

# FSC

## STATE OF THE SECTOR



## INSIGHTS INTO FINANCIAL SERVICES IN NEW ZEALAND FEBRUARY 2026

In partnership with



Financial Services  
Council NZ

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# 01

## EXECUTIVE SUMMARY

This State of the Sector research report provides a snapshot in time of New Zealand's financial services industry, offering insights into the KiwiSaver, investment, health insurance, life insurance and financial advice markets. Together, these sectors represent a cornerstone of New Zealand's economic wellbeing, with KiwiSaver alone now exceeding \$140 billion in assets under management and insurance and advice services supporting millions of New Zealanders in building financial resilience and security.

As highlighted in previous FSC research, the sector is being reshaped by evolving consumer expectations, regulatory reform and the rapid adoption of digital technologies. These forces are redefining the role of providers, advisers and insurers and reshaping how New Zealanders engage with financial services. The industry is responding by strengthening trust, transparency and innovation to meet the needs of a diverse and changing population.

To enable the sector to prepare for the future, this report brings together the current state of the New Zealand economy, the wider financial services landscape and the growth of KiwiSaver, insurance and advice services in supporting New Zealand households. It examines both domestic and global trends, providing comparisons that highlight New Zealand's unique position and opportunities within the international financial services ecosystem.

This edition of Financial Services Council (FSC) research draws on industry data, consumer insights and contributions from across the sector to provide a detailed snapshot of its current size, shape and trajectory. It is a comprehensive analysis of the financial services profession in New Zealand, highlighting both challenges and opportunities as the sector adapts to a rapidly changing environment.



Kirk Hope  
Chief Executive  
Officer



Aimie Hines  
GM Advocacy

# 02

## KEY FINDINGS

### CONTRIBUTION TO NEW ZEALAND'S ECONOMY

The financial services sector enables New Zealanders to save, invest and protect what matters most, while contributing significantly to national prosperity.

**GDP NZ\$**  
**\$280.6B**

### FINANCE AND INSURANCE

**GDP NZ\$:**  
**\$16.1B**

**7TH MOST PRODUCTIVE INDUSTRY IN NZ**

**22% INCREASE IN PRODUCTIVITY (2020-2024)**

**669 BUSINESSES**

**73,146 EMPLOYEES**

**49% 51%**

Source: Stats NZ accessed November 2025. Data as at March 2025.

### KIWISAVER

KiwiSaver stands as one of the most transformative elements of this ecosystem and has evolved into the primary investment vehicle for most New Zealanders.

**KIWISAVER MEMBERS:**  
**3.4M**

Source: FMA as at March 2025.

**TOTAL FUM NZ\$:**  
**\$140.7B**

Source: RBNZ T43 September 2025.

**AVERAGE BALANCE NZ\$:**  
**\$36,349**

Source: FMA as at March 2025.

### HEALTH INSURANCE

Health insurance is equally integral to national wellbeing, with the sector easing pressure on the public health system and ensuring timely access to care.

**TOTAL COVERS:**  
**1.35M**

**TOTAL CLAIMS PAID NZ\$:**  
**\$2.545B**

Source: FSC data, paid in 12 months ending September 2025.

### MANAGED FUNDS

The managed funds sector has expanded significantly, driven by KiwiSaver growth and broader investment trends.



**TOTAL FUM NZ\$:**  
**\$363B**

Source: RBNZ data as at September 2025.

**HOUSEHOLD ASSETS:**  
**\$2.4T**

Source: RBNZ data as at June 2024, accessed November 2025.

### LIFE INSURANCE

Life insurance provides peace of mind and financial stability, protecting families from hardship and reducing reliance on government support.



**TOTAL COVERS:**  
**4.13M**

Source: FSC data as at end September 2025.

**TOTAL CLAIMS NZ\$:**  
**\$1.368B**

Source: FSC data, paid in 12 months ending September 2025, estimated.

## 03

**KPMG FOREWORD**

New Zealand's financial services sector is entering a defining period – one where the true measure of progress lies not only in financial performance but in how effectively the industry responds to the changing needs, expectations and realities of the people it serves.

What is clear from this year's State of the Sector report is that financial services are not solely products or transactions. They are enablers of confidence, resilience and opportunity. This evolution brings with it a responsibility: to build systems, services and experiences that are fair, accessible and genuinely supportive of long-term wellbeing.

We're seeing strong momentum across the sector. Organisations are modernising core operations, investing in data and digital capability and strengthening conduct, culture and consumer outcomes. But perhaps most encouraging is the shift towards partnership across providers, regulators, advisers and technology innovators to solve shared challenges in retirement preparedness, health access and household financial resilience.

As we look ahead, our focus must turn to closing the gaps that matter: lifting financial literacy, identifying opportunities for mutual partnerships across the sector, ensuring sustainable product design and preparing the sector for the demographic, social and climate-related pressures that lie ahead.

KPMG is committed to supporting a financial services ecosystem that is modern, trusted and inclusive. One that not only responds to change, but actively shapes a more confident and financially secure Aotearoa New Zealand.



Cath Robertson-Hodder  
Consulting Partner  
KPMG New Zealand



## 04

**INTRODUCTION**

In a world shaped by economic uncertainty, demographic change, digital acceleration and shifting consumer expectations, financial services providers and advisers are stepping up for New Zealanders, not just as intermediaries but as trusted partners, resilience builders and strategic guides for households and businesses alike.

This report, part of the FSC's ongoing research series, builds on the work of the FSC and its committees, which have been instrumental in driving collaboration, setting standards and shaping the future of the sector.

It offers a timely, data-driven view of today's financial services profession, drawing on international and domestic data alongside contributions from across KiwiSaver, investment, insurance and advice, representing a diverse cross-section of providers, advisers and consumers.

These perspectives, combined with industry data and global benchmarks, paint a picture of a sector that is resilient, responsive and continuing to grow.

The purpose of this report is two-fold: to map the current size, shape and economic contribution of New Zealand's financial services sector and to understand the dynamics at play and identify strategic priorities for New Zealanders to improve their financial confidence and wellbeing.

## 05

**ECONOMIC CONTRIBUTION**

The financial and insurance services sector plays a pivotal role in supporting New Zealand's economic stability and growth. It provides essential services such as banking, investment, risk management and insurance that enable businesses to operate confidently and individuals to safeguard themselves, their families and their assets.

## 5.1 NEW ZEALAND IN THE GLOBAL CONTEXT

Gross domestic product (GDP) is a widely used global measure of economic performance that represents the total value of goods and services produced within a country over a specific period, typically a year.<sup>1</sup>

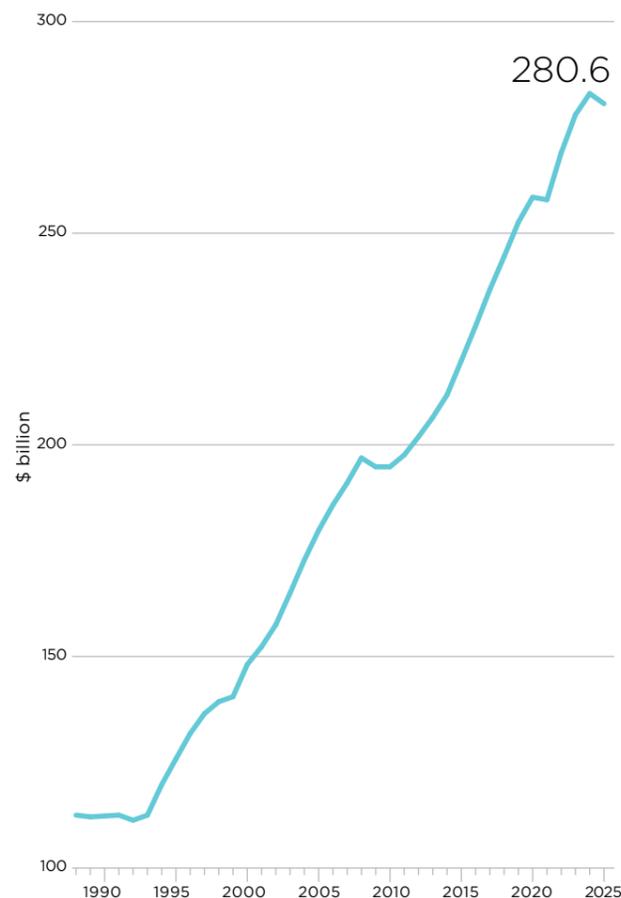
According to the World Bank,<sup>2</sup> global GDP in 2024 was estimated at US\$111.25 trillion.

The production approach to GDP, used by the Reserve Bank of New Zealand (RBNZ),<sup>3</sup> measures the total value of goods and services produced in New Zealand, after deducting the cost of goods and services used in the production process. This is also known as the value-added approach.

Globally, New Zealand's position in the GDP rankings highlights its role as a small but advanced economy. The United States leads the world with a GDP of US\$29.18 trillion, followed by China at US\$18.74 trillion and Germany at US\$4.66 trillion. In comparison, New Zealand's output is modest, yet its trajectory reflects a resilient and diversified economy that continues to integrate effectively into the global market.

New Zealand's real GDP has grown steadily over the past four decades, rising from around \$112.5 billion in 1988 to just over \$280 billion in 2025. Although there were dips during periods like the early 1990s downturn, the Global Financial Crisis and the COVID-19 shock, the economy consistently recovered and continues its long-term upward trend.

**Figure 1: New Zealand GDP (production-based GDP real NZ\$ billion)**



Source: RBNZ GDP (M5) collated and accessed November 2025. Data points to end March.

### OUTPUT BY REGION

For the year ended March 2024, the Auckland region accounted for approximately 38% of New Zealand's nominal GDP, while the South Island contributed 22.5%. Canterbury made up more than half of the South Island's GDP, representing around 55% of the total. Regional GDP figures are presented on a nominal basis.

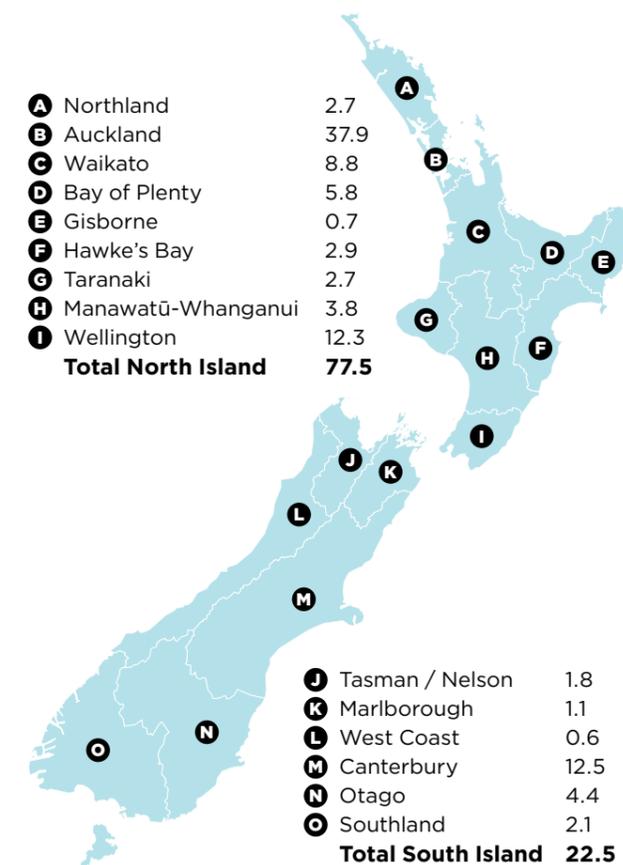
### PRODUCTIVITY

Productivity in New Zealand's financial and insurance sector has grown over the last 20 years. According to Stats NZ,<sup>4</sup> the output (what the sector produces) increased from 2,450 in 2000 to 4,100 in 2024. Over the same period, inputs (labour + capital used) rose from 1,950 to 3,100.

Because output grew faster than inputs, multifactor productivity (MFP) improved, from 1,255 to 1,345. This means the industry is getting better at producing more with fewer resources.

Although MFP growth has slowed since around 2010, the financial and insurance sector is still one of New Zealand's most productive service industries.

**Figure 2: Output by region 2024 (% share of national GDP)**



Source: Stats NZ accessed November 2025. Data points to end March.

<sup>1</sup>World Bank Group Metadata Glossary accessed November 2025. <sup>2</sup>World Bank Group data accessed November 2025. <sup>3</sup>RBNZ GDP (M5) accessed November 2025. Data points to end March.

<sup>4</sup>Stats NZ accessed November 2025.

## 5.2 FINANCIAL AND INSURANCE SERVICES

The financial and insurance services sector in New Zealand plays an important role in supporting the economy. It provides essential functions such as investment, savings and risk management, which enable households and businesses to operate efficiently.

A robust financial system is critical for economic productivity and resilience, as it ensures liquidity, stability and confidence in markets. Through insurance and investment services, this sector underpins growth across all other industries.

This sector includes banks and lenders, investment companies and insurance providers offering life, health and general cover. It also covers superannuation funds for retirement savings and auxiliary businesses that support these services, such as brokers, financial advisers and consulting services.<sup>5</sup>

Figure 3: GDP by industry – annual values (NZ\$ million)

<b>1</b>  Rental, hiring and real estate services \$41,199m	<b>2</b>  Prof, scientific, admin, technical and support \$32,984m	<b>3</b>  Manufacturing \$21,619m	<b>4</b>  Health care and social assistance \$19,227m	<b>5</b>  Retail trade and accommodation \$18,712m
<b>6</b>  Construction \$16,600m	<b>7</b>  Financial and insurance services \$16,097m	<b>8</b>  Agriculture, forestry and fishing \$14,848m	<b>9</b>  Wholesale trade \$14,018m	<b>10</b>  Public administration and safety \$13,417m
<b>11</b>  Transport, postal and warehousing \$11,179m	<b>12</b>  Information media and telecommunications \$11,097m	<b>13</b>  Education and training \$9,771m	<b>14</b>  Arts, recreation and other services \$9,188m	<b>15</b>  Electricity, gas, water and waste services \$7,242m

Source: Stats NZ accessed November 2025. Data as at March 2025.

<sup>5</sup> Ariā accessed November 2025. ANZSIC K Financial and Insurance Services classification.

### 5.2.1 SECTOR GDP CONTRIBUTION

Financial and insurance services are a significant contributor to New Zealand’s GDP. For the year ended June 2025, the sector generated approximately NZ\$16,097 million,<sup>6</sup> ranking seventh among all industries. This places it ahead of agriculture, wholesale trade and public administration and just behind construction and retail trade.

Over the past five years, the sector has shown steady growth, rising from NZ\$14,668 million in 2020 to NZ\$16,097 million in 2025. This upward trend reflects the increasing demand for financial intermediation, insurance coverage and investment services in a growing economy.

Real GDP excludes the effects of changing prices (inflation), and this methodology applies consistently across industries.

Figure 4: GDP financial services industry 2020–2025 – annual values (NZ\$ million end June 2025)



Source: Stats NZ accessed November 2025 . Data as at March 2025.

<sup>6</sup> Stats NZ accessed November 2025.

### 5.2.2 KEY DOWNSTREAM IMPACTS

The influence of financial and insurance services extends far beyond the direct GDP contribution.

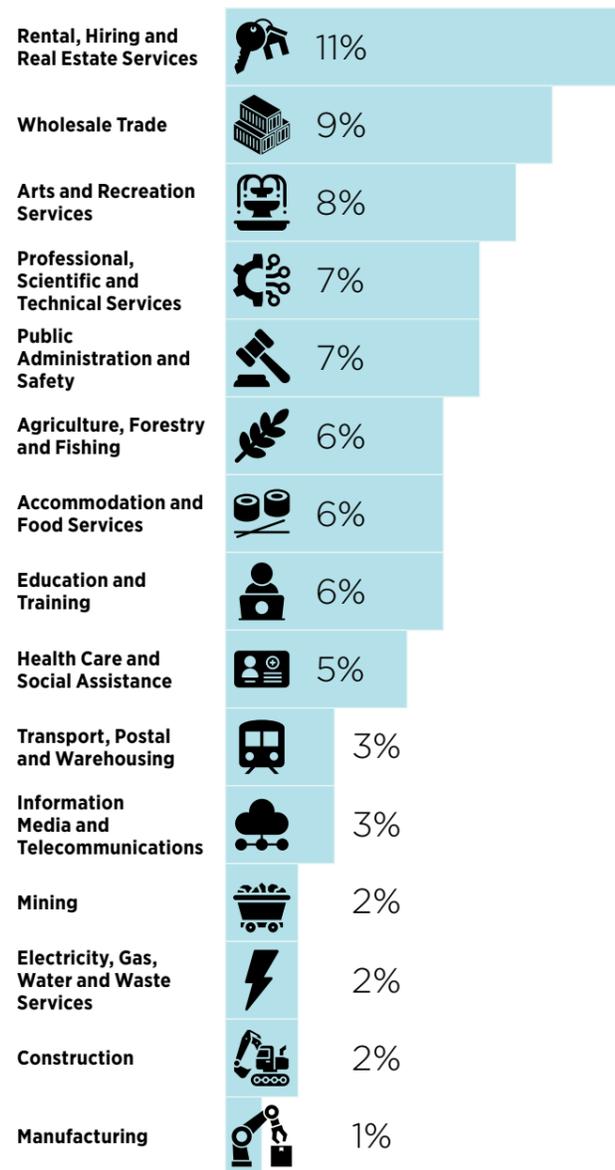
By channelling funds from savers to borrowers, the sector enables investment in infrastructure, innovation and business expansion. Insurance services provide risk mitigation, allowing firms and individuals to recover from unforeseen events such as natural disasters or market volatility. This risk-sharing mechanism fosters entrepreneurship and long-term planning.

Furthermore, the sector supports financial stability through sound banking and regulatory oversight, ensuring resilience against economic shocks. It also facilitates transactions by maintaining payment and settlement systems essential for domestic and international trade.

Insurance companies, through investments, often finance large-scale infrastructure projects, reinforcing their role in national development. Inter-industry linkages are strong – financial institutions purchase services from professional, technical and IT sectors, creating a network of economic interdependence.

Input-output analysis highlights the sector’s integration with other industries. Finance and insurance services account for an average of 3.8–4.2% of total intermediate inputs across all industries. The share is highest in real estate and rental services (around 11%) and wholesale trade (around 9%), while primary industries such as agriculture and manufacturing have lower shares (6.0% and 1.0%, respectively). This pattern underscores the sector’s critical role in supporting service-oriented and capital-intensive industries.

Figure 5: Finance and insurance share of total inputs by industry (approx.) 2020



Source: Stats NZ accessed November 2025.

### 5.2.3 PRODUCTIVITY – LABOUR AND CAPITAL INPUT TRENDS IN FINANCIAL AND INSURANCE SERVICES

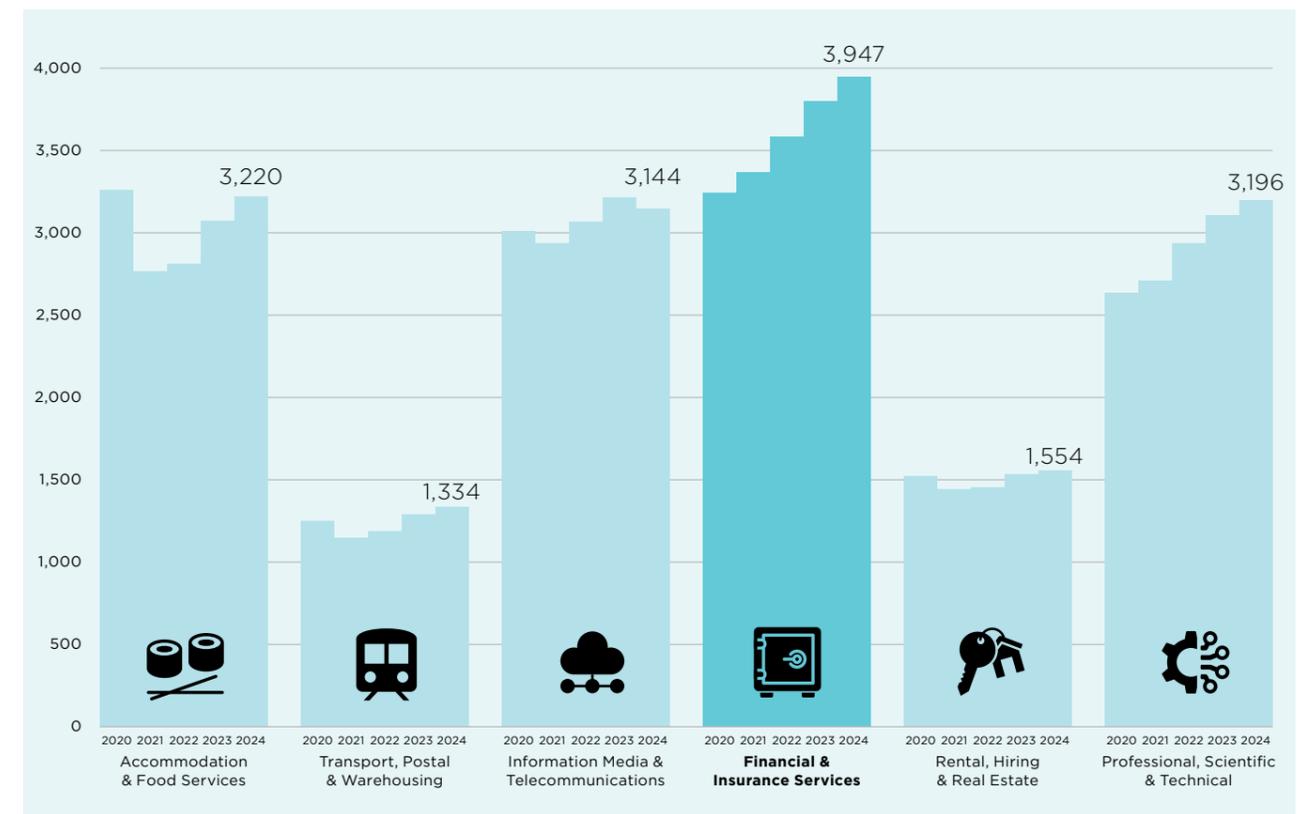
The total input index (income-weighted labour and capital inputs, base 1978 = 1,000) provides insight into how industries in New Zealand have expanded their resource base over time.

For the financial and insurance services sector, the index demonstrates a consistent upward trajectory between 2020 and 2024, reflecting both labour expansion and capital intensification. This trend highlights the sector’s reliance on skilled human capital and advanced technological infrastructure to meet regulatory, operational and customer demands.

The financial and insurance services sector has increased total inputs for the productivity measure from 3,243 in 2020 to 3,947 in 2024, a 22% increase outpacing many other service industries.

The sector is highly knowledge-intensive, which drives demand for highly skilled employees, contributing to the overall rise in input measures. At the same time, capital inputs have increased due to investments in areas such as digital platforms, cybersecurity systems and cloud-based infrastructure supporting innovations in fintech and insurtech as well as to comply with international banking and insurance standards.

Figure 6: Total input index by industry (selected service industries 2020–2024)



Source: Stats NZ accessed November 2025.

# 06

## INDUSTRY PROFILE

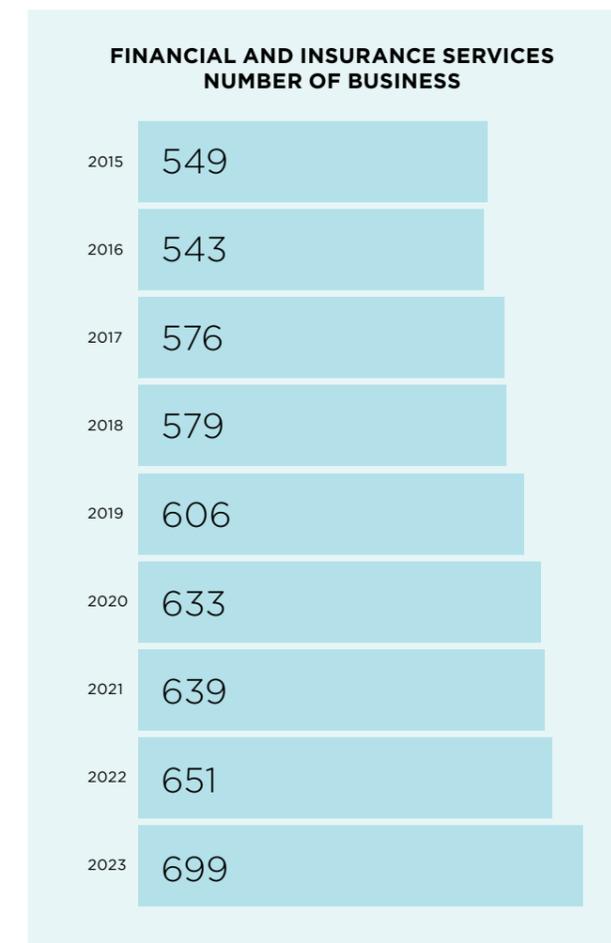


The financial and insurance services sector in New Zealand is a key employer, offering stable, skilled roles that support the broader economy. This section examines the number of businesses, employment trends and workforce diversity, including ethnicity and age profiles.

### 6.1 NUMBER OF BUSINESSES

The sector has experienced steady growth in the number of businesses over the past decade. In 2015, there were 549 businesses and by 2023, this figure had risen to 699, an increase of nearly 27%. This growth reflects rising demand for financial intermediation and insurance services as well as the entry of new digital and fintech providers.

Figure 7: Growth in number of financial and insurance businesses (2015-2023)



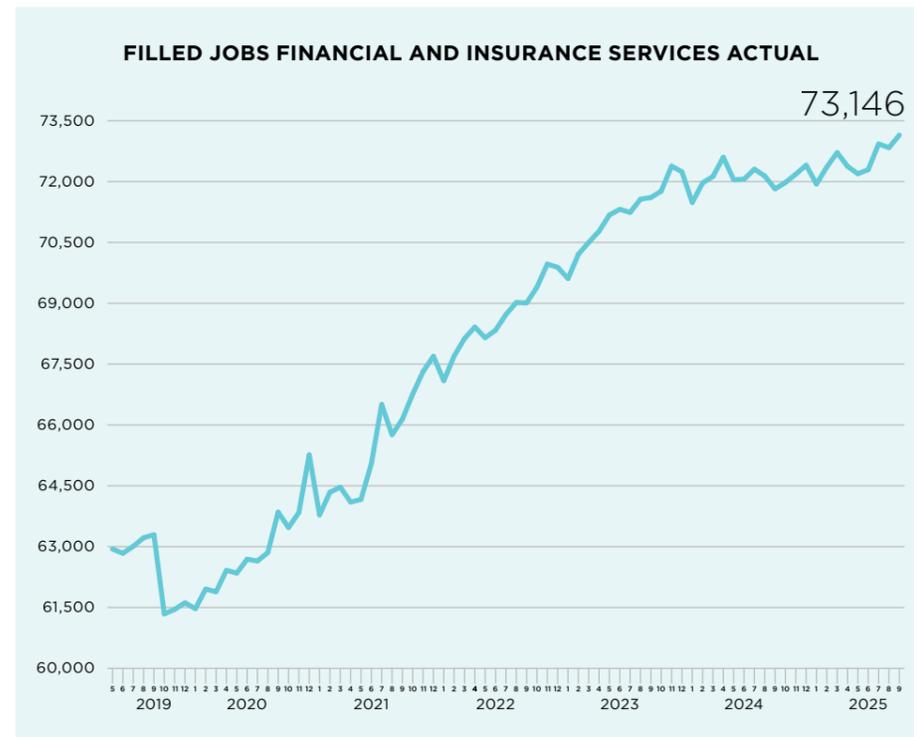
Source: Stats NZ accessed November 2025. Data as at 2023.

## 6.2 FILLED JOBS

Employment in the sector has expanded significantly. Filled jobs increased from 62,940 in May 2019 to 73,146 in September 2025, representing a growth of over 16%. Despite minor fluctuations during the pandemic, the trend has remained upward, signalling strong demand for skilled professionals.

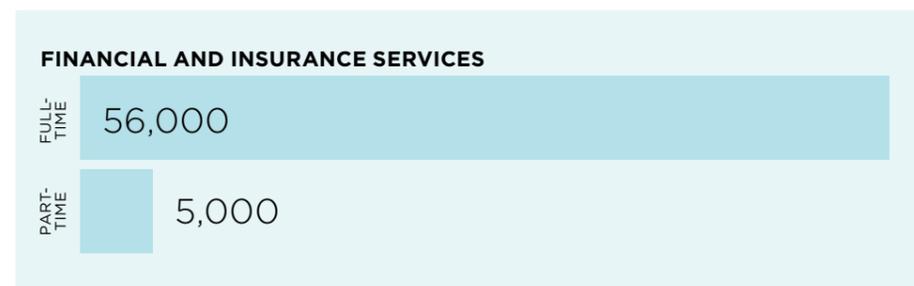
Full-time roles dominate the sector, with 56,000 full-time employees compared to 5,000 part-time employees in 2023.

**Figure 8: Filled jobs in financial and insurance services (2019–2025)**



Source: Stats NZ accessed November 2025. Data as at September 2025.

**Figure 9: Part-time and full-time staff by industry (annual – August)**

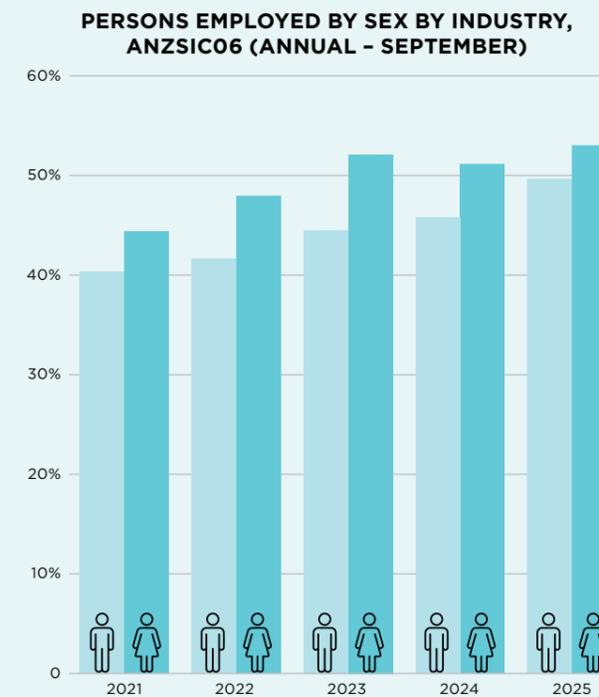


Source: Stats NZ accessed November 2025. Data as at August 2023.

## 6.3 GENDER DIVERSITY

Gender diversity has improved steadily. In 2025, the sector employed 48% males and 52% females. Female representation remains slightly higher, indicating progress towards gender balance. However, the gender pay gap remains high at 23% for this sector compared with the 5.2% New Zealand average.<sup>7</sup>

**Figure 10: Gender diversity in financial and insurance services (2021–2025)**



Source: Stats NZ Infoshare accessed November 2025.

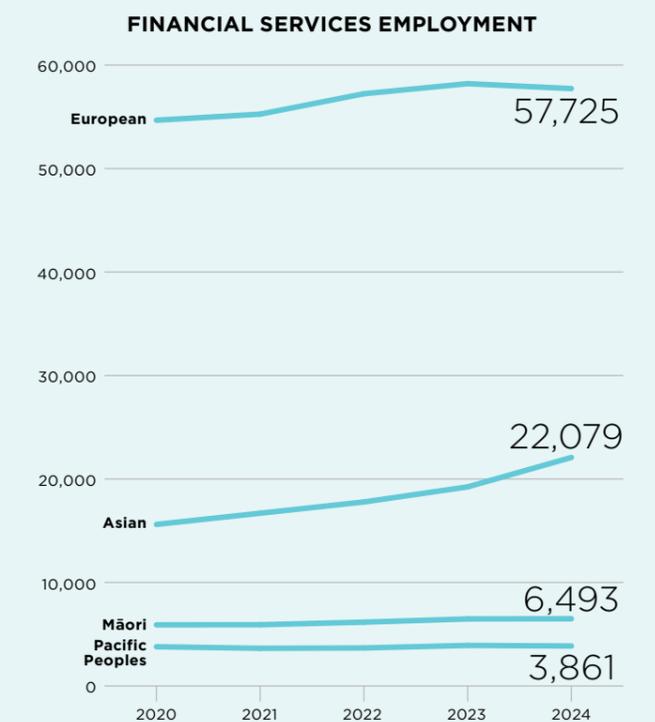
## 6.4 ETHNIC COMPOSITION

The financial and insurance services sector shows a mix of ethnic backgrounds though it remains predominantly European. In 2024, European workers accounted for 57,725 roles (around 63%), followed by Asian workers with 22,079 roles (about 24%), Māori with 6,493 roles (11%) and Pacific Peoples with 3,861 roles (7%).

Over the five-year period from 2020 to 2024, Asian representation grew from 15,612 to 22,079 roles, an increase of nearly 41%, reflecting the sector's ability to attract talent from diverse global communities.

Māori and Pacific Peoples have maintained steady participation though their share remains comparatively small. Within Asian subgroups, communities such as Indian, Malaysian Indian and Hong Kong Chinese feature prominently, underscoring the international character of financial services and its reliance on multicultural expertise.

**Figure 11: Ethnicity**



Source: Infometrics accessed November 2025. Data as at 2024.

<sup>7</sup> Ministry for Women accessed November 2025.

## 6.5 AGE PROFILE

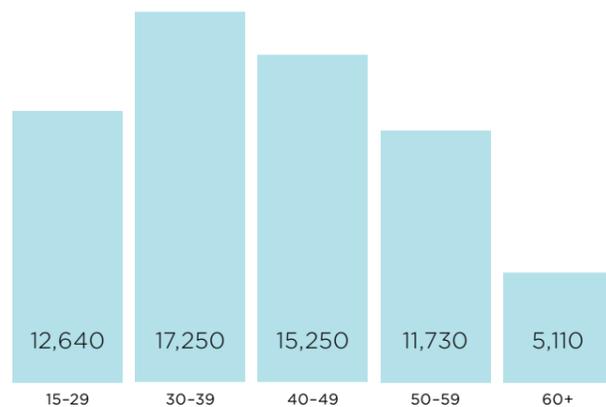
The financial and insurance services workforce is concentrated among mid-career professionals. Of the 61,990 jobs in March 2020, nearly 60% were held by workers aged 30–49, reflecting the experience of the sector’s teams.

Younger workers represent only a small share: workers aged 15–19 account for less than 1% (540 jobs) and workers aged 20–24s about 7% (4,170 jobs). In contrast, the largest age cohorts are 35–39 years (8,730 jobs) and 30–34 years (8,520 jobs), together making up almost 28% of the workforce.

Employment gradually declines after age 50 though older workers remain present, with 1,820 jobs held by those aged 65 and over.

This distribution underscores the industry’s reliance on seasoned professionals, driven by the complexity, compliance obligations and trust-based nature of financial services.

Figure 12: Age



Source: Infometrics accessed November 2025. Data as at 2024.

## 6.6 EDUCATION

The sector is highly skilled, with nearly half of its workforce holding a university degree or higher qualification. Compared to the national average (around 30% with a degree), financial and insurance services employ a disproportionately educated workforce, reflecting the technical and regulatory nature of the industry.

Figure 13: Education level



Source: Stats NZ accessed November 2025. Data as at 2023 Census.

## 6.7 LABOUR MARKET OPPORTUNITIES

Financial and insurance services stand out with \$63.24 average hourly earnings, the highest among all listed industries and a five-year employment growth of +20,400 jobs, signalling strong sector resilience and attractive remuneration.

This trend, combined with MBIE forecasts for continued demand in compliance, advisory and technology-enabled roles, positions financial services as a sector with robust employment prospects and growing regional opportunities.

Figure 14: Industry employment summary

Industry	Employed	1-year change	5-year change	Average hourly earnings
Agriculture, Forestry and Fishing	154,800	-2,300	-17,000	NA
Mining	8,400	+200	+3,100	NA
Manufacturing	248,500	+8,600	+2,400	\$40.41
Electricity, Gas, Water and Waste Services	32,300	+500	+4,900	\$52.94
Construction	284,000	-6,700	+17,400	\$40.93
Wholesale Trade	104,400	+11,100	+4,300	\$43.21
Retail Trade and Accommodation	401,700	+9,500	+18,100	\$32.37
Transport, Postal and Warehousing	122,900	-3,200	+1,800	\$40.56
Information Media and Telecommunications	35,800	-3,500	+100	\$55.83
<b>Financial and Insurance Services</b>	<b>104,900</b>	<b>+7,700</b>	<b>+20,400</b>	<b>\$63.24</b>
Rental, Hiring and Real Estate Services	67,300	-1,600	+14,700	\$42.07
Professional, Scientific, Technical, Administrative and Support Services	352,600	-20,300	+31,100	\$49.48
Public Administration and Safety	195,900	-10,400	+28,300	\$50.13
Education and Training	227,700	+3,500	+8,200	\$45.35
Health Care and Social Assistance	300,400	-16,700	+10,500	\$45.81
Arts, Recreation and Other Services	195,400	+1,600	+25,900	\$38.30

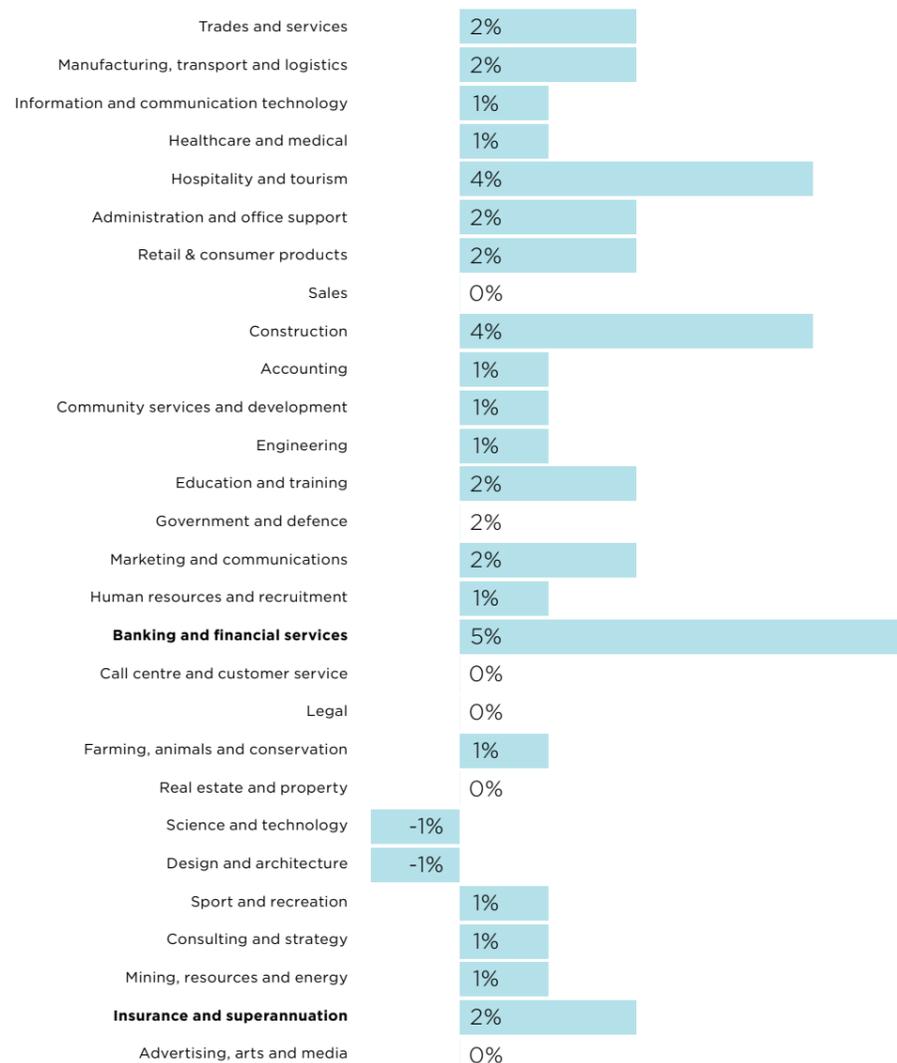
Source: MBIE accessed November 2025. Data as at September 2025.

## 6.8 RECRUITMENT

Banking and financial services recorded the fastest monthly recruitment growth in September 2025 at 5% and volumes are up 10% quarter on quarter, reaching their highest level in two years. Insurance and superannuation recorded a 2% increase.

While overall recruitment advertisement volumes remain below historical averages, strong demand in Canterbury and Otago where recruitment ads are 17% higher year on year and rising applications per job ad (up 10% annually) indicate a competitive market with abundant candidate interest.

Figure 15: Recruitment advertisements



Source: SEEK accessed November 2025. Data as at September 2025.

# 07

## SECTOR IN FOCUS



The financial services sector plays a vital role in supporting the wellbeing and financial confidence of New Zealanders. This section examines trends in life and health insurance coverage, KiwiSaver participation and managed funds growth, drawing on data from the FSC, Financial Markets Authority (FMA), Inland Revenue and RBNZ.

## 7.1 HEALTH AND LIFE INSURANCE

### HEALTH INSURANCE

**TOTAL COVERS:**  
1.35M

**TOTAL CLAIMS PAID NZ\$:**  
\$2.545B

Source: FSC data, paid in 12 months ending September 2025.

### LIFE INSURANCE

**TOTAL COVERS:**  
4.13M

Source: FSC data as at end September 2025.

**TOTAL CLAIMS NZ\$:**  
\$1.368B

Source: FSC data, paid in 12 months ending September 2025, estimated.

The life and health insurance industry provides essential protection for individuals and families, mitigating financial risks associated with illness, accidents and death, and provides households with financial security against adverse events, reducing vulnerability and stabilising consumption patterns during crises.

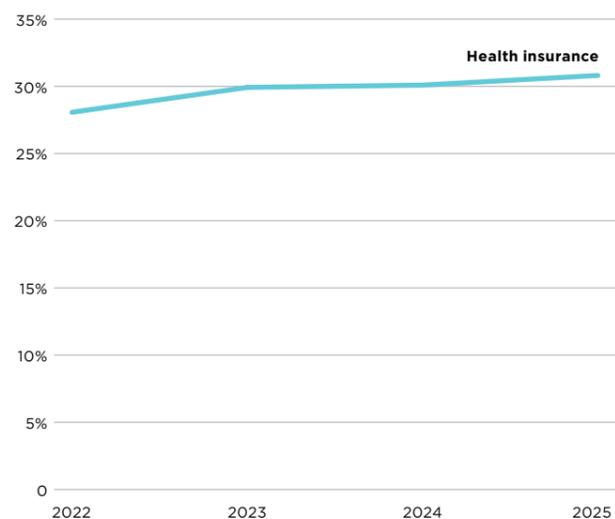
Industry data collected by the FSC, alongside insights from FSC Money & You research, highlights several important trends.

#### 7.1.1 HEALTH INSURANCE

##### Population coverage

The FSC research population (18 years or older, self-reported coverage) remains stable at around 28-30% of respondents indicating holding health insurance, suggesting that health insurance uptake is keeping pace with the general population growth.

Figure 16: NZ population by health insurance



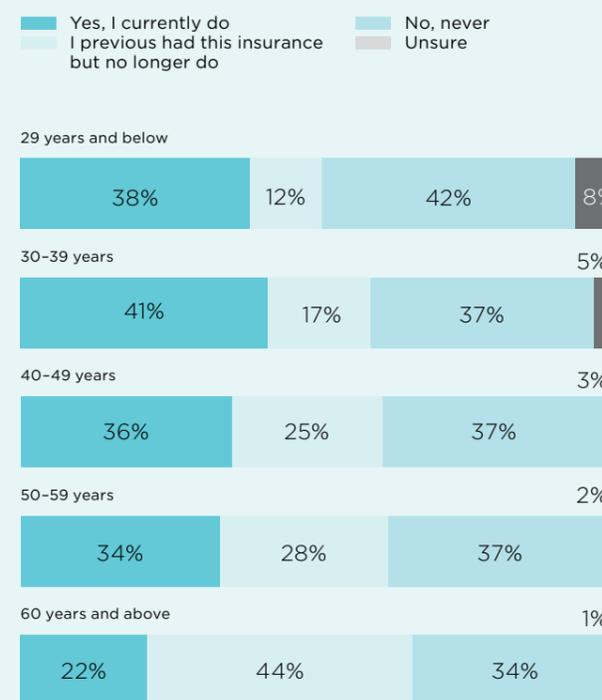
Source: FSC research as of end March 2025. Accessed November 2025.

##### Age-based coverage trends

FSC Money & You research from 2025 shows that, when asked about health insurance, respondents across the 18 to 59 year age group had similar health insurance uptake.

These patterns indicate that health insurance maintains broader appeal but declines slightly in later years.

Figure 17: Health insurance by age



Source: FSC research as of end March 2025. Accessed November 2025.

##### Gender-based claim coverage

There is little difference between males and females in terms of health insurance coverage. However, females receive more in claims per dollar of premium paid, indicating higher utilisation of health benefits.

Figure 18: Health insurance by gender

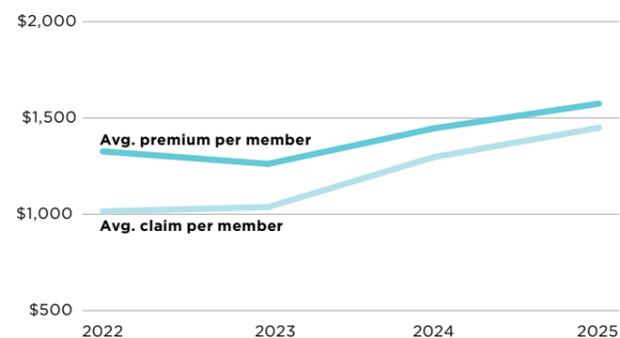


Source: FSC member data as at end March 2025. Accessed November 2025.

**Premiums and claims**

Premiums and claims for males and females are largely consistent across age groups.

**Figure 19: Health insurance premiums and claims (NZ\$)**



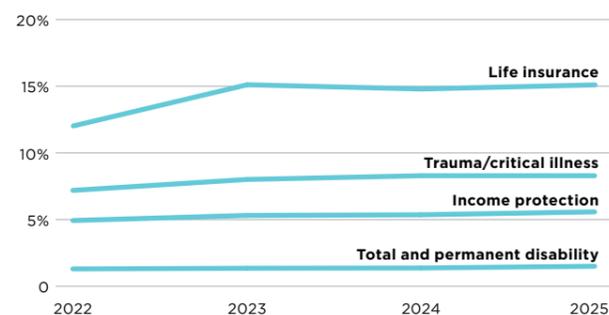
Source: FSC research as of end March 2025. Accessed November 2025.

**7.1.2 LIFE INSURANCE**

**Population coverage**

The FSC research population (18 years or older, self-reported coverage) remains at approximately 35% of respondents indicating holding a form of life insurance.

**Figure 20: NZ population by life insurance**



Source: FSC research as of end March 2025. Accessed November 2025.

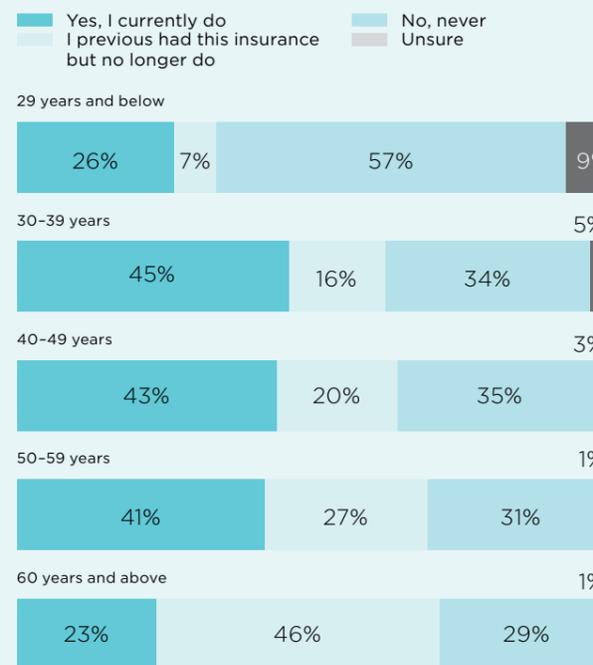
**Age-based coverage trends**

According to the FSC research population (18 years or older, self-reported coverage), life insurance uptake varies by age. Among adults aged 29 and below, 26% currently hold a policy, while a majority (57%) have never had coverage. Uptake rises in mid-life, peaking at 45% for ages 30-39 and 43% for ages 40-49, with over 60% of individuals in these brackets having either current or previous coverage.

In contrast, older adults (60+) show lower current coverage at 23%, but nearly half (46%) previously held life insurance, suggesting lapses after retirement.

These patterns indicate that life insurance is strongly age-dependent.

**Figure 21: Life insurance by age**

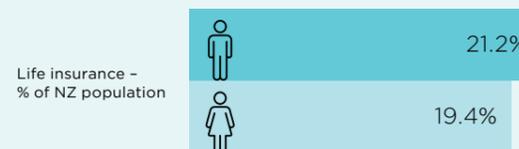


Source: FSC research as of end March 2025. Accessed November 2025.

**Gender-based claim coverage**

FSC member data shows that life insurance coverage is higher among males at 21.2% compared to 19.4% for females. Males claim more relative to the premiums they pay, highlighting a difference in claim patterns.

**Figure 22: Life insurance by gender**



Source: FSC member data as at end March 2025. Accessed November 2025.

**Premiums and claims**

Premiums and claims for life insurance have grown steadily, averaging 3% per year. From 2022 to 2025, the average premium per member increased slightly from around \$1,500 to just under \$1,600, while average claims per cover rose from approximately \$500 to about \$600. Through 2024, growth in life insurance premiums per insured slowed, indicating a reduction in cover on average.

**Figure 23: Life and health insurance by claim (NZ\$)**



Source: FSC research as of end March 2025. Accessed November 2025.

## 7.2 KIWISAVER

### KIWISAVER

KIWISAVER MEMBERS:

**3.4M**

Source: FMA as at March 2025.

TOTAL FUM NZ\$:

**\$140.7B**

Source: RBNZ as at September 2025.

AVERAGE BALANCE NZ\$:

**\$36,349**

Source: FMA as at March 2025.

KiwiSaver schemes have become a cornerstone of long-term savings, offering diversified investment options and tax advantages that encourage participation. As balances grow, these funds not only enhance household wealth but also channel capital into productive investments across domestic and global markets.

KiwiSaver has changed a lot since it started in 2007. It began as a voluntary retirement savings scheme, but now it also helps with buying a first home and dealing with financial hardship or serious illness. Over time, more investment options have been added, including growth, balanced and socially responsible funds, giving members more choice.

Recently, the government announced changes to boost savings. From 2026, the minimum contribution rate will rise from 3% to 3.5% and then to 4% in 2028.

Government contributions are being reduced and capped for higher earners, while those aged 16 and 17 will now get employer and government contributions. These changes aim to help people build bigger KiwiSaver balances for retirement and first-home deposits.

Figure 24: KiwiSaver total funds under management 2007-2025 (NZ\$ billion)



Source: RBNZ T43 dataset, accessed January 2026. Quarterly data as at September 2025.

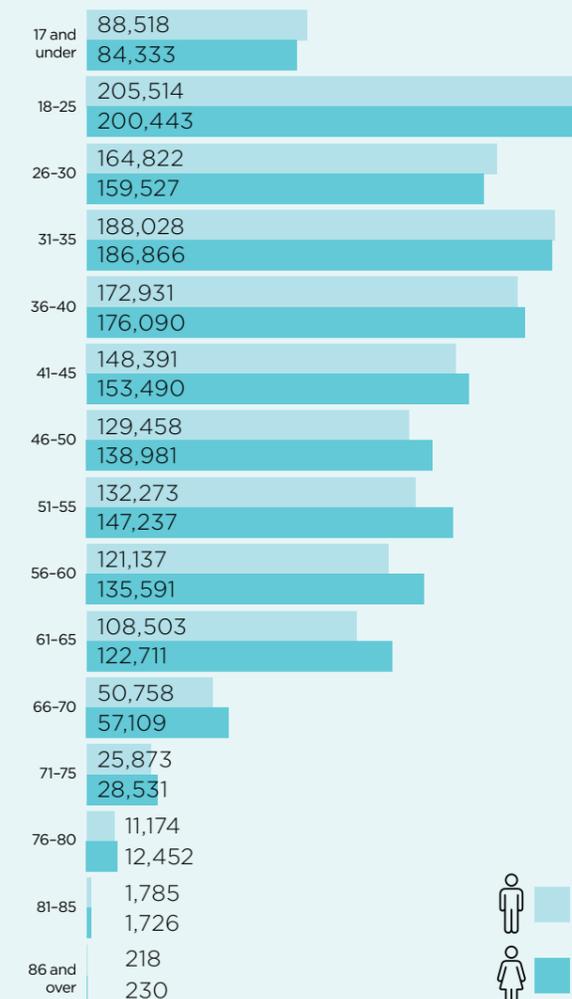
### Participation by gender and age

As at 31 March 2025, KiwiSaver membership totalled 3.39 million people, with a balanced gender distribution of 1.61 million females and 1.55 million males.

The largest age groups were between 18 and 45 years, reflecting strong participation among working-age individuals. For example, the 18-25 age group had 454,636 members, while the 31-35 group accounted for 406,660 members, indicating that younger adults are actively enrolling in KiwiSaver. Membership declines steadily after age 65, consistent with retirement trends and the age of the scheme.

This distribution highlights KiwiSaver's primary role as a long-term savings scheme for the working population, with most members concentrated in early and mid-career stages.

Figure 25: Number of KiwiSaver members by age as at 30 June 2025

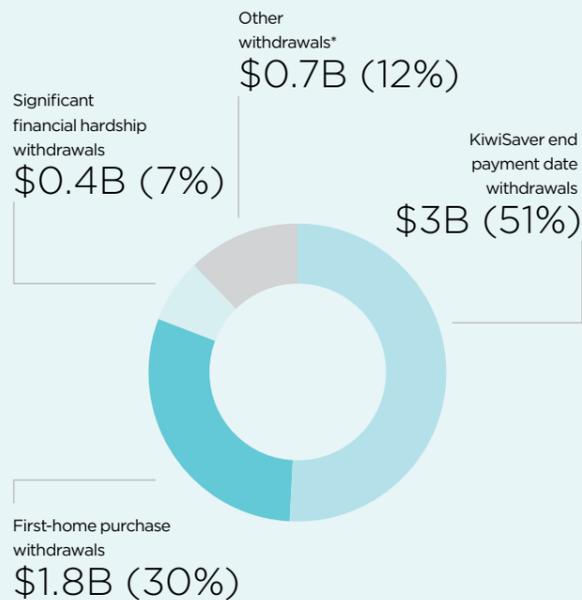


Source: FMA KiwiSaver Annual Review 2025, accessed November 2025.

**Withdrawals**

KiwiSaver withdrawals happen for a number of reasons. For the year ending 31 March 2025, most withdrawals were when people reached retirement age, totalling \$3 billion (51%). Buying a first home was the next biggest reason, with \$1.8 billion (30%) withdrawn. People facing serious financial hardship took out \$0.4 billion (7%) and other reasons like moving overseas or illness made up \$0.7 billion (12%).

**Figure 26: Total KiwiSaver withdrawals by category ending 31 March 2025**



Source: FMA KiwiSaver Annual Review 2025, accessed November 2025.

## 7.3 MANAGED FUNDS INDUSTRY

### MANAGED FUNDS AND HOUSEHOLD ASSETS

TOTAL FUM NZ\$:

**\$363B**

Source: RBNZ data as at September 2025.

HOUSEHOLD ASSETS:

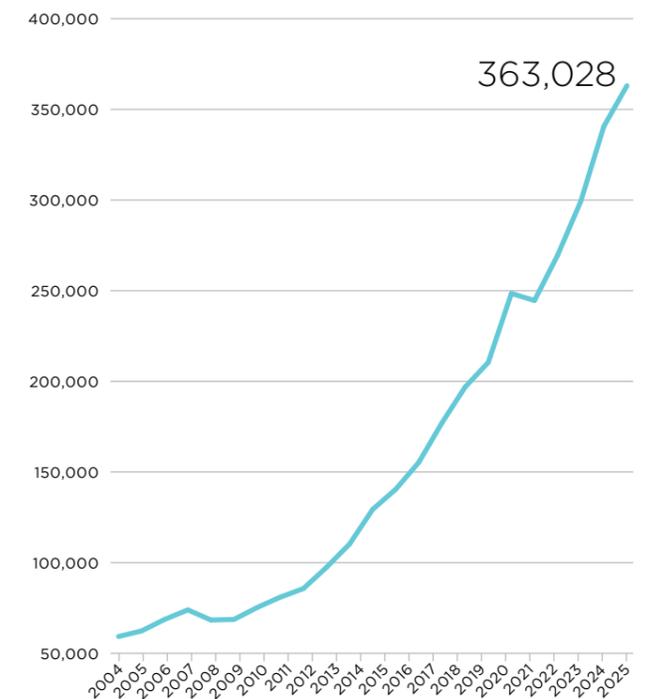
**\$2.4T**

Source: RBNZ data as at June 2024, accessed November 2025.



The managed funds sector has expanded significantly, driven by KiwiSaver growth and broader investment trends. Total funds under management increased from NZ\$244.6 billion in 2022 to NZ\$363 billion in 2025.

**Figure 27: Total funds under management (NZ\$ million)**



Source: RBNZ accessed November 2025. Data as at September 2025.

**Consolidated assets of managed funds**

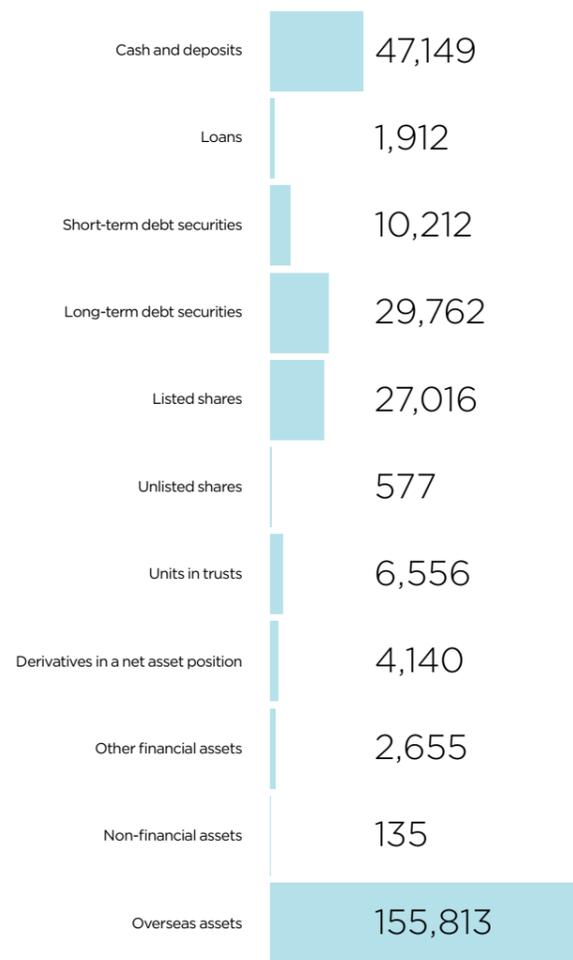
RBNZ notes that managed funds play a critical role in channelling household and institutional savings into productive investments

In September 2025, managed fund allocations in New Zealand reveal a strong global orientation with over half of assets (54.5%) invested overseas, highlighting significant diversification beyond domestic markets.

Cash and deposits account for 16.5% of total assets, while bonds (comprising short-term and long-term debt securities) represent a combined 14%, underscoring the emphasis on stability and income generation.

New Zealand equities, including both listed and unlisted shares, make up approximately 9.6%, indicating a moderate focus on growth opportunities. Meanwhile, alternative investments such as units in trusts and derivatives remain relatively small but contribute to portfolio diversification.

**Figure 28: Consolidated assets of managed funds as at September 2025 (NZ\$ million)**



Source: RBNZ accessed November 2025. Data as at September 2025.

**Transferring risk and building long-term savings**

The financial and insurance sector plays a pivotal role in supporting household wealth accumulation and economic stability in New Zealand. The sector provides mechanisms for households to transfer risk, such as through life insurance and to build long-term savings via pension schemes like KiwiSaver. By pooling risk and offering investment products, insurers and fund managers enable households to protect against unexpected shocks while steadily growing their financial assets over time.

Analysis of RBNZ household balance sheet data shows that total household assets rose from \$1.19 trillion in 2015 to \$2.40 trillion in 2024, a 101% increase over nine years.

While property assets dominated this growth, financial assets also grew substantially, rising by \$410 billion to nearly \$992 billion. Within this category, pension funds (including KiwiSaver) recorded the fastest growth, climbing from \$56 billion to \$136 billion, reflecting strong contributions and compounding returns.

Together, these mechanisms strengthen the financial system and household balance sheets. By combining risk transfer with disciplined savings, New Zealand households are better positioned to weather economic volatility and achieve long-term financial goals.

The data highlights this dual function. While property remains the largest asset class, the steady rise in other assets demonstrates how the financial sector performs the heavy lifting in building sustainable wealth and safeguarding against uncertainty.

**Figure 29: Household assets - total value year end 30 June (NZ\$ billion)**



Source: RBNZ data accessed November 2025. Data as at June 2024.

## 7.4 FINANCIAL ADVICE<sup>8</sup>

The financial advice sector plays a critical role in helping New Zealanders make informed decisions about insurance, investments and retirement planning. This snapshot, based on regulatory returns data from 1 July 2023 to 30 June 2024, provides an overview of the industry’s structure and key trends.

### 7.4.1 NUMBER OF FINANCIAL ADVISERS

As at 30 September 2024, there were 8,472 licensed financial advice providers (FAPs), down from 9,300 in 2021. Despite this decline, the sector remains healthy, with the total number of advisers and nominated representatives stable throughout recent regulatory changes. This resilience reflects the adaptability of providers and the continued demand for professional financial guidance.

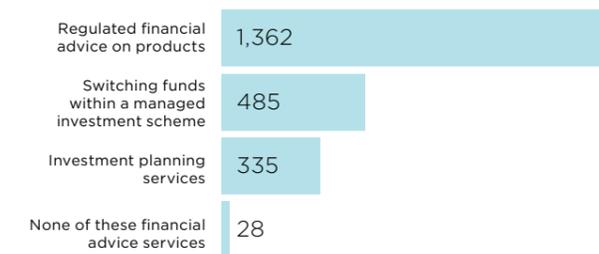
In 2024, 1,410 licensed FAPs submitted regulatory returns. These providers are classified into three categories:

- **Class 1:** 406 providers operating as sole adviser businesses or delivering advice digitally.
- **Class 2:** 948 providers engaging multiple advisers, serving retail clients and/or operating under authorised bodies.
- **Class 3:** 56 providers offering regulated advice to retail clients via nominated representatives and authorised bodies, including New Zealand’s largest banks. Class 3 FAPs reported the largest number of retail clients, reflecting the extensive customer relationships maintained by major banks. Many New Zealanders hold accounts with multiple banks, contributing to the high retail client count in this category.

### 7.4.2 TYPES OF REGULATED FINANCIAL ADVICE

The most common service offered by licensed FAPs is regulated financial advice on financial products. This includes guidance on insurance, investments and credit contracts. The prevalence of these services underscores the sector’s role in meeting everyday financial needs.

**Figure 30: Types of regulated financial advice providers (number of licensed FAPs)**



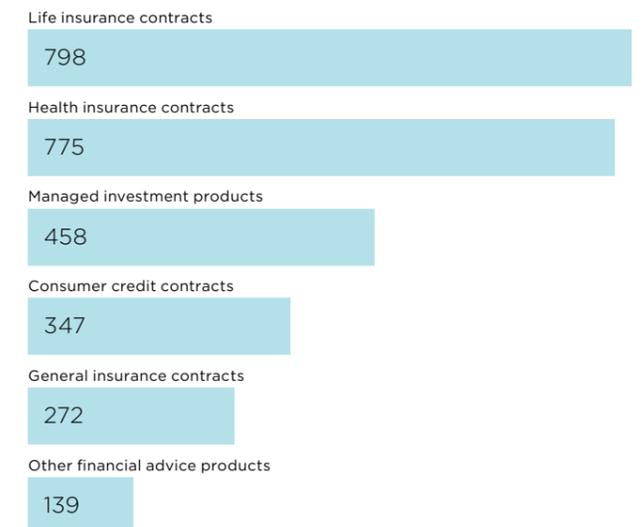
Source: FMA accessed November 2025. As at 30 June 2024.

### 7.4.3 PRODUCTS COVERED BY FINANCIAL ADVICE

Life and health insurance contracts dominate the product categories for which advice is provided, followed by investment products and consumer credit contracts. Many FAPs offer advice across multiple product types or maintain referral arrangements, enabling a holistic approach to client financial wellbeing.

**Figure 31: Top six financial advice products**

Insurance advice was the most common regulated financial advice provided.



Source: FMA accessed November 2025. As at 30 June 2024.

<sup>8</sup> FMA accessed November 2025. As at 30 June 2024

## 08

## A CORNERSTONE OF NEW ZEALAND'S ECONOMIC AND SOCIAL WELLBEING

New Zealand's financial services industry is a cornerstone of the nation's economic and social wellbeing, underpinning growth, resilience and confidence for households and businesses alike.

The sector enables New Zealanders to save, invest and protect what matters most, while contributing significantly to New Zealand as a whole. In 2025, the financial and insurance services sector generated approximately NZ\$16.1 billion in GDP, ranking seventh among all industries and outpacing sectors such as agriculture and wholesale trade. This performance reflects the sector's critical role in supporting liquidity, stability and long-term economic development.

KiwiSaver stands as one of the most transformative elements of this ecosystem. Since its inception, KiwiSaver has evolved into the primary investment vehicle for most New Zealanders, helping millions build financial security for retirement.

By 2025, KiwiSaver membership reached 3.4 million, with total funds under management at over NZ\$140 billion. These savings not only build household wealth but also channel capital into productive investments across domestic and global markets, driving innovation and infrastructure development.

Yet challenges remain with only 44% of New Zealanders feeling prepared for retirement and many worry about their financial future. This underscores the importance of policies that boost participation, improve financial literacy and ensure KiwiSaver remains fit for purpose as a trusted retirement savings tool.

The managed funds sector also has expanded, driven by KiwiSaver growth and broader investment trends. Total funds under management increased from NZ\$244.6 billion in 2022 to NZ\$341.0 billion in 2025, marking a compound annual growth rate of approximately 11.5%.

This growth underscores the increasing reliance on managed funds for wealth accumulation and retirement security. Managed funds play a critical role in channelling household and institutional savings into productive investments, supporting economic development and diversification. This expansion reflects growing consumer confidence in professional fund management and the sector's ability to deliver long-term, sustainable returns.

Alongside KiwiSaver and managed funds, the insurance sector plays a vital role in safeguarding New Zealanders against life's uncertainties.

Life insurance provides peace of mind and financial stability, protecting families from hardship and reducing reliance on government support. In 2025, there were over 4 million active life insurance policies, with claims totalling NZ\$1.37 billion providing critical support during times of crisis.

Despite this, New Zealand continues to grapple with an underinsurance challenge, ranking among the least insured countries in the OECD. Addressing barriers such as fringe benefit tax on employer-provided cover could help close this gap and strengthen household resilience.

Health insurance is equally integral to national wellbeing. Covering 1.35 million lives and paying out NZ\$2.5 billion in claims in 2025, the sector eases pressure on the public health system and ensures timely access to care.

Private health insurance offers a pathway to quicker, more comprehensive elective healthcare. As New Zealand's population ages and healthcare costs rise, embedding private health insurance as a complementary pillar of the health system will be essential to maintaining accessibility and affordability.

The FSC's member impact is tangible. They manage more than NZ\$100 billion in funds and pay out NZ\$3.9 billion annually in life and health insurance claims. Through initiatives such as CEO forums, research committees and national events, the FSC fosters innovation and resilience across the sector. In doing so, it not only strengthens the financial services industry but also helps millions of New Zealanders plan confidently for their future, retire with dignity and access quality healthcare when they need it most.

In an era of economic uncertainty and demographic change, the financial services industry and the FSC as its voice remains a vital partner in building a stronger, more secure New Zealand.

By enabling savings, investment and protection and by advocating for policies that support long-term sustainability, the sector continues to perform the heavy lifting in safeguarding household wellbeing and business growth and driving national prosperity.



## 09

## ANNEXES

## METHODOLOGY

Desk research was conducted in November 2025 and the relevant data sources are referenced.

The FSC research was conducted via an online survey developed and hosted by CoreData. 2023 data was collected between 7 March and 12 March. A total of 2,030 valid complete responses were collected in March 2023. 2024 data was collected between 15 March and 26 March. A total of 2,002 valid complete responses were collected in March 2024. 2025 data was collected between 5 and 18 February. A total of 2,005 valid complete responses were collected in February 2025.

All samples are representative of the New Zealand consumer population in terms of age, gender and income based on the latest Stats NZ data. The data collected forms the basis of this report.

According to Stats NZ, in December 2024, there was an estimated resident population of 5,356,700 and 1,188,590 aged 17 years or younger. As this survey only included respondents aged 18 years or over, the estimated resident population of the sample is 4,168,110.

The research series primary author is David Bishop supported by the FSC Research Committee.

FSC data is collected independently from FSC members by Data Insight on a quarterly basis.

## ABOUT THE FINANCIAL SERVICES COUNCIL

As the voice of the sector, the FSC is a non-profit member organisation with a vision to grow the financial confidence and wellbeing of New Zealanders. FSC members commit to delivering strong consumer outcomes from a professional and sustainable financial services sector. Our 110+ members manage funds of more than \$100 billion and pay out claims of \$3.2 billion per year (life and health insurance). Members include the major insurers in life, health, disability and income insurance, fund managers, KiwiSaver and workplace savings schemes (including restricted schemes), professional service providers and technology providers to the financial services sector.

## FSC SECTOR RESEARCH

## INDUSTRY WIDE:

Money & You: Financial Lives of Young New Zealanders (2025)

Financial Resilience Index (2025)

Money & You: Consumer Resilience and the Road to Prosperity (2024)

Financial Resilience Index (2024)

Money & You: The Perception Gap (2023)

Money & You: Young People and the Cost of Living (2023)

Financial Resilience Index (2023)

Insights & Trends: Financial Resilience Trends in New Zealand

Money & You: The Lost Generation? (2022)

Financial Resilience Index (2022)

Financial Resilience Index (2021)

Money & You: Women and Financial Wellbeing in New Zealand (2021)

Money & You: Generation Rent (2021)

Money & You: It's Not About Money, It's About You (2020)

Financial Resilience Index (March + August 2020)

## LIFE AND HEALTH INSURANCE:

Money & You: Valuing Belongings Over Ourselves (2025)

Money & You: Managing Risk Through Challenging Times (2024)

Money & You: Taking Cover (2020)

Life Insurance Industry Data Spotlight (quarterly)

Health Insurance Industry Data Spotlight (quarterly)

Gambling on Life: The Problem of Underinsurance (2020)

Moments of Truth: Key Insights into the New Zealand Life Insurance Industry (2019)

Risking Everything: An Insight into how New Zealanders Manage Risk (2019)

Exploring Underinsurance within New Zealand (2011)

## INVESTMENT AND FUNDS:

Money & You: Investing in Volatile Times (2022)

Money & You: The Rise of the Digital Investor (2021)

## KIWISAVER AND RETIREMENT:

KiwiSaver Industry Data Spotlight (quarterly)

Money & You: KiwiSaver at a Crossroads (2021)

KiwiSaver 2050: Pathways to the Future (2019)

Shaping Futures: Closing the KiwiSaver Gap (2018)

Generation KiwiSaver (2018)

Great Expectations: Retirement Realities for Older New Zealanders (2017)

Growing the KiwiSaver Pie (2017)

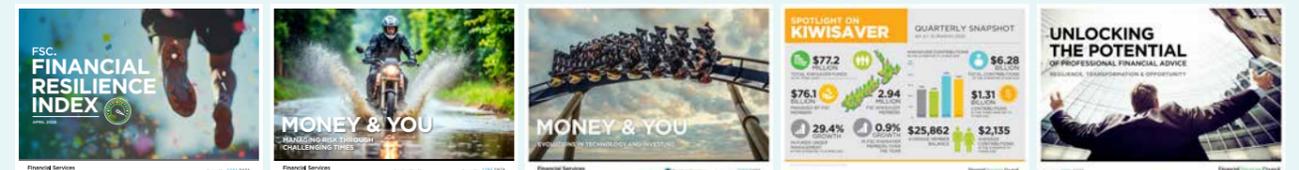
KiwiSaver and the wealth of New Zealanders (2015)

## PROFESSIONAL ADVICE:

Unlocking the Potential of Professional Financial Advice (2021)

Money & You: Breaking Through the Advice Barrier (2020)

Money & You: Literacy | Insight | Advice (2020)



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Generate KiwiSaver	Kernel	Medical Assurance Society New Zealand Ltd	Mercer (NZ) Ltd
Milford Asset Management Ltd	nib	Octagon Asset Management	Partners Life
Pie Funds	Pinnacle Life	Police Association	PPS Mutual Limited
Real Asset Management (NZ) Limited	Resolution Life	SBS Insurance	SBS Wealth
Sharesies	Smart	Southern Cross Health Society	Te Rūnanga o Ngāi Tahu
The New Zealand Anglican Church Board	UniMed	Unisaver Ltd	Westpac Bank

3M Superannuation Scheme  
 Baptist Union Superannuation Scheme  
 BECA Super Scheme  
 BOC NZ Retirement Plan  
 BP New Zealand Retirement Plan  
 Colgate-Palmolive Superannuation Plan  
 Dairy Industry Superannuation Scheme  
 DXC (New Zealand) Staff Superannuation Fund  
 FireSuper  
 Maritime Retirement Scheme  
 MERBP Trustee Ltd  
 MISS Scheme  
 mysuper Superannuation Scheme  
 New Zealand Steel Pension Fund  
 NZAS Retirement Fund  
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**Financial Services  
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Grow the financial  
confidence and wellbeing  
of New Zealanders

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