

# NAB CONSUMER BEHAVIOUR SURVEY Q4 2018

INSIGHTS INTO THE MINDSET OF AUSTRALIAN HOUSEHOLDS – THE KEY FINANCIAL ANXIETIES OF CONSUMERS & HOW THESE ARE IMPACTING THEIR SPENDING BEHAVIOURS



## NAB Behavioural & Industry Economics

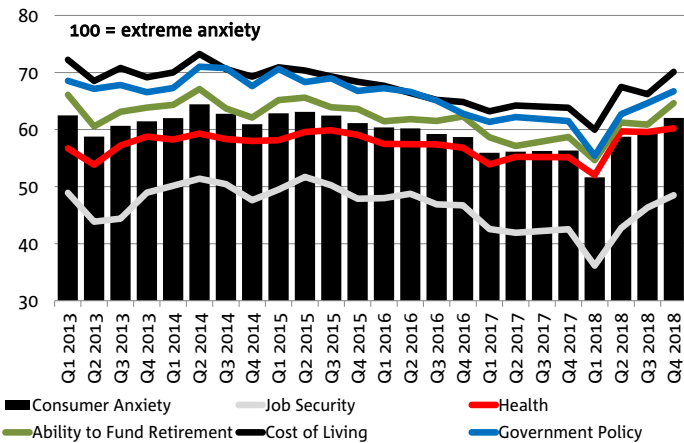
*NAB's Consumer Anxiety Index rose to its highest level in over 3 years in the December quarter as slow income growth, high debt levels and weaker growth in household wealth weighed on households and their spending.*

*Anxiety increased most over the cost of living, and despite a healthy labour market, concerns over job security also climbed to its highest level since mid-2016. In terms of household finances, retirement remains the big worry, followed by providing for the family's future, raising \$2,000 for an emergency, and medical/healthcare costs. Against this background, almost 4 in 10 Australians said they had experienced some form of financial hardship in Q4 - the highest in 2 years. Being unable to pay a bill remains the most common cause of hardship.*

*Higher levels of consumer anxiety appear to have spilt through to their actual spending. Consumer caution was most apparent when spending on 'non-essentials'. Spending on 'essentials' is still being mainly driven by utilities, but less so than in the previous quarter. Consumers were also more conservative about their expectations in regards to making a major purchase in the next 12 months, with their intention to spend pared back across all types of major purchases - in particular, expectations in regards to future holiday spending.*

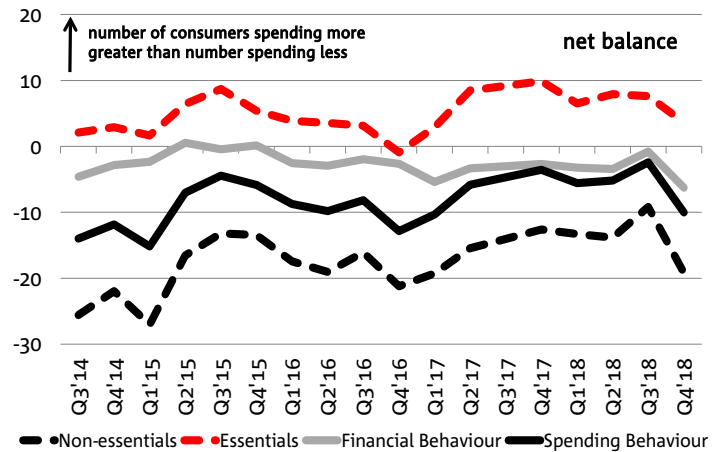
### Consumer anxiety rose again in Q4 ...

#### NAB CONSUMER ANXIETY INDEX: COMPONENTS



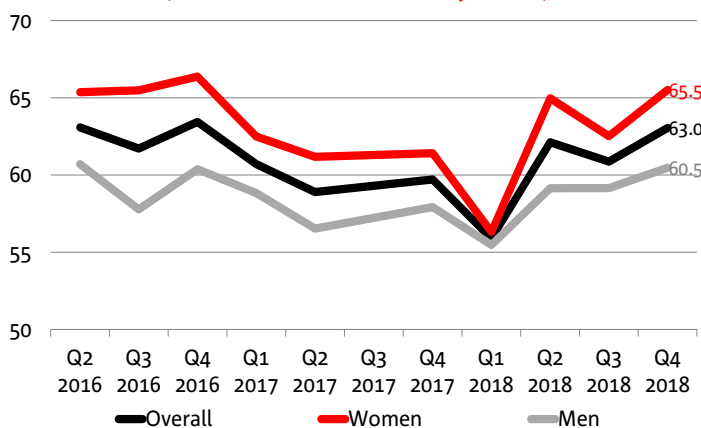
### Spending behaviours were more cautious...

#### HOUSEHOLD SPENDING BEHAVIOURS



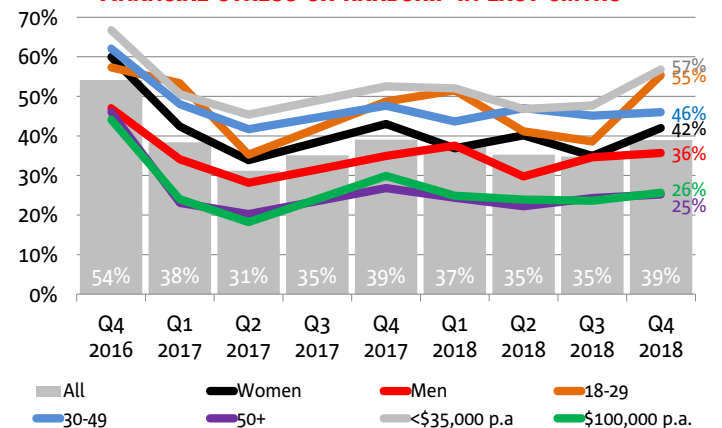
### Concern over household financial position grew...

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



### And more consumers experienced financial stress...

#### NUMBER OF CONSUMERS THAT HAVE EXPERIENCED FINANCIAL STRESS OR HARDSHIP IN LAST 3MTHS



## EXECUTIVE SUMMARY

### *NAB Consumer Anxiety Index – A broad measure of consumer concern about future spending & savings.*

- Consumer anxiety rose to 62.0 points in Q4 (highest in over 3 years). The index climbed over 10 points during 2018 as slow income growth, high debt levels and weaker growth in household wealth weighed on consumers.
- Higher anxiety was evident for all index components. It increased most for cost of living which remains the biggest driver of overall anxiety. Job security is still causing the least stress. But despite a labour market that seems favourable, fears over job security rose for the third straight quarter to its highest level since mid- 2016.

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

- While NAB Economics still sees a reasonably robust outcome for the economy, the level of concern consumers had about the general economic situation in Australia and how it was impacting on their future spending and savings plans increased in Q4. QLD overtook VIC as the most concerned state. TAS remains least worried.

### *Household Finances – Level of concern specifically in regards to a household's current financial position*

- The level of concern consumers had about their household financial position rose to its highest level since late-2016. Women, men and consumers in all age groups expressed higher levels of concern, particularly the over 50s - although they are still the least worried overall.
- The biggest increase was reported by consumers in the lowest income group who are also still the most concerned (74.7) - and by a growing margin. This is particularly evident when compared to consumers in the highest income group (54.9) where their level of concern is now almost 20 points higher.

### *Household Fears – What consumers worry about in relation to their current household financial position*

- Financing retirement is still the biggest worry, followed by providing for their family's future, raising \$2,000 for an emergency and being unable to meet medical/healthcare costs. Consumers worried least about their minimum credit card repayments, having enough for food/basic necessities, their children's education, personal loan repayments and 'non-essentials'. But the level of concern over all factors was higher than in Q3.

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

- How consumers 'feel' doesn't necessarily correspond to how they 'act'. But higher levels of consumer anxiety may have spilt through to consumer spending behaviours in Q4. NAB's measure of spending behaviour showed more consumers on balance were cutting back their spending - and more so than at any time since late-2016.
- Consumer caution was most apparent when spending on 'non-essentials', where the net number who cut back relative to those that spent more widened to -19 in Q4 (-9 in Q3). This mainly reflected a sharp rise in the net number of consumers that cut back on travel, eating out, donations, entertainment and home improvements.
- The net number of consumers who increased their spending on 'essential' goods and services also fell to +4 (+8 in Q3). Spending on 'essentials' is still being mainly driven by utilities, but the net number spending more on utilities in Q4 fell over the quarter.
- Consumers were also more conservative about their expectations in regards to making a major purchase in the next 12 months, with their intention to spend pared back across all types of major purchases.

### *Financial Hardship – Prevalence of perceived hardship and the most common causes.*

- The number of consumers who experienced some form of financial stress or hardship in Q4 reached 39% (35% in Q3). Noticeably more women, 18-29 year olds and low income earning consumers said they suffered some form of hardship than in the previous quarter.
- Being unable to pay a bill remains the common cause of stress or hardship in Q4 - and for more Australians (22%) than in Q3 (19%). It was a problem for even more 30-49 year olds (29%), 18-29 year olds (30%) and low income earners (31%). Not having enough for food and basic necessities was the next biggest cause of hardship - affecting 17% of all consumers in Q4, but 30% of the lowest income earners and 27% of 18-29 year olds.

### *Hardship Drivers – Key concerns of those experiencing/identifying as experiencing financial hardship*

- Utility bills impacted the financial position of almost 1 in 2 'highly' concerned households in Q4 - more than in Q3. Low pensions/other benefits also overtook insufficient savings as the next biggest issue. Other issues that had an impact for around 1 in 5 consumers included grocery bills, rental payments and low wages.
- More young people (18-29) were impacted by rental payments, low wages, transport expenses, not enough work and the absence of a pay rise. More 30-49 year olds highlighted mortgage repayments and children's expenses, while significantly more over 50s cited utility bills, low pensions/other benefits, medical expenses, insufficient super, low interest rates and poor investment returns.

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

	Q4 2017	Q3 2018	Q4 2018
<b>Overall Index</b>	<b>56.3</b>	<b>59.5</b>	<b>62.0</b>
- Job security	42.5	46.3	48.5
- Health	55.2	59.6	60.2
- Ability to fund retirement	58.7	60.9	64.6
- Cost of living	63.8	66.2	70.1
- Government policy	61.5	64.6	66.7

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

Q4 2017	Q3 2018	Q4 2018
59.7	60.9	63.0

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

	Q4 2017	Q3 2018	Q4 2018
Medical bills/healthcare	45	41	45
Mortgage, rent, housing costs	41	38	42
Credit card repayments	34	30	33
Personal loan repayments	36	37	40
Children's education	37	39	40
Food/basic necessities	39	35	38
Monthly household bills	43	38	43
Non-essentials (holidays, eating out)	45	39	41
Raising \$2,000 in emergency	49	42	47
Financing retirement	56	53	56
Providing for family's future	51	45	49

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

	Q4 2017	Q3 2018	Q4 2018
Non-essential spending	-13	-9	-19
Essential spending	10	8	4
Financial spending	-3	-1	-6
<b>Overall Spending Behaviours</b>	<b>-4</b>	<b>-2</b>	<b>-10</b>

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

	Q4 2017	Q3 2018	Q4 2018
Travel	-9	2	-11
Eating out (coffee, take-away, restaurants, etc.)	-18	-16	-28
Entertainment (movies, sports, concerts, etc.)	-19	-14	-24
Groceries (food, alcohol etc.)	6	9	5
Home improvements and maintenance	0	2	-8
Major household items (appliances, furniture etc.)	-17	-16	-25
Utilities (electricity, gas, phone, etc.)	22	15	11
Personal goods (clothes, toiletries, sports, pets, etc.)	-13	-13	-19
Medical expenses (doctors, pharmacy, optical etc.)	11	10	5
Transport (car running costs and public transport)	11	9	4
Children (school fees, childcare, activities etc.)	-1	-5	-6
Paying off debt	7	12	8
Use of credit	-11	-19	-22
Savings, investments and super contributions	-4	4	-5
Charitable donations	-16	-12	-23

# 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 Q4...

The NAB Consumer Anxiety Index - a measure of concern about future spending and savings plans arising from job security, health, retirement funding, cost of living and government policy - increased further in Q4 2018. The Index rose to 62.0 points (59.5 in Q3) to its highest level in over 3 years and above its average level (59.9).

Furthermore, the index climbed by more than 10 points over the course 2018 as slow income growth, high debt levels, weaker growth in household wealth and falling house prices have increasingly weighed on consumers.

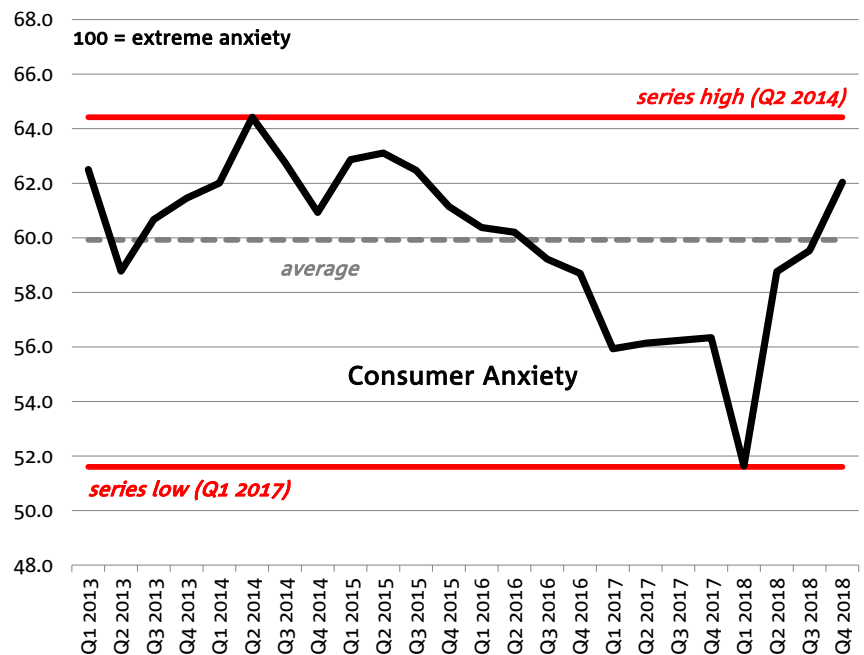
Higher anxiety in the December quarter was evident across all components of the index. It increased most in regards to cost of living (up 3.9 to 70.1) and it remains the biggest driver of overall consumer anxiety. Around 1 in 3 consumers (32%) reported 'high' levels of anxiety over their cost of living (up from 25% in Q3 and the highest number since mid-2014), with 1 in 3 (32%) also reporting 'medium' levels of anxiety.

With a looming federal election and ongoing domestic political instability, government policy was the next biggest cause of consumer anxiety (up 2.1 points to 66.7). Over 1 in 2 consumers (55%) reported 'medium' or 'high' levels of anxiety over government policy in Q4 (53% in Q3).

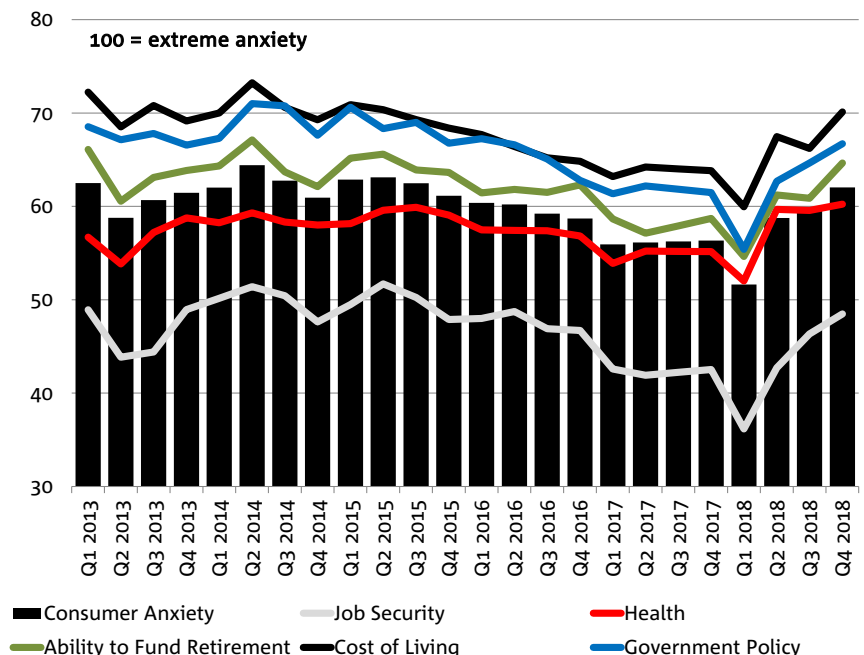
Anxiety relating to retirement funding also rose sharply in Q4 (up 3.8 to 64.6), with almost 28% reporting 'high' levels of stress. Consumers were also slightly more anxious about their health (up 0.7 points to 60.2).

Concern over job security is still causing the least stress for consumers (and by some margin). But despite a labour market that appears favourable (employment growth is continuing at an above average pace and unemployment remains steady), consumer concern over their job security increased for the third straight quarter (up 2.1 points to 48.5) - it's highest level since mid-2016.

## NAB CONSUMER ANXIETY INDEX



## NAB CONSUMER ANXIETY INDEX: COMPONENTS

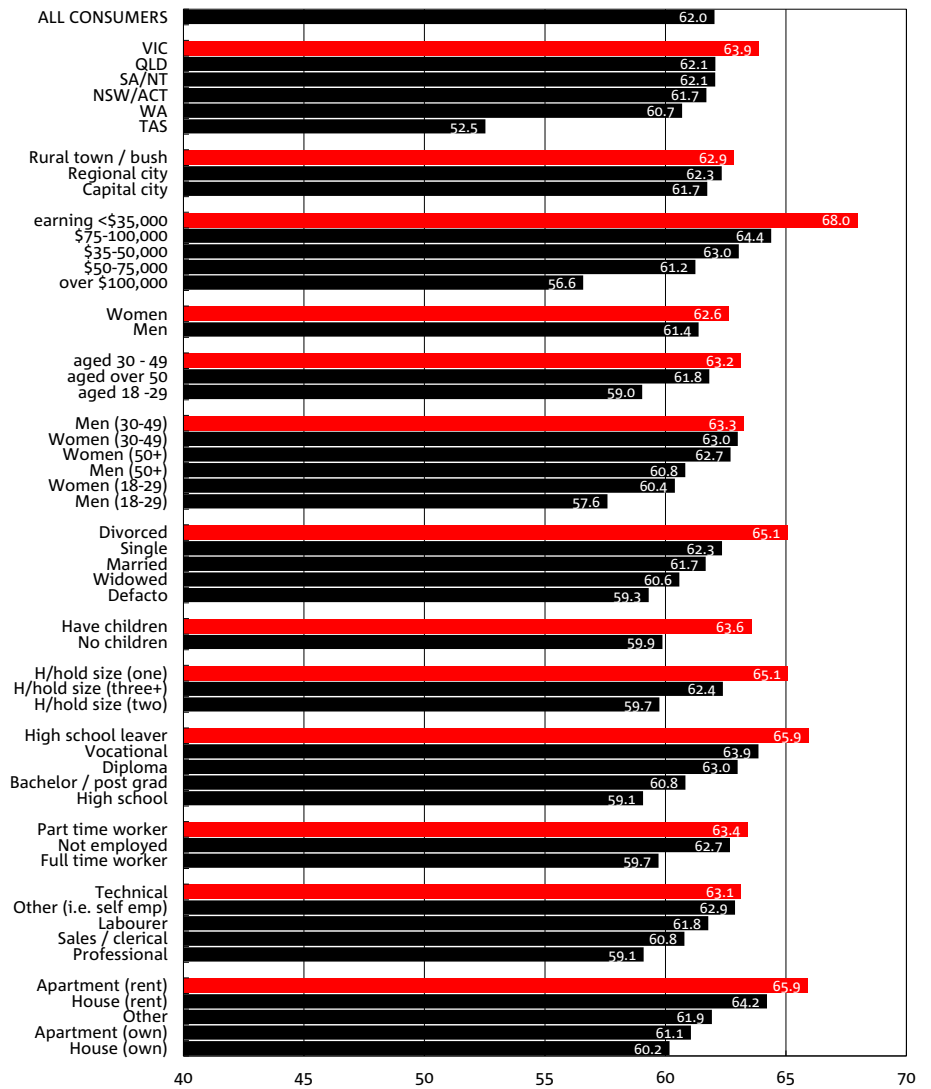


While consumer anxiety levels continue to vary widely across key demographic groups, anxiety levels in Q4 increased in all but 5 of 53 monitored groups - consumers in WA and TAS, earning more than \$100,000 p.a., consumers in a defacto relationship, or who had 'other' living arrangements than home owner or renter.

In Q4, anxiety was highest for consumers earning less than \$35,000 p.a. (up 4.5 to 68.0), apartment renters (up 4.6 to 65.9), high school leavers (up 4.8 to 65.9), divorced people (up 3.6 to 65.1), consumers in a single person household (up 5.6 to 65.1), people earning between \$75-100,000 p.a. (up 5.6 to 64.4), house renters (up 1.6 to 64.2), lived in VIC (up 2.7 to 63.9) or who had a vocational qualification (up 4.5 to 63.5).

Consumer anxiety was lowest for consumers in TAS (down 1.9 to 52.5), people earning over \$100,000 p.a. (down 0.5 to 56.6), 18-29 year olds (up 1.5 to 59.0), particularly young men (up 0.7 to 57.6), consumers with a high school qualification (up 0.5 to 59.1), professional workers (up 0.5 to 59.1), consumers in a defacto relationship (down 0.5 to 59.3), consumers living in a 2 person household (up 2.9 to 59.7), full time workers (up 0.8 to 59.7) and consumers with no children (up 2.0 to 59.9).

### NAB CONSUMER ANXIETY INDEX: ALL GROUPS



VIC (up 2.7 to 63.9) replaced WA (down 0.6 to 60.7) as the most anxious state, with consumers in VIC also the most anxious about job security (51.2), health (62.5) and government policy (68.2). TAS (down 1.9 to 52.5) was the least anxious state and least anxious about all key measures. Anxiety increased most in SA/NT (up 5.4 to 62.1) led by noticeably higher concern about job security (up 8.6 to 47.9), retirement funding (up 6.3 to 64.4) and cost of living (up 6.0 to 71.0). QLD was the most anxious state for cost of living (72.5) and ability to fund retirement (66.5).

The anxiety gap between women (up 2.0 to 62.6) and men (up 3.0 to 61.4) narrowed in Q4. Women reported higher levels of anxiety around their cost of living (71.9 vs. 68.2), ability to fund retirement (66.3 vs. 62.9) and their health (61.7 vs. 58.7) than did men. Men were however, noticeably more anxious about their job security (50.3 vs. 46.6) and a little more worried about government policy (66.8 vs. 66.6).

By age, 30-49 year olds reported the highest levels of anxiety overall (up 0.9 to 63.2). It was also highest for both middle-aged women (up 0.4 to 63.0) and men (up 1.4 to 63.3), underpinned by higher levels of stress about their living costs. Anxiety increased most for the over 50s (up 4.8 to 61.8), driven by big increase for men (up 6.2 to 60.8) who cited increased anxiety over job security (up 11.1 to 40.1), cost of living (up 8.4 to 67.6) and retirement funding (up 8.4 to 67.6). Young people were least anxious about all measures except job security.

By income, the anxiety 'gap' between the highest (down 0.5 to 56.6 points) and lowest (up 4.5 to 68.0) income earning consumers stretched to its widest point since Q3 2014. Not surprisingly, the lowest income earning consumers reported higher levels of anxiety around all key drivers, especially health (68.8 vs. 53.0), retirement funding (72.9 vs. 64.1) and cost of living (71.0 vs. 63.6).



# PART 2: HOUSEHOLD SPENDING BEHAVIOURS

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

## Consumer spending behaviours were noticeably more conservative in Q4...

How consumers 'feel' doesn't necessarily correspond to how they 'act'. But in the December quarter, higher levels of consumer anxiety translated into more conservative consumer spending behaviours.

NAB's measure of household spending behaviour (which counts the number of consumers that spent more on a range of items against those that spent less on these items) showed that consumers were on balance still cutting back, and more so than in the previous quarter and more than at any time since late-2016.

NAB's overall spending indicator fell to -10 in Q4, down from -2 in Q3 2018 and -4 in the same period last year. This means the net number of consumers that cut back their overall spending relative to those that increased spending rose substantially in the December quarter.

Consumer caution was most apparent when it came to spending on 'non-essentials', where the net number who said they cut back spending relative to those that spent more widened to -19 in Q4 (-9 in Q3).

This mainly reflected big increases in the net number of consumers that cut back their spending on travel (-11 vs. +2 in Q3), eating out (-28 vs. -16), donations (-23 vs. -12), entertainment (-24 vs. -14) and home improvements (-8 vs. +2) relative to the previous quarter.

The net number of consumers who increased their spending on 'essential' goods and services also fell to +4 from +8 in the previous quarter. Spending on essentials continues to be mainly driven by utilities, but the net number of consumers who spent more on utilities in Q4 fell to +11 (+15 in Q3 and +22 one year ago).

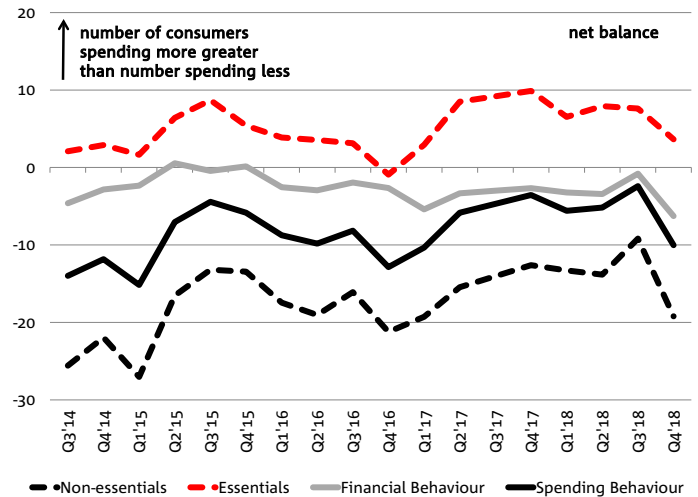
The net number of consumers that spent more than less on 'essentials' also fell in regards to groceries (+5 vs. +9 in Q3), medical expenses (+5 vs. +10) and transport (+4 vs. +9).

Financial spending behaviour (paying off debt, using credit cards and savings, investments & superannuation) were more conservative.

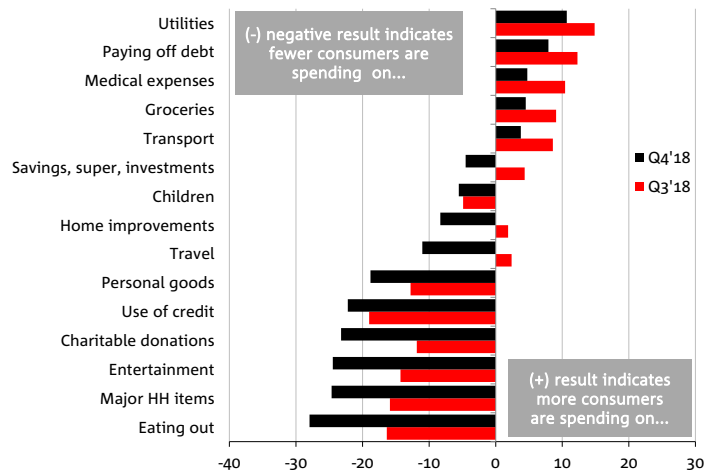
The net number of consumers that back their financial spending increased to -6 in Q4 (-1 in Q3 and -3 one year ago).

This reflected a higher net number of consumers who cut back their spending on their savings, super & investments (-5 vs. +4 in Q3), who paid down debt (+8 vs. +12) and used credit (-22 vs. -19).

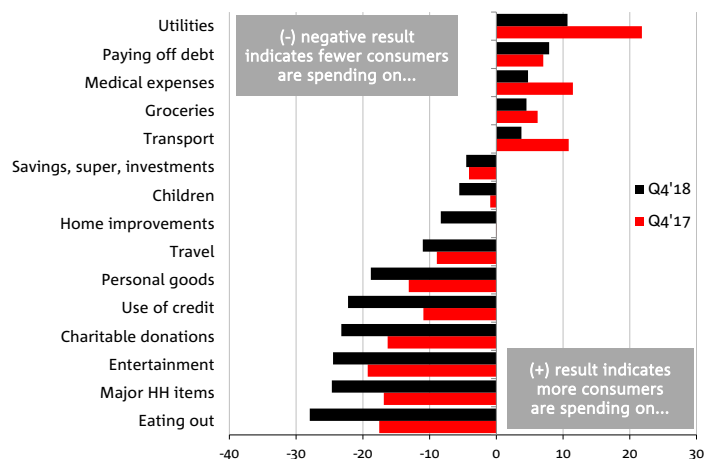
### HOUSEHOLD SPENDING BEHAVIOURS



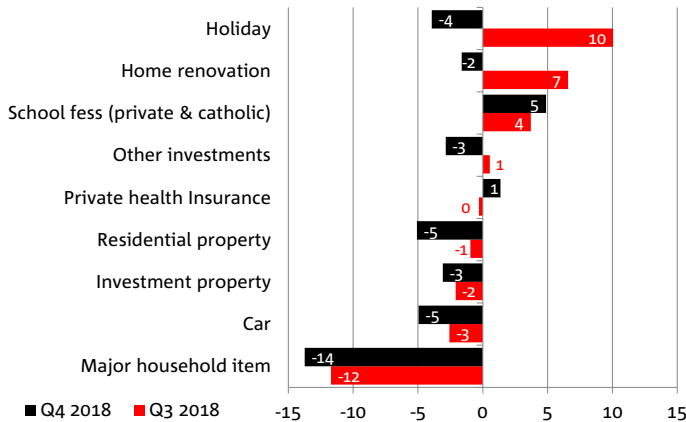
### CHANGES IN HOUSEHOLD SPENDING BEHAVIOURS (Q/Q) (NET BALANCE)



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



**EXPECTATIONS IN REGARDS TO MAKING MAJOR PURCHASES IN NEXT 12 MONTHS (NET BALANCE)**



Consumers were asked about their expectations in regards to making major purchases in the next 12 months. The results reinforce a picture of a more conservative consumer with intentions less positive or more negative around all areas of spending.

Overall, the number who expected to spend more in Q4 out-weighed those expecting to spend less on schools fees (+5) and private health insurance (+1).

More consumers also expect to spend less on major household items (-14), cars (-5), residential property (-5), investment property (-5), other investments (-2) and holidays (-4) in the next year.

Noticeable differences were seen by gender on household items (-18 women vs. -9 men) and cars (-8 women vs. -2 men).

By age, noticeably more over 50s intended to spend less on major household items (-19), cars (-9) and more on school fees (+8), while more 18-29 year olds planned to spend less on holidays (-7) and home renovations (-7).

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

**The level of concern about the economic situation in Australia increased a little in Q4 ...**

Although NAB still sees a reasonably robust outcome for the economy, the level of concern consumers had about the general economic situation in Australia and how it was impacting on their future spending and savings plans increased in Q4 to 64.5 points (63.9 in Q3). A score of 100 signals 'extreme' concern.

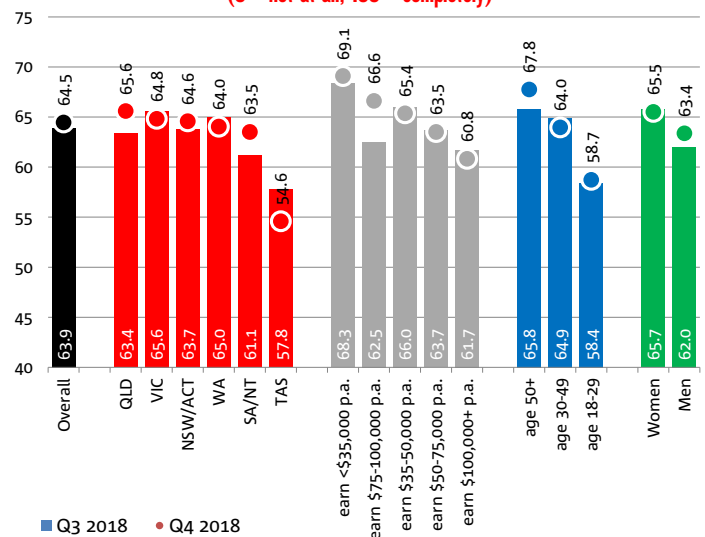
By state, concern increased in QLD (up 2.2 to 65.6), SA/NT (up 2.4 to 63.5) and NSW (up 0.8 to 64.6), but moderated in VIC (down 0.8 to 64.8), WA (down -1.0 to 64.0) and TAS (down 3.2 to 54.6).

The lowest income earners were again most concerned about the economy (69.1) and more than in Q3 (68.3). The highest income earners were the least concerned (60.8) and less so than in Q3 (61.7). Concern increased most in the \$75-100,000 p.a. group - up 4.1 to 66.6.

By age, the economy continues to cause the most concern for over 50s (up 1.9 to 67.8) and the least concern for 18-29 year olds (down 0.3 to 58.7).

Women were slightly less worried about the general economic situation in Australia in Q4 (down -0.2 to 65.5), but men were more worried (up 1.4 to 63.4).

**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 worried about their household financial position in Q4...

When asked to rate their level of concern over their future spending and savings plans arising from their current financial position, consumers scored 63.0 (60.9 in Q3), higher than at any time since late-2016.

By gender, the level of concern increased for women (up 3.0 to 65.5) and has climbed above Survey average levels (63.0). Men also rated their level of concern higher (up 1.3 to 60.5) and above average (58.5).

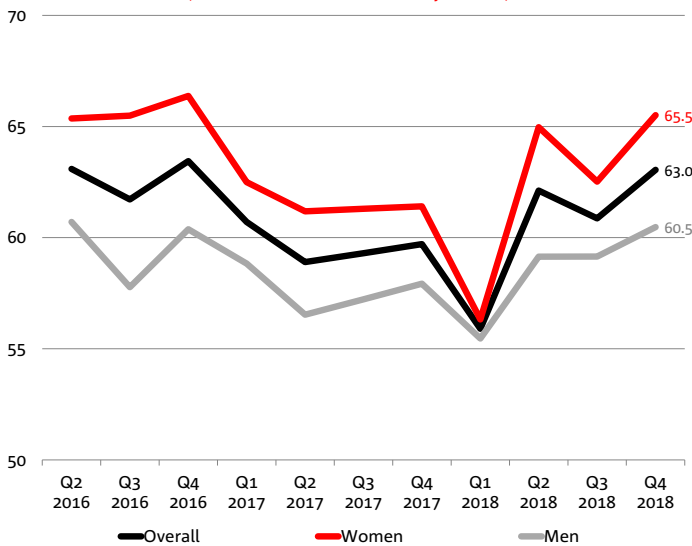
Consequently, the gap between women and men widened to 5.0 points in Q4, from 3.4 points in the previous quarter.

Concern increased in all age groups. It rose most among the over 50s (up 4.4 to 60.9), but they remain the least concerned overall. Consumers aged 30-49 years olds continue to be the most worried about their current financial position (up 0.1 to 65.4). Young Australians aged 18-29 were also more worried (up 1.3 to 63.3).

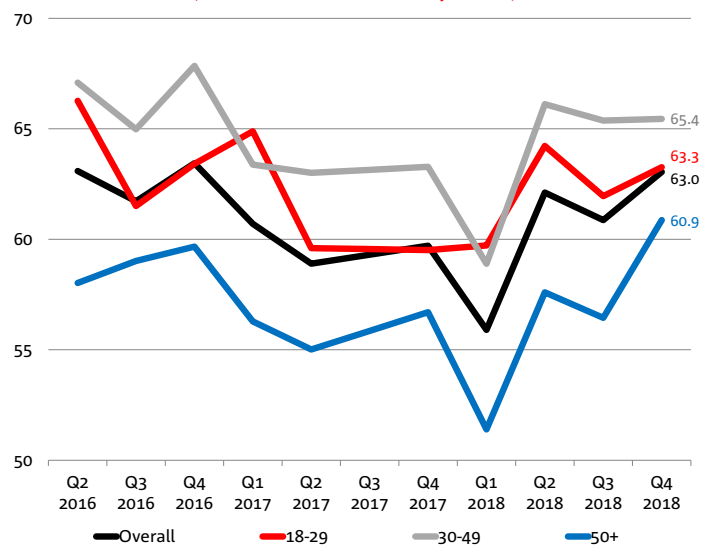
The level of concern increased for women in all age groups. It rose most for women aged 18-29 (up 3.8 to 67.2) and women over 50 (up 3.6 to 63.2), who also replaced women aged 30-49 as the most concerned.

Concern among 18-29 year old (down 1.4 to 59.0) and 30-49 year old men (down 1.6 to 63.6) fell in Q4, but it rose sharply for men over 50 (up 5.2 points to 58.3). Men were less concerned than women in all age groups.

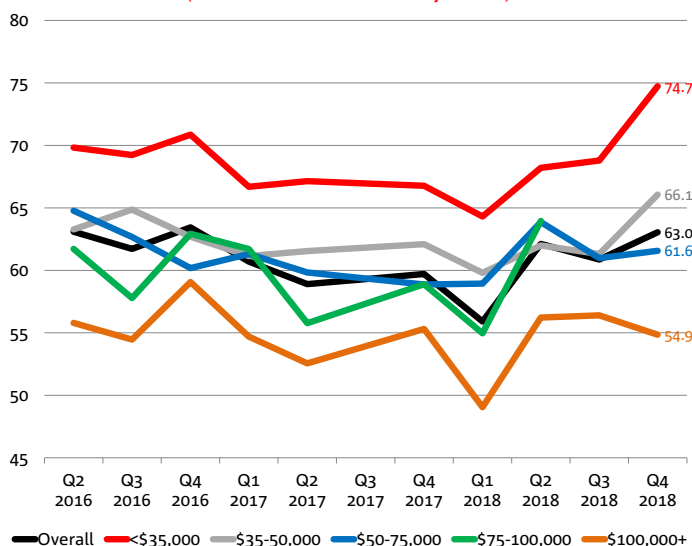
**CONCERN OVER HOUSEHOLD FINANCIAL POSITION: GENDER**  
(0 = not at all concerned; 100 = extremely concerned)



**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 at all levels, except among consumers earning more than \$100,000 p.a. where it fell (down 1.6 to 54.9).

The biggest increase was reported by consumers earning less than \$35,000 p.a. (up 5.9 to 74.7). This group of consumers also remain the most concerned - and by some margin. This is particularly evident when compared to the highest income group where their level of concern is almost 20 points higher.

The level of concern also rose noticeably for consumers earning \$35-50,000 p.a. (up 4.8 to 66.1) and \$75-100,000 p.a. (up 3.3 to 63.4 points).

More modest increases were reported by Australian consumers earning between \$50-75,000 p.a. (up 0.6 to 64.6).



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

### Consumers more worried about all factors, but financing their retirement is still their main concern...

Being able to finance their retirement is still the biggest worry for Australian consumers in relation to their current household financial position (56.5), followed by their ability to provide for their family's future (49.1), their ability to raise \$2,000 for an emergency (47.2) and not being able to meet the cost of medical bills or healthcare (44.9). The level of concern over these factors also increased over the quarter.

Consumers worried least about meeting their minimum credit card repayments (33.3), having enough to pay for food and basic necessities (37.5), their children's education (40.1), personal loan repayments (40.5), and 'non-essentials' (40.7). Again however the level of concern over all these factors was higher than in Q3.

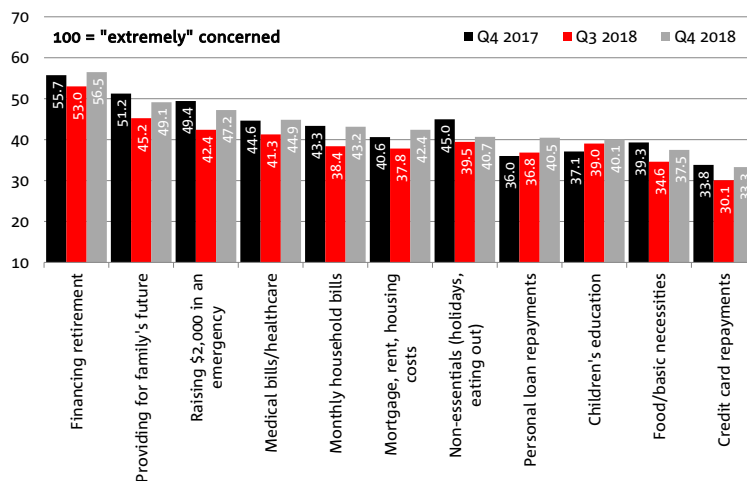
By income, consumers earning less than \$35,000 p.a. expressed much higher levels of concern over all drivers than any other income group, except when it came to having enough to pay for their children's education.

When compared to consumers in the highest income earning group (over \$100,000 p.a.) the areas in which low income earning consumers were significantly more concerned were being able to raise \$2,000 for an emergency (62.7 low income vs. 37.0 high income), not having enough for food and basic necessities (53.4 vs. 27.8) and not having enough money to meet their normal monthly household bills (57.6 vs. 33.6). Low income earners also expressed noticeably higher levels of concern about not being able to meet the cost of their medical bills or healthcare (56.4 vs. 37.9) and not having enough to pay off personal loans (50.7 vs. 32.3).

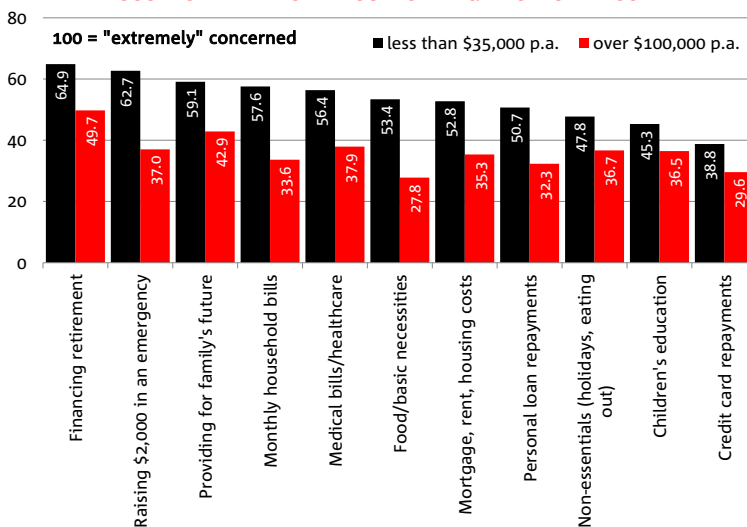
By gender, women and men both expressed higher levels of concern over the impact of all factors on their household financial position during the December quarter. But the level of concern increased more for women than it did for men for all factors. Consequently, women also expressed higher levels of concern than men over all factors.

This was most evident when it came to raising \$2,000 for an emergency (51.1 women vs. 43.2 men), paying for medical bills or healthcare (48.5 vs. 41.1), not having enough to pay the monthly household bills (46.4 vs. 39.8) and meeting monthly mortgage repayments, rents or other housing costs (45.4 vs. 39.4).

### 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?

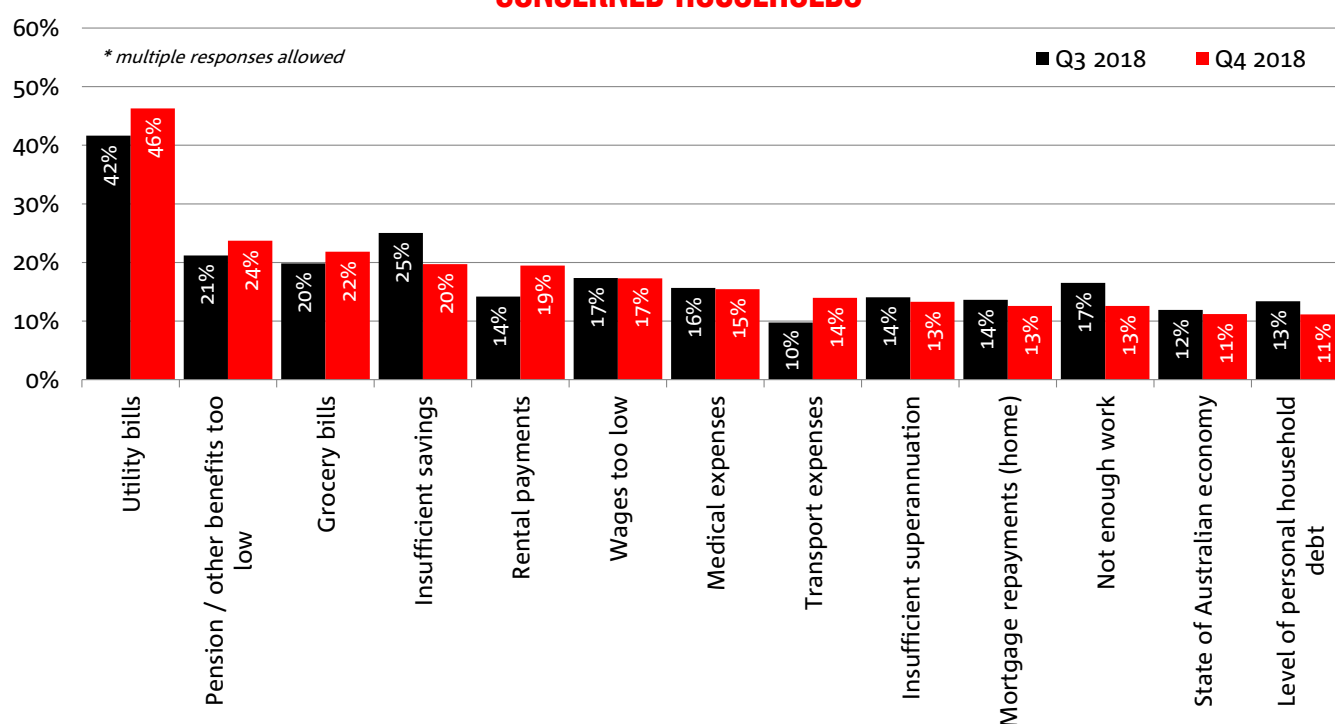
### Utility bills impacted the financial position of almost 1 in 2 'highly' concerned households in Q4...

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.

The biggest impact came from utility bills according to almost 1 in 2 (or 46%) 'extremely' concerned consumers. It also impacted more consumers than in the previous quarter (42%). Low pensions or other benefits (24%) overtook insufficient savings (20%) as the next biggest issue.

Other issues that impacted a significant number of 'highly' concerned households in the December quarter (around 1 in 5) included their grocery bills (22% up from 20% in Q3), rental payments (19% vs. 14% in Q3) and low wages (17% and unchanged)

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



The table on the following page highlights some key differences by gender. In particular, noticeably more women in 'highly' concerned households were impacted by their utility bills (50% vs. 42%), their grocery bills (25% vs. 18%) and children expenses (11% vs. 5%) than men. In contrast, noticeably more men said they were being impacted by the state of the Australian economy (16% vs. 8%), transport expenses (17% vs. 12%) and the state of the global economy (7% vs. 2%) than women.

Differences were even more pronounced by age. For example, noticeably more young people (18-29) said they were impacted by rental payments (33%), low wages (29%), transport expenses (25%), not enough work (22%) and absence of a pay rise (12%) than any other age group.

A lot more 30-49 year olds said that home mortgage repayments (19%) and children's expenses (16%) had an impact on their current financial position. But significantly more over 50s said utility bills (55%), low pensions and other benefits (42%), medical expenses (21%), insufficient superannuation (22%), low interest rates (12%) and poor investment returns (8%) impacted 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 (45%), not enough work (15%) and rental bills (21%) when compared to 'highly' concerned consumers in the highest income households. In contrast, a lot more consumers in the highest income group said they were impacted by their home mortgage repayments (24%), level of household debt (21%) and absence of a pay rise (13%).

## 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	46%	50%	42%	33%	43%	55%	49%	46%
Pension / other benefits too low	24%	25%	22%	9%	11%	42%	45%	4%
Grocery bills	22%	25%	18%	21%	23%	21%	26%	21%
Insufficient savings	20%	19%	20%	23%	21%	17%	18%	19%
Rental payments	19%	19%	21%	33%	21%	12%	21%	13%
Wages too low	17%	17%	18%	29%	23%	6%	9%	16%
Medical expenses	15%	16%	15%	11%	12%	21%	16%	13%
Transport expenses	14%	12%	17%	25%	15%	8%	10%	19%
Insufficient superannuation	13%	13%	14%	2%	9%	22%	11%	13%
Mortgage repayments (home)	13%	13%	12%	13%	19%	7%	4%	24%
Not enough work	13%	13%	12%	22%	13%	7%	15%	6%
State of Australian economy	11%	8%	16%	10%	9%	14%	8%	15%
Level of personal household debt	11%	11%	11%	16%	14%	7%	5%	21%
Children expenses	9%	11%	5%	11%	16%	1%	5%	14%
Low interest rates	7%	6%	8%	4%	3%	12%	4%	5%
Absence of a pay rise	6%	6%	7%	12%	8%	2%	2%	13%
Poor investment returns	5%	3%	7%	1%	3%	8%	3%	4%
Home improvements & maintenance	5%	5%	4%	3%	4%	6%	4%	7%
State of global economy	4%	2%	7%	6%	4%	4%	2%	7%
Other	2%	3%	2%	2%	2%	3%	4%	2%
Major household items	2%	3%	1%	3%	2%	2%	3%	2%
Mortgage repayments (investment property)	2%	2%	3%	4%	3%	1%	1%	6%

TOP 5	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?*

**Around 4 in 10 Australian consumers experienced some form of financial stress or hardship in the last 3 months...**

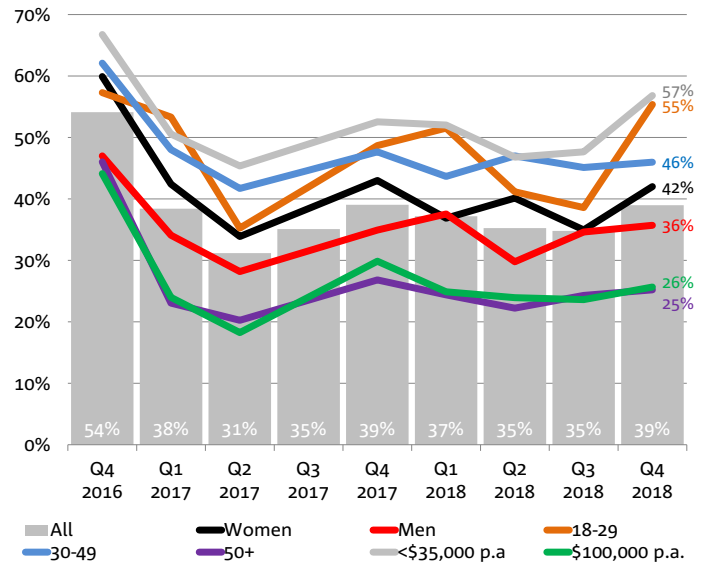
The number of Australians that experienced some form of financial stress or hardship in the past 3 months increased to 39% in Q4 (35% in Q3), signalling that around 4 in 10 consumers were impacted.

But the overall result masks some important differences. While the number of men who experienced hardship was broadly steady at 36%, the number of women who were impacted climbed to 42% (35% in Q3).

By age, the number of people over the age of 50 (25%) and aged 30-49 (46%) that experienced stress or hardship was broadly unchanged.

There was however a big increase in the number of 18-29 year olds that experienced stress or hardship in Q4 - rising to 55% from 39% in Q3.

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

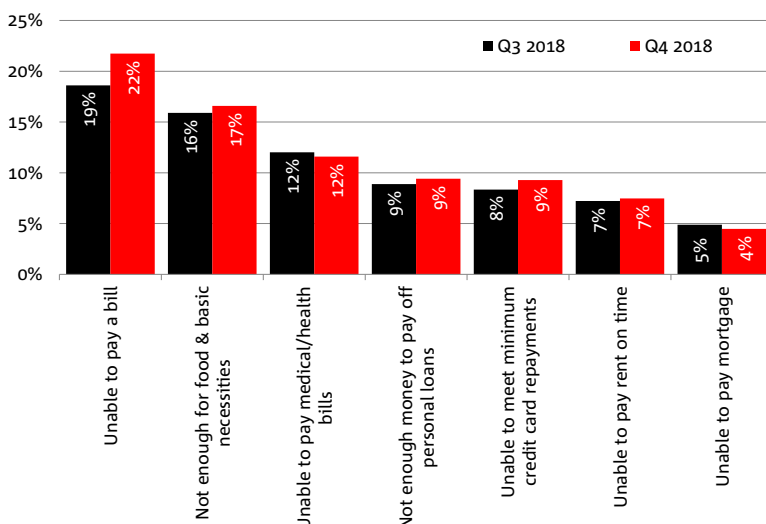


By income, the number of consumers in the lowest income group who faced some financial stress or hardship in Q4 increased to 57% (almost 6 in 10), from 48% in Q3. This compared to just 26% of consumers in the highest income group.

Being unable to pay a bill is still the most frequently cited cause of stress or hardship - and for a greater number of Australians in Q4 (22% vs. 19% in Q3). Being unable to pay a bill was a problem for even more 30-49 year olds (29%), 18-29 year olds (30%) and consumers in the lowest income group (31%).

Not having enough for food and basic necessities was the next biggest cause of financial stress or hardship - affecting 17% of all consumers in Q4, but an even higher 30% of low income earners and 27% of 18-29 year olds. Being unable to pay rent on time was also a much bigger problem for 18-29 year olds (17%) than for the broader population, as was meeting medical costs for low income earners (18%).

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



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