

# FINANCIAL ANXIETY SURVEY Q1'17



**FINANCIAL ANXIETY EASES BUT 4 IN 10 CONSUMERS STILL EXPERIENCED SOME FORM OF FINANCIAL HARDSHIP IN THE LAST 3 MONTHS. FINANCIAL ANXIETY CONTINUES TO BE A BIGGER ISSUE FOR YOUNG PEOPLE (PARTICULARLY WOMEN) AND LOW INCOME EARNERS.**

*NAB Behavioural & Industry Economics*

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Financial issues are commonly cited among the top causes of personal stress for many Australians. In this report, Australian consumers rate their level of concern about their future spending and savings plans arising from their current financial position - or their level of "financial anxiety".

Financial anxiety eased in most groups in Q1, except most noticeably for young people (led by young women). We worried less about all financial stress drivers, particularly our medical and healthcare bills, providing for our family's future, mortgage, rent and housing costs and repaying our credit cards.

Financing retirement was by far the biggest driver of financial stress, followed by the ability to raise \$2,000 in an emergency and providing for our family's future. We worried least about credit card repayments, having enough for food and basic necessities and being able to repay personal loans.

Around 4 in 10 Australians also experienced some form of financial stress of hardship in the past 3 months. Young people were hardest hit, with more than 1 in 2 experiencing some form of hardship.

## FINANCIAL ANXIETY EASES

Australians worried less about their current financial position in Q1 2017 according to NAB's Financial Anxiety Survey. When asked to rate the level of concern about their future spending and savings plans arising from their current financial position, they scored 60.7 points out of 100 (where 100 = "extremely concerned"), down from 63.4 in Q4 2016.

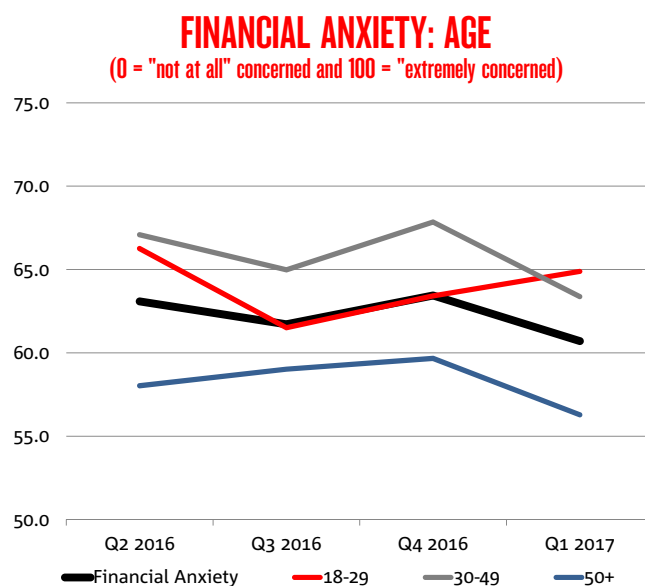
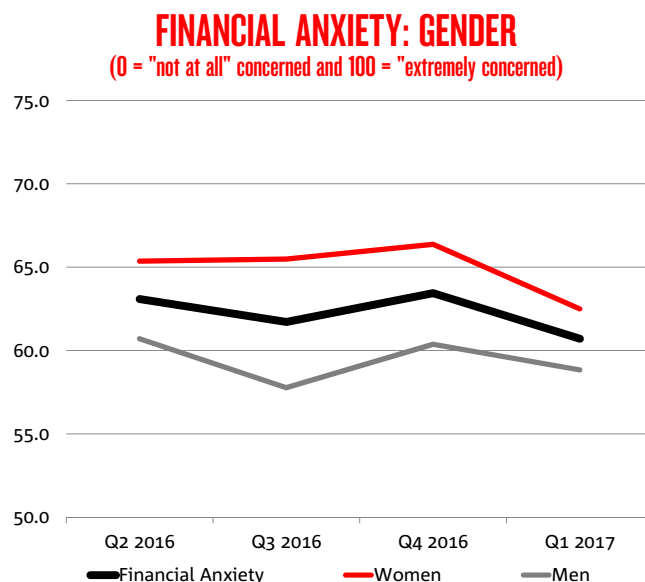
Lower financial anxiety occurred alongside an improvement in overall consumer anxiety levels seen in the Q1 NAB Consumer Behaviour Survey. This may help to explain the improvement in the number of consumers that also cut back their spending on many "non-essentials" in Q1 2017.

## BUT IT IS A FAR BIGGER PROBLEM FOR YOUNG WOMEN AND LOW INCOME EARNERS....

Financial anxiety eased across all key groups in Q1, except for young Australians (18-29 year olds) and middle income earners (\$50,000-\$74,999) where it increased.

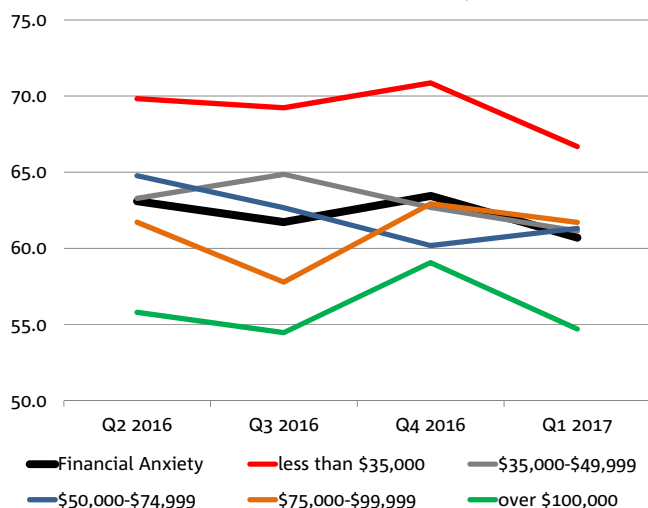
Higher financial anxiety was of particular concern for young people, especially young women - a group already reporting the highest levels of financial anxiety (68.6 points) across all demographic groups (and noticeably higher than for young men 60.7 points).

NAB's Wellbeing research shows that young women also have much higher levels of personal anxiety than the rest of the Australian population - and financial problems are a key cause of their stress.



### FINANCIAL ANXIETY: INCOME

(0 = "not at all" concerned and 100 = "extremely concerned")



Not surprisingly, despite an improvement in Q1 low income earners (66.7 points) had much higher levels of financial anxiety than the highest income earners (54.7 points).

In other groups, financial anxiety was higher for women (62.5 points) than for men (58.8 points), with men over 50 (54.5 points) reporting the lowest levels of financial stress across all demographic groups.

### ALL DRIVERS OF HOUSEHOLD ANXIETY HAVE MODERATED

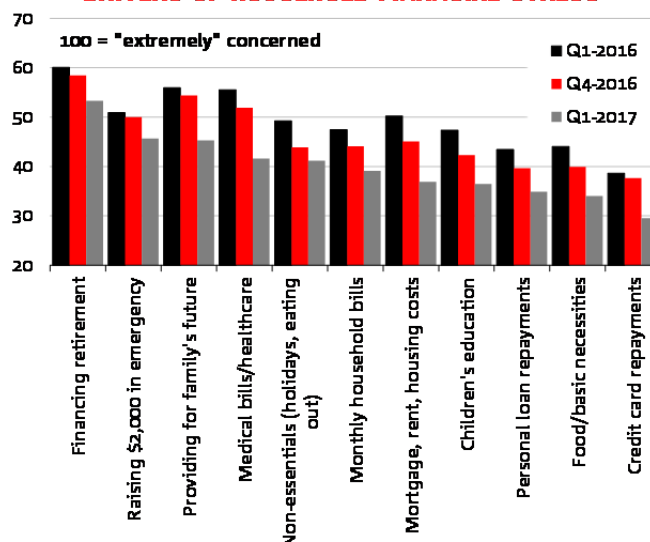
The reduction in overall financial anxiety was accompanied by lower levels of concern over all key drivers of financial anxiety. The biggest falls related to medical bills/healthcare, providing for the family's future, mortgage, rent and housing costs and meeting minimum credit card repayments.

Overall, consumers identified retirement financing as the biggest cause of anxiety when thinking about their household financial position. The next biggest stress drivers were the ability to raise \$2,000 in an emergency, providing for the family's future and being unable to meet medical costs/healthcare bills.

Women had higher levels of concern than men for all drivers of financial anxiety, especially financing retirement, being unable to raise \$2,000 in an emergency and being unable to meet medical costs.

There were some interesting differences by age. Young people were noticeably more concerned about having enough money to pay off personal loans and raise emergence funds. Middle aged Australians worried more than any other age group about being unable to finance their retirement and having enough money to pay for their children's education.

### DRIVERS OF HOUSEHOLD FINANCIAL STRESS

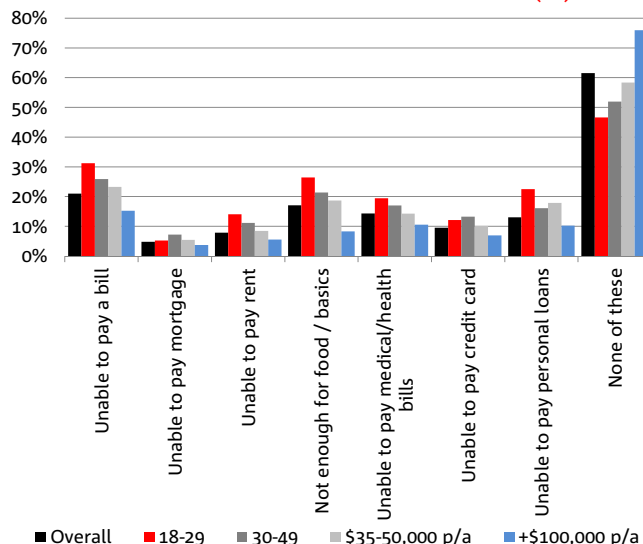


### 4 IN 10 CONSUMERS SUFFERED SOME FINANCIAL STRESS IN PAST 3 MONTHS

Most Australians did not experience any form of financial stress of hardship in the past 3 months, but 4 in 10 did. Young people were hardest hit, with more than 1 in 2 (53%) experiencing some form of hardship. Around 48% of 30-49 year olds also struggled. There was little difference between men and women, but low income earners not surprisingly faced more hardship than high income earners.

Being unable to pay a bill caused the most distress - for 1 in 5 overall, 1 in 3 young people and 1 in 4 middle-aged or low income Australians. Not having enough for food and basic necessities was the next biggest driver of stress - affecting 17% in total, but 26% of young people. Around 1 in 4 young people also struggled to pay off personal loans.

### FINANCIAL STRESS SUFFERED IN LAST 3M (%)



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