



ASIC
Australian Securities &
Investments Commission



Key findings
ASIC report 436

Australian Financial Attitudes and Behaviour Tracker

Wave 2: September 2014 – February 2015



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Introduction

Background



Financial decisions are a part of everyday life – whether looking for ways to save, deciding which credit card represents the best value, choosing a home loan, comparing insurance policies or planning for retirement. Whatever the decision, being confident and informed can make a difference to your financial wellbeing and peace of mind.

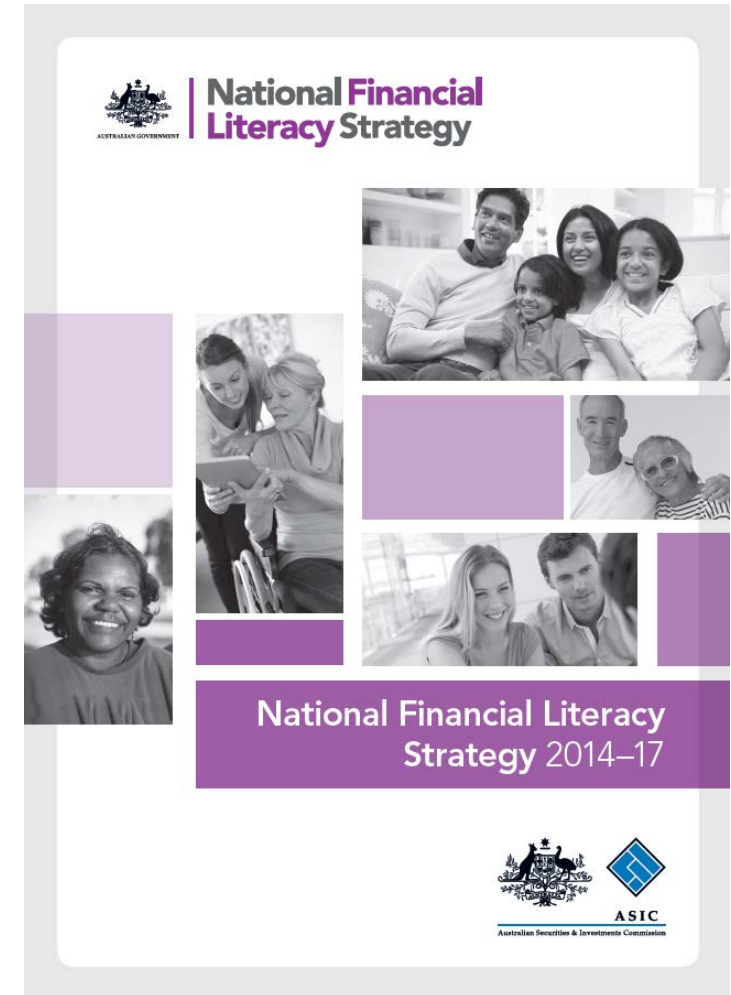
Helping Australians gain the knowledge, skills, attitudes and behaviours needed to make sound financial decisions is a key priority of the Australian Securities and Investments Commission (ASIC). As Australia's corporate, markets and financial services regulator, ASIC is the Australian Government agency responsible for leading and coordinating the National Financial Literacy Strategy and delivering ASIC's MoneySmart website.

Financial decision-making is complex and contextual. Prior research undertaken suggests that a wide range of shifting factors can have an impact on decisions and outcomes.

In 2014 ASIC launched the *Australian Financial Attitudes and Behaviour Tracker* (the Tracker) to track a number of financial attitudes and behaviours among adult Australians and inform financial literacy programs and initiatives.

ASIC engaged EY Sweeney to conduct the Tracker in 2014/15. Wave 1 of the research, released in December 2014, covered the six month period from March to August 2014. Wave 2 covers the period from September 2014 to February 2015. This report contains the findings for Wave 2 of the Tracker and compares these with Wave 1 findings.

The Tracker will be repeated at regular intervals. It will supplement other research in the field, including the well-established *ANZ Survey of Adult Financial Literacy in Australia*, which is conducted approximately every three years and continues to be the leading reference point for measuring population-wide financial literacy levels in Australia.



Research aims and objectives



Purpose

- Track changes and trends in some key financial attitudes and behaviours at regular intervals to build up a picture of changes over time
- Inform and support ASIC's efforts to promote investor and financial consumer trust and confidence
- Inform broader research, measurement and evaluation of Australians' financial literacy levels and wellbeing

Research framework

This research is framed around the five indicative behaviours of financial literacy identified in the 2011 *ANZ Survey of Adult Financial Literacy in Australia* and the *National Financial Literacy Strategy 2014-17* and shown below. In addition, it explores a number of attitudinal measures.



Keeping track of finances – approaches to managing everyday expenses



Planning ahead – planning for the medium and longer term, including retirement and beyond



Choosing financial products – shopping around and understanding and assessing investment risk



Staying informed – use of information, tools and guidance when needed



Financial control – savings behaviour and managing debts



Overview of methodology

Respondents	<ul style="list-style-type: none"> • Respondents sourced from Research Now online panel • Aged 18+ years • Do not work in market research • Sample quotas were set for age, gender and location of main residence
Survey	<p>Wave 1:</p> <ul style="list-style-type: none"> • Fieldwork was conducted between 13-28 August 2014 • Average survey length of 16.3 minutes <p>Wave 2:</p> <ul style="list-style-type: none"> • Fieldwork was conducted between 4-24 February 2015 • Average survey length of 15 minutes • All survey results are based on self-reported attitudes and behaviour • Participants were able to provide multiple responses to some questions; therefore, some response categories sum to more than 100%
Analysis and Reporting	<ul style="list-style-type: none"> • Data analysed, tabulated and significance tested using Q Research Software • Data was weighted to be representative of the Australian Bureau of Statistics (ABS) profile of the Australian population aged 18+ years • Analysis has been undertaken as follows: <ul style="list-style-type: none"> ○ Current Wave (Wave 2): total level (Behaviour: key findings), attitudes and demographic sub-groups (Demographics) ○ Comparison of Waves 1 and 2: total level (Behaviour: key findings), demographic sub-groups (Demographics) <p>Demographic sub-groups:</p> <ul style="list-style-type: none"> • For the current Wave, demographic sub-group analysis has been conducted for the following target groups: <ul style="list-style-type: none"> ○ Age ○ Gender ○ Personal income (annual) ○ Household income (annual) ○ Household composition • For comparisons between Waves (Wave 1 compared to Wave 2), demographic sub-group analysis has been conducted for the following target groups: <ul style="list-style-type: none"> ○ Age ○ Gender ○ Personal income (annual) ○ Household income (annual) ○ Household composition ○ Home ownership status ○ Work status ○ Employment status



Analysis and Reporting (cont'd)	<p>Attitudes:</p> <ul style="list-style-type: none"> • Attitudinal analysis has been conducted for the 11 attitudinal statements in the survey for those who agreed (selected agree or strongly agree) or disagreed (selected disagree or strongly disagree) with each statement • In this report, comparisons between Wave 1 and Wave 2 have been confined to those results that are statistically significant at a 95% confidence interval
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Statistical reliability

Wave	Sample size	Maximum margin of error (95% confidence interval)
Wave 1 (March to August 2014)	n=1,379 (total sample)	± 2.6%
Wave 2 (September 2014 to February 2015)	n=1,357 (total sample)	± 2.7%

Wave 2: Total sample size of n=1,357 has a maximum margin of error of ±2.7% at the 95% level of confidence. This means we can be 95% confident that survey estimates will be reflective of the real world to within ±2.7%.

Questionnaire flow

<p>Introduction/screener</p> <p>Survey eligibility, age, gender, location of current residence</p>
<p>Financial behaviour</p> <p>Types of financial attitudes, behaviours (keeping track of finances, planning ahead, choosing financial products, staying informed, financial control) and a limited amount of investment knowledge</p>
<p>Socioeconomic classification</p> <p>Work status, relationship status, superannuation, education levels, language spoken at home, personal income and household income</p>



Economic and consumer context

To give context for the *Australian Financial Attitudes and Behaviour Tracker*, the following are some of the key macro-economic trends in Australia during the reporting period for Wave 2 of the research (September 2014 to February 2015). Decreasing fuel prices, a drop in the Reserve Bank cash rate and a strengthening of the Australian share market positively impacted consumer sentiment during this period, though sentiment remained cautious overall.

Cash rate ¹	<ul style="list-style-type: none"> The official RBA target cash rate dropped from 2.5% to 2.25% during the reporting period (September 2014 to February 2015). The change in cash rate was effective from 4 February 2015. The majority of home loan lenders passed on some or the entire February rate cut.
Australian dollar ²	<ul style="list-style-type: none"> There was a steady decline in the value of the Australian dollar over this period – down from 93 US cents on 1 September 2014 to 78 US cents on 27 February 2015.
Unemployment rate ³	<ul style="list-style-type: none"> Seasonally adjusted unemployment increased slightly over the period to 6.2% – a 0.2% increase from Wave 1 of the research (March to August 2014).
GDP ⁴	<ul style="list-style-type: none"> GDP increased by 0.4% in the three months to December 2014; in seasonally adjusted terms this was an overall increase of 0.5%. Over the same period, gross value added per hour worked in the market sector rose 0.1%. Terms of trade fell 1.9%; seasonally adjusted, which translated to a decrease of 1.7%.
CPI ⁵	<ul style="list-style-type: none"> The consumer price index rose by 0.2% in the March 2015 quarter, which was the same as the increase of 0.2% in the December 2014 quarter. In seasonally adjusted terms, both quarters recorded an increase in CPI of 0.3%.
Consumer confidence ⁶	<ul style="list-style-type: none"> Consumer confidence was modest but stable throughout the reporting period ranging from 112.5 points in September 2014 to 111.2 points in February 2015, with an average of 112.6 points across the period.
Consumer sentiment ⁷	<ul style="list-style-type: none"> Consumer sentiment fluctuated across the period with a maximum of 100.7 points achieved in February 2015, while a minimum of 91.1 points occurred in December 2014. The February 2015 consumer sentiment result indicated that consumer sentiment may have been positively impacted, momentarily, by the RBA rate cut, along with lower petrol prices and stronger share prices across the period. However, overall, pessimists outweighed optimists over the period.
ASX200 ⁸	<ul style="list-style-type: none"> The S&P/ASX 200 price index rose from 5625.9 in September 2014 to 5928.8 in February 2015 during the reporting period. There were a number of shifts throughout the period, with troughs in October and December 2014. However, fairly consistent growth occurred during the start of 2015 with a sizeable upward shift throughout January and early February.

¹ Reserve Bank of Australia economic and financial statistics www.rba.gov.au/statistics

² Reserve Bank of Australia economic and financial statistics www.rba.gov.au/statistics

³ Australian Bureau of Statistics – Labour Force statistics (publication 6202.0) www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0

⁴ Australian Bureau of Statistics – Australian National Accounts (publication 5206.0) www.abs.gov.au/AUSSTATS/abs@.nsf/mf/5206.0

⁵ Australian Bureau of Statistics – Consumer Price Index (publication 6401.0) www.abs.gov.au/AUSSTATS/abs@.nsf/mf/6401.0

⁶ Roy Morgan Australia and New Zealand consumer confidence www.roymorgan.com/morganpoll/consumer-confidence/

⁷ Westpac – Melbourne Institute Consumer Sentiment statistics melbourneinstitute.com/miaesr/publications/indicators/csi.html

⁸ ASX – Historical market statistics www.asx.com.au/about/historical-market-statistics.htm

Key findings

Financial attitudes



A range of factors are associated with particular attitudes and behaviours, including life stage, household composition, retirement and income.

Current (Wave 2)

<p>Behaviour: key findings</p>	<ul style="list-style-type: none"> • Three in five (58%) surveyed Australians indicated that they agreed with the statement 'I am confident when it comes to managing my money'. • Three in five (58%) stated they disagreed or were ambivalent towards the statement 'Dealing with money is interesting'. • More than half (55%) reported that they agreed with the statement 'I spend a lot of time thinking about financial information before making a decision'. • Almost half (49%) said they agreed with the statement 'I try to stay informed about money matters and finance'. • Three in ten (31%) said that they agreed with the statement 'Dealing with money is stressful and overwhelming'. • One in five (20%) said that they agreed with the statement 'Nothing I do will make much difference to my financial situation'. • One in six (16%) said that they agreed with the statement 'I have difficulty understanding financial matters'.
<p>Demographics</p>	<p>Gender:</p> <ul style="list-style-type: none"> • Males (46%) were more likely than females (38%) to have reported they agreed with the statement 'Dealing with money is interesting'. • Females were more likely than males to have reported they agreed with the statements 'Dealing with money is stressful and overwhelming' (35% compared to 27%), and 'I often buy things on impulse' (35% compared to 24%). <p>Age:</p> <ul style="list-style-type: none"> • Those under 35 years were more likely than those 55 years or older to have indicated they agreed with the statements 'Dealing with money is stressful and overwhelming' (39% compared to 21%), 'I often buy things on impulse' (36% compared to 20%), 'Financially I like to live for today' (20% compared to 11%), 'I have difficulty understanding financial matters' (21% compared to 11%), and 'I am too busy to sort out my finances at the moment' (16% compared to 4%). • People 55 years or older were more likely than those under 55 years to have indicated they agreed with the statement 'I am confident when it comes to managing my money' (69% compared to 54%), and 'I try to stay informed about money matters and finance' (60% compared to 44%). <p>Personal income:</p> <ul style="list-style-type: none"> • People with a personal income of less than \$50,000 per annum were more likely to have said they agreed with the statement 'Nothing I do will make much difference to my financial situation' than those with a personal income of \$50,000 or more per annum (26% compared to 17%).



Demographics (cont'd)	<ul style="list-style-type: none"> People with a personal income of \$50,000 or more per annum were more likely than those with a personal income of less than \$50,000 per annum to have indicated they agreed with the statement 'I try to stay informed about money matters and finance' (57% compared to 44%), 'Dealing with money is interesting' (49% compared to 39%), 'My friends and family often come to me for advice about financial decisions' (25% compared to 15%), and 'I am too busy to sort out my finances at the moment' (15% compared to 9%). <p>Household composition</p> <ul style="list-style-type: none"> Couples with children at home (55%) and couples with no children at home (53%) were more likely to have indicated they agreed with the statement 'I try to stay informed about money matters and finance' than singles living at home with their parents (34%) and singles living in shared accommodation with other adults (30%).
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Comparison of Waves 1 and 2

Behaviour: key findings	<ul style="list-style-type: none"> The proportion of surveyed Australians who agreed with each attitudinal statement was relatively consistent across Waves 1 and 2. Close to three in five (58% Wave 2 and Wave 1) surveyed Australians indicated that they agreed with the statement 'I am confident when it comes to managing my money'. More than half (55% Wave 2, 57% Wave 1) reported that they agreed with the statement 'I spend a lot of time thinking about financial information before making a decision'. Almost half (49% Wave 2 and Wave 1) said they agreed with the statement 'I try to stay informed about money matters and finance'. Over two in five (42% Wave 2, 43% Wave 1) indicated that they agreed with the statement 'Dealing with money is interesting'. Around three in ten (31% Wave 2, 30% Wave 1) agreed with the statements 'Dealing with money is stressful and overwhelming', and 'I often buy things on impulse' (29% Wave 1, 29% Wave 2).
Demographics	<p>Gender:</p> <ul style="list-style-type: none"> Females were less likely to have indicated they agreed with the statement 'I have difficulty understanding financial matters' in Wave 2 (16%) than in Wave 1 (22%). Single females were less likely to have said they agreed with the statement 'Financially, I like to live for today and not think too much about tomorrow' in Wave 2 (15%) than in Wave 1 (23%), and the statement 'I have difficulty understanding financial matters' in Wave 2 (18%) than in Wave 1 (29%). <p>Age:</p> <ul style="list-style-type: none"> Those under 35 years were less likely to have reported they agreed with the statement 'I have difficulty understanding financial matters' in Wave 2 (21%) than in Wave 1 (29%), and the statement 'I am too busy to sort out my finances at the moment' in Wave 2 (16%) than in Wave 1 (22%).



Demographics (cont'd)	<p>Employment status:</p> <ul style="list-style-type: none">• Non-retirees were less likely to have said they agreed with the statement 'Nothing I do will make much difference to my financial situation' in Wave 2 (18%) than in Wave 1 (22%).• Non-employed persons were less likely to have indicated they agreed with the statement 'I am too busy to sort out my finances at the moment' in Wave 2 (6%) than in Wave 1 (10%). <p>Location:</p> <ul style="list-style-type: none">• Those living in major capital cities (i.e. Sydney, Melbourne, Brisbane, Adelaide or Perth) were less likely to have said they agreed with the statement 'I try to stay informed about money matters and finance' in Wave 2 (48%) than in Wave 1 (54%).• Those living in regional areas and cities other than capital cities were more likely to have said they agreed with the statement 'My friends and family often come to me for advice about financial decisions' in Wave 2 (17%) than in Wave 1 (12%). They were also less likely to have said they agreed with the statement 'Financially, I like to live for today and not think too much about tomorrow' in Wave 2 (14%) than in Wave 1 (20%), and the statement 'I am too busy to sort out my finances at the moment' in Wave 2 (7%) than in Wave 1 (13%).
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Keeping track of finances



Most Australians are keeping track of their finances in some way.

Current (Wave 2)

Behaviour: key findings	<p>Budgeting:</p> <ul style="list-style-type: none"> • More than three quarters (77%) of surveyed Australians reported they had a budget in the last six months • The majority of those surveyed said they mostly (50%) or always (17%) stuck to their budget over the last six months, while 10% said they did not stick to it. <p>Keeping track of money:</p> <ul style="list-style-type: none"> • Over nine in ten (93%) surveyed Australians stated that they kept track of their money in some way over the last six months.
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Comparison of Waves 1 and 2

Behaviour: key findings	<p>Budgeting:</p> <ul style="list-style-type: none"> • The proportion of surveyed Australians who reported they had a budget in the last six months, increased in Wave 2 (77%) from Wave 1 (73%). • The proportion who reported they had a budget and mostly stuck to it over the last six months, increased in Wave 2 (50%) from Wave 1 (44%). <p>Keeping track of money:</p> <ul style="list-style-type: none"> • The proportion of surveyed Australians who stated that they kept track of their money in some way over the last six months was similar in Wave 2 (93%) and Wave 1 (90%). • Consistent across both periods, the tracking methods most commonly reported were checking bank statements for unusual/suspicious entries (63% Wave 2, 59% Wave 1), checking credit card statements for unusual/suspicious entries (49% Wave 2, 47% Wave 1), and keeping receipts (42% Wave 2, 39% Wave 1). • The proportion who reported they had used a household budget/spreadsheet over the last six months increased in Wave 2 (25%) from Wave 1 (20%).
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Demographics (cont'd)	<p>Budgeting:</p> <ul style="list-style-type: none">• The following sub-groups were more likely to report that they had a budget in the last six months in Wave 2 compared to Wave 1:<ul style="list-style-type: none">○ Females (78% Wave 2, 72% Wave 1)○ Those under 35 years (80% Wave 2, 75% Wave 1)○ Those with a personal income of less than \$50,000 per annum (79% Wave 2, 73% Wave 1)• Non-professionals were more likely to report they had a budget but did not stick to it in Wave 2 (16%) than in Wave 1 (11%). <p>Keeping track of money:</p> <ul style="list-style-type: none">• The following sub-groups were more likely to report that they had checked their bank statements for unusual/suspicious entries in the last six months in Wave 2 compared to Wave 1:<ul style="list-style-type: none">○ Single parents with children at home (66% Wave 2, 44% Wave 1)○ Those with a personal income of less than \$50,000 per annum (65% Wave 2, 57% Wave 1)○ Those aged 35-54 years (63% Wave 2, 56% Wave 1).• The following sub-groups were more likely to report they had used a household budget/spreadsheet in the last six months in Wave 2 compared to Wave 1:<ul style="list-style-type: none">○ Males (26% Wave 2, 19% Wave 1)○ Those aged 35-54 years (26% Wave 2, 19% Wave 1)○ Those with a personal income of less than \$50,000 per annum (25% Wave 2, 18% Wave 1).• The following sub-groups were less likely to report that they had looked at some or all of their bank/credit card statements but not in any detail in the last six months in Wave 2 compared to Wave 1:<ul style="list-style-type: none">○ Those 55 years or older (13% Wave 2, 22% Wave 1)○ Retirees (12% Wave 2, 22% Wave 1).• The following sub-groups were more likely to report they had used an online budgeting tool or app in the last six months in Wave 2 compared to Wave 1:<ul style="list-style-type: none">○ Males (6% Wave 2, 3% Wave 1)○ Singles living in shared accommodation with other adults (13% Wave 2, 4% Wave 1)○ Retirees (6% Wave 2, 1% Wave 1).
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While the majority of Australians are tracking expenses, comparatively few are planning ahead.

Current (Wave 2)

Behaviour: key findings	<p>Financial planning:</p> <ul style="list-style-type: none">• Just over two in five (43%) surveyed Australians reported having a short-term (3-5 year) financial plan. Of these, 65% had monitored their progress in the last six months, 44% had made changes or adjustments, and 39% reported reaching some of the financial goals they had set themselves.• Fewer, around one in five (22%), surveyed Australians reported having a long-term (15-20 year) financial plan. Of these, 60% had monitored progress in the last six months, 29% reported reaching some of the financial goals they had set themselves, and 39% had made changes or adjustments. <p>Superannuation:</p> <ul style="list-style-type: none">• Around three-quarters (76%) of all surveyed Australians reported that they had a superannuation fund [including those with self-managed superannuation funds (SMSF)], with an average holding of 1.3 funds.• Close to one in ten (9%) of all surveyed Australians reported that they had a SMSF, with an average holding of 1.1 funds.• Of those with superannuation [excluding those with SMSFs], 27% said they knew the balance of their main fund exactly or almost exactly, 45% had a rough idea, and 28% did not know their balance. Of those who reported having exact or some knowledge of the balance of their main fund, the indicative average value was \$170,850.• Of those with SMSFs, 54% said they knew the balance of their main fund exactly or almost exactly, 34% had a rough idea, and 12% did not know their balance. Of those who reported having exact or some knowledge of the balance of their main fund, the indicative average value was \$399,224. <p>Insurance:</p> <ul style="list-style-type: none">• Almost nine in ten (87%) of all surveyed Australians reported they held at least one insurance policy. Of these, most reported reviewing their level of cover in the last 12 months. The most commonly reviewed products were contents insurance (84%), home building insurance (82%), and comprehensive car insurance (80%).• Of those with no insurance cover (13%), only about a quarter (24%) reviewed their insurance situation in the last 12 months.
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Comparison of Waves 1 and 2

<p>Behaviour: key findings</p>	<p>Financial planning:</p> <ul style="list-style-type: none"> The proportion of surveyed Australians who reported having a short-term (3-5 year) financial plan increased in Wave 2 (43%) from Wave 1 (38%). However the reported period of time since creating a plan was relatively consistent across Waves 1 and 2, with almost half creating their plan in the past year (48% Wave 2, 47% Wave 1). While there was no change in the proportion of surveyed Australians who reported having a long-term (15-20 year) financial plan (22% Wave 2 and Wave 1), there was an increase in the proportion who reported having created their plan in the past six months in Wave 2 (20%) compared to Wave 1 (13%). <p>Insurance:</p> <ul style="list-style-type: none"> There was no change in the proportion of surveyed Australians who reported they held at least one insurance policy (87% Wave 2 and Wave 1), and the proportion of those with no insurance who had reviewed their level of cover in the last 12 months did not change (24% Wave 2, 23% Wave 1).
<p>Demographics</p>	<p>Financial planning:</p> <ul style="list-style-type: none"> The following sub-groups were more likely to report having a short-term (3-5 year) financial plan in Wave 2 compared to Wave 1: <ul style="list-style-type: none"> Females (43% Wave 2, 37% Wave 1) Those under 35 years (47% Wave 2, 37% Wave 1) Couples with children at home (46% Wave 2, 36% Wave 1) Professionals (55% Wave 2, 46% Wave 1). The following sub-groups were more likely to report having created a long-term (15-20 year) financial plan in the last six months in Wave 2 compared to Wave 1: <ul style="list-style-type: none"> Females (23% Wave 2, 13% Wave 1) Those under 35 years (34% Wave 2, 18% Wave 1) Those with a personal income of \$50,000 or more (19% Wave 2, 10% Wave 1) Those renting a property (33% Wave 2, 16% Wave 1) Single and living in shared accommodation (27% Wave 2, 3% Wave 1).

Choosing financial products



People use diverse sources of information when choosing financial products and there are variations in understanding of key investing concepts.

Current (Wave 2)

Behaviour: key findings	<p>Investments outside of superannuation and home:</p> <ul style="list-style-type: none">• Over a third (37%) of surveyed Australians indicated they held investments other than their own home and superannuation in Wave 2.• Of these investors, just under half (46%) reported they had kept an investing rule or strategy they had set themselves in the last 6 months. Around a quarter (27%) reported they had learned something that made them feel more confident in their investing ability in the last six months. However, just under one in ten (9%) of investors reported losing money they couldn't afford to lose in the last six months. <p>Understanding of investment concepts:</p> <ul style="list-style-type: none">• When asked about the concept of 'risk/return trade-off', 40% of surveyed Australians reported they had not heard of it, 28% stated they had heard of but didn't understand it, and 32% indicated they had heard of and understood the concept.• Of the 32% who said they had heard of and understood the concept, 10% were unable to accurately describe the risk/return trade-off when tested.• When asked to assess the level of risk associated with various types of investments, international shares (47% subtotal high risk) and derivatives (40% subtotal high risk) were generally viewed as high risk investments. Australian shares were generally regarded as mid-range risk (20% subtotal high risk). Cash (75% subtotal low risk), bonds/fixed income products (50% subtotal low risk) and direct property/real estate investments (42% subtotal low risk) were more likely to be identified as lower risk investments.• When asked about the investing principle 'diversification', 31% of surveyed Australians reported they had not heard of it, 27% stated they had heard of but didn't understand it, and 42% stated they had heard of and understood the investing principle.• Of the 42% who reported they had heard of and understood diversification, more than one in ten (91%) correctly identified diversification within a list of diversification examples (investing all your money across different investment choices such as shares, property and cash).
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Comparison of Waves 1 and 2

Behaviour: key findings	<p>Investments outside of superannuation and home:</p> <ul style="list-style-type: none">• A similar proportion of surveyed Australians indicated they held investments other than their own home and superannuation across both Wave 1 (35%) and Wave 2 (37%) of the research.• Of these investors, the proportion who reported keeping an investing rule or strategy they'd set for themselves decreased in Wave 2 (46%) from Wave 1 (57%). <p>Understanding of investment concepts:</p> <ul style="list-style-type: none">• Among all surveyed Australians, the level of understanding of the concept 'risk/return trade-off' remained stable from Wave 1 to Wave 2. Those who had heard of and understood the concept was consistent in Wave 1 (30%) and Wave 2 (32%).• Of those who said they had heard of and understood the concept, the proportion who were unable to accurately describe the risk/return trade-off when tested was stable in Wave 2 (10%), compared to Wave 1 (9%).• Reported understanding of diversification among surveyed Australians remained stable, with the proportion of those who had heard of and understood diversification consistent between Wave 1 (40%) and Wave 2 (42%).• Of those who had heard of and understood the concept, the proportion who could correctly identify the investment principle of diversification from a list of examples was consistent between Wave 2 and Wave 1 (91% Wave 2 and Wave 1).
Demographics	<p>Investments outside of superannuation and home:</p> <ul style="list-style-type: none">• Among surveyed Australians who held investments outside of their own superannuation and/or their home, female investors were less likely to report they learned something that made them feel more confident in their investing ability in Wave 2 (20%) than in Wave 1 (38%).• Those investors with a household income of \$100,000 or more per annum were less likely to report they kept an investing rule or strategy they had set themselves in Wave 2 (34%) than in Wave 1 (55%). Couples with no children at home were less likely to report they kept an investing rule or strategy they had set themselves in Wave 2 (47%) than in Wave 1 (69%). Professionals were more likely to report they lost money they could afford to lose in Wave 2 (26%) than in Wave 1 (14%).



Staying informed

Family and friends are important information sources for many Australians, but 1 in 6 prefer not to talk to anyone about their household finances.

Current (Wave 2)

Behaviour: key findings	<p>Information sources:</p> <ul style="list-style-type: none">• When deciding to purchase/obtain or make changes to financial products in the last six months, the sources of information Australians consulted in the last six months varied according to product type:<ul style="list-style-type: none">○ Bank websites were commonly consulted for information about bank accounts (44%), credit cards (42%), personal loans (27%), home loans (26%) and investments (18%).○ Family and/or friends were an important source of information across all product categories: bank accounts (23%), home loans (21%), investments (20%), credit cards (16%) and personal loans (15%).○ When purchasing or making changes to investment products, a paid professional financial adviser (23%) and financial sections of the newspaper (18%) were also sources of information.• Around 1 in 10 Australians did not consult any information sources when purchasing/obtaining or making changes to their credit cards (8%), investments (8%), personal loans (9%) and bank accounts (11%). <p>Openly discuss household finances:</p> <ul style="list-style-type: none">• The level of comfort around openly discussing household finances with others varied depending on household structure. The majority of couples (88%) reported openly discussing their household finances with their partner. Amongst those who lived with their children, 18% reported openly discussing their household finances with their children.• Over a quarter (27%) of all Australians reported openly discussing their household finances with their parents/family, 16% with financial professionals, and 15% with their friends.• However, 16% reported they preferred not to talk to anyone about their household finances.
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Comparison of Waves 1 and 2

Behaviour: key findings	<p>Information sources:</p> <ul style="list-style-type: none">• When deciding to purchase/obtain or make changes to investment products in the last six months, there was a decline in the proportion who had consulted the financial sections of the newspaper in Wave 2 (18%) from Wave 1 (28%).
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Behaviour: key findings (cont'd)	Openly discuss household finances: <ul style="list-style-type: none">• The proportion of people with whom surveyed Australians reported openly discussing their household finances was similar in both Waves of the research. Australians with a partner were most likely to report they openly discussed their household finances with their partner (88% Wave 2 and Wave 1). However, close to one in five (16% Wave 2, 19% Wave 1) reported that they prefer not to talk about their finances with anyone.
Demographics	Information sources: <ul style="list-style-type: none">• When deciding to purchase/obtain or make changes to investment products in the last six months:<ul style="list-style-type: none">○ Males were less likely to report they had visited their bank's website to source information regarding their investments (16% Wave 2, 31% Wave 1).○ Those under 35 years were less likely to report they had talked to their family and/ or friends (23% Wave 2, 39% Wave 1).○ Those with a household income of less than \$100K were less likely to report they had read the financial sections of the newspaper (13% Wave 2, 29% Wave 1).○ Couples with no children at home were less likely to report they had visited their bank's website to source information regarding their investment (16% Wave 2, 40% Wave 1), but were more likely to have talked to family and/or friends (15% Wave 2, 5% Wave 1).• Homeowners were less likely to report they had visited their bank's website (16% Wave 2, 28% Wave 1), and less likely to have read the financial sections of the newspaper (18% Wave 2, 31% Wave 1).



Financial control

Most Australians reported saving some money within the last six months.

Current (Wave 2)

Behaviour: key findings	<p>Methods to save money:</p> <ul style="list-style-type: none">• Almost 2 in 5 (37%) surveyed Australians reported they saved money using a savings account that was not automatically linked to their pay over the last six months. A quarter (26%) reported saving money via a savings account that was automatically linked to their pay over the last six months, and 24% managed to save money without having a savings plan in place, by earning more than they spent over the last six months.• However, 17% of all respondents stated they did not save any money over the last six months. <p>Repayment behaviours:</p> <ul style="list-style-type: none">• Amongst those Australians with a home loan/mortgage, three in five (60%) paid some money in addition to the minimum amount in the last six months.• Of those Australians with a credit card, three in five (58%) reported paying the balance in full each month, and a quarter (26%) paid some money in addition to the minimum amount due. <p>Strategies for handling unexpected large bills:</p> <ul style="list-style-type: none">• Among the 40% of surveyed Australians who stated they had received unexpectedly large bills/expenses in the last six months, 53% reported they had used money from savings to cover the cost of the bills/expenses. A further 35% stated they had cut back on spending to cover the cost and a quarter (26%) reported they had used a credit card, store card or overdraft to cover the cost. <p>Strategies for handling a sudden loss of income:</p> <ul style="list-style-type: none">• When asked if they could cover three months' living expenses if they suffered a sudden loss of income, most people (92%) stated that they would be able to cover this in some way:<ul style="list-style-type: none">○ Over half (51%) reported they would access money through their own savings and investments to cover the cost.○ Close to 1 in 5 (18%) reported they would sell something, or get a loan from friends and family (15%).○ However, 8% believed they would not be able to cover this cost.
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Comparison of Waves 1 and 2

Behaviour: key findings	<p>Methods to save money:</p> <ul style="list-style-type: none">• The proportion of surveyed Australians who saved money using a savings account that was automatically linked to their pay over the last six months increased (26% Wave 2, 22% Wave 1). Similarly, the proportion of people who saved money but not through a savings account over the last six months increased (19% Wave 2, 15% Wave 1).
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<p>Behaviour: key findings (cont'd)</p>	<ul style="list-style-type: none"> ○ The most common method used to save money in both Waves of the research was saved money using a savings account that is not automatically linked to my pay (37% Wave 2, 38% Wave 1). ○ However, around one in five (17% Wave 2, 18% Wave 1) Australians indicated that they did not save any money over the last 6 months. <p>Repayment behaviours:</p> <ul style="list-style-type: none"> ● Among those with a credit card, the proportion of those who paid the amount due on their credit card in full each month was lower in Wave 2 (58%) than in Wave 1 (64%). However, the proportion of Australians who paid some money in addition to the minimum amount due was higher in Wave 2 (26%) than in Wave 1 (21%). <p>Strategies for handling unexpected large bills:</p> <ul style="list-style-type: none"> ● Among those who had received unexpectedly large bills/expenses in the last six months, the proportion of people who reported they had borrowed money from their friends or family to cover the cost increased (16% Wave 2, 10% in Wave 1). <p>Strategies for handling a sudden loss of income:</p> <ul style="list-style-type: none"> ● When asked if they could cover three months' living expenses if they suffered a sudden loss of income, there was a decline in the proportion who stated they didn't know but would find a way (15% Wave 2, 21% Wave 1).
<p>Demographics</p>	<p>Methods to save money:</p> <ul style="list-style-type: none"> ● The following sub-groups were more likely to report that they saved money using a savings account that was automatically linked to their pay in the last six months in Wave 2 compared to Wave 1: <ul style="list-style-type: none"> ○ Those aged 35-54 years (28% Wave 2, 21% Wave 1) ○ Those with a personal income of less than \$50,000 per annum (24% Wave 2, 18% Wave 1) ○ Those with a household income of \$100,000 or more per annum (23% Wave 2, 25% Wave 1) ○ Couples with no children at home (28% Wave 2, 20% Wave 1) ○ Homeowners (27% Wave 2, 21% Wave 1) ○ Non-retirees (29% Wave 2, 24% Wave 1). ● The following sub-groups were more likely to report that they had saved money but not through a savings account in the last six months in Wave 2 compared to Wave 1: <ul style="list-style-type: none"> ○ Those with a household income of \$100,000 or more per annum (20% Wave 2, 14% Wave 1) ○ Homeowners (18% Wave 2, 13% Wave 1) ○ Non-retirees (19% Wave 2, 15% Wave 1).



Demographics (cont'd)

Repayment behaviours:

- The following sub-groups with a **credit card** were more likely to report they had **paid some money in addition to the minimum** each month in Wave 2 compared to Wave 1:
 - **Females** (30% Wave 2, 22% Wave 1)
 - Those **55 years or older** (25% Wave 2, 14% Wave 1)
 - Those with a **household income of \$100,000 or more per annum** (30% Wave 2, 21% Wave 1)
 - **Non-professionals** (32% Wave 2, 22% Wave 1)
 - Those **renting** (39% Wave 2, 28% Wave 1).

Strategies for handling unexpected large bills:

- The following sub-groups were more likely to report they had **borrowed money from family or friends** to handle unexpectedly large bills/expenses in Wave 2 compared to Wave 1:
 - **Males** (15% Wave 2, 8% Wave 1)
 - Those with **personal income of less than \$50,000 per annum** (22% Wave 2, 12% Wave 1)
 - Those with a **household income of \$100,000 or more per annum** (12% Wave 2, 6% Wave 1)
 - **Couples with children at home** (17% Wave 2, 8% Wave 1).
- The following sub-groups were more likely to report they used a **credit card, store card or overdraft** to handle unexpectedly large bills/expenses in Wave 2 compared to Wave 1:
 - Those **55 years or older** (35% Wave 2, 19% Wave 1)
 - **Retirees** (32% Wave 2, 10% Wave 1).

Strategies for handling a sudden loss of income:

- The following sub-groups were less likely to report they **did not know how but would find a way** to cover three months' worth of living expenses in Wave 2 compared to Wave 1:
 - Those **aged 35-54 years** (16% Wave 2, 24% Wave 1)
 - Those with **personal income of less than \$50,000 per annum** (18% Wave 2, 26% Wave 1)
 - Those with a **household income of less than \$100,000 per annum** (16% Wave 2, 24% Wave 1)
 - **Couples with children at home** (14% Wave 2, 21% Wave 1)
 - **Couples with no children at home** (11% Wave 2, 17% Wave 1)
 - Those **renting** (20% Wave 2, 32% Wave 1)
 - **Non-professionals** (15% Wave 2, 28% Wave 1)
 - **Non-retirees** (15% Wave 2, 22% Wave 1).

Appendix

Sample profile: Wave 2 demographic breakdown

The following section outlines the demographic breakdown of Australians surveyed in Wave 2 of the *Australian Financial Attitudes and Behaviour Tracker* research (September 2014 to February 2015). The survey sample was weighted to be representative of the Australian population, based on age, gender and location of main residence, using 2011 census data provided by the Australian Bureau of Statistics (ABS).

Chart 1: Reported age (%)

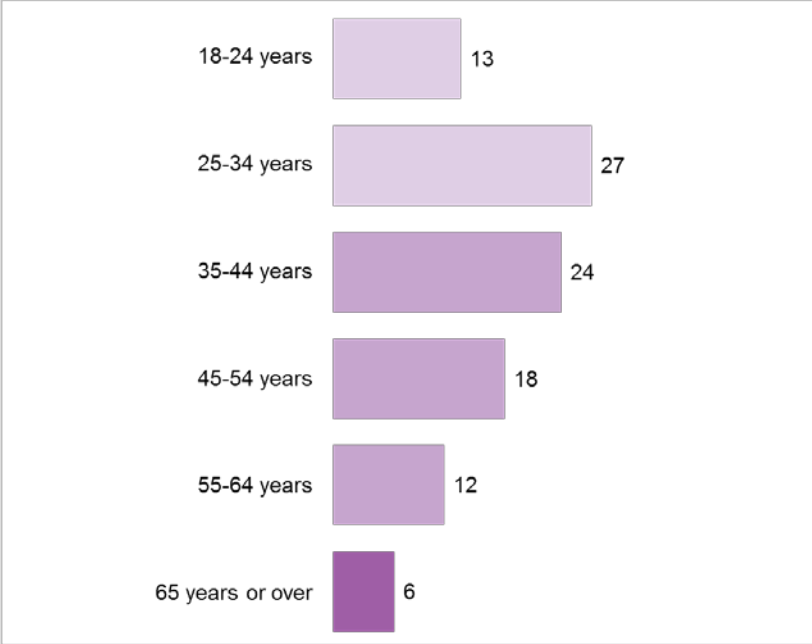


Chart notes:
Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
S3. Which of the following age groups do you fall into?
Chart type: Single response
All values shown as percentages; unweighted data

Chart 2: Reported gender (%)

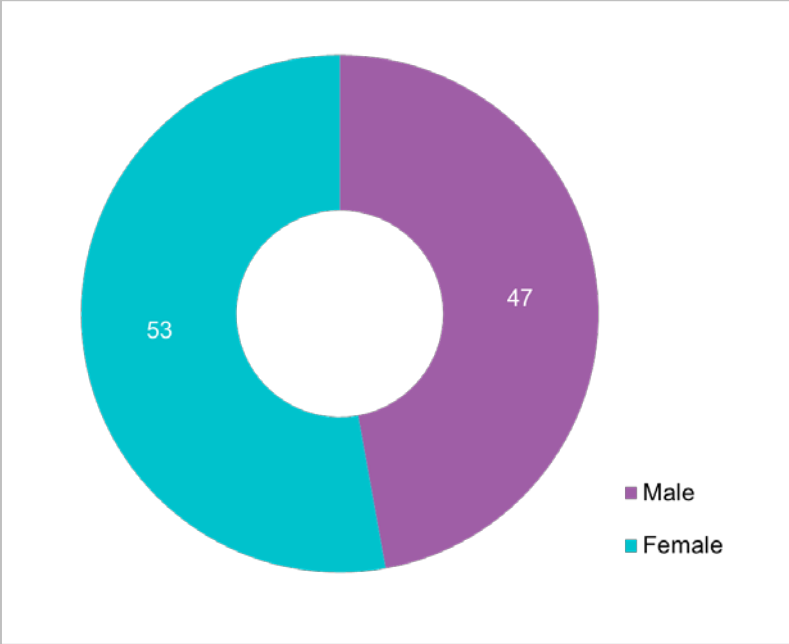


Chart notes:
Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
S2. Are you...?
Chart type: Single response
All values shown as percentages; unweighted data

Chart 3: Reported location of main residence (%)

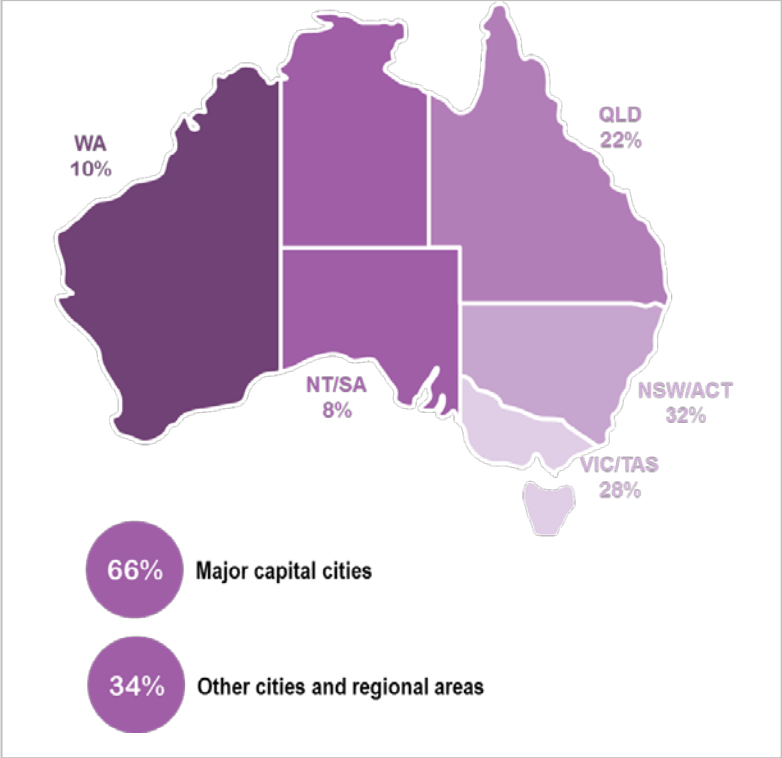


Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 S4. Where do you currently live?
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 4: Reported highest education level achieved (%)

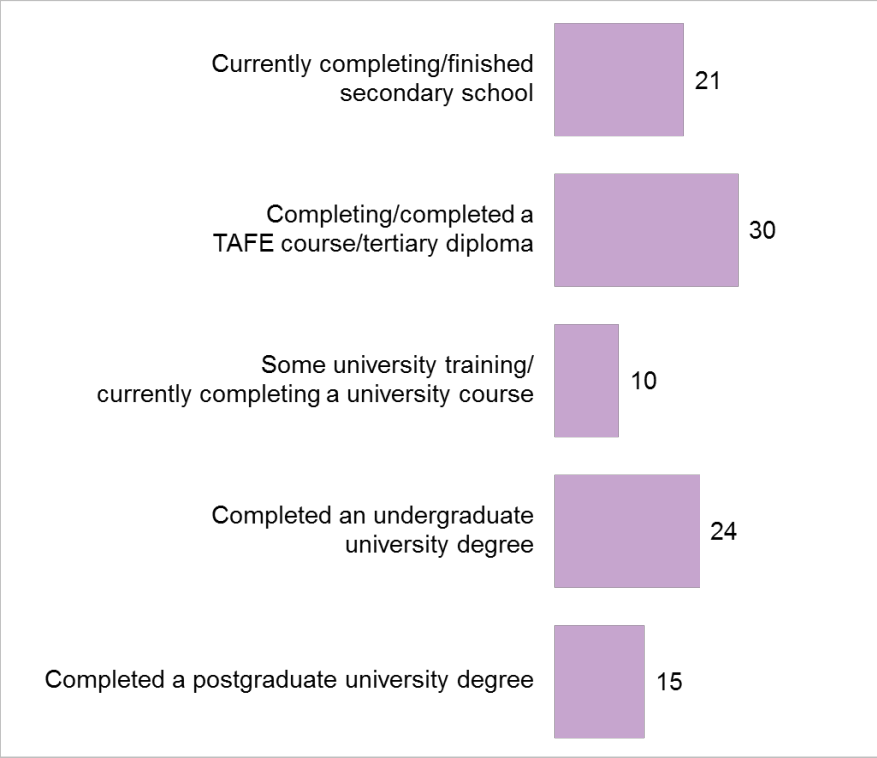


Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 D11. What is the highest level of education you have completed?
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 5: Reported English as main language spoken at home (%)

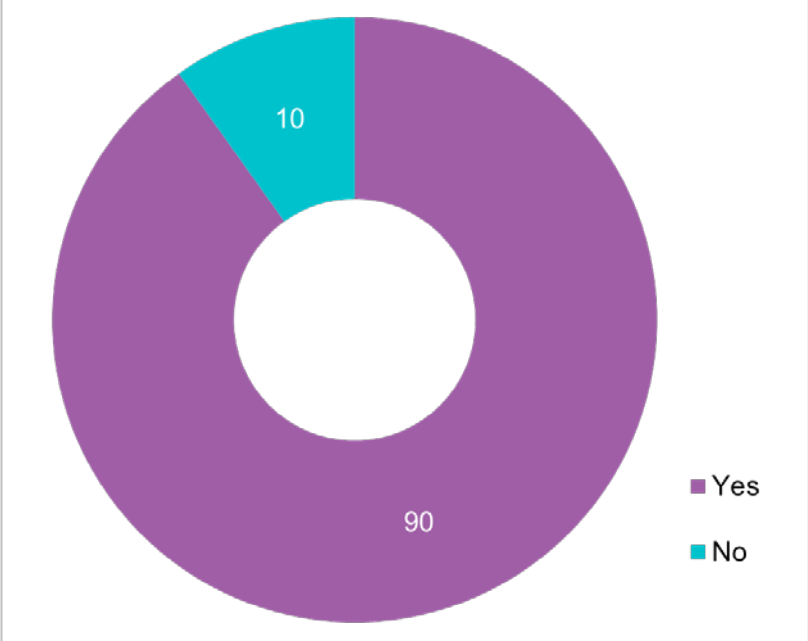


Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 D12. Is English your main language spoken at home?
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 6: Reported home ownership status (%)

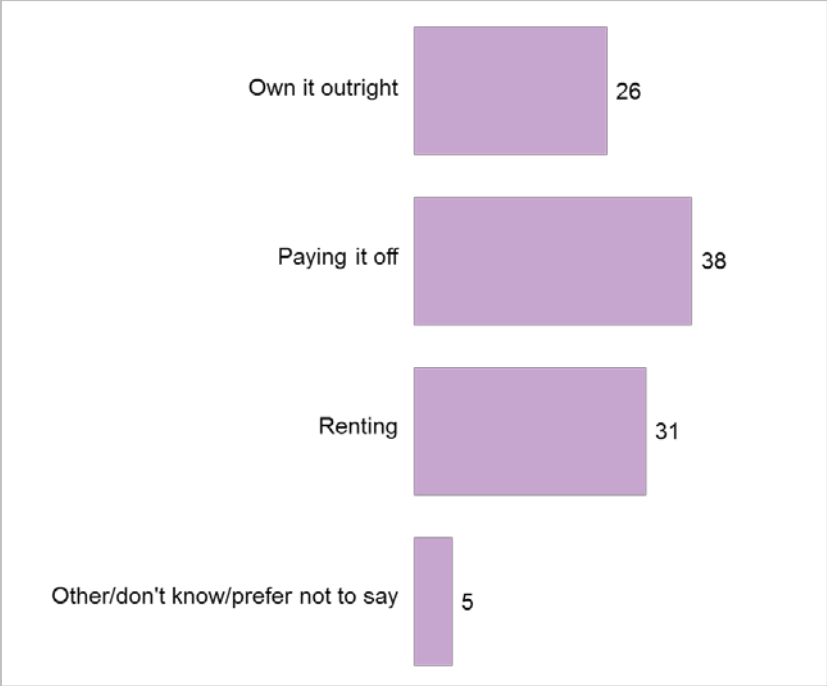


Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 D2. Do you or your household own your own residence outright, are you paying it off or renting it?
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 7: Reported family composition (%)

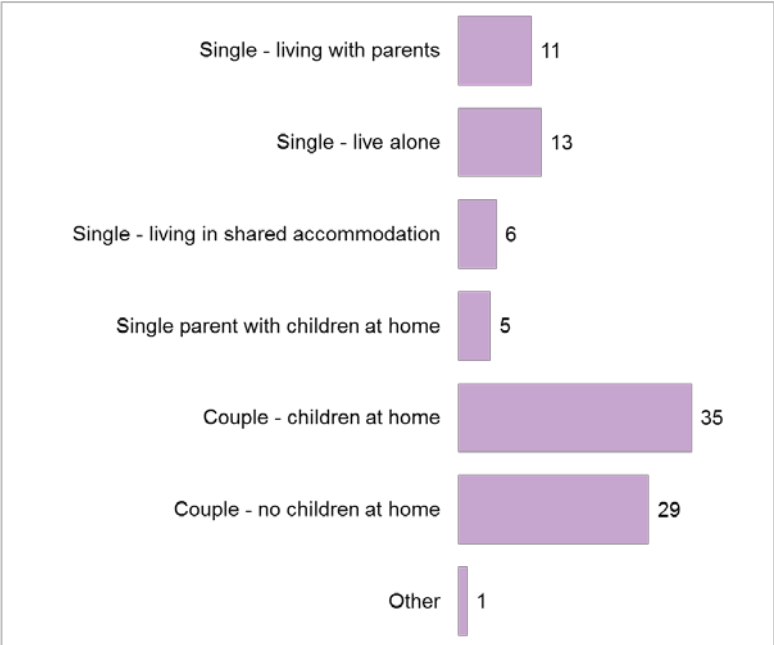


Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 D1. Which of the following best describes your family status?
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 8: Reported household income (%)



Chart notes:
 Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
 D16. Into which of the following income brackets does your approximate household income before tax fall? It does not matter if you do not know the exact amount, we are interested in your approximate household income.
 Chart type: Single response
 All values shown as percentages; unweighted data

Chart 9: Reported personal income (%)

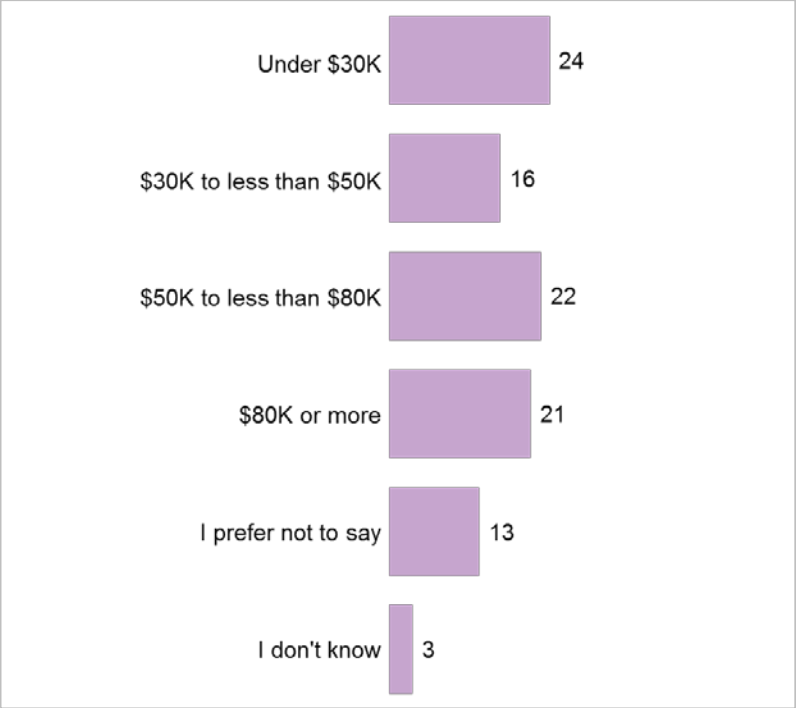


Chart notes:
Base: All respondents Wave 2 (Sept 14-Feb 15), n=1,357
D14. Into which of the following income brackets does your total personal annual income before tax fall? It does not matter if you do not know the exact amount, we are interested in your approximate level of income.
Chart type: Single response
All values shown as percentages; unweighted data

Survey questions

The following is a list of all questions asked of surveyed Australians who completed the *Australian Financial Attitudes and Behaviour Tracker* in Wave 2 (September 2014 to February 2015) of the research.

SECTION 1: SURVEY ELIGIBILITY

S1. Firstly, just to ensure we are speaking to a wide range of people, can you tell me whether you work in any of the following areas?
(PLEASE SELECT ALL THAT APPLY)

- | | | | |
|------------------------------------|-----------|--------------------------|----|
| Banking/Finance | CONTINUE | <input type="checkbox"/> | 01 |
| Advertising/Marketing/PR | CONTINUE | <input type="checkbox"/> | 02 |
| Education | CONTINUE | <input type="checkbox"/> | 03 |
| Car manufacturer/Dealer | CONTINUE | <input type="checkbox"/> | 04 |
| Manufacturing/Distribution of food | CONTINUE | <input type="checkbox"/> | 05 |
| Market research | TERMINATE | <input type="checkbox"/> | 06 |
| None of these | CONTINUE | <input type="checkbox"/> | 07 |

- | | | | |
|----------------|--------------------------|--------------------------|----|
| QLD - Brisbane | <input type="checkbox"/> | 07 | |
| QLD - Other | <input type="checkbox"/> | 08 | |
| SA - Adelaide | <input type="checkbox"/> | 09 | |
| SA - Other | <input type="checkbox"/> | 10 | |
| NT | <input type="checkbox"/> | 11 | |
| WA - Perth | <input type="checkbox"/> | 12 | |
| WA - Other | <input type="checkbox"/> | 13 | |
| Other | TERMINATE | <input type="checkbox"/> | 14 |

S2. Are you...?

(PLEASE SELECT ONE RESPONSE ONLY)

- | | | |
|--------|--------------------------|----|
| Male | <input type="checkbox"/> | 01 |
| Female | <input type="checkbox"/> | 02 |

S3. Which of the following age groups do you fall into?

(PLEASE SELECT ONE RESPONSE ONLY)

- | | | | |
|------------------|-----------|--------------------------|----|
| Under 18 years | TERMINATE | <input type="checkbox"/> | 01 |
| 18-24 years | | <input type="checkbox"/> | 02 |
| 25-29 years | | <input type="checkbox"/> | 03 |
| 30-34 years | | <input type="checkbox"/> | 04 |
| 35-39 years | | <input type="checkbox"/> | 05 |
| 40-44 years | | <input type="checkbox"/> | 06 |
| 45-49 years | | <input type="checkbox"/> | 07 |
| 50-54 years | | <input type="checkbox"/> | 08 |
| 55-59 years | | <input type="checkbox"/> | 09 |
| 60-64 years | | <input type="checkbox"/> | 10 |
| 65 years or over | | <input type="checkbox"/> | 11 |

S4. Where do you currently live?

(PLEASE SELECT ONE RESPONSE ONLY)

- | | | |
|-----------------|--------------------------|----|
| NSW - Sydney | <input type="checkbox"/> | 01 |
| NSW - Other | <input type="checkbox"/> | 02 |
| ACT | <input type="checkbox"/> | 03 |
| VIC - Melbourne | <input type="checkbox"/> | 04 |
| VIC - Other | <input type="checkbox"/> | 05 |
| TAS | <input type="checkbox"/> | 06 |

SECTION 2: FINANCIAL BEHAVIOUR

The next few questions are about your recent financial experiences. Remember that all your responses are anonymous and cannot be linked to you, so please be as honest as possible.

F1. Which of the following financial products do you currently have for your own personal use?

(PLEASE SELECT ALL THAT APPLY)

- | | | |
|---|--------------------------|----|
| General transaction account(s) | <input type="checkbox"/> | 01 |
| Savings account or term deposit | <input type="checkbox"/> | 02 |
| Credit Card(s) | <input type="checkbox"/> | 03 |
| Personal loan(s) - other than home loans and car loans | <input type="checkbox"/> | 04 |
| Home loan(s) - not including investment property loans | <input type="checkbox"/> | 05 |
| Car loan | <input type="checkbox"/> | 10 |
| Shares | <input type="checkbox"/> | 07 |
| Investments such as managed funds or unit trusts (excluding superannuation) | <input type="checkbox"/> | 08 |
| None of these | <input type="checkbox"/> | 09 |

F2. Which of the following best describes your approach to your personal finances over the last 6 months?

(PLEASE SELECT ONE RESPONSE ONLY)

- | | | |
|--|--------------------------|----|
| I had a budget and always stuck to it | <input type="checkbox"/> | 01 |
| I had a budget and mostly stuck to it | <input type="checkbox"/> | 02 |
| I had a budget but did not stick to it | <input type="checkbox"/> | 03 |
| I did not have a budget during this period | <input type="checkbox"/> | 04 |

- F3. Do you have a 3-5 year financial plan?
By financial plan we mean a series of actions to achieve a financial goal or goals; these may be written or not.
(PLEASE SELECT ONE RESPONSE ONLY)
- Yes 01
No 02

ASK IF F3=1

- F4. How long ago did you make this 3-5 year plan?
(PLEASE SELECT ONE RESPONSE ONLY)
- In the past 6 months 01
Between 6 months and a year 02
1 to 2 years ago 03
3 to 4 years ago 04
5 years or more 05

ASK IF F3=1

- F5. Which of the following have you done on your 3-5 year financial plan within the last 6 months?
(PLEASE SELECT ALL THAT APPLY)
- Monitored my progress 01
Reached some of the financial goals I set 02
Adjusted my financial plan 03
Have not done anything 04
None of these 05

- F6. Do you have a 15-20 year financial plan?
By financial plan we mean a series of actions to achieve a financial goal or goals; these may be written or not.
(PLEASE SELECT ONE RESPONSE ONLY)
- Yes 01
No 02

ASK IF F6=1

- F7. How long ago did you make this 15-20 year plan?
(PLEASE SELECT ONE RESPONSE ONLY)
- In the past 6 months 01
Between 6 months and a year 02
1 to 2 years ago 03
3 to 4 years ago 04
5 years or more 05

ASK IF F6=1

- F8. Which of the following have you done on your 15-20 year financial plan within the last 6 months?
(PLEASE SELECT ALL THAT APPLY)
- Monitored my progress 01
Reached some of the financial goals I set 02
Adjusted my financial plan 03
Have not done anything 04
None of these 05

- F9. Now thinking about savings, which of the following have you done over the last 6 months?
(PLEASE SELECT ALL THAT APPLY)
- Saved money using a savings account that is not automatically linked to my pay (i.e. manually place money into this account when I have extra cash) 01
Saved money using a savings account that is automatically linked to my pay (i.e. money is automatically placed into this account when I get paid) 02
Saved money but not through a savings account (e.g. I put money in an envelope or money box and did not touch it) 03
I saved money without having a savings plan in place (i.e. I earned more money than what I spent) 04
Saved money by making voluntary contributions to my superannuation 05
Saved money by paying more than the minimum amount off my mortgage or other personal loan 06
Other, please specify 07
I did not save any money over the last 6 months 08

ASK FOR EACH F1=3, 4, 5, 10

- F11. Thinking about your main *[INSERT FROM F1]* over the last 6 months have you...
(PLEASE SELECT ONE RESPONSE ONLY)
- Missed one or more minimum payments due 01
Paid the minimum amount due each month 02
Paid some money in addition to the minimum amount due, but not the full amount 03
[FOR F1=3 OR 4] Paid the amount due in full each month 04
[FOR F1=5 OR 10] Paid the loan off in full 04
None of the above 05
I'd prefer not to say 06

ASK FOR EACH CODE IN F11 THAT=1

F12. Why did you miss the repayment(s) for your [INSERT FROM F11]?

(PLEASE SELECT ALL THAT APPLY)

- I had reduced income due to a change in circumstances 01
- I forgot / too much else going on 02
- I didn't budget for it properly 03
- I overspent on other things 04
- I had some unexpected expenses 05
- Other (Please specify) 06

F13. Over the last 6 months, can you remember receiving any unplanned large bills or expenses?

(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
- No 02
- Don't remember 03

ASK IF F13=1

F14. How did you cover the cost increase of this unplanned large bill/expense?

(PLEASE SELECT ALL THAT APPLY)

- I cut back on my spending 01
- I got a job / I got a second job/ I worked additional hours in my existing job 02
- I used money from my savings to cover it 03
- I sold some of my belongings/possessions/assets to raise funds 04
- I borrowed money from my friends or family 05
- I used a credit card, store card or overdraft to pay for it 06
- I made arrangements with my provider so that I could pay less/ suspend payment 07
- I took out a short term loan 08
- I claimed the expense on insurance 09
- I sought help from a charity 10
- I reduced voluntary payments for my mortgage or other personal loan 11
- I reduced voluntary payments to my superannuation 12
- Other (Please specify) 13
- None of the above (I did not take action) 14
- I'd prefer not to say 15

F15. Which of the following statements best describes how you would manage if you suffered a sudden loss of income and had to cover three months' living expenses?

(PLEASE SELECT ALL THAT APPLY)

- I would access money through my own savings and investments 01
- I would sell something 02
- I would access credit from a financial institution 03
- I would use some form of income replacement insurance 04
- I would get a loan from friends and family 05

- I would get a gift from friends / family 06
- I would access the money in some other way (please specify...) 07
- I would not be able to cover three months living expenses 08
- I don't know how I would manage but I would find a way 09

F16. Which of the following methods have you used in the last 6 months to keep track of your money?

(PLEASE SELECT ALL THAT APPLY)

- I kept track of my money in my head 01
- I kept track of my money by writing down notes 02
- I kept receipts 03
- I used a household budget/spread sheet 04
- I used an online budgeting tool or app 05
- I used an app to keep track of my spending 06
- I checked my bank statements for unusual/suspicious entries 07
- I checked my credit card statements for unusual/suspicious entries 08
- I looked at some or all of my bank/credit card statements but not in any detail 09
- Other (Please specify...) 10
- None of the above (I didn't keep track of my spending) 11
- I'd prefer not to say 12

F17. In the past 6 months, have you purchased/obtained or made changes to any of the following?

(PLEASE SELECT ALL THAT APPLY)

- (1) Purchased/obtained
 - (3) Made changes to an existing product
 - (4) I do not have one of these products
 - (5) I have not made changes to an existing product
- | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Credit card | <input type="checkbox"/> 1 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Home loan | <input type="checkbox"/> 1 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Investments excluding super e.g. shares, investment properties | <input type="checkbox"/> 1 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Personal loan e.g. car | <input type="checkbox"/> 1 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Bank account e.g. bank deposit, savings account | <input type="checkbox"/> 1 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

ASK FOR EACH CODE IN F17 THAT=1 or 3

F18. When you were deciding to [INSERT COLUMN TEXT FROM F17 AS CURRENT TENSE] for your [INSERT PRODUCT], which of the following best describes what you did?

(PLEASE SELECT ALL THAT APPLY)

- Read the product disclosure document to review product features and terms and conditions 01
- Talked to a paid professional financial adviser (e.g. accountant, financial adviser) 02
- Talked to a free financial counsellor 03
- Talked to family and/or friends 04

- Talked to my partner 05
- Read the financial sections of the newspaper 06
- Used a comparison website 07
- Visited ASIC's "MoneySmart" website 08
- Visited my bank's website 09
- Talked to a representative of the product company 11
- Responded to an advertisement promotion 12
- Talked to a finance/mortgage broker 13
- Other (Please specify) 14
- None of the above 15

F19. Do you have any of the following insurance products?
(PLEASE SELECT ALL THAT APPLY)

- Home building insurance 01
- Contents insurance 02
- Life insurance 03
- Third party car insurance (not compulsory green slip) 04
- Comprehensive car insurance 05
- None of the above 06

ASK FOR ALL CODES SELECTED IN F19. DON'T ASK IF F19=6 (NONE)

F20. When taking out or renewing your insurance cover for the last 12 months, did you check that the level of cover was still appropriate for your situation?
(PLEASE SELECT ONE OPTION PER ROW)

- | | Yes | No, I didn't check the level of cover |
|--|----------------------------|---------------------------------------|
| Home building insurance | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 |
| Contents insurance | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 |
| Life insurance | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 |
| Third party car insurance
(not compulsory green slip) | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 |
| Comprehensive car insurance | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 |

ASK IF F19=6

F21. In the last 12 months have you reviewed your situation to check if it is appropriate not to have insurance products?
(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
- No 02

F22. Do you discuss your household finances openly with any of the following people?
(PLEASE SELECT ALL THAT APPLY)

- Friends 01
- My partner 02
- Parents/Family 03
- My children 04
- My colleagues 05

- Members of my local community (e.g. religious groups, mothers groups, etc.) 06
- Financial professionals (e.g. accountants, financial advisors, financial counsellors) 09
- Other, please specify... 07
- I prefer not to talk about my finances with any of these people 08

F22.B Do you have a superannuation fund?
(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
- No 02
- I do not know 03

ASK IF F22.B=1

F22.C How many superannuation funds do you have?
(PLEASE SELECT ONE RESPONSE ONLY)

- 1 01
- 2 02
- 3 03
- 4 04
- 5 05
- More than 5 06
- I do not know 07

F24. Do you have a self-managed super fund (SMSF)?
To see a definition of a SMSF please place your cursor here
(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
- No 02
- Not sure 03

ASK IF F24=1

F24.A How many SMSFs do you have?
(PLEASE SELECT ONE RESPONSE ONLY)

- 1 01
- 2 02
- 3 03
- 4 04
- 5 05
- More than 5 06
- I do not know 07

ASK IF F22.B=1 OR F24=1

- F23. Do you know the current dollar value of your main fund?
(PLEASE SELECT ONE RESPONSE ONLY)
- Yes, I know exactly, or almost exactly 01
- Yes, I have a rough idea 02
- No, I do not know 03

ASK IF F23=1 or 2

- F25. What is the current value of your main fund?
(PLEASE SELECT ONE RESPONSE ONLY)
- \$1-99,000 01
- \$100,000-199,000 02
- \$200,000-499,000 03
- \$500,000-\$999,000 04
- \$1,000,000+ 05
- Not sure 06
- Prefer not to answer 07

ASK IF F22.B=1 OR F24=1

- F25.A Do you know the current dollar value of your superannuation in total (including all funds you may have)?
(PLEASE SELECT ONE RESPONSE ONLY)
- Yes, I know exactly, or almost exactly 01
- Yes, I have a rough idea 02
- No, I do not know 03

ASK IF F25.A = 1, 2

- F25.B What is the current value of your superannuation in total (including all funds you may have?)
(PLEASE SELECT ONE RESPONSE ONLY)
- \$1-99,000 01
- \$100,000-199,000 02
- \$200,000-499,000 03
- \$500,000-\$999,000 04
- \$1,000,000+ 05
- Not sure 06
- Prefer not to answer 07

The next few questions are about investments, etc.

- F26. Do you currently have any investments other than superannuation and your own home?
(PLEASE SELECT ONE RESPONSE ONLY)
- Yes 01
- No 02
- Not sure 03

ASK IF F26=1

- F27. Which of the following things have happened with your investments over the last 6 months?
(PLEASE SELECT ALL THAT APPLY)
- I learned something that made me feel more confident in my investing ability 01
- I discovered I'd invested in something I didn't fully understand 02
- I lost money I could afford to lose 03
- I lost money I couldn't afford to lose 04
- I broke an investing rule or strategy I'd set myself 05
- I kept an investing rule or strategy I'd set myself 06
- Something else happened (please provide further detail) 08
- Nothing happened 07

- F28. Which of the following statements best describes your understanding of these investing principles?
(PLEASE SELECT ONE OPTION PER ROW)
- (1) I haven't heard of this
- (2) I have heard of this but don't really understand it
- (3) I have heard of this and understand it
- Risk/return trade off 1 2 3
- Diversification 1 2 3

ASK IF F28=3

- F29. Which of the following strategies are examples of diversification?
(PLEASE SELECT ONE OPTION PER ROW)
- (1) Is diversification
- (2) Not diversification
- (3) Unsure
- Investing all your money among shares in different industries 1 2 3
- Investing all your money in government bonds 1 2 3
- Investing all your money in a technology company that has recently reported very high returns 1 2 3
- Investing all your money across different investment choices such as shares, property and cash 1 2 3
- Investing all your money in shares in a blue chip company that has performed well over 10 years 1 2 3
- Investing all your money between two or three fund managers 1 2 3

ASK IF F28=3

- F30. An investment with a high rate of return is more likely to have...
 (PLEASE SELECT ONE RESPONSE ONLY)
- A higher level of risk 01
 - A lower level of risk 02
 - The same level of risk as other investments 03
 - Unsure 04

ASK ALL

- F31. How much risk do you associate with each of the following investment types?
 Please move your mouse pointer over the investment type for a definition of each investment.
 If you are not familiar with the investment type, please select 'not sure'.
 (PLEASE SELECT ONE RESPONSE ONLY)
- (6) Not sure
 - (1) Very low risk
 - (2) Low risk
 - (3) Medium Risk
 - (4) High Risk
 - (5) Very High Risk
- | | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Direct property /real estate investments | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Bonds/fixed income products | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Australian shares | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| International shares | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Derivatives e.g. futures, options,
credit-linked notes, warrants and CFDs | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| Cash investments e.g. bank deposits | <input type="checkbox"/> 6 | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

- F32. Which of the following statements best describes your current financial situation?
 (PLEASE SELECT ONE RESPONSE ONLY)
- I never seem to have enough money to cover my expenses 01
 - I manage to meet all my expenses but there's nothing left over to save 02
 - I meet my expenses and have a little bit left over to spend or save 03
 - I comfortably meet my expenses and can easily save or spend if I want to. 04

- F33. Listed below are a number of statements various people have used to describe their financial situation. Could you please tell us how strongly you agree or disagree with each statement regarding your own financial situation?
- (1) Strongly Agree
 - (2) Agree
 - (3) Neither Agree nor Disagree
 - (4) Disagree
 - (5) Strongly Disagree

- Dealing with money is stressful and overwhelming 1 2 3 4 5
- Financially, I like to live for today and not think too much about tomorrow 1 2 3 4 5
- Dealing with money is interesting 1 2 3 4 5
- I have difficulty understanding financial matters 1 2 3 4 5
- I spend a lot of time thinking about financial information before I make a decision 1 2 3 4 5
- Nothing I do will make much difference to my financial situation 1 2 3 4 5
- I try to stay informed about money matters and finance 1 2 3 4 5
- I am too busy to sort out my finances at the moment 1 2 3 4 5
- I often buy things on impulse 1 2 3 4 5
- My family and friends often come to me for advice about financial decisions 1 2 3 4 5
- I am confident when it comes to managing my money 1 2 3 4 5

SECTION 3: SOCIOECONOMIC CLASSIFICATION

- D1. Which of the following best describes your family status?
 (PLEASE SELECT ONE RESPONSE ONLY)
- Single - living at home with parents 01
 - Single – live alone 02
 - Single - live in shared accommodation with other adults (not parents) 03
 - Single parent with children at home 04
 - Couple – children at home 05
 - Couple – no children at home 06
 - Other (please specify) 07
- D2. Do you or your household own your own residence outright, are you paying it off or renting it?
 (PLEASE SELECT ONE RESPONSE ONLY)
- Own it outright 01
 - Paying it off 02
 - Renting 03
 - Other (please specify) 04
 - Don't know 05
 - I prefer not to say 06

ASK IF D1=5,6

D3. Who would you say mostly manages the day-to-day financial issues for your household?

(PLEASE SELECT ONE RESPONSE ONLY)

- I mostly manage the day-to-day financial issues 01
My partner and I jointly manage the day-to-day financial issues 02
My partner mostly manages the day-to-day financial issues 03

ASK IF D1=5,6

D4. Who would you say mostly manages the major financial issues like the mortgage, investments or superannuation?

(PLEASE SELECT ONE RESPONSE ONLY)

- I mostly manage the major financial issues 01
My partner and I jointly manage the major financial issues 02
My partner mostly manages the major financial issues 03

ASK IF D1=4,5,7

D5. How many children aged under 18 live in your household?

(PLEASE SELECT ONE RESPONSE ONLY)

- 1 01
2 02
3 03
4 04
5 05
6 06
7 07
8+ 08
None 09

D6. What is your main working status?

(PLEASE SELECT ONE RESPONSE ONLY)

- Working full time (35 hours/week or more) 01
Working part time (less than 35 hours/week) 02
Currently looking for work 03
Retired 04
Secondary student 05
Tertiary student (e.g. university, TAFE) 06
Non-worker (i.e. currently not working and not looking for work) 07
Home duties 08

ASK IF D6=1-3

D7. Have you changed jobs in the past 6 months?

(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
No 02

ASK IF D7=1

D8. When you last changed your employer, which of the following best describes what you did when selecting a superannuation fund for your superannuation to be paid into?

(PLEASE SELECT ONE RESPONSE ONLY)

- I stayed with a fund I had prior to joining my new employer 01
I chose a new fund that was not offered by my current employer 02
I went with the fund my current employer offered 03
I am not entitled to superannuation in my current role 04
I did something else 05
Not sure 06

ASK IF D8=1,2,3 or 5

D9. And when you made the decision about where your superannuation would be paid into, did you do any of the following?

(PLEASE SELECT ALL THAT APPLY)

- Compared super funds by using an online comparison webpage 01
Compared super funds by reading their Product Disclosure Statements (PDSs) 02
Sought professional financial advice on my super fund choices 03
Sought informal financial advice on my super fund choices (e.g. from family or colleagues) 04
None of these 06

ASK IF D6=1-3

D10. Which of the following best describes your main occupation?

(PLEASE SELECT ONE ONLY)

EXAMPLES

- Senior Managers/Leaders/Qualified Professional Chief Executives, General Managers, Directors, Sector Heads, School Principal/Dean, Divisional Manager, Specialist Manager, accountants, auditors, doctors
 Other business managers, arts/media/sportsperson and associate professionals Arts and Media Professionals, Business, Human Resource Professionals, Small business owners, Design, Engineering, Science and Transport Professionals, Education Professionals, Health Professionals, Legal professionals, restaurant managers, data analysts
 Technicians and Trades Workers/ Clerks and skilled office workers/Service staff Engineering, ICT and Science Technicians, Automotive and Engineering Trades Workers, Construction Trades Workers, Electrotechnology and Telecommunications Trades Workers, Food Trades Workers, Skilled Animal and Horticultural Workers, Other Technicians and Trades Workers), office sales staff, service workers, travel agents, secretaries, personal assistants, book keeper, payroll clerk, flight attendant, fitness instructor, parking inspector
 Machinery Operators, Drivers, labourers, assistants Machine and Stationary Plant Operators, Mobile Plant Operators, Road and Rail Drivers,

- Store persons, Cleaners and Laundry Workers, Construction and Mining Labourers, Factory Process Workers, Farm, Forestry and Garden Workers, Farm, Forestry and Garden Workers, Other Labourers, retail sales assistant, shelf stacker 01
- Senior Managers/Leaders/Qualified Professionals 02
- Other business managers, arts/media/sportsperson and associate professionals 03
- Technicians and Trades Workers/Clerks and skilled office workers/Service Staff 04
- Machinery Operators, drivers, labourers, assistants 04

D11. What is the highest level of education you have completed?

(PLEASE SELECT ONE ONLY)

- Some primary school 01
- Finished primary school 02
- Some secondary school 03
- Some TAFE 04
- Finished TAFE 05
- Finished/Now studying HSC/VCE Equiv. 06
- Some university training 07
- Tertiary Diploma 08
- Now at university 09
- Undergraduate university degree 10
- Postgraduate university degree 11

D12. Is English your main language spoken at home?

(PLEASE SELECT ONE RESPONSE ONLY)

- Yes 01
- No 02

ASK IF D12=2

D13. Please can you tell us what your main language spoken at home is?

(PLEASE SELECT ONE ONLY)

- Arabic 01
- Bengali 02
- Cantonese 03
- Chinese 04
- Chinese (other) 05
- Croatian 06
- French 07
- German 08
- Greek 09
- Hindu-Urdu 10
- Hungarian 11
- Indonesian 12
- Italian 13
- Japanese 14

- Korean 15
- Macedonian 16
- Malay 17
- Maltese 18
- Mandarin 19
- Marahi 20
- Portuguese 21
- Polish 22
- Punjabi 23
- Russian 24
- Samoan 25
- Serbian 26
- Spanish 27
- Sudanese 28
- Tamil 29
- Thai 30
- Turkish 31
- Ukrainian 32
- Vietnamese 33
- Other (please specify) 34

D14. Into which of the following income brackets does your total personal annual income before tax fall? It does not matter if you do not know the exact amount, we are interested in your approximate level of income.

(PLEASE SELECT ONE RESPONSE ONLY)

- Under \$6,000 01
- \$6,000 - \$9,999 02
- \$10,000 - \$14,999 03
- \$15,000 - \$19,999 04
- \$20,000 - \$24,999 05
- \$25,000 - \$29,999 06
- \$30,000 - \$34,999 07
- \$35,000 - \$39,999 08
- \$40,000 - \$44,999 09
- \$45,000 - \$49,999 10
- \$50,000 - \$59,999 11
- \$60,000 - \$69,999 12
- \$70,000 - \$79,999 13
- \$80,000 - \$89,999 14
- \$90,000 - \$99,999 15
- \$100,000 - \$119,999 16
- \$120,000 - \$139,999 17
- \$140,000 - \$149,999 18
- \$150,000 or more 19
- I prefer not to say 98
- I don't know 99

ASK IF D14=98 OR 99

D15. Could you tell us whether your income would be over \$50,000 or under \$50,000 per annum?

(PLEASE SELECT ONE RESPONSE ONLY)

Under \$50,000

01

\$50,000 or more

02

I prefer not to say

03

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