

NAB Consumer Insight Survey

Financial Hardship: Who is struggling, what are the key drivers and what types of debt are being used?



NAB Behavioural & Industry Economics

August 2022

Overall, Australians are coping quite well “making ends meet”, but 1 in 5 say they are really struggling. 1 in 2 low income earners faced some form of financial hardship in Q2. The most common forms of hardship include not having enough for an emergency, for food or basic necessities and being unable to pay a bill (particularly utility bills). Borrowings from family & friends and credit cards were the most common debt options for those in hardship. Over 1 in 10 turned to a payday lender.

On average Australians scored a modest 4.4 pts out of 10 (where 10 signals they are struggling ‘very much’). But the average masks some pockets of concern. Almost 1 in 5 Australians indicated they were struggling ‘very much’ (i.e. scored 8 pts or higher). By state, the highest number were in WA (20%), and the lowest in SA/NT and TAS (15%). It ranged from 21% in rural areas to 16% in capital cities. More women (19%) said they really struggling than men (16%). By age, it ranged from 21% (the 30-49 group) to 12% (the over 65s). By income, over 3 in 10 (31%) low income earners (less than \$35,000 p.a.) were struggling ‘very much’, around 3 times more than in the higher income group (11%) - those earning above \$100,000 p.a.

NAB has a broad measure of “financial hardship” based on the number of Australians who identify with any one of 8 hardship drivers (i.e. not having enough for an emergency; for food & basic necessities; being unable to pay a bill; medical/health bills; rent on time; pay off personal loans; meet minimum credit card repayments; or pay their mortgage).

In Q2, the number of Australians who said they experienced financial hardship over the past 3 months rose to 35% (up from a survey low 29% in Q1). By state, financial hardship was most widespread in WA (43%) where it has been climbing steadily since Q1 2021. It increased most in NSW/ACT (to 38% vs. 26% in Q1), and was also up noticeably in QLD (37% vs. 31% in Q1). It was lowest and fell to 19% in TAS (24% in Q1), followed by SA/NT (28%) and VIC (29%). Hardship was most common in rural areas at 48% (and up from 39% in Q1), but also rose noticeably in regional cities to 46% (36% in Q1). It was lowest in capital cities at 29%, but also increased (24% in Q1).

The share of women reporting hardship rose to an above average 39% in Q2 (vs. 31% in Q1 and much higher than for men where it increased slightly to 31% vs. 28% in Q1). By age, hardship was highest among the 18-29 group (41% vs. 43% in Q1 and well below average). It stepped down progressively in each age group to an above average 22% in the 65+ (vs. 16% in Q1). It rose in all income groups, with no clear relationship between income and hardship except at the lowest and highest income levels. It was highest in the lowest income group at 49% (40% in Q1, broadly in line with the long-term survey average 39%) and lowest but up slightly in the highest income group (26% vs. 24% in Q1).

Most people - around 1 in 5 or 20% - who experienced some form of financial hardship in Q2 said it was caused by not having enough for an emergency (up from 15% in Q1). Not having enough for food or basic necessities (14%) was the next (vs. 12% in Q1), followed by being unable to pay a bill (13% vs. 12% in Q1). There was also an increase in the number who were unable to pay a medical or healthcare bill (10% in Q2 vs. 7% in Q1). Hardship in the form of being unable to pay their rent on time (6%), not having enough money to pay off personal loans (5%), being unable to meet their minimum credit card repayments (5%) or being unable to make a mortgage payment in part or in full (4%) was basically unchanged from the previous quarter.

Noticeably more people in regional cities and rural areas also struggled to have enough for food & necessities (17%). By gender, significantly more women said they did not have enough for an emergency (23% women; 16% men), food or basic necessities (17% women; 11% men), were unable to pay a bill (15% women; 10% men) and did not have enough money to pay off personal loans (8% women; 3% men). Not having enough for an emergency ranged from 25% among those aged 18-29, to 11% among the over 65s. Significantly more young Australians (18-29), did not have enough for food or necessities (21%), were unable to pay a bill (19%) or rent (7%).

By income, a much higher number of people on low incomes did not have enough for an emergency (31%), for food and necessities (26%) or were unable to pay medical and healthcare bills (16%). Along with the \$50-75,000 p.a. group (17%), the lowest income group (18%) also had the highest number who were unable to pay a bill. Interestingly, the highest number of people who were unable to meet a mortgage repayment were in the \$75-100,000 p.a. group (6%).

Almost 1 in 5 (19%) of Australians missed a bill payment in Q2 (vs. 18% in Q1). Regional cities reported a higher number in Q2 (25% vs. 20%), with numbers also slightly higher in rural areas (18% vs. 16% in Q1), but unchanged in capital cities (18%). An unchanged number of men (19%) had missed a payment and a similar number of women (19%) - down from 25% in Q1. By income, it was highest in the \$75-1000 p.a. group (26%, up noticeably from 19% in Q1), followed by the lowest income group which also rose (24% vs. 18% in Q1) and the \$50-75,000 p.a. group (21% vs. 18% in Q1). It was lowest in the \$35-50,000 p.a. group (15% vs. 17% in Q1) and the highest income group (17% also down from 19% in Q1).

The most common area where payments were missed (according to 8% of Australians), were household utility bills for electricity, gas & water (unchanged from Q1) and household utility bills for phone & internet (also unchanged from Q1). Loans from friends or family was next at 7% (5% in Q1) and Buy Now Pay Later (BNPL) at 7% (6% in Q1), followed by credit cards (6% vs. 7% in Q1) and insurances (5% vs. 6% in Q1). Around 1 in 25 (or 4%) had missed a payment on their rent, home loan or mortgage, personal loan, or payday (short-term non-bank) loan. They were least likely to have missed an investment loan payment (2%).

The profile for women and men was broadly similar, but a somewhat higher number of men had missed a payment on their home loan or mortgage (5% men; 2% women) and investment loans (4% men; 1% women). By income, missed payments on electricity, gas & water bills (12%), loans from friends & family (10%) and rents (7%) were somewhat more apparent among the lowest income group. There was also a much higher number of Australians in the \$75-100,000 p.a. income group who had missed a payment on a BNPL loan in the last 3 months (11%), on their credit card (11%) or investment loans (6%) than any other income group. Somewhat more people in the \$50-75,000 p.a. group however said they had missed a payment on their insurances (8%)

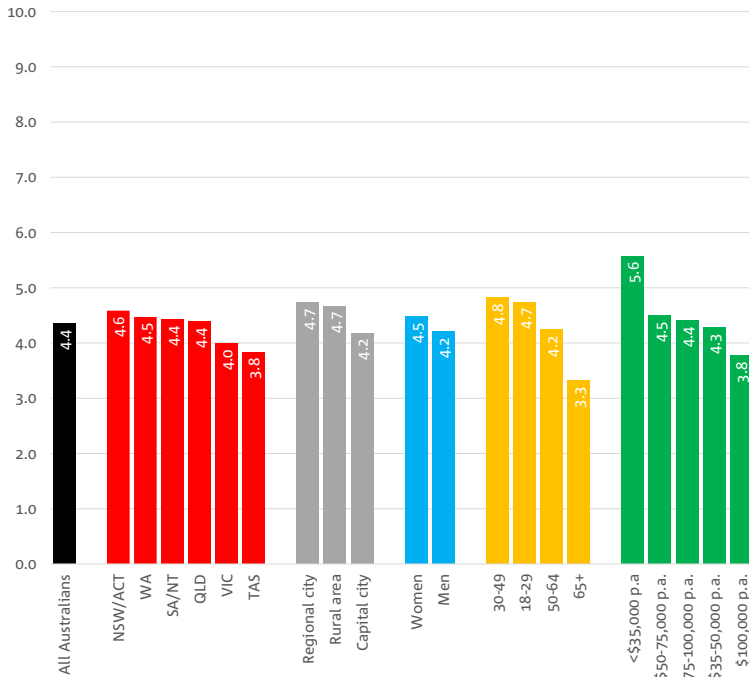
Finally, Australians who had experienced hardship were asked what debt options they had used to help them manage this stress or hardship. Overall, just over 3 in 10 (31%) had relied on borrowings from family & friends (down slightly from 33% in Q1). Credit cards were the next most common option, used by 30% of people in hardship (unchanged). Next was payday lenders, used by 12% of all Australians (but down from 15% in Q1). Around 1 in 10 (10%) resorted to bank loans (unchanged from Q1). The number who relied on overdrafts dropped to 7% (10% in Q1) while "other" measures such as working more, part time jobs etc., fell to 3% (5% in Q1).

A much higher number of women borrowed from family and friends (34% women; 27% men), while a much higher number of men used a credit card (32% men; 28% women), bank loans (14% men; 7% women) and overdrafts (9% men; 5% women). By age, noticeably more in the 18-29 and 30-49 age groups borrowed from family or friends, used a payday lender, bank loan or overdraft, and those over 50 'other' means. Using a credit card to manage was however highest in the 30-49 and over 65 age groups. By income group, borrowing from family or friends ranged from 38% (\$35-50,000 p.a.) to 28% (\$100,000+ p.a.). Credit card usage and bank loans were noticeably more common among those earning over \$75,000 p.a. Overdrafts were used most by most people in the \$75-100,000 p.a. and \$50-75,000 p.a. groups, and pay day lenders in the \$50-75,000 p.a. group, less than \$35,000 p.a. and \$100,000+ p.a. groups.

This report is based on the survey responses from a representative sample of 2,050 Australians conducted over the period 18-26 May 2022.

Extent Australians are struggling to make ends meet

Extent you feel you are struggling to make ends meet (score out of 10 where 10 = 'very much')



On average, Australians are coping quite well with making ends meet. When they were asked to rate the extent they felt they were struggling to make ends meet, on average they scored a modest 4.4 pts out of 10 (where 10 signals they are struggling 'very much').

Though average scores were quite low across the country, they ranged from 4.6 pts in NSW/ACT to 3.8 pts in TAS. Australians living in WA (4.5 pts), SA/NT (4.4 pts) and QLD (4.4 pts) also struggled somewhat more than those living in VIC (4.0 pts).

Making ends meet was also somewhat more challenging for Australians living in regional cities (4.7 pts) and rural areas (4.7 pts) than in our capital cities (4.2 pts), where living costs are traditionally higher - though the gap has narrowed with the rapid growth in migration from city to regional areas seen in recent years.

Women (4.5 pts) struggled a little more than men (4.2 pts).

The divide was however much bigger by age, with Australians in the 30-49 (4.8 pts) and 18-29 (4.7 pts) age groups struggling somewhat more than those in the 50-64 group (4.2 pts) and significantly more than those in the over 65 age group (3.3 pts).

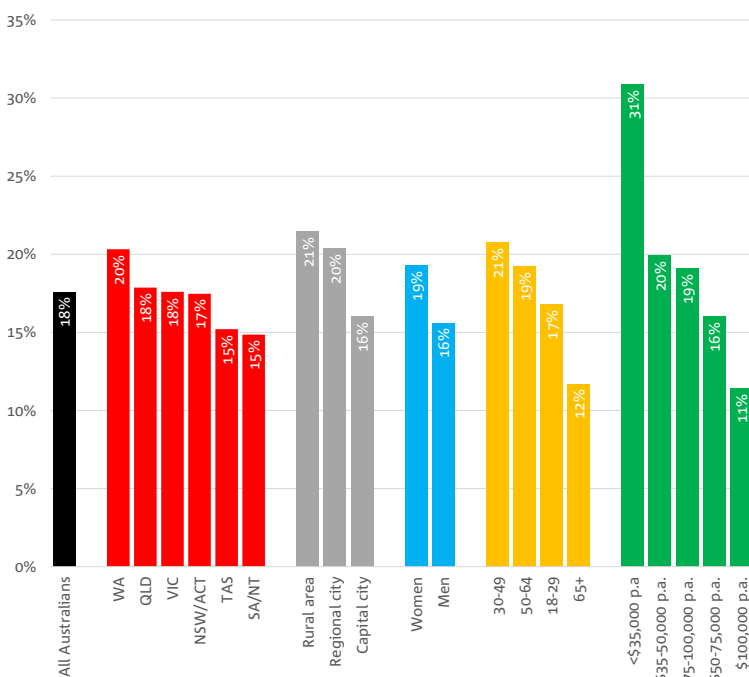
We did not find a strong correlation with income. While Australians in the lowest income group earning less than \$35,000 p.a. (5.6 pts) said they struggled noticeably more than those in the highest income group earning over \$100,000 p.a. (3.8 pts), Australians in the \$50-75,000 p.a. (4.5 pts) and \$75-100,000 p.a. (4.4 pts) income groups also indicated they were struggling more than those in the \$35-50,000 p.a. income group (4.3 pts).

The average score, does however hide a significant number of Australians who are really struggling to make ends meet. Indeed, the survey found that almost 1 in 5 Australians were struggling 'very much' - i.e. they scored the extent they were struggling 8 pts or higher.

By state, the highest number struggling 'very much' were in WA (20%), and lowest in SA/NT and TAS (15%). It ranged from 21% in rural areas to 16% in capital cities. More women (19%) struggled than men (16%). There was a much bigger gap by age where it ranged from 21% in the 30-49 group to 12% in the over 65 group. By income, over 3 in 10 (31%) in the lowest income group were struggling 'very much' to make ends meet, around 3 times more than in the highest income group, where just over 1 in 10 (11%) were struggling 'very much'.

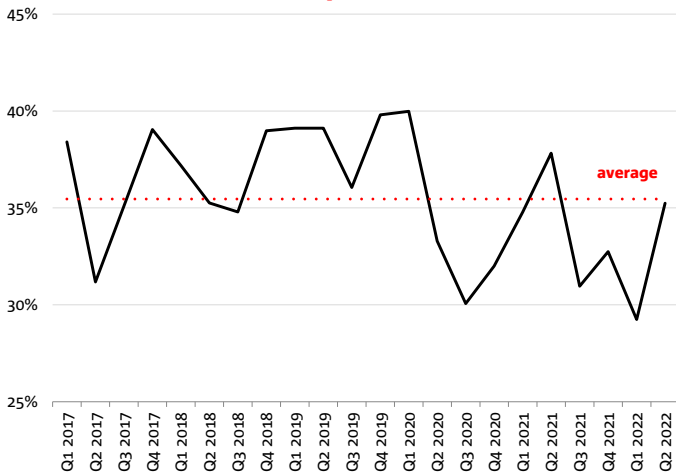
Though the average Australian is coping quite well with making ends meet, almost 1 in 5 are really struggling...

Extent you feel you are struggling to make ends meet (% who scored 'very much' i.e. 8+ pts)



Financial hardships experienced

No. of Australians that experienced financial hardship in last 3m: overall

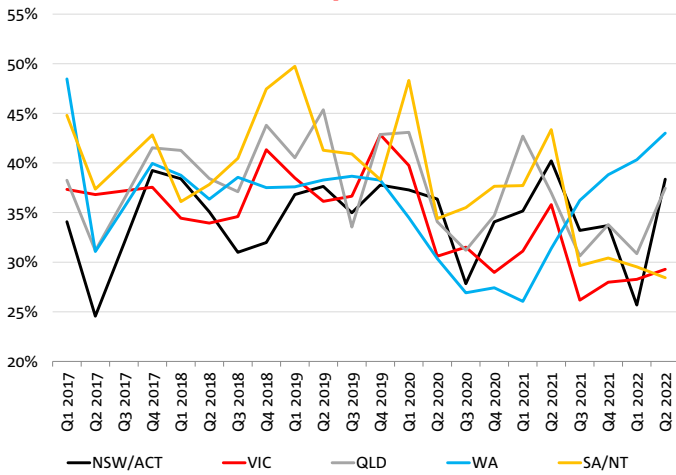


Financial hardship can happen at any time, and is often the result of sickness, job loss or over-commitment. In Q2, the number of Australians who said they experienced actual financial hardship in the past 3 months rose to 35% (up from a survey low 29% in Q1).

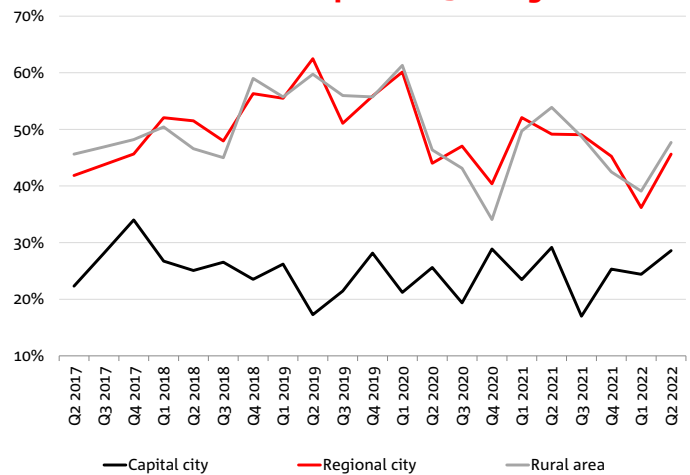
By state, financial hardship was most widespread in WA (43%) where it has also been climbing steadily since Q1 2021. It increased most in NSW/ACT to 38% (26% in Q1), and also rose noticeably in QLD to 37% (31% in Q1). It was lowest and fell to 19% in TAS (24% in Q1), followed by SA/NT (28%) and VIC (29%).

Financial hardship was again most common in rural areas at 48% (and up from 39% in Q1), with hardship also rising noticeably in regional cities to 46% (36% in Q1). It was lowest in capital cities at 29%, but also increased from 24% in Q1 - **see charts below**.

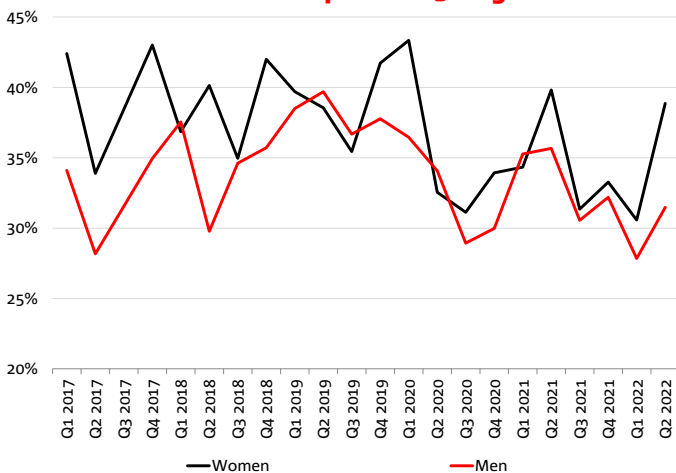
No. of Australians that experienced financial hardship in last 3m: states



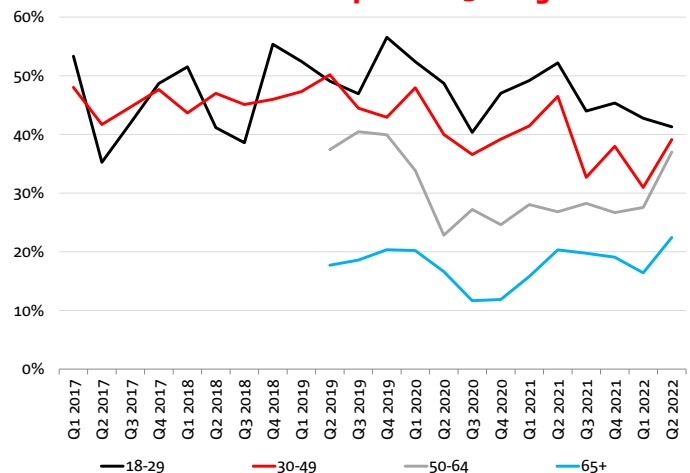
No. of Australians that experienced financial hardship in last 3m: region



No. of Australians that experienced financial hardship in last 3m: gender

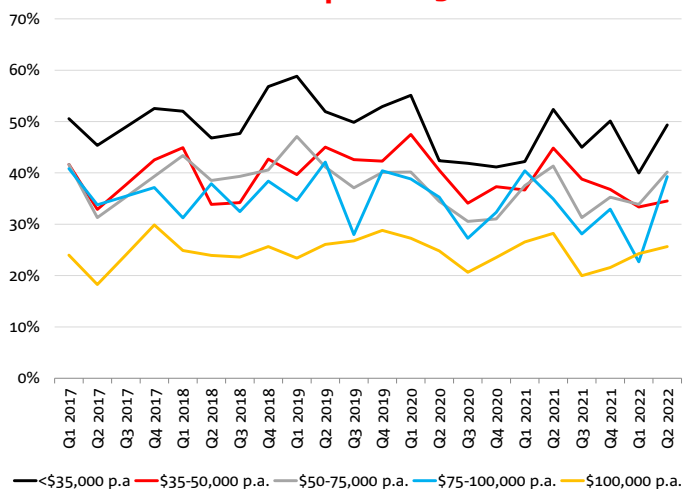


No. of Australians that experienced financial hardship in last 3m: age



The number of women reporting financial hardship rose noticeably to an above average 39% in Q2 (31% in Q1). It was much higher than for men where it increased slightly to a still below average 31% (28% in Q1). By age, hardship was highest in the 18-29 group at 41% (but down 43% in Q1 and well below average). It stepped down progressively in each age group to an above average 22% in the 65+ (up from 16% in Q1). Hardship also climbed noticeably in the 30-49 group to 39% (31% in Q1) and the 50-64 group to 37% (28% in Q1) - **see charts above**.

No. of Australians that experienced financial hardship in last 3m: income



The number who experienced some form of financial hardship in Q2 also climbed in all income groups, with the data again showing no clear relationship between income and hardship except at the lowest and highest income levels.

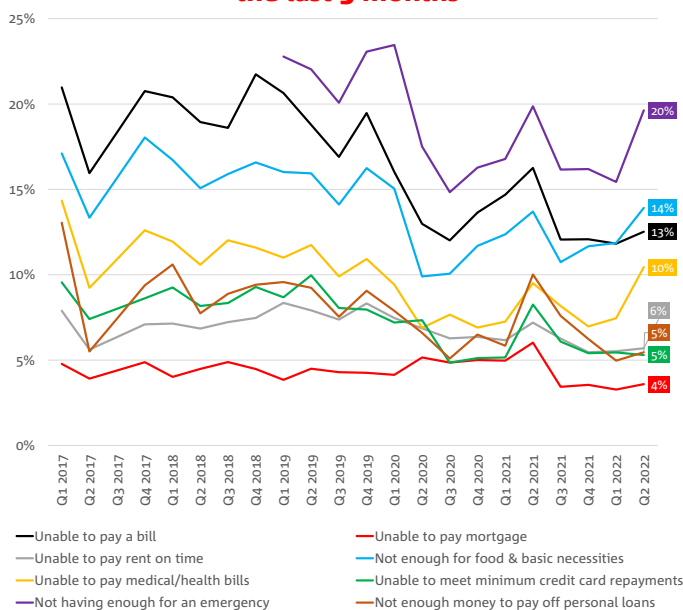
It was highest in the lowest income group at 49% (40% in Q1) and broadly in line with the long-term survey average (39%). It was next highest in the \$50-75,000 p.a. group at 40% (34% in Q1), but below average (38%).

The biggest increase was recorded in the \$75-100,000 p.a. income group where it climbed to 39% (23% in Q1) and printed well above the survey average (35%).

In the \$35-50,000 p.a. group hardship increased to 35% (33% in Q1) but remained below average (39%). It increased slightly in the highest income group to 26% (24% in Q1), but was lowest overall by some margin.

Type of financial hardships experienced

Type of financial hardship experienced in the last 3 months



Most people - around 1 in 5 or 20% - who had experienced some form of financial hardship in Q2 said it was caused by not having enough for an emergency (up from 15% in Q1).

Not having enough for food or basic necessities (14%) was the next most common form of financial hardship (up from 12% in Q1), followed by being unable to pay a bill at 13% (12% in Q1).

We also noted a relatively sizeable increase in the number who said they were unable to pay a medical or healthcare bill to 10% in Q2 (7% in Q1).

But the number of Australians who experienced hardship in the form of being unable to pay their rent on time (6%), not having enough money to pay off personal loans (5%), being unable to meet their minimum credit card repayments (5%) or being unable to make a mortgage payment in part or in full (4%) was basically unchanged from the previous quarter.

The table on the following page shows the types of financial stress or hardships experienced by Australians during Q2 by state, region, gender, age and income - and it reveals some important differences in what drove hardship in these groups.

By state, we noticed somewhat more people in QLD who did not have enough for an emergency (24%), in QLD (16%) and NSW/ACT (15%) not enough for food & necessities, in SA/NT being unable to pay a bill (16%), in NSW/ACT being unable to pay their medical & healthcare bills (13%) and in NSW/ACT and QLD not having enough to pay off personal loans (7%).

In the regions, higher numbers in rural areas reported they did not have enough for an emergency (25%), and in regional cities not enough to pay off personal loans (8%). Noticeably more people in regional cities and rural areas also struggled to have enough for food & necessities (17%).

By gender, significantly more women said they did not have enough for an emergency (23% women; 16% men), food or basic necessities (17% women; 11% men), were unable to pay a bill (15% women; 10% men) and did not have enough money to pay off personal loans (8% women; 3% men).

Type of financial hardship experienced in the last 3 months: key groups

	Not having enough for an emergency	Not enough for food & basic necessities	Unable to pay a bill	Unable to pay medical/health bills	Unable to pay rent on time	Not enough money to pay off personal loans	Unable to meet minimum credit card repayments	Unable to pay mortgage
All	20%	14%	13%	10%	6%	5%	5%	4%
NSW/ACT	21%	15%	13%	13%	6%	7%	6%	5%
VIC	16%	12%	12%	8%	6%	4%	4%	2%
QLD	24%	16%	13%	10%	6%	7%	6%	3%
WA	20%	13%	12%	8%	5%	5%	7%	4%
SA/NT	14%	10%	15%	10%	5%	3%	4%	4%
TAS	19%	8%	4%	6%	0%	0%	4%	2%
Capital city	18%	12%	12%	10%	6%	5%	5%	4%
Regional city	22%	17%	14%	12%	5%	8%	6%	4%
Rural area	25%	17%	14%	11%	4%	5%	7%	3%
Women	23%	17%	15%	12%	6%	8%	6%	4%
Men	16%	11%	10%	9%	6%	3%	5%	3%
18-29	25%	21%	19%	14%	11%	9%	8%	6%
30-49	22%	15%	14%	13%	7%	7%	7%	5%
50-64	20%	14%	12%	10%	3%	4%	4%	2%
65+	11%	6%	5%	4%	1%	1%	2%	0%
<\$35,000 p.a.	32%	26%	18%	16%	7%	8%	6%	3%
\$35-50,000 p.a.	21%	14%	13%	9%	7%	5%	6%	2%
\$50-75,000 p.a.	20%	16%	17%	12%	9%	5%	6%	3%
\$75-100,000 p.a.	16%	14%	12%	13%	5%	6%	7%	6%
\$100,000 p.a.	16%	8%	10%	7%	4%	4%	4%	4%

Not having enough for an emergency impacted most people in all age groups, ranging from 25% in the 18-29 group to 11% in the over 65 group. We also found the number of people who experienced all types of hardship typically fell with age. It was also clear that significantly more young Australians in the 18-29 group experienced not having enough for food or necessities (21%), were unable to pay a bill (19%) or rent (7%) than any other age group.

By income, a much higher number of people in the lowest income group said they did not have enough money for an emergency (31%), for food and necessities (26%) or were unable to pay medical and healthcare bills (16%). Along with the \$50-75,000 p.a. group (17%), the lowest income group (18%) also had the highest number who were unable to pay a bill. Interestingly, the highest number of people who were unable to meet a mortgage repayment were in the \$75-100,000 p.a. group (6%).

Household financial hardship - missed bills or loan repayments

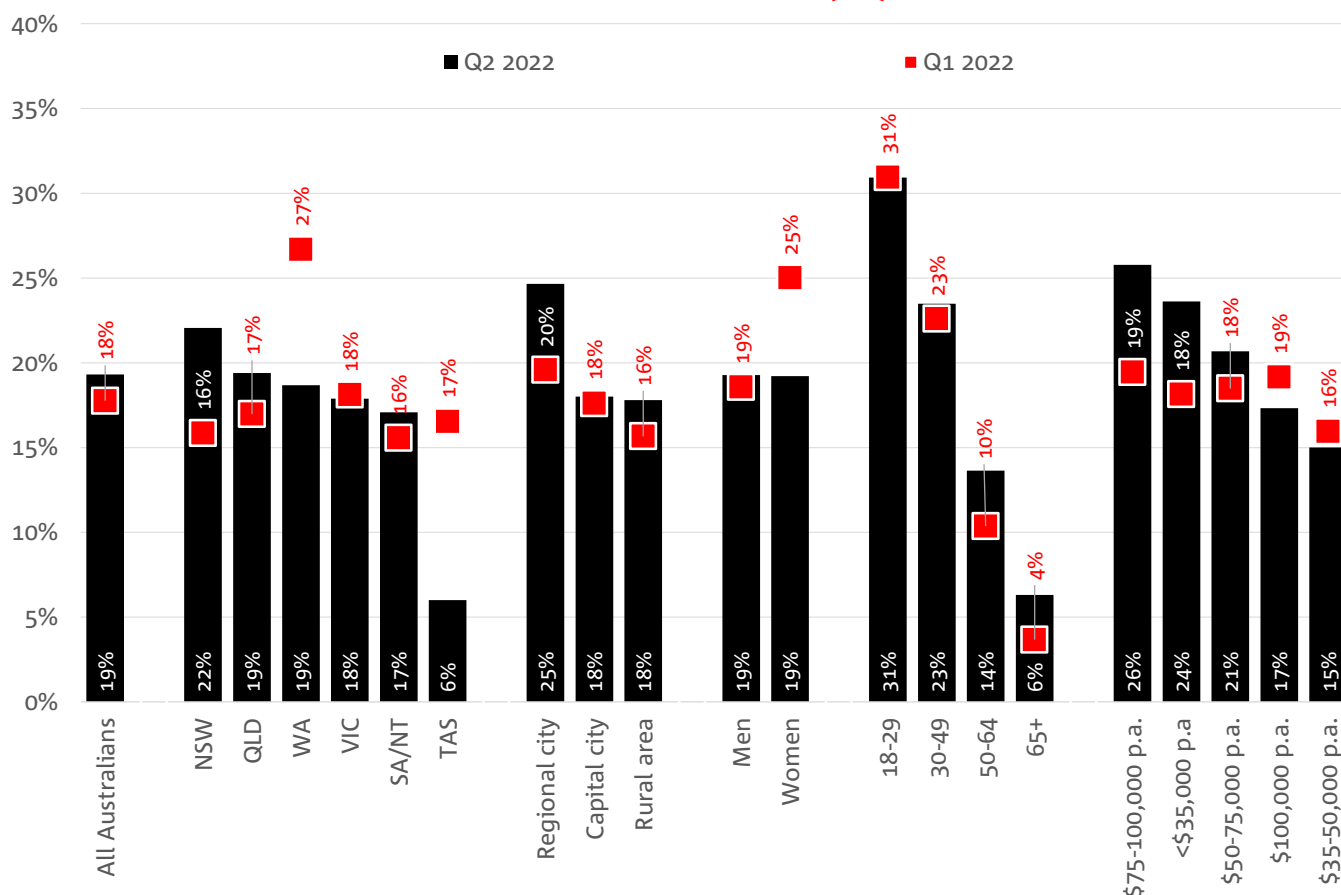
People are often said to be experiencing financial hardship when they are having difficulty paying their bills or repayments on their loans or debts when they are due. When Australians were asked if they had missed a bill or loan payment in a number of areas over the last 3 months, the number that did increased slightly to 19% in Q2, from 18% in Q1.

However, this number varied widely by state. It was highest in NSW at 22% (and up from 16% in Q1) and lowest in TAS at 6% (and down from 17% in Q1). The number of people that missed a payment was up a little in QLD (19% from 17% in Q1) and basically unchanged in VIC (18%) and SA/NT (17%). It fell steeply in WA to 19% (27% in Q1). Regional cities reported a higher number who missed payments in Q2 at 25% (20%), with numbers also slightly higher in rural areas at 18% (16% in Q1), but unchanged in capital cities (18%).

An unchanged number of men (19%) said they had missed a payment in the last 3 months. A similar number of women (19%) had also missed a payment, but this was down from 25% in the previous quarter. By age, the number who missed a payment climbed over the quarter in the over 65 age group (from 4% in Q1), and was also higher in the 50-64 group at 14% (10% in Q1). It was unchanged in the 30-49 group at 23%.

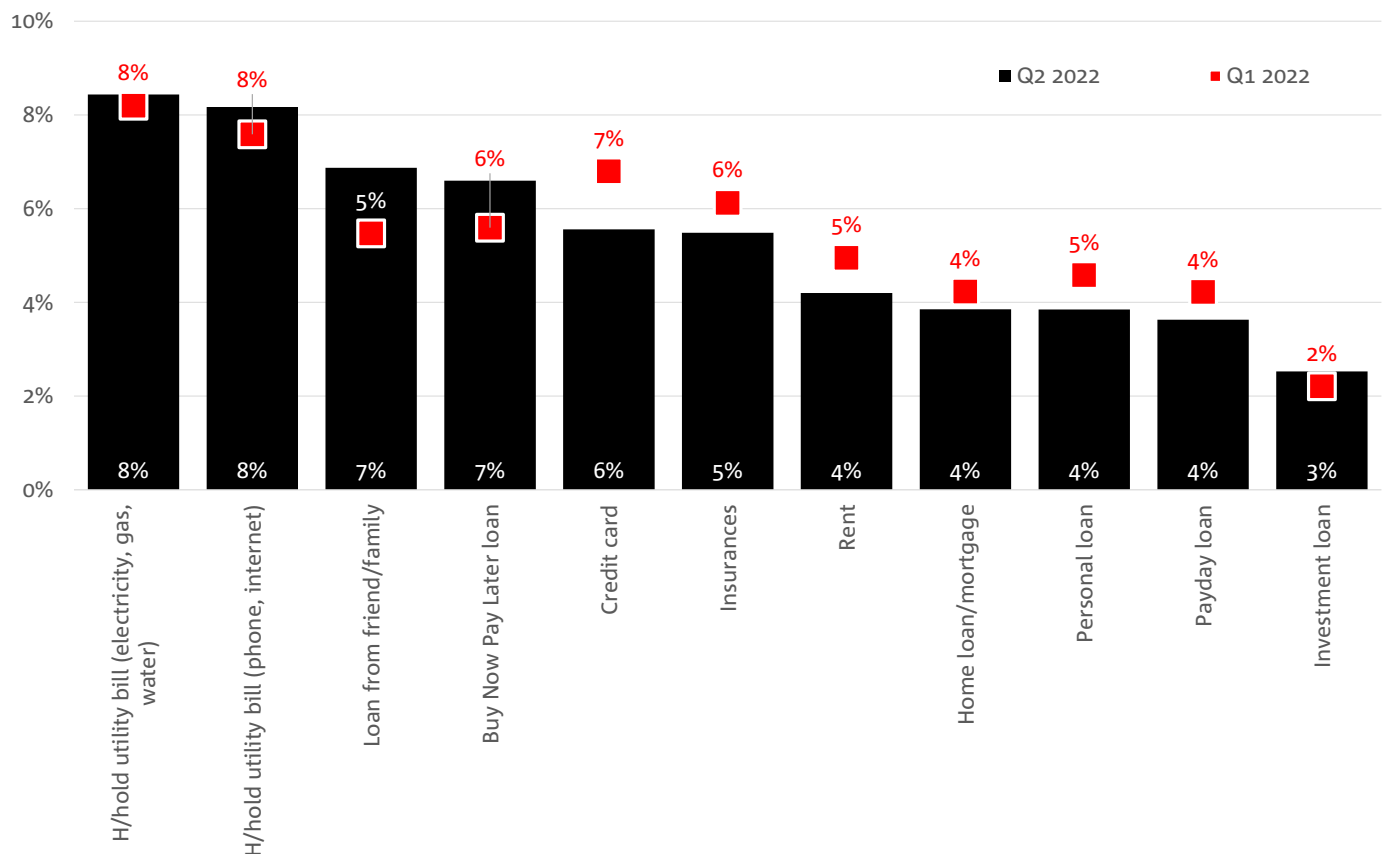
By income, the number of people who missed a payment in the last 3 months was highest in the \$75-100k p.a. group at 26% (and up noticeably from 19% in Q1), followed by the lowest income group which also rose to 24% (18% in Q1) and the \$50-75,000 p.a. group at 21% (also up from 18% in Q1). It was lowest in the \$35-50,000 p.a. group at 15% (down from 17% in Q1) and the highest income group at 17% (also down from 19% in Q1).

Number of people who have missed a payment over the last 3 months (%)



The most common area where payments were missed according to 8% of Australians were household utility bills for electricity, gas & water (unchanged from Q1) and household utility bills for phone & internet (also unchanged from Q1). Loans from friends or family was next at 7% (5% in Q1) and Buy Now Pay Later (BNPL) at 7% (6% in Q1), followed by credit cards at 6% (7% in Q1) and insurances at 5% (6% in Q1). Around 1 in 25 (or 4%) missed a payment on their rent, home loan or mortgage, personal loan, or payday (short-term non-bank) loan They were least likely to have missed an investment loan payment (2%) - [see chart on following page](#).

Type of payment missed in the last 3 months



The tables on the following page show that types of payments missed varied quite noticeably among states, regions and between key demographic groups.

Missing a payment on an electricity, gas & water bills was the most common occurrence in all states in Q2, except TAS where missing a payment on a loan from friends or family ranked on top (6%). However, it ranked equal highest in NSW/ACT alongside phone & internet bills, and loans from friends or family, and in VIC with phone or internet bills. Other key observations included the somewhat higher number of people in NSW/ACT who had missed a payment on their insurances (8%) and rent (6%) in Q2, in NSW (7%), WA (7%) and QLD (6%) on their credit cards, and in WA (6%) and NSW/ACT (5%) a home loan or mortgage repayment.

The highest number of people living in regional (10%) and capital (8%) cities said they had missed a payment on their electricity, gas & water bills, or a phone & internet bill in the last 3 months, while most in rural areas had missed paying an electricity, gas & water bill (10%). We also noted a somewhat higher number in regional cities that missed a payment on a loan from friends or family (9%), BNPL loan (9%), insurances (8%) or personal loan (6%) than in capital cities or rural areas.

The profile for women and men was broadly similar. The main differences were the somewhat higher number of men that missed a payment on their home loan or mortgage (5% men; 2% women) and investment loans (4% men; 1% women).

By age, the most commonly missed bill payment in the 30-49 (11%) and 50-64 (7%) age groups were utilities - both electricity, gas & water, and phone & internet, and in the over 65 group electricity, gas & water (4%). In the 18-29 group, however the most commonly missed bill payment was for a BNPL loan (12%). This group was also somewhat more likely to have missed a rent payment (9%). Missed bill payments were also typically more common for Australians under the age of 50 in all areas except insurances.

By income, missed payments on electricity, gas & water bills (12%), loans from friends & family (10%) and rents (7%) were somewhat more apparent in the lowest income group. We also noted a much higher number of Australians in the \$75-100,000 p.a. income group who had missed a payment on a BNPL loan in the last 3 months (11%), on their credit card (11%) or investment loans (6%) than any other income group. Somewhat more people in the \$50-75,000 p.a. group however said they had missed a payment on their insurances (8%) - **see tables below for more detail.**

Missed a payment in the last 3 months: state & region

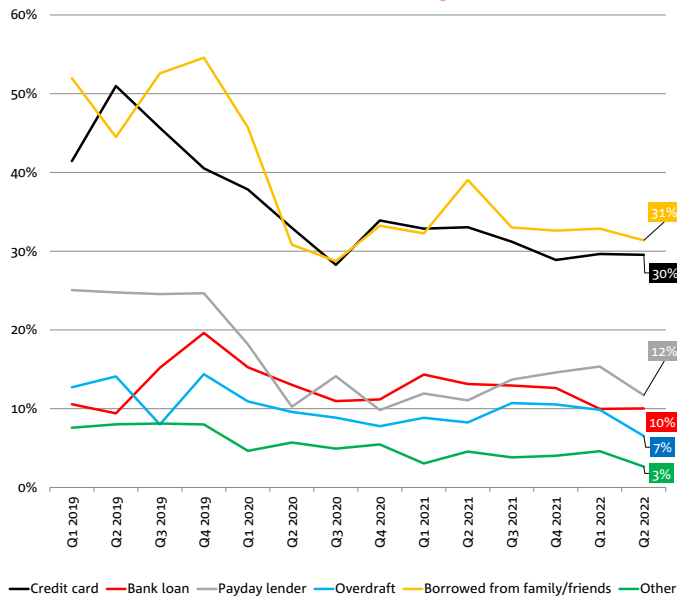
	All	NSW/ACT	VIC	QLD	WA	SA/NT	TAS	Capital city	Regional city	Rural area
Utility bills (electricity, gas, water)	8%	9%	8%	7%	9%	10%	2%	8%	10%	10%
Utility bills (phone, internet)	8%	9%	8%	6%	8%	9%	4%	8%	10%	9%
Loan from friend or family	7%	9%	6%	6%	5%	6%	6%	6%	9%	6%
Buy Now Pay Later loan	7%	8%	6%	6%	7%	6%	4%	6%	9%	6%
Credit card	6%	7%	4%	6%	7%	2%	2%	5%	7%	6%
Insurances	5%	8%	4%	6%	5%	4%	0%	5%	8%	5%
Rent	4%	6%	4%	4%	2%	2%	2%	4%	5%	4%
Home loan/mortgage	4%	5%	2%	3%	6%	3%	2%	4%	3%	3%
Personal loan	4%	5%	4%	4%	1%	3%	0%	4%	6%	2%
Payday loan	4%	5%	2%	5%	4%	2%	0%	4%	4%	3%
Investment loan	3%	4%	1%	3%	2%	1%	0%	3%	2%	2%

Missed a payment in the last 3 months: gender, age & income

	All	Women	Men	18-29	30-49	50-64	65+	<\$35,000 p.a.	\$35-50,000 p.a.	\$50-75,000 p.a.	\$75-100,000 p.a.	\$100,000 p.a.
Utility bills (electricity, gas, water)	8%	9%	8%	10%	11%	7%	4%	12%	7%	9%	10%	7%
Utility bills (phone, internet)	8%	9%	8%	10%	11%	7%	3%	11%	7%	10%	10%	7%
Loan from friend or family	7%	7%	6%	11%	9%	4%	2%	10%	6%	8%	7%	6%
Buy Now Pay Later loan	7%	6%	7%	12%	9%	3%	1%	8%	3%	7%	11%	6%
Credit card	6%	5%	6%	6%	8%	4%	2%	5%	4%	5%	11%	5%
Insurances	5%	6%	5%	8%	6%	5%	2%	6%	5%	8%	6%	5%
Rent	4%	5%	4%	9%	5%	2%	1%	7%	3%	5%	5%	3%
Home loan/mortgage	4%	2%	5%	6%	5%	3%	1%	4%	0%	6%	5%	4%
Personal loan	4%	3%	4%	8%	5%	2%	1%	4%	2%	4%	5%	4%
Payday loan	4%	3%	4%	6%	5%	2%	0%	5%	1%	5%	5%	4%
Investment loan	3%	1%	4%	5%	4%	1%	0%	1%	0%	3%	6%	3%

Type of debt used to manage financial stress or hardship

Type of debt used to manage financial stress or hardship



Australians who experienced some form of financial stress or hardship were also asked what debt options they used to help them manage this stress or hardship.

Overall, just over 3 in 10 (31%) relied on borrowings from family & friends (down slightly from 33% in the previous quarter).

Credit cards were the next most popular option and used by an unchanged 30% of people in hardship.

Next was payday lenders, used by 12% of all Australians (but down from 15% in Q1).

Around 1 in 10 (10%) resorted to bank loans (unchanged from Q1).

The number who relied on overdrafts to manage their hardship dropped to 7% (10% in Q1) and those resorting to “other” measures such as working more, part time jobs etc., fell to 3% (5% in Q1).

Type of debt used to manage financial hardship in past 3 months: key groups

	Borrowed from family or friends	Credit card	Payday lender	Bank loan	Overdraft	Other
All	31%	30%	12%	10%	7%	3%
NSW/ACT	34%	30%	15%	15%	8%	3%
VIC	29%	29%	7%	7%	7%	3%
QLD	32%	27%	11%	8%	6%	4%
WA	26%	34%	10%	9%	1%	1%
SA/NT	33%	26%	14%	5%	5%	3%
TAS	24%	42%	9%	9%	8%	0%
Capital city	29%	33%	11%	12%	8%	2%
Regional city	37%	24%	13%	9%	5%	4%
Rural area	34%	22%	12%	4%	5%	3%
Women	34%	28%	11%	7%	5%	3%
Men	27%	32%	12%	14%	9%	3%
18-29	36%	27%	14%	13%	8%	2%
30-49	34%	34%	15%	12%	7%	2%
50-64	26%	23%	6%	4%	5%	5%
65+	21%	31%	6%	4%	1%	4%
<\$35,000 p.a.	33%	18%	13%	5%	5%	5%
\$35-50,000 p.a.	38%	32%	8%	8%	0%	4%
\$50-75,000 p.a.	34%	24%	14%	11%	9%	0%
\$75-100,000 p.a.	30%	37%	10%	15%	10%	3%
\$100,000 p.a.	28%	40%	12%	13%	6%	1%

By state, the number of people who borrowed from family or friends ranged from around 1 in 3 in NSW/ACT (34%), SA/NT (33%) and QLD (32%) to 1 in 4 in TAS (24%) and WA (26%). We also noted a much higher number in TAS who used credit cards (42%), in NSW/ACT bank loans (15%) and NSW/ACT (15%) and SA/NT (14%) pay day lenders relative to other states.

In the regions, we found a higher number in regional cities that borrowed from family or friends to help manage their hardship (37%), and noticeably more people in capital cities who used their credit cards (33%) or a bank loan (12%).

The key differences between women and men were the much higher number of women who borrowed from family and friends (34% women; 27% men), and the much higher number of men who used a credit card (32% men; 28% women), bank loans (14% men; 7% women) and overdrafts (9% men; 5% women).

By age, noticeably more Australians in the 18-29 and 30-49 age groups borrowed from family or friends, used a payday lender, bank loan or overdraft, and those over 50 'other' means. Using a credit card to manage was however highest in the 30-49 and over 65 age groups.

By income group, borrowing from family or friends ranged from 38% in the \$35-50,000 p.a. group to 28% in the \$100,000+ p.a. group. Credit card usage and bank loans were noticeably more common for Australians earning over \$75,000 p.a. Overdrafts were used most by most people in the \$75-100,000 p.a. and \$50-75,000 p.a. groups, and pay day lenders in the \$50-75,000 p.a. group, less than \$35,000 p.a. and \$100,000+ p.a. groups.

Contacts

Dean Pearson
Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+61 0 457 517 342

Robert De lure
Associate Director Economics
Robert.De.lure@nab.com.au
+61 0 477 723 769

Authors

Dean Pearson & Robert De lure

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.