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## MEDIA RELEASE

### NAB Consumer Insight Report – How and Why We Use Cash Today

#### The lure of cash remains, even as younger Australians embrace cashless payments

The average Australian carries \$76 in cash in their purses or wallets over a week, according to new research released today by NAB.

The report explores what role cash plays in the lives of Australian consumers today - how much we carry, why we still use it and how we typically pay for things across a range of price brackets.

NAB Head of Behavioural & Industry Economics, Dean Pearson, said how much we earn doesn't appear to greatly influence how much cash we carry.

“People on incomes under \$35,000 a year carry the least, but still around \$70. Those on higher incomes above \$100,000 carried \$76. And, Australians earning between \$75,000-100,000 a year carried \$86, the most of any income group.”

Men carry more than women and young people (particularly women) much less than older people (particularly men). Men carried \$84 while women just \$68. Men over the age of 50 carried the most cash (\$99) and women aged 18-29 the least (\$54).

The most common reasons to carry cash were for small transactions and emergencies. Other commonly cited explanations include speed and convenience, habit or simply because some merchants only accept cash. But there were some notable differences by age.

Around 2 in 3 Australians over 50 and 1 in 2 30-49 year olds said their main reason to carry cash was for small transactions. In contrast, just 1 in 3 18-29 year olds carry cash for this reason.

There's also a clear relationship between when we use cash to pay for goods and services and how much they cost.

“When spending less than \$5, around 3 in 4 of us still use cash but this falls to about 1 in 20 for purchases over \$500. When using credit cards, the reverse is true. Only around 1 in 20 use credit cards for purchases of less than \$5, while around 1 in 2 when spending over \$500,” said Mr Pearson.

But how we pay also varies significantly according to our age. When spending less than \$5 dollars, 9 in 10 over 50s use cash compared to just 1 in 2 18-29 year olds.

But, despite the usage of cash in our everyday lives clearly on the decline its lure remains strong. When asked how we would prefer to receive \$1,000 if offered, almost 3 in 5 (58%) Australians said they would choose cash. A further 34% said as a debit card and only 16% said as a payment off their credit card balance.

“Despite young people using cash differently and less often than older Australians, 1 in 2 people aged between 18 and 29 still wanted the cash”, said Mr Pearson.

Finally, when asked what we would do with \$1,000, the most common response by far was to spend it on a holiday. Other popular suggestions included: save it; pay bills; pay off debts; invest it; and spend it on the family.

Read the full report at [business.nab.com.au](https://business.nab.com.au)

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