



# The Real Aussie Financial Bite Report 2023

January 2023



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## About the report

*The Real Aussie Financial Bite Report 2023* forms part of the Real Insurance Research Series. In this instalment, this study explores how Australian's are looking to tackle the rising cost of living and the impact this has on their spending.

The report is compiled based on research commissioned by Real Insurance and conducted by CoreData between 15 and 20 September 2022. The research was conducted via a quantitative online survey, gathering 1,207 responses from Australians.

The sample is representative of the general population of Australians in terms of age, gender, wealth, and state/territory.

### Important things to observe about the charts and figures

- Charts without a specific note represent questions that were asked to all respondents.
- Footnotes directly underneath the charts may refer to one or more of the following below dependent on the data presented. If more than one note is required, it would appear as a bulleted list.
  - Subset of the total sample size as certain questions would only be asked to specific respondents (e.g. n = 440, respondents who are homeowners).
  - Types of questions asked, for instance Multiple answers allowed appears when the question called for more than one answer from the respondent.
  - Data has been excluded from analysis (e.g. The option 'Not applicable' has been excluded from analysis; Outliers removed from analysis)
  - Expanded explanation for figures that require additional calculations involving external publicly available data.
- Some charts and figures may not be equal to 100% due to rounding differences. This is also true for summed-up figures.





## Key findings



## Key findings

### Rising cost of living is putting a strain on households

- Almost 1 in 2 (47%) Australians are feeling less secure financially these days than before COVID-19.
- Cost of living pressures have negatively impacted nearly 1 in 2 (49%) Australians' personal/household finances in 2022.
- Nearly 9 in 10 (88%) renters or those who live in their family/partner's home agree that the rising cost of living is delaying their ability to get into the property market, and over a third (36%) of homeowners agree that if interest rates continue to rise, they won't be able to afford/pay off their mortgage.
- Around 7 in 10 (68%) Australian parents are trying to keep any financial stress experienced from the rising cost of living from their kids.
- Close to 3 in 10 (28%) couples are trying to keep financial stress from their partner.

### Australians are struggling with the rising cost of living

- Close to 3 in 5 are struggling with the cost of groceries (58%) and fuel (56%), while over 1 in 2 (52%) are struggling with household utility bills.
- Around 2 in 3 (66%) agree that keeping the house stocked with healthy food is becoming too expensive these days.
- Almost 2 in 5 (39%) agree that cost of living stresses have had a considerable impact on their personal/household wellbeing in 2022.

### Australians are coping by choosing cheaper alternatives

- Almost 4 in 5 (78%) are at least somewhat concerned about coping with and adapting to the rising cost of living.
- More than 2 in 5 (43%) agree that one or more people in their household have been taking on new hobbies that are cheaper.
- Over 3 in 4 (77%) estimate that they had to reduce spending per month on things in their life/household that they or their family really love in response to cost of living pressures.
- Nearly 3 in 5 (59%) agree that they are planning cheaper family holidays than usual this year.
- Close to 3 in 5 (58%) have been delaying or reconsidering major life plans because of their concerns about the rising cost of living. The main delays are big purchases such as cars or renovations (28%), extensive travel (23%), changing jobs/career (15%), and buying a property (15%).
- Almost 1 in 2 (48%) have at least one person in their household actively looking for additional streams of income to help offset rising costs.

## Key findings

### Australians are actively looking to save money

- Bargain hunting for weekly specials and sales (51%), cutting back on eating out (47%), and utilising loyalty programs/points systems (40%) are the most common ways people are trying to save money on food and grocery related costs in recent months.
- The main areas people are trying to save money regarding household and lifestyle costs in recent months include cutting back on entertainment and outings (47%), buying new clothes and shoes (46%) and cutting down online shopping habits (37%).
- In regard to saving money on utility and fuel related costs in recent months, Australians are reducing their usage of appliances (45%), seeking out better deals (35%) and reducing usage of household vehicles (30%).

### Many are willing to sacrifice comforts but not health

- The household expenses that Australians are most willing to sacrifice are entertainment, socialising and eating out (49%), home delivery (46%), takeaway coffees (43%) and annual holidays (41%).
- On the other hand, Australians are not willing to sacrifice or compromise quality healthy food (44%), healthy lifestyle maintenance (30%), ways of getting to work (21%) and annual holidays (17%).



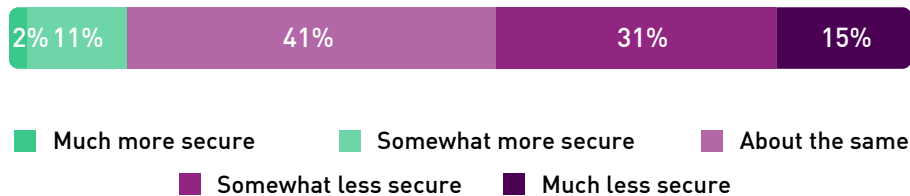


# Post-pandemic financial security



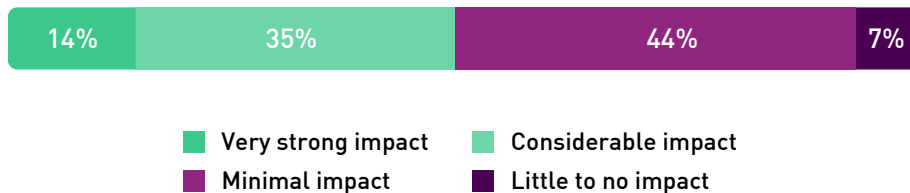
# Aussies' personal finances feeling the bite

Are you feeling more or less financially secure these days than before COVID-19 (<2019)?



■ Much more secure   
 ■ Somewhat more secure   
 ■ About the same  
■ Somewhat less secure   
 ■ Much less secure

How much have cost of living pressures been negatively impacting your personal/household finances in 2022?



■ Very strong impact   
 ■ Considerable impact  
■ Minimal impact   
 ■ Little to no impact

How much do you agree with the following statements about your experience adapting to the rising cost of living in Australia?



The rising cost of living is delaying my ability to get into the property market\*

If interest rates will keep rising, we won't be able to afford/pay off our mortgage\*\*

■ Agree   
 ■ Disagree

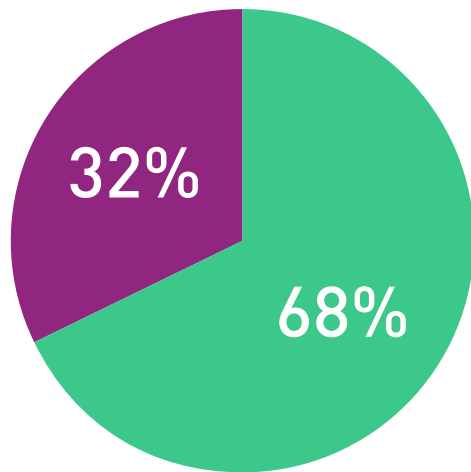
- \*n = 221, respondents who are renting or living in family/partner's home
- \*\*n = 440, respondents who are homeowners
- The option 'Not applicable' has been excluded from analysis

Almost 1 in 2 (47%) Australians are feeling less secure these days than before COVID-19. The cost of living pressures have negatively impacted nearly 1 in 2 (49%) Australians' personal/household finances in 2022. Nearly 9 in 10 (88%) renters or those who live in their family/partner's home agree that the rising cost of living is delaying their ability to get into the property market, and more than 1 in 3 (36%) homeowners agree that if interest rates continue to rise, they won't be able to afford/pay off their mortgage.

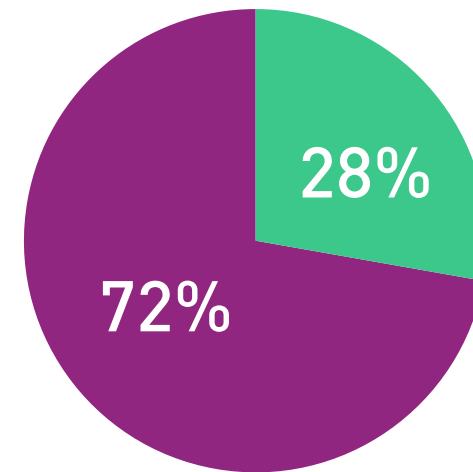


## Hiding financial stress

How much do you agree with the following statements about your experience adapting to the rising cost of living in Australia?



I am trying to keep any financial stress experienced from the rising cost of living from my kids\*



I am trying to keep any financial stress experienced from the rising cost of living from my partner\*\*

■ Agree ■ Disagree

- \*n = 457, parents
- \*\*n = 654, couples
- The option 'Not applicable' has been excluded from analysis

Around 7 in 10 (68%) Australians are trying to keep any financial stress experienced from the rising cost of living from their kids. Additionally, close to 3 in 10 (28%) are trying to keep financial stress from their partner.

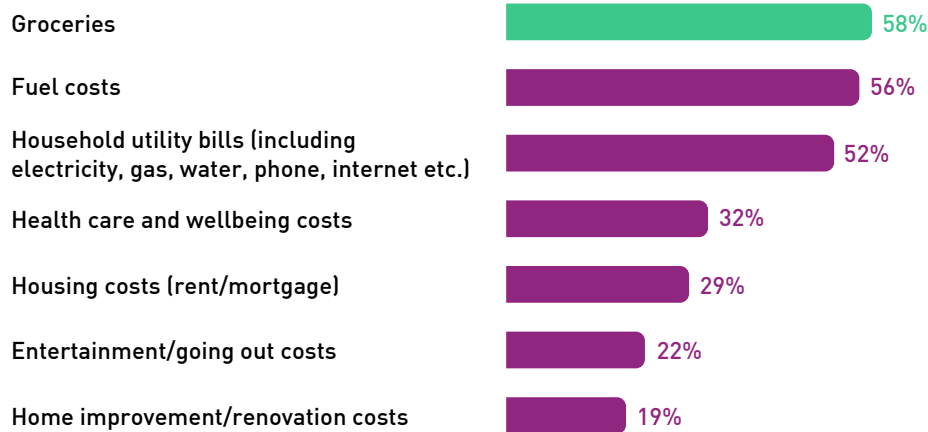


## Rising cost struggles



# Struggles with rising household costs

Which household costs are you struggling with most these days?



Multiple answers allowed, top 7 answers

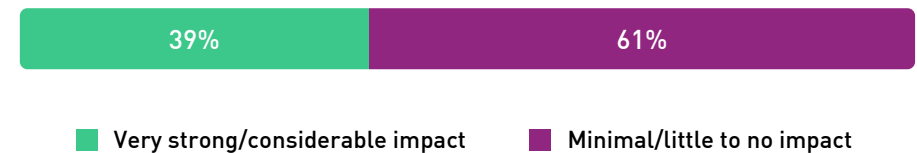
Close to 3 in 5 are struggling with the cost of groceries (58%) and fuel (56%), while over 1 in 2 (52%) are struggling with household utility bills. Around 2 in 3 (66%) agree that keeping the house stocked with healthy food is becoming too expensive these days. Close to 2 in 5 (39%) agree that cost of living stresses have had considerable impact on their personal/household wellbeing in 2022.

Considering the rising cost of living, how much do you agree with the statement that keeping the house stocked with healthy food is becoming too expensive?



- n = 1,155
- The option 'Not applicable' has been excluded from analysis

How much have cost of living stresses been negatively impacted your personal/household wellbeing in 2022

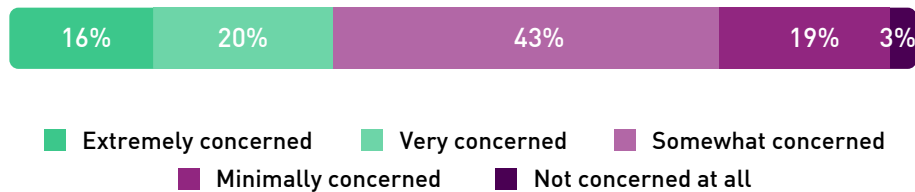




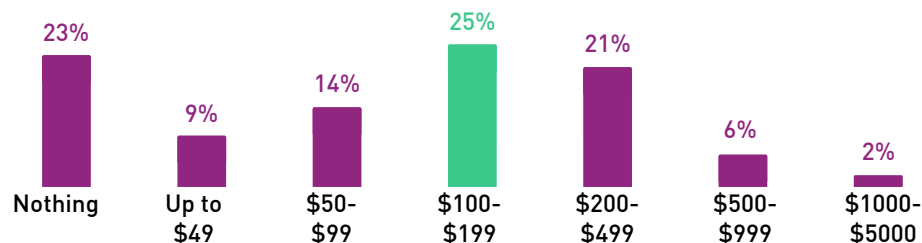
## Adapting to cost of living pressures

# Cost of living concerns

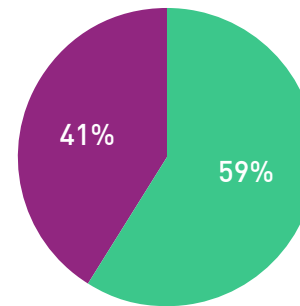
How concerned are you about coping with and adapting to the rising cost of living?



How much would you estimate you have had to reduce spending per month on things in your life/household that you/your family really love in response to cost of living pressures?

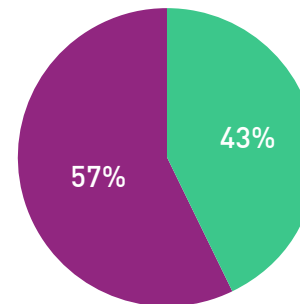


How much do you agree with the following statements about your experience adapting to the rising cost of living in Australia?



My household is planning for cheaper family holiday(s) than usual this year\*

Agree Disagree



I or persons in my household have been taking on new hobbies that are cheaper (e.g. hiking, surfing, biking etc.) to save spending money on more expensive entertainment (cinema, zoos, theme parks, etc.)\*\*

Agree Disagree

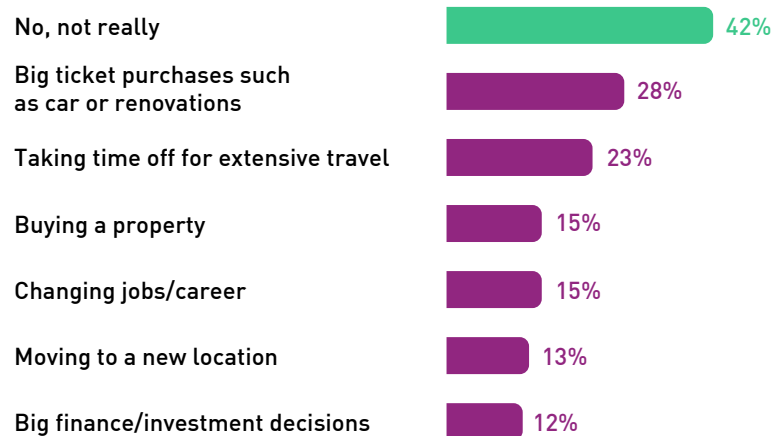
- \*n = 850
- \*\*n = 787
- The option 'Not applicable' has been excluded from analysis

Nearly 4 in 5 (78%) are at least somewhat concerned about coping with and adapting to the rising cost of living. More than 2 in 5 (43%) have one or more people in their household taking on cheaper hobbies. Almost 4 in 5 (77%) have reduced spending per month on things they or their family love. Nearly 3 in 5 (59%) are planning cheaper family holidays than usual this year.



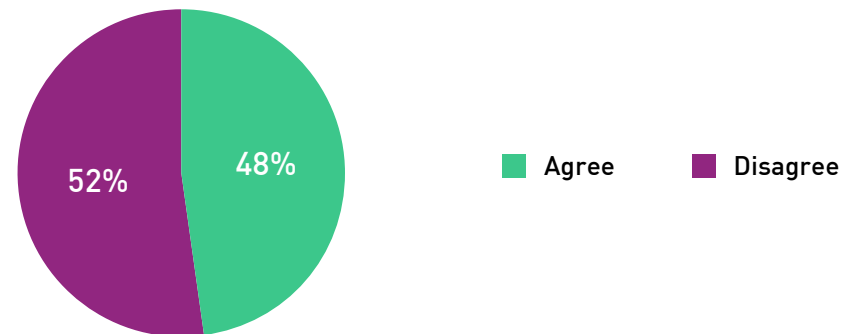
## Dealing with the cost of living

Have you been delaying or reconsidering plans for any major life changes because of your concerns about the rising cost of living?



- n = 944, respondents concerned with the rising cost of living
- Multiple answers allowed, top 7 answers

How much do you agree with the following statements about your experience adapting to the rising cost of living in Australia? I or persons in my household are actively looking for/finding additional income streams to help offset rising costs



- n = 968
- The option 'Not applicable' has been excluded from analysis

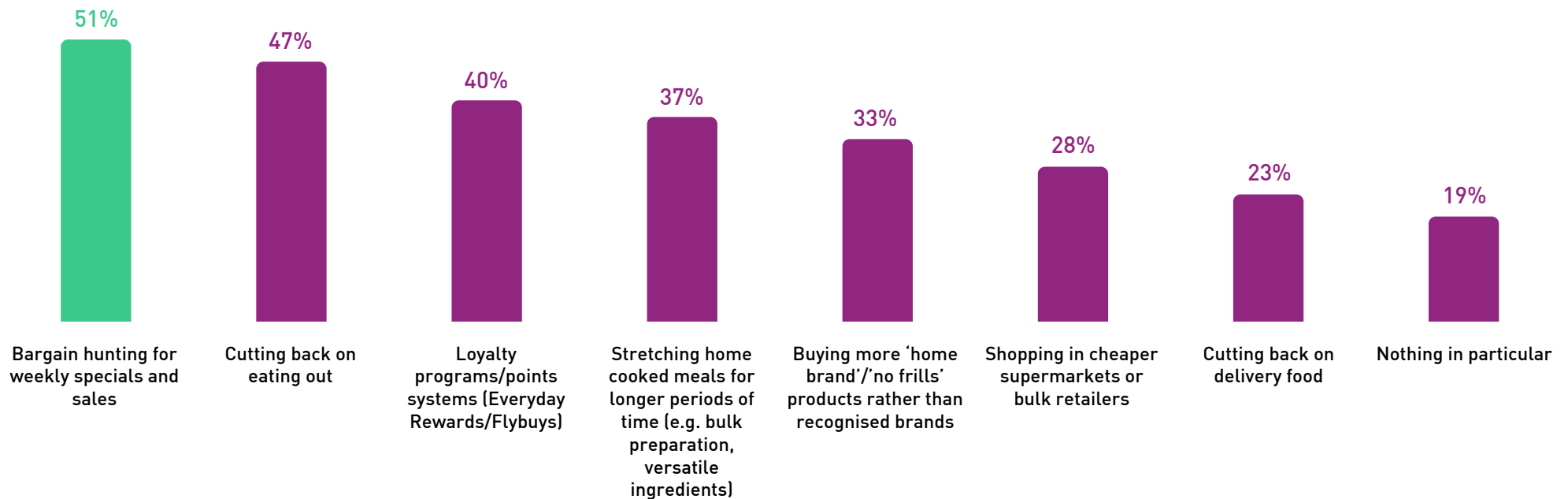
Almost 3 in 5 (58%) have been delaying or reconsidering major life plans because of their concerns about the rising cost of living. Nearly half (48%) have at least one person in their household actively looking for additional income streams to help offset rising costs.



## Saving money in 2022

## Frugal is the new black

How have you/your household been trying to save money on food and grocery related costs in recent months?



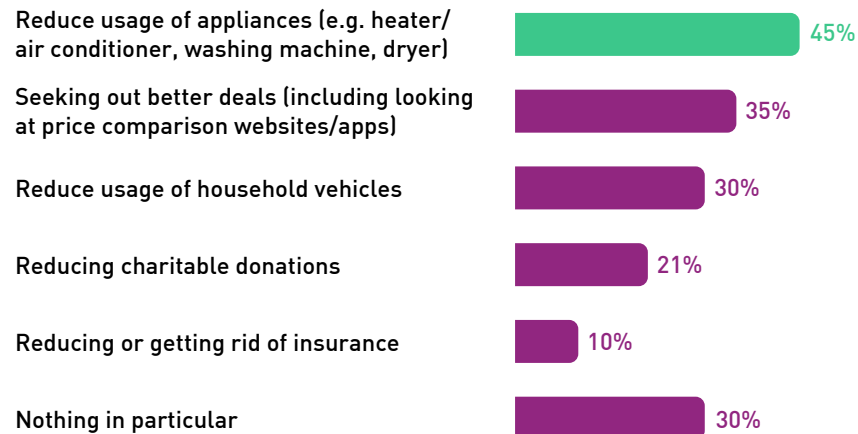
Multiple answers allowed, top 7 answers

Bargain hunting for weekly specials and sales (51%), cutting back on eating out (47%) and utilising loyalty programs/points systems (40%) are the most common ways people are trying to save money on food and grocery related costs in recent months.



## Cutting back

How have you/your household been trying to save money on utility and fuel related costs in recent months?



Multiple answers allowed, top 5 answers

How have you been trying to save money on other household and lifestyle costs in recent months?



Multiple answers allowed, top 5 answers

The main areas people are trying to save money regarding household and lifestyle costs in recent months include cutting back on entertainment and outings (47%), buying new clothes and shoes (46%) and cutting down online shopping habits (37%).

In regard to saving money on utility and fuel related costs in recent months, Australians are reducing their usage of appliances (45%), seeking out better deals (35%) and reducing usage of household vehicles (30%).



Wants vs needs



## Willing to sacrifice

Which of the following household expenses are you MOST willing to sacrifice/compromise on in view of the rising cost of living pressures?

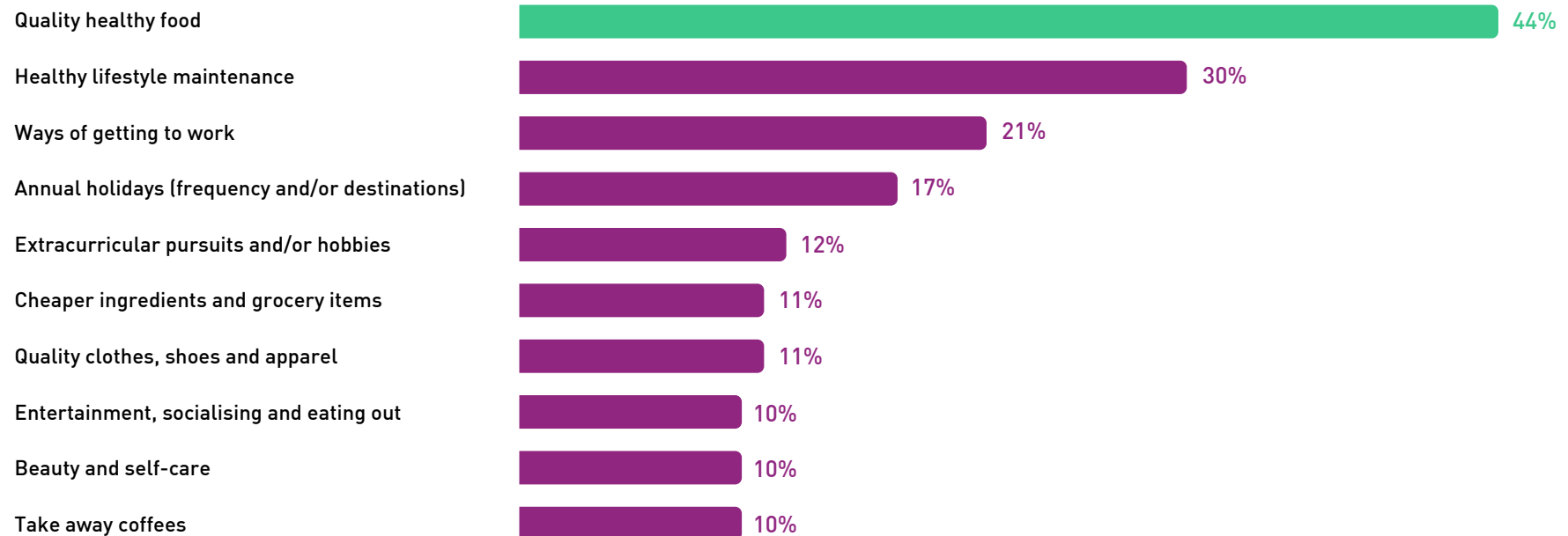


Multiple answers allowed, top 10 answers

The household expenses that Australians are most willing to sacrifice are entertainment, socialising and eating out (49%), home delivery (46%), takeaway coffees (43%) and annual holidays (41%).

## Unwilling to sacrifice

Which of the following household expenses are you NOT willing to sacrifice/compromise on in view of the rising cost of living pressures?



Multiple answers allowed, top 10 answers

Australians are not willing to sacrifice or compromise quality healthy food (44%), healthy lifestyle maintenance (30%), ways of getting to work (21%) and annual holidays (17%).



More research from Real Insurance coming soon...

#### **About Real Insurance**

Real Insurance is an award-winning provider of insurance products, specialising in life, funeral, pet, travel, car, and home insurance. In the market since 2005, Real Insurance has protected the quality of life of many Australians, through the delivery of innovative products. Real Insurance is the proud recipient of many product and service awards, most recently being announced a winner of the 2023 ProductReview.com.au awards for Life Insurance and Funeral Insurance, and the Reader's Digest 2022 Gold Quality Service Awards for Funeral Insurance and Pet Insurance. Real Insurance is a trading name of Greenstone Financial Services Pty Ltd.

