

## MEDIA RELEASE

### **Generation Y: the nation's biggest savers and most anxious about debt**

*New report reveals Australians may be in denial about how financially literate they are*

**SYDNEY, October 2019** – Close to half of all Australia's Generation Y (Gen Y) are the most likely to feel anxious or stressed about their debt position (49.9%) yet are our best savers of all, driven by a desire to feel empowered (75.2%).

Gen Y's are also likely to have cut back on guilty pleasure purchases over the last 12 months (70.5%) such as dining out, traveling and entertainment and close to three in 10 thoroughly research information to assist with their financial decision-making (24.7%).

Following on from the first instalment in 2016, *The Choosi Dollar Report 2019* builds upon the initial findings and explores the key barriers, drivers, spending habits, and financial concerns of Australians on a deeper level than ever before.

Of the 5,000 Australians surveyed, a large proportion have savings goals in place (73.1%), yet many are still struggling to keep up with the rising cost of living (62%). Further to this, where debt is concerned, the research shows one in four are currently paying off at least one personal loan (26.7%), and Gen Y struggle more in this area compared to other generations with two in five in this position (42.2%).

On the other hand, the majority of those in Generation Z (Gen Z) don't feel they're completely financially secure when it comes to their future (67.4%), despite more than half claiming they have a 'strong' understanding of finances (56.7%).

Financial anxiety is causing close to two thirds of Gen Zs to lose sleep on a daily or weekly basis (64.6%), despite seven in ten spending less on guilty pleasures compared to five years ago (66.7%).

When looking at the generation most concerned with money matters, Gen Z are the most financially savvy, seeking out opportunities to improve their financial knowledge through tips from family (76.2%), friends (58.7%), internet research (69.2%), or investment in financial acumen courses (19.5%).

Simon Hovell, a Choosi spokesperson, said, "The Choosi Dollar Report 2019 offers a deep-dive into the spending and saving behaviours and attitudes of Australians in today's consumer-driven society. Building on previously published research by Choosi, the new report provides fascinating insights into everything that encompasses the way in which Australians manage their money, from the habits and tricks they adopt for better budgeting, to the emotional impacts finances can have on people."

Although Australians claim they're taking more steps to be conservative spenders, Gen Ys and Gen Zs admit they stretch the truth about how much they save when speaking to family and friends (35.8% and 43.4% respectively). This is markedly higher than the national average of just one in five (22.8%).

Claire Madden, Australia's foremost researcher in generational engagement and author of 'Hello Gen Z', said, "The new Choosi Dollar Report shows that while many Australians, particularly those in the younger generations, feel that they are financially savvy and are displaying healthier spending habits, they still have an alarming level of anxiety when it comes to talking about

personal finances, with many even admitting to stretching the truth when discussing finances with their loved ones.”

For close to half surveyed, financial anxiety is fuelled by the belief that Australia is on the brink of a recession (49.8%), Gen Xs and Gen Ys are driving this with more than half worrying that Australia will face the ‘r’ word in the near future (53.0% and 51.0% respectively).

Despite increasing financial anxiety, the research shows only one in four have income protection insurance (26.3%), and fewer Australians have life insurance (35.3%).

“Although there are numerous cost of living pressures and new categories of lifestyle expenditure, it is important that people, regardless of age, make a concerted effort to be smarter about their budgeting, saving and spending to be financially healthy, and ultimately less financially anxious.” adds Mrs Madden.

Offering further perspective, founder of ‘Make The Most of Your Money’, Dominic Aarsen, has shared his top tips for better balancing your budget and relieving financial anxiety.

### **Dominic Aarsen: Top Tips for putting Financial Worries to Rest**

- ***Have a money plan and stick to it***  
While more Australians are keeping across their finances compared to 2016 (38.8%), only half of all Australians regularly (at least weekly) monitor their finances (52.6%). Almost two thirds of Gen Zs (64.6%) are losing sleep over money. By having a plan and sticking to it, you can reduce money stress, sleep better, and control your financial future.
- ***Make saving a habit that sticks with automatic saving***  
You can avoid being tempted to spend what you can’t afford to by putting a portion of your salary into your savings as soon as pay day comes. In fact, close to a third of Gen Zs are saving more than 20% of their net income (30.4%) and this is higher than the one in seven Gen Xs who currently do this (14.7%).
- ***Insure against losses***  
Despite two thirds of Australians claiming they understand insurance products (64.5%), more than half of Gen Zs don’t have income protection insurance (54.3%) and close to half don’t have home and contents insurance (49.2%). They say you can’t buy peace of mind, but you can protect yourself with insurance.
- ***Be open about your finances***  
Compared to 2016, fewer Australians feel comfortable talking about money (77.8% and 58.3% respectively), so it’s time to open up the conversation and talk finances. Finance doesn’t have to be a taboo subject, so talk about your finances freely with friends and family and you might find they have great advice to share.
- ***Don’t overestimate your financial knowledge***  
Compared to 2016, less Australian’s consider themselves as ‘money-smart’ (76.6% and 72.5%), and 47% of Australian’s worry about money daily or weekly with 55.5% being anxious about their financial future. The key with financial success is understanding what you don’t know and seeking professional help or advice to transfer the perceived ‘money-smart’ feeling into actual money results.

Supporting data is available on the Choosi website: [xx](#)

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**About Choosi**

Choosi provides information to help customers compare, choose and apply for a range of insurance products online and over the phone. Choosi's free comparison service lets you compare the benefits and prices of a range of popular insurance products, so you can confidently choose cover that suits your needs, your budget and lifestyle.

**About the Choosi Dollar Report 2019**

The Choosi Dollar Report 2019 follows on from the first iteration in 2016 and forms part of the Choosi Research Series. In its eleventh 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+.

The sample collection employed soft quotas to monitor representativeness of the Australian population.