THE COST OF LIVING

WHAT ARE WE GIVING UP?

NZCTU
Te Kauae Kaimahi

NEW ZEALAND COUNCIL OF TRADE UNIONS TE KAUAE KAIMAHI
SEPTEMBER 2026

ABOUT THE NZCTU TE KAUAE KAIMAHI

The New Zealand Council of Trade Unions Te Kauae Kaimahi (NZCTU) represents the interests of its 32 affiliated trade unions. With over 370,000 union members, the NZCTU is one of the largest democratic organisations in New Zealand. The NZCTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga), the Māori arm of Te Kauae Kaimahi, which represents approximately 60,000 Māori workers.

NGĀ MIHI THANK YOU

To everyone who took the time to tell us your story, thank you.

You have shared the stuff that is the hardest to talk about; the bills you can't cover, the things you've had to stop buying, the appointments you've had to put off, the whānau you can't afford to visit, the savings that are disappearing and the worry about what happens next. Some of you gave us a few words. Some of you gave us pages. Every response mattered.

Together, your stories have given us something that statistics alone never can. Your stories have helped create a picture of what the cost of living actually feels like in our lives.

We are incredibly grateful for your honesty, your generosity and your trust. Your experiences are not data points to us, and they are not just stories to fill a report. They are a record of what people across Aotearoa New Zealand are living through, and an important contribution to the conversation about what needs to change. We have treated your words with care because they deserve to be heard with care.

Thank you for trusting us with your stories, and for helping make the reality of the cost-of-living crisis impossible to look away from.

Authorised by New Zealand Council of Trade Unions - Te Kauae Kaimahi, PO Box 6645, Wellington 6141

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KATE CAN'T AFFORD THE BASICS

'Kate' is heading towards retirement age and says this has been the toughest year for her and her partner. It's her low wage, which is between $30,000 and $50,000, that's making life tough.

"We are really struggling. Our last power bill was unexpectedly high. We no longer use heating at night and we live in social housing. We eat meat once a week for the first time in our lives. I often go without food so my husband, who has been seriously ill this year, can eat."

For Kate, the moment it really hit was when she realised they could no longer afford basics like meat or cheese in their food budget.

So, they cut back on heating, electricity, dental care, fuel, clothing, savings and seeing friends and family. They are buying cheaper food, skipping meals, delaying seeing the doctor and dentist, using savings, and relying on help from family.

She was most struggling to afford her insurances.

Kate's message to politicians is blunt: "Move in regulating supermarkets, break up the duopoly. Do something concrete about affordable food."

KATE IS NOT ALONE

Here's what 152 other respondents aged between 55 and 64 are experiencing

65% are buying cheaper food

57% have delayed dental treatment

45% have delayed seeing a doctor

23% have skipped meals

38% have used savings just to get by

THE KIWI DREAM IS FADING

New Zealand has long had pride in everyone having a good life.

Policy settings were aimed at ensuring people had good jobs that paid enough to feed and clothe your family; the ability to connect to family and community; and access to health and education.

This is all fading away.

Data shows it clearly. Unemployment has risen and real wages have fallen for many. There are now 48,000 more Kiwis unemployed than there were in 2023, and people are staying unemployed for longer periods of time. The rising cost of essentials has far outstripped wage growth. Household energy costs, for example, have increased over 23%, since June 2023, while the cost of bread has increased 20%. But the minimum wage has only increased 5.5% and broader wages (as measured by the labour cost index) have only increased 8.8% over the same period. In other words, many Kiwi households have seen their standard of living fall over recent years.

Poverty and hardship are also high. In 2025 – the latest available data – it was estimated that around 473,000 Kiwis were living in material hardship, including 169,000 children. In the same year, almost one in five New Zealanders aged 65+ were foregoing doctor and dentist visits because of the rising cost of living.

This report gets beyond these high-level statistics to tell the story of how the current cost of living crisis – wages and welfare payments failing to keep up with increasing costs – is impacting New Zealanders in their own words.

Experiences of poverty, loss of dignity, social isolation, stress about bills, and fears for what might happen next, are all too common in the stories shared with us by New Zealanders.

We wanted to hear directly from people, rather than produce another report about inflation that reduces people to statistics. We wanted to know what rising costs are actually changing in people's lives.

The impact of the rising cost of living is harshest on low-wage workers and those on benefits, but people earning over $75k are telling us they are cutting back, using savings and delaying things they need. That's the squeezed middle Christopher Luxon said he was laser focused on. He failed.

Our survey shows high pressure among families with children and multi-generational households. Families with children averaged 9 cost-of-living cutbacks, compared with 7.4 among couples without children. Nearly 68% of respondents experienced three or more of the impacts we measured. The solution for many was to turn to other family members to bridge the gap between their income and the cost of living.

The real issue is what happens when there is nothing left to cut. You cannot cut out eating, but you can sacrifice a holiday. You can turn down the heater. You can stop saving. But quickly, you get to cutting healthcare, housing and spending time with family.

That's where this stops being about "belt tightening" and starts being about people's wellbeing and security. This is bigger than the price of things. The cost-of-living crisis is about who carries the risk when prices rise and wages don't keep up.

And that's why this is a political question. The inflation shock has been global, but how much of that shock households are expected to absorb is shaped by policy. People's experiences in our survey show that there is a public problem here, and we are not alone in our struggles.

WE CAN'T AFFORD NECESSITIES

Our first set of responses centred on what most of us consider necessities – food, healthcare, heating, and housing. The respondents reflect in their comments what other research is showing – low-income households are cutting to the bone even on necessities, but middle- and upper-income households are rethinking what they spend and often delaying necessities like doctor and dentist visits.

THE PRICE OF FOOD

> *"We are really struggling. Our last power bill was unexpectedly high. We no longer use heating at night and we live in social housing. We eat meat once a week for the first time in our lives. I often go without food so my husband who has been seriously ill this year can eat. It's been the toughest year of our lives."*
>
> Respondent 657: 55-64 · Woman · NZ European/Pākehā · Canterbury | Waitaha · Other employment · $30,000-$49,999 · Couple

Food is where the cost-of-living crisis becomes impossible to abstract. People are telling us that food is one of the first places they are forced to absorb the shock by buying less, buying differently, or eating less themselves.

In our survey, 64% of respondents said they were buying cheaper food. A quarter had skipped meals. 48% had cut back on fresh food. For households earning $100,000-$150,000, around 72% were buying cheaper food.

People talked about changing what they eat, buying less fresh food, going without meals and making decisions about who in the household eats first.

> *"I skip meals every single day to keep my costs down. I can't remember the last time I had breakfast, unless there's free food at uni I barely eat lunch either."*
>
> Respondent 539: 18-24 · Non-binary · Other/European immigrant · Wellington | Te Whanganui-a-Tara · Student · $30,000-$49,999 · Flatting
>
> *"I have a degree, this is insane, how can I not afford food when I'm working 50 hours a week."*
>
> Respondent 96: 45-54 · Woman · Māori · Waikato · Full-time · $100,000-$150,000 · Family with children
>
> *"We have curbed every unnecessary spending e.g. dining out or movies or travel... We also have limited our meal menu to contain limited amount of vegetables, meat and poultry."*
>
> Respondent 98: 55-64 · Woman · MELAA · Auckland · Employment not specified · Income not specified · Household not specified

New Zealand Trade and enterprise estimated in 2017 that Aotearoa produces enough food to feed eight times our population. That so many New Zealanders are missing out on food or unable to afford fresh food is unacceptable.

The experiences shared by respondents to our Cost of Living Survey give a face to what food-security organisations are seeing across Aotearoa. Kore Hiakai has estimated that 15-20% of people in Aotearoa experience moderate to severe food insecurity, highlighting that food poverty is fundamentally about whether households have enough to access healthy food, not whether New Zealand produces enough food.

The Salvation Army's *State of the Nation 2026* report found that more than one in five households with children were going without food often or sometimes, while its food banks distributed 90,250 food parcels in 2025. That’s 7% more than the previous year and almost 50% above 2019 levels.

The experience is not unique to New Zealand. In the UK, the Joseph Rowntree Foundation's 2026 cost-of-living tracker found 47% of low-income families had gone hungry, reduced meal sizes or skipped meals because they could not afford enough food. Food Banks Canada's HungerCount 2025, reported food bank visits reached almost 2.2 million in a single month, double the level recorded in 2019, and nearly one in five food-bank clients reported employment as their main source of income.

Beyond cutting back on food costs, looking after our health sees the next most common cuts. The cost of living is not only changing what people buy. It is changing when they seek care.

HEALTH IS BECOMING A LUXURY

> *“All I spend my wages on is bills, food, petrol. I need new glasses and I have a bad tooth but can't afford to go to the dentist.”*
>
> Respondent 23: 55-64 · Woman · Waikato · Part-time · $30,000-$49,999 · Just me · Union member

In our survey, 56% had delayed dental treatment and 45% had delayed seeing a doctor. Prescription medicines were also being cut back by some respondents.

The pattern is concerning because healthcare is not an optional household expense. When people cannot afford it, the cost does not disappear. It is deferred, absorbed by families, or carried by people whose health may deteriorate while they wait.

> *“When the people who earn ok money are STILL struggling to afford the basics there's something seriously wrong. Healthcare, food, childcare and the ability to save should never be a luxury.”*
>
> Respondent 53: 35-44 · Woman · NZ European/Pākehā · Wellington | Te Whanganui-a-Tara · Full-time · $100,000-$150,000 · Family with children

TERRI IS PUTTING SELF-CARE TO THE SIDE

'Terri' is heading into an insecure retirement. Living alone in the Waikato, she's working part time and her income is between $30,000–$50,000. She is barely getting by.

"All I spend my wages on is bills, food, petrol. I need new glasses and I have a bad tooth but can't afford to go to the dentist."

For Terri, living cheaply isn't new. She knows how to make a dollar stretch. But the problem is the things you can't plan for.

"The unexpected large bills, mostly for my old car (and I need it for work) can wipe out the meagre savings I put aside."

Her response to the cost-of-living crisis has been by cutting back on heating, dental care, holidays, eating out, clothing, savings, debt repayment and giving to charity. She's had to buy cheaper food and describes herself as being as thrifty as possible, but is living from payday to payday.

She's concerned the current government doesn't care for people like her, and describes what she is seeing around her as "soul-destroying". The result for people in Terri's situation isn't just having less disposable income, it's having less room for something to go wrong.

TERRI IS NOT ALONE

Here's what 172 other respondents earning between $30,000 and $50,000 are experiencing

72%
have cut back on buying clothing

64%
have cut back on buying fuel

58%
have cut back on heating

52%
are using savings to get by

19%
have cut back on kids activities

> *“Neither of us have been to the dentist in recent years because we don't have a spare $1,000 to cover the basic dental repair costs. Simply put… we don't spend anything we don't have to because we cannot afford to, and that has been an increasing consideration for us for the past 6-8 years.”*
>
> Respondent 126: 65+ · Man · NZ European/Pākehā · Taranaki · Full-time · Between $75,000 and $99,999 · Multi-generational household · Retired union member
>
> *“My life on a personal level has been hugely affected, by the rising cost of food items, power, petrol and medications not on the Pharmac list. I regularly go without medications because I must fund them myself.”*
>
> Respondent 580: 65+ · Woman · Other · Canterbury | Waitaha · Employment not specified · Income not specified · Household not specified

This is reflected in the wider evidence. NZCCSS *Older Persons Poverty Monitor* found that 168,000 people aged 65 and over had delayed a doctor or dentist visit because of cost, while 25,000 older people were experiencing material hardship. This problem is not confined to older people. Our respondents include working-age people who are forced into making the same calculation. The cost-of-living crisis becomes a wider health crisis when people are forced to treat healthcare as something to be purchased only when there is enough money left over.

KEEPING WARM COSTS TOO MUCH

> *“This is my first year flatting and living independently. I've been told its normal to be cold and not put heaters on in winter.”*
>
> Respondent 35: 18-24 · Man · Otago · Student · Income not specified · Flatting

A warm, dry home should be one of the most basic forms of security. Yet heating is another area where households are making trade-offs.

Half of our respondents had cut back on heating. 39% had cut back on electricity, and energy costs appeared repeatedly in written responses alongside food, petrol, rent and rates.

> *“I’ve cut back on everything. I don’t have a heat pump or even heat the house in winter unless I have visitors…”*
>
> Respondent 312: 65+ · Woman · Wellington | Te Whanganui-a-Tara · Retired · $30,000-$49,999 · Just me
>
> *“We have not had any money available to provide extra heating for the winter this year. Instead we are sitting covered in blankets at night trying to keep warm. This for us was the key moment when we realised the cost of living increases we’re having a lasting effect on us.”*
>
> Respondent 323: 55-64 · Man · NZ European/Pākehā · Otago | Ōtākou · Full-time · Between $100,000 and $150,000 · Couple

> *"I buy less food and am reluctant to turn on the heat pump."*
>
> Respondent 91: 65+ · Woman · Māori · Waikato · Employment not specified · Income not specified · Household not specified

The pressure is visible in the national price data. Annual inflation was 4.1% in June 2026, while electricity prices were up 12%, and local authority rates and payments were up 8.8%. More than 80% of the CPI basket had increased in price over the year.

This is also an international problem. In the UK, the Joseph Rowntree Foundation's 2026 cost-of-living tracker found that a quarter of low-income households had been unable to afford to keep their home warm, with millions still making long-term compromises around heating.

But there is an important distinction. A household choosing to use less electricity is not necessarily in hardship. A household choosing between heating and food is. The issue is no longer simply the price of power, it is whether household incomes provide enough security to meet basic needs.

HOUSING COSTS ARE EATING THE HOUSEHOLD BUDGET

> *"My partner and I were renting on our own and it was going well until it wasn't. We were both working fulltime hours and still needing help from my parents. We ended up moving back in with my mum..."*
>
> Respondent 102: 18-24 · Woman · NZ European/Pākehā/Māori/Pacific Peoples · Wellington | Te Whanganui-a-Tara · Employment not specified · Income not specified · Household not specified

Housing sits under almost every other part of the cost-of-living stories. When too much income goes on rent, mortgage payments, rates, insurance or basic housing costs, there is less room for everything else.

Our respondents repeatedly described that squeeze.

> *"I am a slightly above middle-class earner. I am single. I do not have any family support in terms of a deposit for a house, or ability to buy with someone else. I hate that buying a first home in New Zealand is so unachievable..."*
>
> Respondent 152: 35-44 · Woman · Unable to work · Wellington | Te Whanganui-a-Tara · Income prefer not to say · Flatting
>
> *"Everything has doubled. price of food is absurd, our rates have tripled in price, literally all our savings go on our rates. Insurance and power and gas has doubled. We literally work to just survive."*
>
> Respondent 5: 45-54 · Woman · NZ European/Pākehā · Waikato · Self-employed/Contractor · $100,000-$150,000 · Family with children

> *“The rent and utilities is so high that its hard to afford groceries... I cant put heat on to warm my kids all the time because its too much.”*
>
> Respondent 605: 25-34 · Woman · Māori · Canterbury | Waitaha · Employment not specified · Income not specified · Household with children

The wider rental picture is stark. The Renters United and ActionStation 2026 Aotearoa Renters’ Survey found 78.4% of renters estimated that at least 30% of their weekly income went on rent, while 11.5% said they were spending 80% or more.

Anglicare Australia's 2026 Rental Affordability Snapshot found that of nearly 49,000 rental listings, a full-time minimum-wage worker could afford only 0.5% of them. Even two people both earning the minimum wage could afford only 14.8% of listings.

Housing affordability is not a matter of individual budgeting. When housing absorbs too much income, households lose the ability to pay for anything else. Respondents told us extended families are stepping in filling the gap.

MERI IS WORKING MORE AND ONLY JUST GETTING BY

Meri should be living a comfortable life. With a household income of between 100-150,000, she is in the “average” household band as defined by Stats NZ. Meri has had to take on extra work because working full time no longer guarantees a comfortable life.

“Everything which costs money has been scaled back. No internet, no TV, no treats, sharing less with the unfortunate.”

The moment that brought the reality home was stark: “Cancelling life insurance to afford food.”

Despite earning what has traditionally been seen as a decent income, the pressure has forced her to cut back on food, healthcare, heating, electricity, fuel, clothing, holidays, hobbies, social connection and savings. She is buying cheaper food, skipping meals, has delayed seeing the doctor, is using her savings, taking on extra work, all while supporting a family member more.

Meri’s message to politicians is simple: “Get real! I have a degree, this is insane, how can I not afford food when I’m working 50 hours a week.”

MERI IS NOT ALONE

Here’s what 125 other respondents earning between $100,000 and $150,000 are experiencing

72% are buying cheaper food

72% have cut back on eating out

52% have put off seeing family and friends

30% have taken on extra work

26% have cut back on kids activities

WE ARE ALL IN THIS TOGETHER

The survey responses showed one thing, the cost-of-living crisis created by global events combined with the policy decisions being made by the government, are impacting on all but the very richest New Zealanders. Workers on low wages, those who've retired from work, students, and middle-income earners. It is a public problem not a private trouble.

WORK IS NO LONGER ENOUGH

> *"I've been unemployed for over 6 months... JobSeeker is barely enough to cover rent, groceries and electricity, and often I have to pick one bill to pay over the other."*
>
> Respondent 37: 25-34 · Woman · Canterbury | Waitaha · Looking for work · $30,000-$49,999 · Couple

The idea that paid work should provide a route to security and adequate social support for those unable to work sits at the heart of how we think about fairness. This has been embedded in New Zealand policy making since the 1972 Royal Commission on Social Security. That report argued that everyone should be able to enjoy a standard of living much like that of the rest of the community and able to feel a sense of participation and belonging to the community.

But many respondents told us that work was no longer delivering that security.

Among respondents earning $30,000-$49,999, 70% experienced three or more of the cost-of-living impacts we measured. People in full-time work were not immune: 61% of full-time workers experienced three or more impacts.

For some, the response was to work more.

> *"I had to work 2 jobs in order to pay our bills especially our mortgage. We had to give up a lot of things we used to do like watching movies out with the kids, eating out, having takeaway nights as we cannot afford this."*
>
> Respondent 87: 35-44 · Woman · Southeast Asian · Wellington | Te Whanganui-a-Tara · Employment not specified · Income not specified · Household with children
>
> *"It has caused me to work full-time in order to support a child and a mortgage. I can't afford to stop working. I am worried to be pregnant and go on maternity leave because a single-income will not be able to support to support my family's basic needs (rent, school allowance, groceries, electricity)."*
>
> Respondent 113: 35-44 · Woman · Asian · Canterbury | Waitaha · Employment not specified · Income not specified · Household with children

> *"Have changed jobs to better suit my health which meant a significant decrease in pay. In the past three years, I have not bought anything including food, relying heavily on my partner to contribute to my food costs."*
>
> Respondent 535: 25-34 · Non-binary · Māori/Pacific Peoples · Waikato · Employment not specified · Income not specified · Household not specified

This is strongly supported by Child Poverty Action Group's *Below the Income Floor* modelling. Across 39 household types, CPAG found that the minimum wage no longer guarantees adequacy. A couple with two children working 40 hours a week at minimum wage was already in deficit in 2025; by 2026, even 60 hours of work was insufficient to lift that household above the income floor.

The minimum wage increased 2% to $23.95 an hour from 1 April 2026. At the same time, annual consumer price inflation reached 4.1% in June.

Work matters. Wages matter. But the evidence tells us that simply having a job is not enough if the income from that work cannot cover the ordinary costs of living.

Work should provide more than survival.

THE SQUEEZED MIDDLE ARE BEING IGNORED

> *"The cost of food and fuel and basics like power are crippling and we earn just over the threshold for any kind of financial support- there is ZERO relief for middle wage earners"*
>
> Respondent 194: 45-54 · Woman · Waikato · Other employment · $100,000-$150,000 · Family with children

One of the clearest messages in the survey is that this is not only a story about the very poorest households. People earning at and above the median wage were still describing substantial pressure.

The survey shows people on $30,000-$49,999 reported the highest overall burden, while those earning $150,000-$200,000 were considerably more insulated. Insulation, however, is not the same as immunity.

Among respondents earning $75,000-$99,999, 64% experienced three or more impacts when asked what they were giving up. For those earning $100,000-$150,000, the figure was 68%.

Around 72% of the $100,000-$150,000 group were buying cheaper food. Half had delayed seeing a doctor. More than half had delayed dental treatment. Around four in ten were using their savings to get by, and a third had taken on extra work.

JASON'S FAMILY AREN'T ABLE TO LIVE A DIGNIFIED LIFE

Jason lives with his partner and kids in Auckland. Their household income is average, but the sad realisation for him was that even a pay rise isn't near enough to cover a decent life. "[I] had to go into debt management because I was ~$200 short every pay cycle (fortnightly). Had to stop my KiwiSaver contribution and have to use Afterpay to pay for fuel and often food."

Jason's household is doing everything they can to make the numbers work, they're shopping around, making savings wherever possible. It's got to the point that they are selling assets just to cover the rising costs of living. But the choices they're being forced to make are affecting their family life too.

"[It's] very difficult to buy treats for the kids or taking them to their friends because it costs me in fuel."

Healthcare has been pushed back. Jason hasn't been to the dentist for a long time because he can't afford the $60 fee, and now he fixes his own car because paying a mechanic is no longer an option.

The moment Jason realised the impact of the cost of living was recognising that he could no longer save for retirement, and he "probably won't be able to do holidays anymore."

"Even a raise in salary has done nothing. It just gets swallowed up by rising food and fuel costs."

Jason describes himself as having to stop himself from " ...being jealous of those that are sitting in restaurants and eating out. Must be nice to have some disposable income."

He wants politicians to look around and hear the stories people are sharing. "They speak for themselves."

JASON IS NOT ALONE

Here's what 163 families with children are experiencing

67% are buying cheaper food

61% have delayed dental treatment

53% have cut back on kids activities

69% have cut back holidays

31% have taken on extra work

> *“Although on paper our household income is high, we are struggling too. If Winston Peters wants us to have more kids give us subsidised childcare from day 1.”*
>
> Respondent 586: 35-44 · Woman · NZ European/Pākehā · Wellington | Te Whanganui-a-Tara · Full-time · $150,000-$200,000 · Family with children
>
> *“In spite of a pretty good income [we’re] having to make decisions to not get things or do things to make ends meet.”*
>
> Respondent 675: 55-64 · Man · Dutch · Canterbury | Waitaha · Employment not specified · Income not specified · Household not specified
>
> *“Since buying our first home, everything gone up - utilities, rates and taxes, groceries and so forth.”*
>
> Respondent 49: 35-44 · Man · NZ European/Pākehā · Auckland · Full-time · $150,000-$200,000 · Couple

The middle-income squeeze matters because although people may be earning substantially more than the minimum wage, they still find the things that once provided security, like savings, healthcare, holidays, family time, and a pathway to home ownership, are slipping further away.

The question is not simply whether someone is poor. It is whether their income provides enough room to live a secure life.

AN ORDINARY LIFE IS BECOMING UNAFFORDABLE

When wages fail to keep up with inflation, which is what has occurred in the last three years, beyond cutting immediate household costs New Zealanders find themselves using up savings, losing independence, and leaning on families.

What is considered normal – visiting family for a meal or having a coffee with friends – becomes out of reach. The decisions made by the current government on how to deal with the cost of living crisis means people aren't even able to lead ordinary lives.

SAVINGS ARE BECOMING THE SHOCK ABSORBER

> *"Had to go into debt management because I was ~$200 short every pay cycle (fortnightly). Had to stop my Kiwisaver contribution and have to use Afterpay to pay for fuel and often food."*
>
> Respondent 231: 45-54 · Man · Auckland · Full-time · $100,000-$150,000 · Family with children

Savings are intended to protect households from shocks. But when the everyday cost of living itself is the shock, savings are the thing that gets consumed.

42% of respondents said they were using savings to get by. 61% had cut back on saving itself. Others described using credit, debt management, Afterpay or borrowing from family.

> *"I am often unable to afford groceries, fuel, and other necessities. I often have to take money out of my emergency savings just to afford rent, and have to work more hours as well at a detriment of my studies."*
>
> Respondent 68: 18-24 · Non-binary · NZ European/Pākehā · Canterbury | Waitaha · Student · Between $75,000 and $99,999 · Flatting
>
> *"After rent, power and utilities paid there is not much left, so really having to dip into my savings, which is not much, and live quite frugally to stay within budget."*
>
> Respondent 63: 65+ · Woman · Other/Indian · Auckland · Employment not specified · Income not specified · Household not specified
>
> *"It means more of a week to week lifestyle instead of being able to save. Rethink going to the movies..."*
>
> Respondent 119: 55-64 · Man · Other · Taranaki · Employment not specified · Income not specified · Household not specified

The national financial-mentoring data tells a similar story. FinCap's *Voices 2026* report analysed 30,654 cases and found client debt had increased 121% over five years to almost $1 billion. The median client was spending $107 for every $100 of income each week. Once the household buffer is gone, the next shock can mean debt.

That is why the loss of savings matters even for people who are not currently in severe hardship. A household with no buffer can be one broken car, unexpected bill, illness or reduction in hours away from crisis.

People are not simply losing money; they are losing the ability to absorb bad luck.

WHĀNAU AS THE SAFETY NET

> *"We currently have all our adult children living at home due to not being able to afford to pay rent for a property on the meagre income they earn as well as all the other living costs eg power, phone, insurance."*
>
> Respondent 75: 45-54 · Woman · Canterbury | Waitaha · Full-time · $150,000-$200,000 · Family with children

When incomes and services cannot absorb rising costs, whānau do.

> *"Not only dealing personally with the extra cost of living but also having to help out my adult children with their extra power, food and petrol costs."*
>
> Respondent 624: 65+ · Woman · Waikato · Retired · $30,000-$49,999 · Just me
>
> *"My parents asked to borrow money from me, not the reverse."*
>
> Respondent 3: 25-34 · Woman · NZ European/Pākehā · Manawatū–Whanganui · Part-time · Prefer not to say · Multi-generational household
>
> *"I am a full-time International student, mother of four young children including two toddlers! Life has been really difficult lately here in Wellington. My husband is the sole earner of the house."*
>
> Respondent 536: 35-44 · Woman · Asian · Wellington | Te Whanganui-a-Tara · Full-time student · Income not specified · Family with children

While families have always leaned in during times of crisis, there is a loss of dignity and independence for many who responded to our survey.

Parents are helping adult children with rent and food. Older people are helping their children with power and petrol. Working households are supporting relatives. Young adults are moving back home because independence has become unaffordable.

That changes what security means across generations. It means the effects of the cost-of-living crisis do not stop with the person receiving the bill. They travel through whānau.

KIRI'S EXPERIENCE IS ANCHORED IN LEANING ON PARENTS

Kiri is in the same boat as about one third of adult children in Aotearoa who are living with their parents. Like her, more than half of them are employed full time.

"My partner and I were renting on our own and it was going well until it wasn't. We were both working full-time hours and still needing help from my parents."

Eventually, they moved back in with her mum. Even with four incomes in the household, Kiri says they're barely making ends meet.

"There is no chance of my partner and I even starting savings for our own future when everything we earn goes to living the next day."

Kiri and her whānau have cut back on fresh food, gas, vehicle maintenance, power and everyday costs. Her partner works in commercial construction but sometimes has to go to work without lunch by the end of the week.

To compensate, they are trying to condense use of appliances, for example, they do their washing once a week because the power bill keeps getting pushed behind other expenses.

And the moment that really brought it home for Kiri?

"I never thought we'd be afterpaying gas because by the end of the week, we're left with barely $15."

Kiri's message to politicians is simple: "Live a day in our shoes and have some compassion... "

KIRI IS NOT ALONE

Here's what 77 people in multi-generational households are experiencing

78% are buying cheaper food

60% have delayed dental treatment

70% have cut back on fuel

26% have skipped meals

47% used savings to get by

POVERTY AND DELAYED INDEPENDENCE FOR YOUNG NEW ZEALANDERS

> *“I'm constantly unhappy and unable to live my life. My mental health has gotten worse, I worry everyday that the government will make a new change that renders me homeless again. I've been poor my whole life, but since moving to Wellington at 16 I've experienced hardships like no other.”*
>
> Respondent 325: 18-24 · Non-binary · NZ European/Pākehā · Wellington | Te Whanganui-a-Tara · Other (please specify) · Prefer not to say · Flatting

Young people in our survey described a particular kind of pressure. They are not only struggling with today's costs but struggling to see a path towards independence.

> *“I have made choices to put off significant life goals into the distant, if not non-existent future. I am on a public waitlist for surgery that unofficially is estimated to take at least 30 years. I would like to get it done privately, but this is exorbitantly expensive. This and buying a house. It just doesn't seem like it's going to happen, so I've had to adapt how I see life and my goals for it.”*
>
> Respondent 413: 18-24 · Woman · NZ European/Pākehā, Scottish, Welsh, English, Irish, Croatian · Waikato · Between $50,000 and $74,999 · Flatting
>
> *“I'm very diligent with my savings and life a very low cost life, but the cost of living is affecting my future planning, specifically delaying my ability to move in with my partner since he is not working currently and won't be eligible for the benefit due to my income.”*
>
> Respondent 534: 18-24 · Man · NZ European/Pākehā · Auckland | Tāmaki Makaurau · Full-time · Between $75,000 and $99,999 · Flatting
>
> *“As a full time nursing student… struggling living solely on the student allowance. I have had to Afterpay everything especially gas to go to uni and placements and then groceries…”*
>
> Respondent 327: 25-34 · Woman · Auckland · Student · $100,000-$150,000 · Multi-generational

The impact of the cost of living crisis and low levels of state financial support for students are seen in other research. VUWSA’s 2026 *State of the Students* report found 38% of students had skipped a meal in the previous week because of food costs, rising to 45% among Māori students. The same report found 38% had skipped classes because of public transport costs.

Internationally, the Joseph Rowntree Foundation's 2026 cost-of-living tracker also found that households headed by someone under 25 were among those most likely to be unable to afford essentials.

Youth unemployment has risen sharply in the past three years, from 9.6% to 16.6% (annual averages). And the number of young people not in education, employment or training has increased to 13.8%, around 95,000 people. These figures indicate how deep and widely spread the problem is.

The issue is bigger than if young people can afford takeaway coffee or an avocado toast. It's about if a generation can afford to move out, study, travel, form families, buy homes, participate in their communities and imagine their future in Aotearoa.

INSECURITY FOR OLDER NEW ZEALANDERS

> *"Because money is so tight we are missing out on seeing grand-children and great-grand-children and visiting other family is a luxury that we can't afford. Buying birthday and xmas presents has gone now... I used to go fishing but can't afford the petrol any more. We seem to live about 2 major appliances or a big car repair away from collapse."*
>
> Respondent 239: 65+ · Man · NZ European/Pākehā · Manawatū-Whanganui · Retired · $30,000-$49,999 · Couple

Poverty in old age is increasing in New Zealand. In 2025, it was estimated 1 in 10 people on superannuation were living in income poverty after housing costs. Around 25,000 older Kiwis were experiencing material hardship – meaning they were going without essential items. And around 168,000 were postponing doctor and dentist appointments due to the cost.

Older respondents were not the single most financially burdened group in our survey. But their stories reveal a distinctive problem: when income is fixed or retirement is approaching people are being forced to pick up work, cut back on expenditure, and becoming more isolated.

> *"I receive the pension but cannot live on the pension alone despite having a partner who is also a pensioner. We both work part time..."*
>
> Respondent 569: 65+ · Woman · Employment not specified · Hawke's Bay · Income not specified · Couple
>
> *"I seem to be paying more tax than ever leaving me with less money to donate to my charity interests."*
>
> Respondent 621: 65+ · Man · Asian · Auckland · Employment not specified · Income not specified · Household not specified
>
> *"It is stressful - currently still working fulltime but there will be the time that I am either (a) forced out of employment or (b) retire completely. Then it will become a big reality..."*
>
> Respondent 663: 65+ · Woman · Wellington | Te Whanganui-a-Tara · Full-time · $75,000-$99,999 · Just me

DOUG'S RETIREMENT ISN'T WHAT HE WORKED TOWARDS

Doug has done everything "right" since he was 13 and first started working. Now retired, he and his wife live in the Manawatū on superannuation. They own their home, have lived a careful life, paid taxes for decades and still feel one major bill away from trouble.

"We are a married couple living on superannuation only. We own our house but still have to pay rates, insurances etc. At the end of each fortnight we have nothing left after we've budgeted the money away in the bank, bought the groceries, paid the current bills."

They are careful with their money and don't owe anyone anything. But the margin has disappeared.

"Because money is so tight we are missing out on seeing grand-children and great-grand-children and visiting other family is a luxury that we can't afford."

Birthdays and Christmas presents have gone. Doug's hobby, fishing, has gone because petrol is too expensive.

His description of their financial position is devastatingly simple:

"We seem to live about two major appliances or a big car repair away from collapse."

Doug's message to politicians reflects the world he grew up in and the expectations he had for his own future: "A society is measured on how well it looks after its young and the elderly. From my point of view, that isn't happening properly. I paid taxes every year since I was 13 and have ended up alive but living a very small life, an existence really. Can you improve our lives?"

DOUG IS NOT ALONE

Here's what 159 other respondents aged over 65 are experiencing

64% are buying cheaper food

49% have cut back on heating

43% have put off seeing family and friends

56% have cut back on fuel

48% have cut back on savings

The wider evidence is increasingly clear. The 2026 NZCCSS *Older Persons Poverty Monitor* found 147,000 people aged over 65 live in accommodation they do not own, 102,000 are below 50% of mean income after housing costs, and 25,000 are experiencing material hardship.

Te Ara Ahunga Ora Retirement Commission's *Older People's Voices* also found that older people were already changing their lives in response to financial pressure: 46% had reduced socialising or activities important to them, 45% had changed the type of food they bought or where they shopped, 43% had reduced car use, and 26% had put off getting medical assistance.

These are not financial adjustments. They are decisions about health, connection, mobility and dignity.

For someone approaching or living in retirement, there is also a particular fear: What happens when there is nothing left to cut?

WHEN AN ORDINARY LIFE BECOMES UNAFFORDABLE

> *"The cost of living has slowly degraded my quality of life over the past five years... I now cannot go to the dentist, GP, have a cafe visit with friends... I am now managing from payday to payday... Probably two years ago I realised how isolated I had become. Not by choice but by design."*
>
> Respondent 51: 55-64 · Woman · Canterbury | Waitaha · Full-time · $75,000-$99,999 · Just me

The most revealing thing in the responses is what people are giving up after the essentials. It is easy to count meals, power bills and medical appointments.

It is harder to count a grandchild's birthday, a coffee with a friend, a family dinner, a holiday, a hobby, a movie or a trip to visit someone you love. But these things are an essential part of a decent life.

In our survey:

- 69% had cut back on eating out
- 63% had cut back on holidays
- 61% had cut back on savings
- 60% had cut back on clothing
- 51% had cut back on seeing friends and family
- 45% had cut back on hobbies.

> *"In May, our youngest grandchild was born in Christchurch. We cannot afford to drive up to visit them. It is difficult to explain how much that hurts."*
>
> Respondent 47: 55-64 · Woman · Southland · Full-time · $100,000-$150,000 · Couple
>
> *"Not going out, no movies, less family dinners, less holiday breaks so don't stay in touch with family. Less able to maintain health, difficult to afford dentist, prescriptions, everything is deferred, delayed, weighed up..."*
>
> Respondent 69: 55-64 · Woman · Otago · Self-employed · $100,000-$150,000 · Couple
>
> *"We seem to live about two major appliances or a big car repair away from collapse."*
>
> Respondent 239: 65+ · Man · NZ European/Pākehā · Manawatū-Whanganui · Retired · $30,000-$49,999 · Couple

Transport is part of this story too. *Transport poverty in Aotearoa NZ* by the Public Health Communication Centre found households in Aotearoa spend an average $252 a week on transport, while 75% of participants from low-income communities said they struggled to afford transport. Missing trips can mean missing healthcare, education, work, food shopping or social connection.

And the consequences of financial pressure for social connection are not theoretical. The Helen Clark Foundation's 2026 *Social Cohesion in New Zealand* report found that financial stress is a major predictor of low belonging, low trust and isolation. About one in four adults reported sometimes going without meals because they could not afford food, rising to around 40% among people under 30.

This is why the phrase cost of living undersells what is actually happening. People are not only struggling to pay for things. They are losing parts of ordinary life.

“Stop running the country like everything can be fixed on paper. Go and actually live where the pressure is. Spend real time with families trying to survive on one income, teachers dealing with overcrowded classrooms, people waiting months for healthcare, Māori communities trying to build something for their own whānau, small businesses getting buried in costs, and young people who feel like owning a home is basically impossible. Then make decisions based on what actually works long-term, not what sounds good in Parliament or wins the next election.

New Zealand does not need politicians who agree on everything. It needs politicians who can disagree and still work together when the evidence says something will make the country better. And when a policy clearly isn't working, admit it, change it, and stop treating changing your mind like weakness.”

Respondent 279: 35-44 · Woman · Māori · Northland | Te Tai Tokerau · Full-time · Between $30,000 and $49,999 · Living alone

WHAT PEOPLE ARE ASKING FOR

> *"Stop looking at us like numbers on a spreadsheet. Come sit where we sit. Come stand in the supermarket aisle with a calculator in your head... We're not asking for luxury. We're asking for dignity. We're asking for a fair shot. We're asking for a future that feels possible."*
>
> Respondent 346: 18-24 · Woman · Māori · Wellington | Te Whanganui-a-Tara · Full-time · $50,000-$74,999 · Multi-generational

After 683 responses, there is no single solution that everyone named, but the patterns are clear.

People want wages that keep pace with the cost of living. They want affordable healthcare, housing and childcare. They want action on food prices. They want public services that work. They want a fairer tax system. They want a realistic pathway into home ownership. And they want the ability to live a life that is about more than getting from one payday to the next.

> *"I study mental health and addictions, and I'd like to note that health students like myself are constantly struggling to make ends meet *just to be able to help others in the future*. If the cost-of-living crisis continues and we all keep losing access to basic necessities, will we still have empathetic youth around us trying to make change?"*
>
> Respondent 325: 18-24 · Non-binary · NZ European/Pākehā · Wellington | Te Whanganui-a-Tara · Flatting
>
> *"Priority to all the people who's working hard to make ends meet, by at the very least making the wages to keep up with the cost of living, and pay equity"*
>
> Respondent 582: 45-54 · Woman · Bay of Plenty · Full-time · $50,000-$74,999 · Household not specified
>
> *"Expand shared home ownership and other affordable home ownership programs for working people on modest incomes so that full-time workers have a realistic pathway into their first home."*
>
> Respondent 577: 35-44 · Woman · Māori/Pacific Peoples/Irish · Auckland · Full-time · Income not disclosed · Household not specified
>
> *"We cannot allow the basic things - healthcare, housing, energy - be run by corporations and investors who profit at the expense of everyone having enough to live a good life..."*
>
> Respondent 248: 25-34 · Woman · Auckland · Full-time · $50,000-$74,999 · Couple

There is also a strong message about who should carry risk. People do not expect government to eliminate every financial difficulty. What they do expect is a society where working, raising children, getting sick, growing older or simply having an unexpected bill does not automatically threaten a household's ability to cope.

The international evidence is important here because it shows that the inflation shock itself is not unique to New Zealand.

Stats NZ's June 2026 comparison put annual inflation at 4.1% in Aotearoa, compared with 4.0% in Australia, 3.5% in the United States, 2.8% in the United Kingdom and an OECD average of 4.6% at the latest available comparison points.

What governments do about the consequences is a different question.

The Joseph Rowntree Foundation's 2026 cost-of-living tracker explicitly points to the role of policy in determining whether families can afford essentials. Food Banks Canada likewise argues that charitable food provision cannot keep pace with the underlying causes of hunger. The lesson from the international evidence is not that everyone is struggling, so nothing can be done.

It is the opposite.

The inflation shock was global. The degree to which households are expected to absorb it themselves is a political choice.

And that is what people in our survey are asking politicians to confront.

THE PROBLEM IS SHARED, SO THE SOLUTION MUST BE TOO

We often say that a problem shared is a problem halved. The people who responded to our cost-of-living survey shared deeply about the problems they are facing. Sharing those experiences does not make the reality any less harsh. What it does is show that these are not simply individual problems to be solved by individual households. They are shared experiences, affecting people across Aotearoa.

The stories in this report show a common pattern. People are working, budgeting, cutting back and making do – and still finding that their incomes do not stretch far enough. They are spending more on food and housing, using up savings, putting off healthcare, cutting back on heating and giving up the ordinary things that make life worth living.

The current government's approach to the cost-of-living crisis is to place responsibility on individuals. People are expected to work more, spend less, and take responsibility for their financial situation.

But when hundreds of people tell us they are doing exactly that and still cannot make ends meet, it's clear that the current government's approach does not work.

This is not only happening to people without work or people living on superannuation. It is not something young people experience only while they study. People at all income levels, at all stages of life, are cutting back on food, healthcare, heating, social connection and their futures.

The consequences reach beyond individual households. When people cannot afford healthy food, healthcare or warm homes, there are consequences for their wellbeing. When families cannot make ends meet, pressure is pushed onto our health system, social services and community organisations.

The cost of living is therefore not just a private problem. It is a public problem that requires a public solution.

A decent life means being able to pay your housing costs, heat your home, buy healthy food and see a doctor when you need to. It should mean being able to visit your family, have a coffee with a friend and know that an unexpected bill will not throw your household into crisis.

The current government has made choices about how to respond to the cost-of-living crisis. Those choices have consequences. When wages fail to keep pace with the rising cost of essentials, when public services are cut back and households are expected to absorb more risk themselves, the result is the lived experience detailed in this report.

It is time not just for a change of government. It's time for a change of the economic system.

We need to develop a system where working people can earn enough to live with dignity. Where employers pay fair wages. Where people can access healthcare when they need it. Where housing and energy are affordable. Where those with the greatest capacity contribute their fair share. And where people can participate fully in their families, workplaces and communities.

The solutions and direction set out by workers and the NZCTU Te Kauae Kaimahi in Reimagining Aotearoa Together and our Briefing to the Incoming Government provide a starting point for that change. A state of poverty, a life without dignity, and a society where people are forced to retreat from their families and communities is not inevitable.

We felt privileged that so many people were willing to share their stories with us, not just through this survey but every day in workplaces, meetings and communities across Aotearoa. Thank you for trusting us with those stories.

Somewhere in these pages, you will recognise yourself, a family member, a friend or a co-worker. Remember those stories. Because while the experiences belong to individuals, the problem they reveal is shared.

Together, we have the power to change the lived experience of working people, their whānau and their communities.

APPENDIX

ABOUT THIS SURVEY

Between 6 and 31 August 2026, NZCTU Te Kauae Kaimahi surveyed people on our Together database about the lived experience of the cost-of-living crisis.

There were 683 respondents. Participation was self-selected and no questions were compulsory. The survey was not designed to produce a statistically representative sample of the population, and the results should not be read as such.

Its purpose was different: to hear directly from people about what rising costs are doing to their households, their health, their relationships, their work and their sense of security.

The quantitative findings describe the experiences reported by survey respondents. The quotations have been selected to reflect the breadth of experiences shared with us across age, income, ethnicity, household type, employment, union membership and location.

Where many respondents described similar experiences, we have deliberately included different voices rather than treating repetition as redundancy. The repetition itself is part of the evidence.

The survey received responses from across Aotearoa. Ethnicity was a multi-select question, so ethnicity percentages do not sum to 100%.

All quoted respondents are identified by survey respondent number and the demographic information they provided.

Quotes have been lightly formatted for readability where necessary, without changing their meaning.

THE QUESTIONS

Tell us your story

Every day, we hear from people who feel like they're falling behind. Rising prices aren't just impacting our bank balances, but changing the way we live, the choices we make, and the things we are having to give up.

We want to hear your story. Your response can be completely anonymous. If you're happy to, you can also leave your contact details so we can talk with you about sharing your story publicly. Together, we can show the real human impact of the cost-of-living crisis.

How will we use your stories?

We'll use these stories to help show the real impact of rising costs through our campaigning, media work, and public communications. We may lightly edit your words for length and clarity while keeping the meaning unchanged.

The easy stuff!

This section is the demographic info that helps us build a picture of how (or if) different parts of our communities are being impacted by cost of living pressures.

1: What age bracket best describes you?

- Under 18
- 18-24

- 25-34
- 35-44
- 45-54
- 55-64
- 65+

2: Which of the following options most closely aligns with your gender?

- Woman
- Man
- Non-binary
- A gender not listed here
- Prefer not to answer

3: What is your ethnicity? (Please select all that apply.)

- NZ European/Pākehā
- Māori
- Pacific Peoples
- Asian
- Middle Eastern, Latin American, and African (MELAA)
- Other (please specify)

4: What region do you live in?

5: What best describes your employment status?

- Full-time
- Part-time
- Casual
- Self-employed/Contractor
- Looking for work
- Student
- Retired
- Unable to work
- Other (please specify)

6: What's your household income?

- Between $30,000 and $49,999
- Between $50,000 and $74,999
- Between $75,000 and $99,999
- Between $100,000 and $150,000
- Between $150,000 and $200,000
- Over $200,000
- Prefer not to say

7: What best describes your household?

- Just me
- Couple
- Family with children
- Flatting
- Multi-generational household
- Other

8: Are you a union member?

- Yes
- I was, I'm now retired
- No
- Not sure
- Prefer not to say

This next group of questions will help us understand the real impacts the cost-of-living crisis is having on you.

9: In your own words, how has the rising cost of living affected your life? (open text)

10: Was there a moment that made you realised the cost-of-living crisis was starting to affect your quality of life? Tell us about it. (open text)

11: What have you had to cut back on?(Pick all that apply)

- Fresh food
- Heating
- Electricity
- Medical care
- Dental care
- Prescription medicines
- Public transport
- Fuel
- Children's activities
- Sports clubs
- Holidays
- Seeing friends and family
- Streaming services
- Eating out
- Clothing
- Savings
- Paying off debt
- Giving to charity/community
- Other (please specify)

12: What are you most struggling to afford?(Pick one)

- Food
- Rent or mortgage
- Power
- Petrol
- Insurance
- Childcare
- Healthcare
- Debt
- None of the above
- Other

13: Which of these apply to you?(Pick all that apply)

- I'm skipping meals.
- I'm buying cheaper food.
- I've delayed seeing the doctor.
- I've delayed dental treatment.
- I've missed paying bills.
- I'm using savings to get by.
- I've taken on extra work.
- I'm relying on family.
- I'm relying on a food bank or community support.
- I've borrowed money.
- I've needed to support a family member more.
- None of the above
- Other

14: Bearing in mind the last few questions, is there anything else you want to tell us about your experiences? (open text)

15: If you could tell politicians one thing, what would it be? (open text)

16: Would you be happy for us to contact you about your story?

NZCTU
Te Kauae Kaimahi

New Zealand Council of Trade Unions Te Kauae Kaimahi
Level 3, 79 Boulcott St, Wellington.

union.org.nz
reimagineaotearoa.nz