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WESTERN AUSTRALIANS ASPIRE TO BE MONEY SMART AS 'GREEN BECOMES THE NEW BLACK'

A new study has found Western Australians think it's cool to be money smart, with 66 per cent saying it's now trendy to be seen as financially savvy.

The '*Choosi Dollar Report*' is the second study in a national series that investigates generational shifts, barriers and drivers of our financial and social behaviour as we navigate today's societal trends. Far from being one of the 'Big Three' taboo topics of dinner table conversation, the report found about three in four Western Australians believe people are becoming more comfortable with talking about money, and are becoming more financially savvy.

It seems that appearing 'money smart' is also moving up the social desirability scale, with over two in five of those in Western Australia saying it is cool to talk about money affairs with their friends.

In addition, those living in the Golden State are the most likely feel confident in making financial decisions (75% compared to 69% nationally).

Choosi spokesperson Katrina Foster said, "Traditionally, matters of money were managed and discussed privately. While we might still remain quiet on topics like our wages or how much we have in the bank, other subjects such as savings hacks, alternate sources of income and personal investment advice are no longer merely concerns for a finance professional to comprehend.

Coupled with the desire to 'keep up with the Joneses' – with more than one in five Western Australians stating this was a key factor in driving financial savviness – we are now seeing a growing trend of 'green knowledge sharing' amongst friends. In fact, 39 per cent of respondents stated that their friends have given them the heads up about good investments or financial decisions they have made."

The research also sheds light on more recent assumptions regarding Australia as a "nation in debt," showing that we are far from oblivious to these concerns. Tellingly, the majority of respondents in Western Australia took an active interest in the current events and developments in the economy, stating they had strong knowledge in how best to manage their debt (70%), and interest rate fluctuations and their effects (58%).

Furthermore, almost four in five Western Australians consider themselves money smart, and more than half consider Australia as more financially savvy than other countries.

Generationally, Pre-Boomers nation-wide tend to have the strongest financial knowledge and the greatest confidence in financial decision-making. Gen Ys, on the other hand, are the least likely to feel this way (nationally at 86% compared to 63% respectively).

Despite this, Gen Y appears to be the most financially responsible generation, as the most likely age group to have financial goals, adhere to a documented plan and have realistic timeframes in which to achieve them.

“While Western Australians seem to be actively improving their financial savviness and sense of responsibility, there are several noticeable knowledge gaps that impact people’s ability to save and invest. A considerable 33 per cent of respondents in the Golden State did not understand the difference between good and bad debt, and a sizeable 60 per cent were unsure of how the share market works,” Mrs Foster said.

Saving also represents a constant challenge for Western Australians, with many describing themselves as an ‘average’ or ‘terrible’ saver (61%). In addition, respondents cited a simple lack of money (56%), impulsive spending (23%) and lack of discipline (26%) as the most common barriers to saving regularly.

Heidi Armstrong, Personal Finance Expert, said Australians still have some large financial hurdles to overcome if they want to become truly money smart, particularly where money saving is concerned.

“The more clarity we can get about what motivates us professionally and personally, the more likely we can achieve our savings goals. Our financial aims need to be motivating and plainly identified, not elusive and far-fetched.”

“If we think about savings as ultimately delayed spending, the reasons behind linking your savings plan to your financial goals become clear,” said Ms Armstrong.

While the survey revealed a solid three in five respondents felt they were on top of their debt burden, a third said an economic crisis remains a concern for their financial security.

“For many Australians, the GFC is far from a distant memory. Attitudes and behaviours, changed, and we started recognising the benefits of having an emergency buffer,” said Ms Armstrong.

Furthermore, unexpected events or accidents present top-of-mind risks for the financial security of many Western Australians (51%). Others also cited health issues and not being able to work (41% and 43% respectively).

Mrs Foster said unexpected events are the biggest reason those in Western Australia have insurance (60%), with the majority of respondents stating that ‘peace of mind’ was the key driver in obtaining cover (93%).

“The unknown presents a huge and ongoing concern for all Australians. But the news isn’t all bad. In fact, it’s never been easier to take control and feel empowered when it comes to finances.”

“Access to technology and social media is changing the way people gain financial knowledge. Traditionally, financial knowledge was passed down by parents and grandparents.”

Now, the national research revealed that over half of Australians actually taught themselves money management.

“If ‘green is the new black’, then Australians have never been in a better position to access information and create a better future for themselves,” Mrs Foster concluded.

The full research report and supporting data is available at <https://www.choosi.com.au/blog/videos/australians-know-personal-finance-takes-more-than>

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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 insurers, so you can confidently choose cover that suits your needs, your budget and lifestyle.

About the '*Choosi Dollar Report*'

In order to explore the role of decision making in modern Australian society, CoreData surveyed 1,000 typical Australians across the nation in mid-Sept 2016.

The sample collection employed soft quotas to monitor representativeness of the Australian population. Hard quotas by state were also engaged to ensure all the main states were represented with sufficiently robust samples (NSW = 200, VIC = 200, QLD = 200, WA = 200, Remaining states/territories = 200).