



# THE CHOOSI DOLLAR REPORT 2019

**choosi**<sup>®</sup>

# CONTENTS

**About the report 3**

**How financially savvy are Australians? 5**

The large majority of Australians are financially savvy **6**

7 in 10 have 'strong' or 'very strong' financial knowledge **7**

But 7 in 10 aren't confident in making financial decisions **8**

Financial savviness - a national view **9**

**How financially stressed are Australians? 10**

Half of Australians worry about money daily or weekly **11**

Most struggle to keep up with the rising cost of living **12**

Many feel anxious or stressed about their debt position **13**

Financial stress - a national view **14**

**How money-smart are Australians? 15**

Three quarters of Australians see themselves as 'money-smart' **16**

Australians are looking to improve their financial knowledge **17**

Australia is a nation of savvy savers **18**

Saving up for the tangibles **19**

Saving up for the intangibles **20**

The rise of JOMO **21**

Guilty pleasure purchases **22**

Biggest barriers to saving regularly **23**

**How anxious are Australians when it comes to finances? 24**

Financial anxiety and worries are keeping Australians up at night **25**

Risks affecting financial security **26**

Some are stretching the truth about savings **27**

They also have difficulty managing their debts **28**

Many are anxious or stressed about their debt position **29**

Some are also worried about the Australian economy **30**

Australians don't feel comfortable discussing their finances **31**

Professional advice and reliable information is in demand **32**

**How insured are Australians? 33**

Many Australians are turning their back on insurance **34**

The knowledge gap around 'enough' insurance **35**

Peace of mind is priceless **36**

**What does this mean for the Australian wallet? 37**

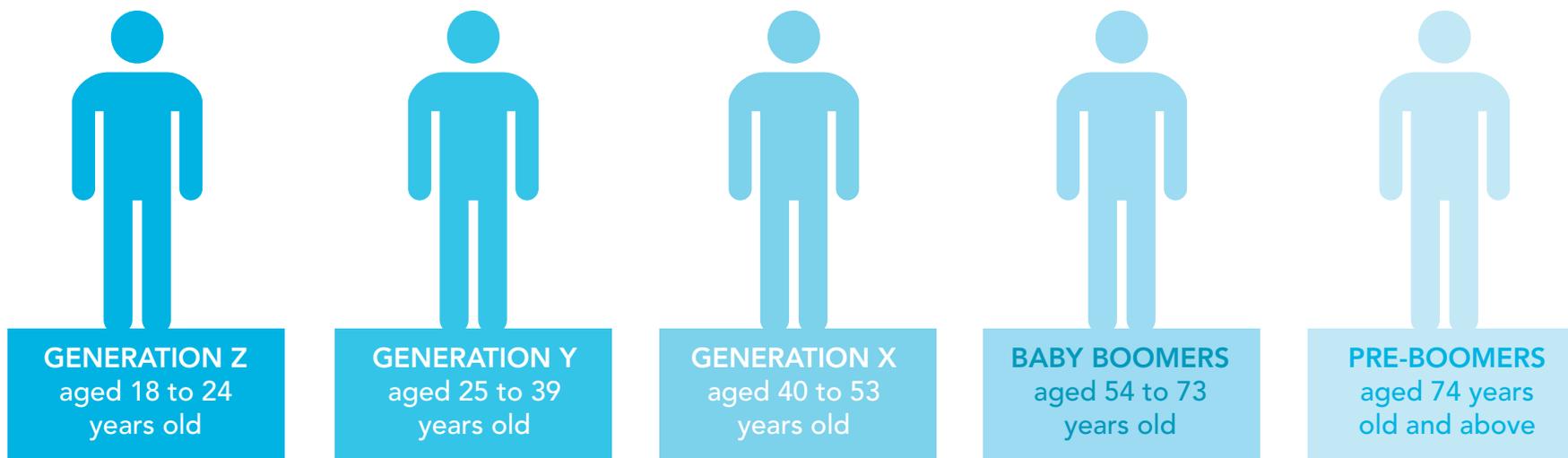
What does it all mean? **38**

## About the report

The Choosi Dollar Report 2019 follows on from the first iteration in 2016 and forms part of the Choosi Research Series. In its 11th instalment, this in-depth study explores the financial decision-making behaviour of Australians aged 18 and above, and investigates if we're living in a financially literate society, whether we're financially savvy or financially stressed along with the key barriers and drivers behind our spending habits.

The report is compiled based on research commissioned by Choosi and conducted by CoreData between 20 June and 5 July 2019. The research was conducted via a quantitative online survey targeting 5,000 Australians aged 18 and above.

The sample is representative of the general population of Australians aged 18 and above in terms of age, gender, wealth, and state/territory. For the purposes of the research, the sample is divided into the following age generation groups:



## About the report

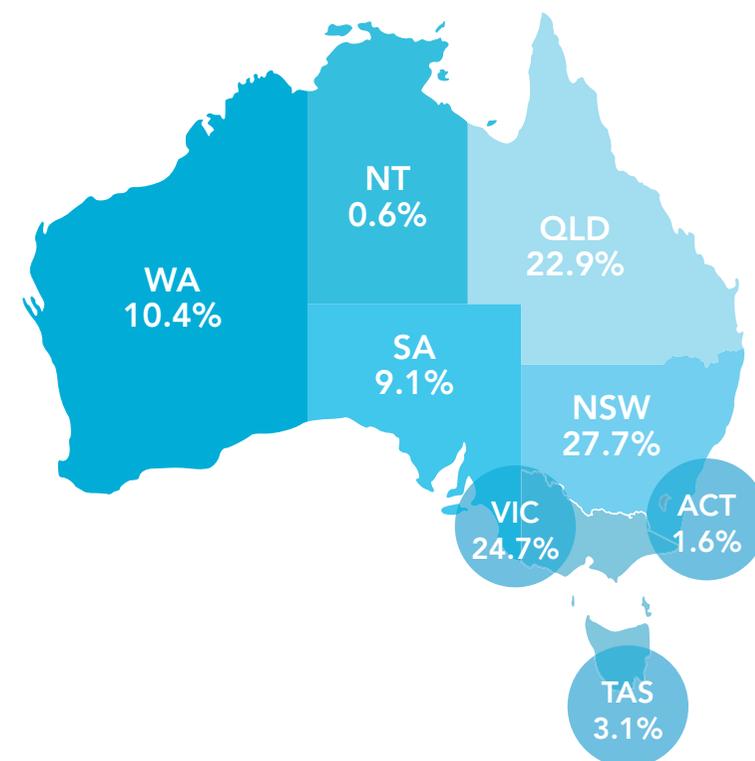
The findings are analysed by a range of variables, including state/territory, Statistical Area 4 (SA4) region\*, age generation, gender and wealth segment.

Age generation	
Generation Z	11.2%
Generation Y	28.5%
Generation X	23.1%
Baby Boomers	31.7%
Pre-Boomers	5.5%
Total	100.0%

Gender	
Female	51.0%
Male	49.0%
Total	100.0%

Household income	
\$50,000 or less	40.0%
\$50,001 to \$75,000	20.2%
\$75,001 to \$100,000	13.8%
\$100,001 to \$125,000	8.9%
\$125,001 to \$150,000	6.7%
\$150,001 to \$200,000	6.5%
\$200,001 to \$250,000	2.5%
\$250,001 to \$350,000	0.9%
\$350,001 or more	0.5%
Total	100.0%

Investment portfolio	
I have no investments	46.5%
\$50,000 or less	20.4%
\$50,001 to \$150,000	10.5%
\$150,001 to \$250,000	6.6%
\$250,001 to \$350,000	4.7%
\$350,001 to \$450,000	2.9%
\$450,001 to \$550,000	1.9%
\$550,001 to \$650,000	1.5%
\$650,001 to \$750,000	1.4%
\$750,001 to \$1 million	1.3%
More than \$1 million to \$3 million	1.7%
More than \$3 million to \$5 million	0.2%
More than \$5 million	0.2%
Total	100.0%



\*SA4 is an area classification framework used by the Australian Bureau of Statistics. Only SA4s with a sample size of at least 50 are considered when comparing across SA4s.

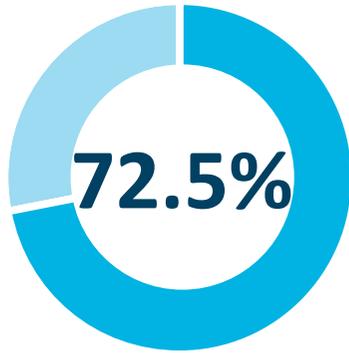
## How financially savvy are Australians?

- The large majority of Australians are financially savvy **6**
- 7 in 10 have 'strong' or 'very strong' financial knowledge **7**
- But 7 in 10 aren't confident in making financial decisions **8**
- Financial savviness - a national view **9**



# The large majority of Australians are financially savvy

The large majority (72.5%) of Australians see themselves as 'money-smart' or financially savvy.

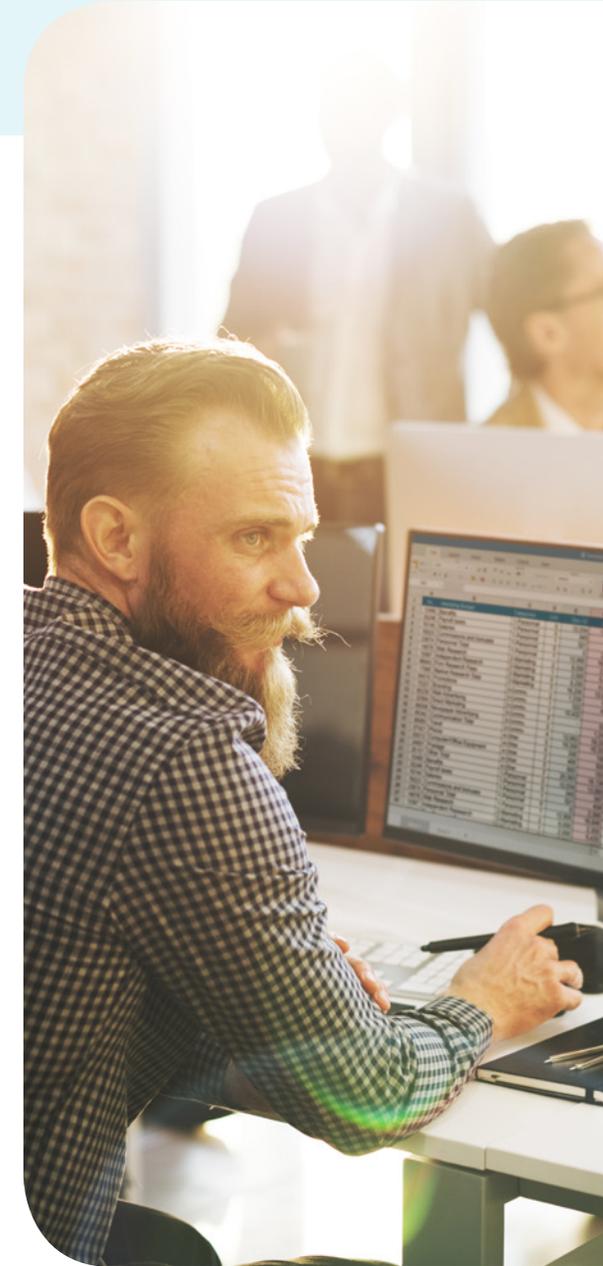
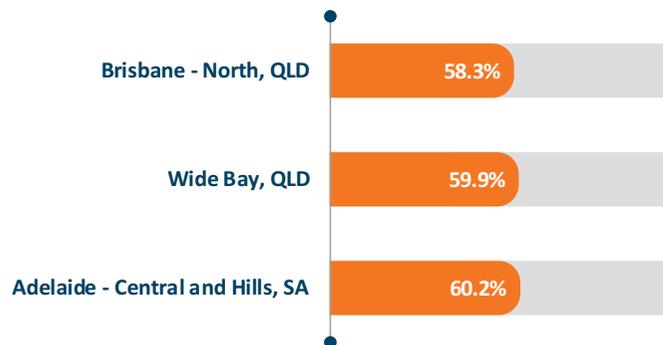


See themselves as 'money-smart'

The three regions with the highest proportions of 'money-smart' residents are:

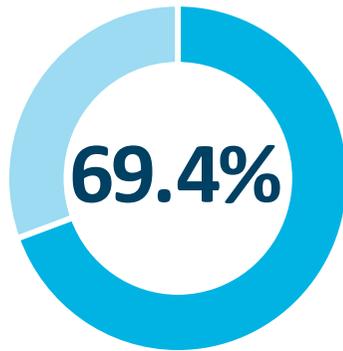


However, the three regions with the lowest proportions of 'money-smart' residents are:



# 7 in 10 have 'strong' or 'very strong' financial knowledge

Close to 7 in 10 (69.4%) Australians rate their overall financial knowledge as 'strong' or 'very strong'.

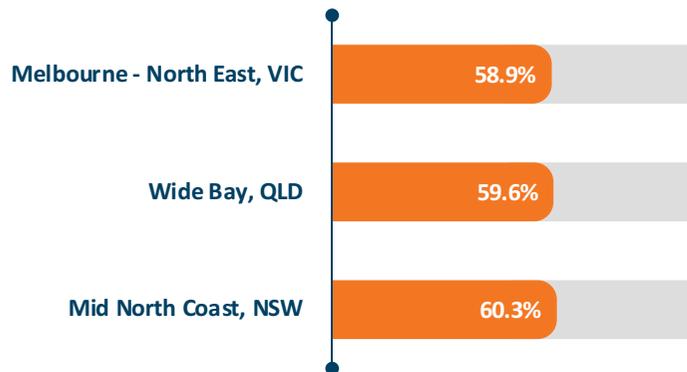


'Strong' or 'very strong' overall financial knowledge

Overall financial knowledge is strongest in the following regions:



However, overall financial knowledge is weakest in the following regions:



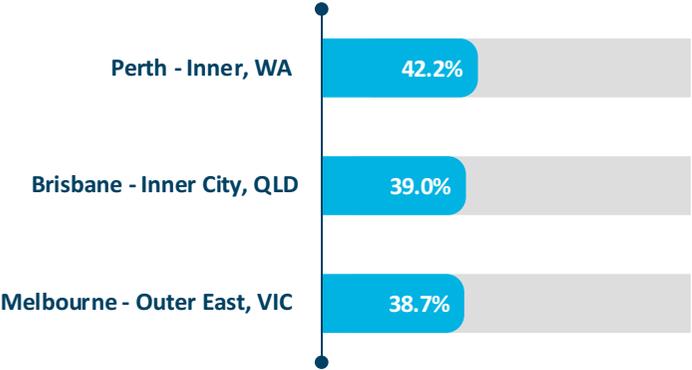
# But 7 in 10 aren't confident in making financial decisions

While the majority of Australians think they're financially savvy or rate their overall financial knowledge as 'high', only 3 in 10 (30%) are 'very' or 'extremely' confident in making financial decisions.

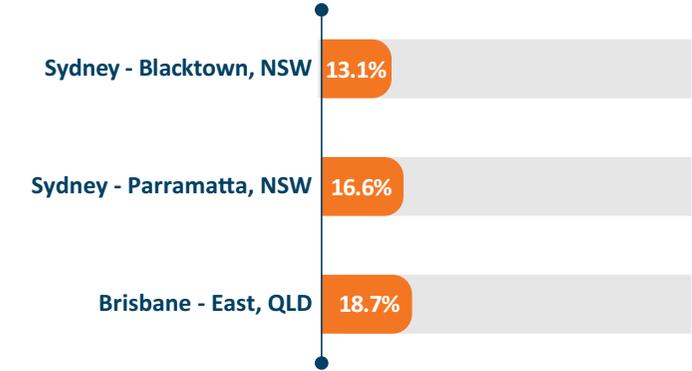


'Very' or 'extremely' confident in making financial decisions

Confidence in making financial decisions is highest in the following regions:

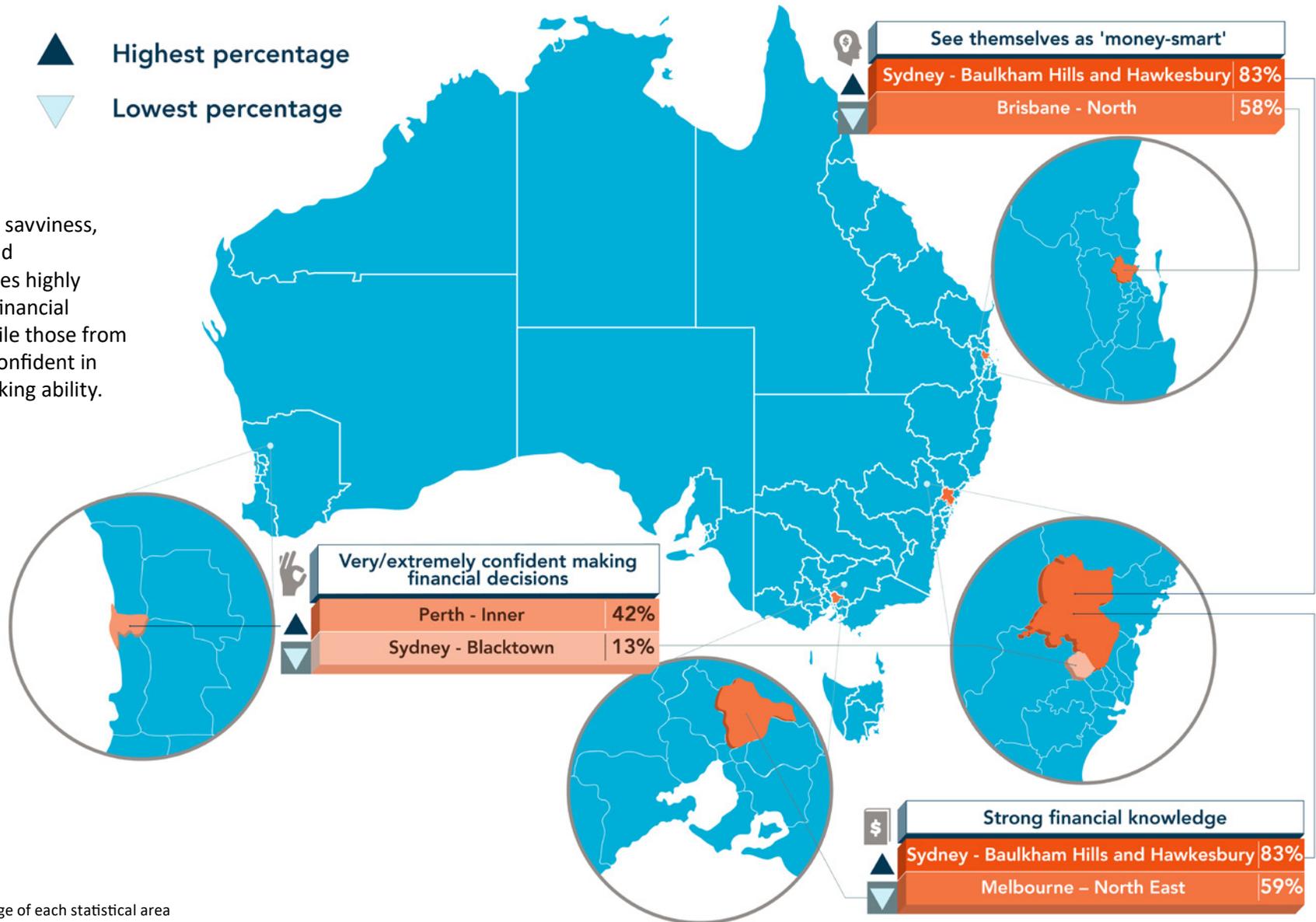


However, confidence in making financial decisions is lowest in the following regions:



# Financial savviness - a national view

When it comes to financial savviness, Sydney's Baulkham Hills and Hawkesbury rate themselves highly in the 'money-smart' and financial knowledge categories. While those from Inner Perth are the most confident in their financial decision-making ability.



Note: Figures shown are a percentage of each statistical area

## How financially stressed are Australians?

- Half of Australians worry about money daily or weekly **11**
- Most struggle to keep up with the rising cost of living **12**
- Many feel anxious or stressed about their debt position **13**
- Financial stress - a national view **14**





# Half of Australians worry about money daily or weekly

Financial stress appears to be prevalent amongst Australians, with close to half (47.0%) worrying about money daily or weekly, and another 1 in 7 (14.5%) worrying about it monthly.

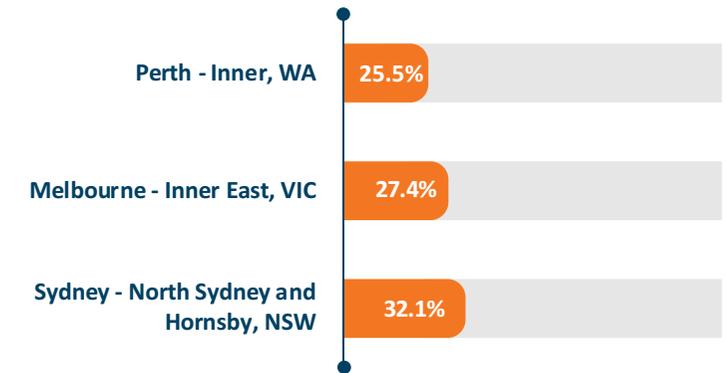
How often do you worry about money?



The three regions with the highest proportions of residents who worry about money daily or weekly are:



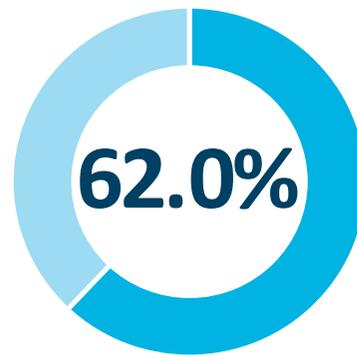
However, the three regions with the lowest proportions of residents who worry about money daily or weekly are:





## Most struggle to keep up with the rising cost of living

The money worries could be linked to the rising cost of living, with the majority (62.0%) of Australians admitting that they're struggling to keep up.

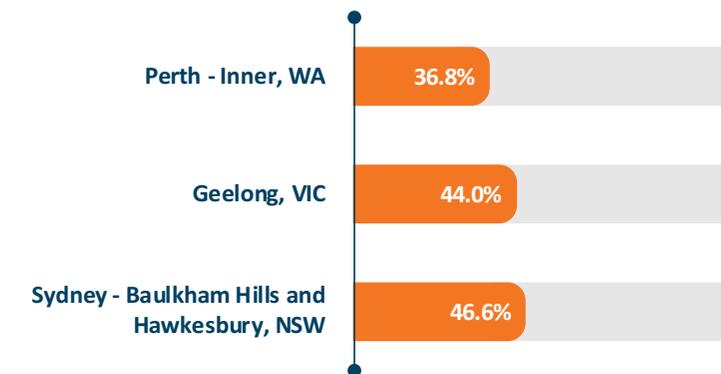


Agree with the statement "I really struggle to keep up with the rising cost of living."

The three regions with the highest proportions of residents struggling to keep up with the rising cost of living are:



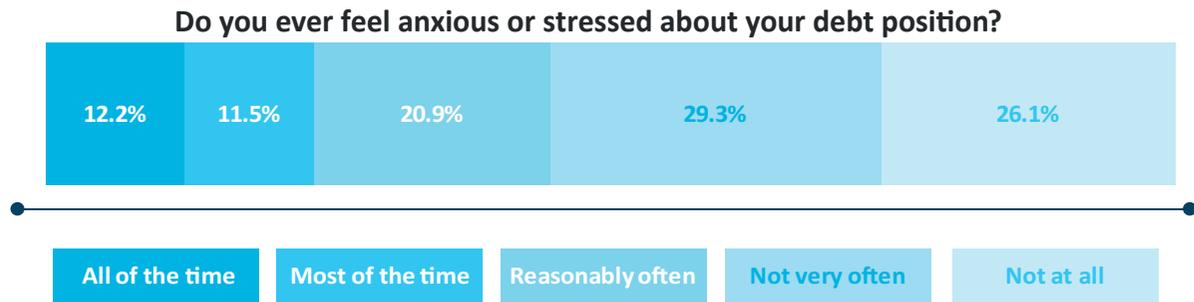
However, the three regions with the lowest proportions of residents struggling to keep up with the rising cost of living are:





## Many feel anxious or stressed about their debt position

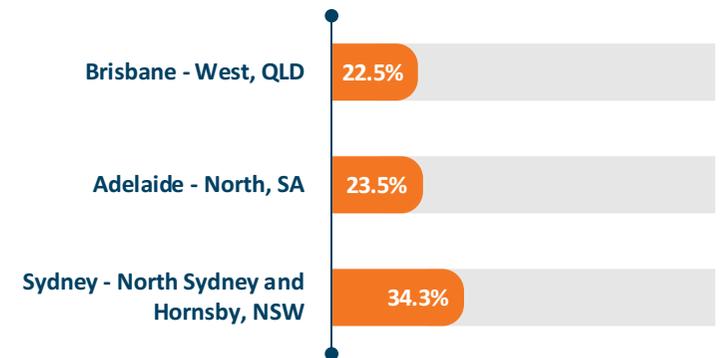
As further evidence of the prevalence of financial stress, more than 2 in 5 (44.6%) Australians feel anxious or stressed about their debt position at least 'reasonably often'.



The three regions with the highest proportions of residents who feel anxious or stressed about their debt position are:



However, the three regions with the lowest proportions of residents who feel anxious or stressed about their debt position are:

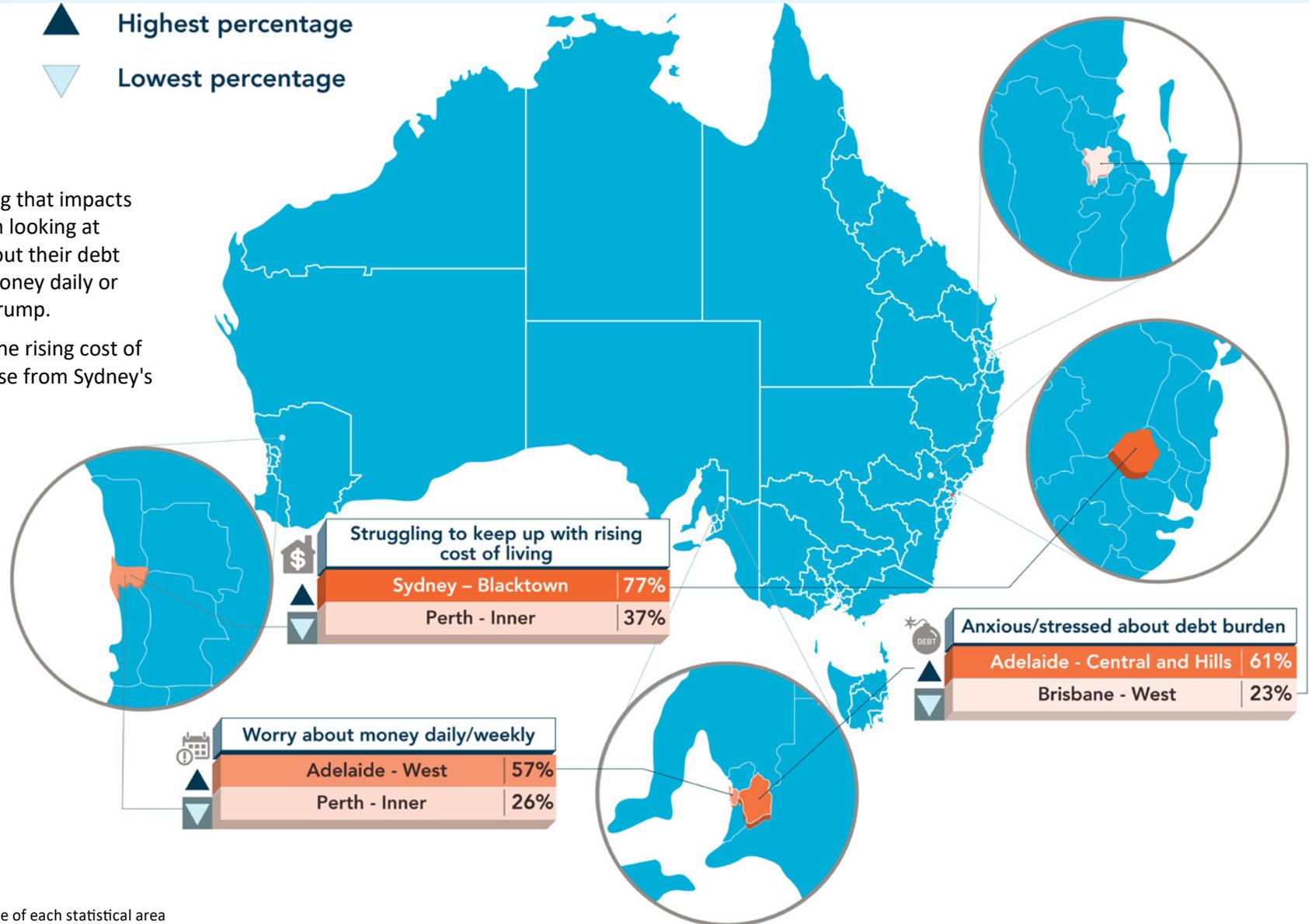


# Financial stress - a national view

▲ Highest percentage  
▼ Lowest percentage

Financial stress is something that impacts many Australians and when looking at those who are stressed about their debt burden and worry about money daily or weekly, Adelaide suburbs trump.

Struggles to keep up with the rising cost of living appear to impact those from Sydney's Blacktown the most.



Note: Figures shown are a percentage of each statistical area

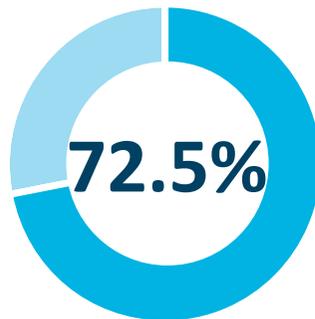
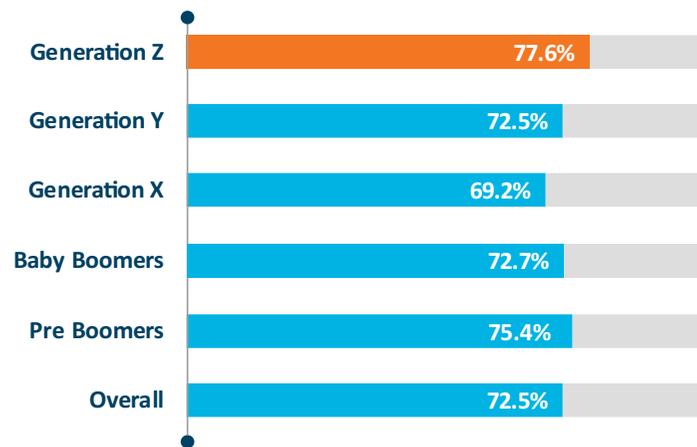
## How money-smart are Australians?

- Three quarters of Australians see themselves as 'money-smart' **16**
- Australians are looking to improve their financial knowledge **17**
- Australia is a nation of savvy savers **18**
- Saving up for the tangibles **19**
- Saving up for the intangibles **20**
- The rise of JOMO **21**
- Guilty pleasure purchases **22**
- Biggest barriers to saving regularly **23**



# Three quarters of Australians see themselves as 'money-smart'

In general, Australians are financially savvy with close to 4 in 5 (72.5%) seeing themselves as 'money-smart'. Gen Zs are the most likely to see themselves as 'money-smart' compared to other generations (77.6%).

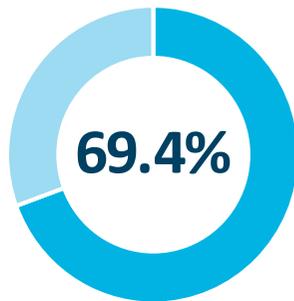


See themselves as 'money-smart'



# Australians are looking to improve their financial knowledge

Financial savviness is key for many Australians with close to 7 in 10 (69.4%) rating their overall financial knowledge as 'strong' or 'very strong', however they still feel the need to improve their financial knowledge.

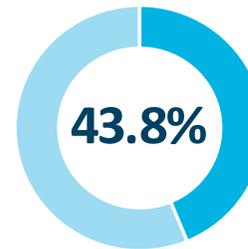


Overall

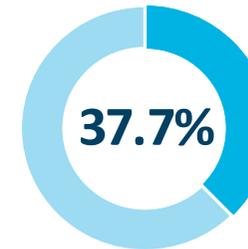
Close to 3 in 5 (56.3%) are researching information on the Internet, and approximately 2 in 5 receive financial tips from their family (43.8%) and friends (37.7%). More than a quarter (27.1%) of Australians are using financial apps.



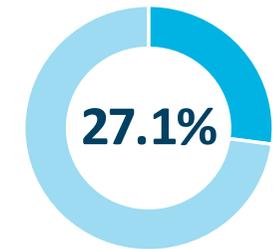
Researching information on the Internet



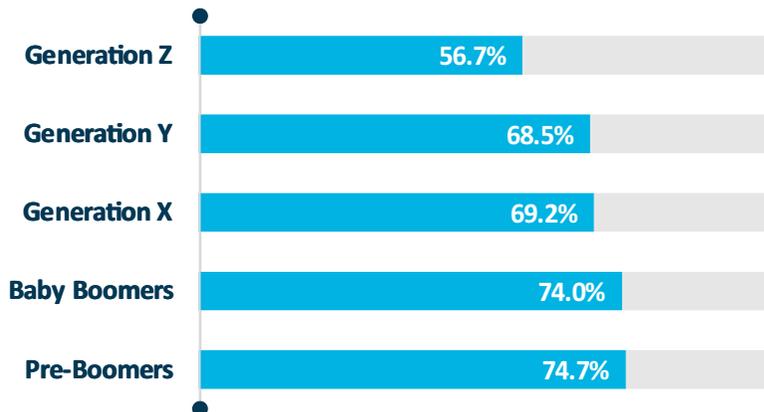
Getting tips from family



Getting tips from friends

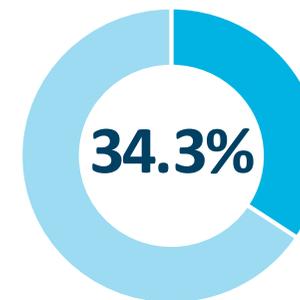


Using apps



Social media is another valuable source of financial knowledge, with more than a third (34.3%) saying social media helps them to learn about managing finances and what's going on in the economy.

Does social media help you at all to learn about managing finances and what's going on in the economy?

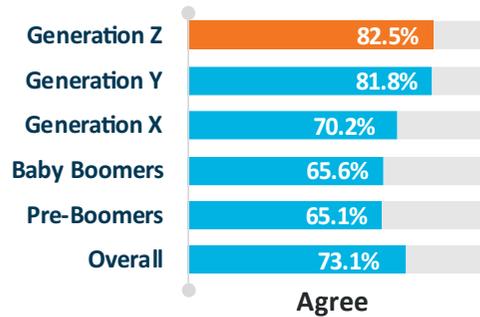


# Australia is a nation of savvy savers

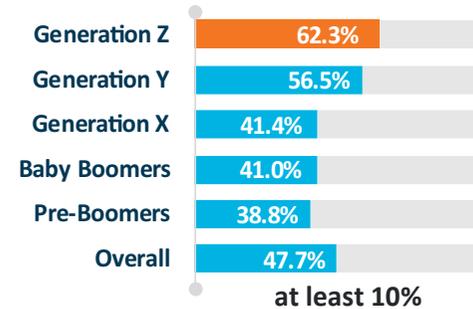
Australians appear to be savvy savers. The large majority (73.1%) have savings goals, and close to half (47.7%) save at least 10% of their net income each pay cycle after living expenses.

Gen Zs are the most likely to have savings goals (83.4%), and more than 3 in 5 (62.3%) save at least 10% of their net income each pay cycle after living expenses — all of which are higher than the other age generations.

"I have saving goals."

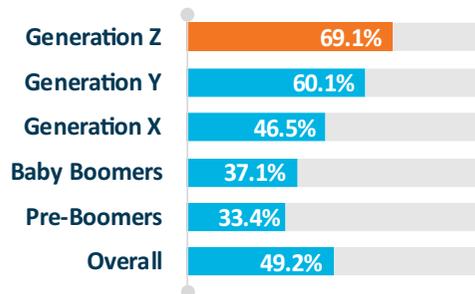


How much of your net income would you estimate you save each pay cycle?

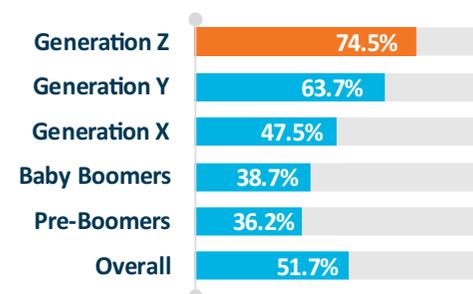


Furthermore, close to half (49.2%) of Australians claim to be saving more these days compared to 12 months ago and over half (51.7%) claim to be saving more these days compared to five years ago. Again, Gen Zs are the most likely to claim to be saving more these days compared to 12 months ago (69.1%) and compared to five years ago (74.5%).

Saving more these days compared to 12 months ago



Saving more these days compared to 5 years ago

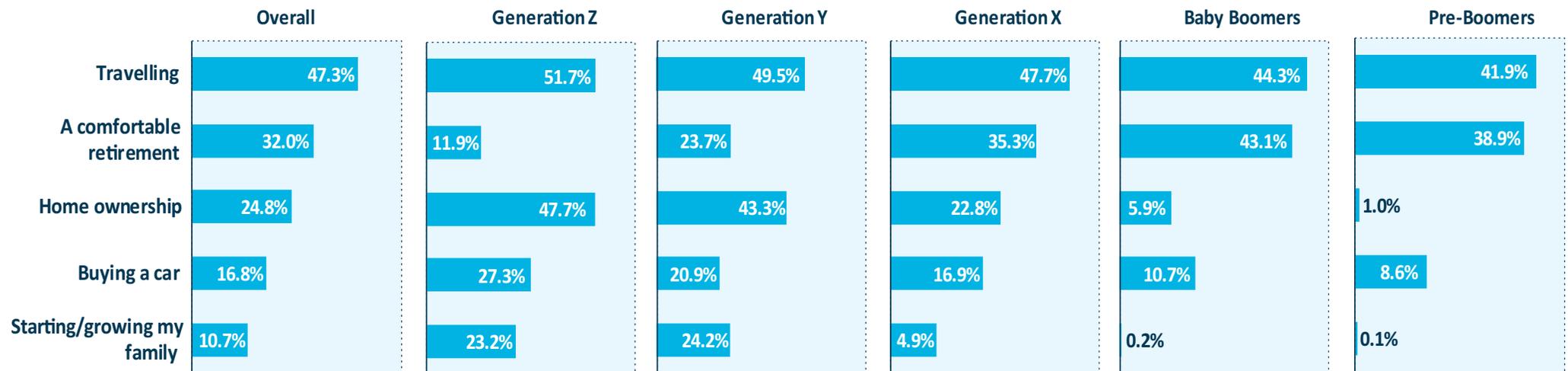


# Saving up for the tangibles

Across all age generations, travelling is the most common reason for saving (47.3%). They're also saving for a comfortable retirement (32.0%), home ownership (24.8%), and buying a car (16.8%).

While travelling is the number one reason for Gen Zs to be saving up (51.7%), it's clear that they're also saving up to fulfil 'grown-up' aspirations of home ownership and buying a car (47.7% and 27.3% respectively). Close to 1 in 4 (23.2%) are also saving up to start/grow their family.

Which of the following are you saving up for?

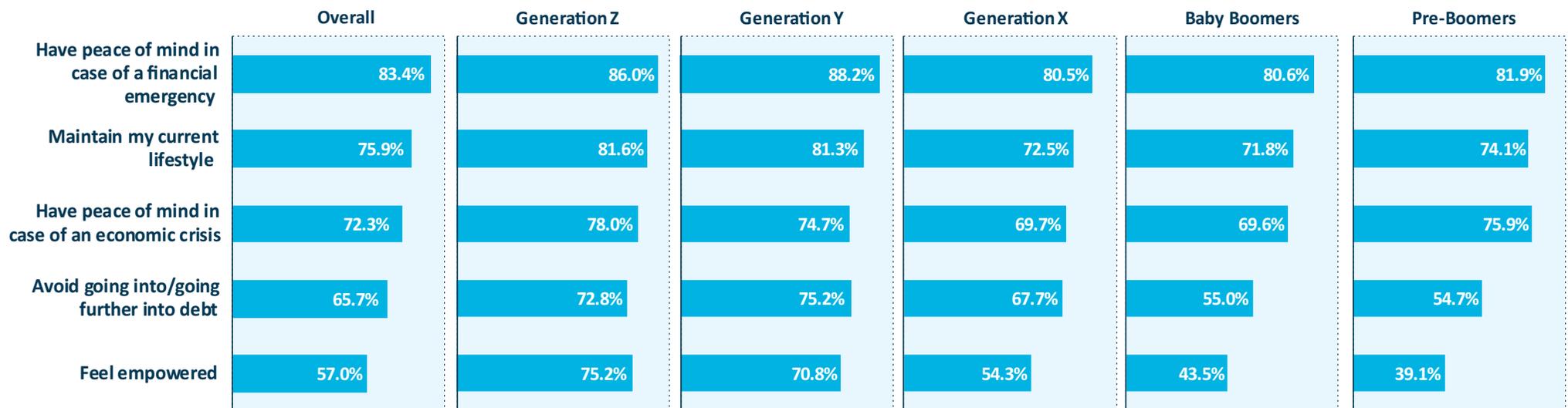


\*Multiple answers allowed

# Saving up for the intangibles

Aside from these tangible aspirations, Australians are also saving up for a range of intangible psychological reasons. The most commonly cited reason is to have peace of mind in case of a financial emergency (83.4%), to be able to maintain their current lifestyle (75.9%) and to have peace of mind in case of an economic crisis (72.3%). They're also saving up to avoid debt or feel empowered (65.7% and 57.0% respectively).

Are you saving up in order to ...?



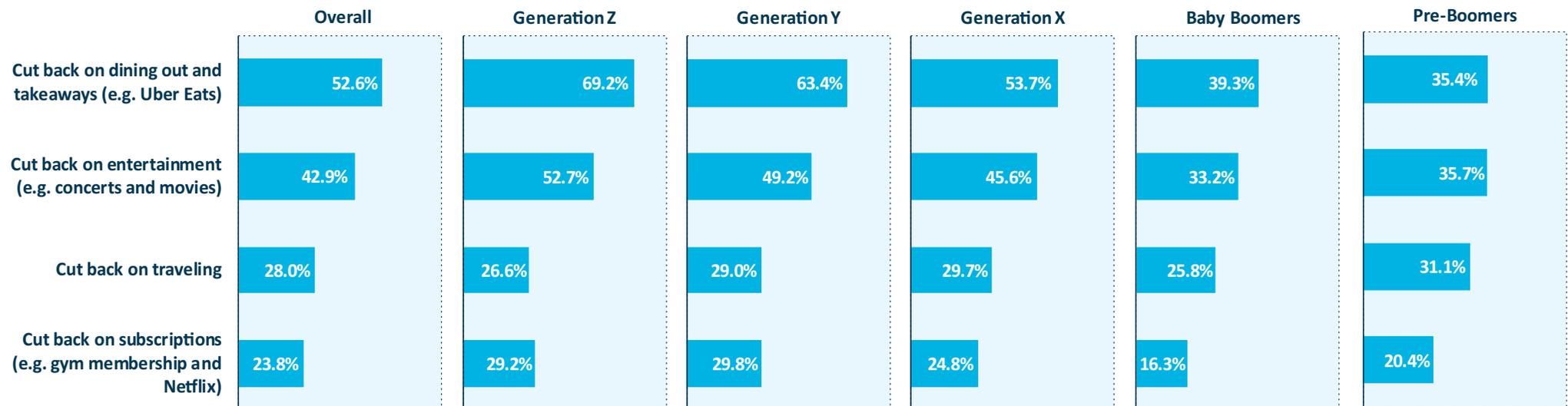
# The rise of JOMO

Australians are embracing JOMO (Joy Of Missing Out) in a bid to save. More than half (52.6%) cite cutbacks on dining out and takeaway (e.g. Uber Eats), while more than 2 in 5 (42.9%) are cutting back on entertainment (e.g. concerts and movies).

Furthermore, close to 3 in 10 (28.0%) are cutting back or planning to cut back on travelling, while almost 1 in 4 (23.8%) are cutting back or planning to cut back on subscriptions (e.g. gym membership and Netflix).

Gen Zs are the most likely to be embracing JOMO and are looking to cut back on dining out and takeaways (69.2%) and on entertainment (52.7%).

Which of the following are you doing or planning to do in order to save?

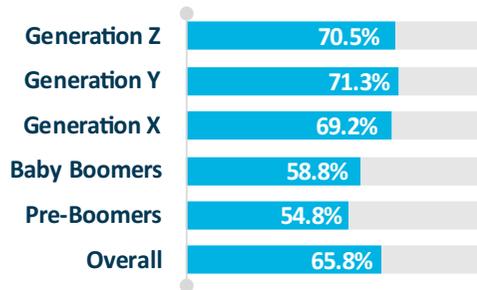


\*Multiple answers allowed

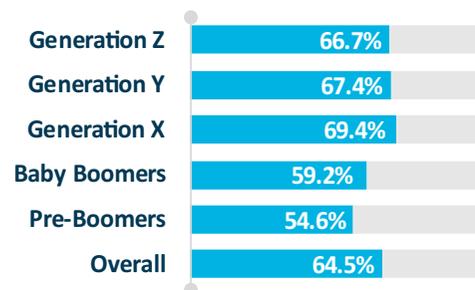
# Guilty pleasure purchases

As part of embracing JOMO, Australians are also cutting back on guilty pleasure purchases in a bid to save money. Close to two-thirds (65.8%) are cutting back more these days compared to 12 months ago, while a similar portion (64.5%) feel this way compared to five years ago.

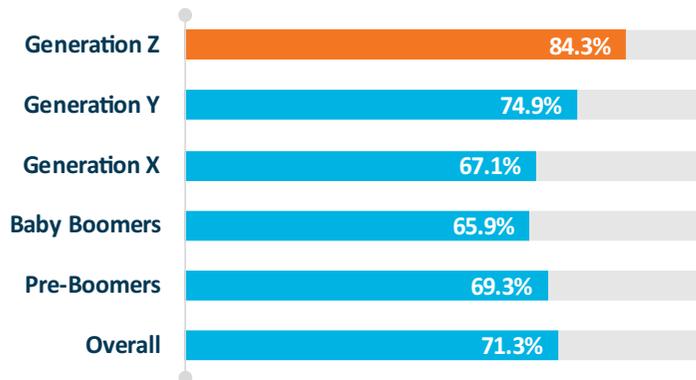
Cutting back more these days compared to 12 months ago



Cutting back more these days compared to 5 years ago



The sacrifices appear to be making a positive difference, with the large majority (71.3%) of those cutting back on guilty pleasure purchases feeling they're benefitting financially. Gen Zs are the most likely to feel they've been benefitting financially from cutting back on guilty pleasure purchases (84.3%) compared to other generations.

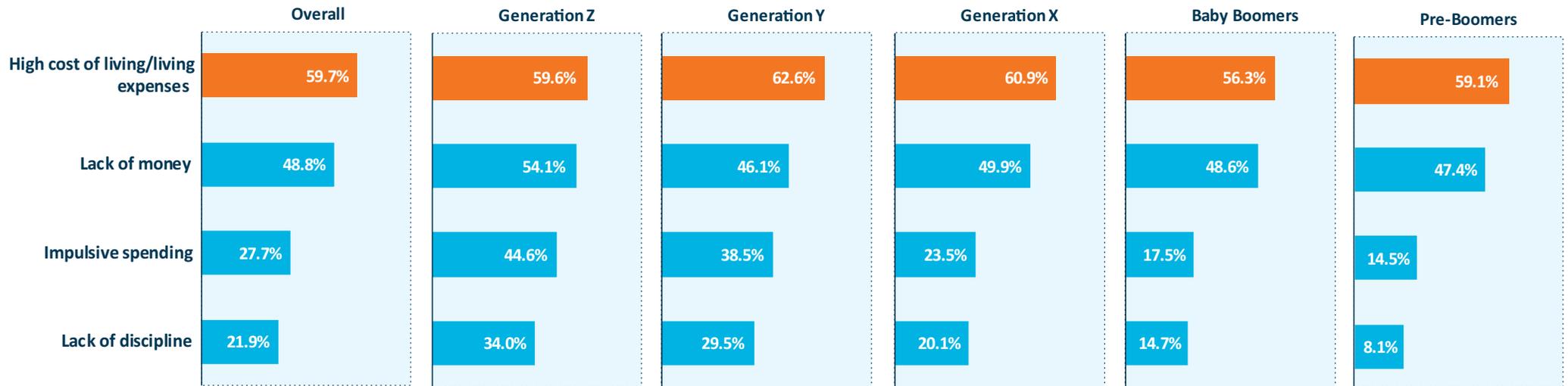


# Biggest barriers to saving regularly

Despite good intentions, Australians recognise that there are a range of barriers to saving regularly. Aside from lack of money, the biggest barrier being faced is the high cost of living (59.7%).

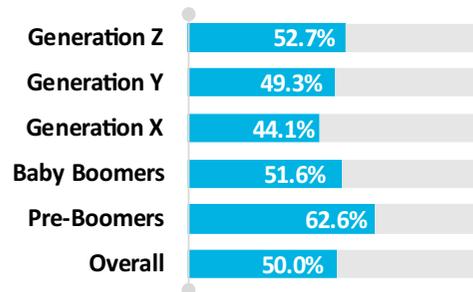
Other barriers cited are impulsive spending (27.7%) and lack of discipline (21.9%). The record low interest rates are also having an impact, with half (50.0%) saying low interest rates are making it hard to save.

What do you find are the greatest barriers to saving regularly?



\*Multiple answers allowed

Believe that low interest rates make it hard to save money



## How anxious are Australians when it comes to finances?

Financial anxiety and worries are keeping Australians up at night **25**

Risks affecting financial security **26**

Some are stretching the truth about savings **27**

They also have difficulty managing their debts **28**

Many are anxious or stressed about their debt position **29**

Some are also worried about the Australian economy **30**

Australians don't feel comfortable discussing their finances **31**

Professional advice and reliable information is in demand **32**

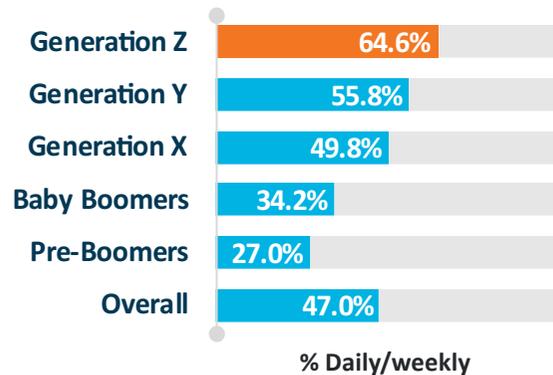


# Financial anxiety and worries are keeping Australians up at night

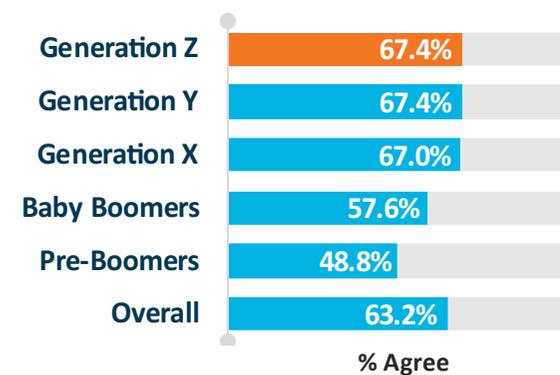
Although the majority of Australians are 'money-smart' and are savvy savers, they're also riddled with financial anxiety and worries.

Close to half (47.0%) admit that personal finance is something that tends to keep them up at night, worrying about money daily or weekly. Furthermore, the majority don't feel completely financially secure for the future or are feeling anxious about their financial future (63.2% and 55.5% respectively). More than 2 in 5 (43.7%) also feel that their finances can be a bit out of control sometimes.

How often do you worry about money?

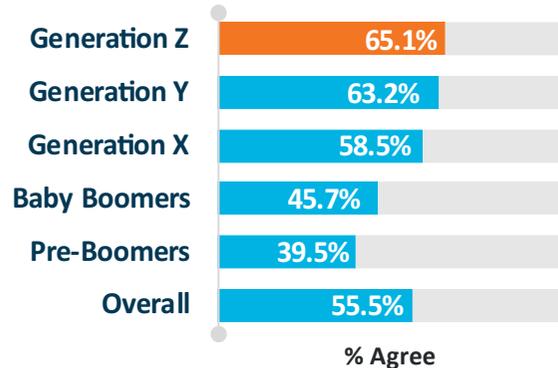


"I don't feel completely financially secure for the future."

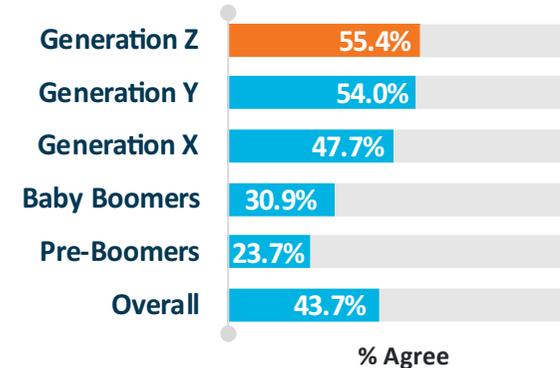


Across all generations, Gen Zs are the most likely to be saddled with financial anxiety and worries. Close to 2 in 3 (64.6%) admit that personal finance is something that tends to keep them up at night, worrying about money daily or weekly. The majority also don't feel completely financially secure for the future or are feeling anxious about their financial future (67.4% and 65.1% respectively). More than half (55.4%) feel that their finances can be a bit out of control sometimes.

"I feel anxious about my financial future."



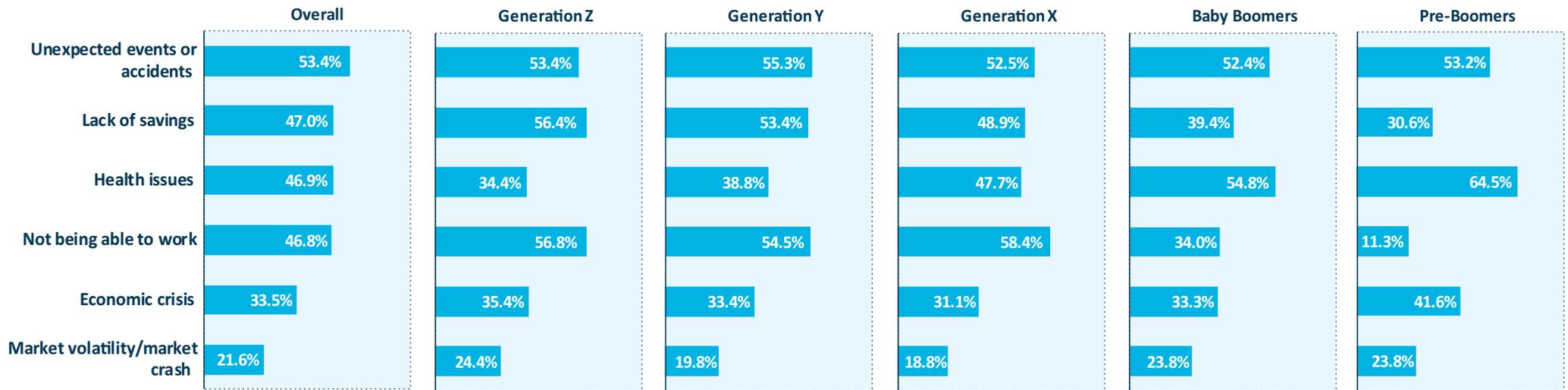
"I feel my finances are a bit out of control sometimes."



# Risks affecting financial security

Australians cite a range of risks to their future financial security, and are particularly concerned with not being able to work (46.8%), a lack of savings (47.0%), unexpected events or accidents (53.4%), and health issues (46.9%). Around 1 in 3 are also concerned with an economic crisis (33.5%), while more than 1 in 5 are concerned with market volatility/market crash (21.6%).

What do you see as the greatest risks to your financial security?



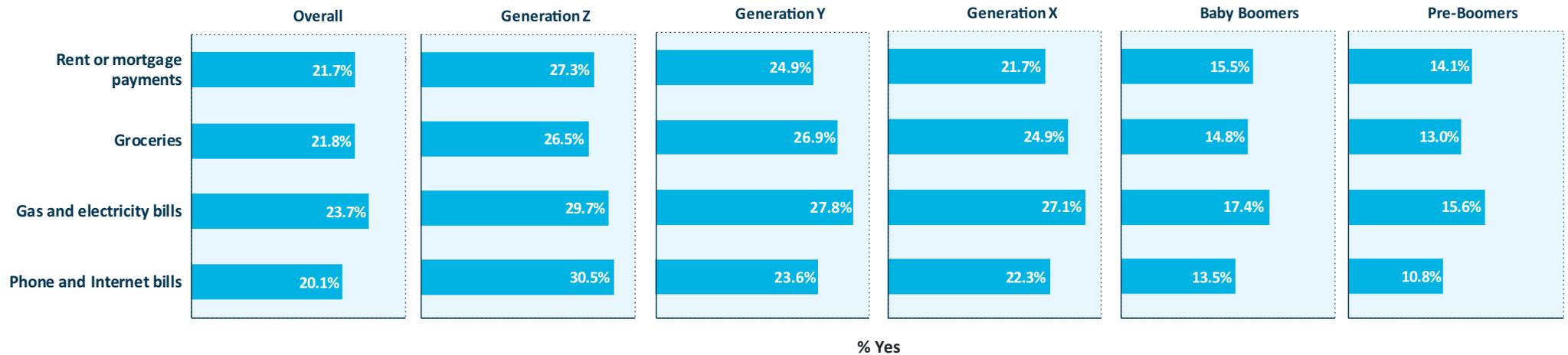
\*Multiple answers allowed

# Some are stretching the truth about savings

Demanding living expenses are stopping many Australians from living their lives to the fullest.

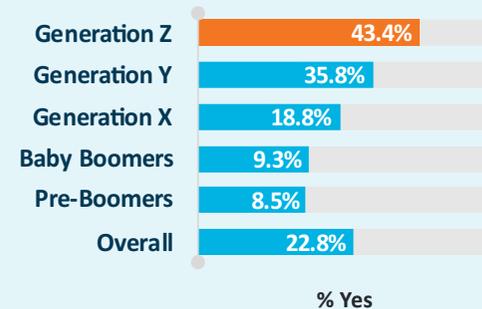
More than 1 in 5 admit that they struggle to meet rent/mortgage payments or groceries at least 'reasonably often' (21.7% and 21.8% respectively). They also admit that they struggle to pay off their gas and electricity bills or phone and internet bills (23.7% and 20.1% respectively).

## Do you ever struggle meeting the following?



As a result, despite the strong commitment to saving, close to 1 in 4 (22.8%) Australians admit that they tend to stretch the truth about how much they save to family and friends. Gen Zs are the most likely to say they do this compared to older generations (43.4%).

## Do you tend to stretch the truth about how much you save in front of your family and/or friends?

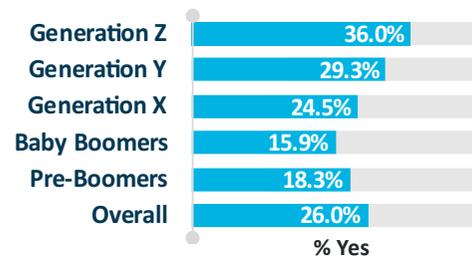


# They also have difficulty managing their debts

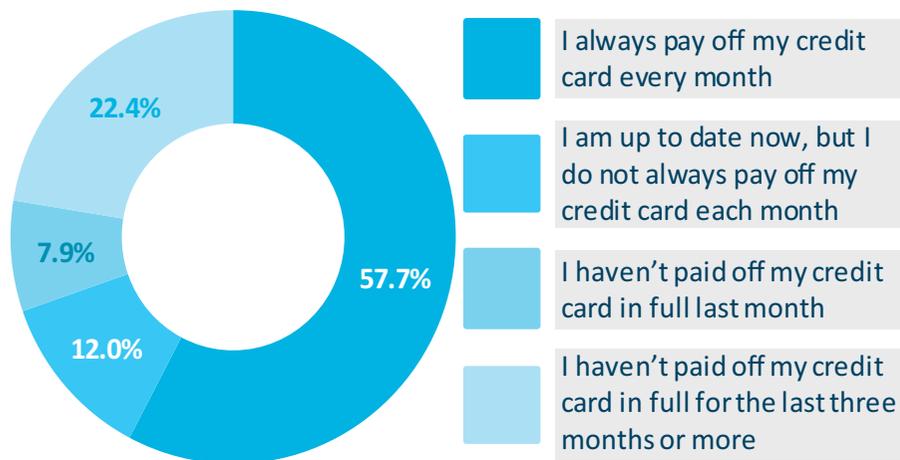
The evidence also suggests that some Australians are struggling to manage their debt.

More than 1 in 4 (26.0%) admit that they struggle to meet personal loan repayments at least reasonably often. Furthermore, close to 3 in 5 (57.7%) say they always pay off their credit card each month, with 3 in 10 (30.3%) being at least one month behind. Reflecting these struggles, a third (33.6%) feel they're drowning in debt or feel a reasonably strong debt burden.

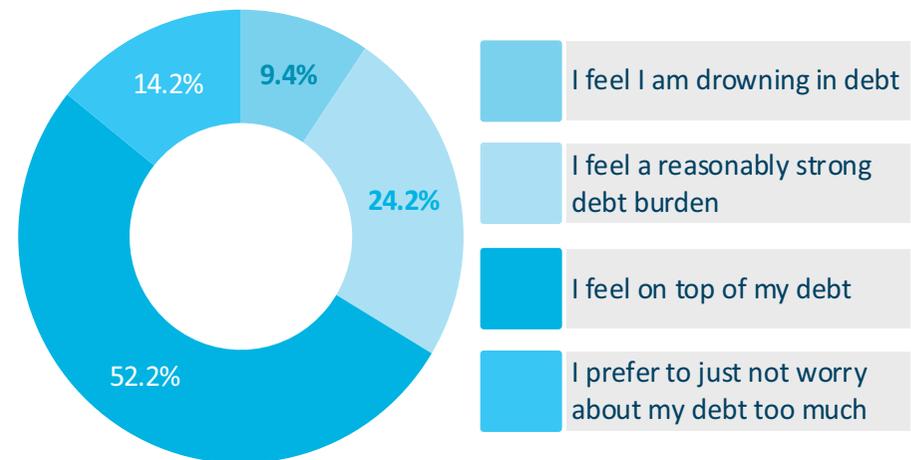
**Do you ever struggle meeting the following? Personal loan repayments (e.g. car loan)**



**How long has it been since you last paid off your credit card in full?**



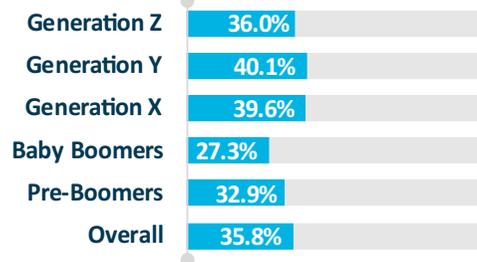
**Which statement best describes how you feel about your debt position?**



# Many are anxious or stressed about their debt position

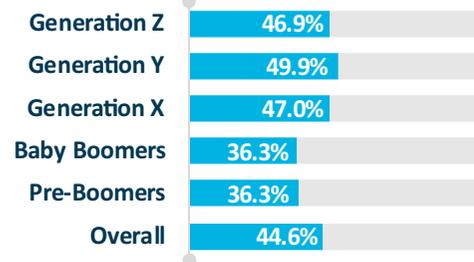
Given the struggles that some Australians experience in managing their debt, it's perhaps unsurprising that some feel embarrassed or even stressed about their debt position.

## Do you ever feel embarrassed about your debt position?



% Reasonably often to all the time

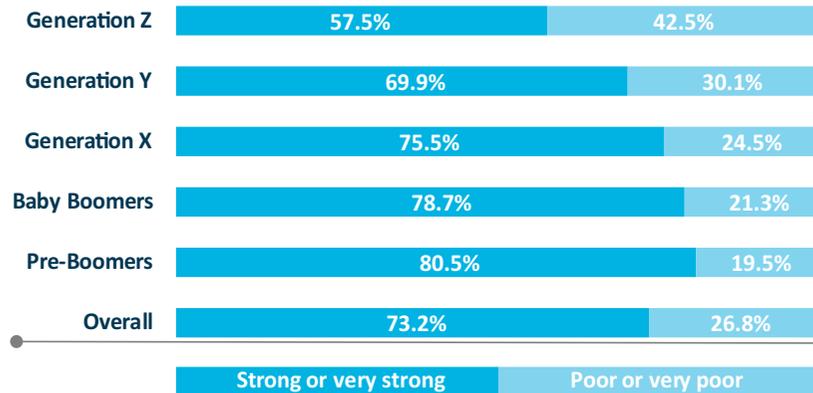
## Do you ever feel anxious or stressed about your debt position?



% Reasonably often to all the time

More than 1 in 3 (35.8%) feel embarrassed about their debt position at least 'reasonably often', whilst more than 2 in 5 (44.6%) feel anxious or stressed about their debt position at least 'reasonably often'. These emotions are likely to be exacerbated by the relatively poor knowledge that some Australians appear to have on how best to manage debt, with more than 1 in 4 (26.8%) rating their financial knowledge in this area as 'poor' or 'very poor'.

## How would you rate your financial knowledge of the following? (How best to manage debt)

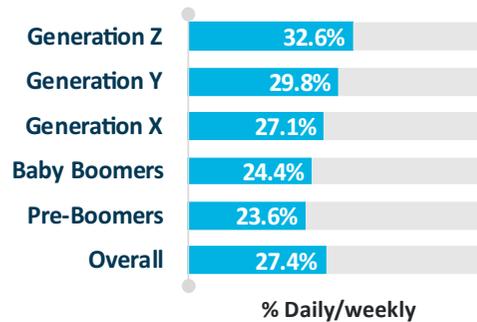


# Some are also worried about the Australian economy

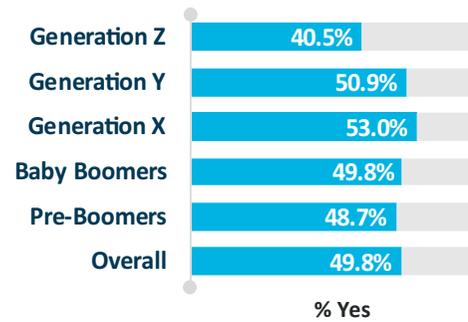
Aside from worrying about what they're personally dealing with, some are also worried about what's going on in the world from an economic perspective and how it might impact them.

More than 1 in 4 (27.4%) worry about uncertainty in the local/global economy daily or weekly and close to half (49.8%) believe Australia is on the brink of recession. Furthermore, half (50.3%) are concerned with fluctuations in interest rates and the impact on their saving and spending.

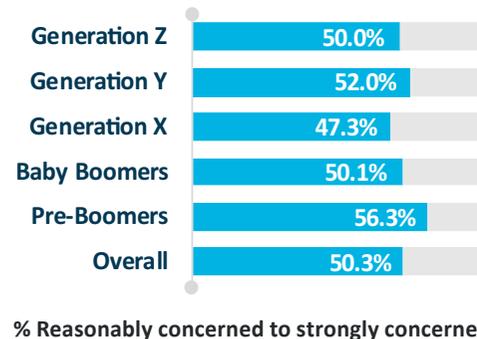
**How often do you worry about uncertainty in the local/global economy these days?**



**Do you think Australia is on the brink of recession?**



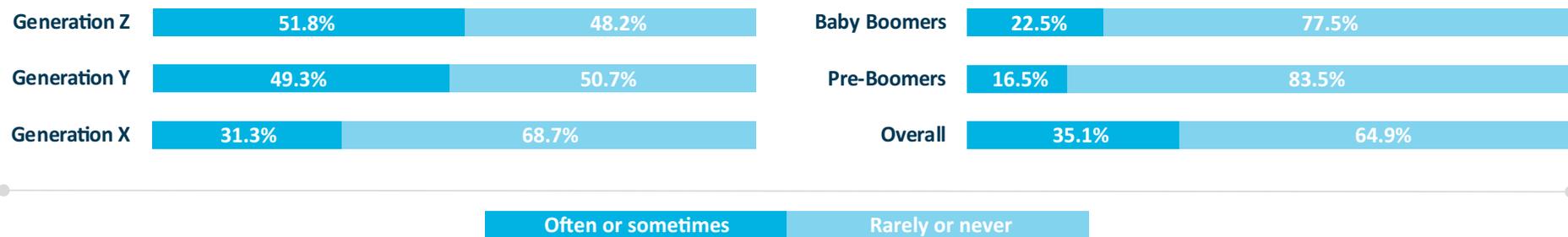
**How concerned are you with fluctuations in interest rates and the impact on your saving and spending?**



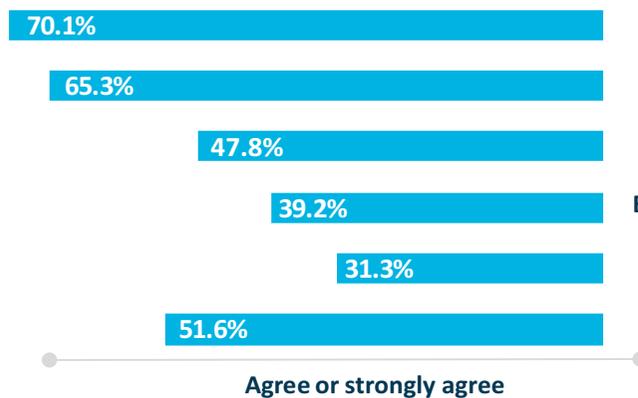
# Australians don't feel comfortable discussing their finances

Despite the prevalence of financial anxiety and worries, some may be keeping these to themselves, as they may not feel comfortable discussing money matters with others. Although more than a third (35.1%) talk about finances with friends 'often' or 'sometimes', close to two-thirds (64.9%) rarely or never do so. Furthermore, close to half (48.4%) don't feel comfortable talking to family and friends about their finances, while close to 3 in 5 (59.4%) don't feel comfortable talking to colleagues about money matters.

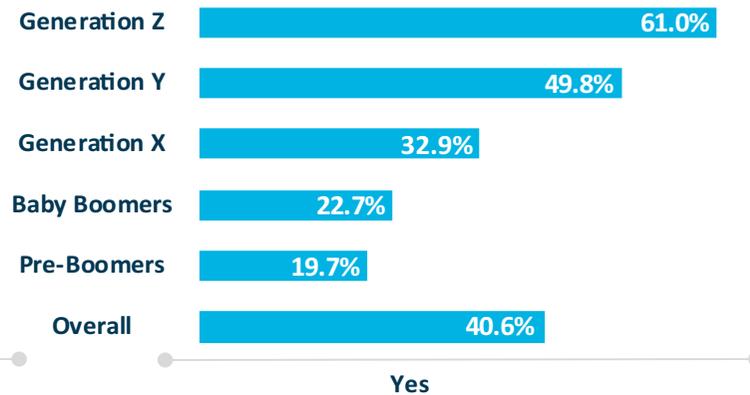
## Do you ever talk about finances with friends such as comparing strategies and experiences?



## How much do you agree with the following statements? "I feel comfortable talking to family and friends about my finances"



## Do you feel comfortable talking to work colleagues about your finances?

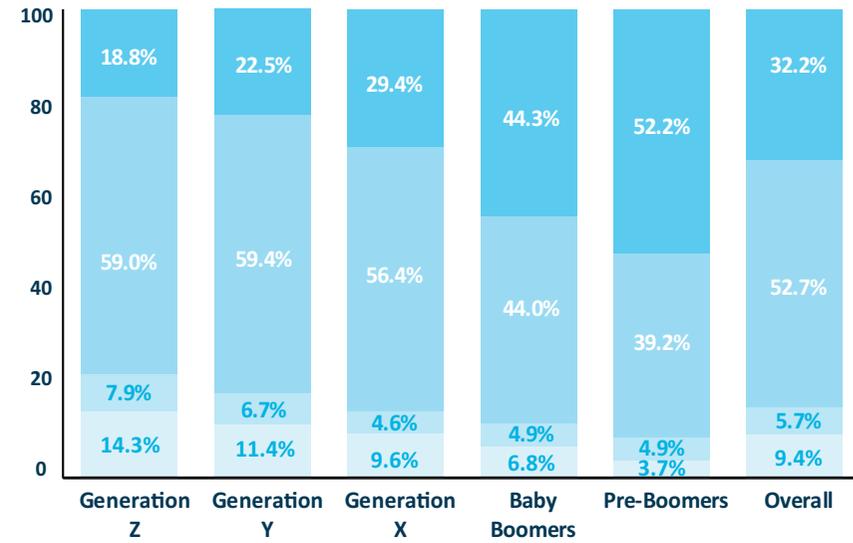
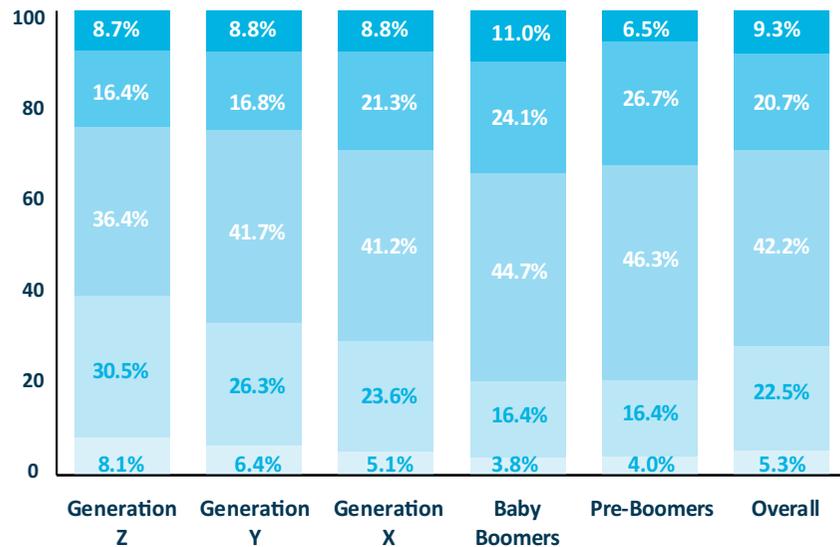


# Professional advice and reliable information is in demand

The reluctance to discuss money matters with family, friends, or colleagues could have an impact on the level of confidence in making financial decisions among Australians

Only 9.3% are 'extremely confident' in making any financial decision, while only 1 in 5 (20.7%) are 'very confident' in making most financial decisions. Close to 3 in 10 (27.8%) tend to avoid making financial decisions themselves or are only confident in making some financial decisions.

Given the relatively low level of confidence, there is some demand amongst Australians for professional advice and reliable information to help them make financial decisions. In managing money and finances, 5.7% tend to rely on a trusted professional to help, while more than half (52.7%) tend to do things themselves but value professional advice or reliable information sources to help support their decision-making.



- I'm extremely confident in making any financial decisions
- I'm very confident in making most financial decisions
- I'm reasonably confident in making most financial decisions

- I'm only confident in making some financial decisions
- I avoid making them or rely heavily on others to make them for me

- I prefer to do things myself and am confident in making my own decisions
- I do things myself but value professional advice or reliable information sources to help support my decision-making

- I rely on a trusted professional to help deal with it
- I often tend to not get around to it

## How insured are Australians?

- Many Australians are turning their back on insurance **34**
- The knowledge gap around 'enough' insurance **35**
- Peace of mind is priceless **36**

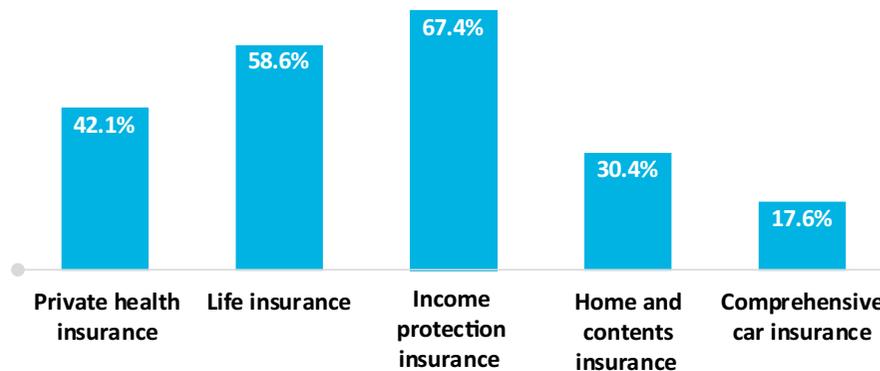


# Many Australians are turning their back on insurance

Despite high levels of financial anxiety and worries, many Australians are turning their back on insurance that could protect them against key financial risks.

More than 2 in 5 (42.1%) don't have any private health insurance cover, while most don't have any life insurance or income protection insurance (58.6% and 67.4% respectively). Additionally, 3 in 10 (30.4%) also don't have any home and contents insurance, and less than 1 in 5 (17.6%) don't have any comprehensive car insurance.

**Don't have insurance coverage**



Furthermore, although having some cover can be considered better than having no cover, the evidence suggests that some Australians may not be adequately insured. Around 1 in 6 aren't sure they have enough cover or don't know how much cover they have when it comes to home and contents insurance (15.6%), income protection insurance (15.0%), or life insurance (16.7%).

**Not sure if they have insurance coverage, or how much, or if existing cover is enough**



# The knowledge gap around 'enough' insurance

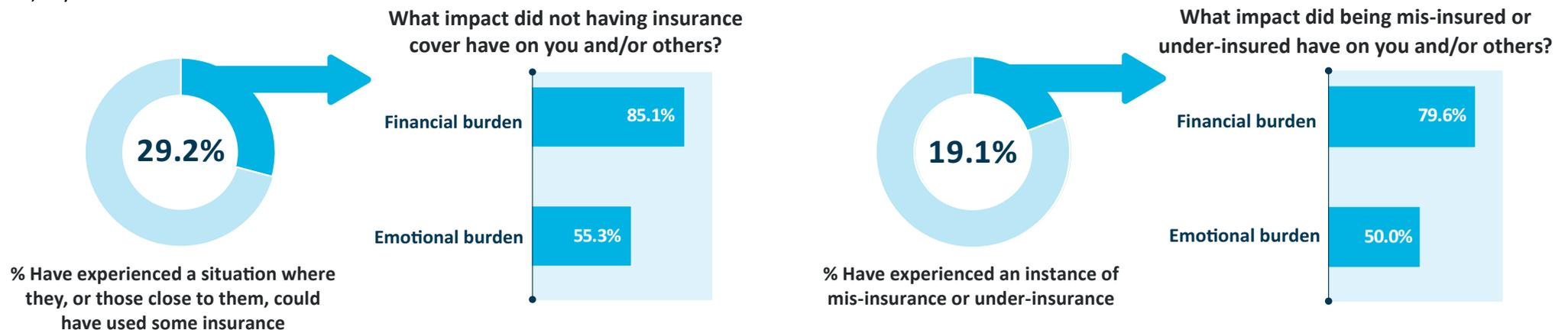
The issue of underinsurance could be driven by a gap in knowledge for many Australians.

Close to half (45.7%) feel they have 'poor' or 'very poor' knowledge about the best insurance deals in the market. More than half (53.4%) wish they had a better understanding of the insurance options available to them.



Close to 3 in 10 (29.2%) Australians have experienced at least one incident where they (or someone close to them), could've benefitted from some insurance but didn't have any cover in place. Amongst them, the vast majority (85.1%) say not having insurance resulted in a financial burden, while more than half (55.3%) say it resulted in an emotional burden.

Similar to a lack of insurance, being mis-insured or under-insured also presents risks. Close to 1 in 5 (19.1%) Australians have experienced at least one incident where they had some insurance cover, but realised they were mis-insured or under-insured. Amongst them, the large majority (79.6%) say this resulted in a financial burden, while 1 in 2 (50.0%) say it resulted in an emotional burden.

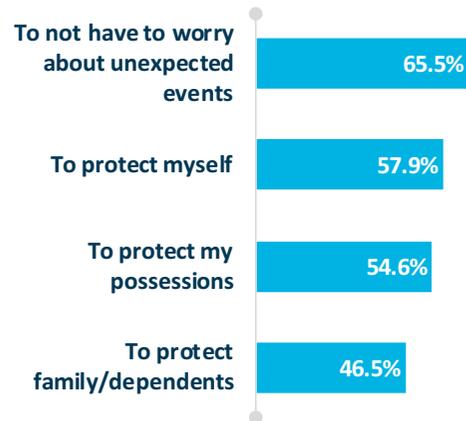


\*Note: **Mis-insured** means that the terms and conditions of the cover weren't right for one's needs. **Under-insured** means the cover wasn't enough for one's needs.

# Peace of mind is priceless

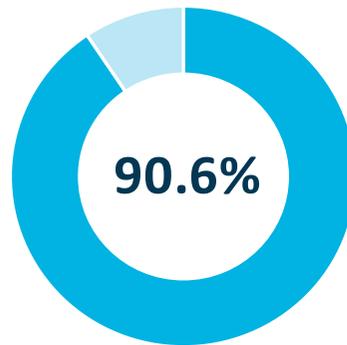
The most common reasons Australians take out insurance are so they don't have to worry about unexpected events (65.5%), to protect themselves (57.9%), to protect their possessions (54.6%), and to protect their family/dependents (46.5%).

## What are the main reasons you take out insurance?



Beyond these stated reasons, the key value of having insurance is peace of mind, with the overwhelming majority (90.6%) of Australians agreeing so.

## Does having insurance provide you with 'peace of mind'?



## What does this mean for the Australian wallet?

What does it all mean? 38



## What does it all mean?

Although Australians are committed to improving their financial knowledge and becoming 'money-smart', financial anxieties are prevalent with many worrying about their finances on almost a daily basis and fearing for their financial future.

The research also demonstrates that some are struggling to keep up with their daily living expenses, and are even struggling to meet rent/mortgage repayments and household expenses such as groceries, gas, and electricity bills.

It's not all bad news though. Australians are committed to their financial future and are saving more now than 12 months and 5 years ago. This coupled with the JOMO (Joy Of Missing Out) movement is helping people to save even more and to also cut back on a range of expenses and guilty pleasure purchases.

So how can Australians reduce the financial anxiety and worries? It may be helpful for them to:

- Take part in a financial acumen course or training for a better understanding of personal finances
- Use saving and budgeting or other financial management apps to better monitor saving and spending habits
- Talk regularly with family, friends, or colleagues to discuss and share financial tips and tricks
- Speak to a trusted adviser for financial advice and support in making financial decisions
- Research the insurance options available for a better understanding of its value and the options available



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