

# **INFLATION**

## **UNDERSTANDING THE IMPACT OF RISING COST OF LIVING FOR NEW ZEALANDERS**

**An Ipsos Global Advisor Survey  
May 2022**

**GAME CHANGERS**





# IPSOS PERCEPTIONS OF INFLATION 2022

## How is inflation expected to impact New Zealanders' lives?

This month Ipsos releases this special report to understand how New Zealanders are feeling about their current financial situation and how this compares to citizens in other major markets.

The latest Ipsos New Zealand Issues Monitor reveals that inflation / cost of living is the biggest issue facing New Zealanders currently. We saw concerns around inflation grow significantly in the previous wave of the survey (Feb '22) and these concerns are continuing to rise.

In this report, we seek to understand New Zealanders' expectations around inflation growth, interest rates, taxation levels, unemployment levels, cost of living and their disposable income over the next year.

Questions around pricing expectations tell us where consumers expect prices to increase, which would have the most negative impact on their quality of life, and their perceptions on what is driving these increases.

How will people deal with these impacts? We explore the actions New Zealanders will take to manage price increases over the next 12 months.



# IPSOS PERCEPTIONS OF INFLATION 2022

## Background information

A total of 1,000 New Zealanders aged 18+ answered questions about inflation and the cost of living as part of our New Zealand Issues Monitor survey. This survey was conducted between 16 and 22 May 2022.

On some slides, New Zealand data is presented alongside international data. This data was collected between 7 and 18 April 2022 from surveys conducted in 11 countries around the world (Australia, Canada, France, Germany, Great Britain, Italy, Japan, Poland, Spain, Turkey and the United States) via the Ipsos Online Panel system.

The results comprise an international sample of 11,030 adults aged 16–74 in most countries and aged 18–74 in Canada, Turkey and the United States. Approximately 1,000 individuals participated on a country by country basis via the Ipsos Online Panel.

The samples in Australia, Canada, France, Germany, Great Britain, Italy, Japan, Poland, Spain and United States can be taken as representative of their general adult population under the age of 75. The sample in Turkey produces a national sample that is more urban and educated, and with higher incomes than their fellow citizens. The survey results for these countries should be viewed as reflecting the views of the more “connected” segment of their population.

Weighting was then employed to balance demographics and ensure that the sample’s composition reflects that of the adult population according to the most recent country Census data.

The publication of these findings abides by local rules and regulations.

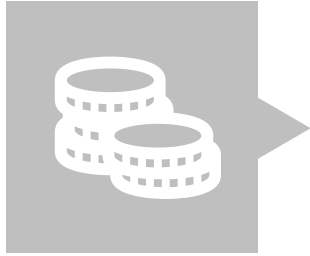
**\*Note:** The precision of Ipsos online polls is calculated with a credibility interval with a poll of 1,000 accurate to + / - 3.5 percentage points.

Significantly **higher** / **lower** figures are reported at 95% confidence.

Where results do not add up to 100, this may be due to computer rounding, multiple responses or the exclusion of ‘don't know’ or ‘not stated’ responses.

# KEY FINDINGS

## Understanding the impact of cost of living increases in New Zealand



1 in 5 (20%) New Zealanders currently state they are **finding it difficult to manage financially**, while another 31% are just getting by. Half (48%) of New Zealanders describe themselves as comfortable or doing all right. These are similar levels to Australia, Canada and Great Britain.

Just under half (49%) of New Zealanders believe **inflation will rise a lot over the next 12 months** and a further 32% believe it will rise a little. Only 6% believe inflation will decline in the next 12 months.



While 31% of New Zealanders are concerned about the **value of their property declining**, 85% are concerned about the **cost of goods and services increasing** and 62% about their **ability to buy the things they are used to buying**.



Over 80% of New Zealanders are **expecting prices to increase for fuel, food, other household items and utilities** over the next 6 months.

71% of New Zealanders believe that **increases on the cost of food will have the most negative impact** on their quality of life over the next 12 months.



The vast majority of New Zealanders believe price increases are result of the **state of the global economy** (87%) and the **COVID-19 pandemic** (85%), while around two thirds believe they are driven by businesses' making excessive profit (69%) and government policy (65%).

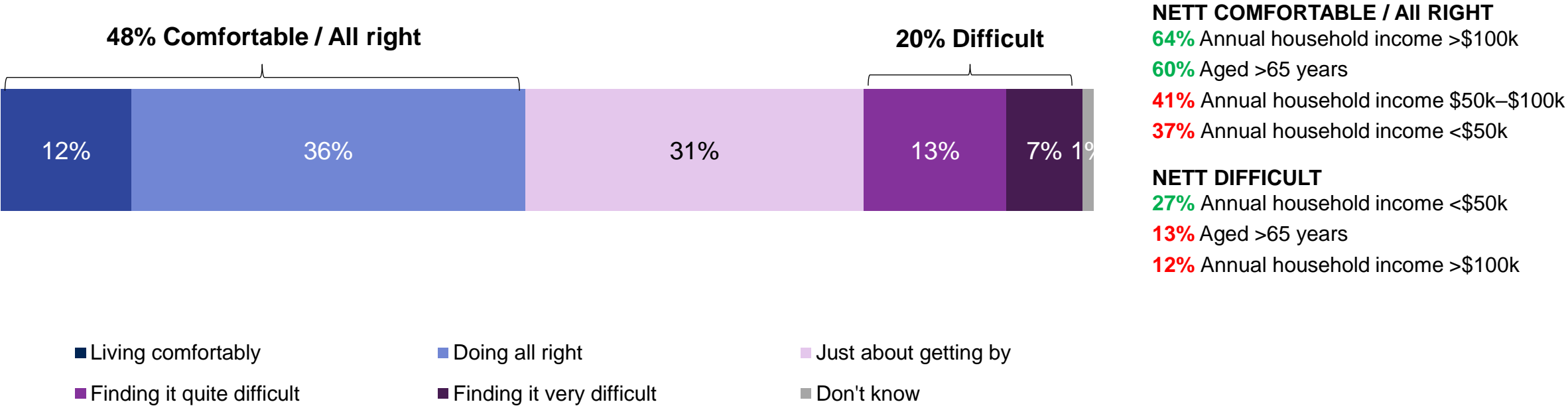
To help manage price increases, New Zealanders are most likely to **spend less money on socialising** (54%), **delay decisions on large purchases** (46%) and **spend less on non-food household items** (46%).



# CURRENT FINANCIAL SITUATION

Just under half of New Zealanders state they are living comfortably or doing all right financially, while 1 in 5 are finding it difficult to manage their finances. Approximately 1 in 3 New Zealanders state they are just about getting by managing their finances.

How well would you say you are managing financially these days? Would you say you are...



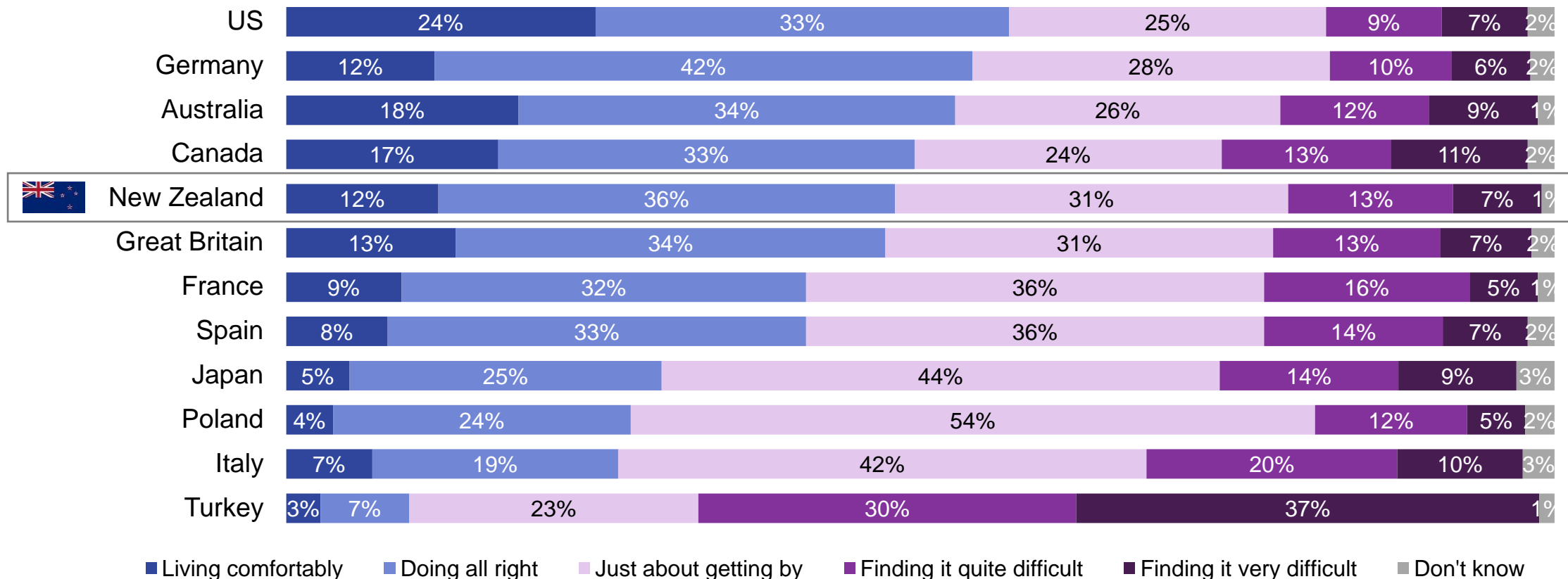
Q: How well would you say you are managing financially these days? Would you say you are...

Base: May '22 (n=1,000)



# CURRENT FINANCIAL SITUATION – GLOBAL COMPARISON

New Zealanders' views of their current financial situation are most similar to those in Australia, Canada & Great Britain. The US has the largest proportion of people who state that they are living comfortably or doing all right (57%), while Turkey has the smallest (10%). Two thirds of those in Turkey (67%) state that they are finding it quite or very difficult to manage financially.



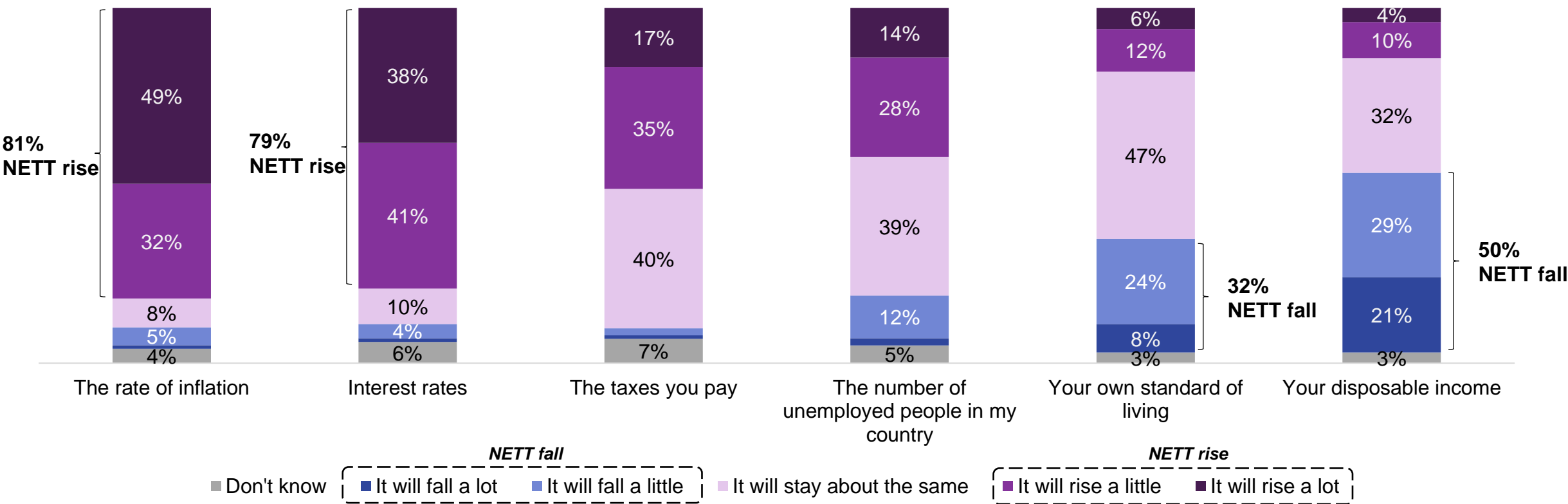
Q: How well would you say you are managing financially these days? Would you say you are...

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# FINANCIAL EXPECTATIONS

4 out of 5 of New Zealanders believe the rate of inflation (81%) & interest rates (79%) will rise over the next year. Half of New Zealanders think their disposable income will fall over the next year & roughly a third (32%) think their standard of living will do so.

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?



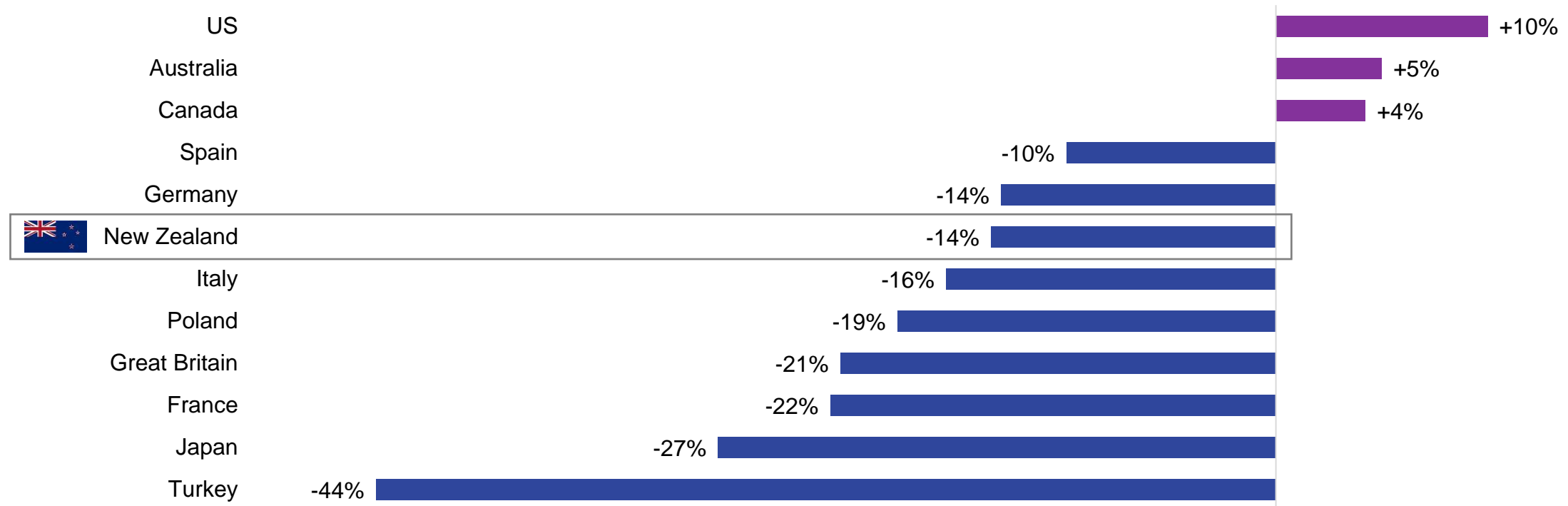
Q: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

Base: May '22 (n=1,000)

# LIVING STANDARD EXPECTATIONS – GLOBAL COMPARISON

In New Zealand, more people expect their standard of living to fall rather than rise over the next 12 months. This is similar with the expectations of those living in Germany and Italy.

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?  
Your own standard of living – NETT “rise”



**Q18:** Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

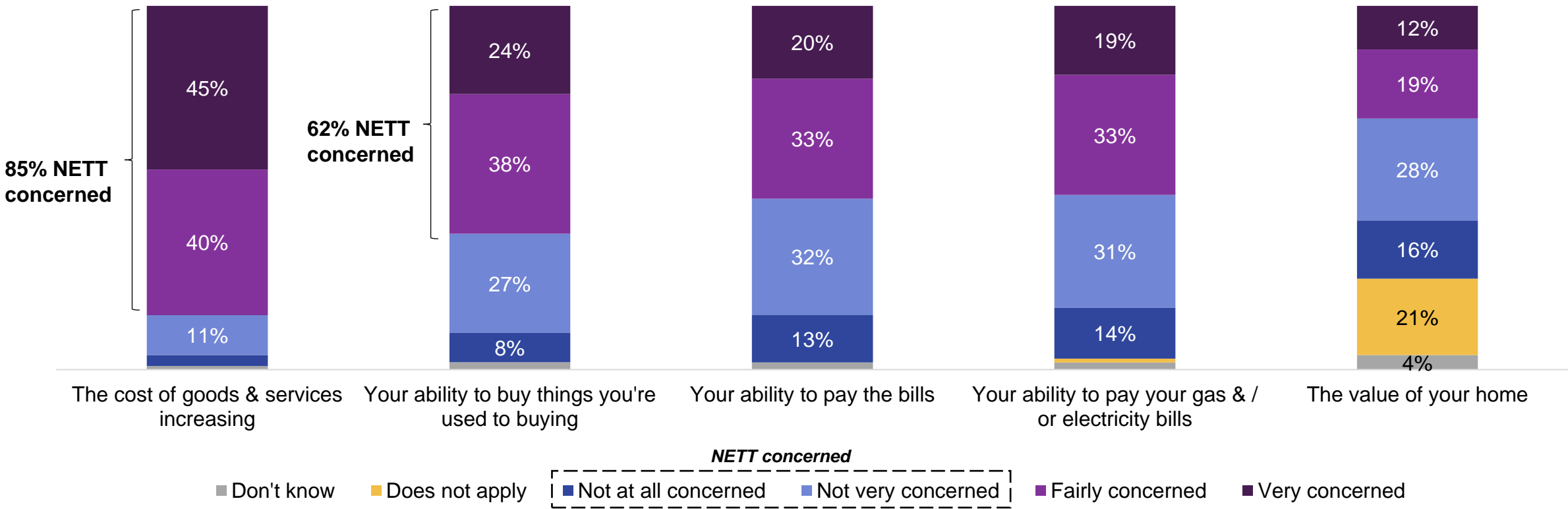
**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)



# PERSONAL FINANCIAL CONCERNS

85% of New Zealanders are concerned about the cost of goods & services increasing over the next 6 months & roughly 2 out of 3 (62%) are concerned about their ability to buy things they are used to buying.

Thinking about your personal financial situation over the next 6 months. How concerned, if at all, are you about each of the following over the next 6 months?



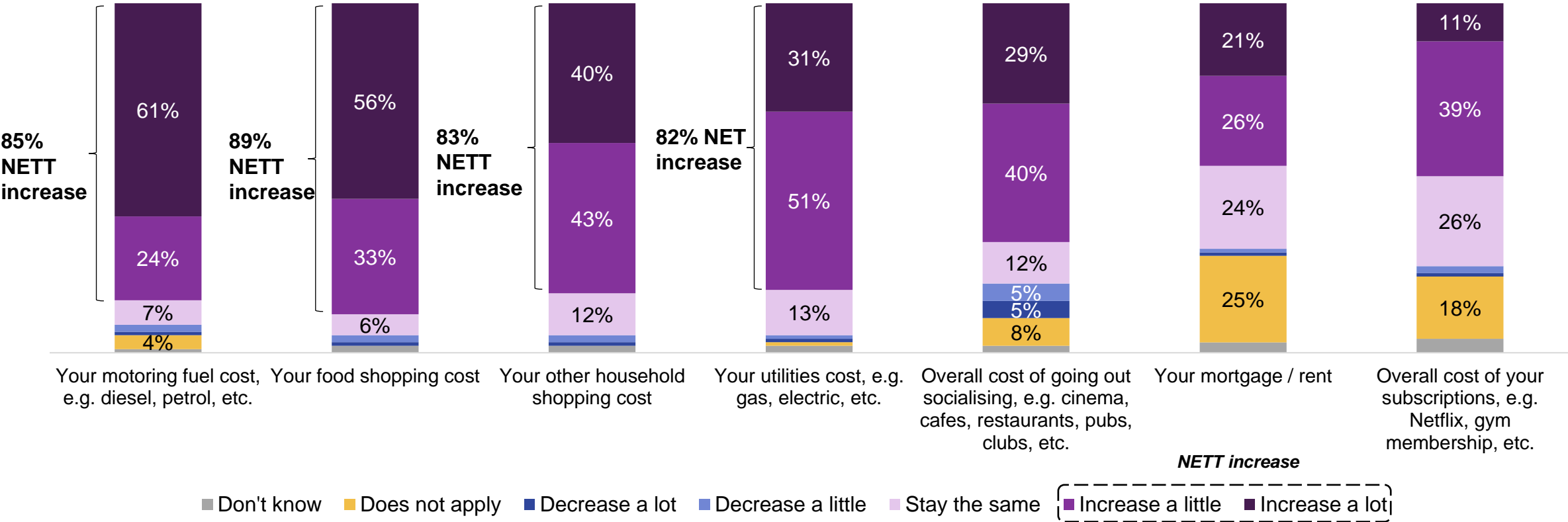
Q19: Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

Base: May '22 (n=1,000)

# SPENDING EXPECTATIONS

89% & 85% of New Zealanders expect the cost of their supermarket shop & their petrol costs respectively to increase in the next 6 months.

Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now.



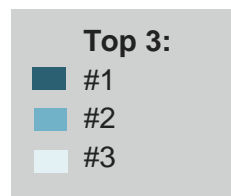

Q110: Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now.

Base: May '22 (n=1,000)

# SPENDING EXPECTATIONS – GLOBAL COMPARISON

Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now?

% increase a lot / a little

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR	NZL
Your food shopping cost	75%	88%	83%	85%	79%	85%	45%	79%	85%	77%	84%	89%
Your other household shopping cost	72%	85%	77%	76%	74%	80%	41%	75%	83%	73%	84%	83%
Your utilities cost	71%	89%	75%	85%	80%	84%	55%	72%	84%	71%	83%	82%
Overall cost of your subscriptions	45%	55%	58%	44%	48%	42%	10%	47%	55%	45%	68%	50%
Your motoring fuel costs	73%	75%	75%	77%	78%	74%	41%	76%	79%	69%	81%	85%
Your mortgage / rent	35%	38%	40%	28%	25%	39%	10%	44%	53%	36%	75%	47%
Overall cost of going out socialising	60%	70%	68%	64%	60%	65%	18%	65%	66%	67%	74%	69%

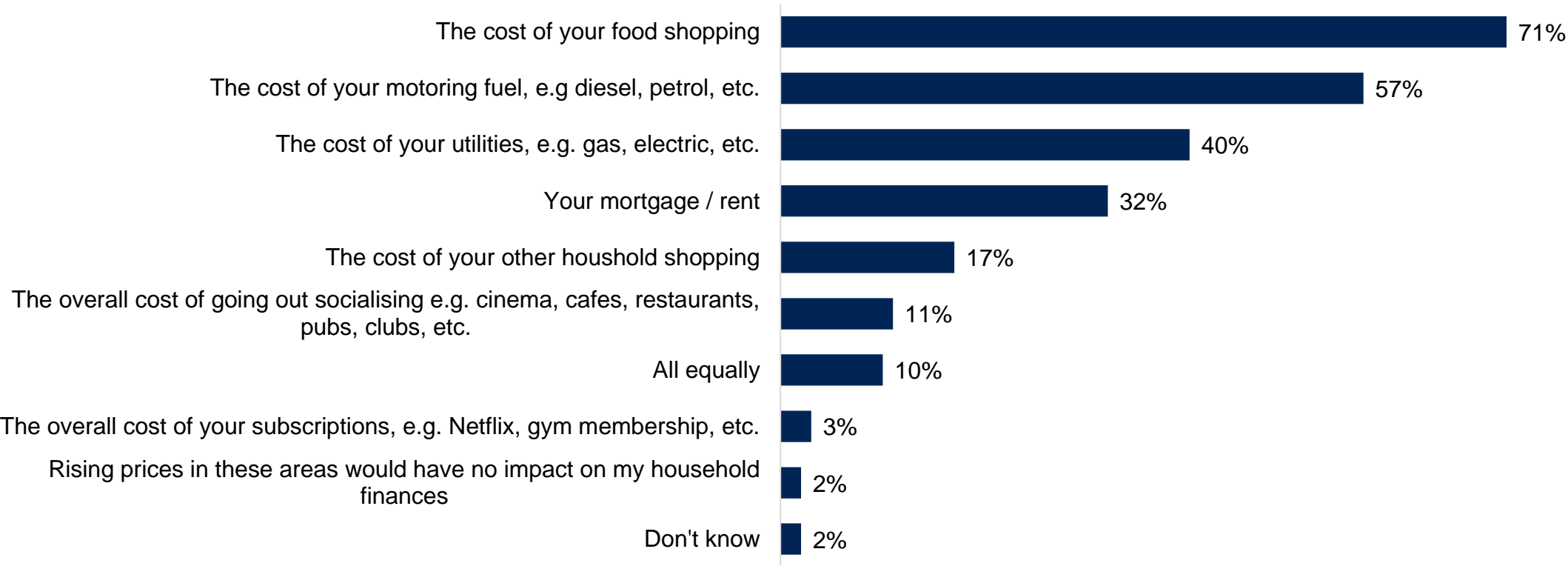
Q110: Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now.

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# IMPACT OF PRICE RISES

New Zealanders believe that the rises in the cost of their food shopping, petrol & utility costs will have the most negative impact on the quality of their life.

Where would price rises have the most negative impact on your quality of life, if any? Please select up to three



Q111: Where would price rises have the most negative impact on your quality of life, if any? Please select up to three.

Base: May '22 (n=1,000)





# IMPACT OF PRICE RISES – GLOBAL COMPARISON



Where would price rises have the most negative impact on your quality of life, if any? Please select up to three.

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR	NZL
The cost of your food shopping	49%	58%	63%	64%	51%	54%	70%	53%	59%	53%	69%	71%
The cost of your other household shopping	16%	16%	19%	11%	14%	17%	30%	19%	17%	15%	21%	17%
The cost of your utilities	37%	68%	36%	56%	61%	58%	65%	36%	54%	57%	62%	40%
The overall cost of your subscriptions	8%	6%	6%	5%	5%	5%	3%	6%	6%	7%	3%	3%
The cost of your motoring fuel	42%	44%	38%	50%	53%	43%	32%	40%	45%	43%	41%	57%
Your mortgage / rent	17%	18%	19%	13%	8%	12%	10%	27%	20%	22%	24%	32%
The overall cost of going out socialising	13%	11%	10%	13%	13%	13%	9%	13%	8%	14%	11%	11%
Rising prices in these areas would have no impact	5%	3%	4%	2%	4%	4%	3%	4%	3%	3%	2%	2%
All equally	14%	8%	15%	11%	8%	11%	5%	13%	9%	8%	12%	10%
Don't know	6%	3%	6%	5%	4%	5%	6%	4%	6%	4%	3%	2%

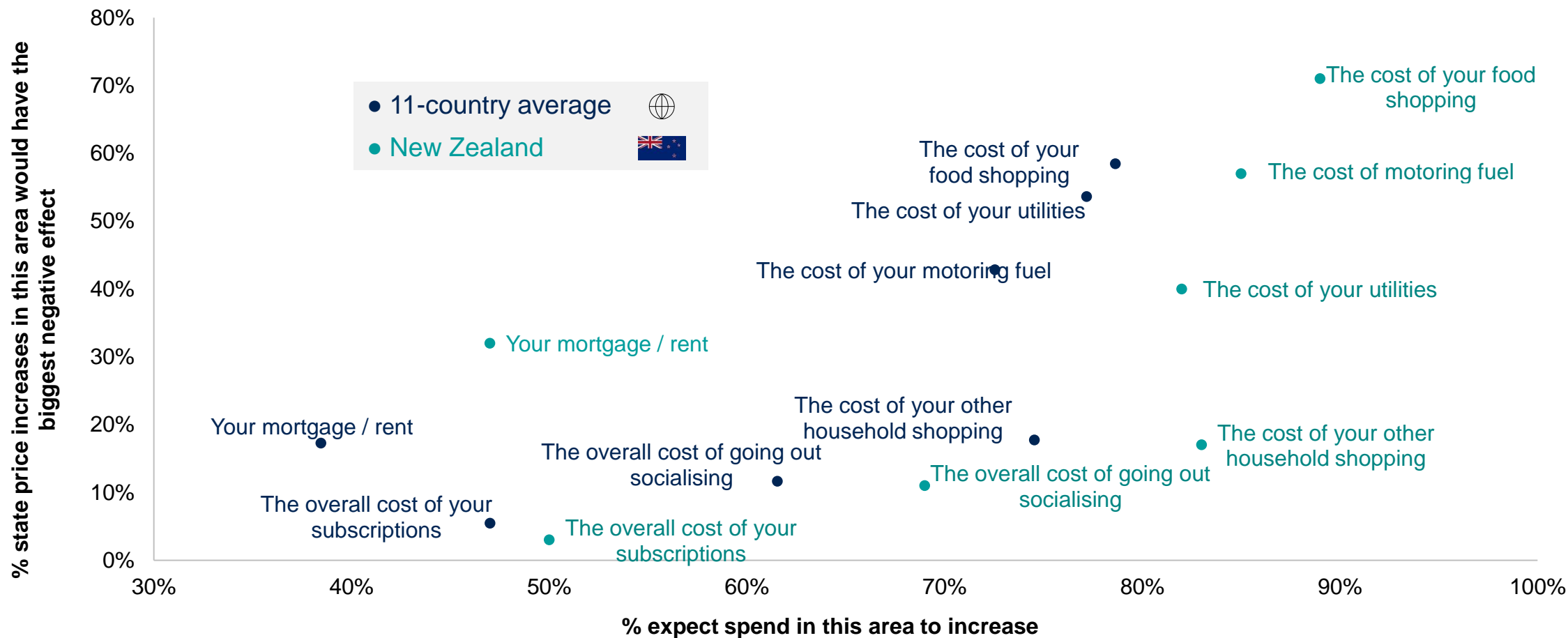
## Top 3:

- #1 impact
- #2 impact
- #3 impact

Q11: Where would price rises have the most negative impact on your quality of life, if any? Please select up to three.

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# PRICE INCREASE EXPECTATIONS & THEIR IMPACT ON QUALITY OF LIFE



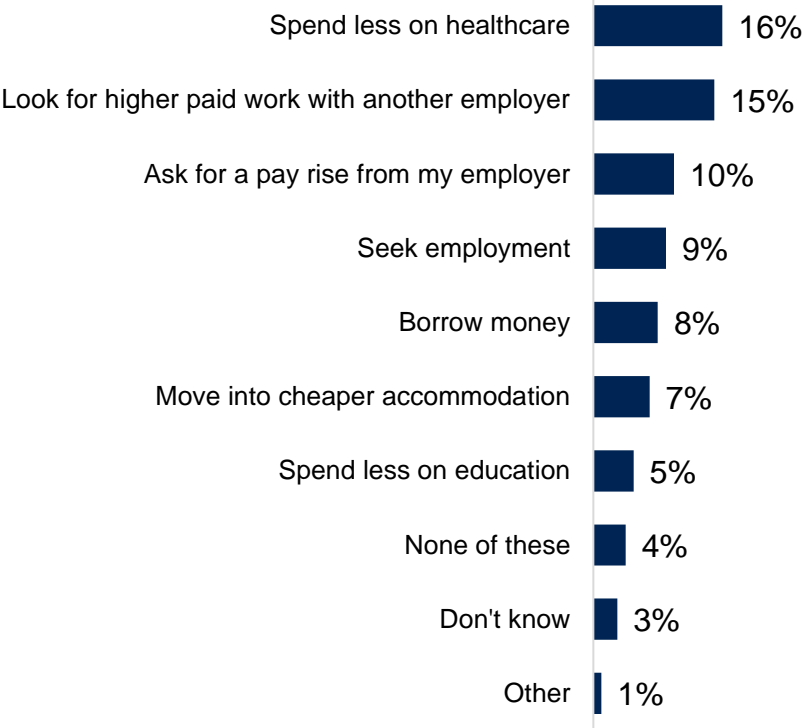
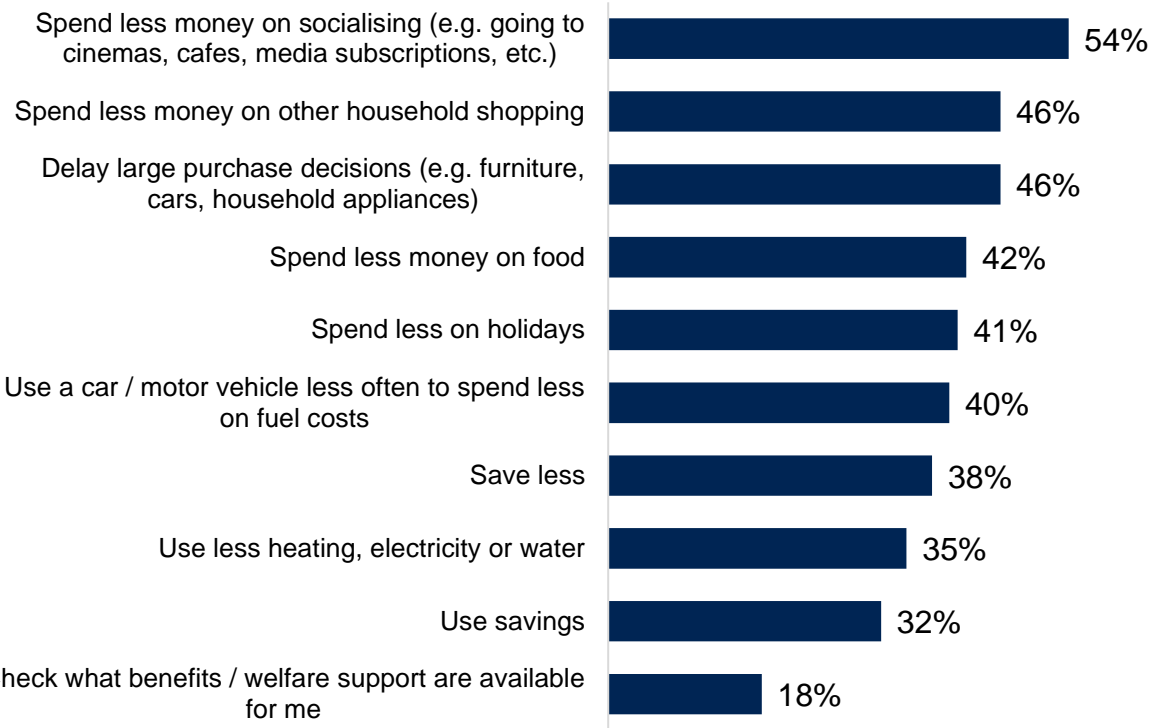
Q: Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or stay the same as it is now. / Q: Where would price rises have the most negative impact on your quality of life, if any? Please select up to three.

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# POTENTIAL ACTIONS TO MITIGATE PRICE INCREASES

Over half of New Zealanders would spend less money on social activities if prices rose & it meant they could no longer afford their normal lifestyle. A third would use savings.

And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take? Please select as many as apply.



Q112: And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take? Please select as many as apply.

Base: May '22 (n=1,000)

# MITIGATION ACTIONS – GLOBAL COMPARISON



And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take?

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR	NZ
Use savings	24%	29%	25%	24%	17%	20%	31%	25%	23%	17%	19%	32%
Borrow money	9%	8%	9%	4%	4%	4%	4%	8%	6%	6%	13%	8%
Save less	21%	35%	24%	22%	16%	21%	19%	28%	17%	22%	20%	38%
Ask for a pay rise from my employer	9%	5%	6%	9%	5%	6%	2%	7%	12%	5%	10%	10%
Seek higher-paid work from another employer	11%	10%	10%	10%	6%	7%	4%	12%	18%	8%	12%	15%
Seek employment	13%	9%	15%	6%	9%	7%	9%	12%	18%	10%	19%	9%
Check what benefits / support are available to me	14%	12%	14%	17%	14%	15%	7%	18%	16%	12%	19%	18%
Spend less money on food	28%	34%	33%	29%	19%	25%	41%	30%	27%	16%	29%	42%
Spend less money on other household shopping	37%	43%	44%	33%	34%	31%	38%	37%	41%	32%	44%	46%
Spend less money on socialising	42%	47%	51%	47%	43%	42%	24%	47%	40%	50%	51%	54%
Use a car / motor vehicle less often to spend less on fuel	26%	30%	28%	34%	20%	34%	16%	31%	30%	31%	42%	40%
Move into cheaper accommodation	9%	5%	11%	8%	5%	6%	7%	9%	7%	8%	15%	7%
Spend less on holidays	29%	37%	39%	39%	37%	35%	28%	34%	34%	40%	41%	41%
Delay large purchase decisions	38%	39%	47%	45%	36%	43%	37%	42%	39%	39%	44%	46%
Spend less on healthcare	8%	8%	9%	12%	10%	8%	7%	16%	8%	4%	13%	16%
Spend less on education	6%	3%	5%	4%	5%	7%	2%	5%	7%	3%	8%	5%
Use less heating, electricity or water	24%	49%	23%	40%	34%	46%	37%	27%	34%	34%	44%	35%
Other	2%	2%	2%	1%	2%	3%	2%	1%	1%	2%	2%	1%
None of these	7%	4%	4%	4%	2%	6%	5%	4%	2%	3%	2%	4%
Don't know	5%	4%	6%	4%	6%	5%	8%	5%	10%	6%	4%	3%

## Top 3:

- #1 action
- #2 action
- #3 action

Q112: And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take? Please select as many as apply.

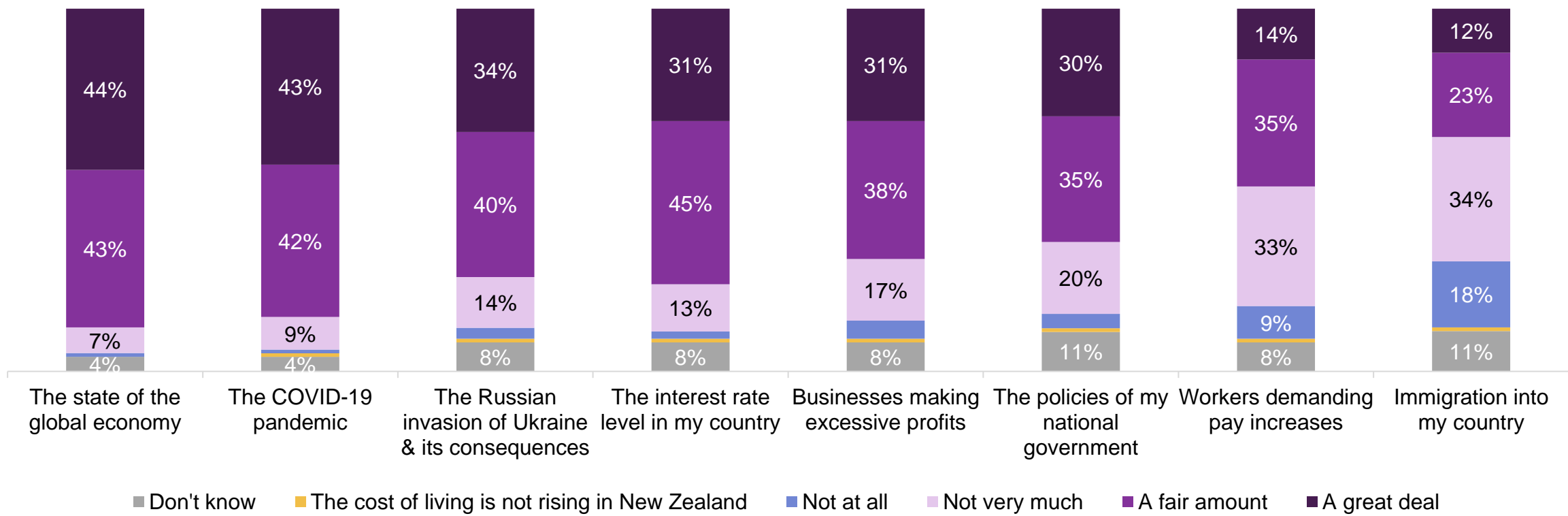
Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)



# WHAT IS DRIVING RISING PRICES?

New Zealanders believe that an even spread of factors are contributing to the rising cost of living in New Zealand, but the COVID-19 pandemic & global state of the economy are considered to be the highest contributing factors.

How much, if at all, do you think each of the following are contributing to the rising cost of living in New Zealand today?



Q113: How much, if at all, do you think each of the following are contributing to the rising cost of living in New Zealand today?

Base: May '22 (n=1,000)

# NEW ZEALAND SAMPLE DEMOGRAPHICS – MAY 2022

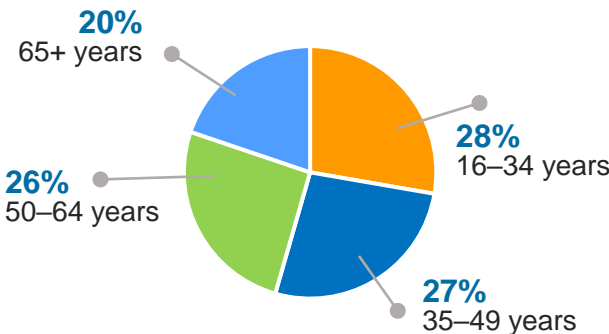


**1,000 respondents**  
were interviewed online in May  
2022 via online panels



The precision of Ipsos  
online polls is calculated  
with a credibility interval  
with a poll of 1,000  
accurate to + / - 3.5  
percentage points

Results are  
weighted by age,  
gender and region  
to ensure they  
reflect the New  
Zealand population



## Employment status

Employment Status	Percentage
Full-time	48%
Retired	17%
Part-time	12%
Not in paid work & not seeking work	8%
Not in paid work but seeking work	4%
Self-employed	7%
Student	5%



## Highest education completed\*

Education Level	Percentage
(None + Level 1-3)	32%
Level 4-7	51%
Level 8-10	16%
Don't know	1%

## Sample sizes over time

- | Sample Size     | Sample Size       | Sample Size       |
|-----------------|-------------------|-------------------|
| Feb '18 (n=610) | May '20 (n=1,000) | May '22 (n=1,000) |
| Jul '18 (n=611) | Jul '20 (n=1,000) |                   |
| Oct '18 (n=610) | Sep '20 (n=1,000) |                   |
| Mar '19 (n=614) | Nov '20 (n=1,001) |                   |
| Apr '19 (n=615) | Feb '21 (n=1,000) |                   |
| Jul '19 (n=610) | Jun '21 (n=1,003) |                   |
| Nov '19 (n=610) | Oct '21 (n=1,003) |                   |
| Mar '20 (n=610) | Feb '22 (n=1,004) |                   |

# THE TEAM

Carin Hercock  
Managing Director  
carin.hercock@ipsos.com  
+64 21 394 508

Amanda Dudding  
Research Director  
amanda.dudding@ipsos.com  
+64 21 612 264

Kania Sugandi  
Associate Director  
kania.sugandi@ipsos.com

Aidan Fenwick  
Senior Research Executive  
aidan.fenwick@ipsos.com

Samantha Grigg  
Research Executive  
samantha.grigg@ipsos.com

# ABOUT IPSOS

---

Ipsos is the third-largest market research company in the world, present in 90 markets and employing more than 18,000 people.

Our research professionals, analysts and scientists have built unique multi-specialist capabilities that provide powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 business solutions are based on primary data coming from our surveys, social media monitoring, and qualitative or observational techniques.

“Game Changers” – our tagline – summarises our ambition to help our 5,000 clients to navigate more easily our deeply changing world.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1st, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg  
IPS:FP  
[www.ipsos.com](http://www.ipsos.com)

# GAME CHANGERS

---

In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide True Understanding of Society, Markets and People.

To do this we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do.

So that our clients can act faster, smarter and bolder.  
Ultimately, success comes down to a simple truth:  
**You act better when you are sure.**



# THANK YOU

GAME CHANGERS



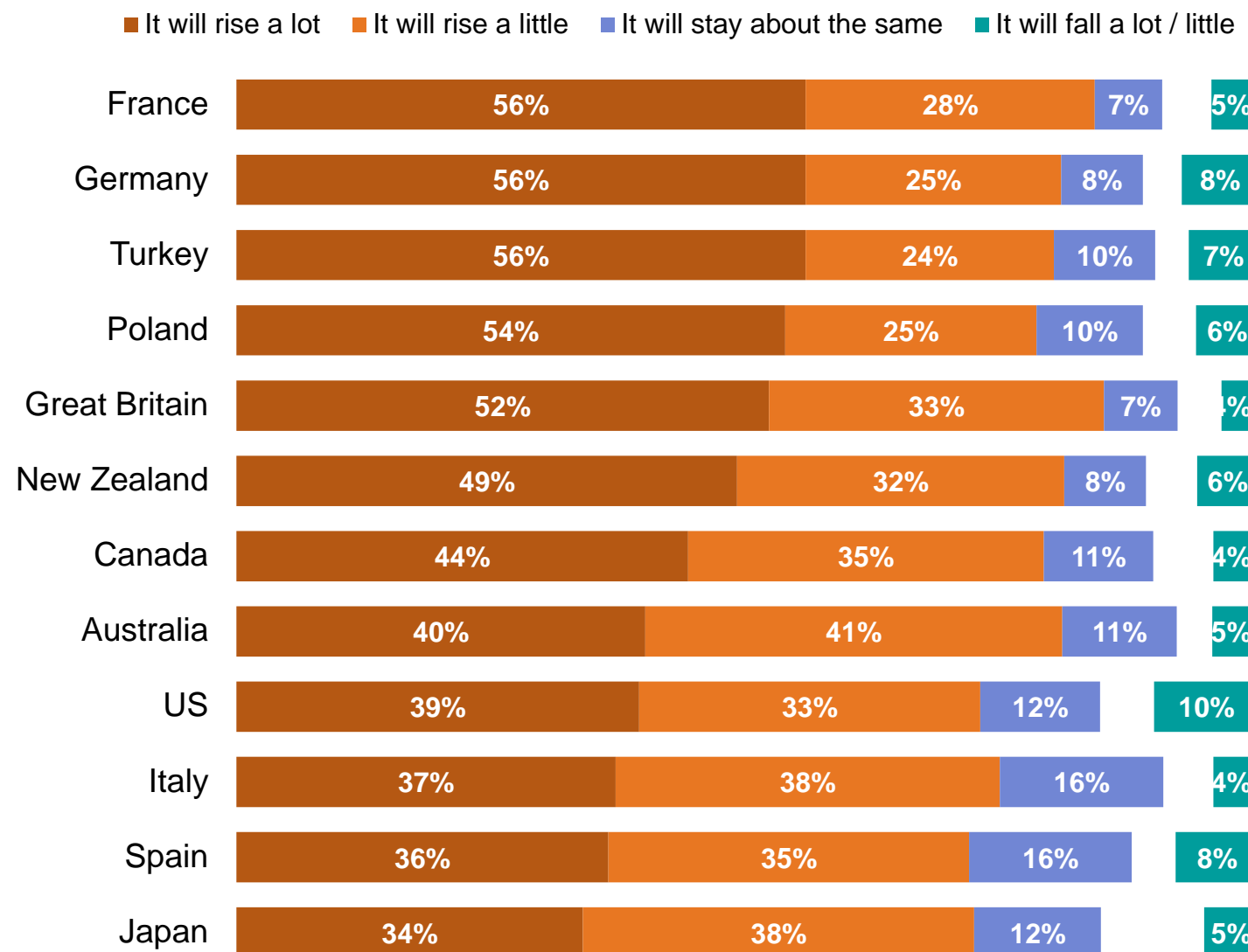
# APPENDIX

**Q18.** Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

# THE RATE OF INFLATION (HOW MUCH PRICES ARE GOING UP BY)

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

- The rate of inflation (how much prices are going up by)



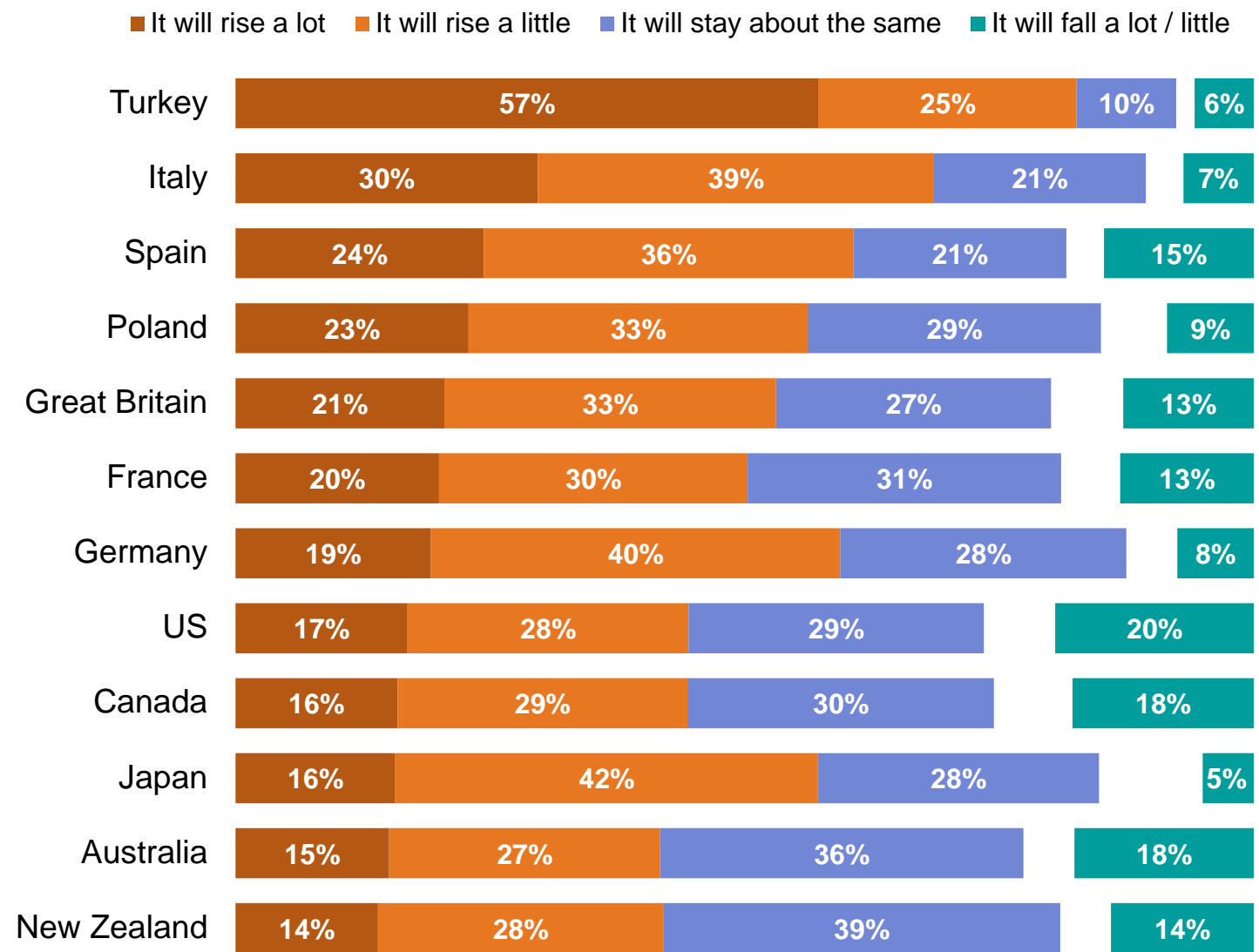
Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# THE NUMBER OF UNEMPLOYED PEOPLE IN YOUR COUNTRY

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

- The number of unemployed people in your country



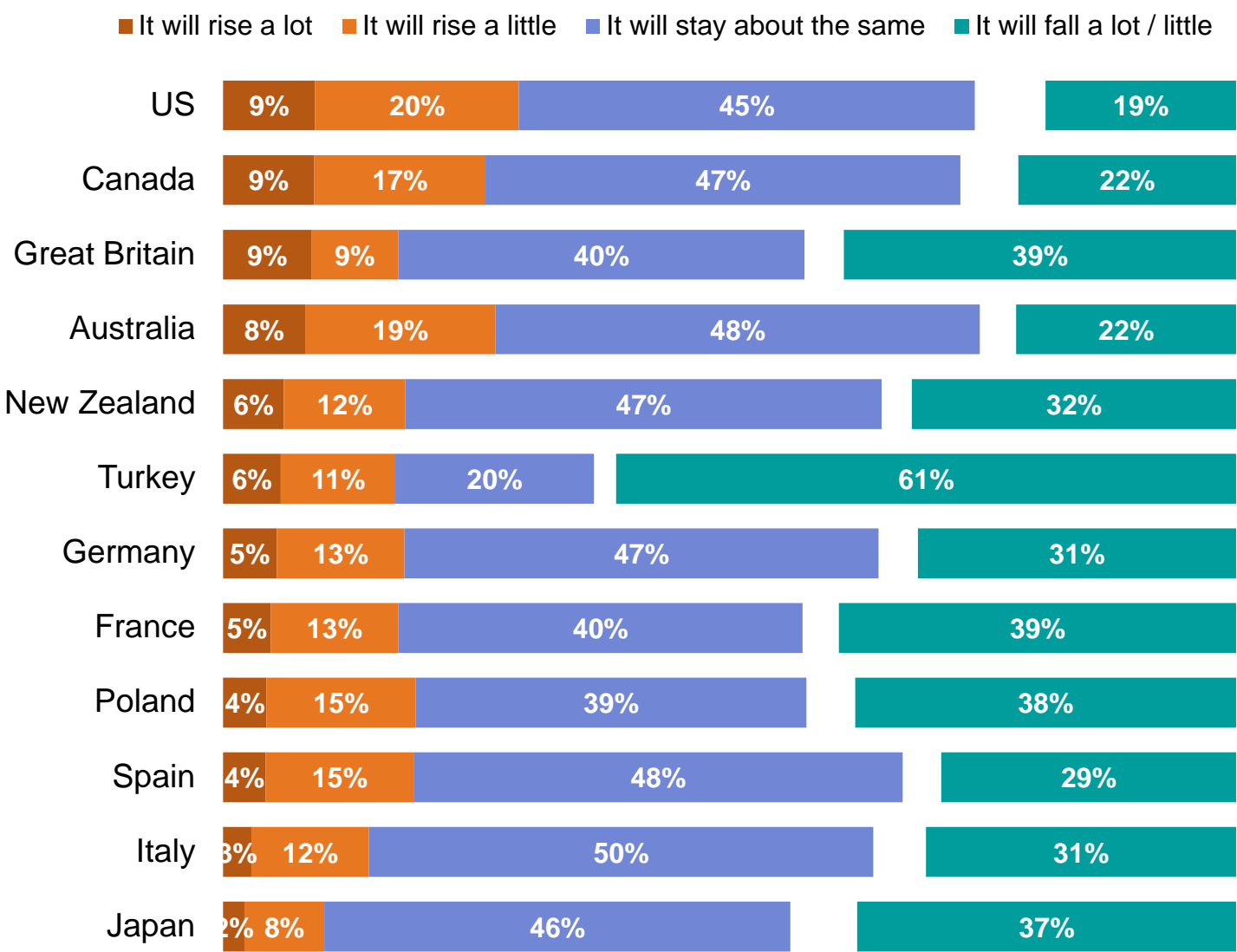
Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# YOUR OWN STANDARD OF LIVING

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

■ **Your own standard of living**



Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

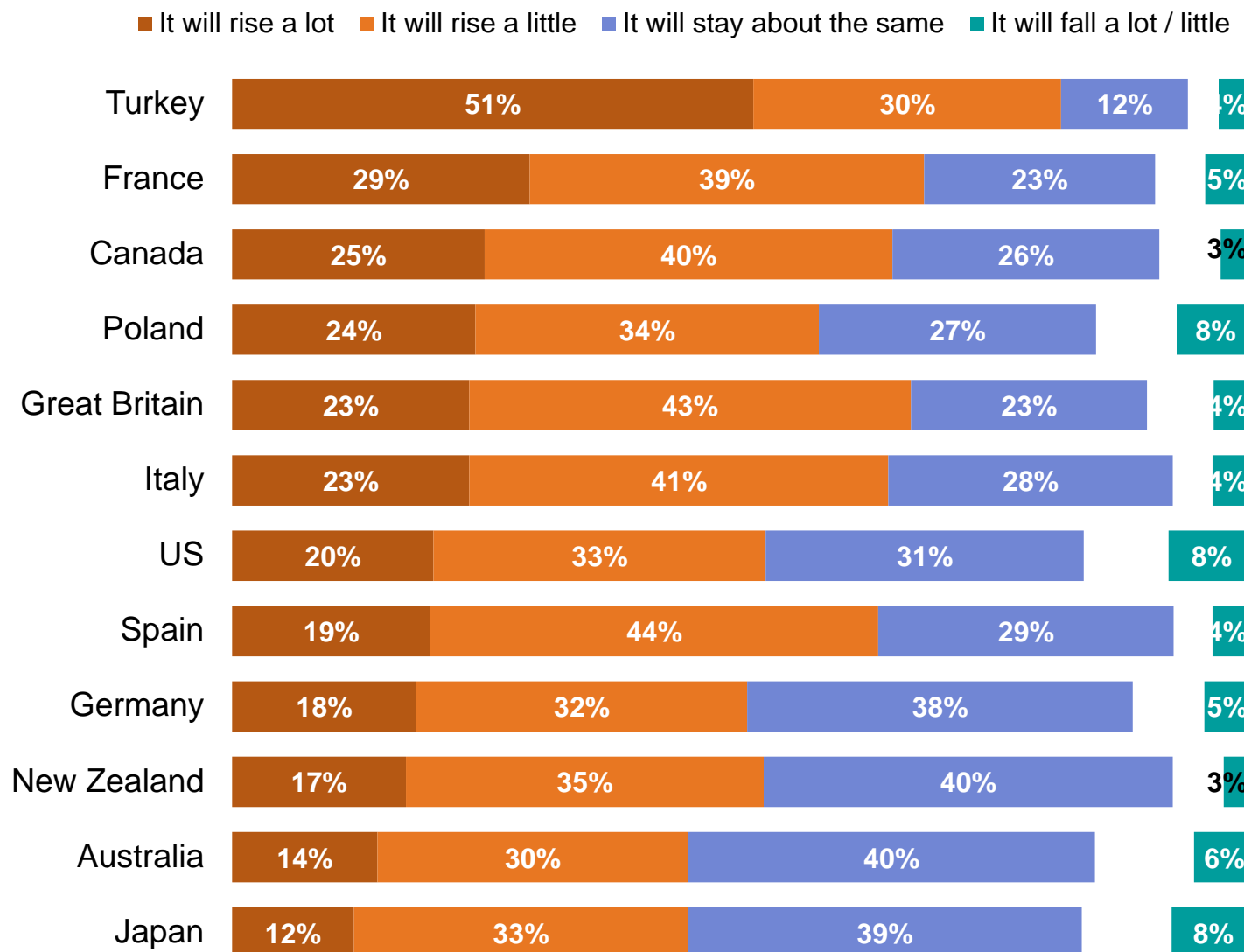
Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)



# THE TAXES YOU PAY

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

## ■ The taxes you pay



Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

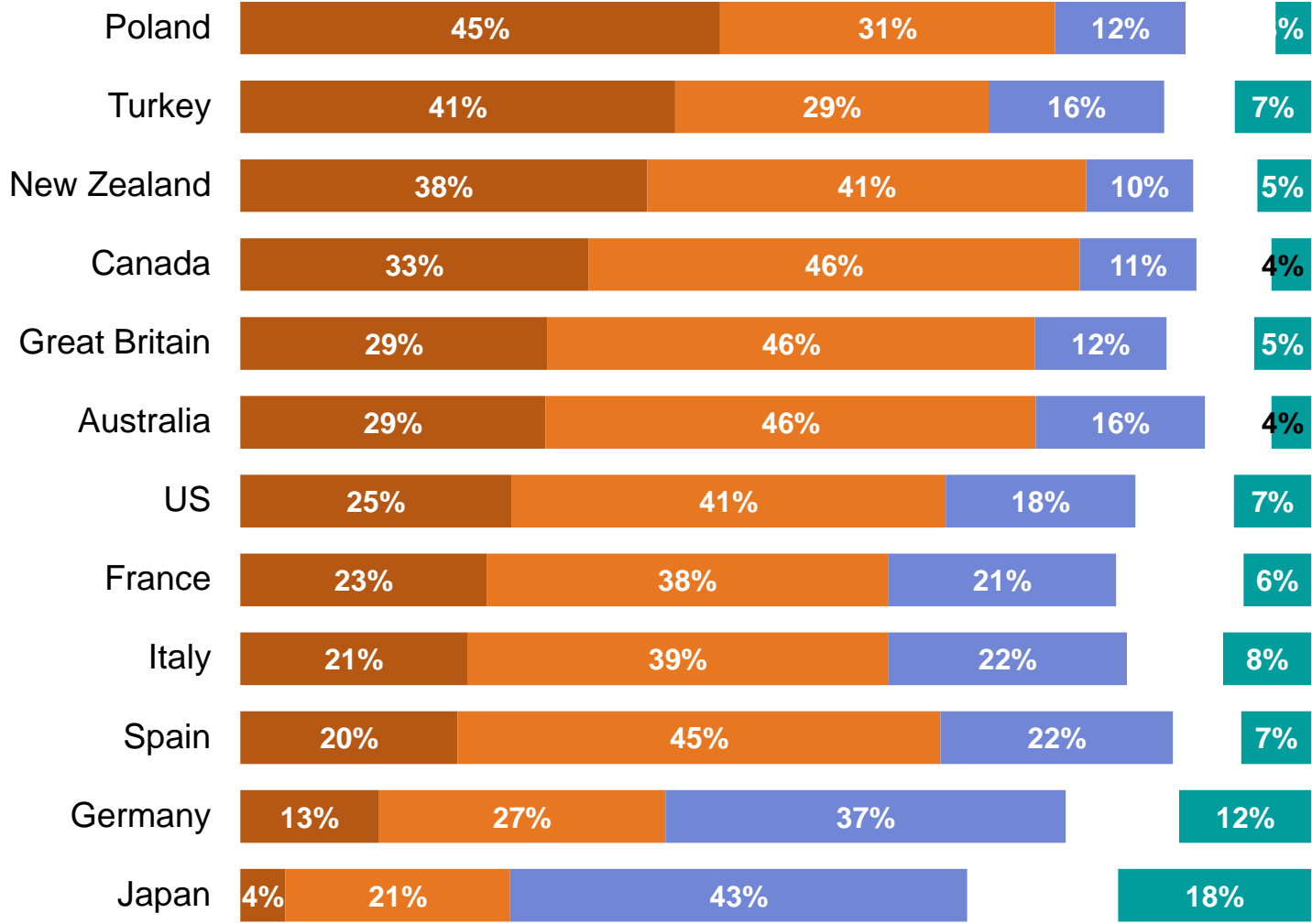
Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# INTEREST RATES

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

■ Interest rates

■ It will rise a lot   ■ It will rise a little   ■ It will stay about the same   ■ It will fall a lot / little



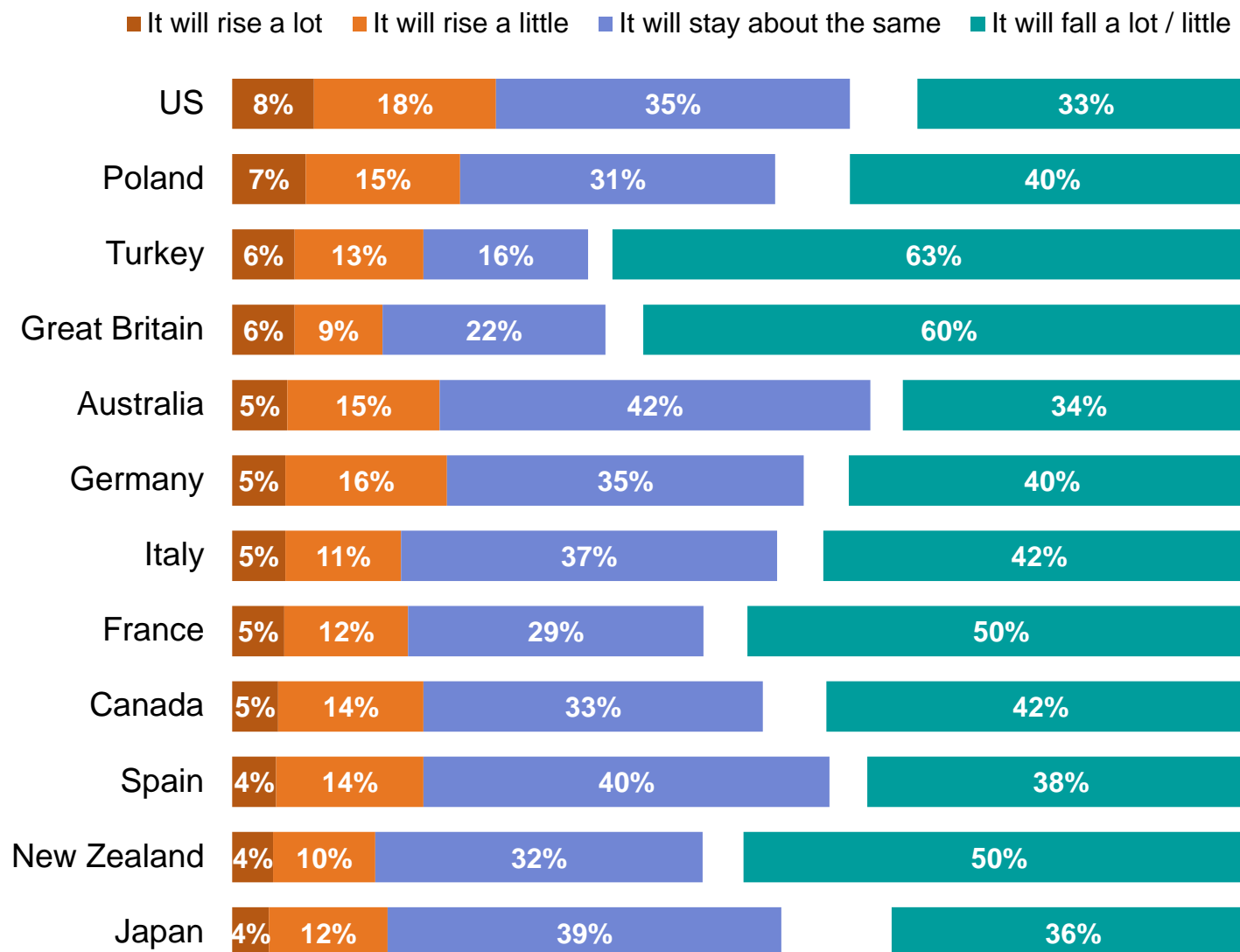
Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# YOUR DISPOSABLE INCOME (WHAT YOU CAN SPEND AFTER PAYING YOUR BILLS FOR LIVING EXPENSES)

Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

- Your disposable income (what you can spend after paying your bills for living expenses)



Q18: Over the next year, do you think each of the following will rise, decline, or stay at about the same level?

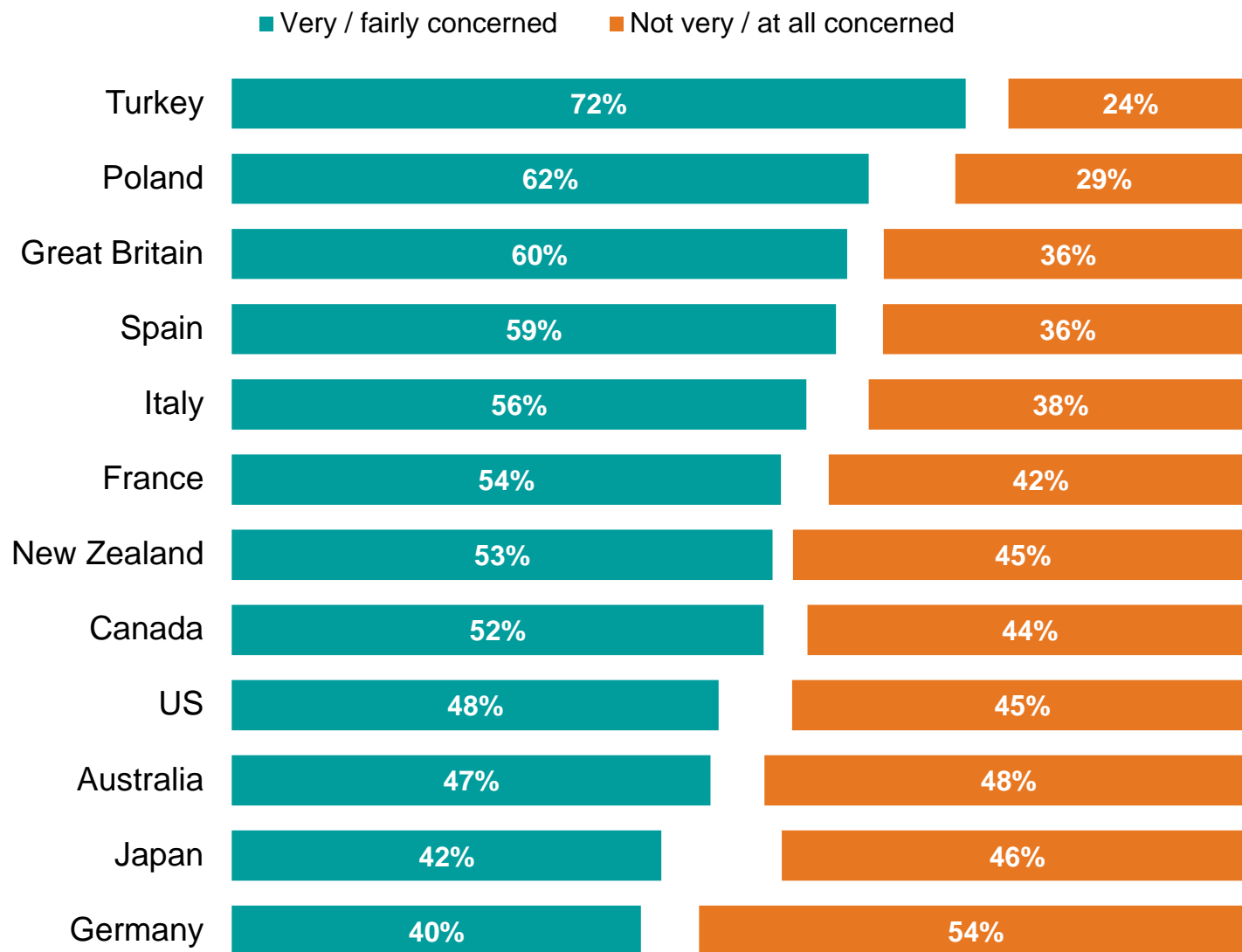
Base: Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

**Q19.** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

# YOUR ABILITY TO PAY THE BILLS

Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

## ■ Your ability to pay the bills



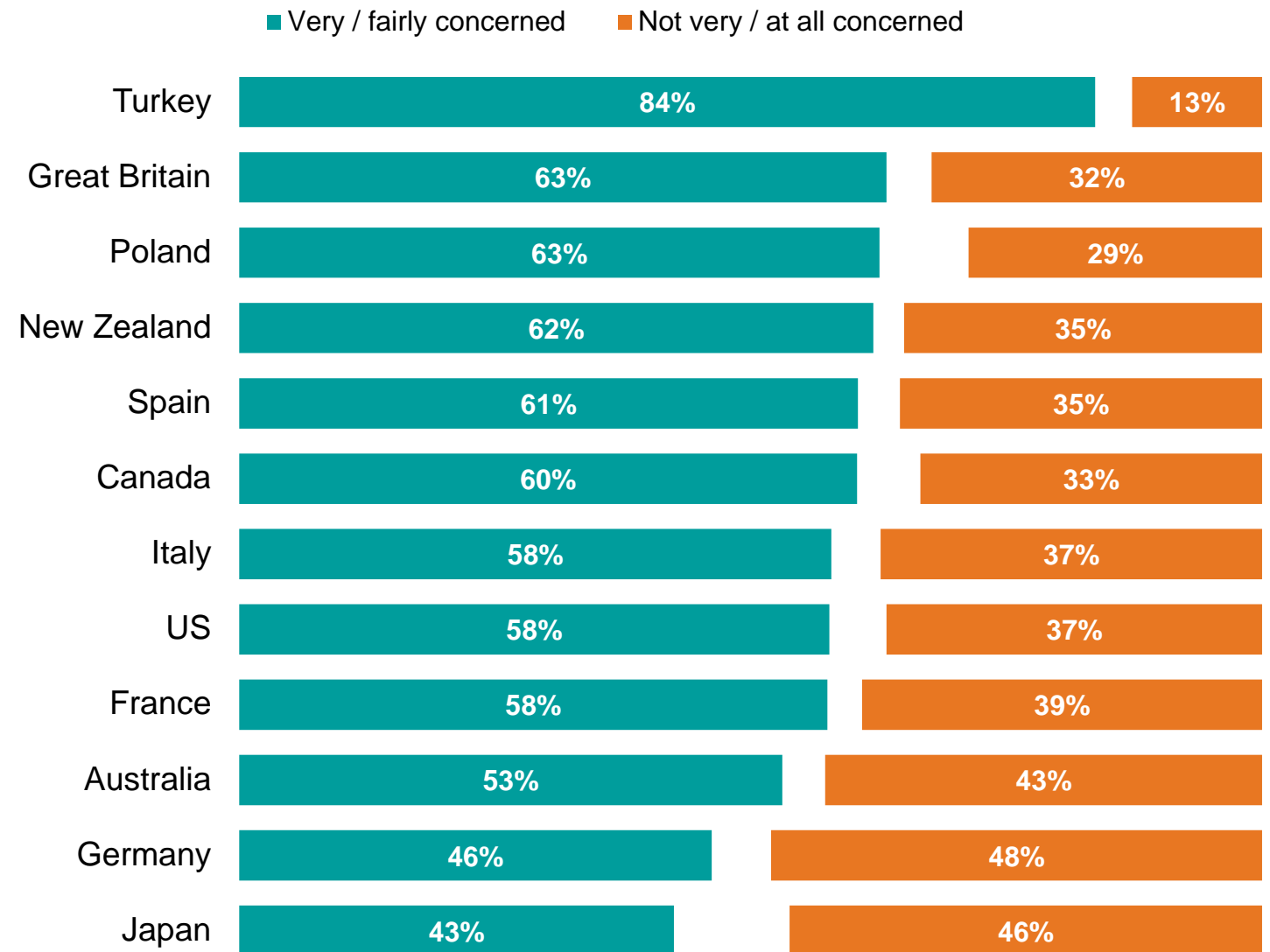
**Q19:** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# YOUR ABILITY TO BUY THINGS YOU'RE USED TO BUYING

Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

- **Your ability to buy things you're used to buying**



**Q19:** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

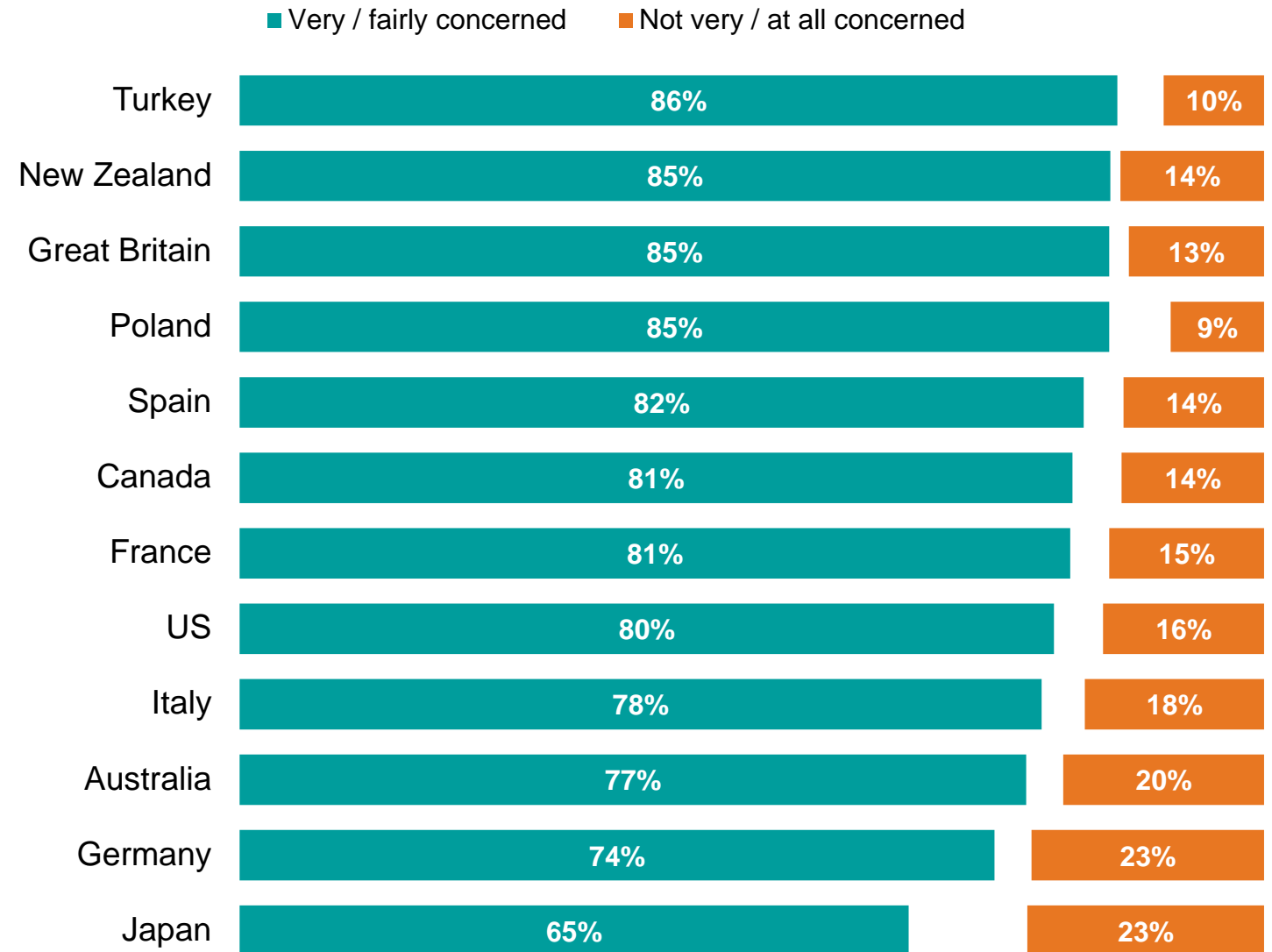
**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)



# THE COST OF GOODS & SERVICES INCREASING

Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

- **The cost of goods and services increasing**



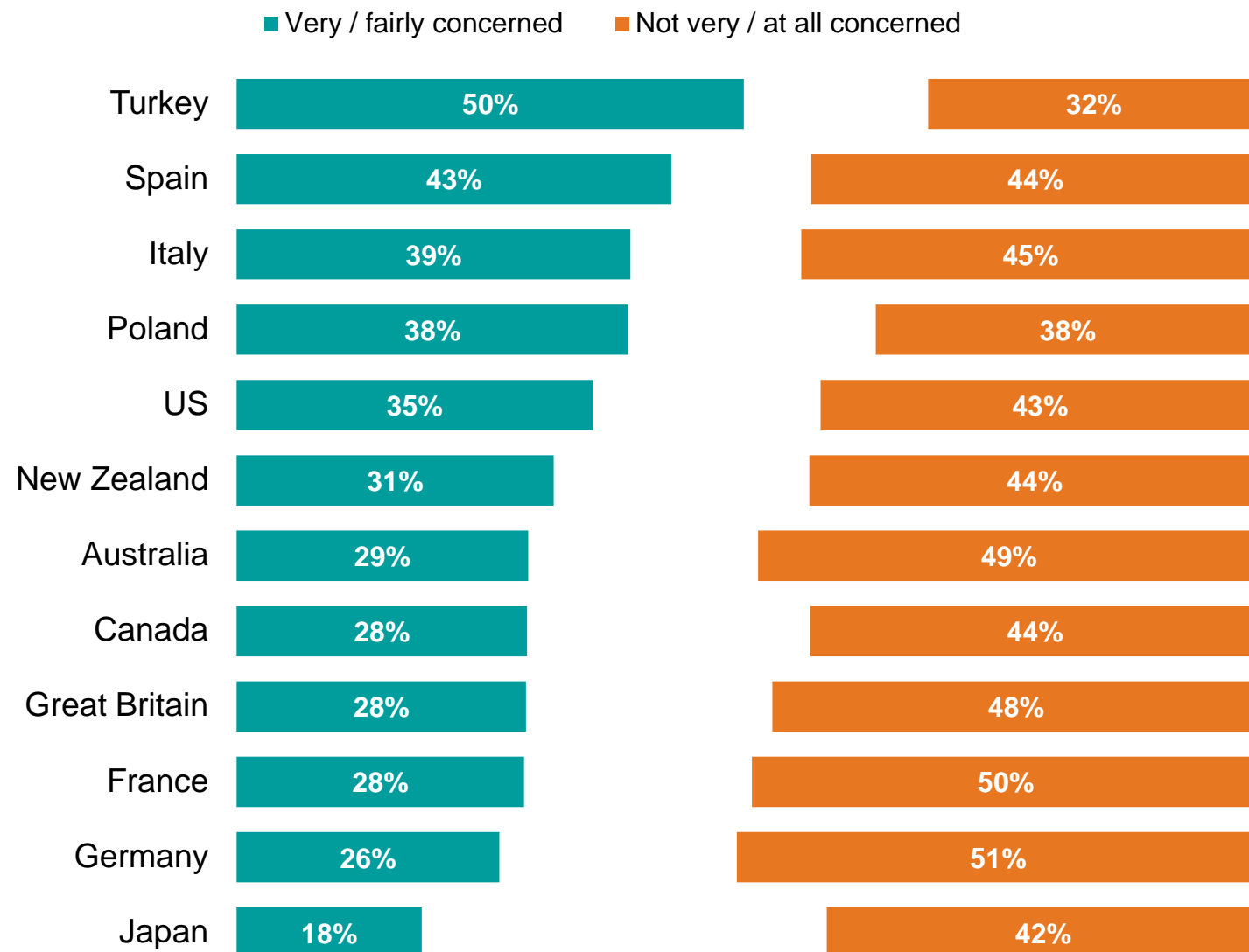
**Q19:** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# THE VALUE OF YOUR HOME

Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

## ■ The value of your home



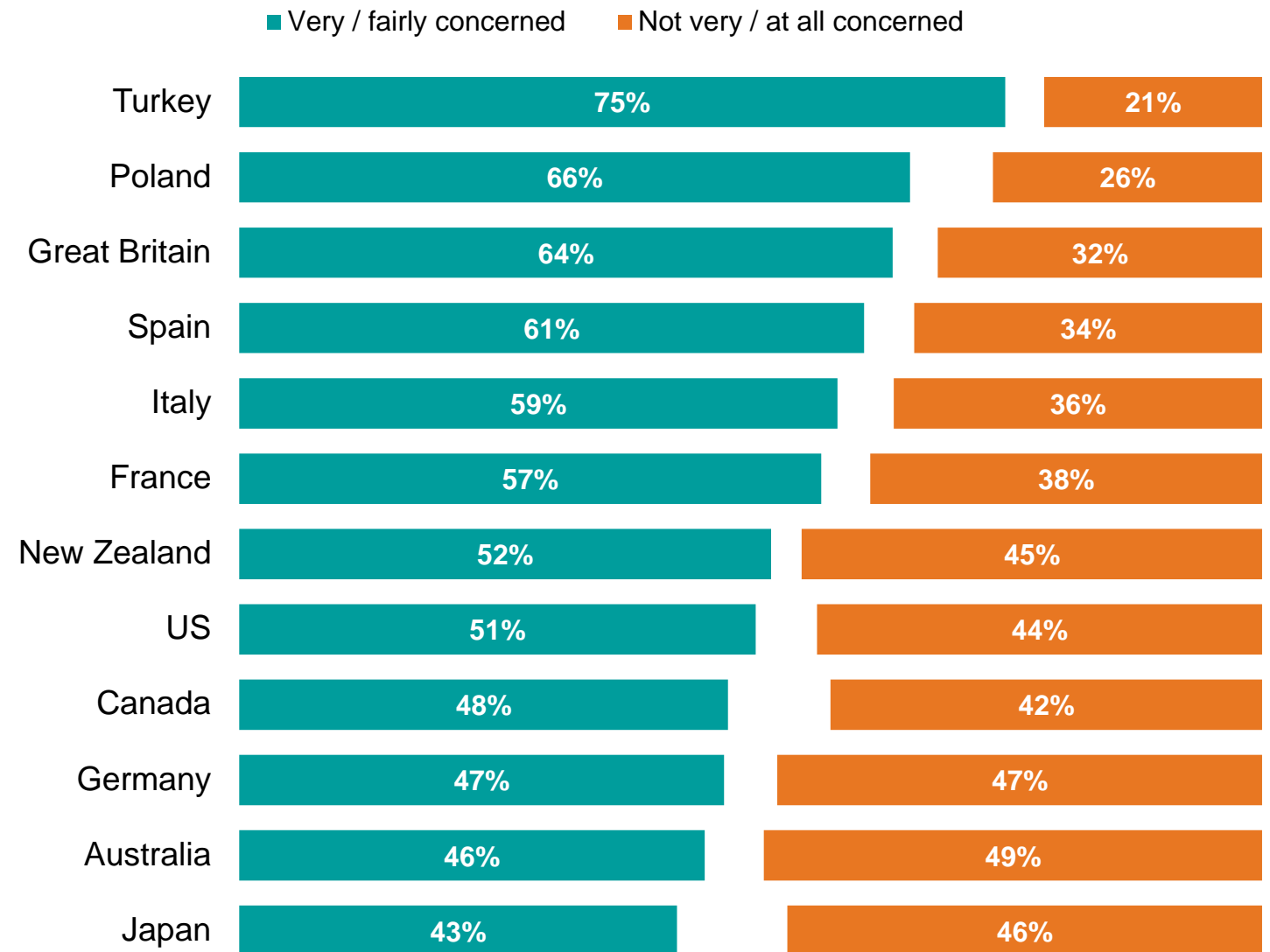
**Q19:** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)

# YOUR ABILITY TO PAY YOUR GAS & / OR ELECTRICITY BILLS

Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

- **Your ability to pay your gas and / or electricity bills**



**Q19:** Thinking about your personal financial situation over the next six months. How concerned, if at all, are you about each of the following over the next six months?

**Base:** Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7–18 April 2022; New Zealand – May '22 (n=1,000)