

NAB AUSTRALIAN WELLBEING SURVEY Q2 2019



How Australians think and feel about their emotional and financial wellbeing

July 2019

NAB Behavioural & Industry Economics

Australian wellbeing rises to a 6-year high. Debt (outside of a mortgage) is now the number one wellbeing detractor. Wellbeing fell most for higher income earners (>\$100,000) and rose most for those on lower incomes (<\$35,000) - while still significant, the gap between these groups is now at its narrowest in the history of the survey. Wellbeing in the 65+ age group is by far the highest.

The NAB Australian Wellbeing Index is derived from questions relating to how people think and feel about their lives in regards to their life satisfaction, life worth, happiness and anxiety. NAB's Wellbeing Index rose for the second straight quarter in Q2 2019. Overall, the index increased 0.5 points over the quarter to a 6-year high 65.7 and tracked above average (64.5). Our sense of life worth improved, but we weren't as happy or satisfied with our lives. We were however noticeably less anxious.

NAB research again showed pets contributed positively to wellbeing for most Australians, followed by personal safety, our homes, family and personal relationships, standard of living, feeling a part of their local community and religion, faith or spirituality. Other debts outside of mortgages emerged as the main detractor of personal wellbeing for most people, replacing events like abuse and victimisation. Other key detractors were lack of time, mortgages and substance use or abuse.

For the first time we have expanded the 50+ age category to 50-64 and 65+. This reinforces previous findings that wellbeing typically increases with age, with wellbeing in the 65+ age group rated by far the highest (76.0) and 18-29 year olds lowest (59.5).

NAB's Financial Anxiety Index (based on concern over future spending and savings plans arising from our current financial position), moderated to 56.3 points and likely played a key role supporting lower overall anxiety. The key drivers underpinning our financial anxiety continue to reflect our fear of not having enough to finance our retirement, being unable to provide for our family's future, not being able to meet medical costs, not having enough for non-essentials such as holidays or eating out, or home improvements and maintenance, and being unable to raise \$2,000 if an emergency arose.

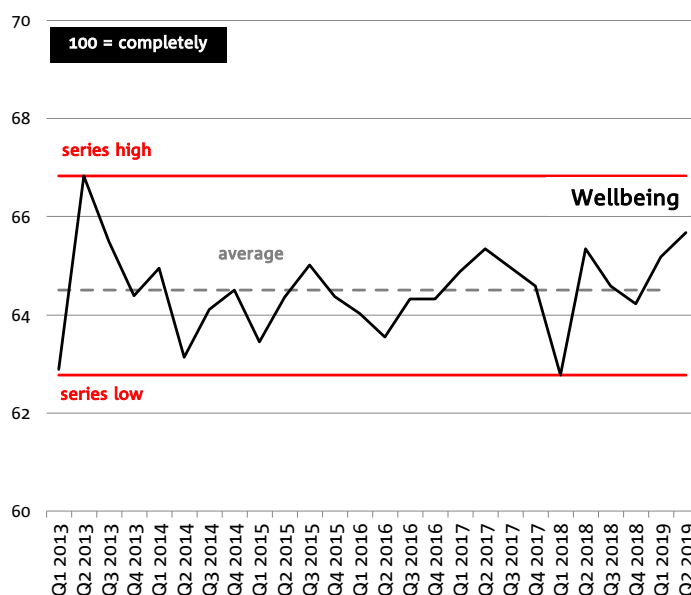
Credit card debt is still the most commonly held debt by almost 1 in 2 Australians, followed by home loans (30%), personal loans (19%), loans from family or friends (15%), investment loans (8%) and payday loans (7%). Credit card debts are however causing us the least anxiety, and payday loans the most.

We 'felt' less worried about our finances in Q2, but the number of Australians who experienced some form of financial stress or hardship in the past 3 months was unchanged at 39%. Encouragingly however stress and hardship was less prevalent among groups that have typically been most at risk - 18-29 years olds and the lowest income earners.

Practically, almost 6 in 10 Australians who experienced financial hardship tried to follow a stricter budget and cut out unnecessary expenses. Around 3 in 10 tried to make personal sacrifices for the family, sold possessions, talked over their worries with family or friends or worked longer or harder. Only 1 in 5 went into more debt (with 1 in 2 using their credit cards and 45% leaning on family and friends).

Emotionally, almost 4 in 10 people who experienced hardship tried to cope by withdrawing socially, and 3 in 10 did nothing. Around 1 in 4 got angry or argued, while 1 in 5 tried to hide from the problem by filtering phone calls or by leaving their bills unopened.

NAB AUSTRALIAN WELLBEING INDEX

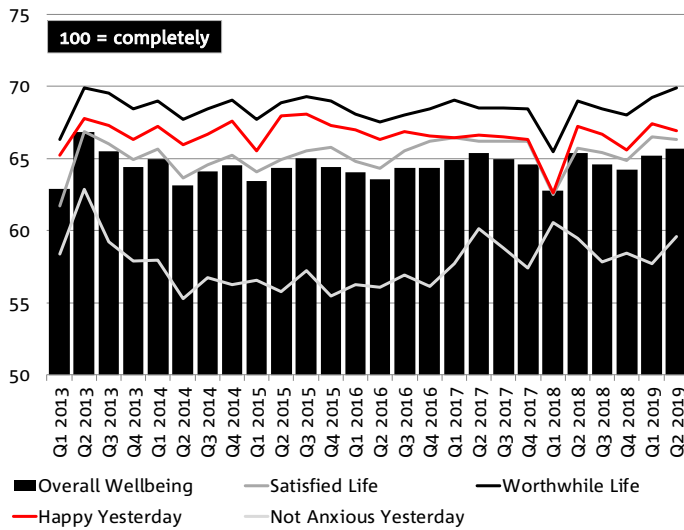


HIGHLIGHTS

- **Who had the highest wellbeing?** Personal wellbeing was rated highest by Australians over 65 (men and women), widows, married people, house owners, people not employed or living in a 2-person household. Income is typically important, but in Q2 people earning \$50-75,000 p.a. overtook the highest income group.
- **Who had the lowest wellbeing?** Wellbeing was rated lowest by single people, 18-29 year olds (especially young men), labourers, people living in a rented apartment or house and 30-49 year olds (men and women).
- **What does wellbeing look like by state and region?** TAS overtook WA for the highest wellbeing in Q2, with NSW/ACT lowest. TAS reported the highest wellbeing for all components of the index, except anxiety where SA/NT was the least anxious state. Wellbeing was higher in rural towns than in capital or regional cities.
- **What about incomes?** Australians earning between \$50-75,000 p.a. reported the highest wellbeing, ahead of those earning over \$100,000 p.a. Interestingly, wellbeing improved most in the lowest income group with the wellbeing gap between those on higher and lower incomes the narrowest since the survey began.
- **What adds most to wellbeing?** NAB research again showed pets contributed positively to the wellbeing of most Australians in Q2, followed by personal safety, our homes, family & personal relationships, standard of living, feeling a part of our local community and religion, faith or spirituality.
- **What detracts most?** Other debts outside mortgages replaced events (e.g. abuse, victimisation) as the key detractor. Other detractors were lack of time, mortgages and substance use/abuse. Negative drivers of wellbeing transcend income. More people low income earners were negatively impacted by education issues, work/job issues, retirement funding and buying, selling or finding a home. But high income earners were negatively impacted by social media, mortgages, lack of time and other debts.
- **What type of debt causes the most anxiety?** Around 1 in 2 Australians said they currently have credit card debt. Around 3 in 10 had home loan debt, 1 in 5 a personal loan, 15% a loan from family or friends, and 8% an investment loan. Payday loans, the least common form of debt held (8%), caused people the most anxiety (particularly young men), followed by loans from family or friends. Credit card debt caused the least anxiety.
- **How is our overall financial anxiety tracking?** In Q2, NAB's Financial Anxiety Index (based on the level of concern over future spending and savings plans arising from their current financial position) fell 2.0 points to 56.3. Financial anxiety was highest in the 30-49 year old age group and lowest for the over 65s - and by a considerable margin. By income, financial anxiety remained highest for people earning less than \$35,000 p.a., but the level of anxiety in this group has moderated significantly since peaking in late-2018.
- **What are the key drivers underpinning financial anxiety?** Overall, not having enough to finance retirement is the biggest concern. We also worry about being unable to provide for our family's future, meeting medical and healthcare costs, not having enough for non-essentials such as holidays or eating out, not having enough for home improvement or maintenance and being unable to raise \$2,000 if an emergency arose.
- **What about financial hardship?** Around 4 in 10 people faced some form of financial stress or hardship in the past 3 months. By gender, hardship increased for men but fell for women and is now broadly the same. By age, hardship for 30-49 year olds rose (50%) and fell for 18-29 year olds (49%). Older Australians experienced far less stress - just 18% in the 65+ age group. There was also an encouraging fall in hardship among low income earners (52%) – albeit still many more experienced hardship than high income earners (26%).
- **What are the key causes of financial anxiety?** Not having enough for an emergency is most frequently cited, impacting over 1 in 5 people (but is a much bigger issue for women 30-49 and low income earners). Being unable to pay a bill was next (19%), more so for men aged 18-29 (27%). Other key causes were not having enough for food and basic necessities (16%), but for noticeably more aged 18-29 year old men (28%) and low income earners (24%). More women (18%) and men (17%) aged 18-29 also struggled to meet minimum credit card repayments, and noticeably more young men (18%) were unable to pay rent on time.
- **How did we try and manage hardship?** Almost 6 in 10 people facing hardship tried following a stricter budget and cutting out unnecessary expenses. Around 3 in 10 tried to make personal sacrifices for the family, particularly women aged 30-49. Around 3 in 10 sold possessions and or talked over their worries with family or friends. Over 1 in 4 worked longer or harder, particularly men aged 18-29, and 1 in 5 went into more debt.
- **If we go further into debt to manage hardship what type of debt is it & how do we cope?** In Q2, just over 1 in 2 Australians used their credit card. Borrowing from family or friends was the next most common method used (45%). Around 1 in 4 also turned to a payday lender. Almost 4 in 10 people cope by withdrawing socially, while 24% got angry or argued. Around 27% did nothing, while many tried to hide from the problem by filtering phone calls (21%) or by leaving bills unopened (18%). Around 12% lied to their partner or family or turned to alcohol or drugs.

PART 1: OUR PERSONAL WELLBEING

NAB AUSTRALIAN WELLBEING INDEX



The NAB Australian Wellbeing Index (a broad measure of wellbeing based on life satisfaction, life worth, happiness and anxiety) rose for the second straight quarter in Q2 2019.

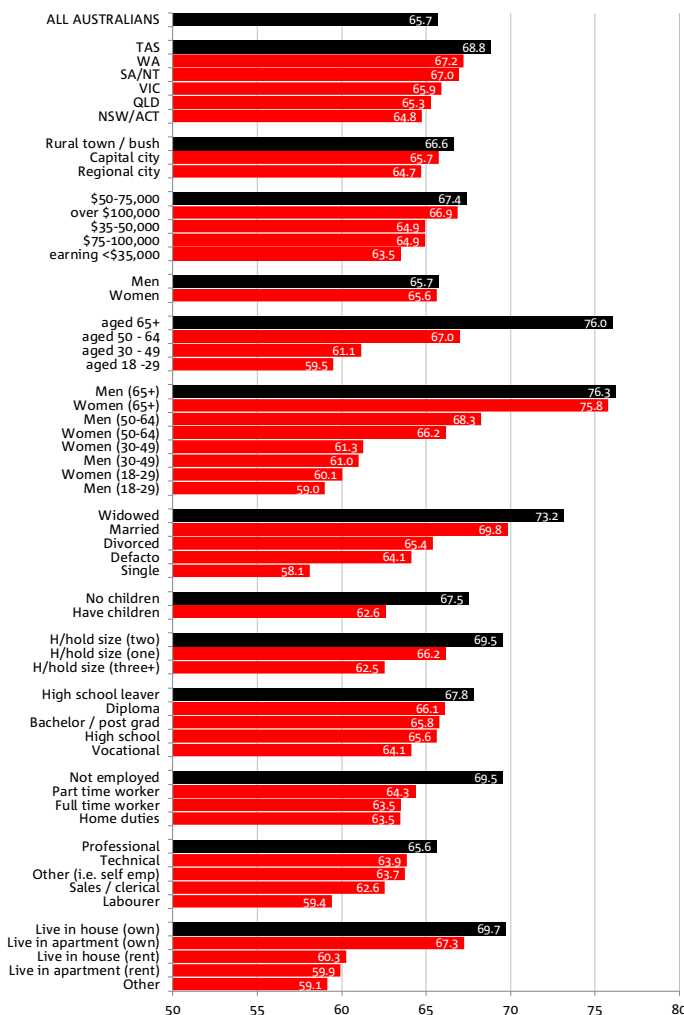
Overall, the index increased 0.5 points over the quarter to a 6-year high 65.7. The index was also higher than at the same time last year (65.3) and tracked above average (64.5).

Our sense of life worth improved (up 0.7 to 69.9), but we weren't as happy (down 0.4 points to 66.9) or satisfied with our lives (down 0.1 points to 66.3).

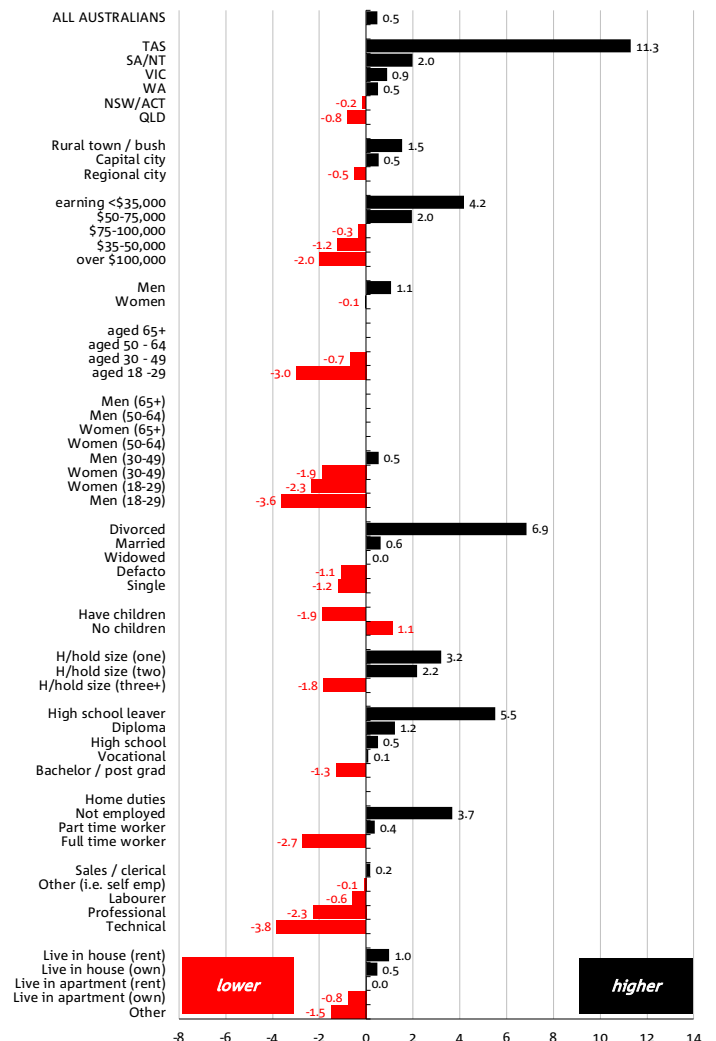
We were however noticeably less anxious, scoring 'not anxious yesterday' 59.6 points - its highest read since Q1 2018. That said, anxiety remains the biggest detractor from our overall wellbeing (by a big margin), with 1 in 3 Australians (34%) experiencing 'high' levels of anxiety in Q2 2019.

Wellbeing levels varied widely across our 58 monitored demographic groups - which has been expanded from 53 previously to now also include people involved in home duties and aged between 50-64 and 65+ (both women and men). The chart below on the left ranks overall wellbeing from highest to lowest in each demographic category, while the chart on the right shows how wellbeing in each group has changed over the quarter.

NAB AUSTRALIAN WELLBEING INDEX - ALL CATEGORIES (100 = completely)



AUSTRALIAN WELLBEING INDEX (QUARTERLY CHANGE)



In Q2 2019, overall wellbeing was rated highest by Australians over the age of 65 (76.0 points) - both men (76.3) and women (75.8). Other high wellbeing groups included widows (73.2), married people (69.8), Australians who live in and own a house (69.7), people who are not employed (69.5) or live in a 2-person household (69.5).

Wellbeing was lowest for single people (58.1), 18-29 year olds (59.5) - particularly young men (59.0), people with 'other' living arrangements (59.1), labourers (59.4), women aged 18-29 (60.1), people living in a rented apartment (59.9) or house (30.3) and 30-49 year olds (61.1) - both men (61.0) and women (61.3).

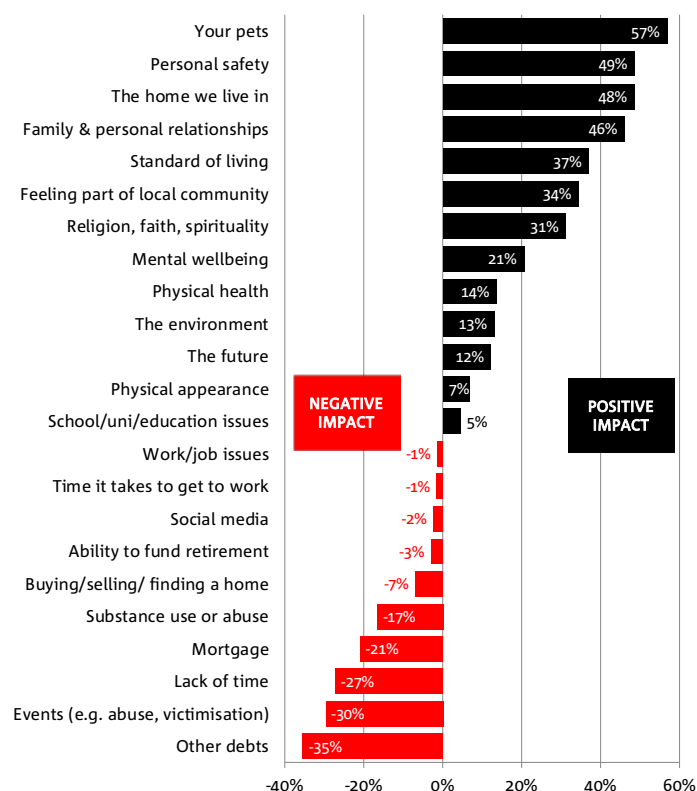
By state, TAS (68.8) overtook WA (67.2) for the highest wellbeing, with NSW/ACT (64.8) the lowest. TAS also reported the highest wellbeing for all components of the index except anxiety with people in SA/NT the least anxious. Wellbeing levels also varied by region, with wellbeing higher in rural towns (66.6) than in capital (65.7) or regional (64.7) cities.

Income is an important driver of wellbeing, with people in higher income groups typically enjoying higher wellbeing than all other income groups. But in Q2 2019, Australians earning between \$50-75,000 p.a. reported the highest wellbeing (up 2.0 points to 67.4), ahead of those earning over \$100,000 p.a. (down 2.0 points to 66.9). Interestingly, wellbeing improved most in the lowest income group (up 4.2 points to 63.5). As a result, the wellbeing being gap between the highest and lowest income group narrowed from 9.6 points in Q1 to 3.4 points in Q2 - the narrowest differential since the survey started in Q1 2013.

For the first time we have expanded the 50+ age category to 50-64 and 65+. This reinforces previous findings that wellbeing typically increases with age, with wellbeing in the 65+ age group rated by far the highest (76.0) and 18-29 year olds lowest (59.5). Moreover, all components of the wellbeing index increased with by age, except life satisfaction which was higher for 18-29 year olds than for 30-49 year olds.

WELLBEING DRIVERS

WELLBEING DRIVERS (NET)



The chart on the left summarises the impact of key wellbeing drivers for Australians. It counts the number of people who said the issue impacted their wellbeing positively minus those who said it impacted their wellbeing negatively (i.e.net balance).

NAB research again showed pets (+57%) contributed positively to the wellbeing of most Australians in Q2 2019, followed by their personal safety (+49%), their homes (+48%), family and personal relationships (+46%), their standard of living (+37%), feeling a part of their local community (+34%) and their religion, faith or spirituality (+31%).

Other debts outside of their mortgages (-35%) emerged as main detractor from personal wellbeing in Q2 2019, replacing events like abuse and victimisation (-30%) in the previous quarter. Other key detractors from our personal wellbeing were lack of time (-27%), our mortgages (-21%) and substance use/abuse (-17%).

The negative impact on wellbeing from buying, finding or selling a home (-7%), the ability to fund our retirement (-3%), social media (-2%), the time it takes to get to work (-1%) and work or job issues (-1%) also outweighed the positive impact.

WELLBEING DRIVERS - AGE, GENDER & INCOME

| | Overall | Women | Men | 18-29 | 30-49 | 50-64 | 65+ | Lowest income group | Highest income group |
|------------------------------------|---------|-------------|------------|-------------|-------------|------------|------------|---------------------|----------------------|
| Your pets | 57% | 63% | 50% | 51% | 54% | 71% | 58% | 56% | 59% |
| Personal safety | 49% | 46% | 52% | 45% | 42% | 48% | 60% | 43% | 56% |
| The home we live in | 48% | 50% | 47% | 40% | 35% | 53% | 71% | 43% | 56% |
| Family & personal relationships | 46% | 45% | 47% | 37% | 37% | 47% | 64% | 38% | 51% |
| Standard of living | 37% | 39% | 35% | 33% | 22% | 35% | 62% | 21% | 50% |
| Feeling part of local community | 34% | 36% | 32% | 16% | 28% | 36% | 57% | 28% | 36% |
| Religion, faith, spirituality | 31% | 36% | 26% | 25% | 27% | 31% | 42% | 30% | 30% |
| Mental wellbeing | 21% | 18% | 23% | 7% | 3% | 21% | 55% | 18% | 25% |
| Physical health | 14% | 11% | 16% | 16% | 5% | 5% | 29% | 3% | 19% |
| The environment | 13% | 13% | 13% | 9% | 4% | 18% | 26% | 15% | 12% |
| The future | 12% | 12% | 12% | 8% | 5% | 7% | 29% | 6% | 19% |
| Physical appearance | 7% | 1% | 13% | 1% | -4% | 3% | 28% | 9% | 5% |
| School/uni/education issues | 5% | 3% | 6% | -6% | 6% | 13% | 12% | -5% | 9% |
| Work/job issues | -1% | -3% | 1% | -12% | -5% | 10% | 12% | -8% | 13% |
| Time it takes to get to work | -1% | -5% | 2% | -5% | -2% | 2% | 0% | 0% | -2% |
| Social media | -2% | -1% | -4% | -4% | -8% | 1% | 5% | 3% | -7% |
| Ability to fund retirement | -3% | -7% | 1% | -6% | -19% | -17% | 30% | -18% | 0% |
| Buying/selling/ finding a home | -7% | -7% | -7% | -17% | -6% | -2% | -1% | -17% | 1% |
| Substance use or abuse | -17% | -21% | -13% | -12% | -18% | -16% | -19% | -18% | -19% |
| Mortgage | -21% | -22% | -20% | -13% | -27% | -22% | -16% | -15% | -28% |
| Lack of time | -27% | -30% | -24% | -36% | -41% | -18% | -4% | -17% | -40% |
| Events (e.g. abuse, victimisation) | -30% | -35% | -24% | -28% | -32% | -31% | -27% | -27% | -28% |
| Other debts | -35% | -38% | -33% | -37% | -45% | -35% | -14% | -29% | -39% |

But some wellbeing drivers impact personal wellbeing differently according to gender, age and income.

By gender for example, pets have a positive impact for more women (+63%) than men (50%), as does religion, faith and spirituality (+36% women vs. +26% men). But substance use and abuse detracts from the wellbeing of more women (-21%) than men (-13%), as does a lack of time (-30% women vs. -24% men) and events such as abuse and victimisation (-35% women vs. -24% men).

In contrast, more men derive positive wellbeing benefits from their personal safety (+52% vs. +46%), mental wellbeing (+23% vs. +18%), physical health (+16% vs. +11%) and physical appearance (+13% vs. +1%) than women.

There are also noticeable differences by age. For example, pets play a far bigger positive role for wellbeing among 50-64 year olds (+71%), whereas personal safety (+60%), their homes (+70%), family & personal relationships (+64%), standard of living (62%), feeling part of local community (+57%), religion, faith, spirituality (+47%), mental wellbeing (+55%), physical health (+29%), the environment (+26%), the future (+29%) and their physical appearance (+28%) adds positively to more people over 65.

In contrast, work/job issues (-12%) and buying, finding or selling a home (-17%) detracts from the wellbeing of noticeably more 18-29 year olds, while a lot more 30-49 year olds are negatively impacted by their ability to fund retirement (-19%), mortgages (-27%) and lack of time (-41%).

There were more obvious differences between the highest and lowest household income groups, with noticeably more high income earners drawing positive benefits from most drivers, except their pets, religion and spirituality, the environment and physical appearance.

But the negative drivers of wellbeing transcend income.

Whereas noticeably more people in the lowest income group were negatively impacted by education issues (-5%), work/job issues (-8%), ability to fund retirement (-18%) and buying, selling or finding a home (-18%), more high income earners were negatively impacted by social media (-7%), their mortgages (-28%), lack of time (-40%) and other debts (-39%).

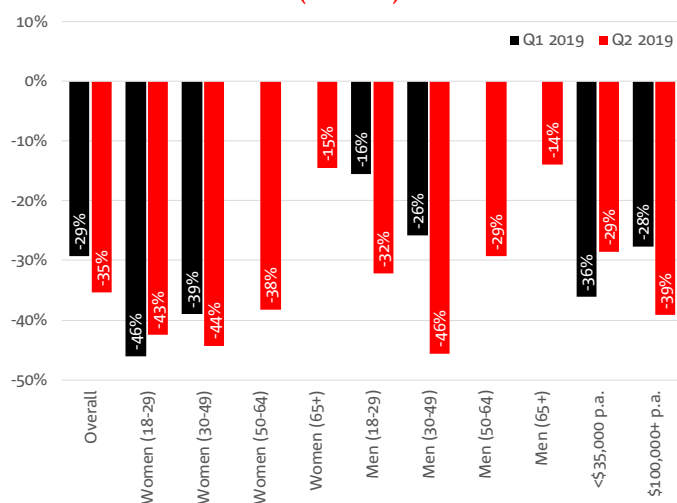
THE IMPACT OF DEBT

The Q2 2019 NAB Wellbeing survey reaffirmed debts - both mortgages and other debts - as key detractors from the personal wellbeing of many Australians. Moreover, other debt (excluding mortgages) replaced events as the biggest detractor of overall wellbeing, while mortgages is now the fourth biggest. But how many Australians are impacted varies considerably depending on where they live, their age and gender and their income levels.

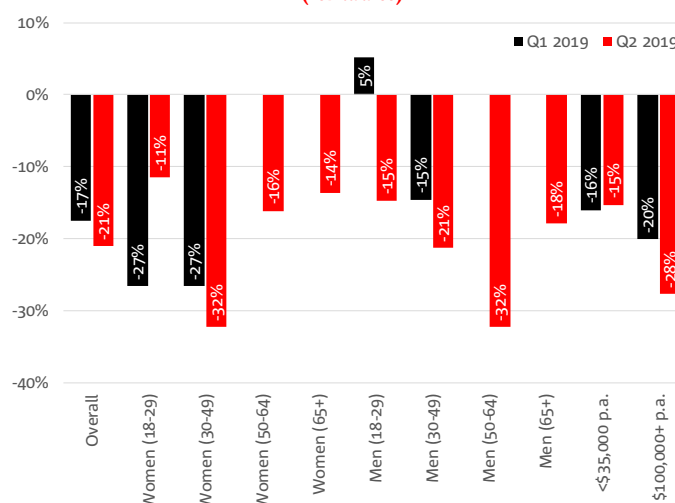
Other debts (-35%) had a bigger negative impact on wellbeing for more Australians than their mortgages (-21%), and it also impacted more people than in Q1 2019 (-29%). By age and gender, more men aged 30-49 (-46%) were impacted than in Q1 and they were, along with 30-49 year old women (-44%), the hardest hit age group. Young women aged 18-29 (-43%) were impacted more than young men (-32%), as were women aged 50-64 (-38%) when compared to similarly aged men (-29%). Other debts also had a negative impact for significantly more Australians in the highest income groups (-39%) than in the lowest income group (-29%).

Mortgages detracted the most from the wellbeing of men aged 50-64 (-32%) and women aged 30-49 (-32%). More higher income earners (-28%) also said their mortgages had negatively impacted their wellbeing than did low income earners (-15%).

WELLBEING DRIVERS - OTHER DEBTS
(net balance)

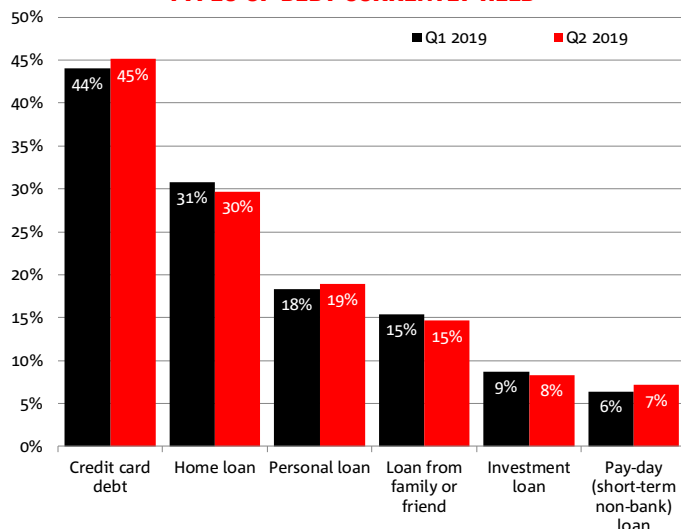


WELLBEING DRIVERS - MORTGAGES
(net balance)



A CLOSER LOOK AT DEBT STRESS

TYPES OF DEBT CURRENTLY HELD



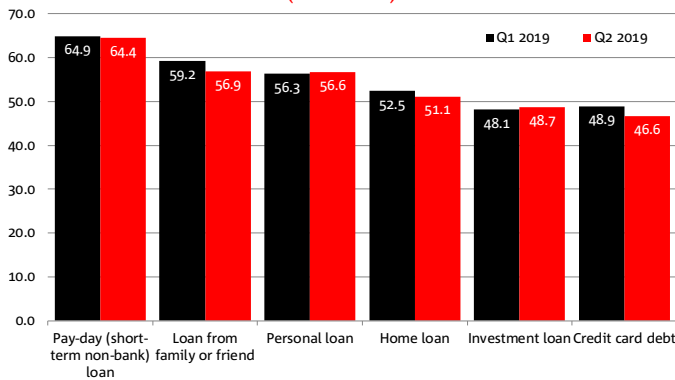
We also wanted to understand what type of debt people held. Almost 1 in 2 (45%) said they currently have credit card debt. It is also the most common type of debt held in all age groups (ranging from 54% of men aged 30-49 to 31% of women aged 18-29). Around 53% of people in the highest income group had credit card debt compared to 41% in the lowest income group.

Home loans were the next most widely held debt (30%), led by the highest income group (49%) and 30-49 year old women (52%) and men (54%).

Around 1 in 5 (19%) had a personal loan, but this figure was much higher for men (31%) and women (27%) aged 30-49. Around 15% had a loan from family or friends, led by 18-29 year old men (23%) and 30-49 year old women (22%).

Investment loans were highest for men aged 50-64% (16%), with men aged 18-29 leading the way for payday loans (15%).

LEVEL OF CONCERN OVER DEBTS HELD
(100 = extreme)



But which type of debt was causing the most concern or stress?

Overall, payday loans caused the most anxiety. On average, Australians scored their level of stress 64.4 points out of 100 (where 100 is extremely concerned). However, anxiety was much higher for men 50-64 (81.3) and for people earning \$75-100,000 p.a. (78.7)

Loans from family or friends caused the next most anxiety (56.9), followed by personal loans (56.6).

Despite being the most commonly held type of debt, credit card debt caused the least concern (46.6), particularly for men (24.9) and women (28.2) over 65. Women (57.8) and men (57.0) aged 30-49 years old were by far the most concerned about this type of debt.

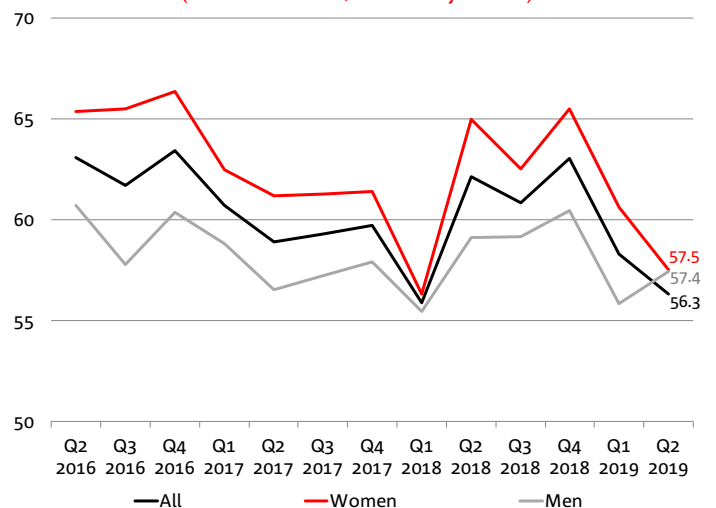
PART 2 - FINANCIAL ANXIETY

Anxiety is the key detractor from overall wellbeing, and concerns over debts, mortgages and ability to fund retirement are among the key triggers.

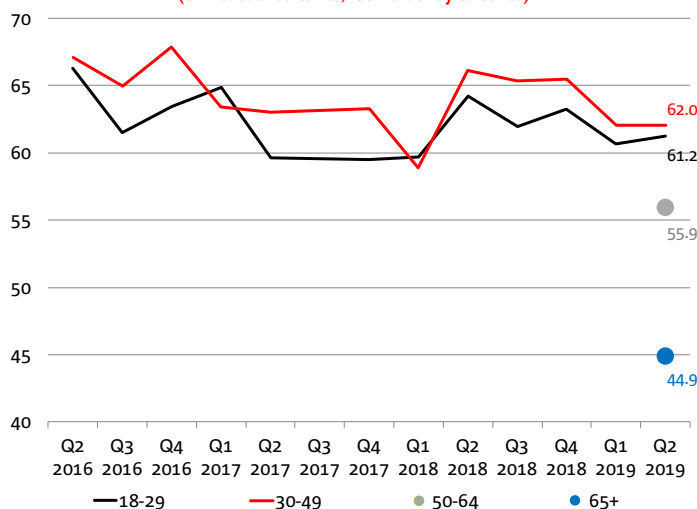
In Q2 2019, NAB's Financial Anxiety Index - based on the level of concern over future spending and savings plans arising from their current financial position - fell to 56.3 points, from 58.3 points in Q1 and was down from 62.1 points at the same time last year.

By gender, financial anxiety for women in Q2 fell (down 3.1 points to 57.5). Financial anxiety for men however increased (up 1.6 points to 57.4). Consequently, the gap between women and men narrowed to just 0.1 points, from 4.8 points in the previous quarter and from 5.8 points in Q2 2018.

FINANCIAL ANXIETY: GENDER
(0 = not at all concerned; 100 = extremely concerned)



FINANCIAL ANXIETY: AGE
(0 = not at all concerned; 100 = extremely concerned)



Financial anxiety was highest in the 30-49 year old age group (unchanged at 62.0), followed by 18-29 year olds (up 0.6 points to 61.2).

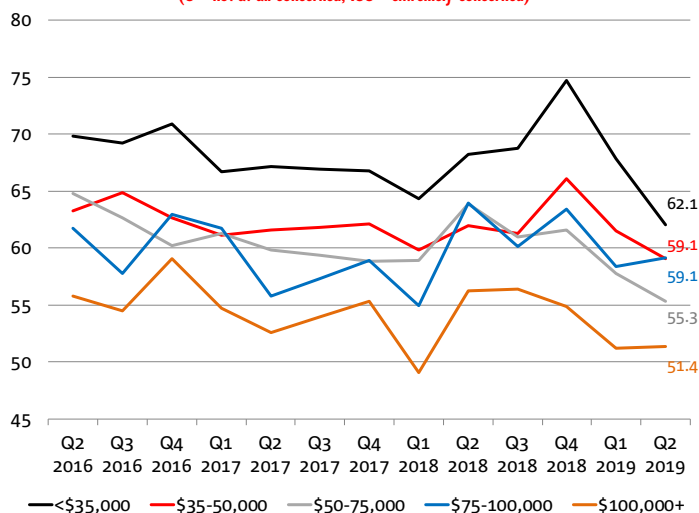
Financial anxiety was significantly lower in the 50-64 age group (55.9) and the over 65s (44.9).

Anxiety was higher for women aged 18-29 than men (62.6 vs. 60.0), women aged 50-64 age (56.2 vs. 55.6) and over 65 (45.4 vs. 44.4).

The 30-49 year old age group was the only group where financial anxiety was higher for men (62.5) than women (61.5).

FINANCIAL ANXIETY: INCOME

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



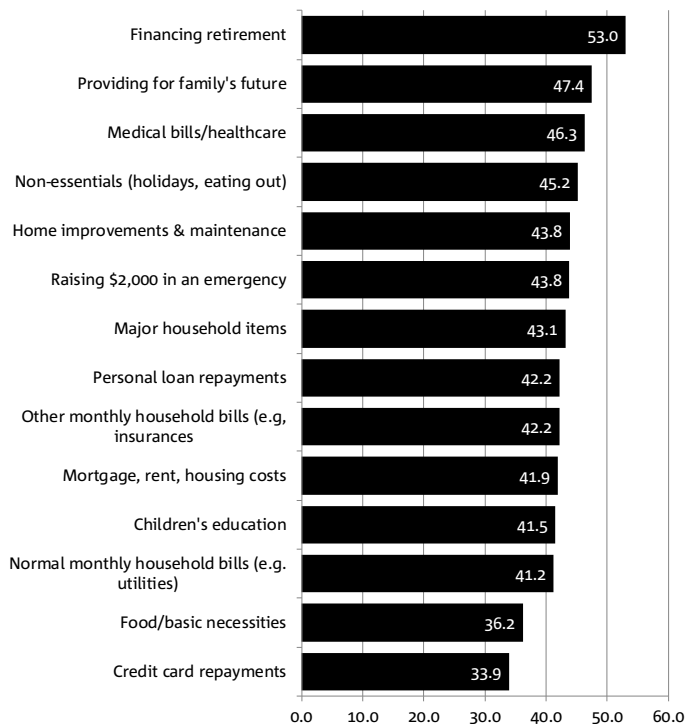
In Q2 2019, financial anxiety remained highest for people earning less than \$35,000 p.a. (62.1). However, the level of anxiety in this group has moderated significantly since peaking at 74.7 in Q4 2018.

Anxiety was lowest for people in the highest income earning group (51.4).

Encouragingly, the ‘financial anxiety gap’ between the lowest and highest income earners reduced to 10.7 points in Q2 (down from a survey high 19.9 in Q4 2018).

KEY DRIVERS OF FINANCIAL ANXIETY

(100 = extreme)



What are the key drivers underpinning financial anxiety? Overall, not having enough to finance retirement is the biggest concern, with Australians rating their level of concern at 53.0 points out of 100 (where 100 = extremely concerned).

Other key drivers included not being able to provide for their family's future (47.4), not being able to meet the costs of their medical bills and healthcare (46.3), not having enough money for non-essentials such as holidays or eating out (45.2), not having enough for home improvement or maintenance (43.8) and not being able to raise \$2,000 if an emergency arose (43.8).

They were least worried about being unable to meet their minimum credit card repayments (33.9) or having enough money for food and basic necessities (36.2).

There were however some important differences in what drives financial anxiety by age & gender and income levels.

By age & gender, the table below shows that more 30-49 year old women and men typically worried more about most drivers of financial anxiety, particularly not having enough to finance their retirement and providing for their family's future.

Young people aged 18-29 (both women and men) and 30-49 year old women and men were equally concerned about their personal loan and credit card repayments.

By income, Australians in the lowest groups were noticeably more worried about all key drivers of financial anxiety, except for personal loans and their children's education, where anxiety was highest in the \$75-100,000 p.a. group.

KEY DRIVERS OF FINANCIAL ANXIETY - AGE & GENDER AND INCOME

| | AUSTRALIA | Women 18-29 | Women 30-49 | Women 50-64 | Women 65+ | Men 18-29 | Men 30-49 | Men 50-64 | Men 65+ | <\$35,000 p.a. | \$35-50,000 p.a. | \$50-75,000 p.a. | \$75-100,000 p.a. | \$100,000+ p.a. |
|---------------------------------|-----------|-------------|-------------|-------------|-----------|-------------|-------------|-----------|---------|----------------|------------------|------------------|-------------------|-----------------|
| Financing retirement | 53.0 | 52.4 | 61.9 | 60.7 | 37.1 | 48.0 | 62.0 | 55.9 | 39.9 | 59.2 | 56.2 | 48.5 | 58.6 | 49.3 |
| Providing for family's future | 47.4 | 52.4 | 58.1 | 41.3 | 27.7 | 50.4 | 57.5 | 43.4 | 28.9 | 55.0 | 47.8 | 46.0 | 50.3 | 43.3 |
| Medical bills/healthcare | 46.3 | 50.4 | 54.7 | 48.9 | 36.0 | 48.0 | 51.6 | 44.7 | 32.1 | 54.9 | 47.8 | 41.8 | 49.0 | 41.6 |
| Non-essentials (holidays, etc.) | 45.2 | 55.2 | 54.3 | 42.9 | 29.0 | 48.5 | 52.1 | 40.3 | 31.5 | 52.0 | 46.1 | 42.7 | 46.5 | 42.1 |
| Home imp. & maintenance | 43.8 | 47.0 | 52.3 | 42.3 | 36.0 | 46.5 | 50.1 | 41.8 | 29.0 | 50.7 | 44.8 | 40.8 | 45.0 | 40.8 |
| Raising \$2,000 in an emergency | 43.8 | 55.5 | 57.1 | 43.6 | 24.5 | 49.7 | 51.5 | 39.1 | 22.0 | 54.6 | 46.4 | 42.1 | 44.7 | 37.5 |
| Major household items | 43.1 | 51.5 | 50.9 | 41.0 | 29.6 | 47.0 | 50.7 | 39.7 | 28.5 | 51.8 | 44.6 | 41.7 | 44.2 | 38.8 |
| Personal loan repayments | 42.2 | 48.7 | 48.8 | 35.0 | 16.2 | 48.6 | 49.0 | 33.6 | 23.7 | 47.8 | 43.8 | 42.6 | 48.7 | 37.7 |
| Other bills (e.g. insurances) | 42.2 | 49.3 | 52.5 | 41.6 | 29.9 | 45.9 | 48.7 | 36.8 | 25.5 | 53.0 | 45.4 | 39.3 | 44.9 | 34.3 |
| Mortgage, rent, housing costs | 41.9 | 48.6 | 50.2 | 39.4 | 23.3 | 47.8 | 47.4 | 35.0 | 20.4 | 47.8 | 43.6 | 41.8 | 46.1 | 36.6 |
| Children's education | 41.5 | 48.5 | 52.6 | 21.1 | 8.8 | 43.7 | 49.4 | 26.8 | 13.3 | 43.5 | 41.0 | 42.0 | 46.2 | 39.3 |
| Normal bills (e.g. utilities) | 41.2 | 49.4 | 51.6 | 39.0 | 28.3 | 44.4 | 48.6 | 36.6 | 24.4 | 50.7 | 44.8 | 38.4 | 44.1 | 33.8 |
| Food/basic necessities | 36.2 | 39.7 | 46.8 | 33.8 | 22.4 | 44.9 | 42.5 | 32.5 | 19.8 | 47.2 | 37.6 | 33.2 | 38.9 | 29.0 |
| Credit card repayments | 33.9 | 43.3 | 43.1 | 31.3 | 18.8 | 42.3 | 42.0 | 23.7 | 15.9 | 39.8 | 33.7 | 33.0 | 37.3 | 30.3 |

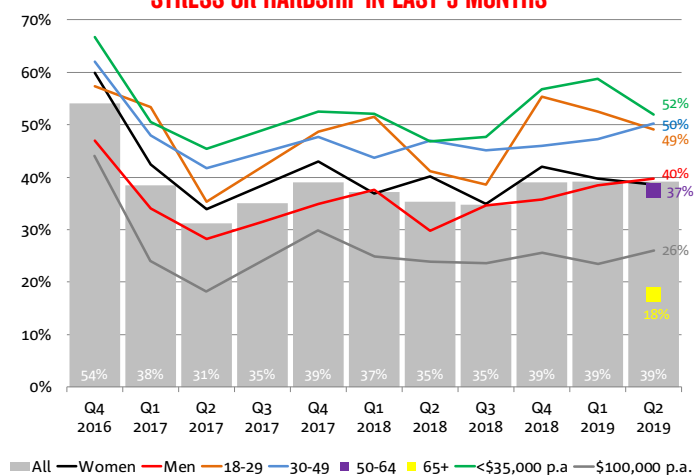
PART 3 - HOUSEHOLD FINANCIAL HARDSHIP

The number of Australians who experienced some form of financial stress or hardship in the past 3 months was unchanged at 39% in Q2. But the overall result continues to mask important differences. By gender, the number of men who experienced hardship increased from 38% to 40%, but the number of women who experienced some hardship fell from 40% to 39%.

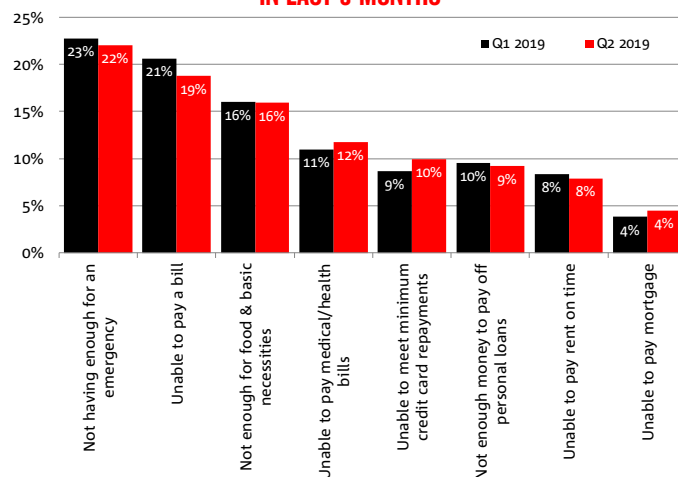
By age, the number of 30-49 year olds that experienced some hardship climbed further to 50% (47% in Q1), but the number of 18-29 year olds that did fell to 49% (52% in Q1 2018). Far fewer older Australians experienced any stress - just 18% in the 65+ age group and 37% in the 50-64 group.

By income, the number of people in the lowest income group that faced hardship fell to 52% (59% in Q1), but was still twice as many than in the highest income group (26% vs. 23% in Q1).

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



TYPE OF FINANCIAL STRESS OR HARDSHIP EXPERIENCED IN LAST 3 MONTHS



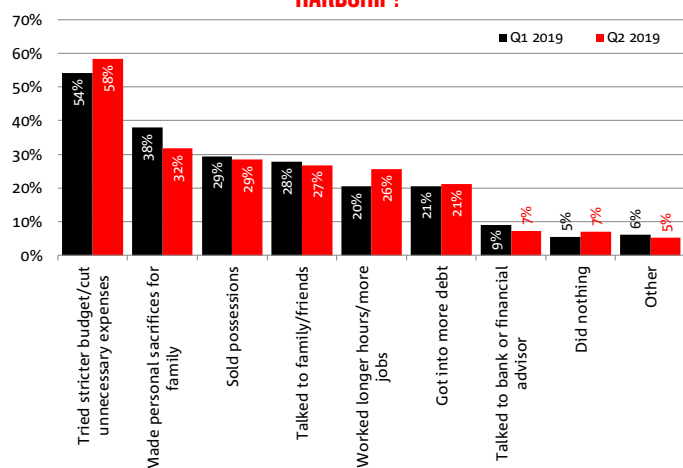
Not having enough money for an emergency remains the most frequently cited cause of stress or hardship, impacting 22% (or over 1 in 5 Australians). However, it was a bigger problem for women aged 30-49 (30%) and for low income earners (28%).

Being unable to pay a bill was the next biggest cause of hardship, affecting 19% of all Australians. But the problem was more widespread among men aged 18-29 (27%).

In other findings, not having enough for food and basic necessities impacted 16% of people overall, but notably more men aged 18-29 (28%) and low income earners (24%).

More women (18%) and men (17%) aged 18-29 struggled to meet their minimum credit card repayments, and noticeably more young men (18%) were unable to pay rent on time.

HOW DID YOU TRY AND MANAGE FINANCIAL STRESS OR HARDSHIP?



Almost 6 in 10 Australians (58%) who experienced financial hardship in the last 3 months tried to follow a stricter budget and cut out unnecessary expenses.

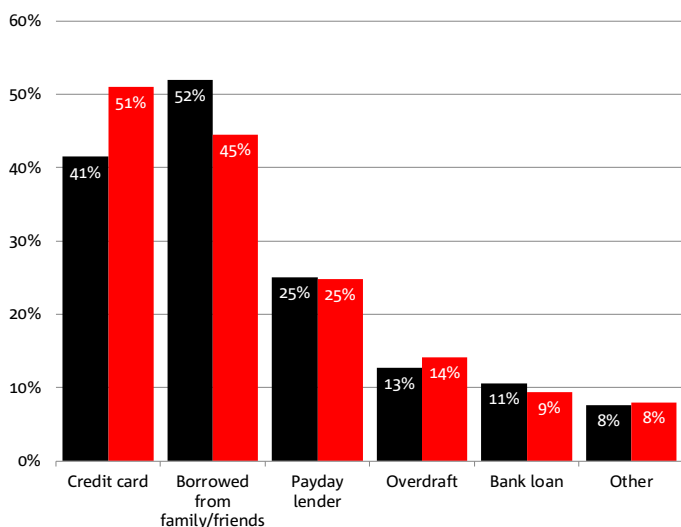
But this number varied across key groups. For example, 72% of women aged 18-29 said they budgeted or cut unnecessary expenses, compared to just 49% of men aged 30-49.

Around 32% tried to make personal sacrifices for the family, particularly women aged 30-49 (44%). Around 3 in 10 (29%) sold possessions, although this was more common in the highest income group (36%).

Another 27% talked over their worries with family or friends, with young women the most likely group to have done so (43%) and women over 65 the least likely to have done so (13%).

Over 1 in 4 (26%) worked longer or harder, particularly men aged 18-29 (40%), and around 1 in 5 went into more debt, led by men aged 50-64 (31%).

TYPE OF DEBT USED

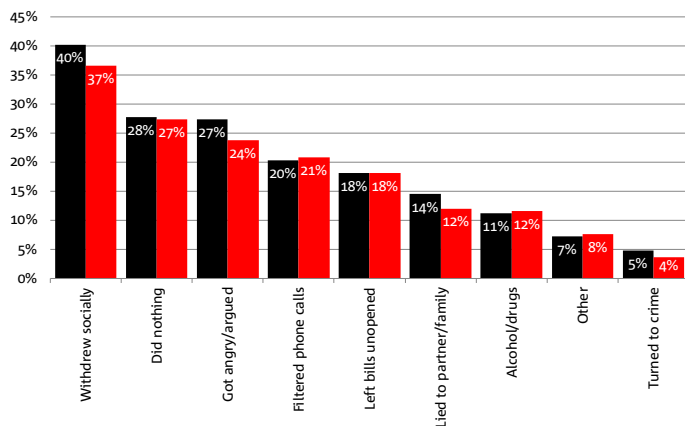


In Q2, just over 1 in 2 (51%) Australians who went into more debt to try and manage their financial stress used their credit card, compared to 41% in the previous quarter.

Borrowing from family from friends was the next most common method used, although the number doing so fell to 45% from 52% in the previous quarter.

Around 1 in 4 Australians (25%) who went into more debt to manage their financial stress took out a loan from a payday lender, while 14% an overdraft and 9% a bank loan.

HOW DID YOU TRY TO COPE WITH FINANCIAL STRESS?



People may try coping with financial stress by managing the problem directly - for example budgeting, selling possessions, learning to live on less, speaking to their bank etc.

But financial stress or anxiety can also impact their emotional wellbeing and often result in unhealthy coping behaviours and can cause additional stress.

In fact, around 37% of Australians who experienced financial stress or hardship tried to cope by withdrawing socially, while 24% got angry or argued.

Around 27% did nothing, while many tried to hide from the problem by filtering phone calls (21%) or by leaving bills unopened (18%).

Around 12% also lied to their partner or family or turned to alcohol or drugs.

HOW DID YOU TRY AND COPE WITH FINANCIAL STRESS - GENDER & AGE AND INCOME

| | AUSTRALIA | Women 18-29 | Women 30-49 | Women 50-64 | Women 65+ | Men 18-29 | Men 30-49 | Men 50-64 | Men 65+ | <\$35,000 p.a. | \$35-50,000 p.a. | \$50-75,000 p.a. | \$75-100,000 p.a. | \$100,000+ p.a. |
|------------------------|-----------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|---------|----------------|------------------|------------------|-------------------|-----------------|
| Withdrew socially | 37% | 38% | 39% | 43% | 30% | 31% | 41% | 47% | 14% | 42% | 37% | 38% | 42% | 30% |
| Did nothing | 27% | 30% | 27% | 22% | 31% | 23% | 24% | 27% | 50% | 28% | 33% | 27% | 17% | 27% |
| Got angry/argued | 24% | 24% | 26% | 17% | 11% | 26% | 28% | 23% | 16% | 16% | 22% | 17% | 38% | 32% |
| Filtered phone calls | 21% | 14% | 26% | 10% | 5% | 20% | 26% | 39% | 12% | 17% | 14% | 26% | 23% | 25% |
| Left bills unopened | 18% | 13% | 22% | 19% | 2% | 19% | 23% | 15% | 8% | 15% | 14% | 21% | 19% | 26% |
| Lied to partner/family | 12% | 16% | 11% | 6% | 1% | 12% | 20% | 7% | 4% | 11% | 9% | 14% | 16% | 15% |
| Alcohol/drugs | 12% | 6% | 9% | 3% | 0% | 17% | 21% | 13% | 4% | 8% | 13% | 14% | 16% | 11% |
| Other | 8% | 4% | 9% | 14% | 20% | 4% | 3% | 7% | 13% | 9% | 9% | 4% | 8% | 5% |
| Turned to crime | 4% | 2% | 3% | 1% | 0% | 7% | 6% | 3% | 0% | 1% | 5% | 3% | 3% | 7% |

But how people cope emotionally can differ by gender & age and by income.

For example, withdrawing socially was the most commonly cited coping mechanism when under financial stress, impacting 37% of all people under financial stress. But this number was much higher for men aged 50-64 (47%).

Doing nothing was the second most common response overall (27%), but was significantly higher among men over 65 (50%). This was also the most commonly cited coping mechanism for 30-49 year old women (31%).

Men aged 50-64 (39%) were much more likely to filter phone calls and 30-49 year old men (23%) and women (22%) most likely to leave bills unopened. Men aged 30-49 were the most likely to turn to alcohol or drugs (21%), and along with young men aged 18-29 resort to crime.

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