

A check up on  
**Australians' attitudes  
and behaviours in  
relation to credit**

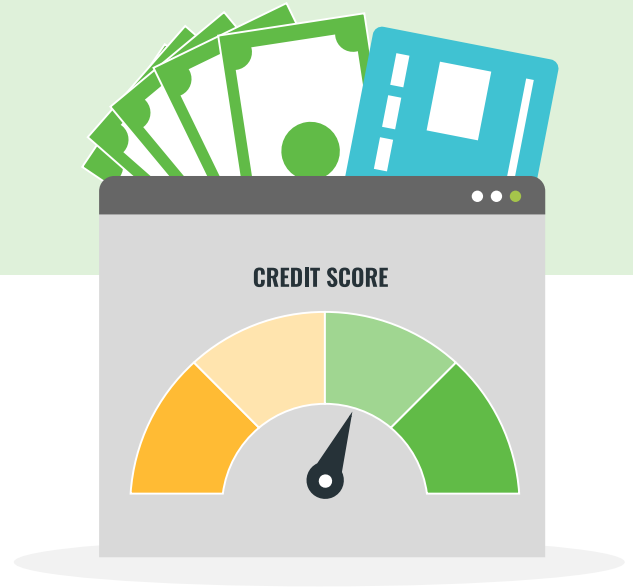
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April 2023



## OVERVIEW

**CreditSmart has been monitoring Australians' attitudes and behaviours in relation to credit since 2018.**



**Our research explores the level of overall credit reporting awareness, and the links between credit health, cost of living and financial stress, to discover how these factors influence each other.**

This study was conducted online in April 2023, on a sample of 1,481 nationally representative Australians aged 18 years and older, including 1,182 who are credit active (i.e. currently using a credit product).

Following the completion of the interviews, the data was weighted by age, gender and region to reflect the latest ABS population estimates.

## KEY INSIGHTS

<b>Credit reporting awareness</b> .....	<b>3</b>
<b>Credit health</b> .....	<b>4</b>
<b>Attitudes to credit</b> .....	<b>6</b>
<b>Financial stress</b> .....	<b>8</b>
<b>Money for food / regular expenses</b> .....	<b>11</b>
<b>Financial hardship assistance</b> .....	<b>15</b>

## KEY FINDINGS

# CREDIT REPORTING AWARENESS

**38%**

of Australians have **never** checked their credit report



**10%**

checked their credit report **more than 12 months ago**



**40%**

checked their credit report **in the last 12 months**



Men in particular have increasingly **checked** their credit reports, **up 15pp** from last year:

Men: **47%** | Women: **34%**

Australians more likely to have **checked their credit reports in the last 12 months:**



**credit product users**

(a significant **increase of 12pp** from last year),

**46%**



**experienced financial stress** in the past 12

months than if they haven't (**up 15pp** from last year),

**48%**



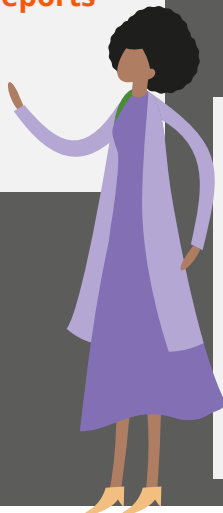
**experienced an increase in housing costs** in the past

6 months than if they haven't (**up 17pp** from last year).

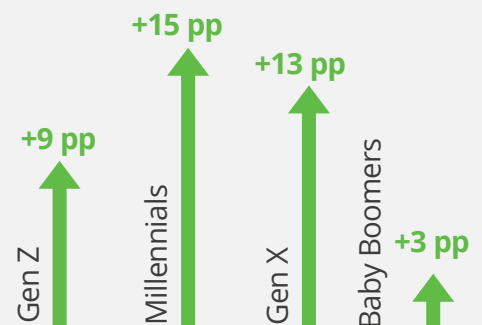
**49%**

Women are more likely than men to say they have **never checked their credit reports**

Women: **43%** | Men: **33%**



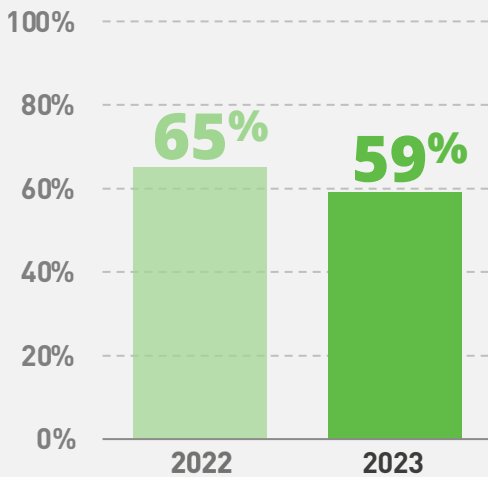
Younger generations increasingly **checked their credit reports** compared to last year.



## KEY FINDINGS

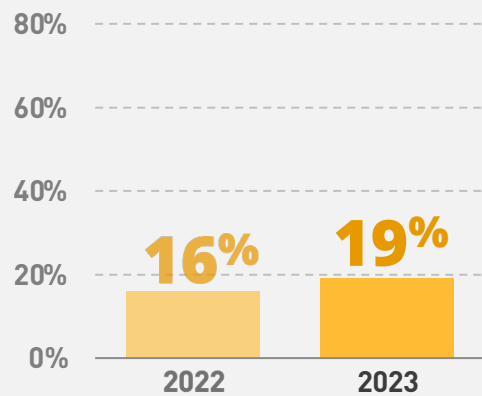
# CREDIT HEALTH

### Feeling like their **credit health is under control**

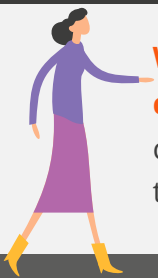


**Overall, less Australians feel that their credit health is under control** this year compared to last year (down 6pp).

### Feeling like their **credit health is under control now, but concerned about the future**



**Overall, more Australians are concerned about the future** compared to last year (up 3pp from last year and 6pp from 2021).



**Women in particular increasingly report feeling like they are losing control or struggling to maintain their credit health** with an increase of 5 pp compared to last year (15% versus 10%). They also are more likely than men to say that they don't know what credit health is (12% women compared to 7% men).



**Gen X seems to be the most confident generation in terms of credit health:** the same amount this year compared to last year (65%) say that they feel their credit health is under control.

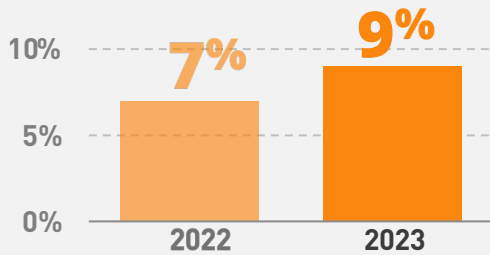


**Millennials' credit health is getting out of control most quickly:** only about half (51%) are confident about their credit health (down 12 pp from last year). They are also more concerned about the future (27% this year compared to 19% last year, up 8pp).

## KEY FINDINGS

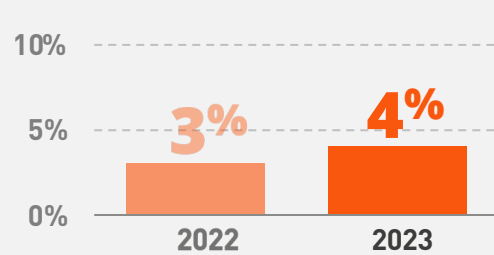
# CREDIT HEALTH

### Feeling **they are struggling to maintain their credit health**



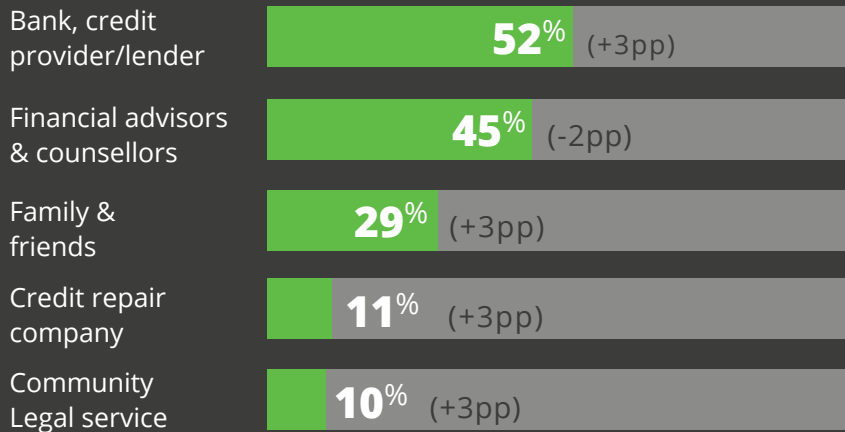
More Australians are saying they are struggling to maintain their credit health now compared to last year (up 2pp).

### Feeling **they have lost control of their credit health**



More Australians reported they have to lost control of their credit health compared to last year (up 1pp).

## Who Australians are more likely to **seek advice from** about their credit health in 2023 (compared to 2022)



### Australians are **more likely to seek advice** if they...

- are using a credit (81% vs 57%),
- experienced financial stress in the past 12 months than if they haven't (85% vs 68%),
- experienced an increase in housing costs in the past 6 months than if they haven't (83% vs 70%).



### Men are twice as likely than women to seek advice from

- a credit repair company (15% vs 7%),
- or a debt management /negotiation firm (10% vs 6%).

## KEY FINDINGS

# ATTITUDES TO CREDIT



**4 in 5\***

Australians are credit active (have at least one credit product)

(\* 80% - no change from last year).



Home loan  
**28%**



Credit card:  
**52%**



BNPL  
**26%**  
(up 4pp)



Personal loan  
**15%** (up 5pp)



Payday loan  
**9%** (up 3pp)



Vehicle finance  
**14%**

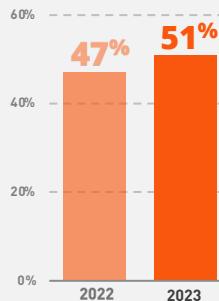


Overdraft  
**8%**

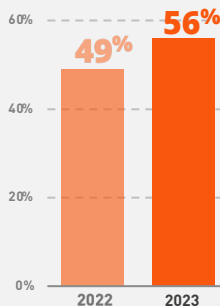
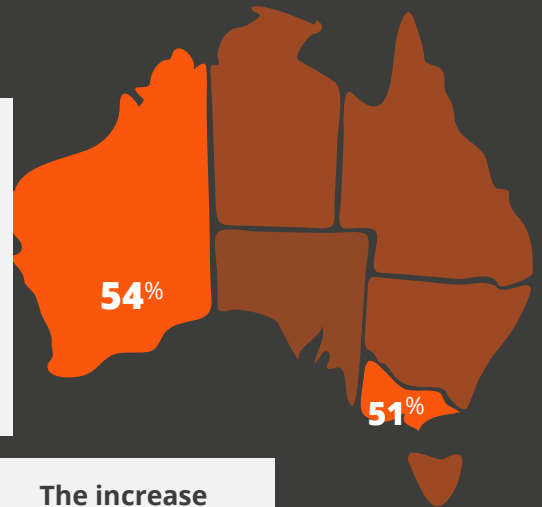


Short term cash loan  
**8%**

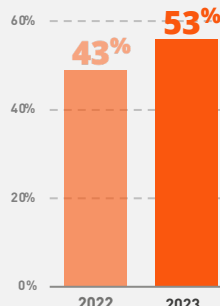
## Concern about meeting their bills and credit commitments is increasing:



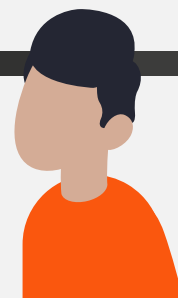
A majority of Australians are concerned about meeting their bills and credit commitments, up 4pp from last year (and 11pp from 2021).



This concern particularly increased for **women**, up 7pp from last year.



The increase in concern is most felt amongst **Gen Z**, up 10pp from last year.



**Australians who say it is a constant struggle:**

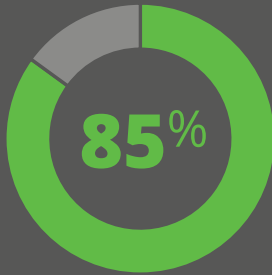
Almost 1 in 4 (**23%**) **millennials** who have bills and credit commitments say that it's a constant struggle, which is more likely than Gen Z (14%) and Baby Boomers (15%).

By state, the struggle to meet bills and credit commitment is a concern - either from time to time and constantly - is most clear in **VIC and WA**, both up 10pp from last year.

## KEY FINDINGS

# ATTITUDES TO CREDIT

### Financial behaviours are changing:



The vast majority of Australians report having **made changes** in their personal finances over the **last 6 months**.



For their **everyday expenses**, Australians report having...



**10%** used credit **more**



**10%** used credit **less**



**15%** had to rely on their **savings**

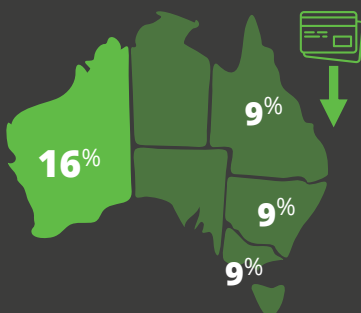


**4%** (~800,000 Australians) took a **new credit, BNPL, personal loan and/or payday loan** in order to get by.

**Millennials** are the generation **most likely to have experienced a change in their personal finances** over the last 6 months (93%).



They are also the **most likely to have used credit more for everyday expenses** (16%).



**Western Australians** are more likely than those on the Eastern Seaboard to say that they have **used credit less for everyday expenses** (WA 16% compared to NSW, VIC, QLD 9% each).

Australians are **more likely to have made changes in their personal finances in the past 6 months** if they:

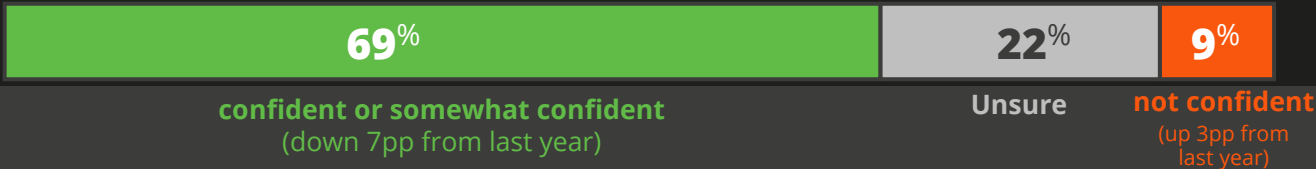
- **are using a credit product** than if they haven't (89% vs 70%),
- **experienced financial stress** in the past 12 months than if they haven't (93% vs 77%),
- **experienced an increase in housing costs** in the past 6 months than if they haven't (93% vs 78%),

KEY FINDINGS

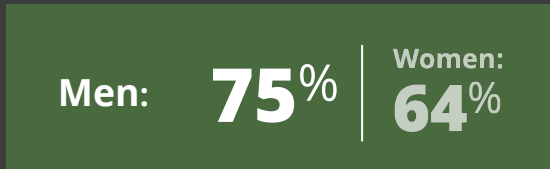
# ATTITUDES TO CREDIT



Australians' confidence about the next 12 months in regards to their overall finances is decreasing:



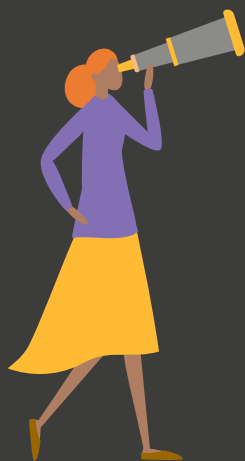
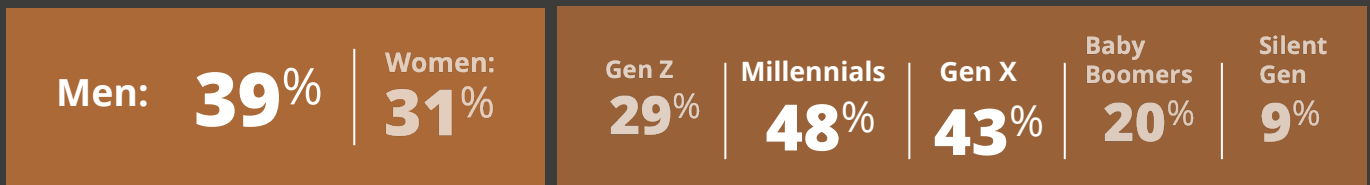
Australians more likely to feel confident or somewhat confident about their overall finances:



Australians' confidence about the next 12 months in regards to their ability to access credit in the future is also decreasing:



Australians more likely feel concerned about their ability to access credit in the future:



People who are *not* using a credit product:

**71%**

Credit active: **61%**



People who have experienced financial stress in the past 12 months:

**57%**

Those who haven't: **13%**



People who have experienced an increase in housing costs in the past 6 months:

**49%**

Those who haven't: **20%**



KEY FINDINGS

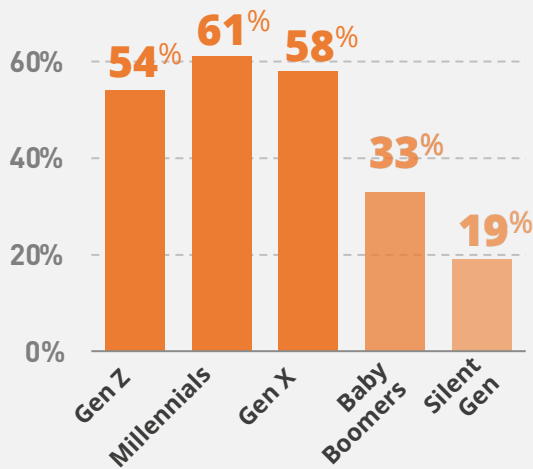
# FINANCIAL STRESS



**50%** of Australians have experienced financial stress over the past 12 months

People who are more likely to have experienced financial stress:

**Younger generations:**



**Women:**

**53%** | Men: **47%**

**Credit users:**

**52%** | No credit: **41%**

**People with children under 18 living at home:**

**65%** | Without children: **40%**

**People who experienced housing costs increase:**

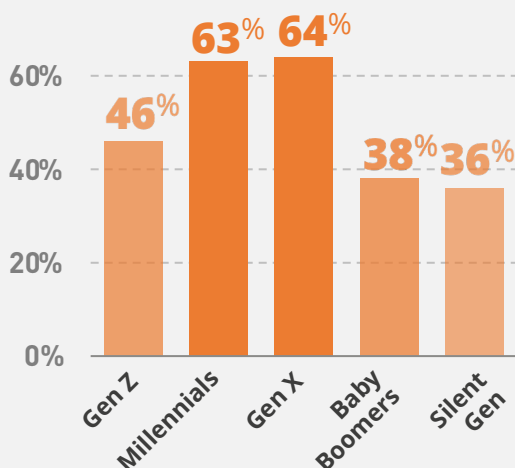
**65%** | Those who haven't: **32%**



**53%** of Australians have experienced an increase in housing costs in the past 6 months.

People who are more likely to have experienced an increase:

**Millennials and Gen X:**



**Married / de facto**

**57%** | Singles: **47%**

**People living in one of the 5 capital cities:**

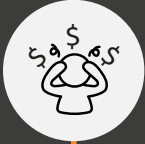
**56%** | Those living outside of capital cities: **47%**

**People with children under 18 living at home:**

**65%** | Without children: **45%**

## KEY FINDINGS

# FINANCIAL STRESS



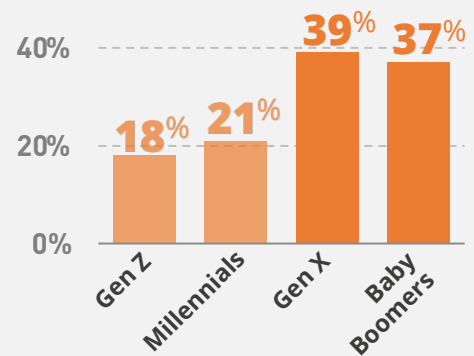
Of those who have experienced financial stress in the past 12 months...

**66%** say the **rising cost of living is a major factor** of their financial stress.

**29%** say the **rising cost of living is entirely the cause** of their financial stress



**Gen X and Baby Boomers** are more likely than their younger counterparts to say their financial stress is entirely due to the rising cost of living:



**Actions taken after experiencing financial stress:**

**91%**

have done something about it.

**Millennials** are the most likely generation to have done something it (**95%**).

**60%**

tried to improve their finances themselves.

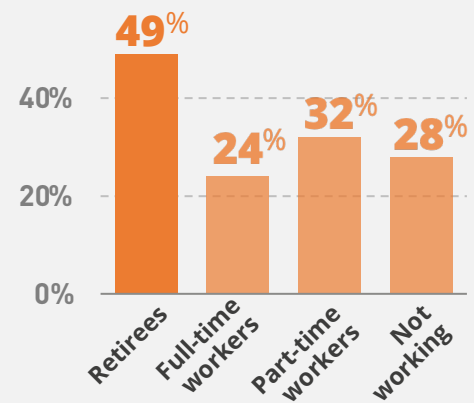
**Women** are more likely to have tried to improve their finances themselves (**66%**) than **men** (**54%**).

**45%**

have spoken to friends or family.

**Millennials** are the most likely generation to spoken to friends or family (**53%**).

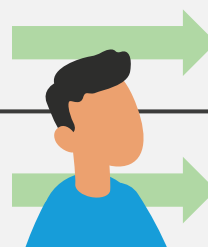
**Retirees** are more likely to attribute their financial stress entirely to the rising cost of living than full or part-time workers and those not working:



**25%** of Australians have sought **mental health support.**

**20%** of Australians sought **assistance from a financial counsellor or 3<sup>rd</sup> party adviser.**

**20%** of Australians sought **assistance from their lender.**



Men:  
**26%**



Women:  
**14%**

Men:  
**24%**

Women:  
**13%**

KEY FINDINGS

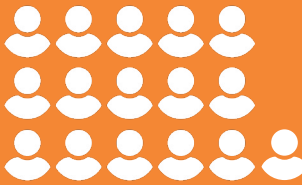
# MONEY FOR FOOD & REGULAR EXPENSES

## Left-over money after paying for food & other regular expenses...

**41%** of Australians say they generally have some money left over



**32%** say they sometimes or often have no money left over



**27%** say they rarely or never have any money left over



**Men** are more likely to say they have money left over after they have paid for food and other regular expenses:

**47%** | Women: **36%**

Those more likely to say they rarely or never have any left over money after paying for food & other regular expenses:

Women: **33%** | Men: **21%**



Gen Z	Millennials	Gen X	Baby Boomers	Silent Gen
<b>24%</b>	<b>33%</b>	<b>36%</b>	<b>15%</b>	<b>5%</b>



People who have experienced financial stress in the past 12 months:

**40%**



People who have experienced an increase in housing costs in the past 6 months:

**32%**

KEY FINDINGS

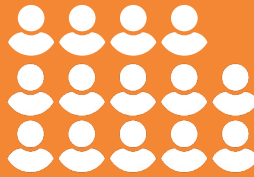
# MONEY FOR FOOD OR REGULAR EXPENSES

## Running short of money for food or other regular expenses...

**46%** of Australians say they rarely or never run short



**28%** say they sometimes run short



**26%** say they often or always run short



### People who more likely to say they often or always run short of money for food or regular expenses:

Men: **15%** | Women: **11%**

(although men are also more likely to say they often or always have money left over after food and other regular expenses (47% compared to 36% for women as shown on previous page).

### People who are married / de facto:

**28%** | Singles: **23%**

### People with children under 18 living at home:

**40%** | Without children: **17%**

### Younger generations:

Gen Z **36%** | Millennials **35%** | Gen X **24%** | Baby Boomers **15%** | Silent Gen **5%**

### Full-time workers:

**35%** | Part-time workers: **15%**

Not working: **24%** | Retirees: **24%**



People who have experienced financial stress in the past 12 months:

**48%**



People who have experienced an increase in housing costs in the past 6 months:

**38%**

KEY FINDINGS

# MONEY FOR FOOD / REGULAR EXPENSES

If they had to meet an **unexpected expense** equivalent to a month's income for their household...

**42%** of Australians say they could cover all of it.



**37%** say they could cover some of it.



**15%** say they could cover none of it.



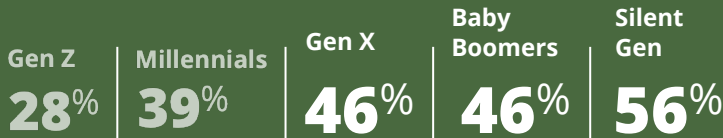
People more likely to say they could cover all of it:

Men:

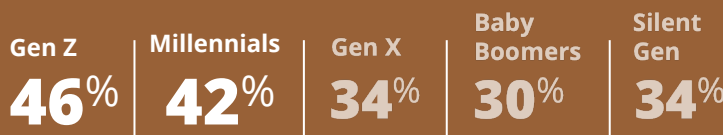
**46%**

Women:

**37%**



People more likely to say they could cover some of it:



People more likely to say they could cover none of it:

Women:

**19%**

Men:

**11%**

People living outside the 5 capital cities:

**18%**

City dwellers:

**13%**



People who have experienced an increase in housing costs in the past 6 months:

**17%**

Those who haven't:

**13%**

People who don't currently have a credit:

**19%**

Credit users:

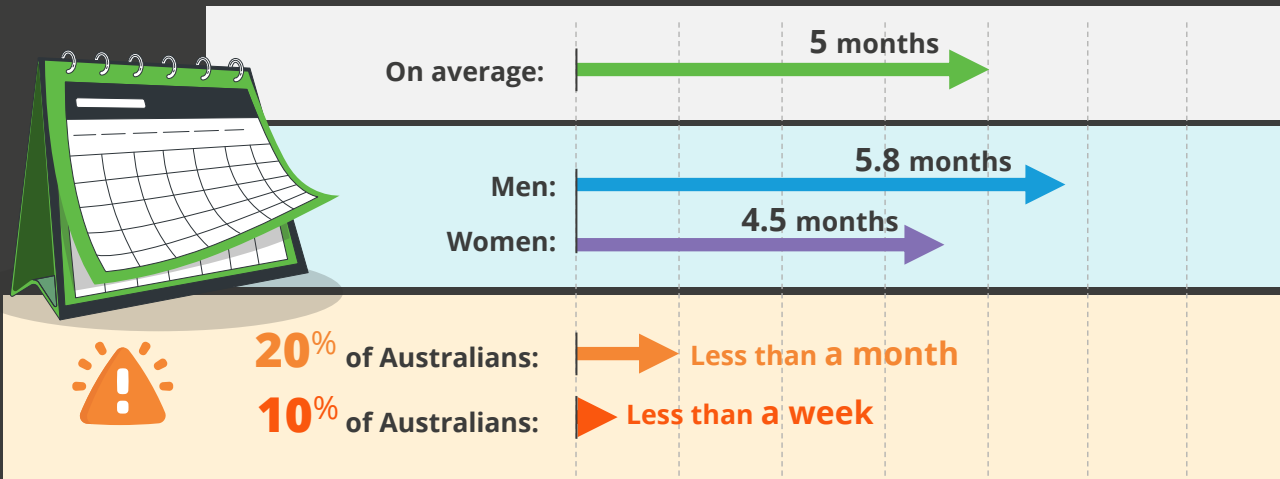
**14%**

## KEY FINDINGS

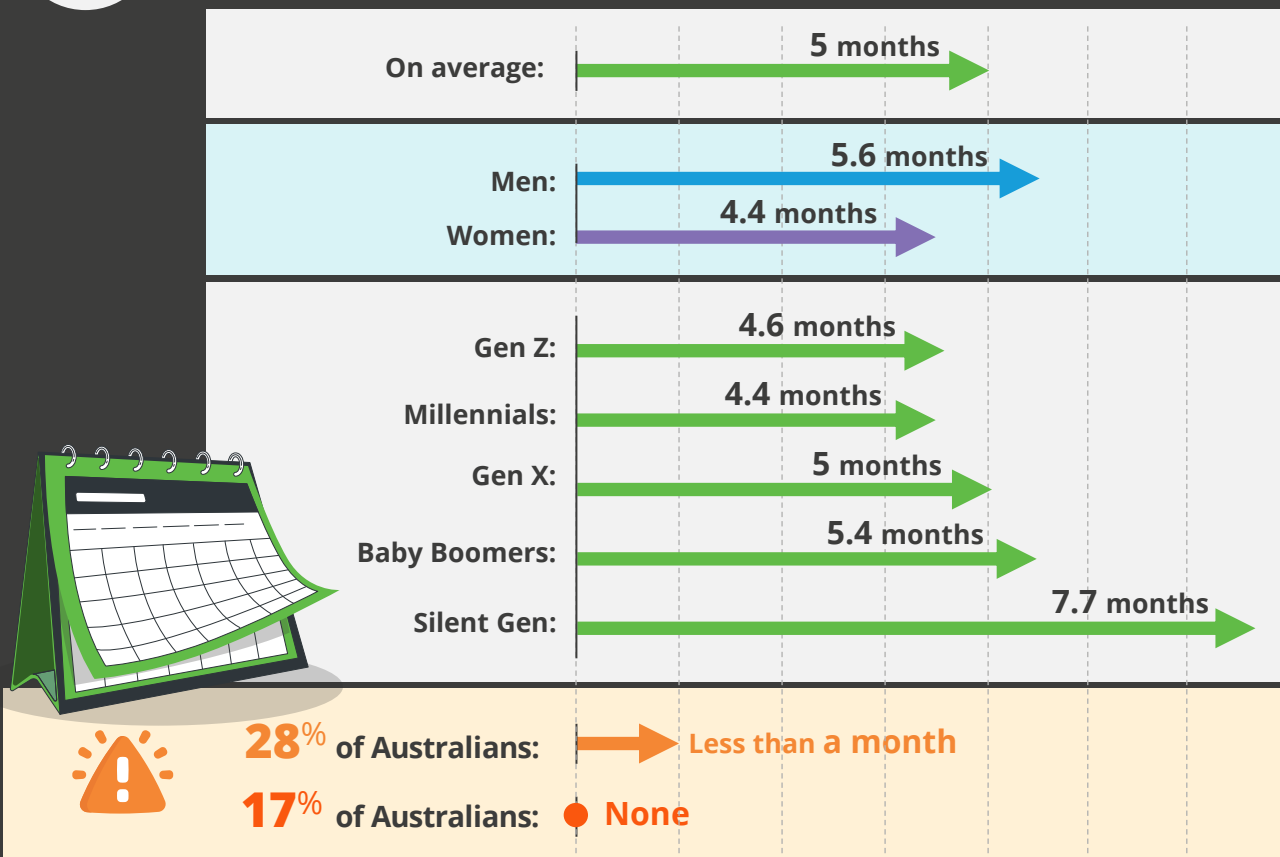
# MONEY FOR FOOD / REGULAR EXPENSES



If their income declined by a third, how long Australians could meet their regular expenses without borrowing money:



How long Australians say they have worth of household income in savings:



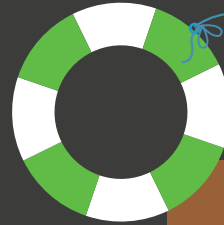
KEY FINDINGS

# FINANCIAL HARDSHIP ASSISTANCE

## Australians who have needed, requested and received financial hardship assistance

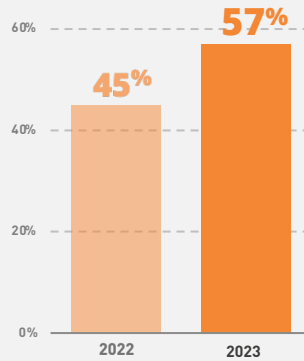
from their lender in the last 18 months

(i.e. payment pause or reduction in loan repayment)



The number of loan holders who say they **needed assistance**

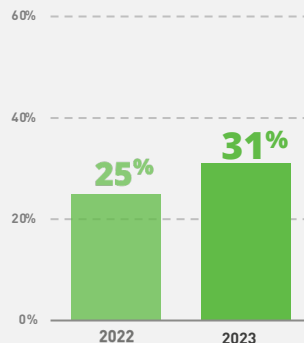
in the past 18 months went **up 12pp** from last year.



Gen Z	Millennials	Gen X	Baby Boomers
<b>57%</b>	<b>67%</b> (up 14pp)	<b>56%</b>	<b>38%</b> (up 15pp)

The number of loan holders who say they **received assistance**

on their loan repayments from their lender in the past 18 months went **up 6pp** from last year.



Gen Z	Millennials	Gen X	Baby Boomers
<b>17%</b>	<b>42%</b>	<b>38%</b>	<b>10%</b>



**75%** of loan holders who have experienced financial stress over the past 12 months say they needed assistance.



**32%** of them did **not** receive assistance.



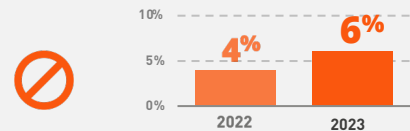
**65%** of loan holders who have experienced an increase in housing costs in the past 6 months say they needed assistance.



**24%** of them did **not** receive assistance.

The number of loan holders who asked for assistance but their request was **not approved**

went **up 2pp** from last year.



Gen Z	Millennials	Gen X	Baby Boomers
<b>14%</b>	<b>7%</b>	<b>4%</b>	<b>6%</b>

CreditSmart has been monitoring Australians' attitudes and behaviours in relation to credit since 2018, and this report builds on our previous work.

Our research shows that the widespread impact of the cost-of-living crisis has caused most consumers to reassess their financial situation. A significant number of Australians are struggling to meet credit repayments – and for many, it is their first time experiencing this kind of financial stress. Our focus is on encouraging more consumers to understand their credit health and seek help early if they begin to struggle financially.

The significance of credit health understanding and management extends beyond individual well-being. It has broader implications for the overall economy and societal stability. A financially literate population, equipped with the knowledge and skills to manage their credit effectively reduces reliance on high-cost credit and promotes long-term financial sustainability.

An educated and engaged consumer is more likely to take control of their credit health and be empowered to make better decisions through short-term challenges, and to achieve their long-term financial goals.

## **CreditSmart.org.au**

**Providing a consistent industry voice  
on credit reporting topics impacting  
Australian consumers**

