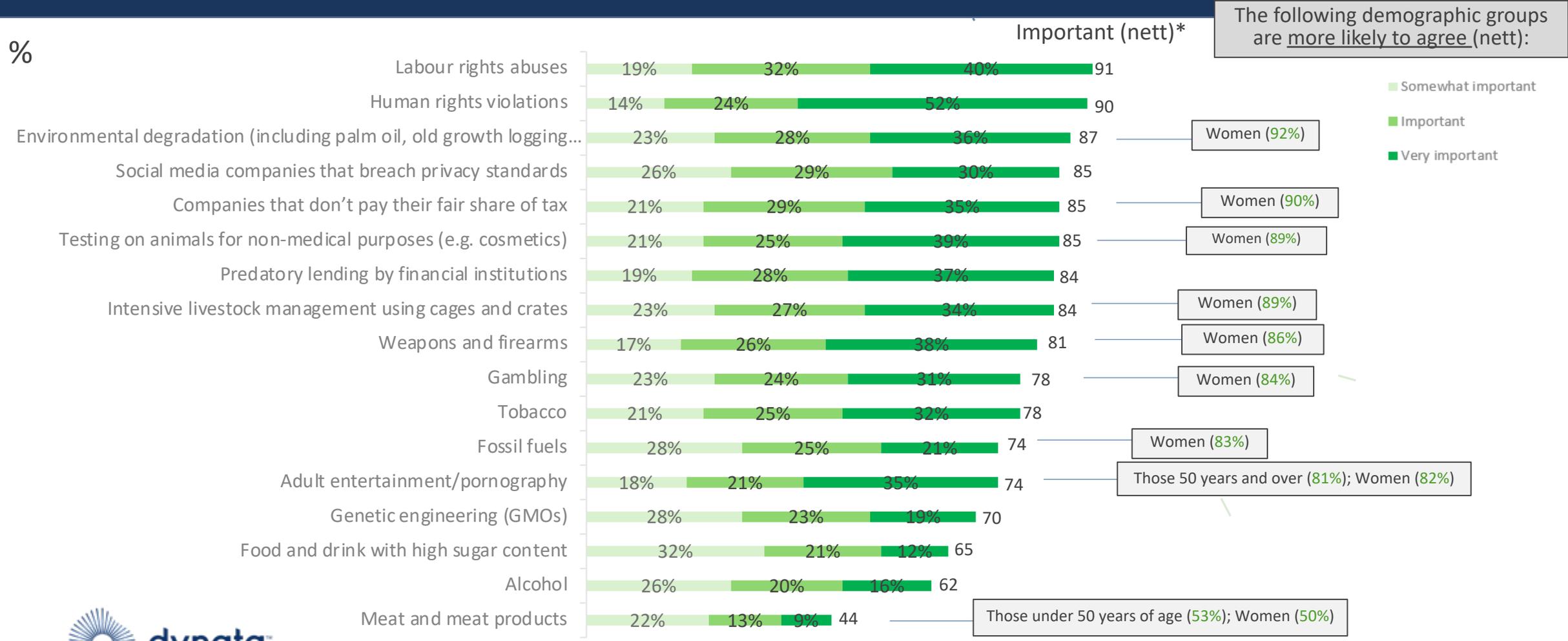
Six in ten New Zealanders with KiwiSaver funds or other investments say they would be motivated to save and invest more money to make a positive difference. Women, younger savers/ investors (under 50 years of age) and those living in urban areas are most likely to be motivated.



▼▲ significantly higher/lower vs 2019
xx/xx significantly higher/lower vs total

Importance that KiwiSaver funds or investment scheme avoids the following issues

Labour rights violations and human rights abuses are the least tolerated issues for New Zealander KiwiSaver fund holders and other investors. Women are more likely to feel it is important that many of these issues are avoided by their investment company/ scheme.



*Important (nett) defined as those who said it was at least somewhat important (i.e. somewhat important, important or very important)

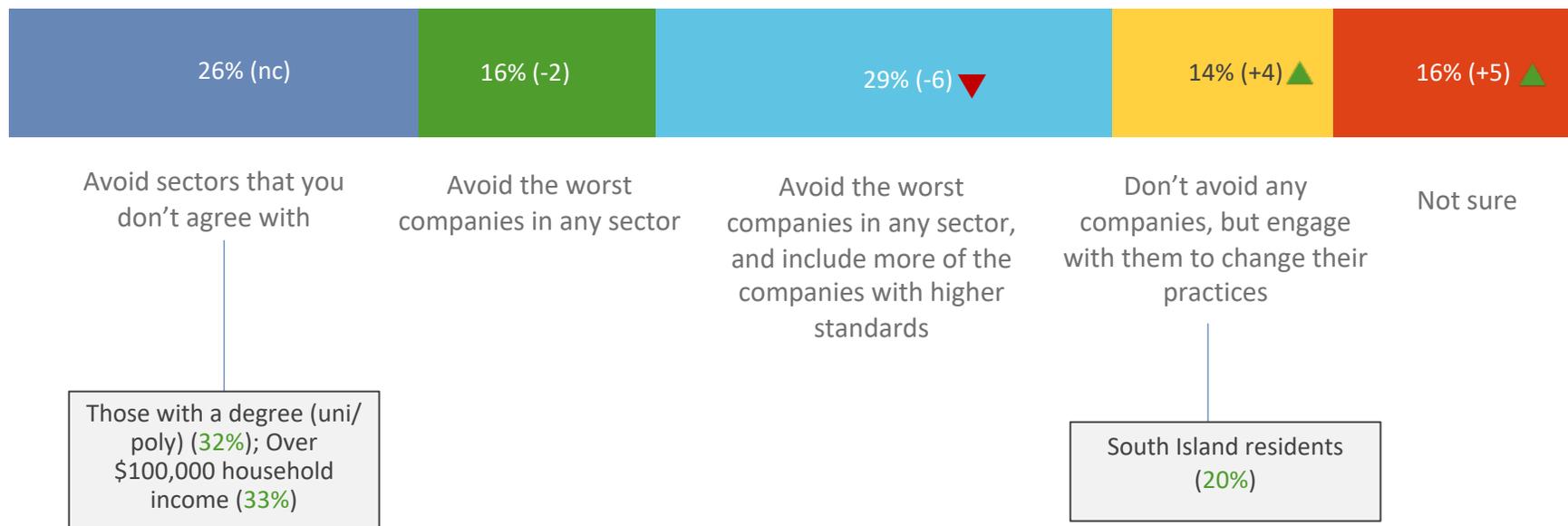
Base: All respondents with KiwiSaver funds or have other financial investments (e.g. share portfolio) (831)

Q9. How important it is to you that your KiwiSaver funds fund/ investment scheme/company avoids investing in the following industries?

Perceived importance of avoiding or engaging with problematic companies or sectors

There are differing views across New Zealanders on the most effective strategies for responsible investment. While over one quarter agree with the approach of avoiding problematic sectors, there has been an increase in support for engagement to improve company practices.

% Is it more important for an investment company to...



The following demographic groups are more likely to agree (nett):

Those with a degree (uni/poly) (32%); Over \$100,000 household income (33%)

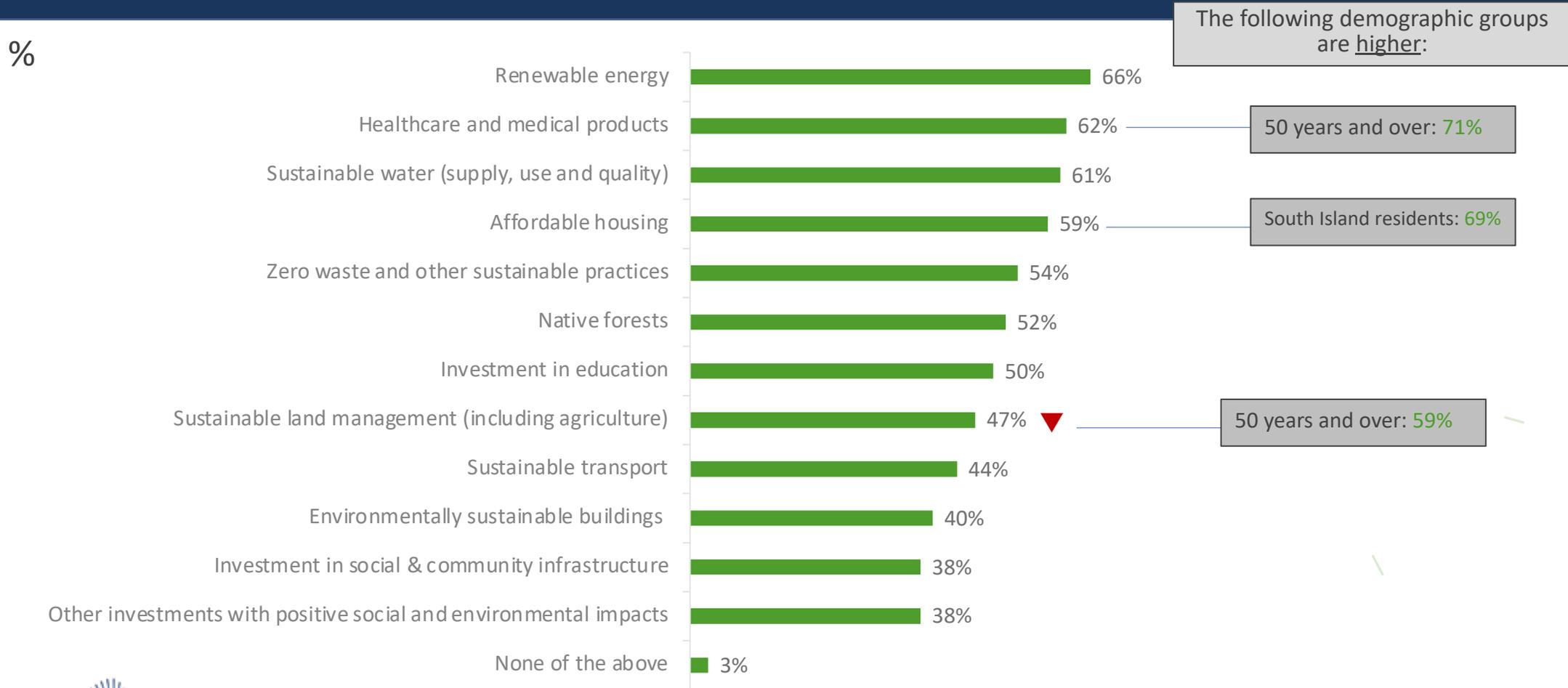
South Island residents (20%)



▼▲ significantly higher/lower vs 2019
 xx/xx significantly higher/lower vs total

Key positive social and environmental themes

Renewable energy and healthcare and medical products are the top social and environmental issues for New Zealand KiwiSaver funds and investors who would be prepared to invest in a responsible fund or scheme. Those aged 50 years and over are more likely to say that healthcare and medical products are a top issue for them.



▼▲ significantly higher/lower vs 2019
 xx/xx significantly higher/lower vs total

Base: All respondents with KiwiSaver funds or have other financial investments (e.g. share portfolio) who would be prepared to invest in a responsible KiwiSaver fund or investment scheme (628). Q18. When thinking about your ideal investment fund, which of the following social and environmental issues do you find important?

Willingness to invest in KiwiSaver funds or investment schemes that aim to create positive social and environmental impacts

Three-quarters of New Zealanders with KiwiSaver funds or other investments would be willing to invest only in positively beneficial investment scheme/ companies, which is an overall decrease since last year.

%



59% If return is as high as a standard scheme (-8) ▼

75% TOTAL YES (-7) ▼

16% Even if lower return (+1) ▲

25% No/ not sure

The following demographic groups are more likely to agree (nett):

- Those with a degree (uni/ poly) (66%) Yes, if it has a return as high as a standard scheme



▼▲ significantly higher/lower vs 2019
xx/xx significantly higher/lower vs total

Base: All respondents with KiwiSaver funds or have other financial investments (e.g. share portfolio) (831)

Q17. Would you be prepared to invest in a KiwiSaver funds scheme / investment scheme/company that invested only in companies that create positive benefits for society and the environment?

Perceived barriers to responsible investment

A lack of independent information is the main barrier for New Zealanders who have KiwiSaver funds or other investments to moving their investment to a more value-aligned company.

%

Not enough independent information available

46%

I don't have time to look and compare

44%

Lack of credible options to invest in

29%

Urban residents are more likely to agree with this (36%)

I don't believe claims by funds: 'responsible', 'sustainable', or 'ethical'

29%

Ethical investment funds are too expensive

25%

Urban residents are more likely to agree with this (33%)

I don't have enough money in KiwiSaver funds/ investments

28%

Those with an income of \$70,000 or less are more likely to agree with this (38%)

I don't think ethical investing makes a difference +

24%

Males are more likely to agree with this (31%)

It's too hard to switch

22%

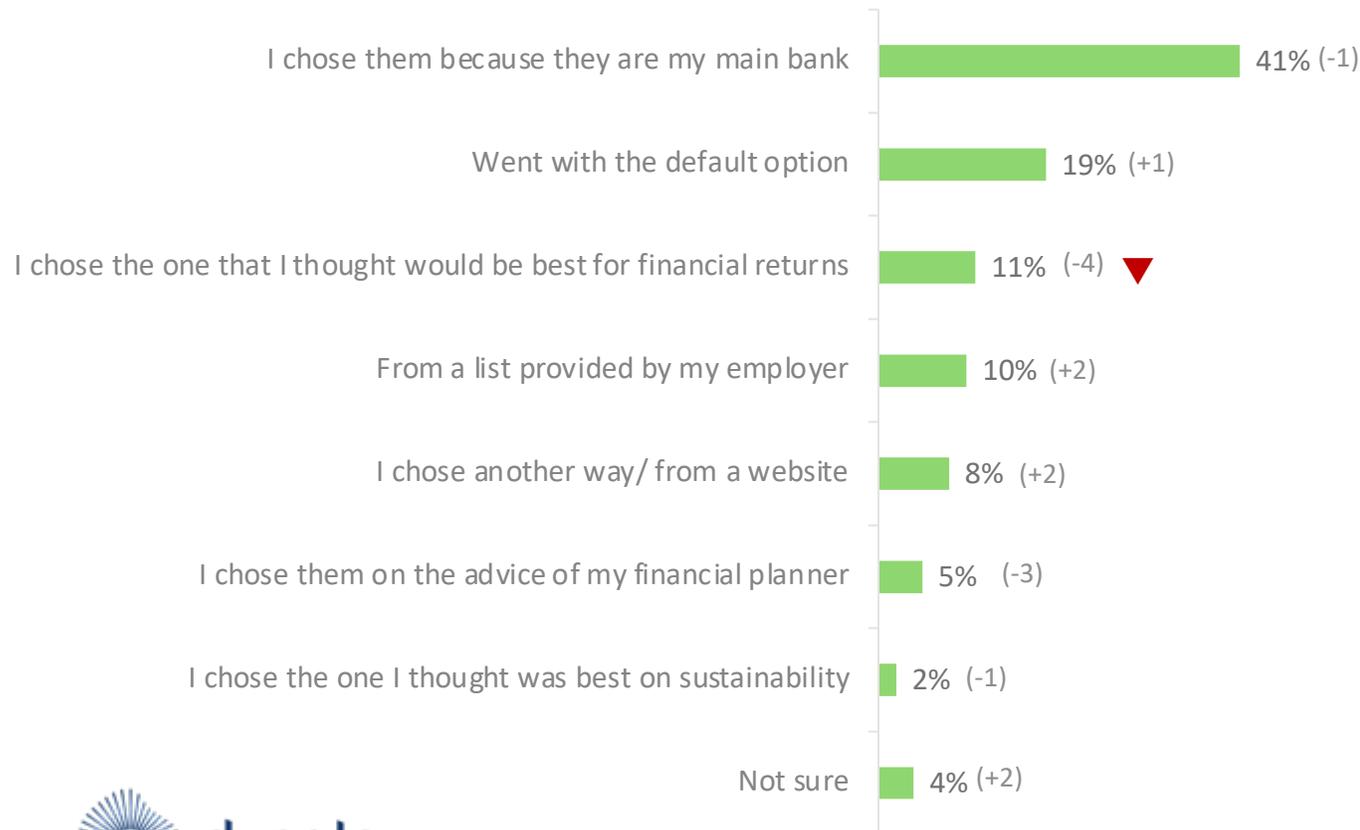
Urban residents are more likely to agree with this (28%)



How New Zealanders choose a KiwiSaver fund provider

The highest proportion of New Zealanders in KiwiSaver funds selected their provider because they were their main bank. Fewer chose their provider for what they thought would be the best for financial returns compared with 2019.

% Choosing a KiwiSaver fund provider



Chose KiwiSaver fund provider another way...

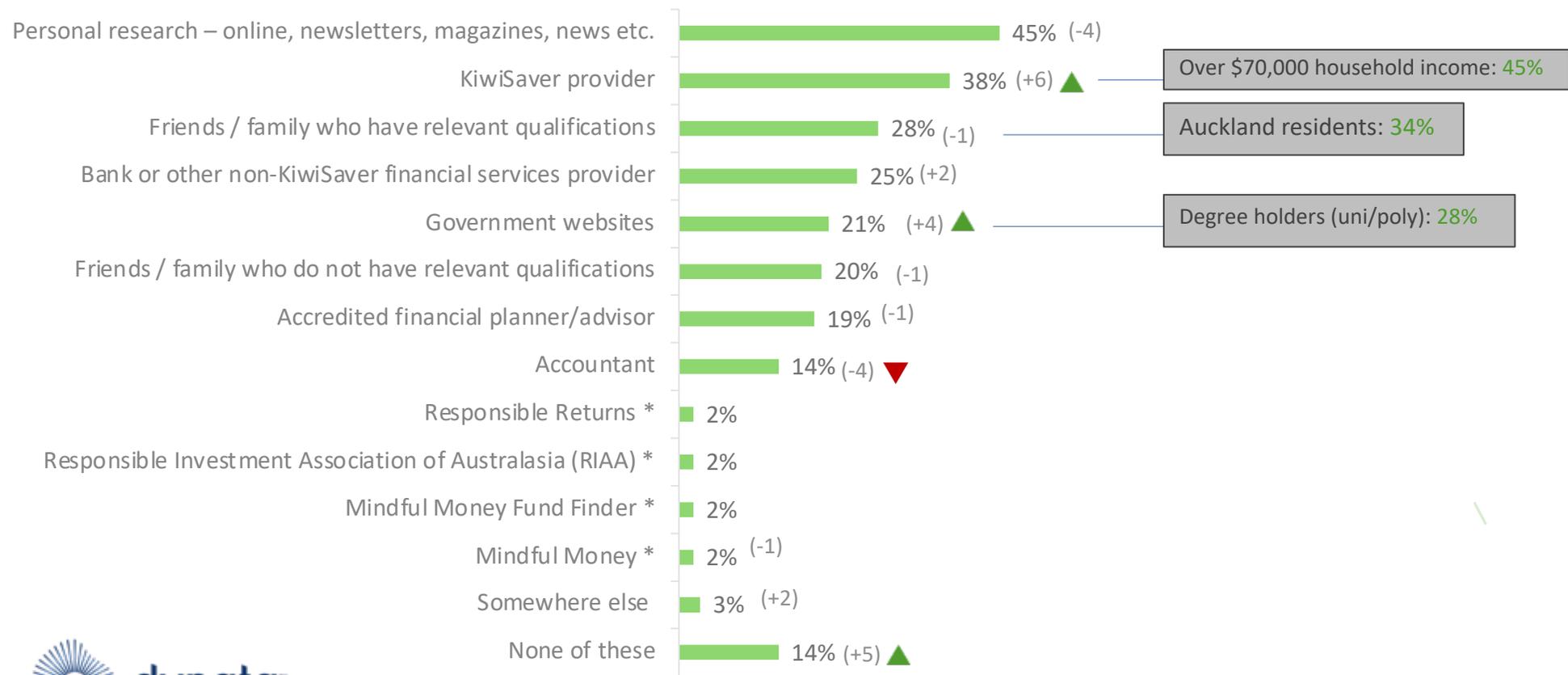
"ANZ Sponsor Netball" – female, 35 to 39 years
"I chose craigs investment partners because they have the only KiwiSaver funds scheme where you can select your own shares" – Male, 60 to 64 years
"Low fees" – Female, 30 to 34 years
"FlyBuys points" – Male, 60 to 64 years
"I was approached by someone on campus and signed up to KiwiSaver funds with them because they asked me first." Gender diverse, 25 to 29 years
"Overheard a work colleague getting signed up. Liked what I heard, changed provider then and there" Male, 50 to 54 years
"I followed up an ad and a talk on the wireless" Male, 60 to 64 years

Sources of financial advice

Personal research and KiwiSaver fund providers are the most used sources of financial advice for New Zealanders in KiwiSaver funds or with other investments. Fewer are relying on accountants for this advice and more look to their KiwiSaver fund provider or government websites compared with 2019.

%

The following demographic groups are higher:



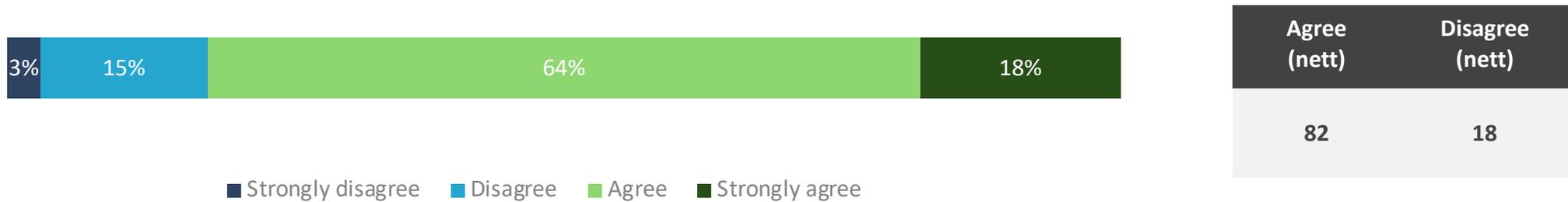
▼▲ significantly higher/lower vs 2019
 xx/xx significantly higher/lower vs total

* - new option in 2020 Base: All respondents with KiwiSaver funds or have other financial investments (e.g. share portfolio) (994). Q15. From which of the following sources do you get financial advice?

Influence of independent certification on investment

Most New Zealanders with KiwiSaver funds or other investments say they are more likely to invest in an independently certified organisation, fund or product with responsible investment practices. Younger investors (those under 50 years old) are more likely to agree with this.

% I would be more likely to invest in an organisation, fund or product that has been certified by an independent third party for its responsible investment practices



The following demographic groups are more likely to agree (nett):

- Under 50 years of age (86%)



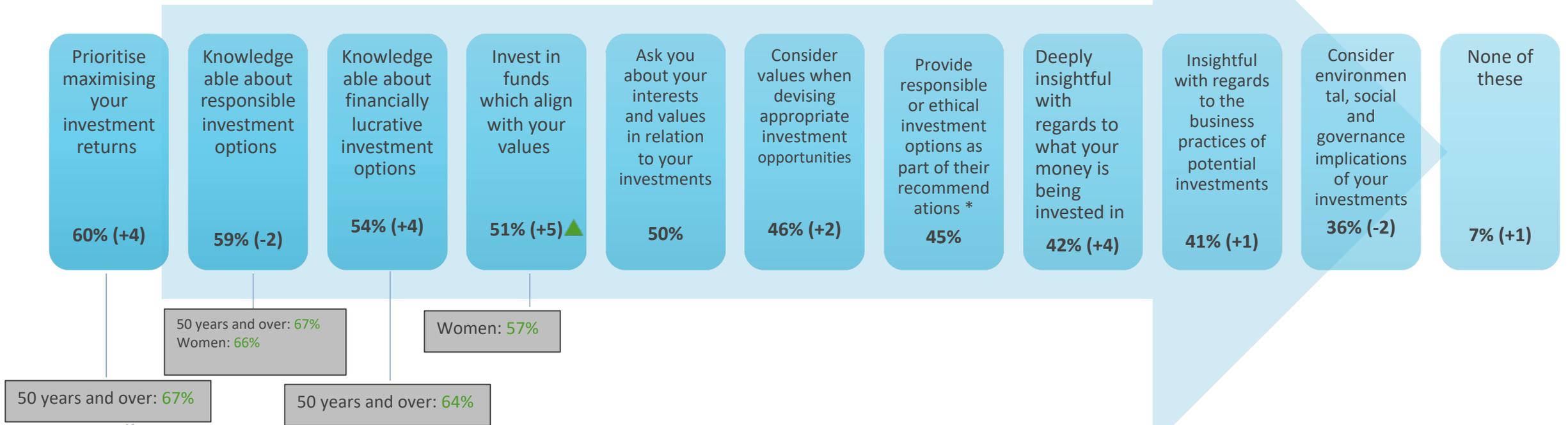
Not comparable with previous years due to change of ratings and question change

What New Zealanders expect from their financial advisor

Financial advisors are expected to provide New Zealanders with KiwiSaver funds or other investments a large range of services and not only maximise returns but be knowledgeable in many areas. Since last year, more investors expect their advisor to invest in alignment with their values, particularly female investors.

%

The following demographic groups are higher:



▼▲ significantly higher/lower vs 2019
 xx/xx significantly higher/lower vs total

* - new option in 2020 Base: All respondents with KiwiSaver funds or have other financial investments (e.g. share portfolio) (831).
 Q16. When working with a financial advisor, which of the following, if any, would you expect of them? If you don't work with a financial advisor, please answer hypothetically..



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