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MEDIA RELEASE

NAB Quarterly Consumer Behaviour Survey - Q4 2017

NAB's Consumer Anxiety Index* was basically unchanged in Q4 2017 at near survey lows with job security causing Australians the least stress, consistent with a strongly improving labour market.

"That said, the cost of living is still weighing most heavily on them, highlighting the disconnect between low levels of economy-wide inflation and consumer focussed costs", said NAB Group Chief Economist Alan Oster.

How much more money would help?

"For the first time, we asked consumers to tell us how much extra money would ease their household's cost of living pressures", said Mr. Oster.

"On average, consumers told us they need an extra \$207 a week - or \$10,764 per year".

But this varied according to where we live, our income, gender and family status. "It ranged from \$221 in NSW/ACT to \$132 in TAS and from \$214 in capital cities to \$186 in rural areas. Consumers with children need \$258 and those without \$191".

"While consumers told us they were a little less concerned about their household's current financial position in Q4, being unable to pay a bill (particularly utilities) continues to have by far the biggest impact on those households most concerned about their finances".

NAB's survey also explores how consumer anxiety is impacting actual spending behaviours.

"How consumers "feel" doesn't necessarily correlate with how they really spend", said Mr. Oster.

But in Q4, lower consumer anxiety and reduced concerns over household finances does seem to have helped drive spending behaviours - while more consumers spent on essentials (particularly utilities), fewer also cut back on non-essentials.

"When we look back to how consumers told us they were spending a year ago, far fewer say they are cutting back on things such as travel, eating out and entertainment" said Mr. Oster.

Finally, the survey explores our greatest money related fears and those of us who identify themselves in financial hardship.

"Our ability to finance retirement remains our greatest money related fear, followed by providing for our family's future and somewhat alarmingly, our ability to raise \$2,000 for an emergency", said Mr. Oster.

Looking beyond financial concern to actual hardship, more consumers faced some form of financial stress or hardship during the quarter, and once again being unable to pay a bill (particularly utilities) caused the most stress.

Over 2,000 Australians participated in the Q4 2018 Survey.

** NAB's Australian Consumer Anxiety Index provides a measure of how anxious consumers are that their pending/savings will be impacted by jobs, health, retirement, government policy and the cost of living.*

For more information, please contact

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