

Appendix

Voices, 2023



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Appendix A: The data

Definitions

Financial wellbeing

Based on an amalgamation of definitions, and the realities for whānau that financial mentors see, FinCap describes financial wellbeing as:

The perception that someone's income can cover costs linked to:

- a. social, moral, and cultural obligations and needs, and;
- b. mental and physical health, and;
- c. social connectedness;

for them and their whānau, now and in the future.

The definitions that we have briefly summarised here provide more context to our understanding of financial wellbeing. In Aotearoa, there have been several definitions given to financial wellbeing. Firstly, financial wellbeing has been defined by Te Ara Ahunga Ora as "the extent to which someone can meet all their current commitments and needs comfortably and has the financial resilience to maintain this in the future" (Galicki, 2021). Both Te Ara Ahunga Ora and the Ministry of Social Development (MSD) understand financial wellbeing to be the result of financial capability. MSD identifies three main elements of financial wellbeing as: the ability to meet financial commitments, comfort in financial situation and ability to enjoy life, and resilience for the future (Ministry of Social Development, 2021).

Globally, there are various definitions to the concept of financial wellbeing. Aubrey et. al. link features of the more generally understood term of wellbeing to financial wellbeing and identify three key factors (Aubrey, Morin, Fernet, & Carbonneau, 2022). Firstly, all definitions of financial wellbeing note a need for the person to perceive themselves as having access to an adequate income to meet their needs. Secondly, a future-looking perspective that anticipates financial wellbeing in the future is a requirement for financial wellbeing. Lastly, one needs to evaluate their own position as financially satisfactory (Aubrey, Morin, Fernet, & Carbonneau, 2022). These elements align with the MSD and Te Ara Ahunga Ora definitions, and we have incorporated these elements into the FinCap definition of financial wellbeing.

To begin on a journey towards financial wellbeing one needs the basics, such as income, ability to cover essentials, and freedom from problem debt. We use financial wellbeing as an aspirational approach for the sector. We report on base indicators that we can clearly see in Client Voices data and which more accurately reflects financial hardship. Reporting on these base indicators is useful because they lay the foundations of financial wellbeing.

Hardship

Hardship should be seen as a situation where whānau are unable to meet non-discretionary expenses. Non-discretionary expenses are ones that the borrower does not have complete agency to cease without significant detriment, meaning the

expense interacts with: a) Rules, whether contractual, social, cultural, or moral obligations b) The physical or mental health, and wellbeing of the borrower c) The wellbeing of that borrower's whānau, dependents and pets, and d) Social and cultural connectedness. Hardship is more basically defined as being where someone has difficulty paying their bills and repayments on loans or debts when they are due.

Productive and hazardous debt

There are differences in the impact that debts can have on whānau and the way that they are treated. Often, people refer to 'productive debt' and 'hazardous debt' in various names. There is not a clear dichotomy between the definitions for these, and all lending can be risky regardless of its merit. Every day, financial mentors see real struggles made worse by loans that were unaffordable from the start and this is why FinCap strongly supports having robust consumer protections in our credit law.

However, for this report, we define 'productive debt' as debt that is likely to enable long-term wellbeing and financial security where it is affordable. An example might be a loan for a home that will build equity. Affordable car loans might also fall in this category where transport enables more options for regular income or social participation.

We define 'hazardous debt' as debt that delays repayment but is less likely to have long-term benefits to financial wellbeing. An unaffordable loan for perishable food is a 'textbook' example. This will likely take money away from buying food that is needed in the next income round, and be part of debt spiraling as a result. High-pressure sales towards getting a luxury item that will depreciate, like a new or expensive car or top-of-the-range mobile phone, are also examples.

Whānau and clients

Throughout this report we use the words 'whānau' and 'clients' interchangeably. While both individual clients and families can work with a financial mentor, we recognise that the financial situation of one whānau member likely impacts or reflects the whole whānau.

Methodology

Client data used in this report is regarded as a taonga, embodying immense value and significance. As a result, we approach its stewardship with a profound sense of responsibility, ensuring its security and confidentiality are upheld at the highest level. All identifying information is stripped from data before it can be used by FinCap.

This Voices report uses two main sources: data from Client Voices, and commentary from financial mentoring services and financial mentors. **Appendix A** discusses known limitations with Client Voices data. Irrespective of the limitations, this data set provides a granular and accurate snapshot of the financial realities for whānau that financial mentors support. In 2022 financial mentors at 126 services used Client Voices to input their clients' financial details every single day.

Appendix B can be found at the end of this report, and lists limitations and technicalities in this data.

Income

In the main *Voices* report and Appendix A, the median incomes of clients are analysed according to the last, and most recent, budget completed. Financial mentors update budgets throughout the multiple meetings held with their clients. We chose to use the most recent budget because it is the most complete. Information for income therefore reflects the situation of clients after intervention from a financial mentor.

We also look at differences in incomes between the years 2021, 2022 and 2023. Where income is referred to, this is weekly and after tax. We are only using clearly coded Client Voices data on income. The sample is of cases closed within the specified year; therefore, some clients will not be in the sample because they are still receiving support.

Whānau may earn income from multiple sources, such as a main benefit as well as part-time work with additional entitlements such as the Accommodation Supplement and the Winter Energy Payment. Several additional categories of income were added in Client Voices in 2022, the second year we reported on this. Because these categories have not been in Client Voices for a period, it is likely that, while these smaller categories give an indication, there are more clients receiving income from these sources than we can currently see in the data in 2023. Income type data in 2021 is not comparable to 2022 and 2023 because of the additional categories that were introduced in 2022.

Expenditure

The data in the expenditure section analyses the median total weekly expenditure as a percentage of the income of clients, according to their last budgets. Financial mentors update budgets throughout the multiple meetings they hold with their clients. We chose to use the most recent budget because it is the most complete. Information for income therefore reflects the situation of clients after intervention from a financial mentor.

We also look at differences in incomes between the years 2021, 2022 and 2023. Where income is referred to, this is weekly and after tax. We are only using clearly coded Client Voices data on income. The sample is of cases closed within the specified year therefore some clients will not be in the sample because they were still receiving support.

Debt

The debt recorded in this report represents the amount of debt the client was seeking assistance with, when approaching their financial mentor. In almost all cases it reflects the position that clients were in before intervention from a financial mentor.

The sample is of cases closed within the specified year; therefore, some debts could have presented before that year if someone has been supported for an extended period.

Financial mentors input their client's debt details into a debt schedule. When they do this, they code the creditor type, creditor sub-type and loan type. In this section, we have used the data from this coding to show trends in creditor and loan types.

Throughout this report, we share the percentage of clients that had a home loan. This percentage is the proportion relative to clients that have debt, rather than all the clients in the system. This means that the overall percentage of clients with a home loan is even lower.

Appendix A part one: Overview of the sector

FinCap

FinCap is a registered charity that supports financial mentoring across Aotearoa. Our purpose is to enable and enhance financial wellbeing in Aotearoa. We lead the way in:

- training and developing financial mentors
- collecting and analysing aggregated client data
- facilitating collaboration between services
- enabling clients to find support through our MoneyTalks help-line
- policy work towards improving financial wellbeing in Aotearoa.

Financial mentors supported more whānau, with less financial mentor numbers, in 2023

The number of new clients that financial mentors supported and the number of sessions that were held, both grew in 2023.

Number of financial mentors and client cases

	2021	2022	2023
Number of financial mentors	NA	839	808
Number of client cases	63,398	49,568	69,807

Since the 2022 report, FinCap has completed a further stock take of the sector. Through this process, we have confirmed that the total number of financial mentors we recorded in 2022 was an underestimation. The accurate number of financial mentors in the sector in 2022 was 839. In 2023, there were 808 financial mentors as of December. This means that the number of financial mentors has dropped by 31 since 2022.

Financial mentors work with people and whānau throughout Aotearoa. Their services are free and confidential for people and whānau to access for addressing or avoiding problems with money. Financial mentors do this work within 185 organisations serving communities throughout Aotearoa.

Financial mentors' initial assistance involves working to draw up an overview of a person's financial position. From there, financial mentors help to work out what that person's goals are, then follow this by identifying the options available for managing money and debt to achieve those goals. Where necessary, they then provide assistance to take up those options.

The work generally ranges from a single one-off session for a person or whānau facing a crisis, through to in-depth and ongoing assistance. Some services may also offer community education to groups or specialist temporary or ongoing Total Money Management (TMM) for people otherwise unable to manage their money

Financial mentor demographics

In 2023, just over eight out of ten financial mentors were women, which was the same as in 2022.

Financial mentor ethnicity breakdown

Ethnicity	Percent of financial mentors
NZ European / Pakeha	57%
Maori	28%
Pasifika	13%
Other	10%

Financial mentor age group breakdown

Age group	Percent of financial mentors
18 - 25	1%
26 - 35	47%
36 - 45	10%
46 - 65	22%
Over 65	20%

The number of financial mentoring services has decreased

In 2023, the number of financial mentoring services had reduced by five since 2022. The number of services in 2023 was 185, down from both the previous years. Of the 185 services in 2023, 139 were funded by MSD.

Number of financial mentoring services

2021	2022	2023
192	190	185

Of the 185 financial mentoring services, 126 of them used Client Voices in 2023. In comparison, in 2022, 127 of the 190 financial mentoring services used Client Voices, which was an increase of one service from 2021. Client Voices is a client management system that financial mentors use to record key demographic, budgeting, and debt information for their clients. The system contains budget worksheets, debt schedules and other budgeting tools to help clients achieve their goals. Aggregated data from Client Voices is used to develop a picture of financial hardship in the communities' financial mentors work in.

In 2023, there were 22 services providing Total Money Management (TMM) services. This continues the trend from the previous two years of the decreasing provision of TMM, which is an approach to managing people's finances. The goal is to teach good financial habits and gradually transition accountability as skill and confidence grows (Ministry of Social Development, 2020).

MoneyTalks

MoneyTalks is the free and confidential FinCap helpline across Aotearoa. The MoneyTalks helpline advisors connect people and whānau with their local foodbanks, help them find their way through Work and Income processes and entitlements and support people to manage their money. Anybody can get in touch with the MoneyTalks team if they need help with day-to-day money matters like budgeting and debt management. In 2023, the demand on MoneyTalks increased, with 40,457 total contacts.

Financial mentors are doing great work going above and beyond for their communities every single day. FinCap appreciates being in the position to support their mahi and see the difference they make for the wellbeing of whānau. To find local financial mentoring support or to refer someone, begin by calling the MoneyTalks helpline.



Appendix A part two: Income, expenditure, and debt across Aotearoa in 2021 and 2022

Income

At a glance

- The median income across Aotearoa was \$741.32, which was an increase from 2022.
- The median weekly income for whānau with one child was \$799.66, which was an increase from 2022.
- The region with the highest weekly income in 2023 was Gisborne, with a significant increase in incomes from 2022.

Summary

In 2023, the median weekly income across Client Voices was \$741.32, which was an increase of \$58.85 from 2022. Over the last three years, there has been a consistent increase in the median weekly incomes of financial mentors' clients.

Median total weekly income

The whānau that financial mentors walk alongside were living on low incomes in 2021, 2022 and 2023. Whānau receive income in many different forms, such as through benefits, or part-time or full-time paid work. Unlivable incomes entrench disadvantages, as without sufficient income it is near impossible to achieve financial wellbeing. Whānau who cannot accumulate a rainy-day fund are persistently exposed to going into debt to cover the unexpected and unavoidable costs that are a reality of life.

Median weekly income

2021	2022	2023	Change
\$619.56	\$682.47	\$741.32	+\$58.85

Comparisons and considerations

While incomes increased in 2023, the median weekly income remained below the equivalent income for a full-time 40-hour work week on minimum wage in 2023. With an average tax rate of 17.03 percent, those on minimum wage in 2023 would have a weekly take-home income of \$753.37 (Ministry of Business, Innovation & Employment, 2024). Meanwhile, the median weekly income in Client Voices was \$741.32.

An important factor in this comparison is that where we could see if someone seeing a financial mentor had children, 71 percent did. This was an increase of 1.9 percent from 2022. This reflects that whānau with children made up a large proportion of the income that we have reported on.

Another comparison to note is that the average weekly earnings for full-time equivalent employees, according to labour market statistics in the December 2023 quarter, was \$1,588. This was an increase of \$91 from the previous year and is more than double the weekly income of the clients of financial mentors (Stats NZ, 2024).

Why are incomes increasing?

Part of the reason for income increases across Client Voices is the external factors, such as minimum wage increases and targeted support reaching whānau. However, each year, there has been an increase of around \$200 in the incomes of whānau from when they present to a financial mentor to when they finish working with them. In 2023, the difference between the first and last budget completed was \$215.

This shows that the work of financial mentors is having the biggest impact on increasing incomes. Financial mentors do this by helping whānau navigate the complex maze of benefit entitlements and ensure they are receiving all they are entitled to. They also support them in finding additional income streams or identifying if they are being paid fairly.

Low incomes in Client Voices

As in 2021 and 2022, there was a cohort of clients in the below \$249 weekly income bracket. This reflects data collected by MSD, which shows that 60 percent of single clients had incomes below \$250 after housing costs (Ministry of Social Development, 2023). This highlights that financial mentors are the ones supporting those clients in the lowest income groups in Aotearoa. This is even in comparison to the MSD data set which typically provides assistance to clients with the very lowest income amount.

Income type

There are many different types of income support that whānau can receive and that can be received at one time. For example, whānau might be receiving a full-time salary but because of their income level and housing costs, they also receive an accommodation supplement.

Financial mentors are experts at helping whānau identify what income entitlements are available but are not yet being accessed. There are many layers of complexity for whānau to navigate the available entitlements. However, many whānau still struggle to receive all the entitlements they are eligible for and need to afford the essentials (Pennington, 2023).

In 2023, 33 percent of cases were receiving only income support, whether from Work and Income or Inland Revenue. The most common situation was for clients to have a mix of income support and salary and wages, at 39 percent. There were 28 percent receiving only salary or wages.

Percentage of clients receiving some income from different sources

	Percentage of cases
Income support (only)	33%
Mixed	39%
Salary / wages (only)	28%

Expenditure

At a glance

- Total weekly expenditure as a percentage of income increased by 1.7 percent from 2022 to 106 percent in 2023.
- The median weekly expenditure on debt repayments as a percentage of income decreased slightly to 15.2 percent in 2023.
- The median weekly expenditure on rent or board as a percentage of income increased slightly in 2023 to 35.8 percent.

Summary

This section explores expenditure trends in clearly coded Client Voices data. The trend of weekly expenditure exceeding weekly income for clients of financial mentors continued in 2023, with the median weekly expenditure as a percentage of median weekly income at 106 percent. This was an increase of 1.7 percent from 2022.

This section presents expenditure data across five key categories of essential expenses. These categories are rent or board, groceries, electricity, fuel and clothing. In Part Three of these appendices, we examine expenditure trends across key demographics. Factors that influence expenditure for whānau are accommodation types, food support availability, social service provision of essential items, and energy hardship.

Along with the examination of expenditure on essential items, this section reviews expenditure for debt repayments. Across Client Voices, whānau continued to spend significantly more on debt repayments than on electricity, fuel, and clothing. The percentage of income going to debt repayments was not far below the percentage of income going to groceries, with 15.2 percent for debt and 19.6 percent for groceries.

Expenditure across Aotearoa

Whānau spend their income on many different essential items and services, depending on the needs of their households. Overall, the median expenditure as a percentage of income in 2023 was 106 percent. This highlights that many whānau were continuing to experience financial hardship in 2023 and could not afford to live without going into deficit.

Across the five expenditure categories of rent or board, groceries, electricity, fuel and clothing in 2023, expenditure remained steady. The most significant changes were the decrease in the expenditure on groceries, with a 1.5 percent drop, and the increase of 1.3 percent of income going to fuel.

Median weekly expenditure as a percentage of median weekly income

	2021	2022	2023	Change
Rent / board	36.1%	35.4%	35.8%	+0.4%

Total weekly expenditure as a percentage of total weekly income (nationally)

2021	2022	2023	Change
105.9%	104.3%	106.0%	+1.7%

Housing

Having a safe, warm, and reliable home is an essential factor of financial and overall wellbeing for whānau. Unfortunately, the reality in Aotearoa is that many are living in housing that is below basic standards and are often still paying a high rental or accommodation cost. In 2023 there was little change in rent or board expenditure compared to 2022, with a small 0.4 percent increase. The overall percentage of weekly income going to rent or board in 2023 was 35.8 percent.

Expenditure on rent or board in Client Voices is lower than national averages, which are at about 40 percent according to research by MSD (Ministry of Social Development, 2023) and StatsNZ (StatsNZ, 2023). The lower percentage expenditure in Client Voices reflects the high proportion of clients that live in temporary accommodation, such as transitional or emergency accommodation. These housing types typically have subsidised costs, making them comparatively cheaper than market-rate private rental costs or mortgage payment amounts. Typically, public housing accommodation providers subsidise rent to be 25 percent of the tenant's income. Some clients of financial mentors are also sleeping rough. These factors contribute to the lower percentage of income spent on rent or board for clients of financial mentors than the national average.

Whānau are also often housed in council or public housing, boarding, or lodging accommodation; these options are often provided at a low-quality standard but still at a significant weekly cost. Alternatively, where whānau access a private rental, they are often paying an unaffordable level of rent.

Groceries

While StatsNZ looks at expenditure data for Aotearoa overall, Client Voices gives a special spotlight to those who are more likely to be experiencing financial hardship. In 2023, StatsNZ reported food expenditure at 18.7 percent of the proportion of total net expenditure, which amounted to an average of \$300 (StatsNZ, 2023). As a percentage of

income, in Client Voices the percentage of weekly income spent on groceries was 19.6 percent, which was a 1.5 percent drop from 2022. There are several factors for the level of food expenditure.

Whānau were not spending enough on food

Firstly, the median incomes in Client Voices are lower than StatsNZ data at the national level. The average annual household equivalised disposable income was \$56,919 before housing costs. This comes to roughly \$1,094 a week. Meanwhile, the median income in Client Voices was \$741.32. Despite the lower income, the whānau visiting financial mentors still have the same nutritional needs, and therefore, if they're paying for food they are paying the same price.

The Otago Food Study estimates the amount it costs each week to meet basic dietary requirements (Department of Human Nutrition, 2023). To cover the minimum basic needs for a sole male, it is estimated that they would spend \$88 a week, or \$115 for a moderate spend. While we do not have enough detail to determine the exact reality, we can compare the median income with the percentage of income spent on food. That number in dollars is \$145.29.

However, the majority of clients have children, and the median spend for a family is estimated at a minimum of \$273. We can therefore assume that, given the majority of clients have children, they are not spending enough on food to comfortably cover basic needs. This might mean they are going without food, or they are receiving food support.

Food parcels

Grocery expenditure is impacted by the provision of food parcels because financial mentors will account for the lesser spend on food in their client's budgets. Across Aotearoa, many financial mentoring services operate alongside or with their own food parcel or social supermarket services, as well as connecting whānau with Work and Income when food grants are needed. Financial mentors and community workers have also told FinCap that whānau often drive across cities or regions to get food support, which adds the cost of petrol to their already stretched budgets.

While food prices soured nationally in 2023, more people were accessing food banks. The New Zealand Food Network reported a 20 percent increase in food bank use in 2023 (New Zealand Food Network, 2024).

Electricity

Many variables impact electricity expenditure and additional research will be required to see if there are clear changes on the ground that are influencing any clear trends in the future. Nationwide, expenditure on electricity remained stable with a 0.4 percent decrease to 5.3 percent of income in 2023.

Often people will use less electricity than is needed to keep their home at a healthy temperature to save money. Financial mentors described this happening in our 2023 Put on hold? report which explored the effectiveness of consumer protections that aim to prevent or resolve energy hardship (Lilley, 2023).

One factor that may be increasing electricity prices in the future is the phase-out of low, fixed charge tariff regulations from April 2022. By April 2026, electricity retailers will be able to charge low-use households \$1.80 daily for connection where until 2022 was restricted to 30c.

In April 2027, all constraints on what retailers charge low users for this component of the bill will be removed (Ministry of Business, Innovation & Employment, 2021). FinCap is concerned that despite the theoretical long-term benefits of removing this price regulation, those who need a fair price for essential electricity services the most will be paying more.

Fuel

In 2023, expenditure on fuel increased to almost the same level as in 2021, to 6.9 percent of weekly income. Three regions drove the increases in fuel expenditure - Auckland, Nelson and Northland. Auckland is the region with the most clients and therefore is primarily responsible for the increase in overall fuel expenditure.

A potential factor in this pattern is the impact of the fuel subsidy in Aotearoa which was in place from March 2022 until March 2023 (Waka Kotahi, 2024). There is a noticeable decrease in expenditure on fuel in 2022 compared to 2021. In 2021 fuel expenditure made up 7 percent of total weekly expenditure. Towards the end of 2023, following the end of the subsidy, fuel prices increased drastically.

Another factor could be that whānau were unable to afford fuel during the spike in cost and were turning to other methods of transport. While the subsidy decreased the cost of fuel, it simultaneously lowered the cost of public transport which may have led to more people using public transport instead of personal vehicles, therefore lowering the amount of fuel used.

Clothing

Clothing expenditure dropped very slightly from 2022, when it was already near zero, to 0.5 percent of income in 2023. One clear issue is that with the increased cost-of-living pressures on top of already low incomes, these items are simply unaffordable to many whānau. Additionally, financial mentors have explained that their client's expenditure on clothing may be this low because of access to second-hand clothing provided by friends and whānau, or social services.

Debt repayments

Whānau that financial mentors support are often dealing with complex and unaffordable debts. The data in Client Voices shows that the median weekly repayments for debts in 2023 made up 15.2 percent of weekly incomes. While this decrease of 0.7 percent from 2022 may be considered a positive change, financial mentors tell us that the reality is there are many whānau who simply cannot afford to make repayments. This is confirmed by the fact that the median amount of debt that whānau owed in 2023 increased. Where debts are not being repaid, they are unlikely to show up on the client's budget or debt schedule as a weekly expense, which would bring down the weekly expenditure rate for debt repayments.

There can often be several debts that are not being repaid, meaning they are growing and accruing interest. It is also common for lenders to place pressure on whānau to repay unaffordable debts. With the pressure, these repayments can end up prioritised over essential expenses like food, housing, fuel, clothing, and electricity.

The following sections of this report look further at data on debt and creditors.

Debt

At a glance

- In 2023, the median amount of debt for clients was \$14,096.10 (including home loans) and the median number of debts remained at four.
- In 2023 the median amount of debt owed to a bank, finance company or other consumer lender increased to \$3,196.08.
- Debt to government departments and agencies totalled just under \$80 million in 2023.

Summary

This section examines trends in the amount, number and types of debt and creditors across the clients seeing a financial mentor. With home loans included, the median debt owed per case in 2023 was \$14,096.10. This was an increase of \$429.75 from 2022 and mirrors the pattern of increase from 2021 to 2022.

The median debt amount increased across all creditor types, with the only two exceptions being health services and retailer creditors who had decreases. Many of the creditor types have shown a pattern of higher debt amounts in 2021, followed by a dip in 2022 and then an increase again in 2023. Median debt amounts for local government and landlord debts had the biggest increase in 2023.

Context to consider while reading this data

Whānau can get into debt with many different types of creditors for various reasons. Sometimes a car needs fixing, a pet needs to go to the vet, or a child needs to take a present to a friend's birthday party. A debt is created where a creditor allows repayment for a good, service or an advanced sum of money to be deferred. Credit being offered in this way can help a whānau maintain or improve their wellbeing while balancing financial obligations.

However, financial mentors often support whānau that are getting into debt for essential items because they cannot afford these purchases. Debt can easily compound and create stressful spirals that significantly harm their financial wellbeing. This is especially the case for debts which incur further charges beyond the direct value of the amount advanced.

Higher numbers of debts can greatly increase stress for the indebted whānau. Where debts add up, they can easily escalate and become debt spirals. This makes dealing with debt much more complicated and confusing. This also adds complexity to finding a sustainable

way forward for financial mentors and the whānau they work with. Financial mentors must put more resources into contacting multiple organisations about multiple accounts.

Median total debt

In 2023, the median number of debts per client remained the same as the previous two years, at four debts per client case.

Median amount of debt per case (excluding home loans)

Overall, there was a decrease in the median amount of debt that whānau owed in 2023 when clients with home loans were excluded. The median amount of debt owed by each case when clients with home loans were excluded in 2023 was \$12,059.13, which was a decrease of \$408.23 from 2022. There was an increase in the number of debts recorded in Client Voices in 2023 consistent with the increase in total clients.

Median total presenting debt amount for clients (excluding home loans)

2021	2022	2023	Change
\$11,873.18	\$11,936.69	\$12,059.13	+\$122.44

Median amount of debt per case (including home loans)

When home loans are included, the median debt owed per case in 2023 was \$14,096.10. This was an increase of \$429.75 from 2022 and mirrors the pattern of increase from 2021 to 2022, showing a steady increase in the amount of debt that whānau owed.

Median total presenting debt amount for clients (including home loans)

2021	2022	2023	Change
\$13,182.91	\$13,666.35	\$14,096.10	+\$429.75

Home loans

Percentage of clients with debt who had home loans

	2021	2022	2023
Percentage of cases with a home loan	7.54%	8.83%	9.51%

Median amount of presenting debt for home loans

	2021	2022	2023	Change
Home loan	\$119,317.03	\$132,908.52	\$162,733.09	+\$29,824.57

Creditor types

The most common creditors are banks, finance companies, debt collectors and government departments or agencies. However, whānau can also be in debt to creditors such as landlords, health services, friends and family and retailers. This section looks at loan and creditor types that are clearly labelled in Client Voices.

The key takeaway for creditor types in 2023 was again an increase in the amount, number and percentage of debts in Client Voices to government departments. This was the biggest increase in the percentage of all debts recorded in Client Voices, with a 1.2 percent increase.

Percentage of unique debts presented by creditor type

	2021	2022	2023	Change
Bank, finance company or other consumer lender	39.5%	39.7%	38.7%	-1.0%
Debt collector	8.2%	9.5%	9.1%	-0.4%
Family or friends	3.3%	3.1%	3.6%	+0.4%
Government department or agency	24.2%	26.3%	27.5%	+1.2%
Health services	2.0%	2.2%	2.3%	+0.1%
Landlord	1.4%	1.2%	1.5%	+0.2%
Local government	0.6%	0.7%	0.8%	+0.1%
Motor vehicle repairer	0.6%	0.7%	0.8%	+0.1%
Other (specify)	6.5%	5.6%	5.4%	-0.2%
Retailer	7.3%	5.5%	4.9%	-0.6%
Utilities	6.3%	5.3%	5.5%	+0.1%

Median presenting debt amount for each creditor type

	2021	2022	2023	Change
Bank, finance company or other consumer lender	\$3,223.14	\$3,097.28	\$3,196.08	+\$98.80
Debt collector	\$1,013.47	\$951.34	\$1,008.65	+\$57.31
Family or friends	\$1,500.00	\$1,500.00	\$1,596.60	+\$96.60
Government department or agency	\$1,592.38	\$1,521.18	\$1,619.32	+\$98.14
Health services	\$146.33	\$150.00	\$141.31	-\$8.69
Landlord	\$1,103.33	\$1,046.81	\$1,182.32	+\$135.51
Local government	\$1,200.00	\$1,063.05	\$1,243.44	+\$180.39
Motor vehicle repairer	\$645.02	\$700.00	\$752.33	+\$52.33
Other (specify)	\$753.73	\$708.38	\$712.97	+\$4.59
Retailer	\$816.60	\$732.41	\$682.09	-\$50.32
Utilities	\$482.65	\$422.06	\$455.91	+\$33.85

Credit contracts and consumer finance debt

In 2023 the median amount of debt owed to a bank, finance company or other consumer lender was \$3,196.08. This was an increase of \$98.80 from 2022. Across almost all sub-categories of consumer finance lending there was an increase in the median debt for 2023. The exception was Buy Now Pay Later (BNPL) lending which had a decrease of \$18.28. However, the overall percentage of the total amount of debt in Client Voices owed to BNPL lenders increased in 2023.

While there was an increase in the median debt amount owed to consumer finance lenders between 2022 and 2023, the median amount of debt owed in 2021 was higher than both subsequent years. Since 1 December 2021, the Credit Contracts and Consumer Finance Act (CCCFA) has included robust protections that have required lenders to check that they are not giving out a loan that is unaffordable from the start. There have already been some revisions of the regulations implemented on 1 December 2021 (Ministry of Business, Innovation & Employment, 2023).

FinCap is seeing the more robust requirements lead to whānau getting better outcomes. Examples include whānau getting a fresh start at financial wellbeing where unfair loans

of tens of thousands of dollars are more easily unwound. That, or unaffordable loans are avoided in the first place. Previously, whānau were instead more likely to have proceeded with insolvency procedures or KiwiSaver hardship withdrawals, which can extend their challenges with financial wellbeing across decades.

Median presenting debt amount for each creditor sub-type (consumer)

	2021	2022	2023	Change
Bank	\$3,734.10	\$4,036.61	\$4,772.77	+\$736.16
Credit union or building society	\$6,016.82	\$6,016.72	\$7,064.50	+\$1,047.78
Finance company	\$4,109.20	\$4,213.94	\$4,463.70	+\$249.76
Housing NZ	\$758.50	\$805.50	\$1,146.00	+\$340.50
Interest-free buy now pay later	\$150.00	\$188.90	\$170.62	-\$18.28
Mobile shopping truck	\$1,113.13	\$1,084.09	\$1,200.00	+\$115.91
Other consumer lender	\$1,908.05	\$1,914.84	\$2,000.00	+\$85.16
Debt collector	\$1,013.47	\$951.34	\$1,008.65	+\$57.31
Sales/hire purchase agreements	\$2,994.59	\$2,562.52	\$2,970.72	+\$408.20

Percentage of unique debts in Client Voices owed to each creditor sub-type (consumer)

	2021	2022	2023	Change
Bank	19.9%	18.3%	16.6%	-1.7%
Credit union or building society	0.7%	0.7%	0.6%	-0.1%
Finance company	23.5%	25.2%	26.2%	+1.0%
Housing NZ	0.5%	0.7%	0.7%	0.0%
Interest-free buy now pay later	2.3%	4.7%	5.6%	+0.9%
Mobile shopping truck	0.5%	0.6%	0.4%	-0.2%
Other consumer lender	3.5%	3.1%	2.6%	-0.5%

	2021	2022	2023	Change
Debt collector	8.2%	9.5%	9.1%	-0.4%
Sales/hire purchase agreements	6.1%	3.0%	2.0%	-1.0%

This is not the percentage of the total monetary sum of client debt.

Debt collector

In 2023, the median amount of debt owed to a debt collector was \$1,008.65. This was a \$57.31 increase from 2022. Debt to debt collectors has followed the pattern of a higher median debt amount in 2021 than in either of the following years. The percentage of the amount of debt that was owed to debt collectors in 2023 dropped slightly to 9.1 percent.

Many whānau in Aotearoa cannot afford to meet the repayment rates demanded by creditors or third-party debt collectors without facing substantial hardship. Our consumer protections for the conduct of traders collecting debt in Aotearoa lag behind the equivalent requirements in Australia and the United Kingdom (Stace, Croskery, Harward, Tracey, & Chan, 2021).

Bank

The median amount of debt owed to banks in 2023 increased by \$736.16 to \$4,036.61. However, the percentage of unique debts that were owed to banks in Client Voices decreased slightly to 16.6 percent. Often whānau have higher levels of debt to banks, for mortgages, personal loans, business loans, credit card debts or overdrafts.

Finance Company

In 2023, the median debt to finance companies increased by \$249.76 to \$4,463.70. The overall percentage of debt amount in Client Voices owed to finance companies increased by 1 percent to 26.2 percent. A finance company provides credit to whānau from their specialised financial institution. The purchases are made with contracts between the merchants, who provide small loans directly to consumers.

Sales/hire purchase agreements

The median amount of debt owed to sales or hire purchase lenders increased by \$408.20 to \$2,970.72 in 2023. A trend reported in the previous Voices report was that the number of debts in this category halved. In 2023, we can see that the number of debts in this category decreased significantly again in 2023. To further this trend, in 2023 there was a decrease in the percentage of unique debts owed to sales/hire purchase agreement lenders, to 2 percent.

Financial mentors have also been reporting less of this lending type since the 2021 changes to the CCCFA. Hire purchase agreements are different to most other types of borrowing because you don't own the goods until you have paid them off in full. You pay for the goods or services in instalments, in a similar manner to the newer Buy Now Pay Later lending types.

Mobile shopping truck

The median debt owed to mobile shopping trucks in 2023 increased to \$1,200. The percentage of debts to this lender type also decreased, to 0.4 percent of all unique debts. Mobile shopping trucks operate from a truck or large vehicle and provide instant services on credit. The number of debts in this category have also seen a decrease since 2021.

Interest free Buy Now Pay Later

Buy Now Pay Later loans provide customers with a short-term, interest-free loan where they can purchase products up front and then pay off the purchase over several weeks. While these loans are interest-free, they do incur late payment penalties. These loans are typically available through applications on mobile phones or online shopping, being offered as an alternative payment option.

Financial mentors are seeing whānau with increasing numbers of Buy Now Pay Later loans that are fueling debt spirals. When whānau have many different loans, with repayments going out at varied times and dates, it causes increased stress and creates space for errors that can result in the addition of late payment fees.

What financial mentors are seeing is reflected in the data. While the median amount of debt owed to Buy Now Pay Later lenders decreased slightly to \$170.62 in 2023, the percentage of unique debts in client voices that were owed to this lending type increased to 5.6 percent. This is a continuation of the trends over the previous years, where the number of Buy Now Pay Later loans in the system doubled between 2021 and 2022.

Credit union or building society

The median debt owed to credit unions or building societies increased to \$7,064.50. Credit unions are member-owned cooperative financial organisations that provide savings and loan facilities for their members (New Zealand Companies Office, 2023).

Although these lenders typically operate with an intended focus on providing genuine support to whānau, issues still arise with loans from these lenders. As discussed in Part two, in the definition of 'productive and hazardous debt,' all debt can cause harm to whānau and therefore the appropriate consumer protections must be in place to avoid causing unnecessary financial hardship.

Utilities

To achieve financial wellbeing, whānau should be able to afford essential utilities, such as power and telecommunication connectivity. However, many whānau get into debt with these essential service providers as they cannot afford their ongoing bills. The median debt owed to utilities was \$455.91 in 2023, which was an increase from 2022.

Median presenting debt amount to utilities creditor types

	2021	2022	2023	Change
Bank	\$3,734.10	\$4,036.61	\$4,772.77	+\$736.16
Credit union or building society	\$6,016.82	\$6,016.72	\$7,064.50	+\$1,047.78
Electricity	\$502.34	\$453.18	\$494.83	+\$41.65
Finance Company	\$4,109.20	\$4,213.94	\$4,463.70	+\$249.76
Housing NZ	\$758.50	\$805.50	\$1,146.00	+\$340.50
Interest-free buy now pay later	\$150.00	\$188.90	\$170.62	-\$18.28
Ministry of Justice (including fines, infringement fees and court fees)	\$877.69	\$895.36	\$800.80	-\$94.56
Ministry of Social Development (including Work and Income)	\$1,805.82	\$1,758.62	\$1,794.33	+\$35.71
Mobile shopping truck	\$1,113.13	\$1,084.09	\$1,200.00	+\$115.91
Other consumer lender	\$1,908.05	\$1,914.84	\$2,000.00	+\$85.16
Other government department or agency	\$2,281.27	\$2,036.57	\$2,519.24	+\$482.67
Other utilities	\$400.00	\$342.35	\$379.31	+\$36.96
Sales/hire purchase agreements	\$2,994.59	\$2,562.52	\$2,970.72	+\$408.20
Telecommunications	\$484.70	\$423.51	\$445.62	+\$22.11

Percentage of all unique debts owed to utilities creditor types

	2021	2022	2023	Change
Bank	19.9%	18.3%	16.6%	-1.7%
Credit union or building society	0.7%	0.7%	0.6%	-0.1%
Electricity	3.1%	3.0%	3.3%	+0.3%
Finance Company	23.5%	25.2%	26.2%	+1.0%
Housing NZ	0.5%	0.7%	0.7%	0.0%
Interest-free buy now pay later	2.3%	4.7%	5.6%	+0.9%
Ministry of Justice (including fines, infringement fees and court fees)	6.8%	6.3%	6.1%	-0.1%
Ministry of Social Development (including Work and Income)	17.4%	21.7%	23.3%	+1.6%
Mobile shopping truck	0.5%	0.6%	0.4%	-0.2%
Other consumer lender	3.5%	3.1%	2.6%	-0.5%
Other government department or agency	9.8%	8.2%	8.3%	0.0%
Other utilities	2.2%	1.3%	1.2%	-0.1%
Sales/hire purchase agreements	6.1%	3.0%	2.0%	-1.0%
Telecommunications	3.8%	3.2%	3.1%	-0.1%

This is not the percentage of the total monetary sum of client debt.

Telecommunication debt

The median telecommunication debt increased by \$22.11 to \$445.62 in 2023. The percentage of debt in Client Voices owed to telecommunication companies decreased very slightly to 3.1 percent. However, the total amount of debt owed to telecommunication companies increased drastically.

Most whānau now need cell phones to access many daily essential services, which now require a certain level of smartphone functionality. For example, when accessing insolvency services, Work and Income (W&I), IRD, and even at times when paying for parking. There is often pressure from salespeople and marketing for whānau to purchase more expensive devices.

The increase in the total amount of debt owed to telecommunication providers was an expected trend for financial mentors. From what they have told us, long-term payment plans, and unpaid phone and broadband bills contribute to telecommunication debt. Most telecommunication providers offer interest-free long-term lending plans for paying off a phone in instalments (2degrees, 2023). These plans are commonly raised as an issue by financial mentors.

The payment plans themselves reflect a form of lending but are currently operating without any safeguards. The payment period for these plans can be 12, 24 or 36 months. The monthly repayments can cost well over \$100 when the required 'pay monthly' plans are added. There are no clear hardship arrangements for adjusting or cancelling the plans where hardship occurs. Even when the plans are signed on to, there is very little detail, no clarity on the rights of the whānau and, in some cases, there is no clear summary of the total cost of the phone.

Electricity debt

In 2023, the median debt for electricity increased by \$41.65 to \$494.83. The percentage of debt in Client Voices owed to electricity companies increased to 3.3 percent of the total unique debts in Client Voices. Like telecommunication debt, the total amount of debt to electricity companies greatly increased in 2023.

Electricity is an essential service that whānau need for their health, wellbeing, and social participation. In 2022, The Ministry of Business Innovation and Employment (MBIE) measured more than 110,000 households in Aotearoa who could not afford to keep their home adequately warm (Ministry of Business, Innovation & Employment, 2022). Our data reinforces that energy affordability is a serious issue for many whānau in Aotearoa.

Debt to Government

The number, amount, percentage and median amount of debt owed to government departments increased in 2023. The total amount of debt owed to government departments increased, to \$79,997,215.61, which was an increase of \$18,289,665.11 from 2022. The number of debts owed to government departments also drastically increased. Additionally, debt to local government increased greatly.

Debt to government departments made up 27.5 percent of the debt amount in Client Voices, an increase of 1.2 percent from 2022. In 2023, whānau owed a median of \$1,619.32 of debt to government departments in Aotearoa. This is a significantly higher amount of debt than was owed to almost any other creditor type, lower only than the category of banks, finance companies and other consumer lenders.

Debt to government departments totalled just under \$80 million in 2023

Median presenting debt amount to a government department or agency

	2021	2022	2023	Change
Bank, finance company or other consumer lender	\$3,223.14	\$3,097.28	\$3,196.08	+\$98.80
Debt collector	\$1,013.47	\$951.34	\$1,008.65	+\$57.31
Family or friends	\$1,500.00	\$1,500.00	\$1,596.60	+\$96.60
Government department or agency	\$1,592.38	\$1,521.18	\$1,619.32	+\$98.14
Health services	\$146.33	\$150.00	\$141.31	-\$8.69
Landlord	\$1,103.33	\$1,046.81	\$1,182.32	+\$135.51
Local government	\$1,200.00	\$1,063.05	\$1,243.44	+\$180.39
Motor vehicle repairer	\$645.02	\$700.00	\$752.33	+\$52.33
Other (specify)	\$753.73	\$708.38	\$712.97	+\$4.59
Retailer	\$816.60	\$732.41	\$682.09	-\$50.32
Utilities	\$482.65	\$422.06	\$455.91	+\$33.85

Why do whānau owe increasing amount of debt to government?

Whānau can be in debt to a government department for a number of reasons. Overpayment of benefits, benefit advances, student loans, tax issues or overdue rates are some examples. While usually debt to government departments is interest-free, all debt can be accompanied by stress and a mental load. Debt to government disproportionately impacts whānau with children. According to research by the Social Wellbeing Agency, of all the people that owe debt to government, 62 percent are parents or share an address with a child (Social Wellbeing Agency, 2022).

All debts owed to each department or agency are created and collected in different ways. The inconsistent processes as to how debt is created and collected generate confusion and

particularly increases the weight of the financial load for whānau with children. For a long time, there was no framework around the growing maze different rules, debt types and issues with owing a debt to a government department. However, in 2023 FinCap supported the implementation of the debt to government framework, which promotes consistency in the creation and collection of debt to government. We hope to see the framework tidying up the web of inconsistencies, and ultimately to limit the level of debt that whānau owe to government departments.

Median presenting debt amount to each government department or agency

	2021	2022	2023	Change
Housing NZ	\$758.50	\$805.50	\$1,146.00	+\$340.50
Ministry of Justice (including fines, infringement fees and court fees)	\$877.69	\$895.36	\$800.80	-\$94.56
Ministry of Social Development (including Work and Income)	\$1,805.82	\$1,758.62	\$1,794.33	+\$35.71
Other government department or agency	\$2,281.27	\$2,036.57	\$2,519.24	+\$482.67

Ministry of Social Development

In 2023, whānau each owed a median of \$1,794.22 to MSD, which was a \$35.71 increase from 2022. The total amount of debt owing to MSD increased by almost 10 million dollars between 2022 and 2023. The number of debts also increased in line with an increased number of clients cases.

Percentage of unique presenting debts by creditor types (government departments or agency)

	2021	2022	2023	Change
Ministry of Social Development (including Work and Income)	17.4%	21.7%	23.3%	+1.6%

This is not the percentage of the total monetary sum of client debt.

Why do more whānau owe more debt to MSD?

Debts to the Ministry of Social Development (MSD) are usually created through overpayment debts, repayment of recoverable grants and benefit advances. It can be helpful that MSD does provide support to whānau, and debt to MSD is less likely to spiral

than debt to banks or other consumer lenders where there is interest and compounding fees. However, debt to MSD can become 'problem debt' for whānau.

The Department of Prime Minister and Cabinet defined problem debt as “when servicing it [debt] becomes either unaffordable, or a heavy burden...Problem debt can have a significant impact on individuals and whānau in hardship, contributing to financial hardship, stress, poor physical and mental health, stigma, and social exclusion” (Department of the Prime Minister and Cabinet (DPMC), 2022).

Overpayment debt is a particularly common debt type for clients of financial mentors and is created when a whānau is paid more than they are entitled to. Financial mentors report that this can often happen even when whānau are trying incredibly hard to avoid it. However, due to the complex requirements and processes around applying for income support, debts still regularly occur.

Other Government departments (Inland Revenue Department)

In 2023, there was a \$482.67 increase in the amount that whānau owed to the category of 'other government department.' The median amount of debt was \$2,519.24 in 2023. Debt in this category made up 8.3 percent of the total amount of debt in Client Voices. The number of debts in this category increased in 2023 from 2022 but was still below the number of debts in 2021.

The primary department in this category is Inland Revenue (IRD), but due to categorisation barriers, we cannot currently separate it out from other departments that may also be in this category. Another department that whānau may owe debt to in this category is the Ministry of Business, Innovation and Employment.

Why do more whānau owe more debt to IRD?

Whānau can have debt to the IRD for student loans, unpaid child support, overpayment of Working for Families, or tax debt. We expect that student loan debt would make up a large proportion of the debt owed in this category.

Percentage of unique presenting debts by creditor types (government departments or agencies)

	2021	2022	2023	Change
Other government departments and agencies	9.8%	8.2%	8.3%	0.0%

This is not the percentage of the total monetary sum of client debt.

Kāinga Ora (Housing New Zealand)

The overall amount of debt owed to Kāinga Ora increased in 2023. The median amount of debt owed to Kāinga Ora also increased by \$340.50 to \$1,146.00. While the total amount of debt increased significantly, the number of debts only slightly increased. This signals that while there weren't many more clients getting into debt with Kāinga Ora, those who hold debt are experiencing an increasing burden.

Why do whānau owe more debt to Kāinga Ora?

Debt to Kāinga Ora can be caused by charges for property repairs and rent arrears. Financial mentors have raised issues with debt to Kāinga Ora being created as a punishment for whānau not having necessary documentation completed promptly.

In 2023, FinCap welcomed collaboration with government officials on finding ways to resolve this issue when we raised the concerns. Additionally, some financial mentors have mentioned that whānau with children can get into more debt with Kāinga Ora because of children causing minor damage in homes.

Percentage of unique presenting debts by creditor types (government departments or agencies)

	2021	2022	2023	Change
Kāinga Ora	0.5%	0.7%	0.7%	0.0%

This is not the percentage of the total monetary sum of client debt.

Ministry of Justice

The median amount of debt owed to the Ministry of Justice (MoJ) decreased by \$94.56 in 2023, to \$800.80. The percentage of debts in Client Voices that were owed to MoJ also decreased to 6.1 percent. However, the total amount of debt owed increased, as did the total number of debts. This signals that more clients are getting into debt with MoJ and needing support from a financial mentor.

Why do more whānau owe debt to MoJ?

Debt to the Ministry of Justice (MoJ) is typically made up of fines and infringements, as well as legal aid debt. Financial mentors have raised concerns over the Family Court process and the costs that going through the courts can cost whānau.

Percentage of unique presenting debts by creditor types (government departments or agencies)

	2021	2022	2023	Change
Ministry of Justice (including fines, infringement fees and court fees)	6.8%	6.3%	6.1%	-0.1%

This is not the percentage of the total monetary sum of client debt.

Local government

Whānau owed more to local government in 2023 than in 2022. The median debt owed to local government increased by \$180.39 to \$1,243.44 in 2023. The overall percentage

of debts in Client Voices that were owed to local government increased slightly to 0.8 percent. There was also a significant leap in the amount and number of debts owed to local government.

Why do whānau have debt to local government?

Whānau can end up in debt to councils because of issues with dog registrations, parking infringements, rates, library fines, and unpaid noise complaint fines (Wellington City Council, 2022). Financial mentors have commented on the lack of clarity and inconsistencies between different councils, which makes dealing with debt to council especially challenging. FinCap has therefore made recommendations to include debt to local government in the debt to government framework, and to ensure that there are hardship policies at councils. The need for this is highlighted by the great increase in debt to local government in 2023.

Percentage of unique presenting debts by creditor types (government departments or agencies)

	2021	2022	2023	Change
Local Government	0.6%	0.7%	0.8%	+0.1%

This is not the percentage of the total monetary sum of client debt.

Loan types

Although all loan types can cause harm to whānau, some can be more challenging than others. High-interest rates, penalties and fees can create a rapidly growing financial burden for whānau. The highest percentage of debts in Client Voices were for personal loans, motor vehicle loans and credit cards. The percentage of high-cost loans decreased slightly in 2023, reflecting the positive impact of the 2021 CCCFA changes.

Percentage of unique debts presented by loan type

	2021	2022	2023	Change
Credit card	12.9%	13.8%	13.1%	-0.7%
Credit sale of goods or service (sometimes called hire purchase or rent-to-own)	4.8%	5.3%	5.2%	-0.2%
Debt consolidation loan	1.1%	1.4%	1.5%	+0.1%
High cost loan (Annual interest rate >50%, including payday loan)	1.8%	1.8%	1.5%	-0.3%
Home loan	5.7%	7.4%	8.4%	+1.0%

	2021	2022	2023	Change
Motor vehicle loan	16.4%	18.9%	20.8%	+1.9%
Other (specify)	22.4%	14.0%	10.9%	-3.1%
Personal loan (excluding motor vehicle loan)	27.7%	28.3%	29.1%	0.8%
Revolving credit facility (includes credit card, store card, Gem Visa/Q Card, etc)	7.2%	9.1%	9.7%	0.5%

Median presenting debt amount for each loan type

	2021	2022	2023	Change
Credit card	\$2,925.00	\$3,048.78	\$3,000.00	-\$48.78
Credit sale of goods or service (sometimes called hire purchase or rent-to-own)	\$1,555.32	\$1,421.90	\$1,628.42	+\$206.52
Debt consolidation loan	\$12,000.00	\$10,000.00	\$9,000.00	-\$1,000.00
High cost loan (annual interest rate >50%, including payday loan)	\$1,153.43	\$1,200.12	\$1,397.42	+\$197.30
Home loan	\$119,317.03	\$132,908.52	\$162,733.09	+\$29,824.57
Motor vehicle loan	\$9,000.00	\$9,509.32	\$10,001.00	+\$491.68
Other (specify)	\$2,000.34	\$1,879.73	\$1,518.69	-\$361.04
Personal loan (excluding motor vehicle loan)	\$3,077.88	\$3,287.57	\$3,326.26	+\$38.69
Revolving credit facility (includes credit card, store card, Gem Visa/Q Card, etc)	\$2,272.43	\$2,000.34	\$2,099.43	+\$99.09

Appendix A part three: Demographics

Dependent Children

At a glance

- The median weekly income for whānau with one child in 2023 was \$799.66, which was a \$73.94 increase from 2022.
- Whānau with four or more children had the highest weekly expenditure as a percentage of weekly income at 105.8 percent in 2023.
- Whānau with four or more children continued to have the highest median debt, at \$19,203.68 in 2023.

Summary

This section examines trends in income, expenditure, and debt for whānau with dependent children. In 2023, the median weekly income for whānau with one child was \$799.66, which was a \$73.94 increase from 2022. Of the clients that had been noted as having children or not, 71 percent did have children.

Whānau with four or more children struggled most in 2023, with the highest weekly deficit of all family sizes with dependent children. There was also a higher increase in whānau in this category visiting financial mentors than any other whānau size. Whānau with four or more children also had a higher median number of debts than all other whānau sizes, with five. While the median weekly income for this group was highest, at \$1,162.63, the increase between 2022 and 2023 was slightly lower than for whānau with three children.

The total weekly expenditure as a percentage of weekly income increased for all whānau sizes except for whānau with one child. In 2023, there was a decrease, or no change, for all whānau sizes for debt expenditure. Meanwhile, expenditure on essentials varied across whānau sizes.

Total weekly expenditure as a percentage of weekly income (dependent children)

Number of children	2021	2022	2023	Change
No children	107.2%	107.3%	107.7%	+0.4%
One child	106.3%	105.7%	104.7%	-1.1%
Two children	106.9%	104.2%	104.8%	+0.6%
Three children	105.5%	103.9%	105.4%	+1.5%
Four or more children	103.0%	102.6%	105.8%	+3.2%

Factors to consider when analysing this data

According to StatsNZ child poverty statistics for the year ending June 2023, there was no change in outcomes for the primary measures of child poverty in Aotearoa. This showed that 12.6 percent of children were living in income poverty, where their household received less than 50 percent of the median household equivalised disposable income before housing costs (Stats NZ, 2024). Additionally, it found there were increases in the percentage of children living in material hardship, where their household was going without things they needed.

The Child Poverty Reduction Act (2018) set the goal to halve child poverty and reduce it to 10 percent of children over ten years. While in 2022 the Child Poverty Monitor signalled that Aotearoa was on track to reach these targets, the StatsNZ data (Stats NZ, 2024) for 2023 shows no further improvement (Child Poverty Monitor, 2022).

All children should have access to the equipment that is necessary for school without their whānau getting into debt. Another common source of debt for whānau with children are loans for vehicle related costs. Vehicle loans are a regularly raised frustration for financial mentors because of regular irresponsible lending. Whānau with children also struggle with the cost of petrol and vehicle repairs. For most parents, having a car is essential for transporting their children and therefore, despite the costs, it is often a priority for many whānau.

Income

Whānau with children had higher incomes but also higher median debt amounts than whānau without children in 2023. This is a continuation of the trends across 2021 and 2022. The increases in incomes for whānau with children signals that targeted support is reaching whānau with children.

Overall, incomes increased at a higher rate between 2022 and 2023 than between the previous years for whānau with one child and whānau with three children. Incomes also increased at a higher rate for those without children. Meanwhile, whānau with two or four plus children experienced less of an increase in income than in previous years.

Median weekly client income by number of dependent children

Number of children	2021	2022	2023	Change
No children	\$459.59	\$489.67	\$549.5	+\$59.83
One child	\$674.27	\$725.72	\$799.66	+\$73.94
Two children	\$787.83	\$878.42	\$945.89	+\$67.47
Three children	\$893.82	\$966.71	\$1,061.61	+\$94.90
Four or more children	\$962.20	1,071.37	\$1,162.63	+\$91.26

Expenditure

Material hardship can be categorised into four related types – basic expense hardship, food insecurity, housing hardship and medical hardship (Schenck-Fontaine & Ryan, 2022). These are particularly integral for the wellbeing of children. While we cannot yet report on medical hardship, we can look at basic expenses, food and housing expenditure across whānau sizes. This section shows data on expenditure for whānau with children. Across all whānau sizes, except for whānau with one child, the total weekly deficit as a percentage of weekly income increased in 2023.

Whānau with four children had the greatest increase in weekly deficit. Larger whānau have more costs, and this is reflected in the data as expenditure for whānau with four or more children increased across almost all categories. The only exception was the slight decrease in electricity spend. There was also no change in expenditure on debt repayments, while for all other whānau sizes expenditure on debt repayments dropped. Whānau with four or more children had the highest weekly expenditure on debt repayments, at 17.3 percent.

Median weekly expenditure on essentials and debt repayments as a percentage of weekly income by number of dependent children

		2021	2022	2023	Change
Rent/board	No children	42.0%	39.2%	41.6%	+2.4%
	One child	42.2%	39.7%	41.5%	+1.8%
	Two children	39.6%	43.2%	41.5%	-1.7%
	Three children	40.0%	38.3%	35.8%	-2.5%
	Four or more children	29.0%	25.4%	26.8%	+1.4%
Groceries	No children	21.3%	20.0%	17.7%	-2.3%
	One child	21.8%	20.5%	19.6%	-0.9%
	Two children	22.5%	22.4%	20.8%	-1.6%
	Three children	21.9%	20.6%	23.6%	+3.0%
	Four or more children	25.7%	25.9%	25.9%	+0.0%
Electricity	No children	6.9%	6.3%	5.6%	-0.7%
	One child	5.4%	5.6%	5.1%	-0.5%
	Two children	5.7%	5.4%	5.0%	-0.5%
	Three children	5.1%	4.8%	4.5%	-0.3%
	Four or more children	4.9%	5.5%	5.0%	-0.4%

		2021	2022	2023	Change
Fuel	No children	7.9%	7.4%	8.2%	+0.9%
	One child	7.0%	6.7%	7.0%	+0.3%
	Two children	6.0%	6.7%	6.1%	-0.5%
	Three children	6.4%	6.2%	6.2%	0.0%
	Four or more children	6.2%	6.4%	7.0%	+0.6%
Clothes	No children	0.0%	0.4%	0.3%	-0.1%
	One child	0.7%	0.8%	0.7%	-0.1%
	Two children	1.0%	0.9%	0.8%	-0.1%
	Three children	1.0%	0.7%	0.9%	+0.2%
	Four or more children	0.9%	0.9%	1.0%	+0.1%
Debt repayment	No children	15.7%	15.3%	14.0%	-1.3%
	One child	15.5%	16.1%	14.9%	-1.2%
	Two children	17.8%	16.8%	15.4%	-1.4%
	Three children	18.8%	16.5%	14.9%	-1.6%
	Four or more children	18.4%	17.3%	17.3%	0.0%

Debt

There were increases in the number of whānau with debt in each category in 2023, in line with the overall increase in clients seeing financial mentors and correlating increase in debts. The category with the biggest increase in clients is whānau with four or more children. The median number of debts remained the same as in 2022, with most whānau sizes at a median of four debts. The exception is whānau with four or more children who had a median of five debts again in 2023.

While in 2022 there were decreases in the median amount of debt for several whānau sizes, in 2023 the median amount of debt increased across all whānau sizes. Whānau with three children had a significant increase of \$3,146.80 to a median of \$18,987.97. Meanwhile whānau with four or more children and whānau with no children had the smallest increases. Despite the smaller increase, whānau with four or more children continued to have the highest median debt in 2023.

Median total presenting debt amount for clients by number of dependent children (Includes home loans)

Number of children	2021	2022	2023	Change
No children	\$10,988.43	\$11,540.92	\$11,744.69	+\$203.77
One child	\$12,460.88	\$13,289.42	\$14,087.62	+\$798.20
Two children	\$16,083.22	\$15,345.70	\$15,758.27	+\$412.57
Three children	\$17,032.73	\$15,841.17	\$18,987.97	+\$3,146.80
Four or more children	\$17,934.64	\$19,131.13	\$19,203.68	+\$72.55

Regions

At a glance

- Auckland had the highest weekly deficit, with weekly expenditure as a percentage of weekly income at 112.23 percent. Debt repayments made up 18.7 percent of expenditure.
- While most regions had a decrease in expenditure on fuel, Auckland drove up the overall fuel expenditure in Client Voices.
- Auckland drove up the median amount of debt, with a median of \$18,222.05.

Summary

This section examines trends in income, expenditure and debt across regions in Aotearoa. In 2023, Auckland appeared to struggle most with the highest total weekly expenditure as a percentage of income, at 112.2 percent. Auckland also drove the increase in expenditure on fuel, while almost all other regions had a decrease. Whānau in Auckland also drove the increased amount of debt for whānau in 2023, at a median of \$18,222.05 debt per client case.

Overall, the regions with the highest incomes were Gisborne and Auckland, with Gisborne having a particularly large increase in income and bringing it into the position of highest income region.

It is important to note there are three regions with small sample sizes which are therefore excluded from general comparative commentary, due to potential inaccuracy. These regions are Marlborough, Tasman and West Coast. These regions are still included in the graphs, but noted as low sample size regions.

Total weekly expenditure as percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	110.5%	109.7%	112.2%	+2.5%
Bay of Plenty	102.9%	101.2%	97.8%	-3.4%
Canterbury	107.5%	106.3%	103.3%	-3.0%
Gisborne	109.4%	104.6%	102.2%	-2.5%
Hawke's Bay	107.2%	105.8%	106.5%	+0.7%
Manawatū / Whanganui	98.2%	103.1%	101.8%	-1.3%
Marlborough*	100.6%	102.4%	101.7%	-0.7%
Nelson	101.4%	99.9%	101.4%	+1.5%
Northland	103.9%	102.9%	103.3%	+0.4%
Otago	107.4%	106.1%	106.2%	+0.1%
Southland	96.4%	100.6%	100.4%	-0.2%
Taranaki	102.1%	103.6%	100.6%	-3.0%
Tasman*	118.2%	127.1%	119.8%	-7.3%
Waikato	104.3%	101.4%	100.9%	-0.5%
Wellington	106.5%	99.6%	101.2%	+1.6%
West Coast*	96.7%	108.5%	120.4%	+11.9%

**low sample size for Marlborough, Tasman and West Coast*

Income

In 2023, the regions with the biggest income increases were Southland and Gisborne. The regions with the highest incomes overall were Gisborne and Auckland. The regions with the lowest incomes were Taranaki and Hawke's Bay. Hawke's Bay, Bay of Plenty and Northland had the smallest increases in income compared to other regions.

Median weekly client income by region

Region	2021	2022	2023	Change
Auckland	\$723.37	\$790.68	\$829.41	+\$38.73
Bay of Plenty	\$571.39	\$687.74	\$709.62	+\$21.88
Canterbury	\$635.14	\$663.11	\$753.02	+\$89.91
Gisborne	\$650.00	\$722.81	\$839.37	+\$116.56
Hawke's Bay	\$577.25	\$659.20	\$695.54	+\$36.34
Manawatū / Whanganui	\$587.59	\$662.62	\$741.76	+\$79.14
Marlborough*	\$625.46	\$648.10	\$692.11	+\$44.01
Nelson	\$645.36	\$758.84	\$799.52	+\$40.68
Northland	\$598.14	\$670.10	\$704.37	+\$34.27
Otago	\$632.90	\$689.19	\$753.56	+\$64.37
Southland	\$558.73	\$560.70	\$726.32	+\$165.62
Taranaki	\$584.92	\$637.98	\$698.71	+\$60.73
Tasman*	\$415.41	\$496.17	\$551.72	+\$55.55
Waikato	\$643.29	\$675.48	\$717.24	+\$41.76
Wellington	\$645.38	\$670.39	\$755.96	+\$85.57
West Coast*	\$538.97	\$452.10	\$603.19	+\$151.09

**low sample size for Marlborough, Tasman and West Coast*

Expenditure

Auckland had the highest median deficit as a percentage of weekly income in 2023. For Auckland, weekly expenditure as a percentage of weekly income was at 112.2 percent. Auckland also had the biggest increase in deficit in 2023 compared to all other regions with a decent sample size. The Bay of Plenty was the only region not in a weekly deficit, with 97.8 percent of weekly income going out.

Rent

Overall, the trends were reasonably stable for larger regions, except for the significant rent or board expenditure drop for the Bay of Plenty. There was an even split between regions with an increase and decrease in expenditure on rent. However, the Gisborne region had a big increase in expenditure on rent or board. Auckland, Manawatu, Otago and Taranaki also had slight increases. Meanwhile, Canterbury, Wellington, Hawke's Bay and Waikato had slight decreases.

Rent expenditure as a percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	33.9%	30.8%	32.2%	+1.4%
Bay of Plenty	39.9%	39.6%	33.2%	-6.4%
Canterbury	38.9%	38.2%	36.5%	-1.7%
Gisborne	26.2%	19.5%	23.1%	+3.6%
Hawke's Bay	24.9%	30.6%	29.7%	-0.9%
Manawatū / Whanganui	36.3%	38.8%	40.0%	+1.2%
Marlborough*	32.8%	34.3%	43.3%	+9.0%
Nelson	42.7%	40.9%	40.9%	0.0%
Northland	38.2%	35.9%	36.6%	+0.8%
Otago	45.0%	44.3%	45.9%	+1.6%
Southland	36.4%	41.5%	40.3%	-1.2%
Taranaki	29.6%	36.4%	38.6%	+2.2%
Tasman*	53.1%	45.5%	38.7%	-6.8%
Waikato	36.8%	39.2%	38.2%	-1.0%
Wellington	37.0%	36.6%	35.7%	-0.9%
West Coast*	35.5%	37.9%	39.3%	+1.4%

**low sample size for Marlborough, Tasman and West Coast*

Groceries

There was an even split between the regions that increased and decreased in expenditure on groceries. The biggest increases were for Canterbury, Wellington, and Bay of Plenty. The highest expenditure for a region with a decent sample size was Hawke's Bay. The lowest grocery expenditure was in Manawatu/Whanganui.

Grocery expenditure as a percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	20.0%	18.8%	19.2%	+0.4%
Bay of Plenty	20.1%	17.5%	20.5%	+3.0%
Canterbury	16.8%	17.7%	19.3%	+1.6%
Gisborne	21.9%	17.5%	18.7%	+1.2%
Hawke's Bay	24.5%	22.9%	23.2%	+0.3%
Manawatū / Whanganui	18.9%	19.9%	18.1%	-1.8%
Marlborough*	18.2%	20.6%	20.9%	+0.3%
Nelson	19.2%	19.6%	19.1%	-0.5%
Northland	21.1%	22.3%	21.3%	-1.0%
Otago	21.0%	21.1%	19.4%	-1.7%
Southland	19.7%	18.4%	20.0%	+1.6%
Taranaki	19.1%	22.1%	19.4%	-2.8%
Tasman*	36.1%	30.6%	29.1%	-1.5%
Waikato	18.6%	18.9%	20.3%	+1.4%
Wellington	18.0%	18.0%	19.8%	+1.8%
West Coast*	20.5%	23.9%	17.5%	-6.4%

*low sample size for Marlborough, Tasman and West Coast

Electricity

In line with the slight national decrease, most regions had a decrease in expenditure on electricity. The exceptions were Hawke's Bay and Wellington with minor increases. The highest expenditure for regions with a decent sample size were Southland, Otago and Hawke's Bay. South Island regions typically have higher electricity expenditure due to the practical factor of colder weather and therefore greater need for heating (Lilley, 2023).

The regions with the lowest expenditure on electricity were Wellington, Auckland, Nelson and Northland. While Auckland and Northland are somewhat warmer regions, Wellington can be a colder one.

Electricity expenditure as a percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	4.5%	4.5%	4.3%	-0.1%
Bay of Plenty	6.1%	5.6%	5.3%	-0.4%
Canterbury	6.1%	6.1%	5.4%	-0.7%
Gisborne	7.8%	6.2%	5.7%	-0.5%
Hawke's Bay	6.1%	6.1%	6.3%	+0.2%
Manawatū / Whanganui	6.5%	5.9%	5.9%	0.0%
Marlborough*	6.6%	6.8%	7.4%	+0.6%
Nelson	5.4%	5.7%	4.8%	-0.9%
Northland	5.2%	5.6%	4.8%	-0.8%
Otago	7.0%	6.9%	6.6%	-0.2%
Southland	7.0%	7.2%	6.8%	-0.4%
Taranaki	6.8%	6.1%	5.0%	-1.2%
Tasman*	5.9%	4.1%	5.3%	+1.2%
Waikato	6.0%	6.1%	5.0%	-1.1%
Wellington	5.5%	4.7%	4.8%	+0.1%
West Coast*	6.9%	11.1%	7.2%	-3.9%

**low sample size for Marlborough, Tasman and West Coast*

Fuel

Fuel expenditure across Client Voices increased by 1.3 percent in 2023. While most regions had a decrease in expenditure, several large regions had increases. These regions were Auckland, Nelson and Northland. These regions, and in particular Auckland, drove up the overall expenditure on fuel.

Fuel expenditure as a percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	6.9%	7.1%	7.7%	+0.6%
Bay of Plenty	6.4%	6.6%	6.2%	-0.4%
Canterbury	7.0%	7.0%	6.0%	-1.0%
Gisborne	5.1%	6.6%	5.5%	-1.1%
Hawke's Bay	7.8%	8.7%	8.1%	-0.6%
Manawatū / Whanganui	6.0%	6.9%	6.1%	-0.8%
Marlborough*	6.8%	7.4%	6.7%	-0.7%
Nelson	5.7%	4.9%	5.9%	+0.9%
Northland	6.0%	6.7%	6.8%	+0.1%
Otago	7.2%	6.6%	6.2%	-0.3%
Southland	5.5%	7.1%	6.6%	-0.5%
Taranaki	6.1%	6.4%	6.0%	-0.4%
Tasman*	12.0%	11.2%	9.1%	-2.1%
Waikato	6.0%	6.8%	6.3%	-0.5%
Wellington	6.4%	6.4%	5.8%	-0.6%
West Coast*	6.0%	10.7%	7.1%	-3.6%

**low sample size for Marlborough, Tasman and West Coast*

Debt repayments

Across most regions, expenditure on debt repayments decreased. The exceptions were the Bay of Plenty, Hawke's Bay, Nelson and Southland with small increases. The highest expenditure on debt repayments were in Gisborne and Auckland, while the regions with the lowest debt repayment expenditure were Otago, Nelson, and Wellington.

Debt repayment expenditure as a percentage of weekly income (regions)

Region	2021	2022	2023	Change
Auckland	19.9%	18.9%	18.7%	-0.3%
Bay of Plenty	15.7%	15.0%	15.2%	+0.2%
Canterbury	15.9%	15.0%	13.8%	-1.2%
Gisborne	21.6%	21.6%	19.1%	-2.5%
Hawke's Bay	16.0%	14.9%	15.7%	+0.8%
Manawatū / Whanganui	15.2%	16.6%	14.8%	-1.9%
Marlborough*	9.7%	12.4%	9.2%	-3.2%
Nelson	13.0%	9.5%	10.8%	+1.3%
Northland	16.3%	16.4%	14.3%	-2.1%
Otago	14.0%	14.1%	11.7%	-2.5%
Southland	16.3%	14.3%	14.7%	+0.4%
Taranaki	13.8%	13.9%	13.5%	-0.4%
Tasman*	7.2%	13.7%	8.3%	-5.4%
Waikato	17.6%	15.5%	14.3%	-1.3%
Wellington	15.5%	13.4%	11.7%	-1.7%
West Coast*	7.6%	22.4%	22.3%	-0.1%

*low sample size for Marlborough, Tasman and West Coast

Debt

Whānau in Auckland drove the increased amount of debt for whānau in 2023, at \$18,222.05 median amount of debt per client case. While in both 2021 and 2022 Auckland had the highest median amount of debt per client case, in 2023 Gisborne overtook Auckland with a median amount of \$20,801.15 debt per client case. Gisborne had the greatest increase in the median amount of debt, with a \$7,345.55 increase from 2022 while simultaneously experiencing a drop in the total number of debts and clients for the region. This indicates that those clients in Gisborne faced increase debt stress.

Median total presenting debt amount for clients by region

Region	2021	2022	2023	Change
Auckland	\$18,005.41	\$17,233.61	\$18,222.05	+\$988.44
Bay of Plenty	\$11,224.65	\$12,336.78	\$13,778.33	+\$1,441.55
Canterbury	\$14,006.32	\$15,655.56	\$15,253.70	-\$401.86
Gisborne	\$8,332.88	\$13,455.60	\$20,801.15	+\$7,345.55
Hawke's Bay	\$14,581.58	\$13,775.71	\$12,851.42	-\$924.29
Manawatū / Whanganui	\$12,781.40	\$15,219.84	\$14,602.26	-\$617.58
Marlborough*	\$5,709.00	\$11,000.00	\$10,866.24	-\$133.76
Nelson	\$10,352.05	\$7,912.05	\$10,300.00	+\$2,387.95
Northland	\$11,222.68	\$11,461.30	\$10,626.39	-\$834.91
Otago	\$9,312.22	\$10,891.72	\$10,649.17	-\$242.55
Southland	\$11,201.29	\$12,967.17	\$12,509.98	-\$457.19
Taranaki	\$11,100.62	\$12,097.30	\$11,653.69	-\$443.61
Tasman*	\$7,355.50	\$7,008.57	\$3,305.00	-\$3,703.57
Waikato	\$11,026.73	\$11,313.80	\$11,055.99	-\$257.81
Wellington	\$11,126.16	\$12,609.28	\$11,621.04	-\$988.24
West Coast*	\$9,099.37	\$12,294.40	\$35,910.82	+\$23,616.42

*low sample size for Marlborough, Tasman and West Coast

Age Range

At a glance

- Those in the 18 to 25 age group had the lowest income increase, of \$23.90, between 2022 and 2023.
- The 46 to 65 age group had the biggest weekly deficit, with expenditure 108.5 percent of income.
- Clients aged 36 to 45 had the highest median amount of debt per case in 2023, at \$17,474.86.

Summary

This section analyses income, expenditure, and debt data for age ranges. Financial mentors typically work with clients of any age over 18. A small number of services also work alongside youth support organisations where there is a cross-over working with young people.

Across all age groups, as with the national level data, incomes increased in 2023. Expenditure as a percentage of income also increased across all age groups in 2023, with the highest weekly deficit as a percentage of weekly income for the 46 to 65 age group. The median debt increased for the 26 to 35, 36 to 45 and 46 to 65 age groups.

Total weekly expenditure as percentage of total weekly income by age group

Age range	2021	2022	2023	Change
18 - 25	99.0%	97.1%	98.2%	+1.1%
26 - 35	103.0%	103.7%	106.0%	+2.3%
36 - 45	106.1%	104.9%	106.9%	+2.0%
46 - 65	111.8%	108.3%	108.5%	+0.2%
Over 65	103.7%	102.4%	103.4%	+1.0%

Income

Weekly incomes increased for all age ranges in 2023, with those between 46 and 65 having the biggest increase of \$77.74. Those in the 18 to 25 age group had the lowest increase in weekly income, of \$23.90, and the second lowest weekly income, with only the over-65 age group having a lower income.

The over-65 age bracket had the second smallest increase in income between 2022 and 2023 and remained the age group with the lowest income. This small increase is likely

due to the majority of people in this age group receiving New Zealand Superannuation which is subject to the standard increase at the Annual General Adjustment in April of around 5 percent in line with inflation or average wage growth (Ministry of Social Development, 2024).

An assumption often made about those in the over-65 age group is that they are more likely to have savings, so hardship might look different for them. While this is typically true, financial mentors have noted that their clients in the over-65 age group may not have the luxury of savings, due to spending much of their life in financial hardship.

Median weekly client income by age range

Age range	2021	2022	2023	Change
18 - 25	\$595.35	\$670.92	\$694.82	+\$23.90
26 - 35	\$716.27	\$801.14	\$844.62	+\$43.48
36 - 45	\$737.66	\$800.18	\$873.88	+\$73.70
46 - 65	\$524.07	\$580.56	\$658.30	+\$77.74
Over 65	\$527.33	\$541.12	\$565.94	+\$24.82

Expenditure

Total expenditure as a percentage of total weekly income increased across all age groups. The 46 to 65 age group had the biggest weekly deficit, with expenditure at 108.46 percent of income. This was a continuation of the trend from previous years, with this age group consistently having the largest weekly deficit. Those in the 26 to 35 age group had the biggest increase in weekly deficit between 2022 and 2023, with an increase of 2.29 percent to 105.99 percent. All age groups except for the 18 to 25 group were in a weekly deficit.

Expenditure on essentials

The over 65 age group had the highest expenditure on rent or board in 2023, at 42.1 percent of weekly income. Meanwhile, the lowest expenditure on rent was for the 18 to 25 age group at 29.4 percent of weekly income. The highest expenditure on groceries in 2023 was for the 26 to 35 age group, at 21 percent of weekly income. The lowest spending was for the 18 to 15 age group, at 18.5 percent of weekly income.

Electricity expenditure decreased across all age groups. The highest expenditure was for the 46 to 65 age group at 5.9 percent, while the lowest expenditure was for the 18 to 25 and 26 to 35 age groups both at 4.8 percent. Fuel expenditure decreased from 2023 across all age groups, except for the 18 to 25 age group. The highest expenditure on fuel was for the 18 to 25 age group, at 7.9 percent of income. Meanwhile, the lowest fuel expenditure was seen in the 36 to 45 age group.

Expenditure on debt repayments

This decreased for all age groups, except the 46 to 65 age group, which had a 0.57 percent increase. The highest percentage of income going to debt repayments was for the 46 to 65 age group, and the lowest for the 18 to 25 age group. The biggest decrease was for the over 65 age group, with a 3.66 percent drop.

Median weekly expenditure on essentials and debt repayments as a percentage of weekly income by age group

		2021	2022	2023	Change
Rent/board	18 - 25	31.3%	28.7%	29.4%	+0.7%
	26 - 35	34.4%	33.2%	34.4%	+1.2%
	36 - 45	38.0%	37.7%	35.7%	-2.0%
	46 - 65	44.3%	42.5%	40.4%	-2.1%
	Over 65	40.3%	43.3%	42.1%	-1.3%
Groceries	18 - 25	19.5%	20.7%	18.5%	-2.2%
	26 - 35	20.4%	18.2%	21.0%	+2.8%
	36 - 45	19.7%	18.3%	20.3%	+2.0%
	46 - 65	18.5%	20.0%	20.0%	0.0%
	Over 65	18.7%	18.4%	20.8%	+2.4%
Electricity	18 - 25	5.8%	4.9%	4.8%	-0.2%
	26 - 35	5.3%	5.2%	4.8%	-0.4%
	36 - 45	5.9%	5.3%	5.0%	-0.3%
	46 - 65	6.4%	5.9%	5.9%	0.0%
	Over 65	5.9%	7.1%	5.8%	-1.4%
Fuel	18 - 25	7.7%	7.1%	7.9%	+0.8%
	26 - 35	6.4%	7.1%	6.7%	-0.4%
	36 - 45	6.1%	6.9%	6.4%	-0.5%
	46 - 65	6.7%	7.6%	6.8%	-0.8%
	Over 65	6.1%	7.2%	6.7%	-0.5%

		2021	2022	2023	Change
Clothes	18 - 25	0.9%	0.7%	0.6%	-0.15%
	26 - 35	0.7%	0.7%	0.7%	-0.02%
	36 - 45	0.7%	0.6%	0.6%	+0.02%
	46 - 65	0.4%	0.6%	0.6%	-0.05%
	Over 65	0.4%	0.4%	0.4%	+0.05%
Debt repayment	18 - 25	14.3%	14.2%	11.4%	-2.8%
	26 - 35	16.8%	16.5%	15.2%	-1.4%
	36 - 45	16.8%	15.7%	15.5%	-0.2%
	46 - 65	18.0%	16.5%	17.1%	+0.6%
	Over 65	17.6%	16.0%	12.3%	-3.7%

Debt

Clients aged 36 to 45 had the highest median amount of debt per case in 2023, at \$17,474.86. The amount of debt for this age group also rose more than all other age groups between 2021 and 2022. Clients in this age group have had the highest amount of debt per case for 2021, 2022 and 2023.

Those in the over 65 age group had the lowest amount of debt per case, at \$6,428.83. This was the most substantial drop from between 2022 and 2023 of all age groups.

Median total presenting debt amount for clients by age range'

Age range	2021	2022	2023	Change
18 - 25	\$8,867.27	\$9,177.51	\$7,478.98	-\$1,698.53
26 - 35	\$14,515.46	\$14,729.79	\$14,988.54	+\$258.75
36 - 45	\$15,192.40	\$16,162.78	\$17,474.86	+\$1,312.08
46 - 65	\$13,421.51	\$13,792.27	\$14,976.47	+\$1,184.20
Over 65	\$8,933.47	\$9,548.00	\$6,428.83	-\$3,119.17

Zooming in on young people

In the last report, we noted key issues for young people, in the under-18 age group. The sample size for this age group remained too small to include in these tables for 2023. However, there were a couple of notable trends that we will continue to observe.

Income for the under-18 age group remained low, although there was a significant increase in 2023, to a median weekly income of \$615.62. The low income indicates that a high number is either on a benefit or potentially in work that is part-time and poorly paid. At times, some in the under-18 age group are employed under training or starting out on wages that are lower even than the minimum wage. There is no minimum wage for employees under the age of 16, and young employees aged 16 to 19 can be paid the starting-out wage if it applies, which was \$18.16 per hour in 2023 (Ministry of Business, Innovation & Employment, 2023).

The median amount of debt for young clients significantly increased to \$10,347.37, while the median number of debts remained the same as in 2021 and 2022 at three. Typically, lenders do not lend to the under-18 age group because contracts with minors are not legally binding (Ministry of Business, Innovation & Employment, 2023). This means that the only grounds for enforcement of contracts with minors are based on whether the contract was fair and reasonable. Further, it is unlikely that any debt is affordable for this age group because as identified above, the incomes for this age group were especially low.

Financial mentors reported that most debts for this age group are typically owed to government departments. In particular, financial mentors mentioned that debts were often owed to the Ministry of Social Development (MSD) and in relation to moving houses or being penalised while in emergency or transitional housing. See pages 69 to 71 of the 2023 FinCap Voices report 2023 for more detail (Rutherford-Busck, 2023).

Gender

At a glance

- Women had the highest weekly incomes of all genders at \$810.14, which was an increase from 2022.
- Men had the highest total percentage of income being spent each week, at 109.5 percent.
- The median amount of debt for women was \$14,185.67 in 2023, which was higher than for men.

Summary

Women remained much more likely to be visiting a financial mentor than men. While in 2022 there were more than twice as many women with debt working with a financial mentor, in 2023 there was an equal increase in the number of men and women visiting financial mentors. However, women were twice as likely to see financial mentors than men. Visiting a financial mentoring service is typically a sign that hardship is currently being

experienced or is expected. This indicates that women are experiencing particularly high levels of financial hardship.

Women had higher incomes than men in 2023. This contributed to the weekly deficit for women being slightly smaller than men, despite women having a higher median debt amount. However, both men and women remained in a weekly deficit. Men were in a higher weekly deficit, with expenditure at 109.47 of their weekly income. While the median expenditure as a percentage of weekly income decreased a little for men, it increased by 1.8 percent for women.

The number of gender-diverse clients recorded in Client Voices remained low across the three years of reporting, with a small drop in 2023. Further analysis is needed to ensure that reporting can reflect trends accurately.

Total weekly expenditure as a percentage of weekly income by gender

Age range	2021	2022	2023	Change
Female	104.2%	102.9%	104.7%	+1.8%
Male	110.2%	110.1%	109.5%	-0.6%
Gender diverse*	90.0%	119.6%	114.0%	-5.7%

**low sample size for gender diverse clients*

Income

In 2023, women had the highest weekly incomes of all genders at \$810.14, which was an increase of \$61.87 from 2022. Men also had an increase in income from 2022, to \$613.47 in 2023. Meanwhile, gender diverse clients had a drastic drop in median income, to \$528.19 a week in 2023.

A key factor for the higher incomes of women, is that they are more likely to be the carer for a whānau, and therefore are receiving the government support available for whānau with children.

Median weekly client income by gender

Age range	2021	2022	2023	Change
Female	\$672.12	\$748.27	\$810.14	+\$61.87
Male	\$613.35	\$669.60	\$528.19	-\$141.41
Gender diverse*	\$515.99	\$550.60	\$613.47	+\$62.87

**low sample size for gender diverse clients*

Expenditure

Men had the highest total percentage of income being spent each week, at 109.47 percent, a slight decrease from 2022. Women had a slightly lower total expenditure as a percentage of income to men, but also remained in deficit with expenditure at 104.70 percent of weekly income.

Both men and women had a decrease in expenditure on rent and spent the same amount on clothing. Men had a higher expenditure on on rent or board, and fuel. Meanwhile, women had a higher expenditure on groceries and electricity, and a slightly higher expenditure on debt repayments.

Gender diverse clients experienced a decrease in expenditure on clothing and fuel but increases across all other expenses. The biggest increases were for rent or board and debt repayments.

Median weekly expenditure on essentials and debt repayments as a percentage of weekly income by gender

		2021	2022	2023	Change
Rent/board	Female	36.9%	37.2%	35.3%	-1.9%
	Male	38.4%	40.3%	38.9%	-1.4%
	Gender diverse*	28.7%	31.7%	50.0%	+18.3%
Groceries	Female	21.6%	19.6%	19.4%	-0.2%
	Male	18.4%	19.5%	19.1%	-0.4%
	Gender diverse*	18.0%	22.8%	24.0%	+1.2%
Electricity	Female	5.9%	5.6%	5.2%	-0.4%
	Male	5.8%	5.4%	5.1%	-0.3%
	Gender diverse*	3.3%	4.1%	4.9%	+0.8%
Fuel	Female	6.8%	6.3%	5.8%	-0.4%
	Male	7.7%	7.4%	8.2%	+0.7%
	Gender diverse*	7.1%	8.2%	6.6%	-1.7%
Clothes	Female	6.8%	6.3%	5.8%	-0.4%
	Male	7.7%	7.4%	8.2%	+0.7%
	Gender diverse*	7.1%	8.2%	6.6%	-1.7%

		2021	2022	2023	Change
Debt repayment	Female	16.7%	15.9%	15.2%	-0.7%
	Male	17.1%	16.8%	15.1%	-1.7%
	Gender diverse*	10.5%	9.1%	14.5%	+5.4%

*low sample size for gender diverse clients

Debt

While women had a higher income than men in 2023, they also had a slightly higher median debt amount. The median amount of debt for women was \$14,185.67 in 2023, which was an increase from 2022. Meanwhile, men had a median debt amount of \$14,032.18. Gender diverse clients had a decrease in median debt, to \$6,765.47 per client case.

Median total presenting debt amount for clients by gender'

Age range	2021	2022	2023	Change
Female	\$13,001.09	\$13,783.17	\$14,185.67	+\$402.50
Male	\$13,472.36	\$13,431.57	\$14,032.18	+\$600.61
Gender diverse*	\$9,450.00	\$11,442.54	\$6,765.47	-\$4,677.07

*low sample size for gender diverse clients

Ethnicity

At a glance

- Māori had a lower income than Pākehā, a continued trend from previous years.
- Samoan clients stood out as being supported more by financial mentors and having had an increase in debt.
- Middle Eastern clients stood out for having a big increase in income, and simultaneously one of highest total expenditures.

Summary

Māori had a lower overall expenditure as a percentage of income than Pākehā. Both Māori and Pākehā clients had a decrease in expenditure of about 2 percent from 2022. Māori had

a lower income than Pākehā, a continued trend from previous years. Samoan clients stood out as being supported more by financial mentors and having had an increase in debt.

Middle Eastern clients stood out for having a big increase in income, and simultaneously one of the highest total expenditures. Middle Eastern clients also had by far the lowest expenditure on debt repayments. Overall expenditure for these clients was driven by groceries and fuel, and other expenditure that is not tracked in this report.

FinCap does not have the expertise to provide the context or reasons behind trends in the ethnicity data. We provide this data as a direct report from Client Voices and as a tool for those that do have the expertise to use.

Median total expenditure as a percentage of median weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	112.0%	107.6%	114.5%	+7.0%
Chinese*	122.7%	109.4%	137.7%	+28.3%
Cook Island Māori	109.6%	105.7%	108.0%	+2.3%
Fijian	106.6%	114.6%	120.2%	+5.6%
Indian	113.1%	109.9%	107.5%	-2.4%
Latin American / Hispanic*	99.5%	106.1%	101.9%	-4.2%
Middle Eastern	121.7%	110.5%	112.3%	+1.8%
Māori	101.9%	100.3%	102.4%	+2.1%
NZ European / Pākehā	105.1%	104.0%	106.5%	+2.5%
Niuean*	104.3%	96.6%	100.4%	+3.7%
Other	108.8%	100.7%	109.3%	+8.6%
Other Asian*	112.2%	104.1%	99.7%	-4.4%
Other European	111.3%	101.8%	102.0%	+0.2%
Other pacific	107.7%	107.1%	100.0%	-7.1%
Samoan	111.6%	109.9%	115.3%	+5.4%
Southeast Asian	128.1%	88.4%	110.4%	+21.9%
Tongan	108.5%	109.4%	111.9%	+2.5%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Income

In 2023, as in 2021 and 2022, Māori had a lower median income than Pākehā. The increase in income was smaller in 2023 for Māori than for Pākehā. Across all ethnicities, the highest incomes were for Indian, Samoan, and Tongan clients. The lowest were for Māori, Other Pacific and NZ/European. The biggest increases in income were for Middle Eastern and Cook Island Māori clients and the biggest drop was for other Pacific.

Median weekly client income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	\$854.26	\$700.00	\$842.31	+\$142.31
Chinese*	\$743.75	\$771.00	\$605.48	-\$165.52
Cook Island Māori	\$572.97	\$673.28	\$764.42	+\$91.14
Fijian	\$831.13	\$850.20	\$854.14	+\$3.94
Indian	\$784.17	\$956.81	\$953.49	-\$3.32
Latin American / Hispanic*	\$765.00	\$831.27	\$954.66	+\$123.39
Middle Eastern	\$643.05	\$716.76	\$908.44	+\$191.68
Māori	\$581.80	\$651.37	\$700.40	+\$49.03
NZ European / Pākehā	\$611.03	\$660.47	\$717.05	+\$56.58
Niuean*	\$712.79	\$837.78	\$828.87	-\$8.91
Other	\$696.63	\$801.21	\$838.77	+\$37.56
Other Asian*	\$808.53	\$955.14	\$887.19	-\$67.95
Other European	\$627.15	\$713.78	\$729.87	+\$16.09
Other pacific	\$820.81	\$904.60	\$696.22	-\$208.38
Samoan	\$811.37	\$896.60	\$930.13	+\$33.53
Southeast Asian	\$773.00	\$800.00	\$957.68	+\$157.68
Tongan	\$805.82	\$876.57	\$935.06	+\$58.49

*low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian

Expenditure

Overall, Pākehā clients had a higher total weekly expenditure as a percentage of weekly income than Māori clients. Māori had higher expenditure on groceries, electricity, and debt repayments. Māori had an expenditure below the national median expenditure for rent or board, while Pākehā had higher expenditure on rent or board that was above the national median. Māori and Pākehā had a similar percentage of weekly expenditure going to fuel. It is important to keep in mind that incomes for Māori are lower than for Pākehā.

The weekly expenditure as a percentage of weekly income was highest for Samoan, Tongan and Middle Eastern clients in 2023. There were increases in weekly expenditure as a percentage of income across most ethnicities, the biggest increase being for Samoan clients. The only two ethnicities to have a decrease in total weekly expenditure as a percentage of income were Indian and other Pacific clients.

Rent or board

Highest rent expenditure was for Pākehā, other European, and Indian clients. The lowest rent or board expenditure was for Middle Eastern and other Pacific clients. The biggest changes were seen for other Pacific clients with a big drop, and Samoan clients with a significant increase in weekly expenditure on rent or board.

Rent or board expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	37.2%	41.7%	34.2%	-7.5%
Chinese*	49.3%	44.7%	45.0%	+0.3%
Cook Island Māori	33.0%	33.4%	29.5%	-3.9%
Fijian	35.8%	40.0%	44.2%	+4.1%
Indian	48.5%	43.6%	39.3%	-4.2%
Latin American / Hispanic*	49.0%	45.3%	46.9%	+1.6%
Middle Eastern	34.1%	25.6%	22.4%	-3.2%
Māori	32.3%	33.2%	33.6%	+0.4%
NZ European / Pākehā	42.1%	42.4%	42.3%	-0.1%
Niuean*	42.1%	41.0%	42.7%	+1.7%
Other	44.6%	39.1%	39.5%	+0.4%
Other Asian*	38.7%	35.6%	38.2%	+2.6%

Ethnicity	2021	2022	2023	Change
Other European	45.3%	42.1%	42.6%	+0.5%
Other pacific	26.0%	34.4%	23.8%	-10.6%
Samoaan	26.8%	26.0%	29.6%	+3.6%
Southeast Asian	46.0%	37.5%	36.6%	-0.9%
Tongan	31.7%	28.5%	25.2%	-3.3%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Groceries

The highest grocery expenditure in 2023 was seen for Middle Eastern and Cook Island Māori clients. Meanwhile, the lowest grocery expenditure was seen for other Pacific and Indian clients. The biggest increase in expenditure on groceries was for Pākehā clients while the biggest drop was seen for other Pacific clients.

Groceries expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	17.3%	23.8%	21.7%	-2.1%
Chinese*	20.2%	17.4%	26.4%	+9.0%
Cook Island Māori	23.5%	22.3%	22.2%	0.0%
Fijian	16.9%	17.2%	17.5%	+0.2%
Indian	16.7%	16.7%	15.7%	-1.0%
Latin American / Hispanic*	22.1%	22.9%	20.6%	-2.3%
Middle Eastern	31.9%	34.4%	33.0%	-1.4%
Māori	20.5%	22.5%	21.1%	-1.4%
NZ European / Pākehā	19.0%	18.3%	20.4%	+2.1%
Niuean*	21.0%	18.6%	18.7%	+0.1%
Other	20.8%	17.1%	18.8%	+1.7%
Other Asian*	19.7%	20.4%	20.0%	-0.4%

Ethnicity	2021	2022	2023	Change
Other European	19.9%	21.3%	19.7%	-1.7%
Other pacific	23.4%	22.5%	14.3%	-8.3%
Samoaan	21.5%	20.2%	21.5%	+1.3%
Southeast Asian	18.1%	16.8%	15.7%	-1.1%
Tongan	24.8%	23.1%	21.7%	-1.4%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Electricity

The highest expenditure on electricity was for Māori, Cook Island Māori and Pākehā clients. Meanwhile, the lowest electricity spend was for Indian, other European, other Pacific, and Samoan clients. There were no significant increases in electricity expenditure, noting only a small decrease across all ethnicities.

Electricity expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	3.9%	5.1%	3.9%	-1.2%
Chinese*	5.1%	4.7%	4.7%	0.0%
Cook Island Māori	5.4%	5.9%	5.7%	-0.2%
Fijian	4.2%	5.8%	4.6%	-1.2%
Indian	5.2%	4.1%	4.1%	0.0%
Latin American / Hispanic*	5.9%	5.0%	4.1%	-0.8%
Middle Eastern	6.6%	6.8%	5.0%	-1.8%
Māori	6.7%	6.3%	5.6%	-0.7%
NZ European / Pākehā	5.7%	5.4%	5.3%	-0.2%
Niuean*	3.7%	5.3%	4.4%	-1.0%
Other	5.8%	5.3%	4.5%	-0.8%
Other Asian*	3.3%	3.4%	4.6%	+1.2%

Ethnicity	2021	2022	2023	Change
Other European	5.6%	5.3%	4.5%	-0.8%
Other pacific	3.1%	5.2%	4.3%	-0.9%
Samoan	4.8%	4.9%	4.6%	-0.3%
Southeast Asian	5.6%	5.0%	4.3%	-0.8%
Tongan	4.8%	4.7%	4.9%	+0.2%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Fuel

The highest expenditure on fuel was seen for Middle Eastern, Tongan and Samoan clients. Meanwhile, the lowest expenditure on fuel was for Indian clients. The biggest increase in fuel expenditure was for Middle Eastern clients, but this was a small rise. The biggest drop in expenditure on fuel was for other Pacific, though this was also small.

Fuel expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	5.6%	8.0%	6.7%	-1.3%
Chinese*	5.7%	5.9%	10.1%	+4.1%
Cook Island Māori	6.3%	6.9%	7.3%	+0.4%
Fijian	7.0%	5.9%	7.9%	+2.0%
Indian	6.2%	6.7%	5.2%	-1.5%
Latin American / Hispanic*	5.2%	5.3%	5.0%	-0.3%
Middle Eastern	7.6%	8.1%	9.0%	+0.9%
Māori	7.1%	7.0%	6.4%	-0.6%
NZ European / Pākehā	5.8%	6.8%	6.3%	-0.5%
Niuean*	8.3%	6.8%	6.7%	-0.1%
Other	6.5%	6.6%	5.6%	-1.0%
Other Asian*	6.2%	5.0%	5.9%	+0.9%

Ethnicity	2021	2022	2023	Change
Other European	7.5%	6.4%	6.3%	-0.2%
Other pacific	7.0%	8.5%	7.2%	-1.3%
Samoan	7.2%	7.8%	8.7%	+0.9%
Southeast Asian	6.0%	5.3%	5.3%	0.0%
Tongan	7.5%	9.1%	8.8%	-0.3%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Clothing

Expenditure for clothing was low across all ethnicities.

Clothing expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	1.0%	1.0%	1.1%	+0.13%
Chinese*	0.8%	0.6%	0.8%	+0.19%
Cook Island Māori	1.0%	0.9%	0.7%	-0.12%
Fijian	1.1%	1.1%	0.9%	-0.24%
Indian	1.2%	1.1%	0.6%	-0.46%
Latin American / Hispanic*	1.2%	0.9%	0.6%	-0.31%
Middle Eastern	1.5%	1.4%	1.3%	-0.09%
Māori	0.4%	0.3%	0.3%	-0.02%
NZ European / Pākehā	0.6%	0.6%	0.5%	-0.04%
Niuean*	0.7%	0.5%	1.0%	+0.48%
Other	0.6%	0.7%	0.7%	+0.02%
Other Asian*	0.9%	1.0%	0.8%	-0.17%
Other European	0.6%	0.9%	0.5%	-0.39%
Other pacific	0.7%	0.7%	0.0%	-0.65%

Ethnicity	2021	2022	2023	Change
Samoan	0.9%	1.1%	1.2%	+0.16%
Southeast Asian	1.3%	0.4%	1.0%	+0.58%
Tongan	0.5%	1.2%	1.1%	-0.07%

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Debt repayments

While there was a decrease in the percentage of weekly income going to debt repayments for both Māori and Pākehā, Māori had a higher weekly expenditure at 14.7 percent of weekly income.

There was a decrease in the percentage of weekly income going to debt repayments across most ethnicities in 2023. Fijian and Samoan clients had the highest percentage of weekly income going to debt repayments. Meanwhile, the lowest debt expenditure by far was for Middle Eastern clients, at 3.4 percent of weekly income. There was an increase in debt repayment expenditure for Indian, Niuean, other European, Samoan, and Southeast Asian clients.

Debt expenditure as a percentage of weekly income by ethnicity

Ethnicity	2021	2022	2023	Change
African*	18.9%	15.7%	13.6%	-2.2%
Chinese*	17.4%	15.4%	13.9%	-1.5%
Cook Island Māori	17.2%	19.0%	16.9%	-2.1%
Fijian	20.4%	26.3%	24.3%	-2.0%
Indian	23.4%	16.8%	21.8%	+5.0%
Latin American / Hispanic*	26.2%	15.9%	11.0%	-4.9%
Middle Eastern	11.5%	8.8%	3.4%	-5.4%
Māori	15.9%	15.2%	14.7%	-0.5%
NZ European / Pākehā	14.9%	14.5%	13.1%	-1.4%
Niuean*	16.8%	16.6%	18.4%	+1.8%
Other	15.5%	15.8%	13.0%	-2.8%

Ethnicity	2021	2022	2023	Change
Other Asian*	19.2%	15.8%	8.0%	-7.8%
Other European	16.9%	11.3%	13.0%	+1.7%
Other pacific	22.0%	18.0%	15.7%	-2.3%
Samoaan	25.0%	21.9%	23.7%	+1.8%
Southeast Asian	32.7%	10.5%	18.0%	+7.5%
Tongan	19.9%	22.5%	21.4%	-1.1%

*low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian

Debt

Pākehā clients had a higher amount of debt per client case than Māori clients in 2023. However, while the median debt decreased for Pākehā clients it increased for Māori in 2023. Across all ethnicities, Indian clients again had the highest median debt amount, and in a change from 2022, Samoan clients also had one of the highest median debt amounts. The biggest increase in median debt amount was for Indian clients and other Pacific, the biggest drop was for Tongan and Middle Eastern clients.

Median total presenting debt amount for clients by ethnicity

Ethnicity	2021	2022	2023	Change
African*	\$11,050.89	\$10,477.50	\$17,581.00	+\$7,103.50
Chinese*	\$6,311.49	\$10,408.98	\$24,091.71	+\$13,682.73
Cook Island Māori	\$10,869.94	\$14,968.34	\$14,558.50	-\$409.84
Fijian	\$14,477.32	\$21,034.60	\$27,531.94	+\$6,497.34
Indian	\$34,528.05	\$25,000.00	\$28,675.00	+\$3,675.00
Latin American / Hispanic*	\$12,556.50	\$13,701.45	\$10,300.00	-\$3,401.45
Middle Eastern	\$7,848.85	\$7,000.00	\$4,958.00	-\$2,042.00
Māori	\$11,391.88	\$12,109.49	\$12,504.21	+\$394.72
NZ European / Pākehā	\$13,177.36	\$13,968.36	\$13,278.26	-\$690.10

Ethnicity	2021	2022	2023	Change
Niuean*	\$19,151.11	\$14,673.02	\$18,125.99	+\$3,452.97
Other	\$13,054.32	\$13,872.00	\$14,950.54	+\$1,078.54
Other Asian*	\$16,475.35	\$20,780.00	\$14,323.00	-\$6,457.00
Other European	\$16,432.17	\$13,010.57	\$11,800.00	-\$1,210.57
Other pacific	\$16,230.00	\$12,302.60	\$14,220.14	+\$1,917.54
Samoan	\$20,803.87	\$20,644.95	\$21,920.18	+\$1,275.23
Southeast Asian	\$23,158.19	\$9,930.17	\$21,343.50	+\$11,413.33
Tongan	\$16,176.81	\$19,849.21	\$15,684.51	-\$4,164.70

**low sample size for African, Chinese, Latin American/Hispanic, Niuean, Other Asian*

Income brackets

At a glance

- The median debt was highest for the \$1000 plus income bracket, at a median of \$25,253.78.
- The income bracket with the lowest weekly expenditure as a percentage of income was not the highest income bracket, but instead the \$750 to \$999 income bracket.

Expenditure

Overall total expenditure as a percentage of weekly income increased for all income brackets in 2023. The biggest increase was for the \$0 to \$249 income bracket, with an expenditure as total percentage of income of 142.1 percent. This is not surprising, given how low incomes in this bracket are. The next highest expenditure as a percentage of income was for the \$250 to \$499 income bracket at 108 percent.

The income bracket with the lowest weekly expenditure as a percentage of income was not the highest income bracket, but instead the \$750 to \$999 income bracket. This is a change from 2022, where the \$1000 plus income bracket had the lowest weekly expenditure as a percentage of income.

The income bracket with the most clients was the \$1000 plus income bracket, which was a change from 2023 and signals that more higher earning whānau are needing the support of financial mentors.

Expenditure as a percentage of weekly income across essentials and debt by income bracket

		2021	2022	2023	Change
Rent/board	\$0 - \$249	44.4%	48.0%	74.8%	+26.9%
	\$250 - \$499	42.2%	38.5%	37.9%	-0.6%
	\$500 - \$749	33.6%	38.3%	40.0%	+1.7%
	\$750 - \$999	40.6%	38.5%	36.9%	-1.6%
	\$1000 +	37.1%	38.0%	39.7%	+1.8%
Groceries	\$0 - \$249	37.4%	40.0%	49.2%	+9.2%
	\$250 - \$499	21.4%	23.3%	25.5%	+2.2%
	\$500 - \$749	22.5%	21.1%	20.9%	-0.2%
	\$750 - \$999	19.0%	18.5%	19.3%	+0.8%
	\$1000 +	16.2%	17.9%	20.1%	+2.2%
Electricity	\$0 - \$249	13.8%	12.7%	26.3%	+13.6%
	\$250 - \$499	7.7%	7.5%	7.5%	0.0%
	\$500 - \$749	6.3%	6.4%	6.2%	-0.2%
	\$750 - \$999	5.6%	5.3%	5.1%	-0.2%
	\$1000 +	4.0%	4.1%	4.0%	-0.1%
Fuel	\$0 - \$249	18.6%	19.9%	23.4%	+3.5%
	\$250 - \$499	10.5%	10.2%	10.1%	-0.1%
	\$500 - \$749	8.0%	7.9%	8.0%	+0.1%
	\$750 - \$999	5.9%	6.9%	6.9%	0.0%
	\$1000 +	5.3%	5.8%	6.4%	+0.6%

		2021	2022	2023	Change
Clothes	\$0 - \$250	0.0%	0.0%	0.0%	0.0%
	\$250 - \$499	0.5%	0.1%	0.4%	+0.3%
	\$500 - \$750	0.6%	0.6%	0.6%	0.0%
	\$750 - \$999	0.7%	0.7%	0.7%	0.0%
	\$1000 +	0.8%	0.8%	0.8%	0.0%
Debt repayment	\$0 - \$250	20.9%	30.7%	41.0%	+10.3%
	\$250 - \$499	14.8%	13.7%	12.8%	-1.0%
	\$500 - \$750	16.1%	14.7%	13.2%	-1.5%
	\$750 - \$999	17.4%	17.4%	16.2%	-1.2%
	\$1000 +	21.4%	19.9%	19.9%	-0.1%

**low sample size for \$0 - \$249*

Debt

The median debt was highest for the \$1000 plus income bracket, at a median of \$25,253.78. Meanwhile, the lowest median debt was for the \$0 to \$249 income bracket at \$8,000.. There were decreases in the median amount of debt for most income brackets, except for the \$0 to \$240 income bracket which had an increase.

Median presenting debt for clients by income brackets

Age range	2021	2022	2023	Change
\$0 - \$249	\$6,179.03	\$7,450.86	\$8,000.00	+\$549.14
\$250 - \$499	\$8,425.20	\$7,999.25	\$7,478.54	-\$520.71
\$500 - \$749	\$11,299.49	\$10,568.72	\$10,271.74	-\$296.98
\$750 - 999	\$16,586.89	\$16,054.94	\$15,086.48	-\$968.46
\$1000 +	\$27,931.94	\$26,635.41	\$25,253.78	-\$1,381.63

**low sample size for \$0 - \$249*

Appendix B

List of known limitations and technicalities with Client Voices data

- Improved engagement with whānau facing challenges to their financial wellbeing by financial mentors could influence trends where more complete data sets are included in the sample analysed.
- The data in this report is reliant on the accuracy of data entry by financial mentors.
- There may be varied practices with data entry in Client Voices across financial mentoring services and we have addressed this below in this Appendix.
- Our analysis is limited to the information that financial mentors have input into the Client Voices database.
- Our analysis of the Client Voices database is limited to the years 2021 onwards, as previously the database was not at a consistent standard for analysis.
- Debt to Inland Revenue is not yet separated out from the category of 'other government department' debt. We surmise that student loans make up a large portion of the debt to Inland Revenue, which would be included in the 'other government department' category. We cannot separate this debt out at this stage.
- Home loans have been included in most of the tables of debt amounts in this report.
- Where home loans have been excluded from the data, this is clearly labelled. The nature of home loans is different to other loans. The length of home loans is typically over decades. Despite this, we have included home loans because currently we are unable to exclude the debts without excluding the clients. By excluding all the clients with home loans, we lose the data on all the other debts that the clients hold. This data is integral.
- There are some other loan types that might cause the same issue, such as StudyLink debts, but we are currently unable to exclude these debt types from our analysis.
- There are currently different practices for inputting certain types of telecommunication related debt. In particular, financial mentors regularly report that clients have long-term phone payment plans, for example where they are paying off a new mobile phone over a 12, 24 or 36-month period. However, there are different practices across financial mentors as to whether they include this debt in the debt schedule or in the budget only. From our understanding, most financial mentors only put this information in budgets. Therefore, it is likely that there is a higher amount of telecommunication debt than what is detailed in this report.
- There might be differences in practice that mean different amounts are shown for grocery expenditure. For example, some financial mentors include all of the spend at a supermarket including items such as cleaning supplies. Meanwhile, some may include all expenditure on anything food related in the groceries category, including shops at local dairies or petrol station while others may split these shops out into different categories on the budget worksheet.
- In the expenditure section, where we refer to the percentage of income spent on debt we have included home loans.
- In the sections that analyse debt trends, the data excludes all cases with zero debts.
- When we refer to the total number of clients in each demographic or category, we are referring to the total number of clients that hold any debt.

- In the sections of this report that analyse expenditure trends, the data is based on the last budget the financial mentors complete with their client.
- Not all client cases in Client Voices have noted whether they have children or not. Where they have noted whether or not the client has children, 71 percent did have children. We have extrapolated this number to make the assumption that this trend would continue across all clients when we say that the majority of clients have children.

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