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## Where did your overseas travel money go?

Last week I invited my 23,000 subscribers to complete a survey which asked the following question.

**“We Kiwis normally spend about \$10bn p.a. travelling overseas. We've not done that this past year+. If you had been going to travel offshore, what is it you've spent those travel funds on instead?”**

Replies were received from 1,586 people and there were no set options for people to choose from. Instead, people could list whatever they wanted.

I have gathered the responses together into 38 specific categories, counted the number of people who noted each category, then calculated the outcomes as a proportion of all responses. The results show that 26% of people have undertaken home renovations, maintenance, and improvements which they would otherwise not have done.

This outcome is in line with that from the monthly Tony's View Spending Plans Survey which for the past year has shown consistently strong plans by people to spend on their existing home.

The second highest area of diverted spending is domestic travel at about 20% of respondents. Again, this is an area of consistently high spending intentions recorded in my monthly survey over the past year.

The third item accounting for what people have done with their foreign travel savings is savings for 18% of respondents.

Many people noted that they are keeping the funds in their bank accounts and when the borders open up will be off for offshore travel. A number in fact have noted intentions to stay longer overseas than previously planned.

*“I think we will travel to Europe every year from now on, instead of every 3 previously. Life is short and you have to take opportunities when you have them.”*



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Some noted that they are building up savings because of concerns about disruptions to their incomes down the track.

The fourth highest ranked area of diverted spending is a new car for 12% of respondents, with a few new motorbikes included in this category as well. It includes a few second-hand car purchases. But overwhelmingly the car purchased was a new one.



In number five position for 11% of respondents was debt reduction. Many people noted that they were reducing their mortgage debt whether it be on their own dwelling or on investment properties.

A gross 6% of people said that they have spent more on furniture, appliances, décor for their houses, and so on.

Just below this category and accounting for 5.4%

of responses is purchases of shares. This gels with the sharp rise in sharemarkets over the past year, partly driven by low returns on fixed interest assets like bonds, as well as bank deposits.

This category could be rolled into the 3.7% of people who boosted spending on portfolio investments generally including managed funds. So,

we can say that 9.1% of people have boosted their investments in portfolio assets.



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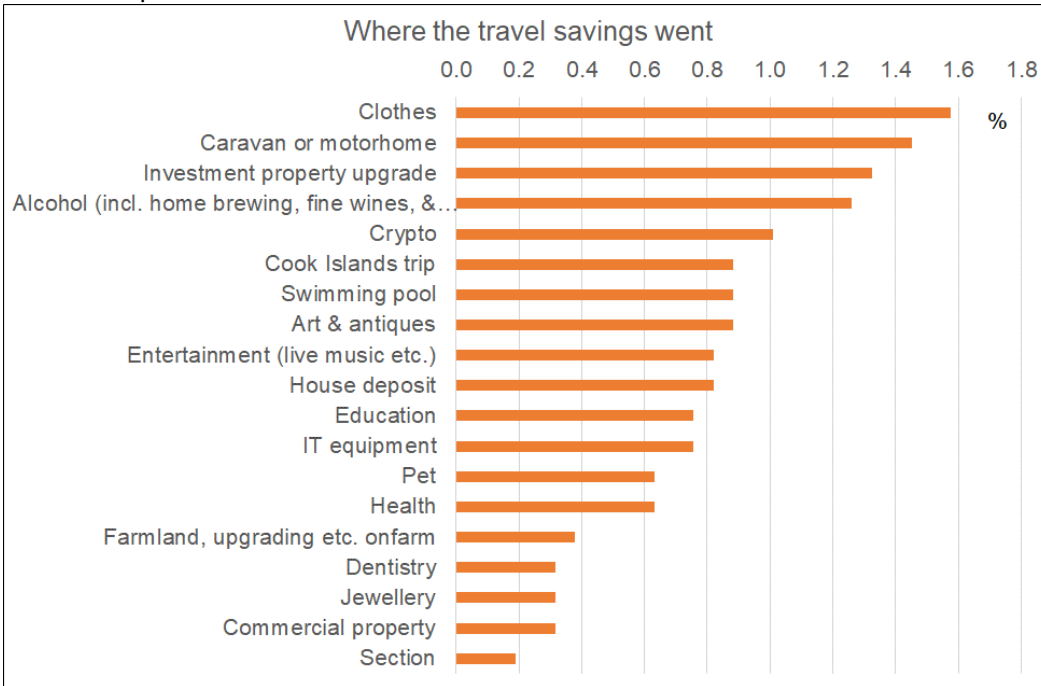
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There were also 4.8% of people who said that they have used their unspent foreign travel money to invest in residential property. Only 0.3% specifically cited commercial property investment.

3.1% of people have spend more on eating out, 2.9% on helping friends and family, with a good number of parents noting assistance to their children to purchase a house.

1.3% of respondents said that they have diverted their saved money towards investing in residential property. If we include the 1% of respondents who have purchased cryptocurrencies, and 2% who have invested in their business, we get just over 47% of people saying that they have put the money aside to be presumably used for spending some years down the track.



The results are presented in two graphs in order to make the category headings easier to read.

The first graph shows the top 19 categories to which unspent foreign travel money was diverted. The second graph shows the rats and mice areas.

Other possibly interesting areas of spending are the 1.9% of people who have bought a spa, 1.8% who have purchased a holiday home, 1.7% a boat, and 1.4% caravan or motorhome.



## Links to publications

Tony's View Spending Plans Survey



Tony's View Business Survey



Tony's Thoughts Vlog



REINZ & Tony Alexander Real Estate Survey



Oneroof weekly column



mortgages.co.nz & Tony Alexander Mortgage Advisors Survey



Tony Alexander Regional Property Report



Valocity Valuer Survey



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