Improving the Financial Wellbeing of Australians

Toward better outcomes for Australians...
every day, rainy day, one day

Matt Comyn,

**CEO, Commonwealth Bank
of Australia**

Our purpose at Commonwealth Bank is to "improve the financial wellbeing of our customers and communities".

To understand how we can improve financial wellbeing, we are listening to our customers to understand what is important to them, as well as working with community groups, experts in economic and social studies, and policy makers to better understand Australia's most pressing financial challenges.

A vital step to achieving our purpose is also defining and measuring financial wellbeing so that we can work to improve it in meaningful ways.

To do this, we have worked with the Melbourne Institute (MI): Applied Economic & Social Research to create two ground-breaking measures of financial wellbeing:

- The CBA-MI Reported Financial Wellbeing Scale (version 1) is formed from people's responses to 10 questions about their perceptions and experiences of their own financial wellbeing; and

- The CBA-MI Observed Financial Wellbeing Scale (version 1) is formed from five measures that come from customers' financial records.

The Scales provide comprehensive yet simple measures of financial wellbeing outcomes that can be used by Australians to better understand their own financial wellbeing. The Scales are also available to others, such as institutions, policy makers, academics and community organisations, to help build a body of knowledge that can be shared and replicated, both in Australia and internationally.

The following report is an easy-to-read summary of some of the Scales research findings. As well as suggesting a comprehensive definition and way to measure financial wellbeing, the report shares insights gained using these new measures.

We will continue to refine and build on this research in the years ahead to help us pursue our purpose through practical actions that make a real difference to those we serve.

In sharing this research, we invite others to do the same.

Professor David C. Ribar,

Director of the Economic and Social Disadvantage Research Program at the Melbourne Institute: Applied Economic & Social Research, University of Melbourne

The research team at the Melbourne Institute: Applied Economic & Social Research is pleased to deliver this important report on Australians' financial wellbeing. The Melbourne Institute has been actively collaborating with the Commonwealth Bank to develop and analyse Scales of financial wellbeing.

The first stage in our collaboration was to develop the Scales themselves. We are proud to have developed the CBA-MI Reported and Observed Financial Wellbeing Scales – two innovative first-of-their-kind measures that not only draw on self-reports of people's financial experiences but also draw on bank-record indicators of their outcomes. We are equally proud of the careful conceptualisation and rigorous analyses that underpin the Scales and establish that they work in the Australian context.

As excited as we were to create the Scales, we are even more excited by this second stage in the collaboration in which we use the Scales to investigate Australians' financial wellbeing and to examine the characteristics that are associated with high and low financial wellbeing. The insights from these analyses add to our understanding of financial wellbeing.

For more than 50 years, the Melbourne Institute has conducted path-breaking applied and engaged research on the economic lives of Australians. During that time, it has pioneered the development of many widely-used measures of wellbeing. We are confident that the CBA-MI Reported and Observed Financial Wellbeing Scales will take their place alongside these other measures and be valuable tools for policymakers, financial institutions, service providers, researchers, and the public for many years to come.

We look forward to continuing the collaboration with the Commonwealth Bank to measure, understand, and improve Australians' financial wellbeing.

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About this report and why it is needed.

For a long time, in Australia and elsewhere, achieving a common understanding of the dimensions and measures of financial wellbeing has been problematic. Despite the huge body of research on its various aspects, no definition or metric has been consistently adopted.

Much of the difficulty stems from the complex and multi-faceted nature of financial wellbeing. Financial wellbeing involves outcomes with a time dimension, including outcomes that occur now, in the future, and under uncertainty. It also involves many motivations, including responsibility, enjoyment, control, and security. Financial wellbeing also depends on context

and the types of social support that people can draw on.

In search of a common definition and metric

Use of many different definitions and research methodologies has given rise to an equally varied range of findings – even about the same groups. Such differences have meant that no two sets of findings are truly comparable. This has limited our ability to gain a true understanding of where different groups might stand relative to each other; or whether, when and by how much the financial wellbeing of groups or individuals is changing.

Most research has also relied solely on self-reported data, without including objectively observed measures, another inherently limiting feature.

Transparent methodology and verifiable values

When you consider these variables, it's not surprising that there are also inconsistencies in the way much financial wellbeing research is reported or 'scored'.

In the absence of a consistently agreed, universally applicable benchmark, measures of convenience and public digestibility are often favoured over those linked

to careful, holistic definitions of financial wellbeing. Further, there is often little or no transparency about how various scores or values are arrived at, so they are difficult to test or replicate.

Opaque scoring and variations in how financial wellbeing is reported not only make it difficult to compare different studies. It can also throw the accuracy, applicability and practical utility of some research into question, with potentially serious implications. For example, it may

discourage consumers, government, financial institutions or other groups from targeting areas most likely to make a difference to financial wellbeing – or encourage them to focus on areas that are not.

A new approach to better capture the dimensions and complexity of financial wellbeing

The findings summarised in this report are based on a new approach that we believe overcomes the

problems associated with past research. Underpinning it is our own definition and our own research methodology.

Both are described at length, along with a full breakdown of our findings, in the descriptive report linked in the 'Where to find out more?' section below.

Some key findings: understanding financial wellbeing in Australia?

The scores from the CBA-MI Reported and Observed Financial Wellbeing Scales ('Scales') have been developed to measure the relative extent of someone's financial wellbeing – they indicate higher or lower positions along a distribution. The scores do not identify specific, absolute 'good' or 'bad' conditions.

This report uses these two Scales to quantitatively analyse how financial wellbeing differs among Australians.

We apply descriptive categories to the scores of the Reported and Observed Financial Wellbeing Scale and found that:
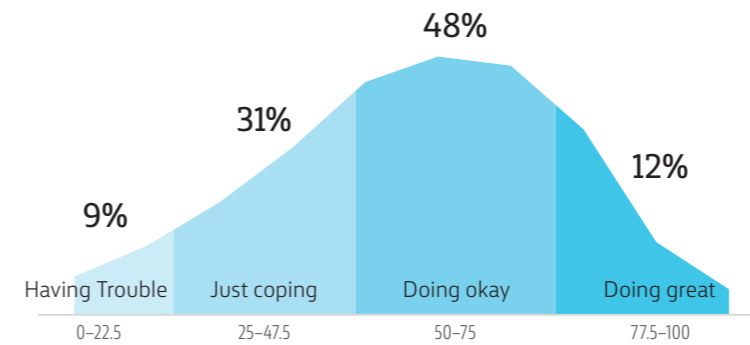
Reported Scale

- 9 per cent of customers were 'having trouble' (scores of 22.5 or below, which implied that they experienced the worst possible outcome for one or more reported financial wellbeing conditions),

- 31 per cent were 'just coping' (scores of 25-47.5, which implied they experienced a negative outcome for one or more reported conditions),

- 48 per cent were 'getting by' (scores of 50-75, which implied the averages of their reported outcomes were in neutral or second-highest categories), and

- 12 per cent were 'doing great' (scores of 77.5 or higher, which implied they experienced the best possible outcome for one or more reported conditions).

Observed Scale

- 17 per cent of customers were 'having trouble' (scores of 33.3 or below, which implied that they had frequent dishonours, held payday loans, had frequent low balances, or could seldom raise a month's expenses);

- 60 per cent were doing 'okay' (scores of 44.4 to 77.8); and

- 23 per cent were 'doing great' (scores of 88.9 or higher, which implied that they experienced the best possible outcome for four or five observed conditions).

Reported Financial Wellbeing Scale

9%	31%	48%	12%
Having Trouble	Just coping	Doing okay	Doing great
0–22.5	25–47.5	50–75	77.5–100

The Reported Financial Wellbeing Scale median score is 55. The distribution is skewed towards higher Scale values, meaning that customers were somewhat more likely to report experiencing or perceiving good outcomes for a given condition than bad outcomes.

Observed Financial Wellbeing Scale

17%	60%	23%
Having Trouble	Doing okay	Doing great
0–33.3	44.4–77.8	88.9–100
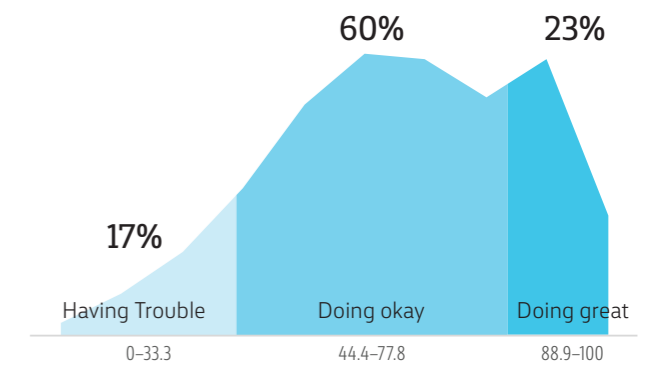
The Observed Financial Wellbeing Scale median score is 67. The distribution is strongly skewed towards higher values.

Financial wellbeing: the nationwide state-of-play is mostly positive

Overall, the findings show a positively skewed distribution for the Australian population for both Reported and Observed financial wellbeing. One third have positive financial wellbeing outcomes in both Scales.

One quarter of Australians experience negative 'every day' financial wellbeing outcomes

One in four people surveyed do not enjoy life because of the way they are managing their money, and say they are struggling with money management (23 per cent) and their lives are often or always controlled by their finances (29 per cent).

One third of Australians face 'rainy day' and 'one day' financial uncertainty

About one in three respondents have low financial resilience, with 37 per cent saying they couldn't handle a major unexpected expense and 31 per cent observed with the worst savings balance outcomes. In addition, one third say they are not on track to secure their financial future (33 per cent) or provide for future needs (32 per cent).

Australian men are more likely to self-report higher financial wellbeing than women

Overall, when examining bank data of women and men, both have the same Observed financial wellbeing score, however men are more likely to self-report they have a higher financial wellbeing.

Good financial outcomes are possible for all Australians

The key finding of this report is that the best financial wellbeing outcomes are achievable regardless of income and resources. A host of financial behaviours, capabilities and attitudes have exceptionally strong associations with financial wellbeing, both Reported and Observed. Behaviours, capabilities, and attitudes can be changed in positive directions.

Surprising insights

Actions can speak louder than income and assets

Unsurprisingly, financial wellbeing uniformly increases with income. But how people behave with their finances has an even stronger effect on their financial wellbeing than how much they earn. For example, there is a much higher gap in financial wellbeing between people who have disciplined saving and spending habits and those who don't than between those who earn less than $20,000 and those who earn more than $100,000 a year.

Budgeting: just think it

Having a budget can help people better manage their finances. Does that mean hauling out the spreadsheets? Not necessarily. Our findings show that it doesn't matter if the budget is a 'mental' one or a 'formal' one: either type is equally associated with higher financial wellbeing. Just find a budget that works for you!

Confused about finances? A good understanding is enough

There is a strong association between higher financial wellbeing and an understanding of finances. However, once people reach a 'good' rather than 'very good' level of understanding, wellbeing levels out. Encouragingly, this suggests that a firm grasp of the basics rather than highly specialised knowledge is enough to make significant positive difference.

The importance of staying social

Social contact has a strong influence on financial wellbeing, with Reported wellbeing in particular rising steadily the more social contact a person had. Further, people who said they would always receive social support in a crisis or considered it very likely had higher wellbeing on both Reported and Observed measures. Conversely, people who were socially isolated had extremely low Reported and low Observed financial wellbeing. Interestingly, people who were 'uncertain' whether they would receive social support in a crisis had lower levels of Reported financial wellbeing than those who were certain they wouldn't.

The CBA-MI Financial Wellbeing Scales.

The CBA-MI Financial Wellbeing Scales are the first of their kind to combine both self-reported financial wellbeing data and objectively observed measures. In so doing, they provide new dimensions of understanding and a model for researchers both locally and globally.

What is financial wellbeing?

The definition of financial wellbeing we used in our research (see box) has been adapted and evolved from those of other leading Australian and international researchers and other sources.

Importantly, our study has been tailored for the local context, taking into account the types of unique matters that Australians face such as long-term future outcomes in light of our superannuation and retirement income system. This is a significant factor often overlooked or under-weighted by local studies that take overseas methodologies as their starting point.

Our findings are derived from a methodology that is easily tested and verified, so anyone can accurately assess their own financial wellbeing. The Reported and Observed Financial Wellbeing Scales are formed from people's answers to ten survey questions (Reported) and from five key measures from their financial records (Observed).

The inclusion of observed measures, based on people's financial records, accounts and transactions is a

pioneering feature that adds new insights and additional robustness to our findings. It also provides a strong foundation for deeper understanding as we continue to refine our objective measures in future research.

Our approach

The research underpinning the Scales is based on findings drawn from an online survey of 5,682 CBA customers in August 2017, and analysis of financial record data that were linked to the customers' responses.

The research components for both the Reported and Observed elements of the survey, along with more information about respondents and the methodology used to calculate degrees of financial wellbeing among Australians can be found in the descriptive report linked in the 'Where to find out more?' section below.

The two Scales:

- The Reported Financial Wellbeing Scale (version 1) is formed from people's responses to 10 questions that ask about their perceptions and experiences of financial wellbeing outcomes. Each question has 5 possible responses, with the worst outcomes assigned values of 0 and the best outcomes, values of 4. The score can be calculated by adding the responses to all 10 questions and multiplying the sum by 2.5.

- The Observed Financial Wellbeing Scale (version 1) is formed from five measures that come from customers' financial records. Each measure, but one, has three possible outcomes, with the worst financial wellbeing outcomes assigned values of zero and the best outcomes assigned values of two. The score is calculated adding the outcomes to all five items and multiplying the sum by 11 1/9.

The CBA-MI definition of financial wellbeing

We define people's financial wellbeing as the extent to which people both perceive and have:

1. Financial outcomes in which they meet their financial obligations;
2. Financial freedom to make choices that allow them to enjoy life;
3. Control of their finances; and
4. Financial security – now, in the future, and under possible adverse circumstances.

In our definition, financial wellbeing is a state that is best described in degrees or extents, rather than with absolute values or as an 'either / or' condition.

Every day, rainy day, one day

Often to simplify communication, we will refer to the financial wellbeing components in colloquial terms as:

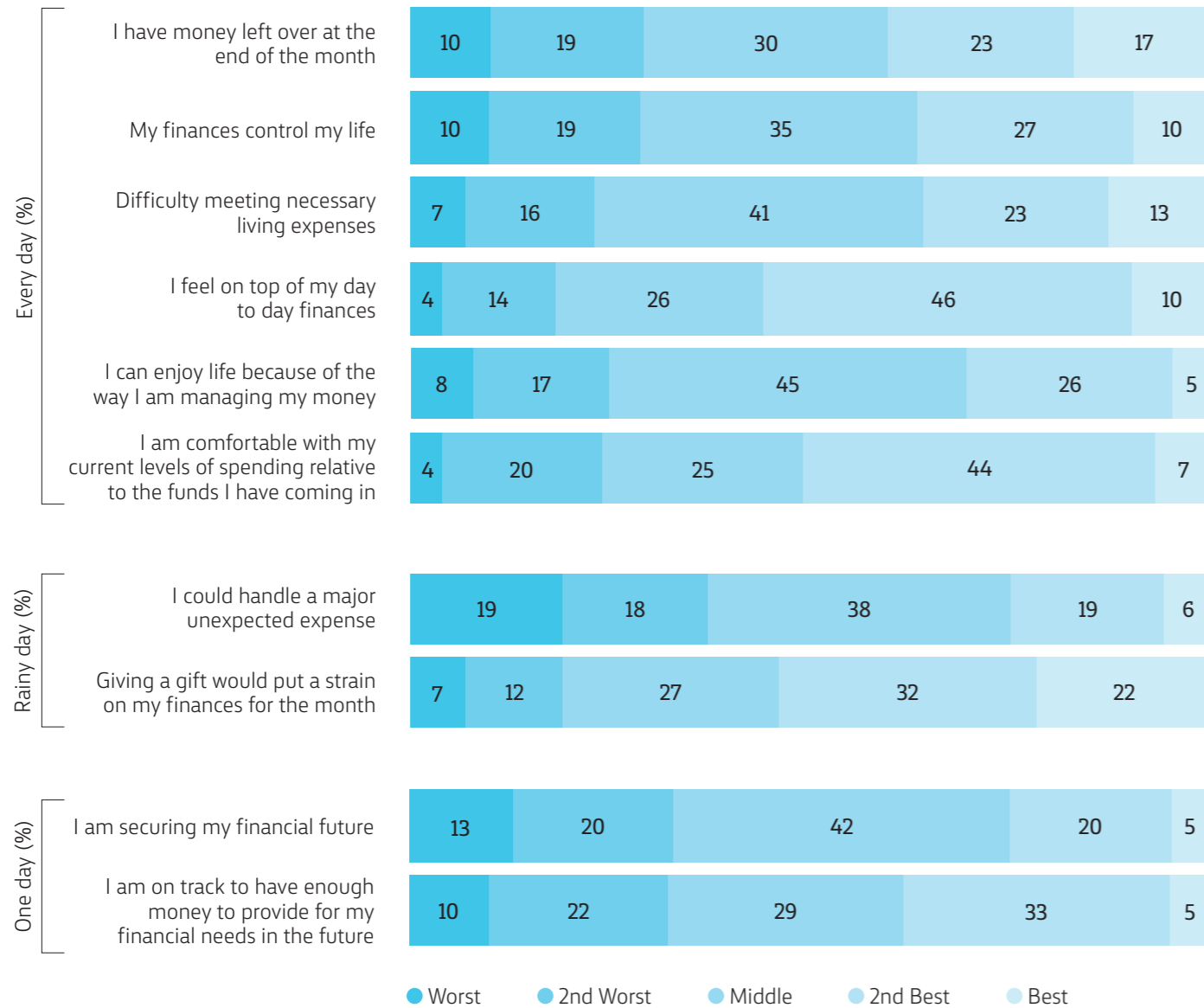- **'Every day'** financial situations: how well people are meeting their immediate needs, such as mortgage or rent and utilities payments.
- **'Rainy day'** financial situations: how well prepared people are to deal with unexpected, adverse events such as illness or job loss.
- **'One day'** financial situations: how well people can achieve long-term goals such as buying an auto-home or a comfortable retirement.

How Australians are faring financially: every day, rainy day, one day.

Distribution of customers' Reported and Observed financial wellbeing outcomes

Reported Conditions

Every day (%)

Statement	Worst	2nd Worst	Middle	2nd Best	Best
I have money left over at the end of the month	10	19	30	23	17
My finances control my life	10	19	35	27	10
Difficulty meeting necessary living expenses	7	16	41	23	13
I feel on top of my day to day finances	4	14	26	46	10
I can enjoy life because of the way I am managing my money	8	17	45	26	5
I am comfortable with my current levels of spending relative to the funds I have coming in	4	20	25	44	7

Rainy day (%)

Statement	Worst	2nd Worst	Middle	2nd Best	Best
I could handle a major unexpected expense	19	18	38	19	6
Giving a gift would put a strain on my finances for the month	7	12	27	32	22

One day (%)

Statement	Worst	2nd Worst	Middle	2nd Best	Best
I am securing my financial future	13	20	42	20	5
I am on track to have enough money to provide for my financial needs in the future	10	22	29	33	5

● Worst ● 2nd Worst ● Middle ● 2nd Best ● Best

Observed Conditions

Every day (%)

Statement	Worst	Middle	Best
Number of months in the last year with payment dishonours	7	30	63
Any payday loans in the last year	6		94
Days in the last year with liquid balances below one week's average expenses	12	51	36

Rainy day (%)

Statement	Worst	Middle	Best
Days in last year when customer had ability to raise one month's expenses from savings or credit	30	31	39

One day (%)

Statement	Worst	Middle	Best
Age-normed percentile of customer's median savings balance over last year	31	58	10

● Worst ● Middle ● Best

Due to rounding, some charts may not add up to 100 per cent.

The Scales show a broadly positive pattern, with some two thirds of people exhibiting neutral to positive financial wellbeing outcomes on either the Reported or Observed Scale.

However, that still leaves up to a third experiencing negative outcomes across some or all of the 'every day', 'rainy day' and 'one day' measures.

Overall, compared to 'rainy day' and 'one day' financial wellbeing, respondents reported fewer problems with 'every day' financial wellbeing, such as being able to meet necessary expenses, having money left over at the end of the month and being able to afford gifts.

These findings are in line with other research showing that on average people achieve 'every day' financial wellbeing before they achieve wellbeing on unexpected 'rainy day' or future 'one day' financial outcomes.

Following on from this, the Scales also show that people who have good 'rainy day' and 'one day' outcomes generally have higher overall levels of financial wellbeing than those who simply have good 'every day' outcomes.

Every day

'One in four are struggling with money management'
Close to one in four (23 per cent) of respondents said it was easy; and 13 per cent said it was very easy to meet necessary expenses in the preceding year. Large percentages also reported good outcomes for other 'every day' measures: 37 per cent said finances rarely or never controlled their lives and 40 per cent said they often or always had money left over at the end of the month. About 36 per cent always had account balances that were greater than a week's expenses (that is, never let their accounts get dangerously low).

But it's not all plain sailing

- Nearly a quarter (23 per cent) of people reported difficulty meeting necessary expenses in the preceding year.

- About a quarter (24 per cent) indicated that they were not comfortable with their spending.

- One in four (25 per cent) agreed that they did not enjoy life because of the way they were managing their money.

- 29 per cent said that finances often or always controlled their lives.

- 29 per cent said that they never or rarely had money left over at the end of the month.

- 12 per cent had liquid balances below one week's expenses for 75 per cent of the year or more; and a further 50 per cent had liquid balances below a week's expenses for some portion (1-75 per cent) of the year.

Rainy day

'One in three have low resilience'
To gauge reported levels of 'rainy day' financial wellbeing, the Reported Scale asks whether respondents feel able to handle major unexpected expenses. For Observed wellbeing, we looked at whether a respondent's bank balances and available credit were sufficient to cover over one months' expenses.

- 37 per cent said they were not able to handle a major unexpected expense.

- 30 per cent could raise one month's expenses on less than a quarter of the days of the year.

One day

'One in three are not on track to meet longer term future financial needs'
One of the key differences between the Scales and other Australian-focused research is our consideration of 'one day', or future long-term, financial wellbeing.

The quality of financial wellbeing for Australians as they move into retirement has major social, economic and policy implications for our nation. Our research represents a brand new, reliable metric that, over time, can increasingly inform the national discussion on securing long-term future financial wellbeing for all Australians.

The research shows that Australian retirees on average have higher Reported and Observed financial wellbeing than other Australians. However, the next generation of retirees might be at risk. According to the Scales, around a third of Australians are falling short when it comes to their 'one day' financial needs, with 33 per cent saying they are not on track to secure their financial future and 32 per cent saying they are not on track to provide for future needs.

Characteristics, conditions and behaviour: what makes financial wellbeing?

The CBA-MI Conceptual Model of the Determinants of Financial Wellbeing Outcomes

Household Characteristics

- Economic & material resources
- Personal capabilities
- Household needs
- Preferences
- Attitudes

External Conditions

- Economic conditions
- Access to financial products/services
- Social support & social capital
- Social norms
- Public programs & social insurance

Financial Behaviour

- Financial management
- Spending habits
- Savings habits
- Borrowing habits
- Financial discipline
- Planning & budgeting

Financial Wellbeing Outcomes

Perceiving & having
(1) financial outcomes to meet financial obligations,
(2) financial freedoms to make choices,
(3) control of finances, &
(4) financial security now, in the future, & under possible adverse circumstances

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In our analysis, we assessed a range of such characteristics to help identify which contribute to people's financial wellbeing, and in what ways.

Specifically, we focused in on:

- **Household characteristics**, including incomes, economic and material resources, personal capabilities, personal characteristics, household structure, household needs, preferences and attitudes.

- **External conditions**, including economic conditions, access to financial products and services, social support, social norms, public programs, and social insurance.

- **Financial behaviours**, including financial management, spending, saving and borrowing habits, financial discipline, planning and budgeting.

Of the wide range of characteristics included, we found that a number were strongly associated with higher or lower financial wellbeing. Some of the strongest associations are outlined in the following pages.

The results also point to possible areas of intervention to improve people's financial wellbeing. The report shows that a host of financial behaviours, capabilities, and attitudes have exceptionally strong associations with financial wellbeing, both Reported and Observed.

Behaviours, capabilities, and attitudes can be changed in positive directions.

Knowing that there are such strong associations between financial wellbeing and financial behaviour, capabilities and attitudes suggests that, with the right kind of support, people can be empowered to change their own financial wellbeing for the better.

Characteristics associated with financial wellbeing

Financial behaviour

Overall, 'Financial behaviours' are the strongest correlates with financial wellbeing outcomes. (refer to Appendix pg. 26)

In particular, spending, saving and borrowing habits, willingness to sacrifice, and plan are most strongly correlated with Reported and Observed financial wellbeing outcomes.

People who budget, either mentally or formally, have higher Reported and Observed financial wellbeing outcomes on average than people who don't budget at all.

Use of banks, products and responsibility for financial decisions do not appear to be correlated to financial wellbeing outcomes.

Household characteristics

Overall, 'Household characteristics' have medium to strong correlation with financial wellbeing outcomes. (refer to Appendix pg. 29)

The strongest correlates include personal capabilities like general health, mental health, disabilities, understanding of finances and financial products.

Employment, income, and assets and liabilities have medium correlation with Reported and Observed financial wellbeing.

Home owners on average have much higher Reported and Observed financial wellbeing than renters.

Age does not appear to be correlated but on average financial wellbeing outcomes rise between the ages of 50 and 70.

Financial wellbeing on average is higher among people who are partnered than people who live alone.

External conditions

Social contact and community and government support are strongly associated with financial wellbeing. (refer to Appendix pg. 35)

People who report having a major worsening in financial circumstances, as well as separation, job loss and illness on average have markedly lower financial wellbeing outcomes.

Perception vs reality dissonance.
Food for thought.

One of the interesting findings of our research is that although Reported and Observed financial wellbeing are positively related, they are also distinct.

The way people perceive and experience their own financial outcomes can be very different from the way an outsider might observe them based on objective financial data.

Further, our quantitative analysis shows that there is sufficient difference between them to consider them to be separate components of financial wellbeing.

Consistent with the positive relationship between the two Scales, most customers (65 per cent) have values on the Scales that are both above or below the median. Most customers have a difference of less

than 20 points between the two Scales.

However, for around one third of respondents the two Scales did not align. Specifically, 17 per cent reported above the median, but were observed below the median; while 18 per cent were observed above the median but reported below the median.

Background, personality, or missing information?

There are a few systematic patterns in people whose financial wellbeing diverges: recent immigrants, people with business or non-wage incomes and customers with modest account balances are more likely to diverge in their Scale values.

Divergence is also higher for respondents in certain complex circumstances, including for people who had recently experienced major life events, people with large housing payments and those who are sometimes, but not always, paying their credit card balances.

Distribution of combined financial wellbeing

	Reported Financial wellbeing Low	Reported Financial wellbeing High
Observed Financial wellbeing High	18%	35%
Observed Financial wellbeing Low	30%	17%
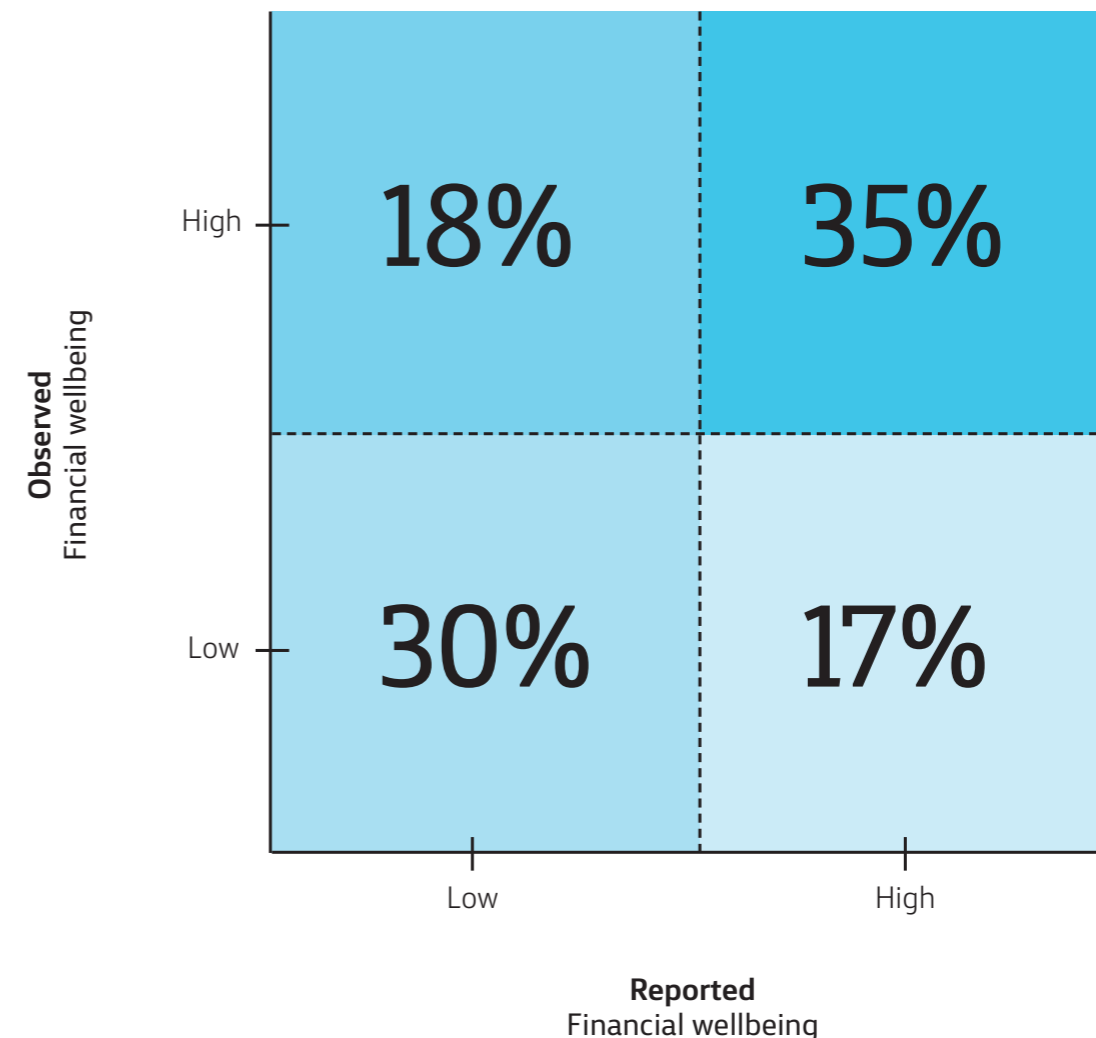
Where now?

As stated at the outset, the findings summarised in this report represent a promising beginning of just one initiative out of many we are undertaking to help secure and enhance Australians' financial wellbeing.

Already, our research has added to the evidence base supporting the development of more targeted tools, education programs and other activities to help people move closer to this goal.

Its new methodology and its robust, verifiable nature have also opened up new areas for investigation, which may in turn offer new possibilities for understanding, quantifying, monitoring and improving financial wellbeing.

Further, and perhaps most important of all, the research has the potential to open a wider worldwide conversation about financial wellbeing, and provide a much-needed consistent foundation which other individuals and institutions can use to continue their research for the benefit of all.

Creation of a new financial wellbeing assessment tool

Already, we have launched the CBA Financial Wellbeing Score; an all-new online financial wellbeing assessment tool now available on the CBA website.

The tool enables Australians to assess their own financial wellbeing using the methodology that underpins the Reported Scales methodology.

Users will then be able to access tailored content and other resources to help them improve in relevant areas.

To try out the tool, head to **www.commbank.com.au/digital/fwbscore**

Where to find out more

The full descriptive report can be found here:

https://fbe.unimelb.edu.au/research/streams/health-and-wellbeing/measuring-financial-wellbeing
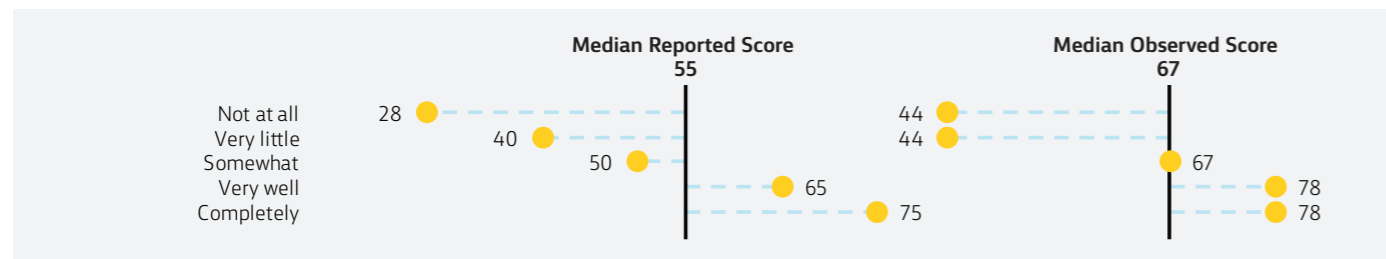
Appendix: characteristics associated with financial wellbeing scores.
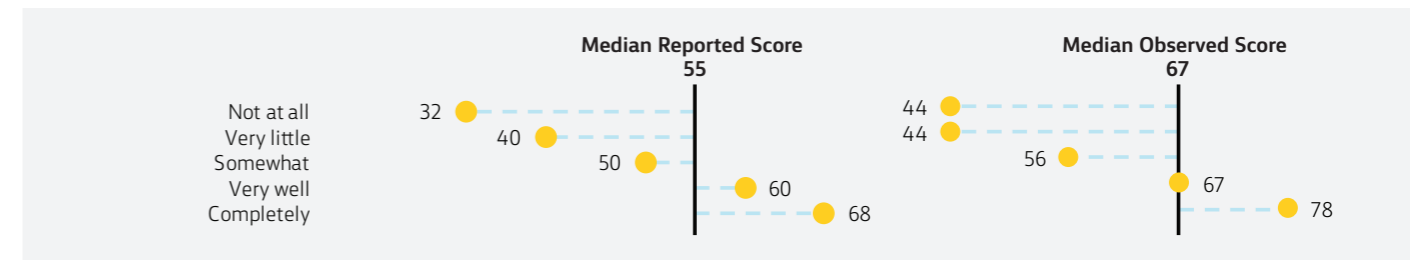
Financial behaviour

Spending habits

Good job balancing spending and savings

	Median Reported Score 55	Median Observed Score 67
Not at all	28	44
Very little	40	44
Somewhat	50	67
Very well	65	78
Completely	75	78

Saving & borrowing habits

Try to save money regularly

	Median Reported Score 55	Median Observed Score 67
Not at all	32	44
Very little	40	44
Somewhat	50	56
Very well	60	67
Completely	68	78

Credit card management

	Median Reported Score 55	Median Observed Score 67
Always carry balance	38	44
Tend to carry balance	48	44
Sometimes pay balance	50	56
Try to always pay balance	52	56
Always pay balance	65	78
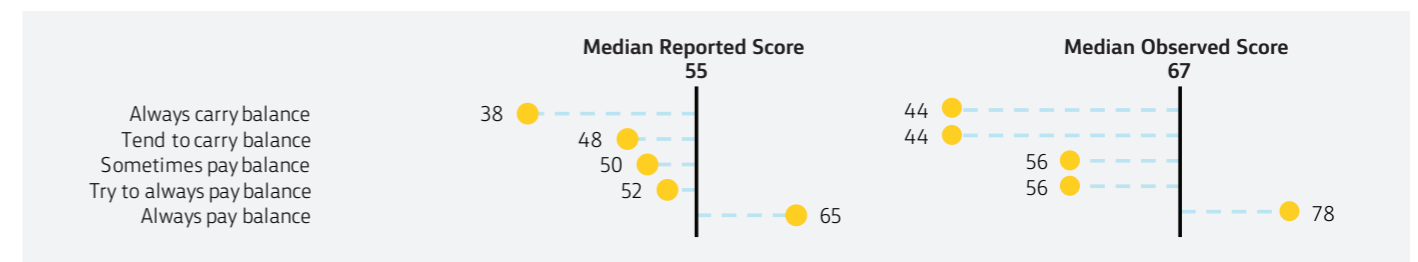
Approach to finances

Sacrifice now to secure future

	Median Reported Score 55	Median Observed Score 67
Disagree strongly	30	44
Disagree	48	56
Neither agree nor disagree	50	56
Agree	58	67
Agree strongly	65	67
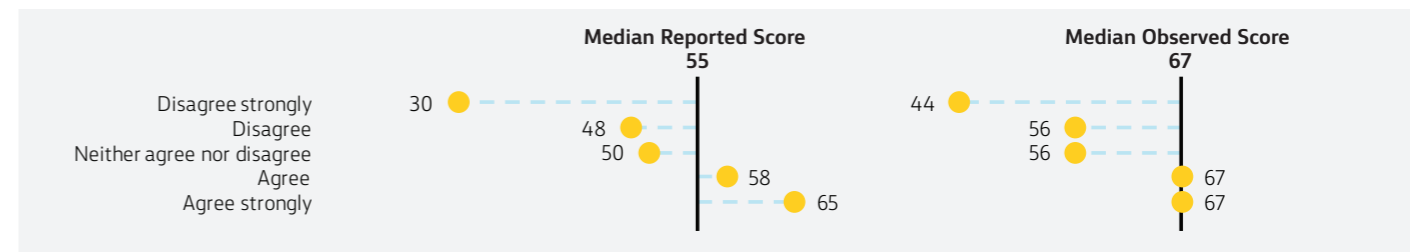
Put off financial decisions

	Median Reported Score 55	Median Observed Score 67
Disagree strongly	70	67
Disagree	60	67
Neither agree nor disagree	52	67
Agree	45	56
Agree strongly	38	56
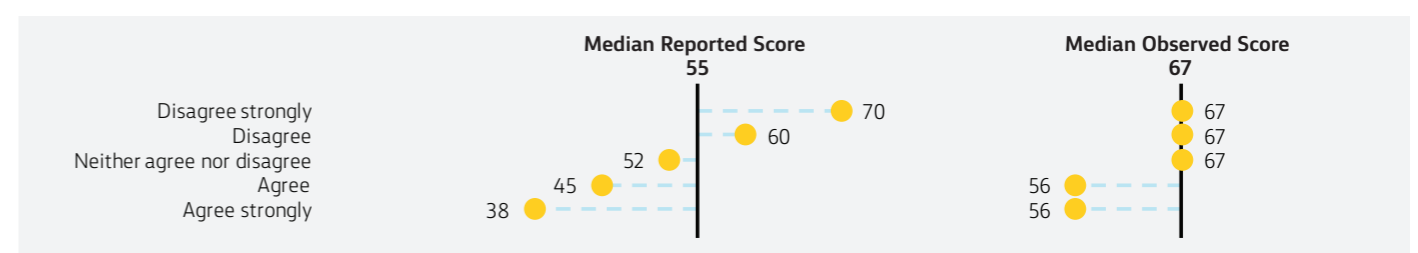
Planning and budgeting

Organised with everyday spending

Median Reported Score 55

Label	Reported	
Not at all	30	
Very little	42	
Somewhat	52	
Very well		62
Completely		72

Median Observed Score 67

44	
56	
56	
	67
	78
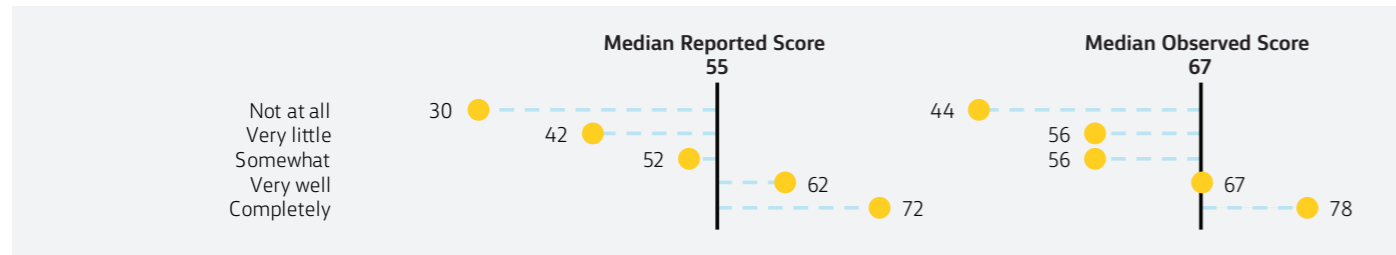
Regularly review finances

Median Reported Score 55

Label	Reported	
Disagree strongly	35	
Disagree	48	
Neither agree nor disagree	50	
Agree		60
Agree strongly		68

Median Observed Score 67

56	
56	
56	
67	
67	
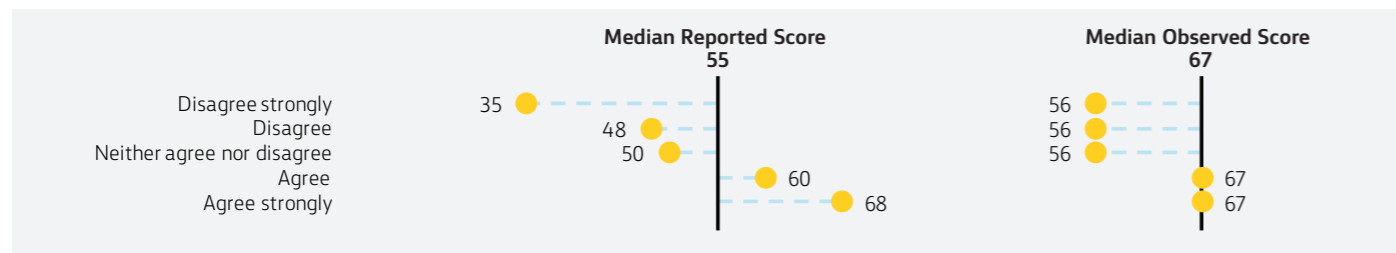
Financial forward-planning

Median Reported Score 55

Label	Reported	
Focused on today	40	
Starting to plan	52	
Actively planning		68

Median Observed Score 67

56	
67	
67	

Approach to budgeting

Median Reported Score 55

Label	Reported	
None at all	42	
Spend what I can	50	
Mental budget		58
Formal budget		58

Median Observed Score 67

56	
56	
67	
67	
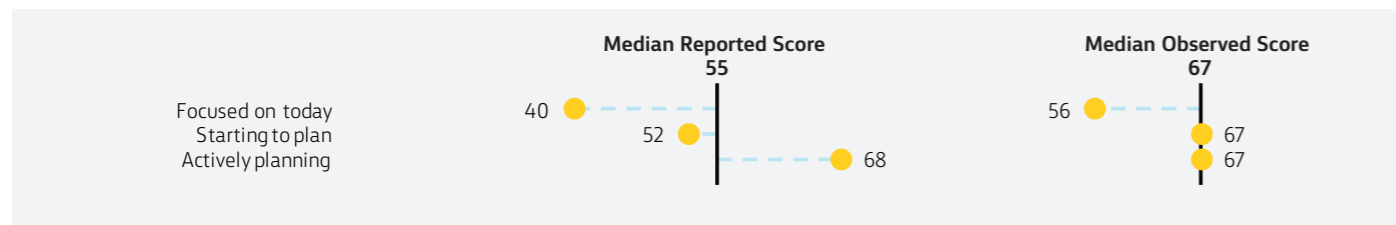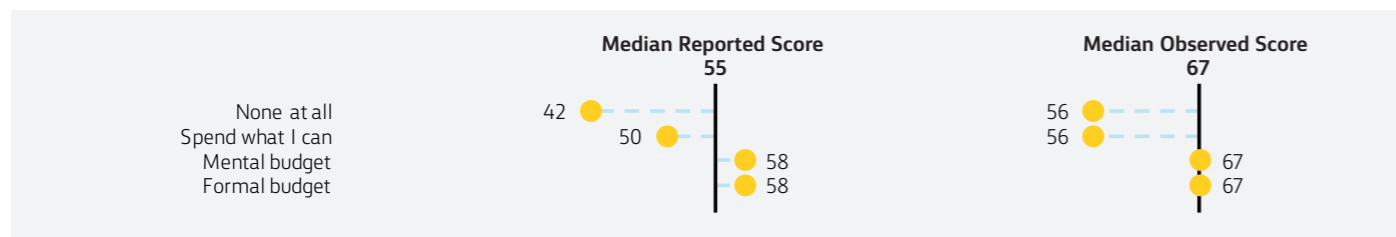
Household characteristics

Personal characteristics

Gender

Median Reported Score 55

Label	Reported
Women	52
Men	58

Median Observed Score 67

67
67

Age

Median Reported Score 55

Label	Reported
18 to 24	52
25 to 39	54
40 to 49	52
50 to 64	55
65 or more	65

Median Observed Score 67

67
67
56
67
78

Lives in metropolitan area

Median Reported Score 55

Label	Reported
No	52
Yes	55

Median Observed Score 67

56
67

State/Territory

Median Reported Score 55

Label	Reported
Australian Capital Territory	58
New South Wales	55
Northern Territory	58
Queensland	52
South Australia	55
Tasmania	52
Victoria	55
Western Australia	55

Median Observed Score 67

67
67
56
56
67
67
67
56

Household structure

Marital status

Median Reported Score 55 | Median Observed Score 67

- Single: 52 | 67
- Separated: 45 | 44
- Divorced: 48 | 56 / 67
- Widowed: 60 | 56 / 67
- Living with a partner: 52 / 60 | 67
- Married: 60 | 67

Income and work status

Total income

Median Reported Score 55 | Median Observed Score 67

- Less than $20,000: 40 | 56
- $20,000 to $49,999: 48 | 56
- $50,000 to $99,999: 52 | 67
- $100,000 or more: 62 | 67

Work status

Median Reported Score 55 | Median Observed Score 67

- Full-time work: 58 | 67
- Part-time work: 50 | 56
- Home duties: 48 | 44
- Semi-retired: 68 | 67
- Retired: 68 | 78
- Student: 49 | 67
- Unemployed: 35 | 56

Income type

Median Reported Score 55 | Median Observed Score 67

- No income: 51 | 67
- Non-wage income: 52 | 67
- Wage, variable: 48 | 67
- Wage, consistent: 55 | 56
- Pension, fixed: 58 | 67
- Wage, fixed: 58 | 67
- Own business: 68 | 67

Assets and liabilities

Home ownership

Median Reported Score 55 | Median Observed Score 67

- Renter: 48 | 56
- Home owner with mortgage: 58 | 67
- Home owner without mortgage: 70 | 78
- Other: 54 | 67

Total bank deposits

Median Reported Score 55 | Median Observed Score 67

- Less than $1,000: 40 | 44
- $1,000 to $19,999: 55 | 67
- $20,000 to $49,999: 65 | 89
- $50,000 to $99,999: 70 | 89
- $100,000 to $299,999: 72 | 89
- $300,000 or more: 72 | 89

Total superannuation

Median Reported Score 55 | Median Observed Score 67

- Less than $1,000: 45 | 56
- $1,000 to $19,999: 52 | 67
- $20,000 to $49,999: 50 | 56
- $50,000 to $99,999: 55 | 67
- $100,000 to $299,999: 60 | 67
- $300,000 or more: 70 | 78

Total credit card or personal loans

Median Reported Score 55 | Median Observed Score 67

- Less than $1,000: 60 | 67
- $1,000 to $19,999: 55 | 67
- $20,000 to $49,999: 48 | 56
- $50,000 to $99,999: 45 | 56
- $100,000 or more: 58 | 67

Personal capabilities

Highest education

	Median Reported Score 55	Median Observed Score 67
Year 9 or below	45	56
Year 10 or 11	50	56
Year 12	51	67
Certificate - any level	48	56
Advanced diploma or diploma	55	56
Bachelor's degree or higher	60	67

General health

	Median Reported Score 55	Median Observed Score 67
Poor	28	56
Fair	40	56
Good	50	67
Very good	60	67
Excellent	65	67

Disability

	Median Reported Score 55	Median Observed Score 67
No	58	67
Yes	45	56

Mental distress

	Median Reported Score 55	Median Observed Score 67
None or low	62	67
Modarate	48	67
High	30	44

Find finances confusing

	Median Reported Score 55	Median Observed Score 67
Agree strongly	25	44
Agree	40	56
Neither agree nor disagree	50	56
Disagree	60	67
Disagree strongly	72	67

Understand financial products

	Median Reported Score 55	Median Observed Score 67
Don't understand them	40	56
Basic understanding	50	67
Good understanding	60	67
Very good understanding	62	67

Preferences and attitudes

Clear savings goals

	Median Reported Score 55	Median Observed Score 67
Disagree strongly	30	44
Disagree	42	56
Neither agree nor disagree	50	67
Agree	60	67
Agree strongly	68	67

Prefer not to live on credit

	Median Reported Score 55	Median Observed Score 67
Disagree strongly	39	44
Disagree	50	56
Neither agree nor disagree	50	56
Agree	55	67
Agree strongly	60	67

Feel in control of their lives

	Median Reported Score 55	Median Observed Score 67
0 to 4	30	56
5	45	56
6	48	56
7	52	67
8	60	67
9	68	67
10	65	67
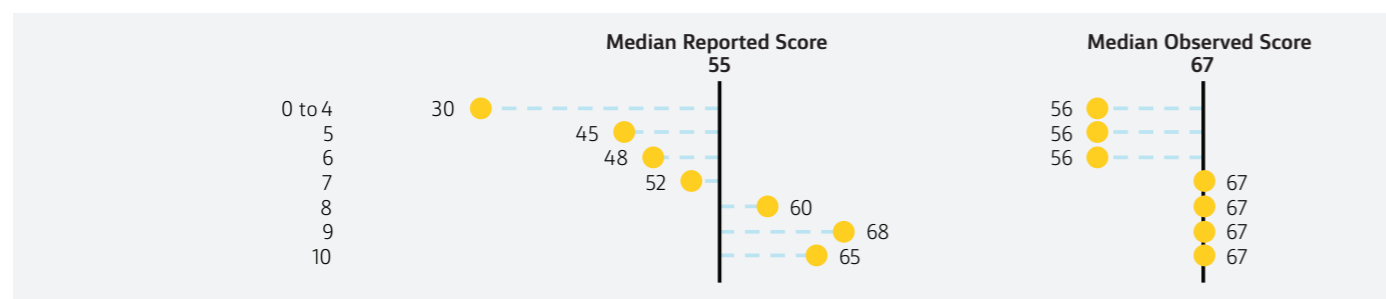
External conditions

Economic and life conditions

Hours with hours worked

	Median Reported Score 55	Median Observed Score 67
Would like more	45	56
Would like less	52	67
Happy with amount	60	67

Social contact

	Median Reported Score 55	Median Observed Score 67
Isolated	32	44
Occasional contact	45	56
Regular contact	55	67
Good contact	60	67
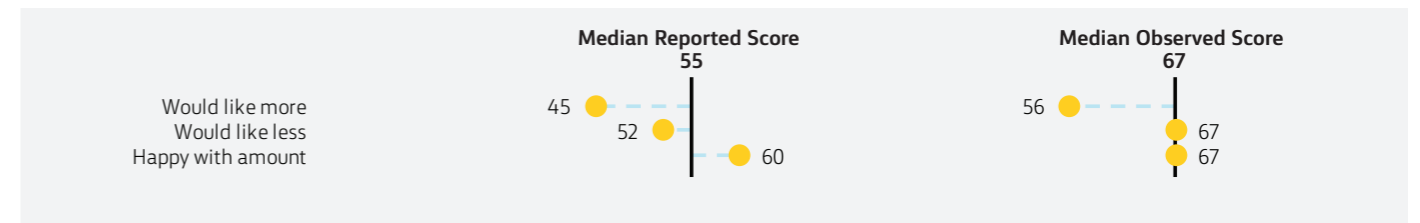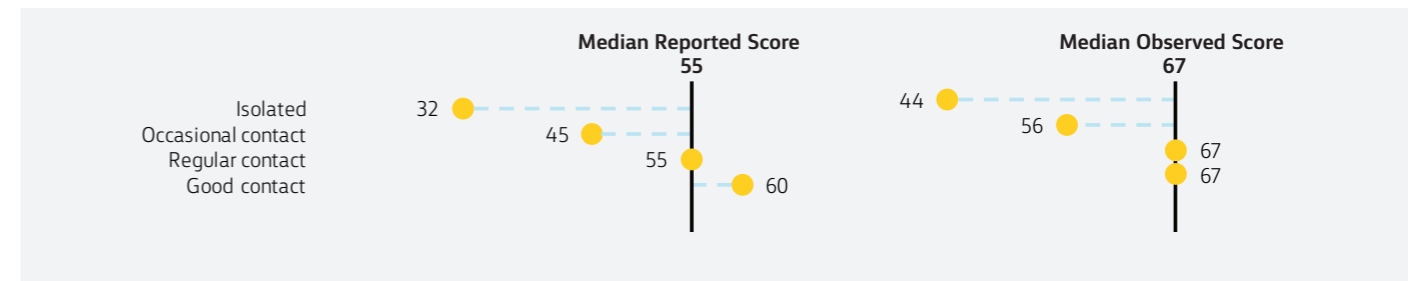
Community/government support use

	Median Reported Score 55	Median Observed Score 67
Not at all	58	67
Very little	48	56
Somewhat	40	56
Very well	32	33
Completely	32	56

Can