



5 million+ Australians have struggled to make loan and debt repayments, yet many not asking for help

Key research findings relating to financial hardship in Australia

Theme	Key findings
Financial struggles will continue to impact Australians	Two in five (41%) Aussies who have personal loans/debt say they are likely to have trouble making their personal loan/debt repayments in the next 12 months.
Cost of living pressures are the leading cause of financial hardship	<p>Among Australians who have personal loans/debts and have missed at least one loan repayment in the past 12 months, top reasons include:</p> <ul style="list-style-type: none"> • Cost of living pressures (64%) • Reduced income (39%) • Unexpected expense (37%) • Unemployment (23%) • Overborrowed/Overcommitted (22%) • Medical situation (19%)
Lenders should be the first port of call for those experiencing hardship but many Australians are reluctant to contact them	<ul style="list-style-type: none"> • Almost all (96%) of those surveyed who experienced financial hardship, experienced negative side effects, including stress or anxiety (73%), loss of sleep (56%) or a decline in physical health or appearance (41%). • Yet, two in five Aussies say they would rather sell their belongings and assets (42%) or get a second job (40%) before applying for financial hardship assistance from their lender or credit provider. • Three in ten (30%) Aussies say they would not seek a hardship assistance arrangement from their lender or credit provider at all because they worry it will cost them more in the long run (50%), they fear it will negatively impact their credit score (32%) or they don't think their lender would do much to help (31%).
Potential emotional barriers stopping Aussies from seeking help	<ul style="list-style-type: none"> • Anxiety and stress caused by financial situation (51%) • Shame or embarrassment (40%) • Feeling of failure (40%) • Fear of judgment from others (32%) • Feeling of hopelessness and doubting anyone could help them (32%)
Not knowing help is available is the biggest potential barrier	<ul style="list-style-type: none"> • Lack of awareness of available assistance programs (37%) • Not knowing where to go for help (33%) • Not knowing which sources of help and information to trust (31%) • Feeling overwhelmed by too much information (27%) • Fear of potential consequences (26%)

Theme	Key findings
<p>Parents are carrying the burden of financial hardship on their shoulders, more so compared to those without children</p>	<ul style="list-style-type: none"> • Over half (56%) of parents with kids under 18 at home say they have struggled financially in the past 12 months. <ul style="list-style-type: none"> ○ 1 in 2 (50%) parents with kids under 18 at home who have personal loans/debt also say they are likely to have trouble making their personal loan/debt repayments in the next 12 months, with over one in five (22%) saying they are very likely, which is more likely than those who do not have children under 18 at home (35% and 12% respectively). ○ Parents with kids under 18 at home who have personal loans/ debt and have struggled to make repayments in the past 12 months are also twice more likely than those without to say they have missed at least one personal loan/debt repayment (67% compared to 33%) in the past 12 months. • Aussies who have children under 18 at home (83%) are more likely than those who have not (66%) to say there are practical barriers which may prevent them from seeking help if they were to experience financial hardship, especially, in a lack of awareness of available assistance programs (45% compared to 33%), feeling overwhelmed by too much information (35% compared to 23%), and fear of potential consequences (32% compared to 23%).
<p>Millennials are the generation most likely to experience financial hardship</p>	<ul style="list-style-type: none"> • More than half (54%) of Millennials say they are likely to experience financial hardship in the next 12 months, which is far more likely than their older generation counterparts (Gen X 39% and Baby Boomers 31%). <ul style="list-style-type: none"> ○ Over a third of Millennials (40%), Gen Z (35%), and Gen X (34%) say they have experienced financial hardship in the past 12 months, which is far more likely than their Baby Boomer counterparts (19%). ○ Millennials who have personal loans/debts are also more likely than their older counterparts to say they will have trouble making repayments in the next 12 months (52% compared to 32% of Gen X and 34% of Baby Boomers). • 57% of millennials are unaware of their right under the National Consumer Credit Act, to apply for hardship assistance through their lender. • More than 4 in 10 millennials would rather get a second job (48%) borrow from family and friends (45%) or sell their belongings and assets (43%) before applying for hardship assistance from their lender.

Research methodology

ASIC via YouGov surveyed 1,061 Australians aged 18+ from 11 to 15 April 2024 to understand the extent and experience of financial hardship. The surveys were carried out online. The findings have been weighted by gender, age and location, and the sample is representative of the Australian population 18+ years.

