

# HOUSEHOLD FINANCES CHART PACK

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## Key takeouts

- Overall household income levels are continuing to rise. However, much of that is due to increases in entrepreneurial earnings (which is in part due to increased earnings in the agricultural sector). In contrast, wage and salary growth remains limited.
- Household savings rose in the March quarter.
- We also saw a related increase in the value of New Zealanders' financial assets. That offset softness in the value of housing and land assets, which have essentially shown no growth since late 2023.
- Household spending on interest costs has fallen. Looking ahead, we don't expect further significant falls in interest costs with mortgage rates pushing higher in recent months.

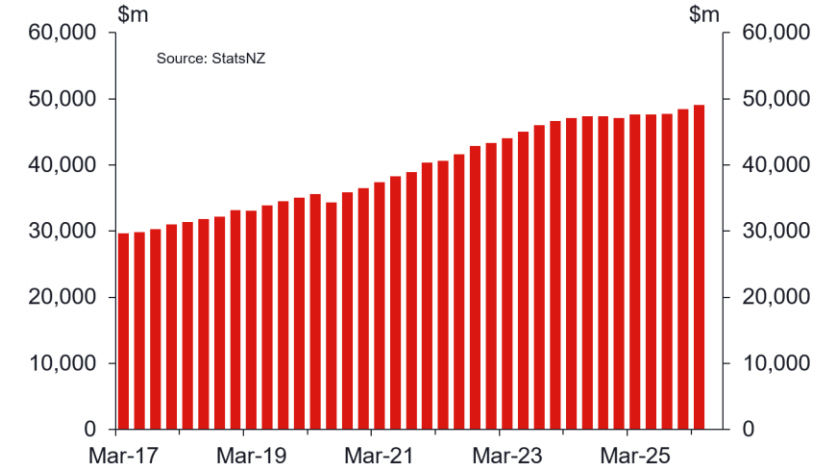
Note: Much of the data in this report is taken from Stats NZ's update on household incomes, assets and savings for the March quarter 2026.

# HOUSEHOLD INCOMES

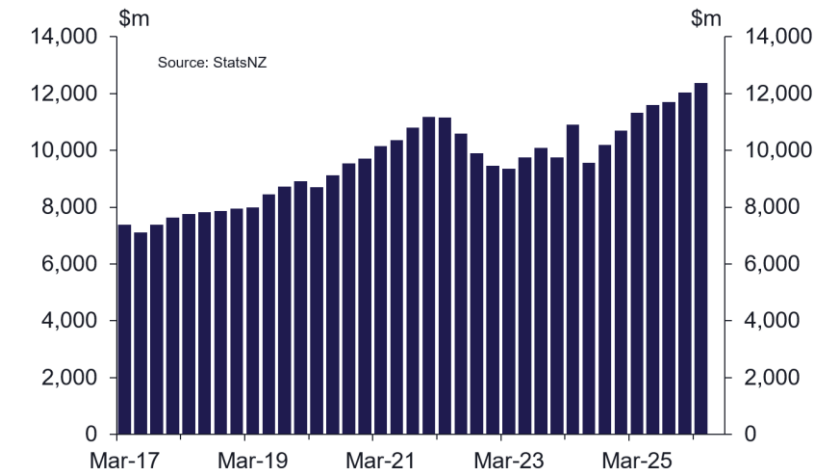
## Disposable incomes have continued to lift.

- Over the past year, overall household disposable income levels have risen by around 5%. In part that rise was due to the 1.5% increase in the number of households.
- Adjusting for population changes, our own estimate of the average household's disposable income rose 3.8% in the year to March (up from 3.1% at the end of last year).
- However, while overall incomes have been rising, that's mainly due to increases in entrepreneurial earnings, which are up 14% over the past year. That will include stronger earnings in the agricultural sector, which has been boosted by the strength in commodity export prices. That lift in agricultural earnings has been reflected in stronger economic confidence and spending in many rural regions.

## Compensation of employees.



## Entrepreneurial income.



# SAVINGS AND WEALTH

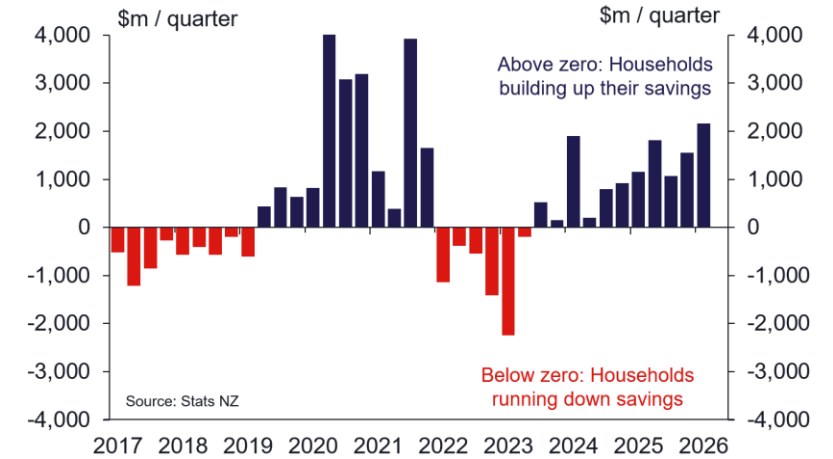
## Household savings rose by \$2b over the past quarter.

- March's large increase in savings builds on the solid increases seen over the past three years.
- That seen the household savings rate rising to 3.3% of disposable income, the highest it's been since the pandemic lockdowns.

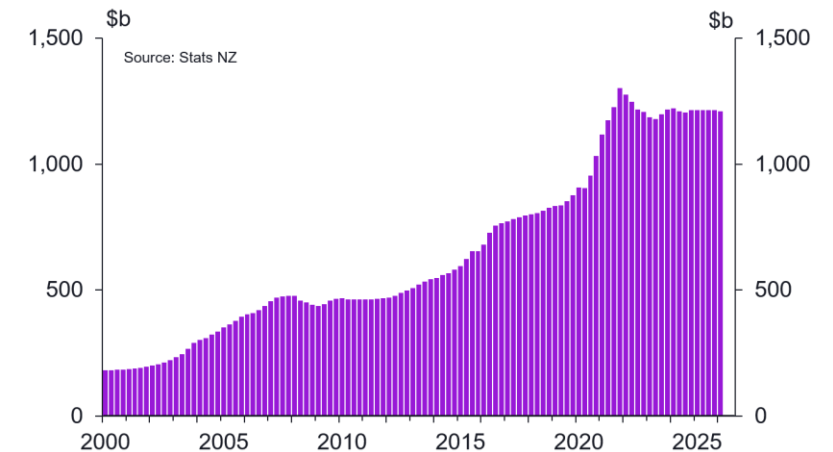
## Overall household wealth levels were up 1.5% over the past year.

- The value of households' financial assets has continued to rise and is up 3.3% over the past year.
- However, the value of housing and land assets is down 0.5%, which has resulted in only limited growth in overall wealth levels.
- The value of housing and land assets remained essentially unchanged since late 2023.

## Household savings.



## Values of housing and land assets.

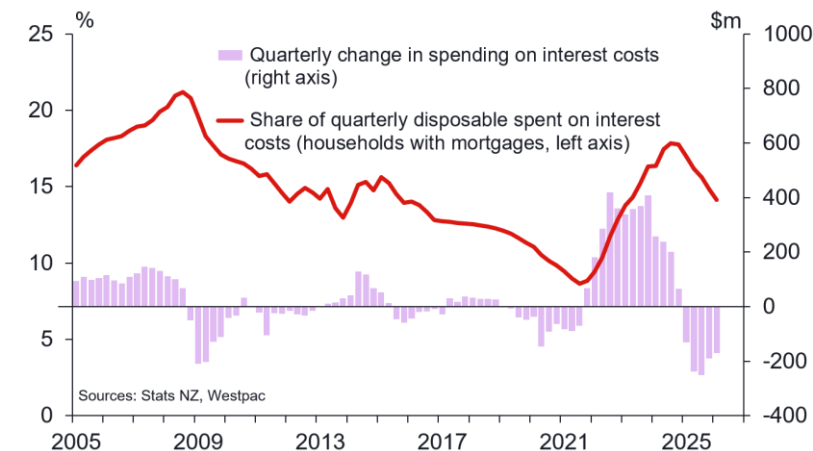


# INTEREST COSTS

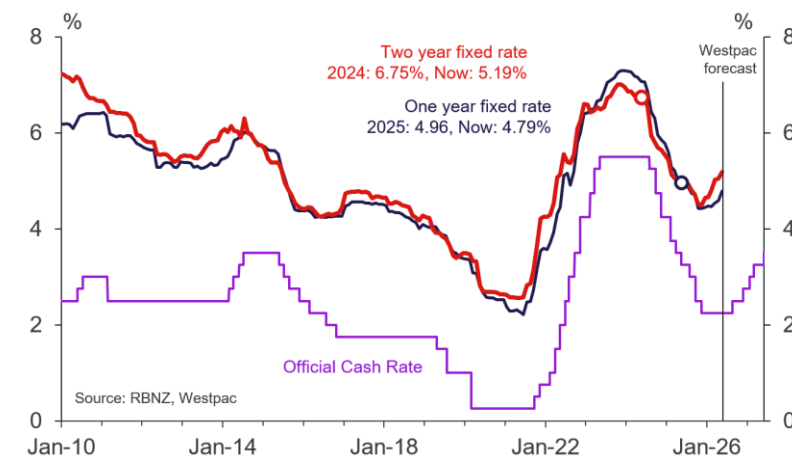
## Households' spending on interest costs have fallen for a fifth consecutive quarter.

- Reductions in interest costs over the past year have helped to support household spending in the face of rising living costs.
- We don't expect to see further significant falls in households borrowing costs over the remainder of this year. Mortgage rates have been pushing upwards in recent months (though there's been some scaling back of those increases this week). That's occurred against a backdrop of renewed concerns about inflation in the wake of the Middle East war. And while tensions in the Middle East have eased over the past few weeks, the RBNZ is still expected to raise the Official Cash Rate at a measured pace over the coming months.
- Even with mortgage rates rising, we don't expect a significant rise in households' interest costs over the next few months. That's because 90% of New Zealand mortgage borrowing is fixed for a period (usually for terms of one to two years).

## Household spending on interest costs.



## Interest rates.



# Quick links



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