

## THE GREAT AUSTRALIAN STRUGGLE

*New research highlights the battles Aussies are facing with cost-of-living pressures.*

**SYDNEY, SEP 2024** – As we near the end of 2024, new research highlights a concerning trend: close to seven in 10 Aussie households (69%) are grappling with financial stress. To combat the rising pressure, the majority (87%) are actively cutting back on their spending.

According to new research by Real Insurance, which informed the ‘Real Struggle Barometer’, over two in five (41%) Aussies are experiencing moderate to extreme struggle across various areas including property costs (60%), general finances (47%) and household essentials (41%). The report also revealed that one in six are facing considerable or extreme struggle, particularly amongst women, the younger generations (Z and Y), parents with children living at home, and Aussies living in suburban areas.

Commissioned by Real Insurance, in partnership with consumer research group MyMavins, [The Real Struggle Report 2024](#) surveyed 5,018 Australians aged 18 years and above. The report explores the financial challenges faced by Australians, examining their experiences across various aspects of life and highlighting the key stress points they encounter.

### Homeownership: A savings game

Property-related concerns dominate as the primary area of struggle nationwide, with three in five (60%) Aussies experiencing moderate to extreme struggle in this realm.

For those paying off a mortgage, the average monthly repayment has risen by \$880 over the last 12-months. Currently, one in two (50%) Aussies noted that they are facing moderate to considerable struggle in meeting their repayments, with many (32%) claiming it will take more than ten years to pay off their mortgage.

Saving for a deposit remains a daunting task, with more than two in five (44%) facing extreme struggle in securing funds to purchase a home. An additional two in five (38%) find the struggle to save moderate or considerable. Looking ahead, parents are understandably worried about their children’s prospects of owning a home (57%), with many willing to let them stay or move back home (56%) or acting as guarantors (27%).

Founder of We Are Mobilise and current Managing Director and CEO, Noah Yang commented: “The cost-of-living crisis is hitting Australians like never before. Like the report found, we are seeing this primarily within the rental market, as ‘rental stress’. When a tenant is spending more than 30 per cent of their gross income on rent, it is at unprecedented levels across the country. This is forcing everyday Aussies to have to choose between essential living expenses for themselves and their families, with no clear end in sight.”

Renters are facing similar hardships, with most already experiencing rent increases (61%), while a further one in five (20%) expect future hikes. Among these renters, over a quarter (29%) struggle considerably to afford their rent, highlighting the widespread housing difficulties Aussies are grappling with in 2024. For nearly one in two (47%), the only viable option has been moving back in with their parents to save money.

### The essential compromise

Due to the rising costs of day-to-day items, many Aussies are reportedly facing moderate to extreme struggle when it comes to affording household essentials (47%).

Affording groceries alone is a considerable challenge for many (29%), while a similar proportion (29%) face comparable struggles with affording common household bills.

Concerningly, close to two-thirds (65%) are skipping essential medical services such as doctor or dentist visits due to cost, underscoring the severe impact of financial stress on healthcare accessibility.

To alleviate financial pressures, the majority (87%) are taking steps to reduce their spending. These include cutting back on eating out (65%), opting for cheaper home-brand products (53%), and reducing the use of expensive ingredients (52%).

The belt tightening doesn't stop there, with Aussies also resorting to reducing appliance usage (51%), seeking better deals before purchasing (45%), and even cutting down on vehicle usage (40%). Some have even applied for hardship relief or payment plans for utilities (38%).

Furthermore, two in three Aussies have taken on second jobs to bolster their income and ease financial pressure. However, this extra effort comes at a cost, with many feeling they work too much (40%) or have a poor work-life balance (36%). Many are also reluctant to leave their current job (35%) or ask for a pay rise (21%).

Noah Yang commented: "Due to the unprecedented nature of this cost-of-living crisis, new terms have had to be defined, one of those being 'employed homeless'. Employed people are taking up homelessness services, or hunting for a second job to make ends meet."

"In Victoria for example, employed people now make up one in eight homelessness service users in the state, and 70 per cent of these employed people are women, so they are getting hit the hardest. We are worried that this will impact single-mother-families in particular. It's important that there are services like Mobilise Pay that support these mothers, so that they don't have to choose between their electricity bill, grocery bill, or extracurricular activities for the kids."

### **The cost of concern**

As financial pressures continue to push Aussies, most (69%) report feeling considerable strain on their household's happiness and wellbeing.

Many parents are also finding it hard to hide their stress from their children. While four in five (84%) attempt to shield their children from these issues, two-thirds believe their children are aware of the financial difficulties (66%).

Over the past 12 months, almost half (48%) have received or borrowed money from friends or family. However, it's not without complication, with just under half (48%) of those involved admitting that this caused a degree of tension in the relationship.

The strain is also taking a toll on personal relationships, with negative impacts most commonly felt when discussing financial issues with partners (47%), followed by friends (35%) and parents (30%).

Noah Yang notes "with the cost of living crisis, it has been very common for working adults to return to the family home, and that stigma has been removed a bit. We think it should be equally as important for that stigma to be removed from conversations with friends and families about finances, and be honest about where they are at."

“These are some of the toughest economic conditions Australia has ever faced, and there is no shame in falling on hard times. If these conversations are too hard to be had between friends and families, there are some fantastic charities available such as Uniting, Launch Housing, or Youth Projects, that can have the conversation with you.”

Looking ahead to the remainder of the year, Aussies demonstrate resilience in the face of ongoing financial struggles, employing strategies to support themselves and their families. Despite their own challenges, nearly three in four are willing to lend money to friends and family who are experiencing financial difficulties.

For access to the full Real Struggle Report 2024, please visit the Real Insurance website [here](#).

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### **About The Real Struggle Report 2024**

The Real Struggle Report forms part of the Real Insurance Research Series, delving into the struggles faced by Australians.

The report delves into the experiences of Australians in terms of how they are coping financially across various aspects of their lives - in particular, the financial stresses and pinch points they may encounter. Furthermore, it explores the areas where people are struggling the most and how they are navigating cost of living pressures.

The report is compiled based on research commissioned by Real Insurance and conducted by MYMAVINS between the 11th and 24th of April 2024. The research was conducted via a quantitative online survey, gathering 5,018 responses from Australians 18 years old and above. The sample is broadly representative of this population in terms of age, gender, wealth, and region.

### **About Real Insurance**

Real Insurance is an award-winning provider of insurance products, specialising in life, income protection, funeral, health, home, car, pet, travel and landlords insurance. In the market since 2005, Real Insurance have 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 Roy Morgan Customer Satisfaction - Risk & Life Insurer of the Year, 2023 Product Review award for Life Insurance and Funeral Insurance, 2023 WeMoney Finalist award for Best in Flexibility in the life insurance category, and Feefo's 2023 Gold Trusted Service Award across a range of products. Real Insurance is a trading name of Greenstone Financial Services Pty Ltd.