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Retirement Commission
Whiriwhiria!

How to improve financial literacy: some successful strategies



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New Zealand

29th April 2010

2010 Pension Research Council Spring Conference
Wharton School, University of Pennsylvania

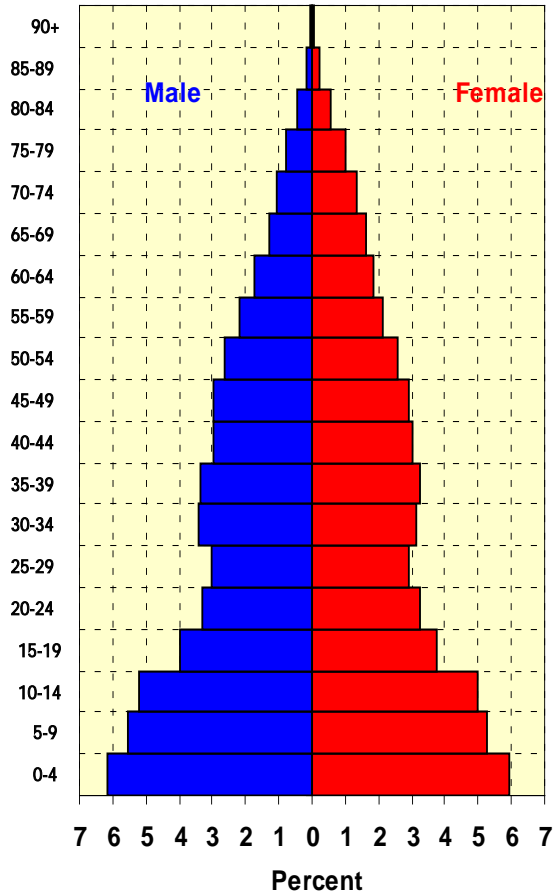
New Zealand



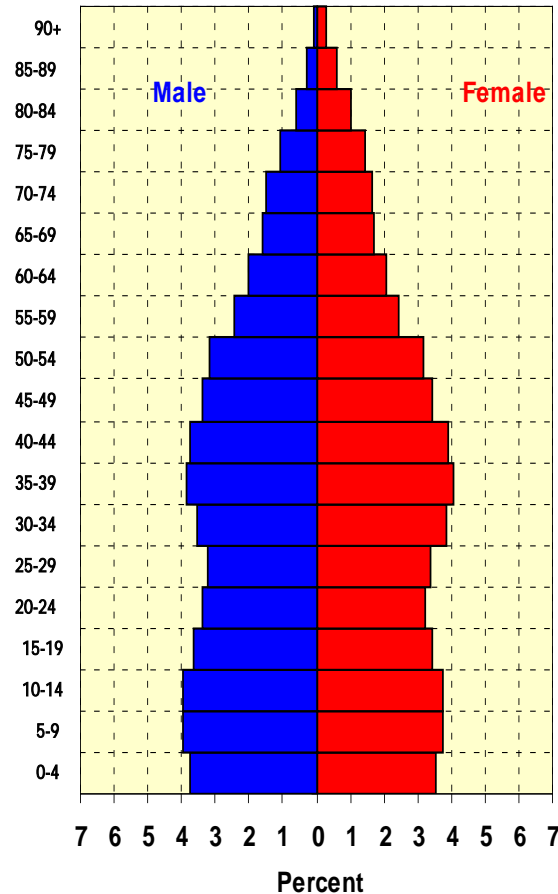
- Population 4.3 million - similar to Singapore
- Size equivalent to United Kingdom and Italy
- 80% population urban based, 20% rural based

NZ Population – Past, Present & Future

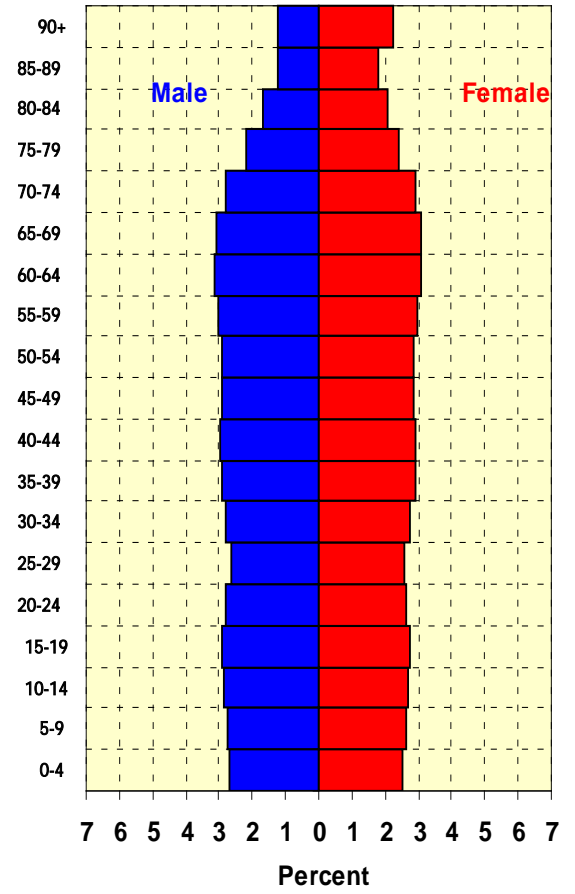
1961



2001



2061



The effect of the baby boom on New Zealand

- New Zealand population - 4,359,930
- Birthrate - 2.1 births per woman
- Life expectancy (Male) - 1901: 60
- 2006: 81

Population 65+	495,600 now	>	1,325,000 in 2051
Population 85+	61,000 now	>	335,000 in 2051

Source: Statistics New Zealand

What we do ...



- We are a small autonomous Crown Entity – ten people
- We provide financial information and education, so people can prepare financially for retirement
- We carry out regular reviews of retirement income policy

How to improve financial literacy – five strategies

- Development of the National Strategy for Financial Literacy
- Pursuit of public-private partnerships
- Website supported by ongoing promotion
- Integration of financial education into schools and tertiary education
- Reaching New Zealand's indigenous Māori population



New Zealand National Strategy for Financial Literacy

Vision: Personal financial wellbeing for New Zealanders

Mission: New Zealanders are financially well-educated and can make informed financial decisions throughout their lives

- Developing quality
- Extending delivery
- Monitoring and evaluating



Developing public/private partnerships

- National survey of adult financial knowledge – financially supported by a major bank
- National financial literacy summit – funded by the finance sector and government
- www.financialliteracy.org.nz – hosted by the Retirement Commission and funded by the private sector
- Pilot financial education programme in schools – funded by the main New Zealand banks
- NGO nationwide parenting programme – personal financial management module – funded by a bank

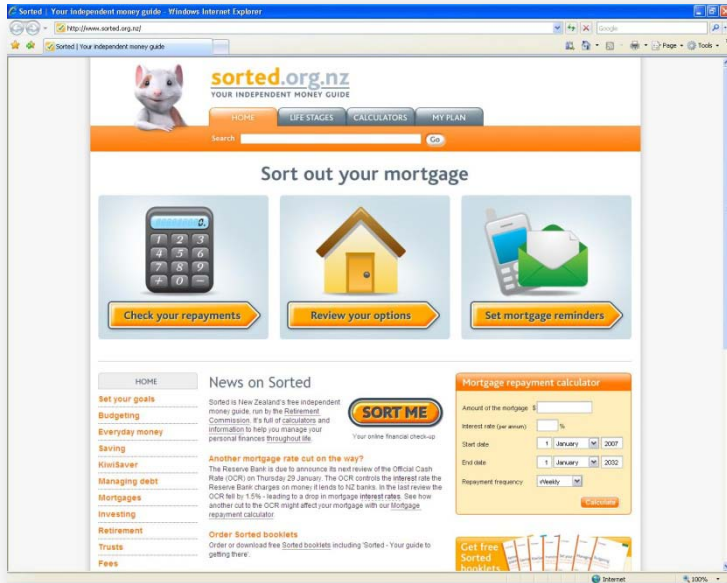
Sorted

Website

Mobi

Booklets

Seminars



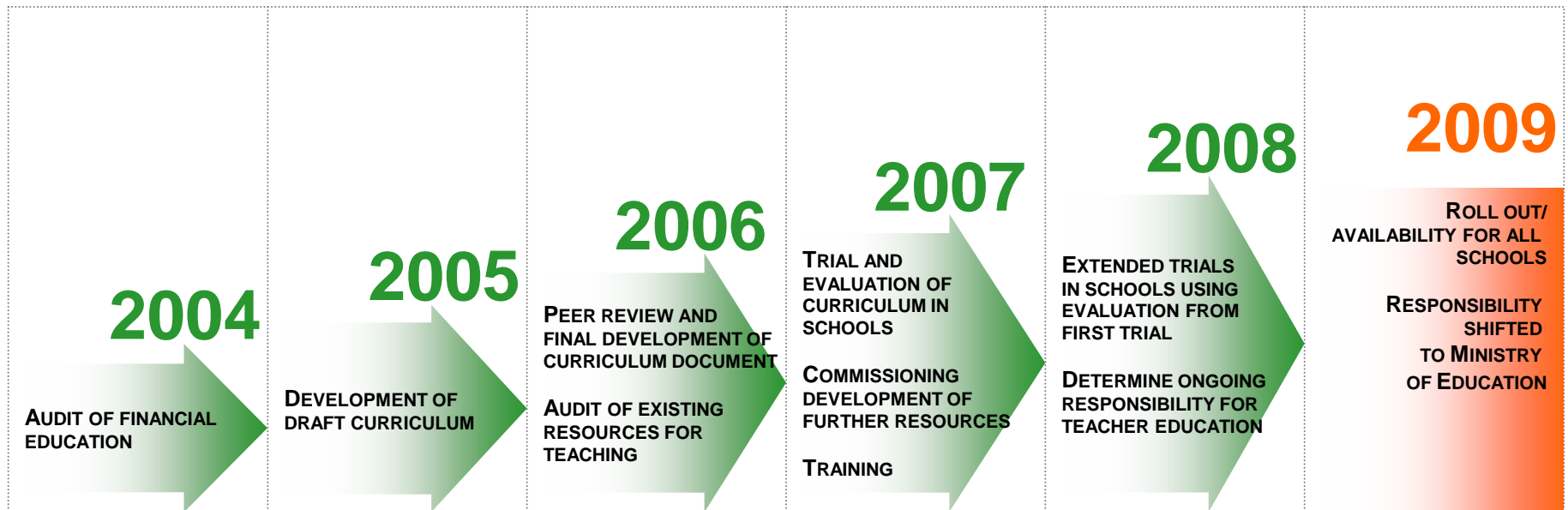
sorted.org.nz
YOUR INDEPENDENT MONEY GUIDE

Sorted statistics

- Nearly 30% of New Zealanders have used Sorted
- Over 31 million calculations have been made since 2001
- Over half a million free Sorted booklets were distributed across New Zealand in 2009



Financial Education in Schools



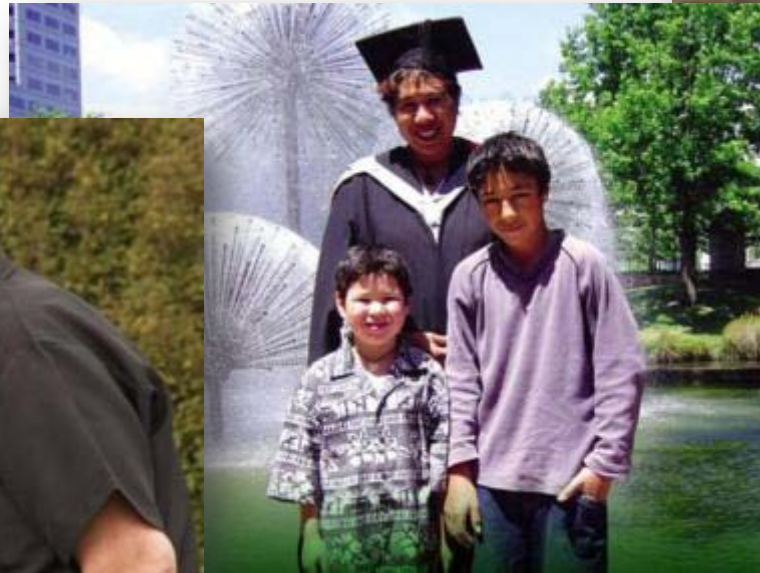
Tertiary



- 16 Unit Standards available for levels 1-3 – with credits
- Resources of seven unit standards
- Taught by polytechnics and Private Training Enterprises
- Industry Training Organisations involved in development and promotion

Targeting Māori

- 15% of population
- Low levels of financial literacy
- Developing a national strategy 2010 – 2015



Evaluating effectiveness

“The impact of any one programme can probably never be fully isolated. Nevertheless, evaluating the effectiveness of financial education can and should be improved.”

Alison O’Connell, May 2008

- It’s not easy to measure long term - it is important to try
- We have developed guidelines for evaluation



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