

Supporting Savers

Force to save

In groups, discuss these ideas relating to the word saving. Explain the positives and negatives of each statement as a plan for saving. Justify which one would work for you the best and explain why?

Compulsory contributions are deducted from your wages into KiwiSaver or a similar scheme to save for your retirement. This can only be withdrawn by first home buyers. Compulsory savings schemes are not legislated in New Zealand, so it is up to each individual to decide whether they want to join.

Make it hard to not save

Bundled up schemes - these offers usually include enticements so the customer can make savings. For example, you might choose to put all of your insurance policies - house, car and contents insurance with the same company so that you get a discount. Check out your latest electricity bill and see the savings you could make by comparing costs with another provider.

Make it easy to save

Have a workplace saving plan in place. When you get a pay rise ask for it to go automatically into your savings account. Put all tax refunds into a savings account. Ensure any surplus money is put into a savings account.

Incentivise to save

If you are an employee, your employer will pay a minimum of 3% of your total salary or wages into your KiwiSaver account unless another rate is negotiated when employed. The government will contribute 50 cents for each dollar you contribute. Up to the maximum rate of \$521.43 per year.

Provide social support for saving

Make saving a group activity. Collective saving is an effective way of saving for some communities. Discuss the common goals and decide on shared values and rules. Decide who is part of the decision-making process and put time frames and monitoring measures in place. Groups of people can invest in the share market and use any earnings they make for savings. Again, agree on the rules and expectations first.

Make it fun to save

Gamify savings. Apps are available that track your savings and alert you when you have achieved small goals. You can be awarded points which you can bank as bonus dollar values or you can select a prize. Positive saving behaviours are rewarded, making the saver more engaged.