

more  
than  
money



# NAB Consumer Insights

Q2 2023

Financial Hardship - Who is  
struggling & key hardship drivers

## Key Findings

**Over 4 in 10 (43%) Australians experienced some form of financial hardship in Q2, and is now up from 29% in early-2022 amid rising inflation and higher interest rates. Money is “very much” a source of stress for 1 in 3 Australians, and 1 in 4 are struggling “very much” to make ends meet. New research suggests 3 in 10 Australians do “not at all” feel they could manage a major unexpected expense, and 1 in 5 do “not at all” feel on top of their day to day finances, or believe they are on track to have enough money to provide for their financial needs in the future.**

Over 4 in 10 (43%) Australians experienced some form of financial stress or hardship in Q2. This was up from 42% in Q1 and 35% a year ago, and well above average (36%). Financial hardship levels have now risen from a survey low 29% in Q1 2022 amid higher inflation and rising interest rates.

Financial hardship levels remain above average in all age groups. Hardship was highest for Australians in the 18-29 (55%) and 30-49 (50%) age groups in Q2. Hardship increased for women (50% up from 44% in Q1) but was lower for men (36% down from 40% in Q1). Hardship levels were also well above average for women (38%), but only marginally higher for men (34%).

People in all income groups reported above average levels of hardship in Q2. It jumped significantly to 6 in 10 (60%) in the lower income group (51% in Q1) - around twice as high than in the higher income group (33%).

Trends diverged quite sharply by state. Overall hardship levels fell in NSW/ACT (39%) and were basically unchanged in VIC (41%) and QLD (43%). They climbed quite steeply across the rest of the country - TAS (67%), SA/NT (55%) and WA (48%). Despite these divergent trends, hardship levels printed at above average levels in all states.

More Australians experienced financial stress or hardship for most measures in Q2.

Not having enough money for an emergency remains the most common cause and impacted an unchanged 1 in 4 (24%) people in Q2 (but up from 20% at the same time last year). It impacted noticeably more women (28%), people under the age of 50 (3 in 10), in TAS (37%) and in the lower income group (35%).

Around 1 in 5 Australians overall also said hardship was caused by not having enough money for food & basic necessities or being unable to pay a bill. Noticeably more women, people under the age of 50 and in lower income groups experienced these hardships in Q2.

Despite rising interest rates, the number of Australians unable to make mortgage repayments in Q2 was unchanged at 6% (though up from 4% at the same time last year).

Around 1 in 3 (34%) Australians believe “very much” money is a source of stress in their life (i.e. scored 8 pts or higher), and 1 in 4 (26%) feel they are struggling “very much” to make ends meet.

New research also finds 3 in 10 (28%) Australians do “not at all” feel they could manage a major unexpected expense, and 1 in 5 do “not at all” feel on top of their day to day finances, or believe they are on track to have enough money to provide for their financial needs in the future (i.e. scored 3 pts or lower).

A much higher number in SA (37%) believe “very much” money is a source of stress in their life, and in the NT (33%) feel they are struggling “very much” to make ends meet. The highest number who did “not at all” believe they could manage a major unexpected expense (47%) or felt they were on top of their day to day finances were in TAS (39%).

Key differences by age included a much higher number in the 30-49 group who believe “very much” money is a source of stress in their life (42%), and who felt they were struggling “very much” to make ends meet (31%). We also found a much higher number in the 50-64 group who did “not at all” believe they were on track to have enough money to provide for their financial needs in the future (35%).

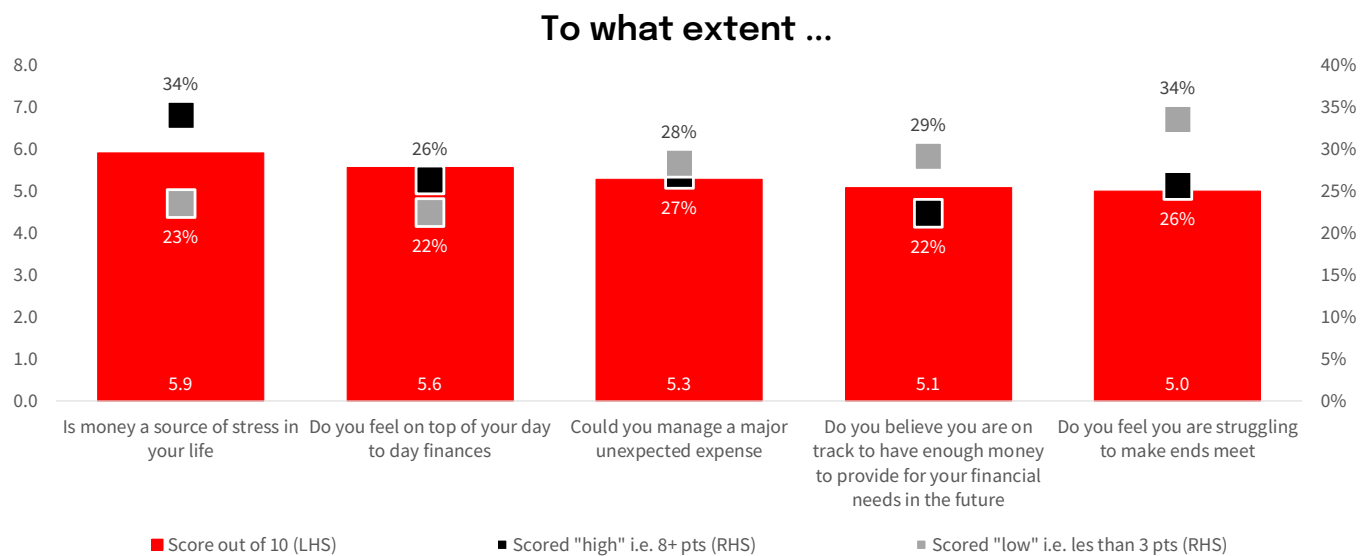
Noticeably more women than men indicated they were not doing very well in all these aspects of their finances (particularly being able to manage a major unexpected expense), as were those in the lower income group (particularly being on track to have enough money to provide for their financial needs in the future, managing a major unexpected expense, feeling on top of their daily finances and struggling to make ends meet).

## How we feel about money & our finances...

In previous surveys, we asked Australians to rate the extent money is a source of stress in their lives, and if they were struggling to make ends meet. New research also now explores how Australians feel about other aspects of their finances - namely the extent they feel than can manage a major unexpected expense, feel they are on top of your day to day finances, and believe they are on track to have enough money to provide for your financial needs in the future.

When asked to rate the extent they agreed with each of these statements, Australians scored their agreement highest for “money is a source of stress in your life” at 5.9 pts out of 10 (where 0 = not at all and 10 = very much). It was next highest for the statement they “feel on top of your daily finances” (5.6 pts) and “could manage a major unexpected expense” (5.3 pts). Agreement was lowest for “struggling to make ends meet” (5.0 pts) and “on track to have enough money to provide for your financial needs in the future” (5.1 pts).

Overall, the results suggest the average Australian feels only “moderately” stressed about money or making ends meet, but also only “moderately” comfortable they are on top of their finances, could manage a major unexpected expense, and are on track to have enough money for their future financial needs.



Average scores for these statements however also hide a large number of people that are really struggling with these aspects of their finances. In Q2, around 1 in 3 (34%) Australians overall agreed “very much” that money was a source of stress in their life (i.e. scored 8 pts or higher), and 1 in 4 (26%) agreed “very much” they are struggling to make ends meet.

We also noted almost 3 in 10 (28%) did “not at all” believe they could manage a major unexpected expense, and 1 in 5 did “not at all” feel they were on top of their day to day finances (22%) or believe they are on track to have enough money to provide for their financial needs in the future (22%) i.e. scored their agreement with these statements 3 pts or lower.

The table on the following page breaks down the number of people who were in “very low” and “very high” agreement with these statements by state, age, gender, and higher/lower income groups.

By state, we noted a somewhat higher number in SA (37%) who said money is “very much” a source of stress in their life, and in the NT (33%) who felt they were struggling to make ends meet. The highest number who did “not at all” believe they could manage a major unexpected expense (47%) or felt on top of their day to day finances were in TAS (39%). TAS (39%) and the ACT (38%) also had the most people who did “not at all” believe they were on track to have enough money in the future.

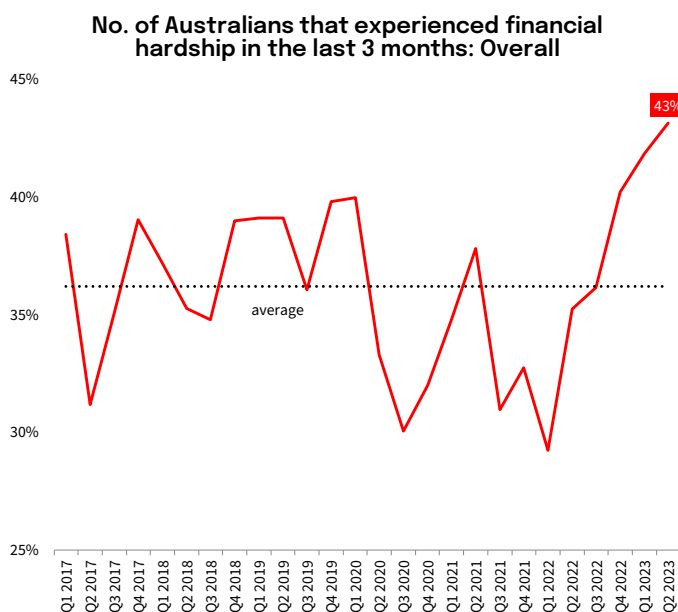
Key differences by age were a much higher number in the 30-49 (42%) and 18-29 (39%) age groups who believe “very much” that money is a source of stress in their life (42%), in the 30-49 group who “very much” feel they are struggling to make ends meet (31%), and the 50-64 group on track to have enough money to provide for their financial needs in the future (35%).

Noticeably more women than men indicated they were not doing very well in all these aspects of their finances, particularly being able to manage a major unexpected expense. More Australian in lower income groups also struggled much more than in higher income groups, particularly when being on track to have enough money to provide for their financial future, feeling on top of their finances, managing a major unexpected expense and struggling to make ends meet

## Extent statements scored “very high” & “very low”

|               | is money a source of stress in your life |            | do you feel you are struggling to make ends meet |            | could you manage a major unexpected expense |            | do you feel on top of your day to day finances |            | do you believe you are on track to have enough money to provide for your financial needs in the future |            |
|---------------|--|------------|--|------------|---|------------|--|------------|--|------------|
|               | Very Low                                 | Very High  | Very Low   | Very High  | Very Low                                    | Very High  | Very Low                                       | Very High  | Very Low   | Very High  |
| <b>All</b>    | <b>23%</b>                               | <b>34%</b> | <b>34%</b>                                       | <b>26%</b> | <b>28%</b>                                  | <b>27%</b> | <b>22%</b>                                     | <b>26%</b> | <b>29%</b>   | <b>22%</b> |
| NSW           | 25%                                      | 35%        | 34%  | 26%        | 28%   | 28%        | 22%  | 29%        | 27%  | 26%        |
| VIC           | 23%                                      | 33%        | 34%  | 24%        | 25%   | 29%        | 23%  | 27%        | 29%  | 22%        |
| QLD           | 26%                                      | 34%        | 34%  | 27%        | 31%   | 27%        | 22%  | 28%        | 34%  | 22%        |
| SA            | 22%                                      | <b>37%</b> | 32%  | 30%        | 35%   | 20%        | 26%  | 16%        | 32%  | 16%        |
| ACT           | 23%                                      | 31%        | 37%  | 23%        | 32%   | 22%        | 23%  | 22%        | <b>38%</b>   | 17%        |
| WA            | 22%                                      | 31%        | 33%  | 22%        | 23%   | 26%        | 20%  | 26%        | 21%  | 22%        |
| TAS           | 14%                                      | 30%        | 29%  | 30%        | <b>47%</b>                                  | 16%        | <b>39%</b>                                     | 16%        | <b>39%</b>   | 14%        |
| NT            | 8%                                       | 34%        | 24%  | <b>33%</b> | 33%   | 19%        | 19%  | 9%         | 28%  | 9%         |
| 18-29         | 14%                                      | <b>39%</b> | 28%  | 25%        | 32%   | 16%        | 27%  | 15%        | 30%  | 13%        |
| 30-49         | 14%                                      | <b>42%</b> | 22%  | <b>31%</b> | 28%   | 24%        | 22%  | 21%        | 28%  | 21%        |
| 50-64         | 27%                                      | 29%        | 39%  | 24%        | 29%   | 30%        | 24%  | 29%        | <b>35%</b>   | 23%        |
| 65+           | 45%                                      | 20%        | 53%  | 19%        | 24%   | 40%        | 17%  | 44%        | 24%  | 34%        |
| Men           | 28%                                      | 30%        | 36%  | 23%        | 22%   | 32%        | 19%  | 30%        | 26%  | 26%        |
| Women         | 19%                                      | <b>38%</b> | 31%  | <b>29%</b> | <b>34%</b>                                  | 23%        | <b>26%</b>                                     | 23%        | <b>33%</b>   | 18%        |
| Lower income  | 24%                                      | 38%        | 26%  | <b>36%</b> | <b>40%</b>                                  | 24%        | <b>33%</b>                                     | 24%        | <b>40%</b>   | 19%        |
| Higher income | 22%                                      | 32%        | 39%  | 18%        | 21%   | 28%        | 17%  | 26%        | 22%  | 22%        |

## Number of Australians experiencing financial hardship

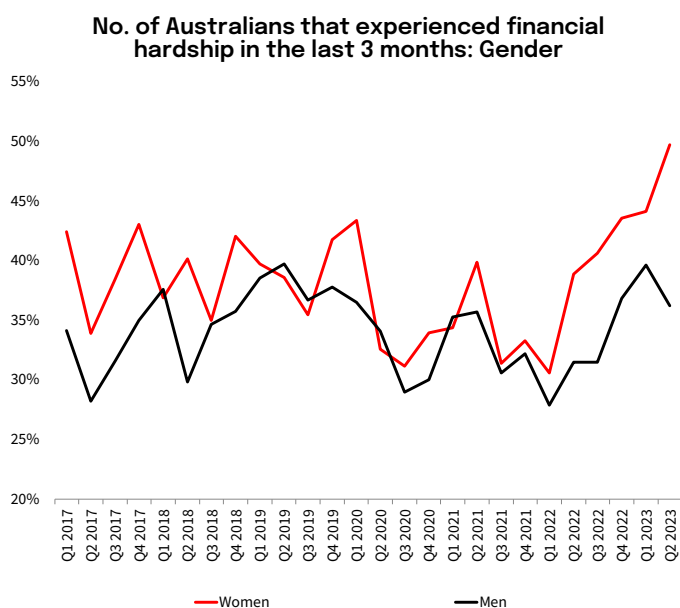
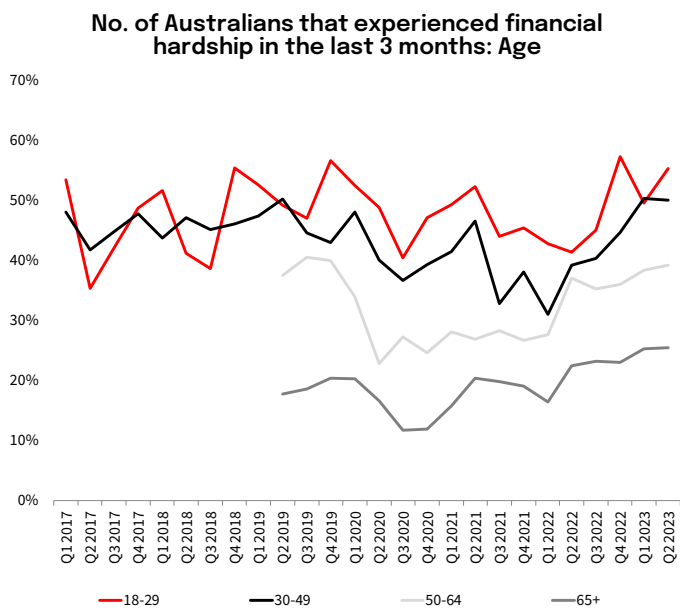


Financial hardship can happen at any time, and is often the result of sickness, job loss or over-commitment, but rising interest rates and cost of living is now also causing financial distress in more households.

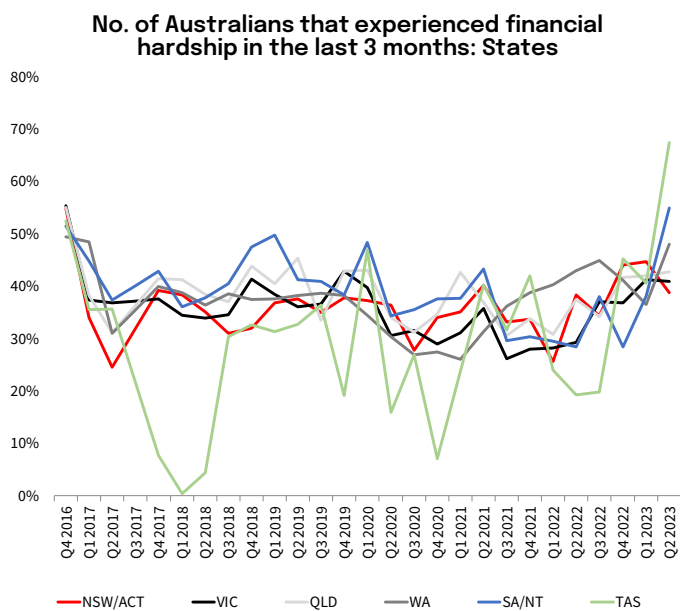
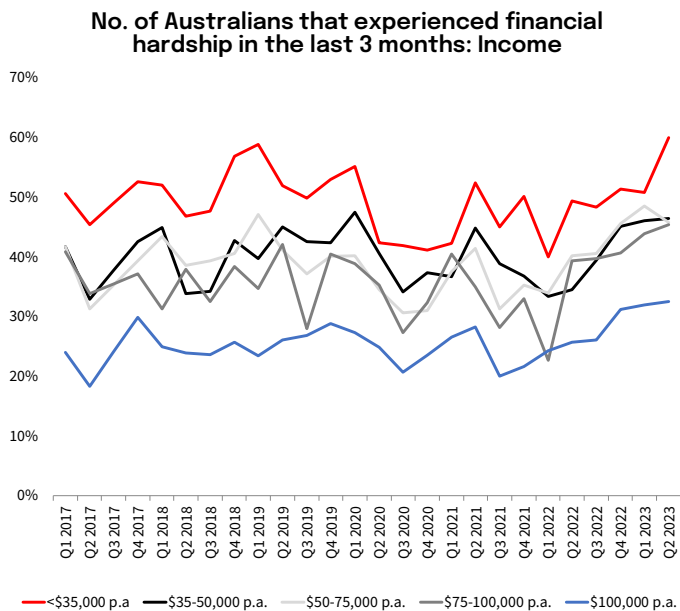
In Q2, over 4 in 10 (43%) Australians experienced some form of financial hardship, up from 42% in Q1 and 35% a year ago, and well above average (36%). Financial hardship has now risen from a survey low 29% in Q1 2022 amid much higher inflation (7% in Q1 2023) and rising interest rates (tightened from 0.35% in May 2022 to 4.1% by June 2023).

Financial hardship in Q2 remained above average in all age groups in Q2. It was highest (and rose) in the 18-29 group (55% from 50% in Q1), followed by the 30-49 group (unchanged at 50%). It inched up to 40% in the 50-64 age (39% in Q1) and was unchanged in the 50-64 group (25%).

The number of women that faced hardship in Q2 jumped to 50% in Q2 (44% in Q1) but fell to 36% for men (40% in Q1). Hardship levels remain well above survey average levels for women (38%), but only marginally higher among men (34%) - see charts below.



The number of people that experienced some form of financial stress or hardship increased in most income brackets in Q2, apart from the \$50-75,000 income group (46% down from 49% in Q1) and the \$35-50,000 group (unchanged at 46%). People in all income groups are, however, reporting above average levels of hardship. Financial hardship levels jumped significantly in the lower income group in Q2, with 6 in 10 (60%) reporting some financial stress or hardship (1 in 2 or 51% in Q1). This was around twice as many in the higher group that reported any stress (33% up from 32% in Q1).

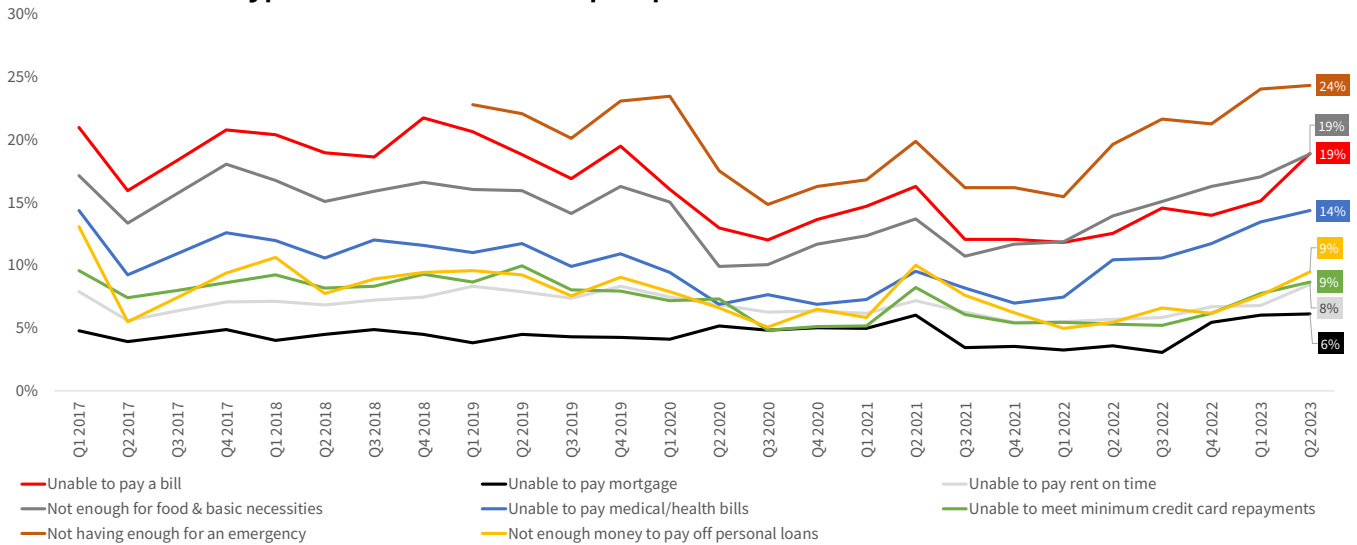


Trends diverged quite sharply by state in Q2. Overall hardship levels fell in NSW/ACT (39% down from 45% in Q1). They were unchanged in VIC (41%) and lifted slightly in QLD (43% up from 42% in Q1). The number of people who experienced some form of financial stress or hardship climbed quite steeply across the rest of the country - TAS (67% up from 41% in Q1), SA/NT (55% up from 38%) and WA (48% up from 37%). Despite these divergent trends, overall hardship levels printed at above survey average levels in all states.

## Type of financial hardships experienced

More Australians experienced financial hardship for all measures in Q2. Almost 1 in 4 (24%) who experienced hardship in the past 3 months again said it was caused by not having enough money for an emergency, unchanged from Q1 but much higher than at same time last year (20%). Not having enough for food & basic necessities (19% up from 17% in Q1) and being unable to pay a bill (19% up from 15%) were the next most common causes of hardship. Around 14% were unable to pay medical or healthcare bills and slightly more unable to meet their minimum credit card payments (9%), not having enough to pay off personal loans (9%) or pay rent on time (8%). Despite rising interest rates, the number unable to mortgage repayments was unchanged at 6% (though up from 4% at the same time last year).

Type of financial hardship experienced in the last 3 months



## 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 | Not enough money to pay off personal loans | Unable to meet min. credit card repayments | Unable to pay mortgage | Unable to pay rent on time |
|------------------------|------------------------------------|---|----------------------|------------------------------------|--|--|------------------------|----------------------------|
| <b>All Australians</b> | <b>24%</b>                         | <b>19%</b>                              | <b>19%</b>           | <b>14%</b>                         | <b>9%</b>                                  | <b>9%</b>                                  | <b>6%</b>              | <b>8%</b>                  |
| NSW/ACT                | 21%                                | 17%                                     | 18%                  | 15%                                | 9%   | 9%   | 8%                     | 9%                         |
| VIC                    | 22%                                | 17%                                     | 18%                  | 16%                                | 7%   | 10%  | 7%                     | 8%                         |
| QLD                    | 26%                                | 17%                                     | 17%                  | 14%                                | 11%  | 8%   | 4%                     | 6%                         |
| WA                     | 25%                                | 22%                                     | 18%                  | 10%                                | 11%  | 7%   | 4%                     | <b>11%</b>                 |
| SA/NT                  | <b>33%</b>                         | <b>31%</b>                              | <b>25%</b>           | 15%                                | 13%  | 9%   | 7%                     | <b>10%</b>                 |
| TAS                    | <b>37%</b>                         | 27%                                     | <b>25%</b>           | 14%                                | 13%  | 7%   | 9%                     | 8%                         |
| Women                  | <b>28%</b>                         | <b>22%</b>                              | <b>22%</b>           | <b>18%</b>                         | <b>12%</b>                                 | 9%   | 6%                     | 9%                         |
| Men                    | 21%                                | 15%                                     | 16%                  | 11%                                | 7%   | 8%   | 6%                     | 8%                         |
| 18-29                  | <b>30%</b>                         | <b>31%</b>                              | <b>26%</b>           | <b>17%</b>                         | <b>16%</b>                                 | 8%   | 7%                     | <b>14%</b>                 |
| 30-49                  | <b>29%</b>                         | 22%                                     | <b>24%</b>           | <b>19%</b>                         | 12%  | <b>13%</b>                                 | <b>10%</b>             | <b>12%</b>                 |
| 50-64                  | 22%                                | 14%                                     | 17%                  | 13%                                | 8%   | 7%   | 3%                     | 4%                         |
| 65+                    | 14%                                | 7%                                      | 7%                   | 6%                                 | 2%   | 4%   | 2%                     | 1%                         |
| Lower income           | <b>35%</b>                         | <b>29%</b>                              | 27%                  | <b>21%</b>                         | 13%  | 8%   | 4%                     | 10%                        |
| Higher income          | 27%                                | 20%                                     | 23%                  | 15%                                | 10%  | 9%   | 5%                     | 12%                        |

By state, we noted somewhat higher numbers in TAS (37%) and SA/NT (33%) that did not have enough for an emergency or were unable to pay a bill (25%). More people in SA/NT also did not have enough for food & basic necessities (31%), with noticeably more in WA (11%) and SA/NT (10%) unable to pay rent on time.

By gender, significantly more women than men in Q2 did not have enough for an emergency (28% vs. 21%), food & basic necessities (22% vs. 15%), were unable to pay a bill (22% vs. 16%), unable to meet the costs of medical bills (18% vs. 11%) or did not have enough money to pay off personal loans (12% vs. 7%).

Not having enough for an emergency impacted most people in all age groups, apart from the 18-29 group (not having enough for food & basic necessities). Around 3 in 10 people under 50 were unable to raise money for an emergency in Q2, double the level in the over 65 group. Significantly more people under 50 were also unable to meet the cost of medical bills, or pay their rent on time, in the 18-29 age group pay off personal loans (16%), and in the 30-49 age group meet minimum credit card payments (13%) and mortgage payments (10%).

By income, we noted a much higher number of people in the lower than higher income group that did not have enough money for an emergency (35% vs. 27%), for food & basic necessities (29% vs. 20%), or were unable to pay medical bills (21% vs. 15%). Broadly similar numbers of people in lower and higher income groups were unable to pay their rent on time or make a mortgage payment.

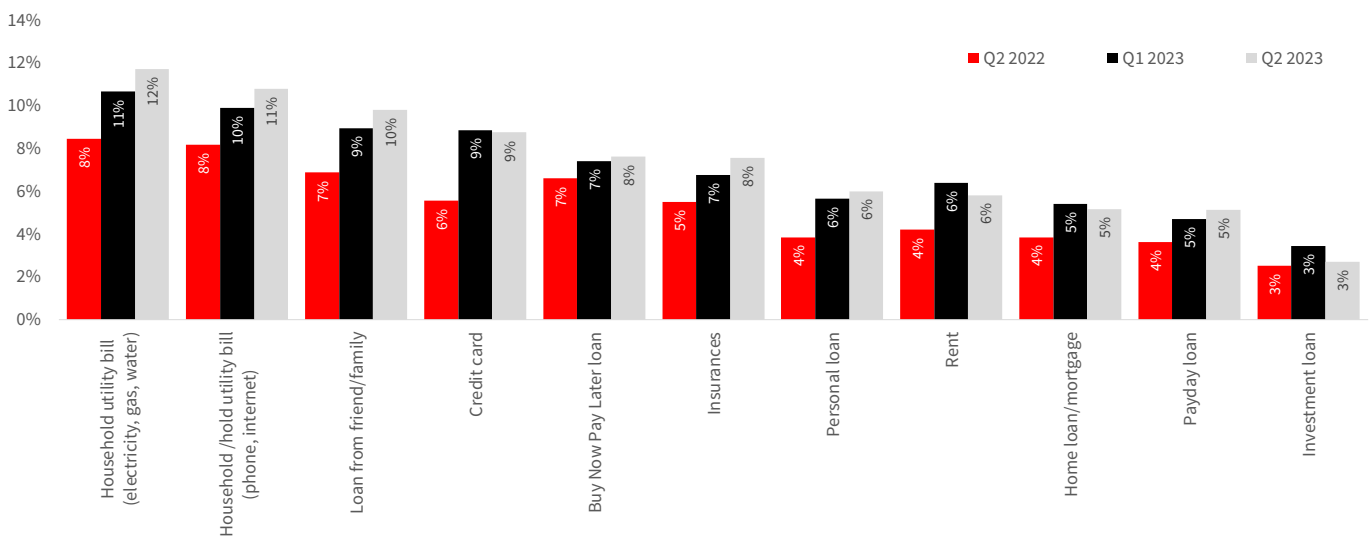
## Missed bills or loan repayments

Australians were again asked whether they had missed a payment in the past 3 months in several categories. With NAB’s Q2 2023 Australian Wellbeing Survey pointing to higher levels of household financial stress amid rising cost of living pressures, we also noted a higher number of people who also said they missed a bill or loan payment in most categories during the June quarter.

In Q2, the most common type of payment missed was an electricity, gas or water bill (12% up from 11% in Q1 and 8% at the same time last year), followed by a phone or internet bill (11% up from 10% in Q1 and 8% in Q2 2022), a repayment on loans from family or friends (10% up from 9% and 7% in Q2 2022) and a credit card payment (unchanged at 9% but up from 6% at the same time last year).

Slightly more Australians also missed a Buy Now Pay Later (BNPL) or insurance payment (8%). An unchanged number missed a payment on a personal loan or rent (6%), a payment on their mortgage or home loan or payday loan (5%), or investment loan (3%) in Q2. The number that missed a payment in all these areas was however higher than at the same time last year in all categories aside from investment loans (unchanged) - see chart below.

Type of payment missed in the last 3 months



## Type of payment missed in last 3 months: key groups

|               | Household utility bill<br>(electricity, gas, water) | Household /hold utility<br>bill (phone, internet) | Loan from friend/family | Credit card | Buy Now Pay Later loan | Insurances | Personal loan | Rent      | Home loan/mortgage | Payday loan | Investment loan |
|---------------|---|---|-------------------------|-------------|------------------------|------------|---------------|-----------|--------------------|-------------|-----------------|
| <b>All</b>    | <b>12%</b>  | <b>11%</b>  | <b>10%</b>              | <b>9%</b>   | <b>8%</b>              | <b>8%</b>  | <b>6%</b>     | <b>6%</b> | <b>5%</b>          | <b>5%</b>   | <b>3%</b>       |
| NSW/ACT       | 11%   | 10%   | 8%                      | 9%          | 7%                     | 8%         | 6%            | 6%        | 5%                 | 5%          | 4%              |
| VIC           | 13%   | 12%   | 9%                      | 11%         | 6%                     | 8%         | 6%            | 7%        | 8%                 | 6%          | 3%              |
| QLD           | 11%   | 10%   | 10%                     | 7%          | 8%                     | 7%         | 5%            | 5%        | 3%                 | 5%          | 2%              |
| WA            | 8%  | 8%  | 12%                     | 7%          | 7%                     | 5%         | 4%            | 4%        | 3%                 | 4%          | 2%              |
| SA/NT         | 11%   | 15%   | 14%                     | 7%          | 10%                    | 7%         | 9%            | 4%        | 5%                 | 6%          | 2%              |
| TAS           | 20%   | 14%   | 20%                     | 15%         | 19%                    | 0%         | 11%           | 3%        | 7%                 | 6%          | 3%              |
| 18-29         | 11%   | 13%   | 15%                     | 7%          | 13%                    | 7%         | 9%            | 8%        | 5%                 | 7%          | 2%              |
| 30-49         | 15%   | 14%   | 13%                     | 13%         | 10%                    | 10%        | 10%           | 8%        | 9%                 | 9%          | 5%              |
| 50-64         | 13%   | 10%   | 7%                      | 9%          | 4%                     | 7%         | 2%            | 5%        | 3%                 | 2%          | 1%              |
| 65+           | 5%  | 4%  | 2%                      | 2%          | 1%                     | 4%         | 1%            | 1%        | 1%                 | 1%          | 0%              |
| Men           | 11%   | 10%   | 8%                      | 8%          | 7%                     | 8%         | 6%            | 6%        | 6%                 | 5%          | 4%              |
| Women         | 13%   | 12%   | 12%                     | 9%          | 9%                     | 7%         | 6%            | 6%        | 4%                 | 5%          | 2%              |
| Lower income  | 14%   | 12%   | 11%                     | 9%          | 10%                    | 10%        | 6%            | 6%        | 4%                 | 6%          | 2%              |
| Higher income | 8%  | 8%  | 8%                      | 8%          | 5%                     | 5%         | 6%            | 5%        | 6%                 | 4%          | 3%              |

A much higher number of people in TAS missed payment on an electricity, gas or water bill (20%), on a loan from family or friends (20%), BNPL (19%) or personal loan (11%). Noticeably more people in SA/NT (15%) and TAS (14%) missed a payment on phone or internet bill, in TAS (15%) and VIC (11%) a credit card payment, in VIC (7%) and NSW (6%) rent, and in VIC (8%) and TAS (7%) a mortgage or home loan payment.

More Australians in the 30-49 age group missed a payment in most categories in Q2, except on a loan from family or friends and BNPL, where it was highest in the 18-29 age group. We also noted a relatively high number in the 55-64 age group that missed a payment on an electricity, gas or water bill (13%), and in the 18-29 group a phone or internet bill (13%) and personal loan payment (8%).

By gender, the biggest differences included a somewhat higher number of women that missed a payment on a loan from family or friends (12% women; 8% men), with twice as many men that missed a payment on an investment loan (4% men; 2% women).

Key disparities between the lower and higher income group were the much bigger number in the lower income group that missed a payment on an electricity, gas or water bill (14% vs. 8%), phone or internet bill (12% vs. 8%), loan from family or friends (11% vs. 8%), BNPL (10% vs. 5%) or insurances (10% vs. 5%).



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