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HOW DO YOUR FINANCES REALLY ADD UP?

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Some of the secrets of Kiwi family finances have been revealed in a survey for the Sunday Star-Times by online market research agency Buzz Channel, writes Rob Stock.

It paints a picture of a nation where few of us feel like we are prospering, half are not living to a budget, and where attitudes can be tinged with envy, schadenfreude, secrecy and lies. But it also shows a nation that feels it is financially literate, and does not lack for generosity.

The survey was completed by more than 3500 people, and although that provides a strong insight into Kiwis money lives, caution needs to be taken in assuming the results are a perfect reflection of the nation's habits, though Buzz Channel feels that it is roughly representative.

17 per cent said talking about money frequently turned into family arguments. Things were much easier in 63 per cent of households, where financial debate ran smoothly and openness was the watchword. 8 per cent of people said money was never discussed in their home.

64 per cent of Kiwi householders do not feel they are prospering and are only "getting by". Just 19 per cent of respondents said they were prospering and 17 per cent said they were "struggling" financially.

50 per cent of households have a budget, though many admitted they had one but it was not routinely followed. Two-thirds of those with a budget said they had tinkered with it in the past 12 months.

31 per cent had no debt and 64 per cent said they had debts but described them as manageable. But 5 per cent said their debts were unmanageable. People have been working hard to get the debt monkey off their backs. 26 per cent said they increased debt repayments in the past 12 months, and 21 per cent said they had succeeded in paying off a substantial debt in that timeframe. One in five admitted to having been late with a payment on a debt.

31 per cent In all, 31 per cent of people thought they were bad financial role models for their children and many would not like their children to behave as they do with money.

21 per cent of people answering the survey said they had a family trust, which critics slam as a tool to dodge debts, defeat matrimonial property laws, reduce tax and get around benefit means-testing.

6 per cent of people in a relationship had a pre-nup specifying the division of assets should they split. Pre-nups were more common among older people, perhaps reflecting people marrying a second time.

13 per cent said they had opened a KiwiSaver account in the past 12 months as the Michael Cullen-devised savings scheme hoovers up new members.

11 per cent asked for a pay rise in the past year, a low figure bearing in mind prices for staples like food and energy have risen and working hours extended.

75 per cent rated their financial acumen as six or above on a scale of one to ten. Two-thirds scored themselves either a seven, eight or nine.

96 per cent believe that financial literacy must be taught in schools. At the moment financial literacy in schools is a bit of a postcode lottery. It tends to rely on "hero" teachers and parents pushing for its inclusion.

33 per cent say even their partners don't know what they earn. Just a quarter have told their parents, and a fifth have told their kids. 15 per cent say no one knows how much they earn.

60 per cent of people said they would tell family and friends if they won a million on the lottery, 89 per cent of people would share some of their winnings.

49 per cent confessed to feeling envious of richer family members from time to time. For a hard core of enviers - 3 per cent - that feeling was constant. One in ten admitted to on occasion feeling secretly pleased at the financial setback of a relative.

45 per cent had sought a tax refund in the past year, a trend that has risen with the appearance of online and in-mall tax refund firms. Most of us are paying our dues, just 2 per cent admitted to not declaring some of their income to the taxman.

60 per cent had given money to charity in the past 12 months despite the hard times and with many Kiwi families feeling they are in survival mode.

LEGACY ISSUES

Kiwis seem to strongly believe that people should be free to leave their money to whomever they want and should not feel obligated to leave their kids a legacy at all.

Many even felt people should not even feel obligated to leave their kids at least the same as their parents had left to them, perhaps reflecting the moves in the past few decades to a users-pay world.

Just over a quarter had seen family infighting over bequests, and only three in 10 people said they had a will.

WE ASKED:

Should you leave a legacy to the kids as large as the one you got? YES 72.5 per cent NO 27.5 per cent

Is it OK to spend all your money in your life? YES 32.4 per cent NO 67.6 per cent

Should parents be even-handed with all their children? YES 17.1 per cent NO 82.9 per cent

Should parents be free to leave their money to whoever they want? YES 9.2 per cent NO 90.8 per cent

Have you seen families fight over wills? YES 26.2 per cent NO 73.8 per cent

Have you got a will? YES 30.7 per cent NO 69.3 per cent

- Sunday Star Times