

Media Release

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National strategy to lift nation's financial IQ announced

The development of a national strategy to lift New Zealanders' competence and knowledge of financial matters was announced today by the Associate Minister of Finance, Hon Trevor Mallard, at the Inaugural Financial Literacy Symposium in Wellington.

The national strategy, which will be led by the Retirement Commissioner with the assistance of an Advisory Committee, will identify what must be done to lift New Zealanders' financial literacy. The strategy is expected to be complete by December 2007.

"International research suggests that financial literacy is linked to wealth. So this strategy is essential if we are to lift New Zealanders' standard of living and wealth," said Retirement Commissioner Diana Crossan.

While some New Zealanders' financial IQ is okay, others struggle. Our knowledge of investments, savings and mortgages is poor, according to research by the Retirement Commission, ANZ and the Ministry of Economic Development earlier this year.

"There is no quick-fix solution. It's likely a range of strategies will be needed, including incorporating financial education into the school curriculum, simplifying financial products, eradicating financial jargon, and continuing to provide information and tools to help people make informed decisions about their money.

"In developing the strategy, we will review the work already being done by organisations across the private, not-for-profit and public sectors to identify what's working and how we can extend this across the country," said Ms Crossan.

Ms Crossan said these organisations, and others with an interest in the issue, would have an opportunity to contribute to the strategy.

The Hon Trevor Mallard congratulated the Retirement Commissioner for taking a lead role in financial education in New Zealand, and for the work the Commission is doing with Sorted, in retirement income research and with brokering financial education information across sectors.

The Retirement Commission delivers financial education to New Zealanders. The Commission is best known for its award-winning education programme Sorted.org.nz.

It is also developing a curriculum for teaching personal financial skills in New Zealand schools and is working with Ngai Tahu and Te Puni Kokiri to incorporate financial education into bilingual and total immersion primary schools. It also sponsors the Enterprise New Zealand Trust to deliver the Pathways to Financial Literacy programme in over 100 secondary schools

Ends.

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