

# NAB CONSUMER BEHAVIOUR SURVEY Q2 2018



**INSIGHTS INTO THE MINDSET OF AUSTRALIAN CONSUMERS – ANXIETIES AROUND FUTURE SPENDING AND SAVINGS PLANS, HOUSEHOLD FINANCES, THE ECONOMY, FINANCIAL CONCERNS & HOW THESE ARE IMPACTING SPENDING BEHAVIOURS AND LEVELS OF FINANCIAL HARDSHIP.**

*NAB Behavioural & Industry Economics*

*Consumer anxiety up steeply in Q2. Overall spending tightens as concerns about the economy and our household financial positions grow. Spending on utilities a key expense, and growing.*

*NAB's Consumer Anxiety Index rose sharply in Q2 (for all measures) as concerns about the economy and household finances grew. Anxiety increased most in relation to health expenditure, but the cost of living caused the most stress. Anxiety was highest in WA, led by elevated stress about job security and retirement funding, and lowest in TAS.*

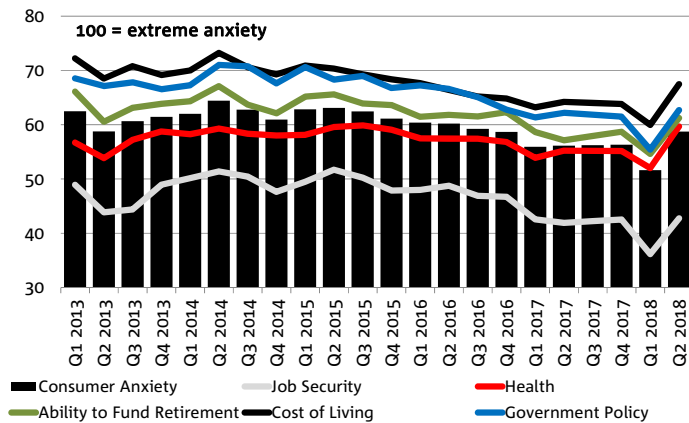
*The impact that the general economic situation in Australia is having on our spending and savings plans is causing more concern than at any time over the past year. Consumers also said they were more concerned about their household financial position than at any time since late-2016. Being unable to finance retirement remains their biggest worry, followed the ability to provide for their family's future and raise \$2,000 for an emergency.*

*Against this background, it's not surprising that NAB's measure of household spending behaviours continues to paint a picture of a consumer reluctant to spend on 'non-essentials', with more consumers spending on 'essential' goods and services, particularly utilities.*

*On a positive note, fewer consumers experienced financial stress or hardship in Q2, but results were mixed. Fewer men experienced hardship, but hardship was more prevalent among women. Hardship also rose for 30-49 year olds, but fell notably for 18-29 year olds (particularly men). Being unable to pay a bill was the most common cause of hardship - for around 1 in 5 consumers overall, but over 1 in 4 30-49 year olds and low income earning Australians.*

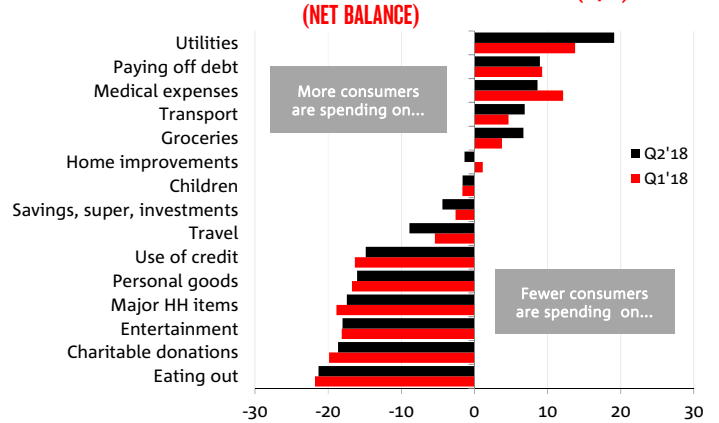
## Consumer anxiety ticked up sharply in Q2 ...

### NAB CONSUMER ANXIETY INDEX: COMPONENTS



## Spending still conservative; big rise in utilities...

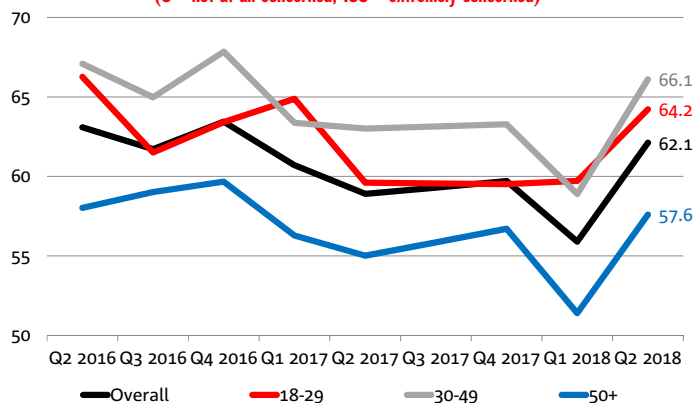
### CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Q/Q) (NET BALANCE)



## Household financial concern rises in all age groups...

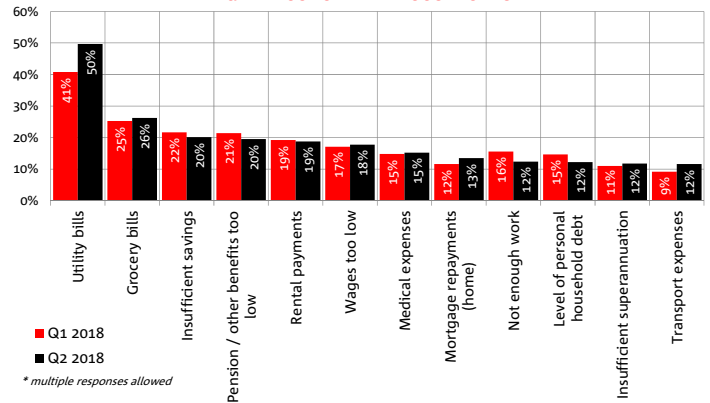
### CONCERN OVER HOUSEHOLD FINANCIAL POSITION: AGE

(0 = not at all concerned; 100 = extremely concerned)



## Utilities having a bigger impact on financial position..

### TOP FACTORS IMPACTING CURRENT FINANCIAL POSITION OF "HIGHLY" CONCERNED HOUSEHOLDS\*



## EXECUTIVE SUMMARY

*Consumer Anxiety – A measure of household concern over jobs, health, retirement, cost of living & government policy and whether these are their impacting spending/savings.*

- The NAB Consumer Anxiety Index rose sharply in Q2 2018 - rising to 58.8 points from a survey low 51.6 points in the previous quarter to stand at its highest level since Q3 2016 (but below its long-term average of 59.8 points).
- Anxiety increased across all components of the Index. It increased most in relation to health expenditure, but living costs are still the single biggest contributor to overall anxiety. Concern over job security caused the least stress for consumers (by some margin), but there was a big uptick in the level of concern from the last quarter.
- Across all groups, consumer anxiety was highest for people who lived in and rented an apartment, sales/clerical workers, women aged 30-49 and consumers earning less than \$35,000 p.a. It was lowest for consumers in TAS, for widows, men over the age of 50 and for those who own and live in an apartment.

*Household Spending – How are these factors impacting household spending behaviours?*

- Higher levels of consumer anxiety were reflected in household spending behaviours, with NAB's measure of household spending behaviours painting a picture of a consumer slightly more reluctant to spend in Q2.
- But there were important differences in how consumers chose to spend. Overall, more consumers increased their spending on 'essential' goods and services than those who cut back. This was mainly driven by higher spending on utilities, and to a lesser extent transport and groceries.
- In contrast, more consumers spent less on 'non-essential' goods and services than did those who spent more - with the number cutting back climbing relative to the previous quarter. This was mainly due to noticeable increase in the number of consumers that cut back spending on travel during the quarter.

*Economy – How concerned are consumers about the general economic situation?*

- Consumers concern about the general economic situation in Australia and its impact on their future spending and savings plans increased to its highest level since we first starting tracking this in Q2 2017.
- Concern has increased in all key groups. By state, it increased most and was highest in WA, followed by VIC. By gender, it increased more for women than for men (women now much higher). By age, the economy continued to cause the most concern for over 50s and significantly more than for 30-49 year olds and 18-29 year olds.

*Household Finances – How concerned are consumers about their current household financial position?*

- Australian consumers were also noticeably more concerned about their household financial position in Q2 and are experiencing higher levels of concern than at any time since late-2016.
- The level of concern increased more for women than men. It also rose in all age groups, particularly among 30-49 year olds, who have now overtaken 18-29 year olds as the most concerned age group.

*Drivers – What factors are most impacting the financial position of "highly" concerned households...*

- One in 2 (50%) consumers who were "extremely" concerned about their current financial position said their utility bills were having the biggest impact (41% in Q1). Utility bills also continue to impact significantly more Australians than the next biggest issue - their grocery bills (around 26%).

*Fears – What consumers most worry about in relation to their current household financial position?*

- Being able to finance retirement is still the biggest worry for consumers in relation to their current household financial position, followed by their ability to provide for their family's future and raise \$2,000 for an emergency - with consumers somewhat more worried than they were one year ago.

*Financial Hardship – Prevalence of financial stress or hardship and the most common causes.*

- On a more positive note, 35% of Australians experienced some form of financial stress or hardship in the past 3 months (down from 37% in Q1). But results were mixed. Fewer men experienced hardship, but women experienced more. Hardship rose for 30-49 year olds, but fell noticeably for 18-29 year olds (particularly men).
- Being unable to pay a bill was again the most frequently cited cause of stress or hardship - for around 1 in 5 Australians overall, but for over 1 in 4 30-49 year olds and low income earning Australians. Not having enough for food and basic necessities was the next biggest cause - affecting 15% in total, but 1 in 4 low income earners.

**NAB CONSUMER ANXIETY INDEX (100 = extremely concerned)**

	Q2 2017	Q1 2018	Q2 2018
<b>Overall Index</b>	<b>56.1</b>	<b>51.6</b>	<b>58.8</b>
- Job security	41.9	36.2	42.7
- Health	55.2	52.0	59.7
- Ability to fund retirement	57.1	54.6	61.2
- Cost of living	64.2	60.0	67.5
- Government policy	62.2	55.4	62.7

**CURRENT HOUSEHOLD FINANCIAL POSITION (100 = extremely concerned)**

Q2 2017	Q1 2018	Q2 2018
58.9	55.9	62.1

**CONCERN RELATING TO THE HOUSEHOLD FINANCIAL POSITION OF CONSUMERS (100 = extremely concerned)**

	Q2 2017	Q1 2018	Q2 2018
Medical bills/healthcare	38	42	43
Mortgage, rent, housing costs	35	38	39
Credit card repayments	27	32	31
Personal loan repayments	28	36	36
Children's education	30	36	37
Food/basic necessities	32	36	35
Monthly household bills	37	40	40
Non-essentials (holidays, eating out)	37	40	39
Raising \$2,000 in emergency	43	45	45
Financing retirement	49	53	53
Providing for family's future	45	48	46

**HOUSEHOLD SPENDING BEHAVIOURS (net balance - spending more/spending less)**

	Q2 2017	Q1 2018	Q2 2018
Non-essential spending	-15	-13	-14
Essential spending	8	7	8
Financial spending	-3	-3	-3
<b>Overall Spending Behaviours</b>	<b>-6</b>	<b>-6</b>	<b>-5</b>

**HOUSEHOLD SPENDING BEHAVIOURS - SPENDING CATEGORY (net balance - spending more/spending less)**

	Q2 2017	Q1 2018	Q2 2018
Travel	-9	-5	-9
Eating out (coffee, take-away, restaurants, etc.)	-22	-22	-21
Entertainment (movies, sports, concerts, etc.)	-21	-18	-18
Groceries (food, alcohol etc.)	5	4	7
Home improvements and maintenance	-4	1	-1
Major household items (appliances, furniture etc.)	-20	-19	-17
Utilities (electricity, gas, phone, etc.)	24	14	19
Personal goods (clothes, toiletries, sports, pets, etc.)	-17	-17	-16
Medical expenses (doctors, pharmacy, optical etc.)	10	12	9
Transport (car running costs and public transport)	5	5	7
Children (school fees, childcare, activities etc.)	-2	-2	-2
Paying off debt	8	9	9
Use of credit	-15	-16	-15
Savings, investments and super contributions	-3	-3	-4
Charitable donations	-20	-20	-19

# PART 1: CONSUMER ANXIETY

*How concerned are consumers that their spending and savings will be impacted by their job security, health, retirement, cost of living and government policy?*

## Consumer anxiety levels rose sharply across all components of the index in Q2...

The NAB Consumer Anxiety Index - which measures concerns about future spending and savings plans arising from job security, health, retirement funding, cost of living and government policy - rose sharply in Q2 2018.

The overall Index increased to 58.8 points in Q2, up from a survey low 51.6 points in the previous quarter. As a result, NAB's Consumer Anxiety Index currently stands at its highest level since Q3 2016, but below its long-term average (59.8 points).

Anxiety increased noticeably across all components of the Index during the June quarter.

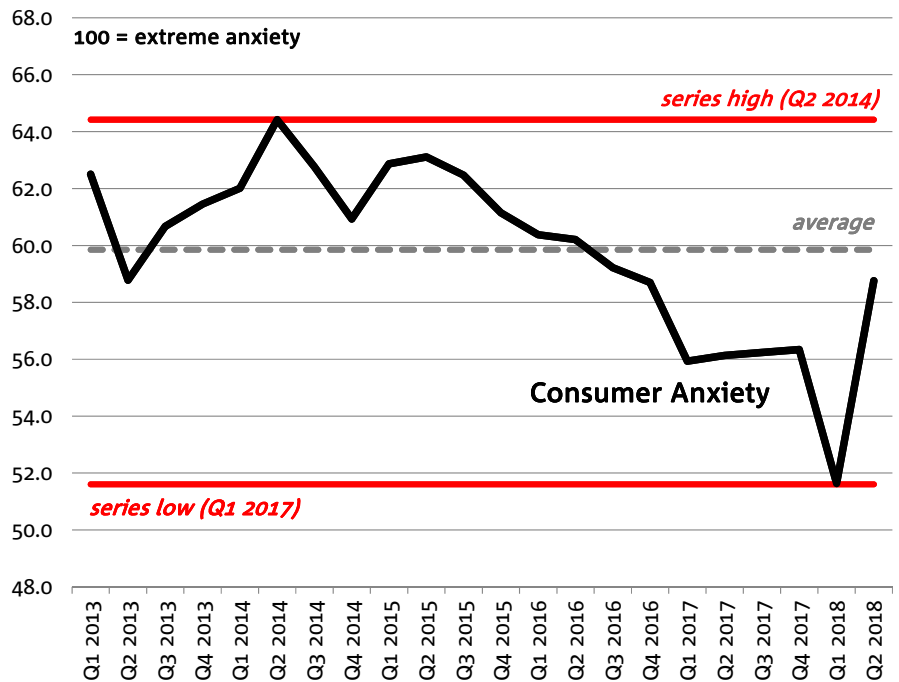
Concerns increased most in relation to health expenditure (up 7.7 to 59.7 points). Consequently, health expenditure is the only component of the Anxiety index currently tracking above its long-term average (57.2 points). Moreover, around 47% of consumers reported 'medium' or 'high' anxiety about their health expenditure in Q2, up from around 34% in the previous quarter

Living costs were however still the single biggest contributor to overall consumer anxiety (up 7.5 to 67.5 points). Almost 2 in 3 consumers (61%) reported 'medium' or 'high' levels of stress in Q2, up from less than 1 in 2 in Q1 (46%).

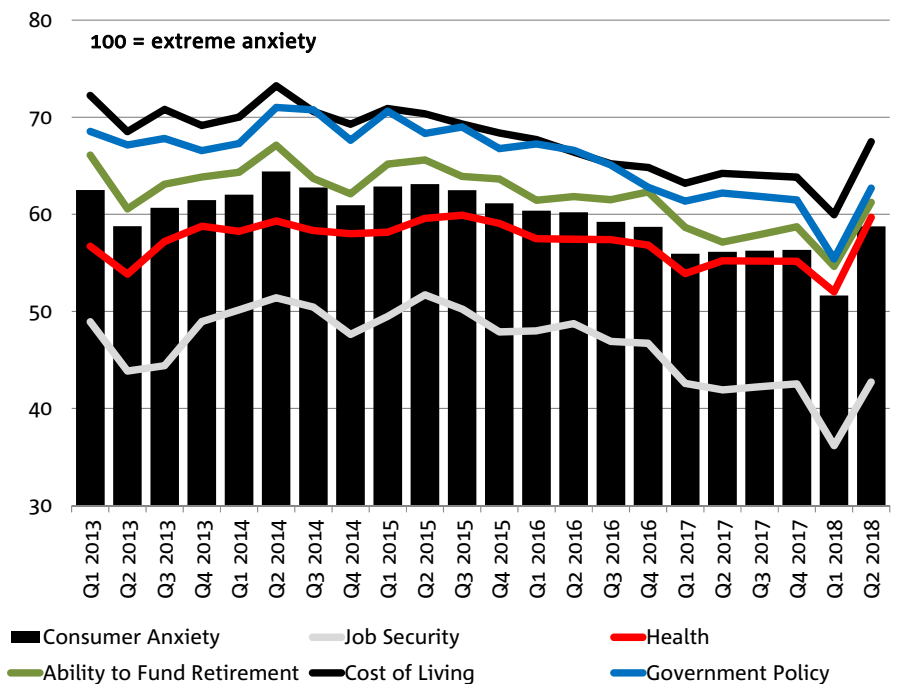
Concerns over government policy (up 7.3 to 62.7 points) and ability to fund retirement (up 6.6 to 61.2 points) also rose sharply in the June quarter.

Concern over job security is still causing the least stress for consumers (by some margin), but there was a significant uptick in the level of concern over the quarter (up 6.6 to 42.7 points). Moreover, the number of consumers reporting 'low' or 'very low' anxiety about their jobs fell to 69% in Q2 from over 76% in Q1.

## NAB CONSUMER ANXIETY INDEX



## NAB CONSUMER ANXIETY INDEX: COMPONENTS



Across all groups, consumer anxiety was highest for people who lived in and rented an apartment (63.8 points), mainly because of higher concerns about their living costs. Other groups highly anxious groups included sales/clerical workers (61.9 points), women aged 30-49 (61.5 points) and consumers earning less than \$35,000 p.a. (61.2 points).

Consumer anxiety was lowest for people living in TAS (51.5 points), widows (53.1 points), those who own and live in an apartment (55.1 points), earn over \$100,000 p.a. (55.9 points) or not employed (55.9 points).

By state, anxiety was highest in WA (59.7 points), led by elevated concerns over job security and retirement funding. They were closely followed by VIC (59.6 points), where consumers were the most worried about government policy and the cost of living.

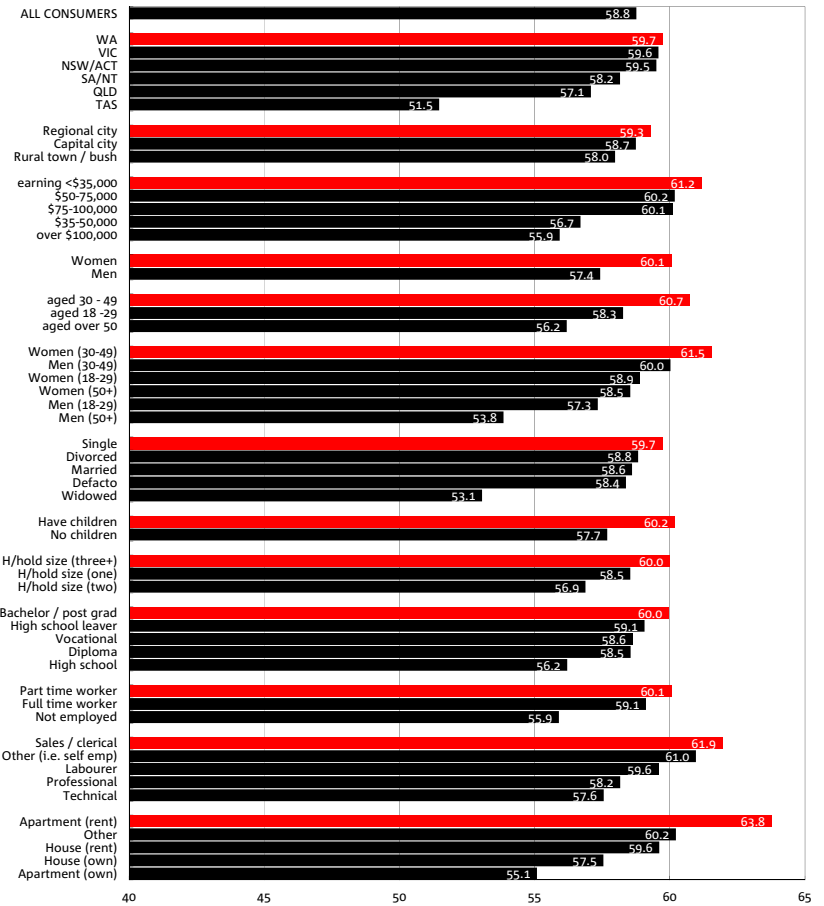
In a reversal from the last quarter, anxiety was higher for women (60.1 points) than men (57.4 points). Women reported higher levels of stress around all components of the Index (except government policy), particularly when it came to their ability to fund retirement and the cost of living.

Middle-aged women (61.5 points) and men (60.0 points) had highest anxiety by age and gender. This was mainly driven by much higher concern over their retirement funding, as well as cost of living (for women) and government policy (for men). In the over 50 age group, men were far less worried about their retirement funding and cost of living than women, while young women (18-29) were somewhat more anxious about their ability to fund their retirement and job security than young men.

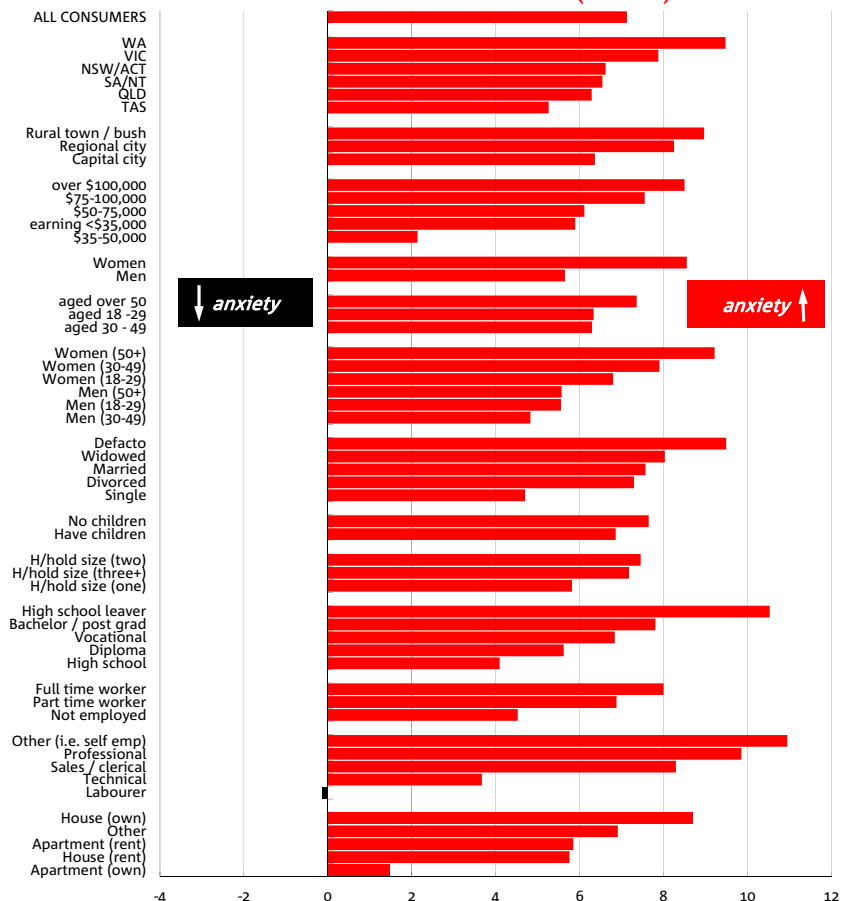
In Q2, high income earners scored their anxiety 55.9 points, well below that of the lowest income group (61.2 points). Interestingly, consumer anxiety was broadly the same for those earning between \$50-100,000 p.a. and much lower for those earning \$35-50,000 p.a. Low income earners had the highest levels of stress for all components of the Anxiety index, except job security, where concerns were highest in the \$50-100,000 p.a. groups.

Consumers in regional cities (59.3 points) replaced those in capital cities (58.7 points) for having the highest anxiety by region, reflecting much higher increases in anxiety about their cost of living, health expenditure and government policy.

**NAB CONSUMER ANXIETY INDEX: ALL GROUPS**



**NAB CONSUMER ANXIETY: ALL GROUPS (CHANGE)**





# PART 2: HOUSEHOLD SPENDING BEHAVIOURS

*How has the household financial position of Australian consumers impacted their overall spending behaviours?*

## Consumer spending behaviours are still cautious...

Higher levels of consumer anxiety during the June quarter were reflected in consumer spending behaviours. NAB's measure of household spending behaviours (which counts the number of consumers that spent more on a range of items against those that spent less on these items) showed consumers were still reluctant to spend over the quarter.

NAB's overall spending indicator fell slightly to -5 in Q2 (-6 in Q1 2018 and -6 in the same period last year). This signifies the number of consumers that cut back on their overall spending is still out-numbering those that increased their overall spending.

But there were some important differences in how consumers chose to spend by category.

Overall, slightly more consumers increased their spending on 'essential' goods and services than those who cut back during the June quarter. The net number of consumers that spent more increased to +8 (+7 in the previous quarter), and was unchanged from same time last year (+8).

Higher spending was mainly driven by utilities, with the net number of consumers who spent more on utilities over the June quarter rising to +19. This was up from +14 in the previous quarter, but below the number of consumers spending more at the same time last year (+24).

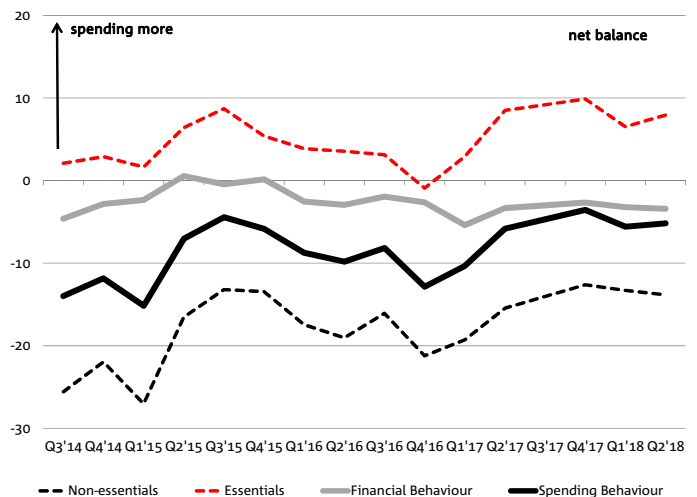
More consumers also increased their spending on transport and groceries during the quarter, but we counted a reduction in the number of consumers who said they spent more on medical expenses.

In contrast, more consumers told us they spent less on 'non-essential' goods and services during the quarter than did those who said they spent more - and that number climbed a little to -14, from -13 in the previous quarter but a little better relative to the same period last year (-15).

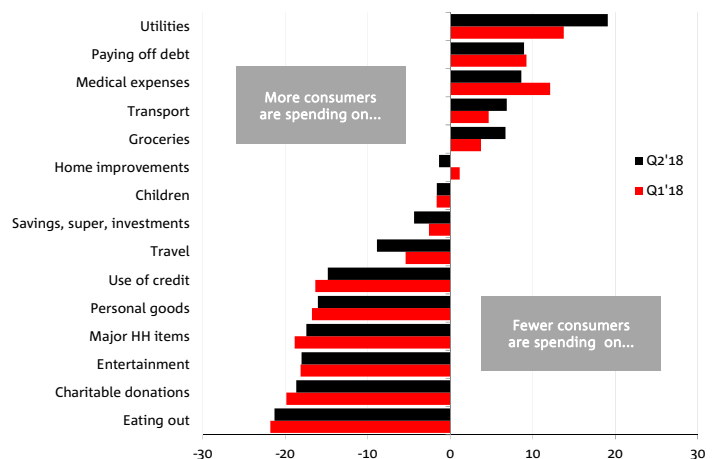
This decline mainly reflected a noticeable increase in the number of consumers that cut back their spending on travel during the quarter, which offset a minor improvement in all other areas of spending on 'non-essential' goods and services.

Financial spending behaviours (consisting of paying off debt, using credit cards and savings, investments and superannuation) were largely unchanged over the quarter (-3) and relative to the same period last year.

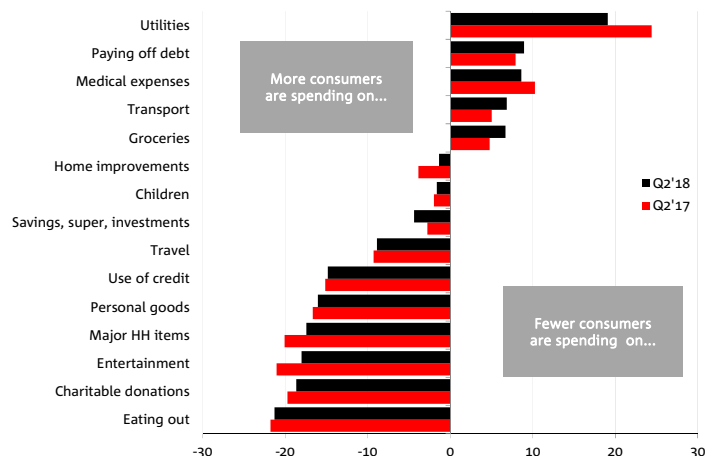
## HOUSEHOLD SPENDING BEHAVIOURS



## CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Q/Q) (NET BALANCE)



## CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Y/Y) (NET BALANCE)



## How concerned are consumers about the general economic situation in Australia?

### The general economic situation in Australia is causing much more concern for consumers...

In the June quarter, consumers were much more concerned about the general economic situation in Australia and its impact on their future spending and savings plans. Overall, they scored 63.8 points (where 100 is 'extremely' concerned), up from 55.1 points in the previous quarter. The level of concern about the economy increased in all key demographic groups.

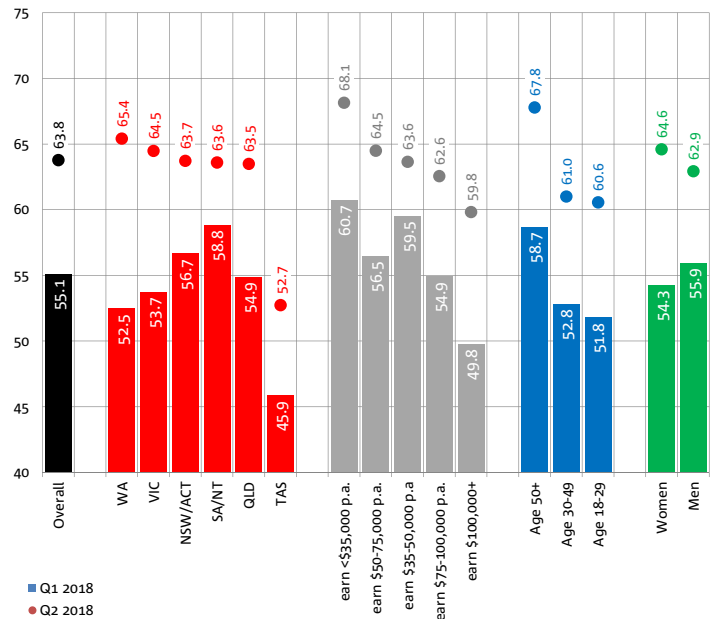
By state, the level of concern about the economic situation in Australia was highest in WA (up 12.9 to 65.4 points), followed by VIC (up 10.7 to 64.5 points). Consumers living in TAS were the least concerned - and by some margin (up 6.9 to 52.7 points).

By income, consumers earning less than \$35,000 p.a. were most concerned about the impact the economy was having on their future spending and savings plans (up 7.4 points to 68.1 points). The highest income earning group (over \$100,000 p.a.) were the least concerned, but they did report the biggest increase in the level of concern over the economy (up 10.0 to 59.8 points).

By age, the economy continued to cause the most concern for over 50s (67.8 points), and significantly more than it did for 30-49 year olds (61.0 points) and 18-29 year olds (60.6 points).

Women and men were more worried about the general economic situation in Australia in the June quarter, But the level of concern increased more for women (up 10.3 points to 64.6 points) than it did for men (up 7.0 to 62.9 points).

HOW CONCERNED ARE CONSUMERS ABOUT THE GENERAL ECONOMIC SITUATION IN AUSTRALIA  
(0 = not at all; 100 = completely)



# PART 3: HOUSEHOLD FINANCIAL POSITION & DRIVERS OF FINANCIAL STRESS

*How concerned are consumers about their current household financial position?*

## Australian consumers were noticeably more concerned about their household financial position...

When asked to rate their level of concern relating to their future spending and savings plans arising from their current financial position, Australian consumers scored 62.1 points out of 100 (100 is 'extremely' concerned), up from 55.9 points in Q1 2018. The overall result suggests Australian consumers are experiencing higher levels of concern about their household financial position than at any time since late-2016.

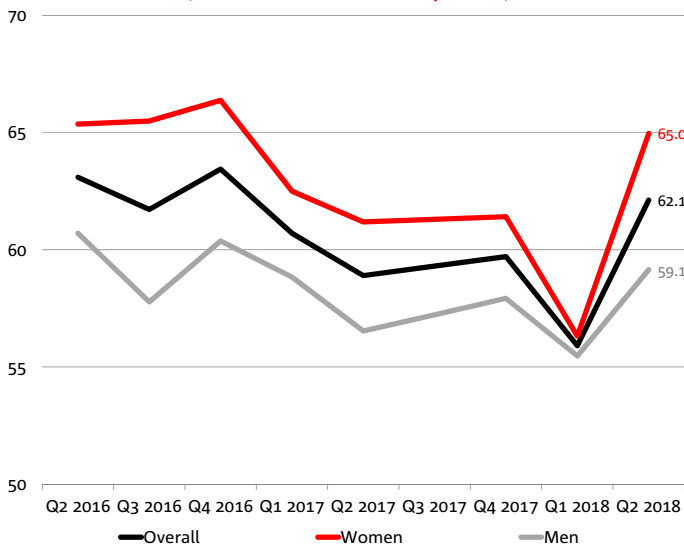
By gender, the level of concern increased more for women than men. As a result, anxiety is now also much higher for women (65.0 points) than men (59.1 points).

The level of concern rose in all age groups. It increased most among 30-49 year olds (up 7.2 to 66.1 points), and they have now overtaken 18-29 year olds (64.2 points) as the most concerned age group. Over 50s are still the least concerned age group by some margin (57.6 points).

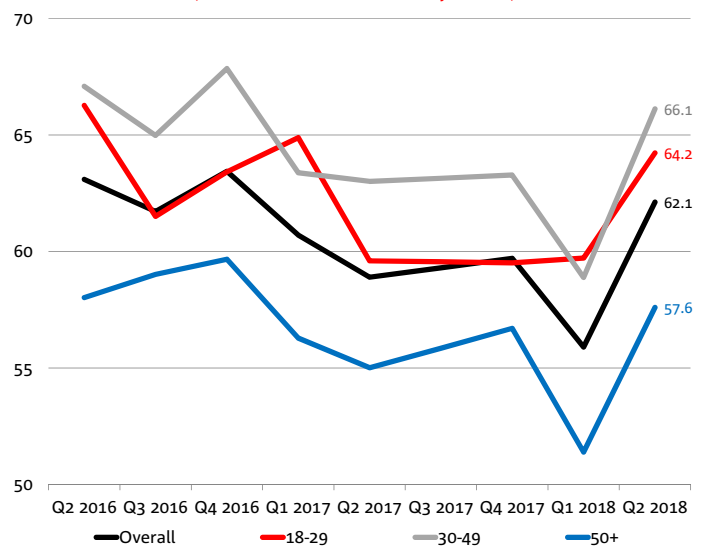
Interestingly, the level of concern increased most for women over the age of 50 (up 10.3 to 62.1 points) and was significantly higher than for men over 50 (up 2.2 to 53.1 points). Young women (18-29) also reported much higher concern over their household financial position (66.7 points) than did young men (60.5 points).

The anxiety gap was however much smaller between middle aged women (67.2 points) and men (65.1 points).

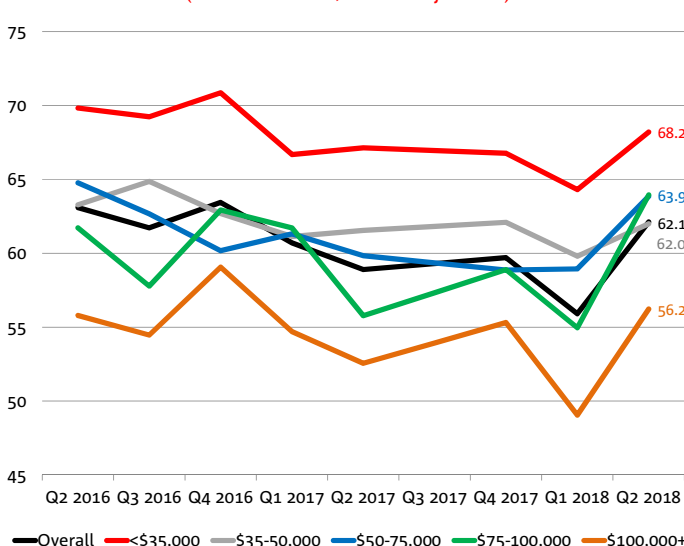
**CONCERN OVER HOUSEHOLD FINANCIAL POSITION: GENDER**  
(0 = not at all concerned; 100 = extremely concerned)



**CONCERN OVER HOUSEHOLD FINANCIAL POSITION: AGE**  
(0 = not at all concerned; 100 = extremely concerned)



**CONCERN OVER HOUSEHOLD FINANCIAL POSITION: INCOME**  
(0 = not at all concerned; 100 = extremely concerned)



By income, the level of concern about their household financial position increased most for those earning between \$75-100,000 p.a. (up 9.0 to 63.9 points).

The highest income group earning over \$100,000 p.a. reported the next biggest increase (up 7.2 to 56.2 points) - although they continue to be the least concerned overall.

The lowest income earners again reported the highest level of concern over their household financial position (up 3.9 to 68.2 points).

But a relatively smaller increase in their level of concern relative to the previous quarter means that the gap between the lowest and highest income group narrowed to 12.3 points, from 15.3 points in the previous quarter.



# What are consumers most worried about in relation to their current household financial position?

## Consumers worry most about being able to finance their retirement...

Being able to finance their retirement is still the biggest worry for Australian consumers in relation to their current household financial position, followed by their ability to provide for their family's future and their ability to raise \$2,000 for an emergency.

The level of concern over these 3 factors was broadly unchanged over the quarter, but consumers appear to be somewhat more worried than they were one year ago.

Consumers worried least about meeting their minimum credit card repayments, having enough to pay for food and basic necessities, meet their personal loan repayments and their children's education.

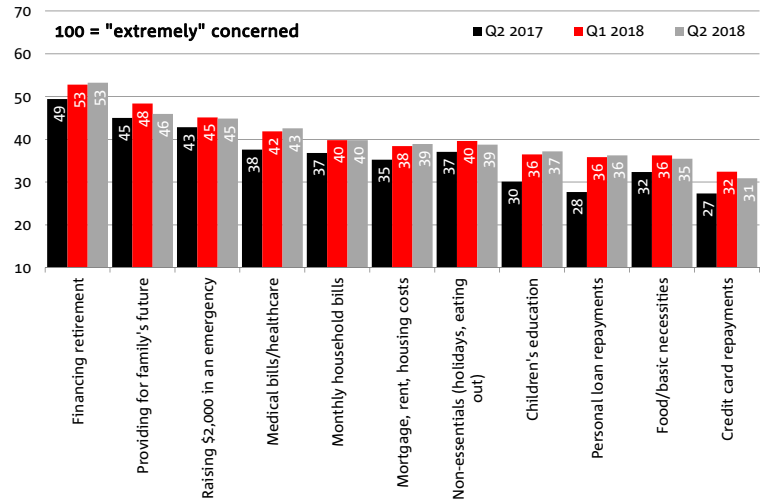
Again, while the level of concern was unchanged from the previous quarter, consumers were noticeably more worried about these things than they were at the same time last year.

By gender, women worried more than men over all factors, particularly when it came to raising \$2,000 in an emergency (48.8 vs. 40.8 points), not being able to meet medical costs (45.9 vs. 39.2 points), not having enough to pay the monthly household bills (42.8 vs. 36.7 points), not having enough for non-essentials such as holidays, entertainment and eating out (41.6 vs. 35.9 points) and not having enough money for food and basic necessities (37.6 vs. 33.3 points).

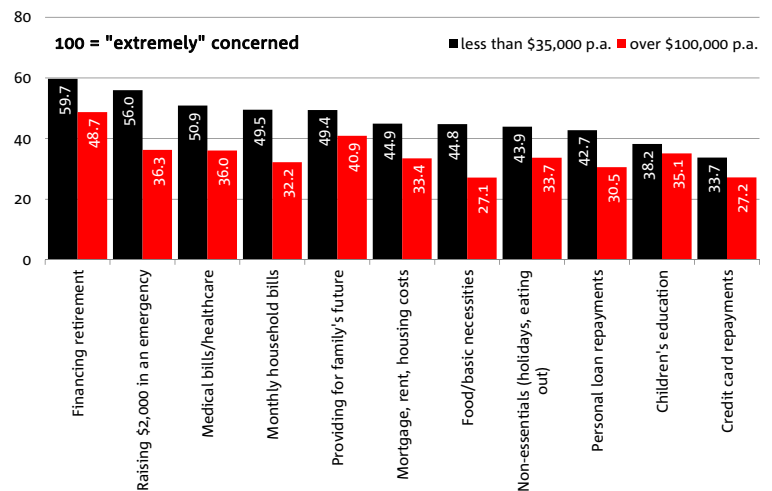
By income, consumers earning less than \$35,000 p.a. expressed higher levels of concern over all drivers than any other income group, except in regards to meeting their minimum credit card repayments or having enough to pay for their children's education.

Areas in which low income earners were significantly more concerned included being unable to raise \$2,000 for an emergency, not having enough for food and basic necessities, not having enough money to meet the normal monthly household bills and not being able to meet the cost of their medical bills or healthcare.

## WHAT WORRIES CONSUMERS MOST ABOUT THEIR CURRENT HOUSEHOLD FINANCIAL POSITION



## WHAT WORRIES CONSUMERS MOST ABOUT THEIR CURRENT HOUSEHOLD FINANCIAL POSITION: HIGH VS. LOW INCOME



## What factors most impact the financial position of 'highly' concerned households?

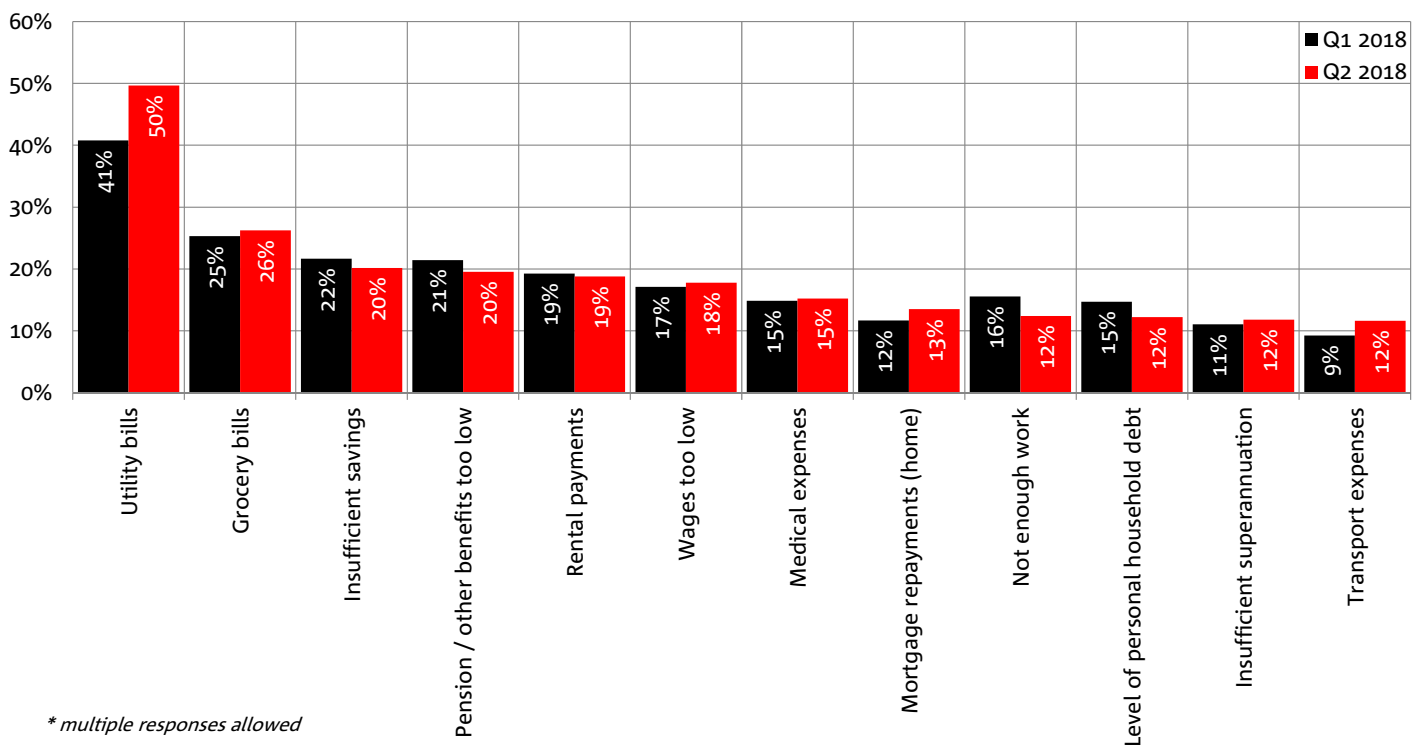
### Utility bills have by far the biggest impact on the financial position of 'highly' concerned households...

Australian consumers who said they were 'extremely' concerned about their current financial position were also asked to tell us what issues in particular were having the biggest impact on their current financial position.

By far the biggest impact in Q2 2018 came from utility bills according to 1 in 2 consumers, and it impacted more consumers than in the previous quarter (41%). Utility bills also continue to impact significantly more Australians than the next biggest issue - their grocery bills (around 26%).

Other issues that most impacted a large number of Australians (around 1 in 5) that were 'extremely' concerned about their current financial position included insufficient savings (20%), low pensions and/or other benefits (20%) rental payments (19%) and low wages (18%).

### TOP FACTORS IMPACTING CURRENT FINANCIAL POSITION OF "HIGHLY" CONCERNED HOUSEHOLDS\*



The table on the following page shows that for the most part, women and men again reported broadly similar results.

But differences were more apparent by age.

Noticeably more young people (18-29) said they were impacted by rental payments (33%), grocery bills (35%), low wages (33%), not enough work (23%) and transport expenses (22%) than any other age group.

A lot more 30-49 year olds said that children's expenses (17%) and home mortgage repayments (17%) had a bigger impact on their current financial position, while significantly more over 50s said utility bills (58%), low pensions and other benefits (36%), medical expenses (19%), insufficient superannuation (18%) and the state of the Australian economy (13%) had bigger impact on their current financial position.

When it came to income, significantly more people in the lowest income group were impacted by low pensions and other benefits (41%), utility bills (57%), grocery bills (32%) and rental payments (22%) when compared to high income earners.

In contrast, a lot more consumers in the highest income group said they were impacted by their home mortgage repayments (26%), children's expenses (18%), level of household debt (19%) and low wages (21%).

## FACTORS IMPACTING CURRENT FINANCIAL POSITION OF “HIGHLY” CONCERNED HOUSEHOLDS: BY GENDER, AGE & HIGH/LOW INCOME

	Overall	Women	Men	18-29	30-49	50+	Low Income	High Income
Utility bills	50%	51%	48%	40%	47%	58%	57%	42%
Grocery bills	26%	26%	26%	35%	22%	27%	32%	21%
Insufficient savings	20%	19%	22%	23%	21%	18%	18%	24%
Pension / other benefits too low	20%	20%	19%	9%	9%	36%	41%	5%
Rental payments	19%	18%	20%	33%	17%	13%	22%	13%
Wages too low	18%	19%	16%	33%	22%	6%	8%	21%
Medical expenses	15%	16%	14%	15%	12%	19%	17%	13%
Mortgage repayments (home)	13%	12%	15%	14%	17%	9%	4%	26%
Not enough work	12%	11%	14%	23%	14%	6%	14%	8%
Level of personal household debt	12%	12%	13%	14%	15%	8%	7%	19%
Insufficient superannuation	12%	10%	14%	3%	10%	18%	8%	13%
Transport expenses	12%	10%	14%	22%	9%	9%	14%	12%
Children expenses	9%	9%	9%	8%	17%	2%	3%	18%
State of Australian economy	9%	8%	9%	7%	5%	13%	8%	8%
Absence of a pay rise	7%	7%	8%	12%	8%	4%	2%	11%
Poor investment returns	6%	4%	7%	4%	4%	8%	4%	6%
Home improvements & maintenance	5%	7%	3%	1%	4%	8%	5%	7%
Low interest rates	5%	5%	4%	5%	3%	7%	4%	5%
Mortgage repayments (investment property)	3%	3%	4%	1%	4%	3%	1%	7%
State of global economy	3%	2%	4%	3%	1%	4%	1%	4%
Major household items	3%	2%	3%	4%	3%	2%	3%	4%
Other	2%	2%	1%	4%	1%	2%	1%	3%

<b>TOP 5</b>	1	2	3	4	5
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# PART 4: FINANCIAL STRESS & HARDSHIP

*How prevalent is financial stress or hardship, and what are the most common causes of stress or hardship people face?*

**Just over 1 in 3 Australian consumers experienced some form of financial stress or hardship in the last 3 months...**

Around 35% of Australians experienced some form of financial stress or hardship in the past 3 months (37% in Q1 2018). But the overall result masks important differences. While fewer men experienced any hardship in the June quarter (30% vs. 38% in Q1), the number for women that did climbed from 37% to 40%.

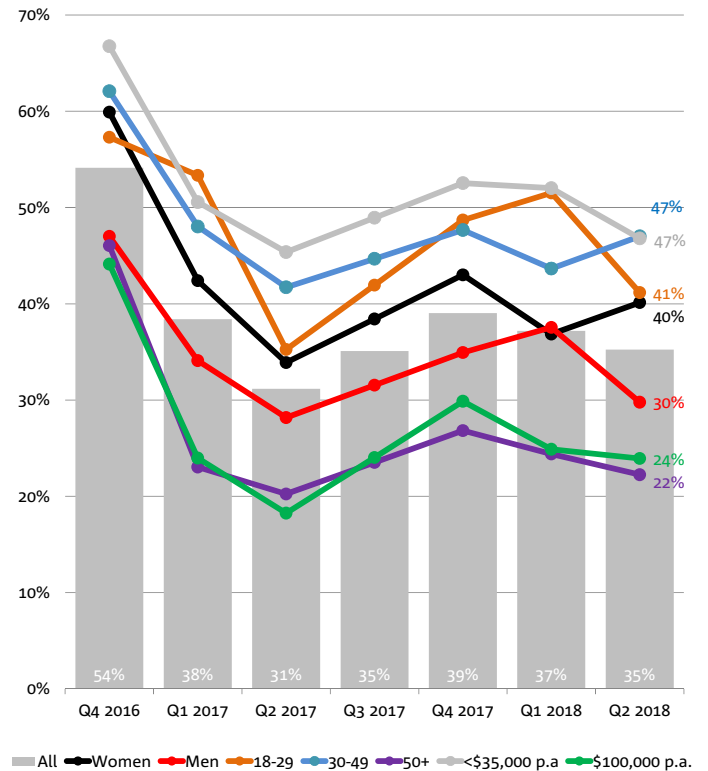
Low income earners and middle-aged Australians experienced the most hardship. But while the number of low income earners that experienced some hardship fell to 47% in Q2 2018 (52% in Q1), the number of 30-49 year olds experiencing hardship rose from 44% to 47%.

We also noted a significant decline in the number of 18-29 year olds who said they experienced some financial stress or hardship in Q2 from 52% to 41%, with a particularly sharp fall in the number of young men facing some hardship from 53% to just 31%.

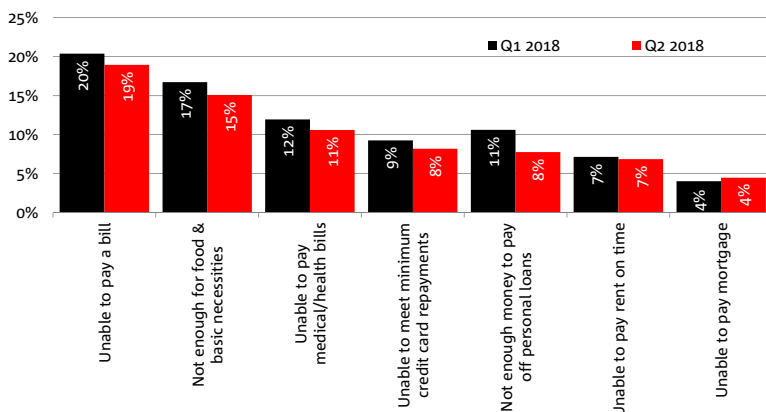
Over 50s experienced the least financial stress or hardship during the June quarter (22%), but men (17%) were less impacted than women (27%). Around 1 in 4 people in the highest income earning group also experienced some form of financial hardship in the June quarter.

Being unable to pay a bill is still the most frequently cited cause of stress or hardship - for 19% of Australians overall, but for 26% of 30-49 year olds and 27% of low income earning Australians. Not having enough for food and basic necessities was the next biggest cause of financial stress or hardship - affecting 15% in total, but around 1 in 4 (25%) low income earners.

**NUMBER OF CONSUMERS THAT HAVE EXPERIENCED FINANCIAL STRESS OR HARDSHIP IN LAST 3 MONTHS**



**TYPE OF FINANCIAL STRESS OR HARDSHIP EXPERIENCED IN THE LAST 3 MONTHS**



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