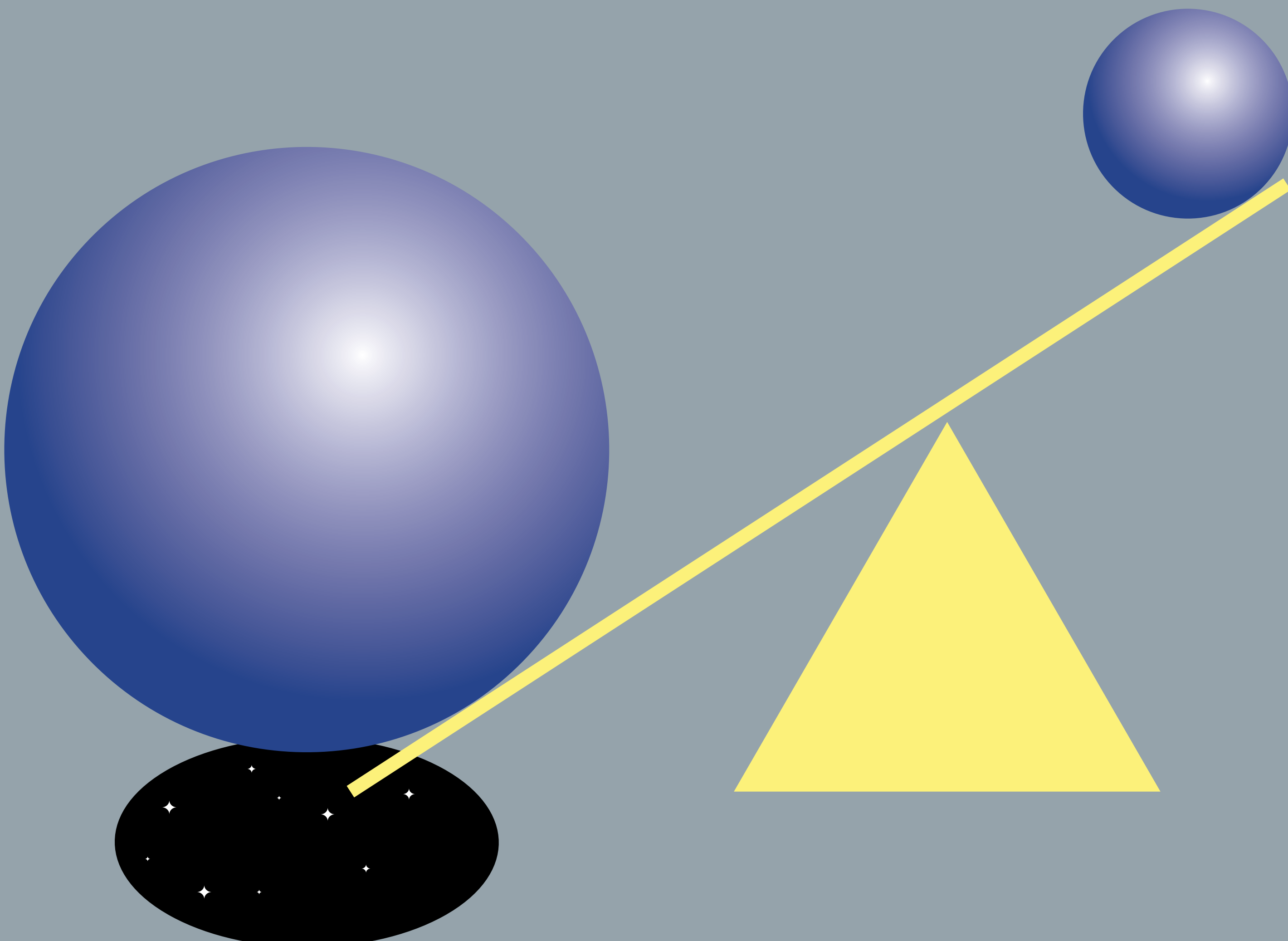
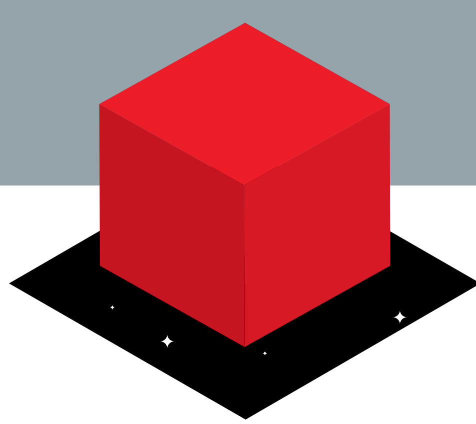
December 2018

Financial security and the influence of economic resources.



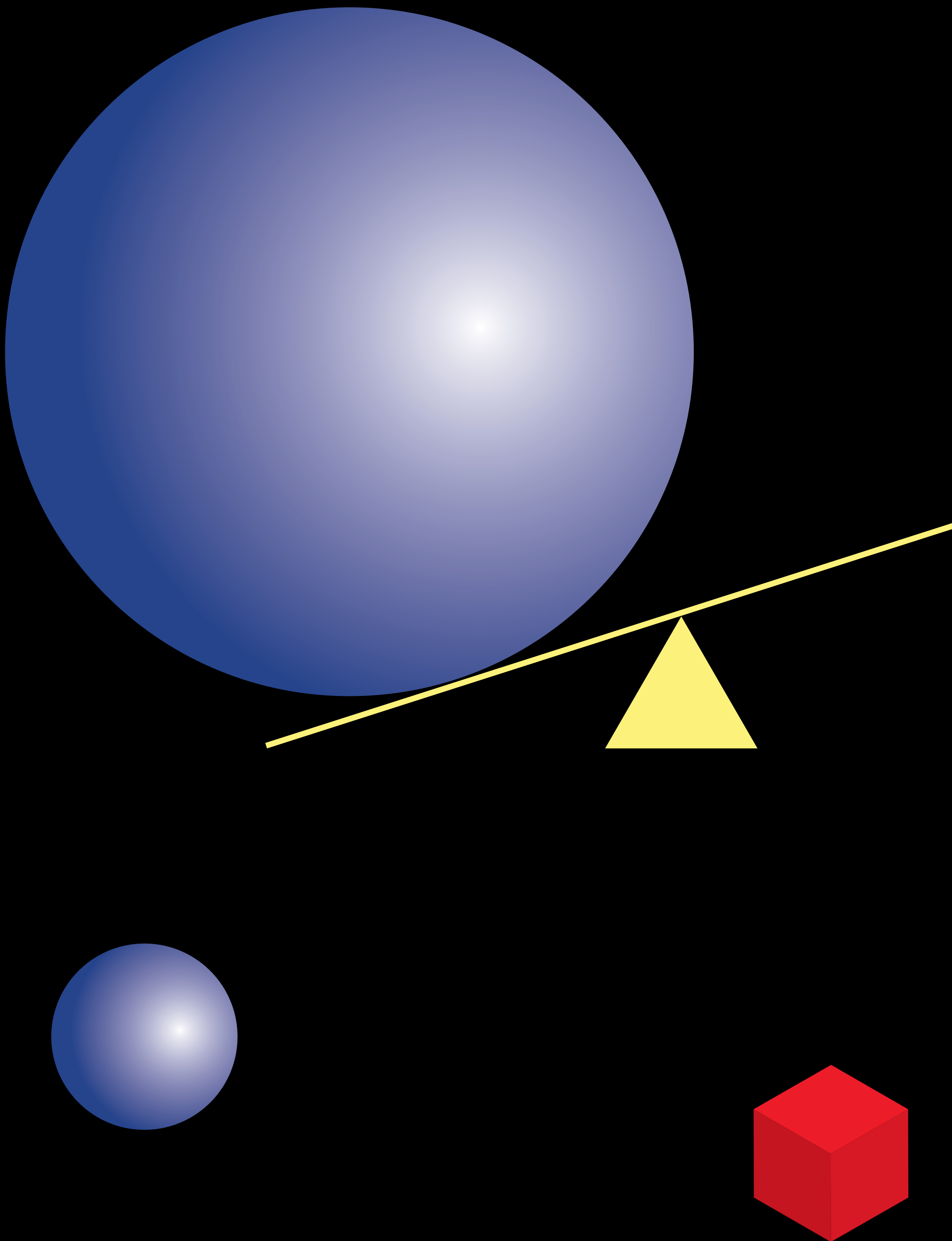


Financial Resilience in Australia 2018

CENTRE *for* SOCIAL IMPACT

nab

Understanding Financial Resilience



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Foreword from NAB and CSI

Inequality is an often-controversial topic in Australia. On the one hand, some national data and reports show economic inequality as relatively stable. Others, demonstrate growing inequality. These debates can mask significant disparities within and across groups and the multiple layers of disadvantage and exclusion faced by the 'have nots'.

So how does economic inequality affect access to financial products and services, financial knowledge and behaviour, and social capital?

In this report, NAB and the Centre for Social Impact set out to examine how different groups in Australia are experiencing financial stress. We look at how frequently households experience financial problems and stress, so that we can have a more nuanced understanding of how financial stress is experienced across groups. We examine how households with lower levels of economic resources may be further held back from financial inclusion through a lack of access to financial products and services and being required to access more and higher cost credit such as payday loans.

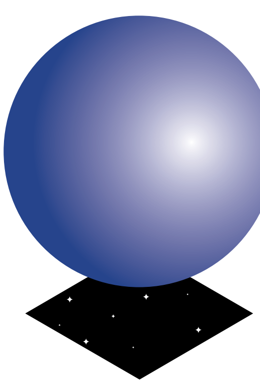
It's an important component to the Financial Resilience in Australia work that NAB and CSI have been doing together since 2015. Our research is helping shift the conversation from "why are some people unable to cope with financial shocks?" to "what can be done to improve financial resilience for everyone?". It's a subtle but significant shift, and one that we believe will have lasting social impact.

Together we are committed to driving financial inclusion and resilience for all Australians. CSI are driven to catalyse positive social change, providing transformational research and education to enable others to achieve social impact. Within NAB we are supporting practical solutions to address these issues using knowledge and insights. This includes our 15 year partnership with Good Shepherd Microfinance and the provision of $130 million in capital to help provide access to finance for low income Australians.

NAB and CSI have worked together on research into financial exclusion and resilience for over 10 years, and we remain committed to this important work as we help more Australians improve their financial resilience.

Elliot Anderson
Head of Financial Inclusion, NAB

Professor Kristy Muir
CEO, Centre for Social Impact



Executive Summary

The current state of economic inequality in Australia has two narratives: on the one hand, economic inequality in Australia is reported to be relatively stable[1]. On the other hand, this overall stability masks that the top 90th (wealthiest) percentile of households in Australia hold approximately 60 times the wealth of households in the 10th (lowest wealth) percentile[2]. Given this, it is important to understand how different groups in Australia are experiencing financial stress.

The level of access someone has to economic resources influences their spending decisions. People in low wealth households (20% of households in the lowest net worth quintile) spend 23.4% of their income on housing costs and 18.7% on food compared to those in high wealth households (20% of households in the highest net worth quintile), who spend 18.0% and 14.3% respectively. Across Australia, debt growth has outpaced growth in incomes and assets since 2003[1]. This report summarises the findings of the latest financial resilience survey and finds that while overall levels of financial resilience appear to remain consistent, a more nuanced analysis shows significant disparities exist for the 'haves' and the 'have nots' across the country.

The overall mean financial resilience score in Australia significantly increased between December 2016 and January 2018, returning to levels similar to 2015, after the scores decreased in 2016. There was a significant increase in the proportion of adults in Australia who were financially secure (rising to 33.9% in 2018 from 31.2% in 2016). While there was an estimated 300,000 fewer people who experienced severe or high financial stress, this change was not statistically significant. At the beginning of 2018, 2.1 million adults were still financially vulnerable. Looking at employment, it is clear that those who are either underemployed or unemployed continue to be more at risk of experiencing greater levels of financial stress[3]. This year's report also explores levels of financial resilience across State and Territory level. Overall, there were no significant differences in either the financial resilience score, or its components across States and Territories. This indicates that levels of financial stress nationally are largely reflective of stress and resilience at a State and Territory level as well.

Looking at the surveys collected in 2016 and 2018, we can see that the improvements in overall financial resilience are likely linked to increases in financial knowledge and behaviours. The level of access someone has to economic resources influences their spending decisions. However, the rest of the news is mixed. The mean level of economic resources and the mean level of financial products and services did not significantly change – 30% of the respondents had very low or low levels of economic resources, and 10.6% had very low or low levels of financial products and services resources – but people's levels of social capital significantly decreased. The proportion of Australians who reported they had regular contact with close connections dropped significantly and 5% of respondents said that they needed government or community support but did not receive it.

Components of financial resilience - summary of findings

ECONOMIC RESOURCES

- Half the population report having three or more months of savings.
- 43% said that it had been easy or very easy to meet cost of living expenses in the last 12 months.
- One in five adults feel over-indebted, or, just managing to keep up their repayments.
- People with lower levels of economic resources also tended to have lower scores in the other three components of financial resilience.

FINANCIAL PRODUCTS AND SERVICES

- One in ten adults reported not holding any form of insurance, and 12% had an unmet needs for insurance.
- Close to one in three respondents with very low levels of economic resources used low-cost or informal credit such as Centrelink Advance or No Interest Loans Scheme (NILS), or borrowing from family or friends, but were also over-represented in use of high-cost credit such as 'payday lenders'.
- Barriers to accessing financial services for people with low and very low levels of economic resources included the cost of the service, wait times for appointments, poor customer service, distance, and a lack of services in their area.

FINANCIAL KNOWLEDGE AND BEHAVIOUR

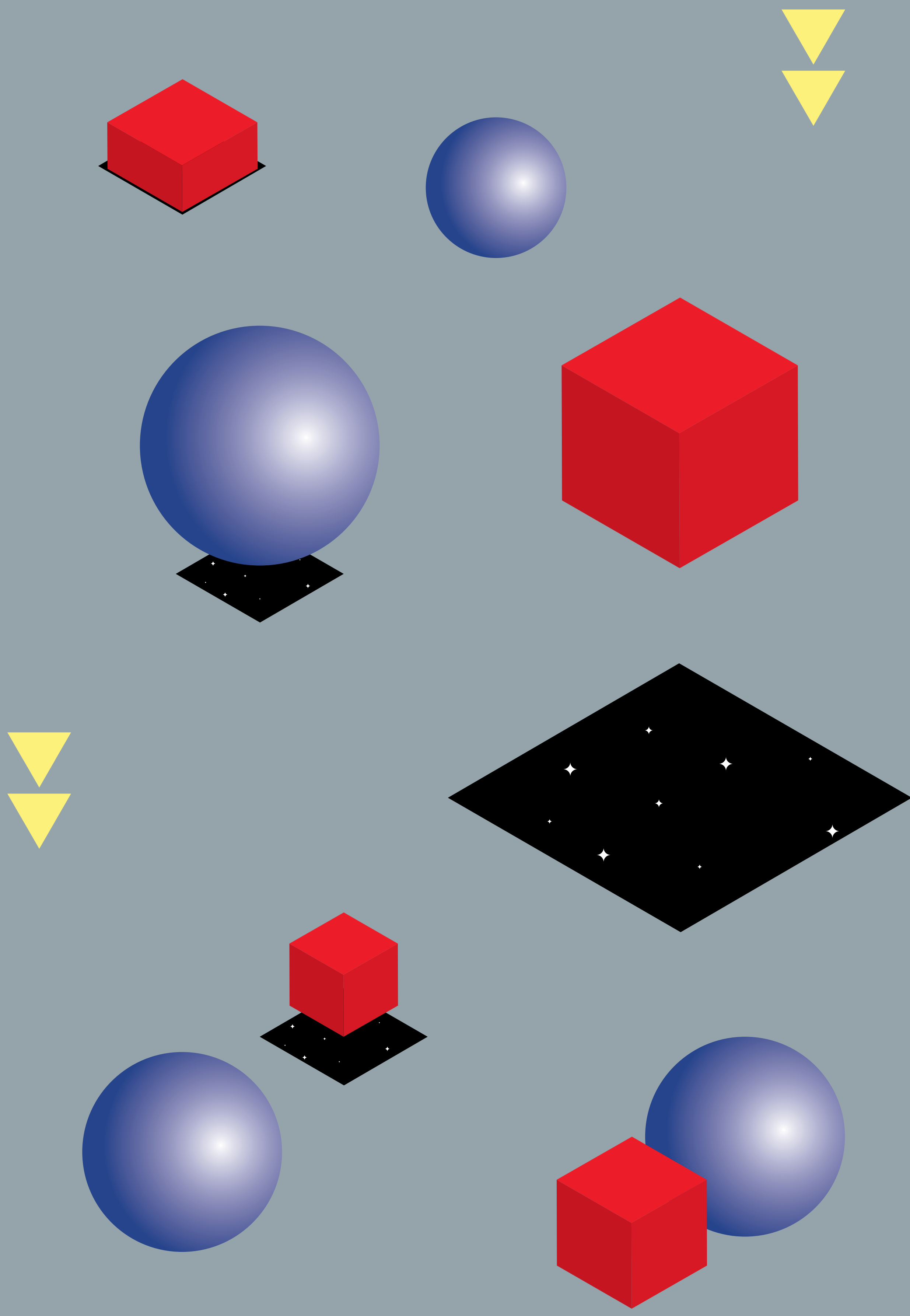
- 60% of respondents said they felt reasonably confident or very confident using financial services and products.
- 96% of respondents would consider seeking financial advice, but only 32% had actually sought out advice previously.
- Respondents with high economic resources were more likely to seek advice from a paid professional (68.6%); respondents with low economic resources would use a free community service (60.2%).
- 97.5% of respondents indicated they had done at least one proactive behaviour in the last 12 months.

SOCIAL CAPITAL

- Over 80% of respondents had moderate or high levels of social capital overall, but the proportion with high levels has decreased over the last three surveys:

2015	2016	2018
63.1%	53.4%	49.0%

- 5% of respondents said they had needed community or government support in the last 12 months, but had not been able to access it.
- 60% of people with moderate and high levels of economic resources also had higher levels of social capital, compared to 30% of people with very low economic resources.



Introduction

In 2015, the Centre for Social Impact, in partnership with NAB, developed a multi-dimensional framework for financial resilience, and measured for the first time the level of financial resilience of adults in Australia. This report is the third of a multi-year project that seeks to understand financial resilience in Australia and how to best enable and support people to bounce back in times of financial adversity.

Background

According to the Australian Bureau of Statistics (ABS), inequality in Australia has remained stable over the last decade, although both income and wealth inequality were higher in 2015-16 compared to 2003-2004[6]. However, beneath this seemingly stable headline figure hides an increase in the concentration of wealth among the top 90th percentile of the population in Australia[2]. Money and financial products and services, or rather lack of, are important contributors to people's experiences of financial stress, as well as their ability to bounce back. It is therefore crucial to understand the experience of groups with different levels of economic means.

The Centre for Social Impact and NAB partnered between 2011 and 2014 to measure financial exclusion in Australia. Financial exclusion is defined as a "lack of access to appropriate and affordable financial services and products"[7]. The three financial products and services necessary to be financially included are: a bank account, a credit card, and general insurance[7].

In November 2014, CSI developed a new financial resilience framework to understand how adults in Australia cope with financial shocks. The financial resilience framework builds on previous financial exclusion research while also enabling some of the shortcomings of only measuring access to financial products and services to be addressed (see Muir, Reeve et al[8] for more information).

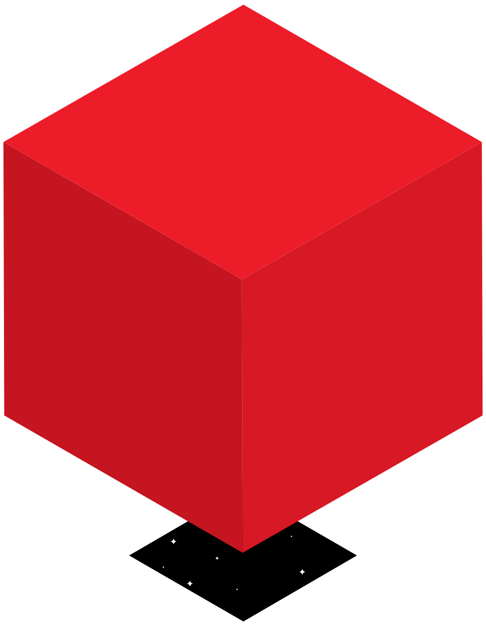
Defining financial resilience

Financial resilience is defined as "the ability to access and draw on internal capabilities and appropriate, acceptable and accessible external resources and supports in times of financial adversity"[8]. The framework was built around four types of resources identified through the literature as being crucial to being able to bounce back from financial shocks:

1. **Economic resources:** income; savings; debt management; capacity to raise $2,000 in an emergency; and ability to meet cost of living expenses.
2. **Financial products and services:** access to, and demand for bank accounts; credit; and insurance.
3. **Financial knowledge and behaviour:** knowledge of, and confidence using financial products and services; use and willingness to use financial advice; and proactive financial behaviours.
4. **Social capital:** level of social connections; likelihood of getting financial support from social connections in times of crisis; and the need for and access to community and government support.

This project

This report presents a headline measure of financial resilience in Australia in 2018, including a state comparison, and the population's level of resources across all four components of financial resilience: economic resources, financial products and services, financial knowledge and behaviour and social capital. It also discusses changes in financial resilience in Australia, between 2015 and 2018, and explores how groups identified as vulnerable to severe or high financial stress in 2015 and 2016 fare in 2018. In addition, in recognition of the crucial role of money in the ability to deal with financial shocks, it explores the relationship between people's level of economic resources and the other resources necessary for financial resilience.



Methodology

This project builds on the financial resilience framework and tool developed in 2015 in partnership with NAB[8]. Furthermore, the changes in financial resilience between 2015 and 2018 were analysed and tested for statistical significance.

The financial resilience framework and tool

A multi-dimensional framework for financial resilience (Figure 1), and corresponding survey, were developed in 2015. Based on lessons from the 2015 analysis and feedback from stakeholders, the survey was further refined in 2016 and 2018.

The updated survey questions can be found in Appendix 2. The scoring methodology used to assess respondents' level of resources across all four components, and their level of financial resilience overall remained the same.

Figure 1:
Components of financial resilience

ECONOMIC RESOURCES	FINANCIAL PRODUCTS & SERVICES	FINANCIAL KNOWLEDGE & BEHAVIOUR	SOCIAL CAPITAL
SAVINGS DEBT MANAGEMENT ABILITY TO MEET LIVING EXPENSES ABILITY TO RAISE FUNDS IN AN EMERGENCY INCOME LEVEL	ACCESS TO A BANK ACCOUNT ACCESS TO CREDIT & NEEDS MET ACCESS TO INSURANCE & NEEDS MET	KNOWLEDGE OF FINANCIAL PRODUCTS & SERVICES CONFIDENCE USING FINANCIAL PRODUCTS & SERVICES WILLINGNESS TO SEEK FINANCIAL ADVICE PROACTIVE FINANCIAL ACTIONS	SOCIAL CONNECTIONS ACCESS TO SOCIAL SUPPORT IN TIMES OF CRISIS ACCESS TO COMMUNITY AND GOVERNMENT SUPPORT WHEN NEEDED

Source: Muir, Reeve [8]

There are three to five scoring questions within each component. For each of these questions, respondents are allocated a score from one to four depending on their selected answers. To assess their overall level of resources in a component, an average total score is calculated. Based on their average total score, each respondent is allocated to one of four possible categories as per Figure 2.

To determine an individual's level of financial resilience overall, their scores across all four components are averaged to calculate a financial resilience score. Again, based on their overall financial resilience score, individuals are allocated to one of four financial resilience categories as per Figure 3.

Figure 2:

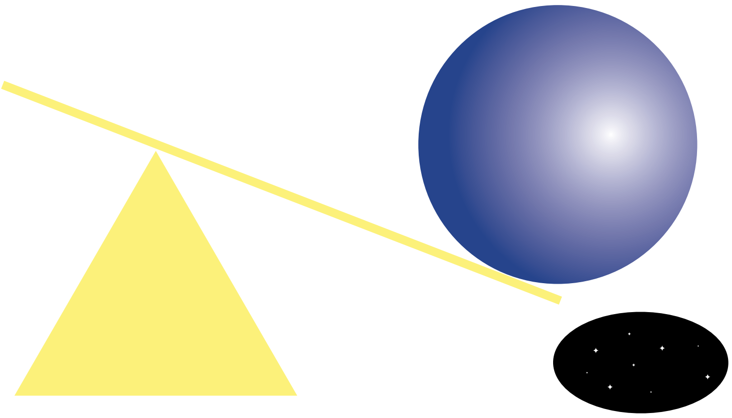
Score ranges for financial resilience component categories

Source: Muir, Reeve [8]

Figure 3:

Score ranges for overall financial resilience categories

Source: Muir, Reeve [8]



Data collection

The findings in this report are based on 2,062 survey responses, weighted to be representative of the adult population in Australia across age, gender and geographic location. All respondents were aged 18 and over and completed the survey online in January 2018[A]. Further details of the sample can be found in Appendix 1.

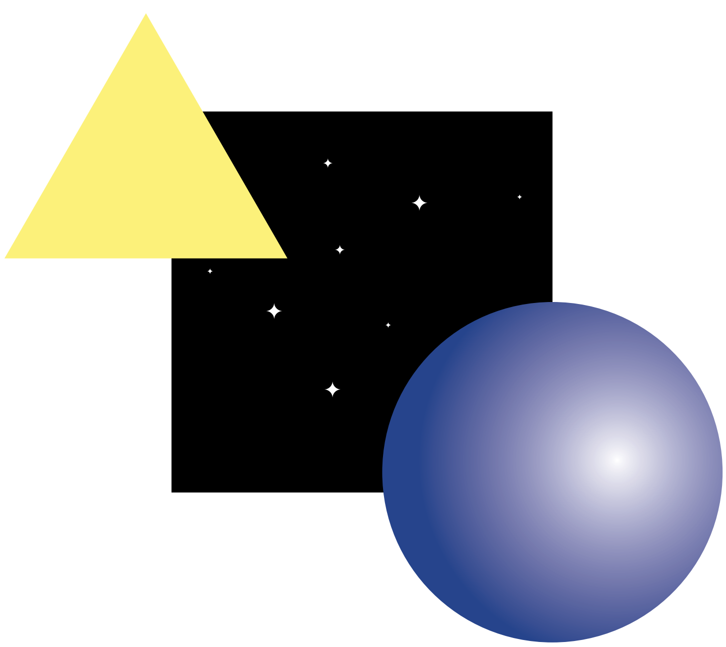
The survey was administered by Roy Morgan Research using OzPanel, a robust online consumer panel. OzPanel is unique in that the panel is primarily recruited via random, representative, address-based sampling from the Roy Morgan Single Source survey, which incorporates approximately 50,000 interviews predominantly face-to-face in both city and country areas each year with people aged 14 and over.

Statistical analysis

The statistical analysis was undertaken in Stata 14.2. It explored the changes in the population's level of resources across all four components of financial resilience, and overall level of financial resilience, between 2015 and 2018.

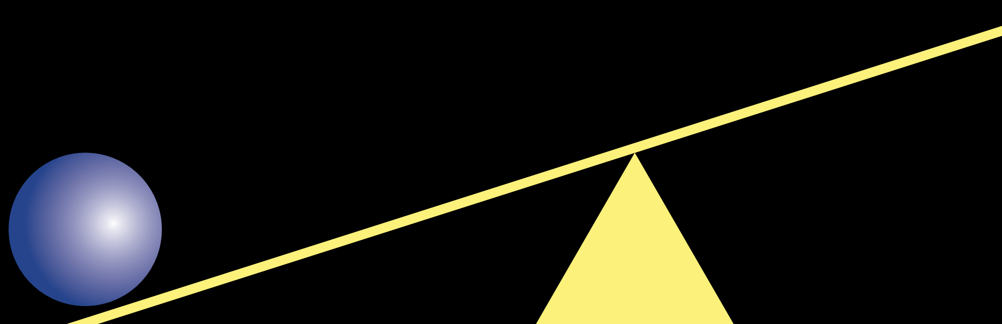
Independent sample t-tests, Chi-square tests and analyses of variance (ANOVA) were conducted to assess the statistical significance of differences between sub-groups of the population (e.g. gender, age group, economic resources category) and changes between years. Statistical tests were performed on weighted data and only between consecutive years, that is, 2015 and 2016, and 2016 and 2018. Significant differences between two years are indicated by a caret (^) next to the latter year; differences between groups are indicated by an asterisk to indicate level of significance (e.g. * = $p < .05$, ** = $p < .01$, *** = $p < .001$).

While care has been taken during the analysis, it is important to note that some of the observed differences might be partly due to changes to the question wording and response options between the years. They may also be due to the slight difference in the timing of when the data was collected. This is further discussed throughout the report, across questions where such changes were applied.



[A] Data for previous years was collected in September 2015 and December 2016.

11% of adults in Australia are experiencing severe or high financial stress, a number that is not shifting over time

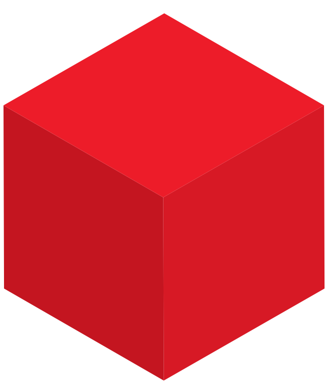


Financial Resilience in Australia

The overall level of financial resilience in Australia significantly increased from 3.01 in 2016 to 3.05 in 2018, similar to mean scores reported in 2015.

There was a significant increase in the number of adults in Australia who were classified as being financially secure – from 31.2% in 2016 to 33.9% in 2018, although this was still lower than in 2015.

However, the proportion of respondents who were classified as having high to severe financial stress and vulnerability has not significantly changed. In 2018, 11% of the adult population in Australia, that is around 2.1 million people aged 18 and over, experienced severe or high financial stress. While the proportion of adults in severe (0.5%) or high financial stress (10.5%) decreased (estimated to be 300,000 fewer people than reported in 2016), the difference was not statistically significant (Figure 4) and results were similar to mean levels reported in 2015[8].



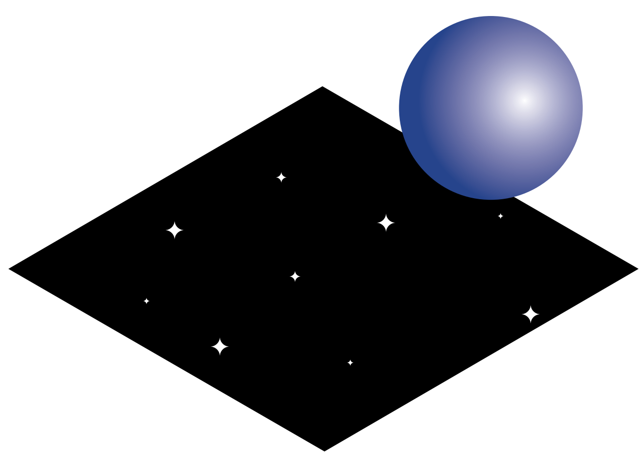


Figure 4:
Financial resilience - population segments

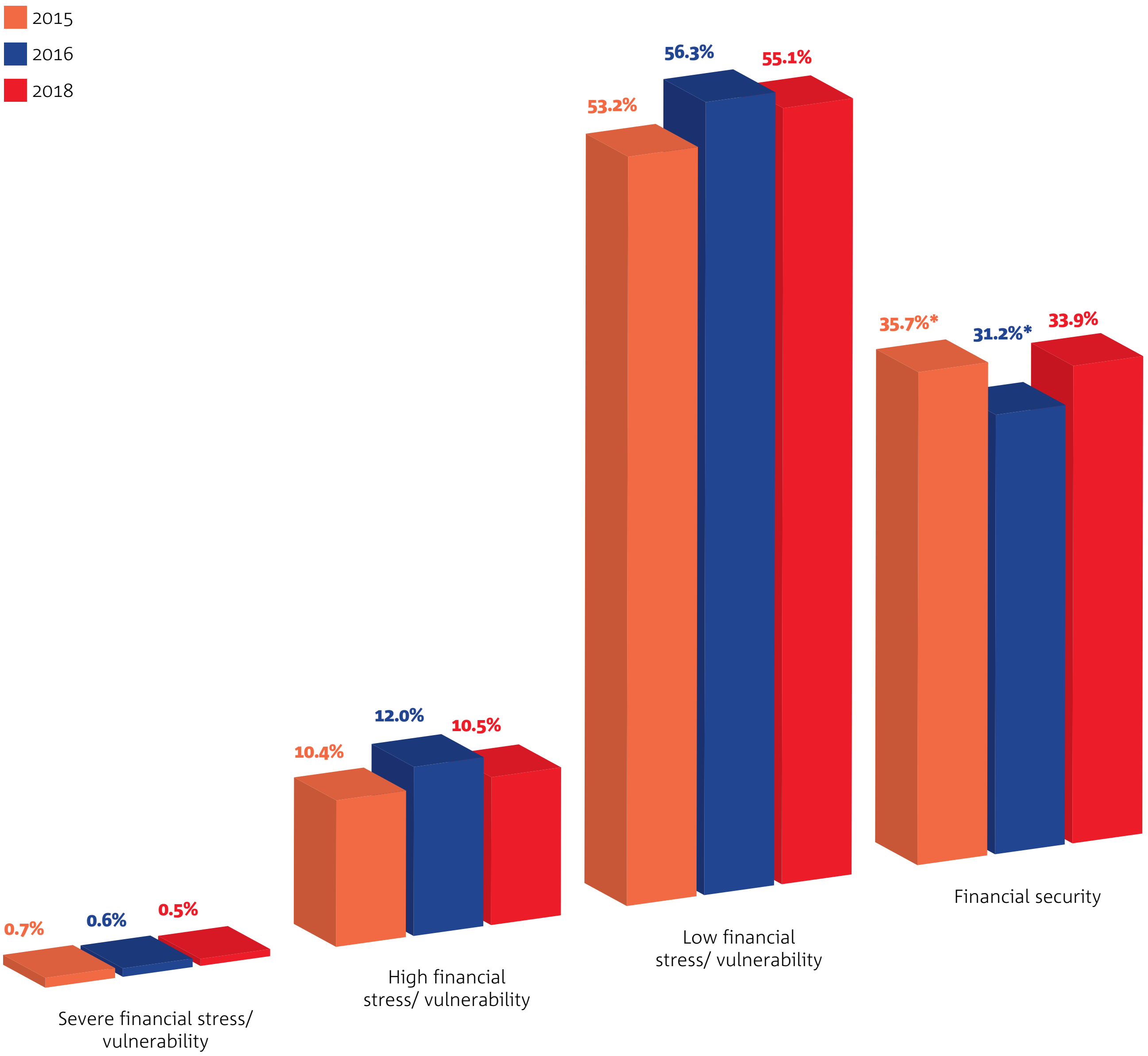


Figure 4: Source: Roy Morgan Research 2015, 2016

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062 weighted to be representative of the Australian population aged 18+. * statistically different to previous year ($p < 0.05$)

These results suggests that while a proportion of adults in Australia are doing better financially, there is still a number of people who are experiencing severe or high financial stress that is not shifting over time. For these households, financial shocks are less likely to be easily absorbed, and they are more likely to be affected by changes to the cost of living. For example, between December 2016 and 2017, the consumer price index increased for housing by 3.4%, health costs by 4.0% and transport by 3.3%[9]. An increase in these necessary living costs for people without an increase in economic resources prevents people's capacity to move towards lower levels of financial stress.

Previous reports have highlighted that members of the population that are either underemployed (working but looking for more hours) or unemployed are some of the most vulnerable groups in Australia when measuring financial resilience[3]. This trend continued in 2018, where respondents who were either underemployed or unemployed had significantly lower financial resilience scores than respondents who were either employed (full or part time), or out of the labour force (p < .001) (see Figure 5).

Figure 5:

Financial resilience category, by employment status (2018)

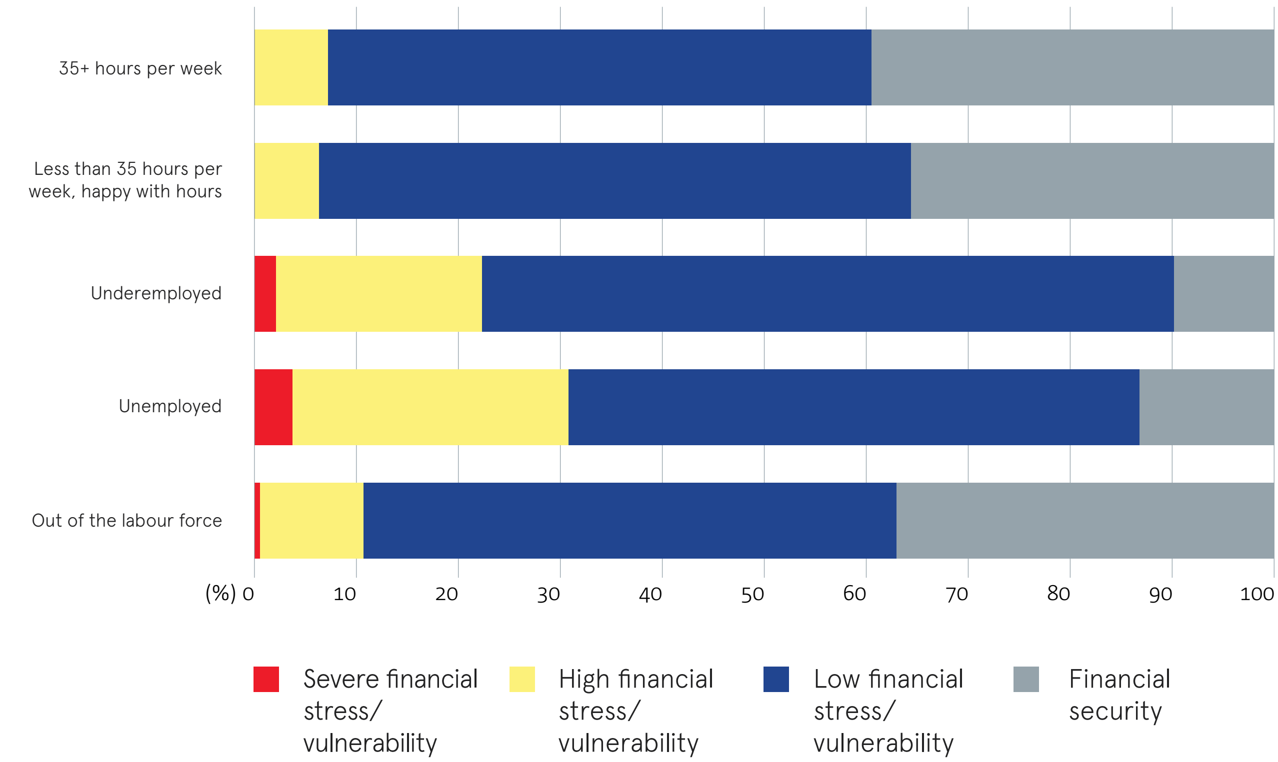


Figure 5: Source: Roy Morgan Research 2018

Notes: Sample size = 2,023 weighted to be representative of the Australian population aged 18+. Differences between groups are significant (p < 0.001)

Financial resilience components

In 2018, like in previous years, adults in Australia fared best in the financial products and services component, and least well in the financial knowledge and behaviours (Figure 6). However, there have been some changes since 2015.

The mean level of financial products and services was the same in 2016 and 2018 (3.26), although significantly lower than in 2015 (3.41). There was no change in the average level of economic resources. On the other hand, the mean level of social capital fell significantly between 2016 and 2018 from 3.17 to 3.14. Finally, in positive news, the mean level of financial knowledge and behaviour increased significantly between 2016 and 2018 from 2.70 to 2.88.

Figure 6:

Mean population scores for financial resilience components

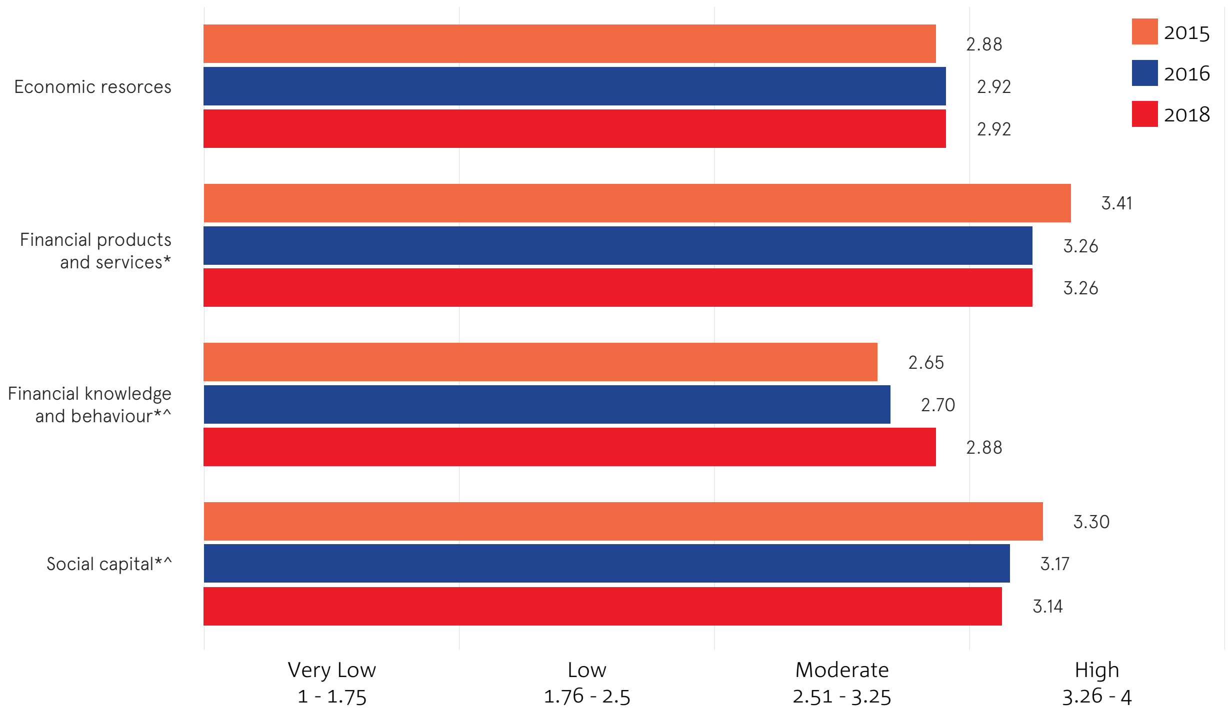


Figure 6: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062 weighted to be representative of the Australian population aged 18+. * Difference between means in 2015 and 2016 statistically significant ($p < 0.05$) ^Difference between means in 2016 and 2018 statistically significant ($p < 0.05$)

Economic resources

Seven in ten participants had moderate to high levels of economic resources, but only one in two reported having access to three or more months of savings.

People have different opportunities for making decisions about money depending on how much of it they have. Using the economic resources component of the financial resilience model, analysis in this report explores how people with different levels of economic resources seek financial information, access community or government services, or experience difficulties in accessing financial services. Overall, levels of economic resources appear relatively stable, with little change across 2015, 2016 and 2018. Across all years around 30% of the population had very low or low levels of economic resources.

Figure 7:
Level of economic resources

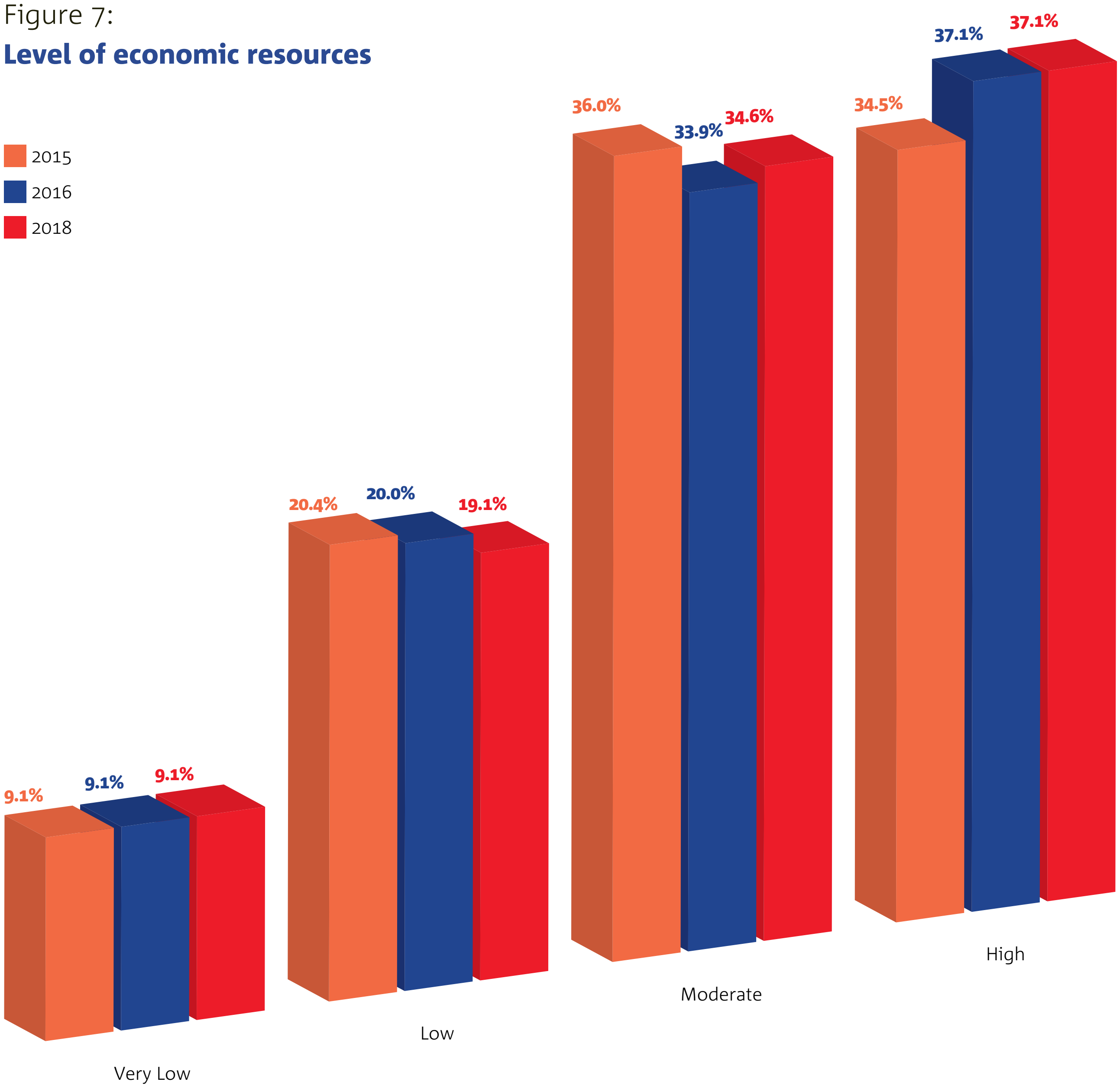


Figure 7: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,004, sample size 2018 = 2,059, weighted to be representative of the Australian population aged 18+. Differences across years were not statistically significant.

What has changed?

The economic resources component looks at people's level of savings; their ability to repay debt; whether they would be able to raise $2,000 in an emergency and from where; their capacity to meet cost of living expenses; and the household's income level.

Overall, there were no significant differences across all scoring dimensions of the economic resources component between 2016 and 2018.

One in two respondents reported having three or more months' of savings in 2018. More than one in eight people reported having no savings. While this was slightly reduced from 14.2% in 2016 to 13.5% in 2018, it was still worse than in 2015, where less than one in ten adults reported having no savings at all (Figure 8).

Figure 8:
Level of savings

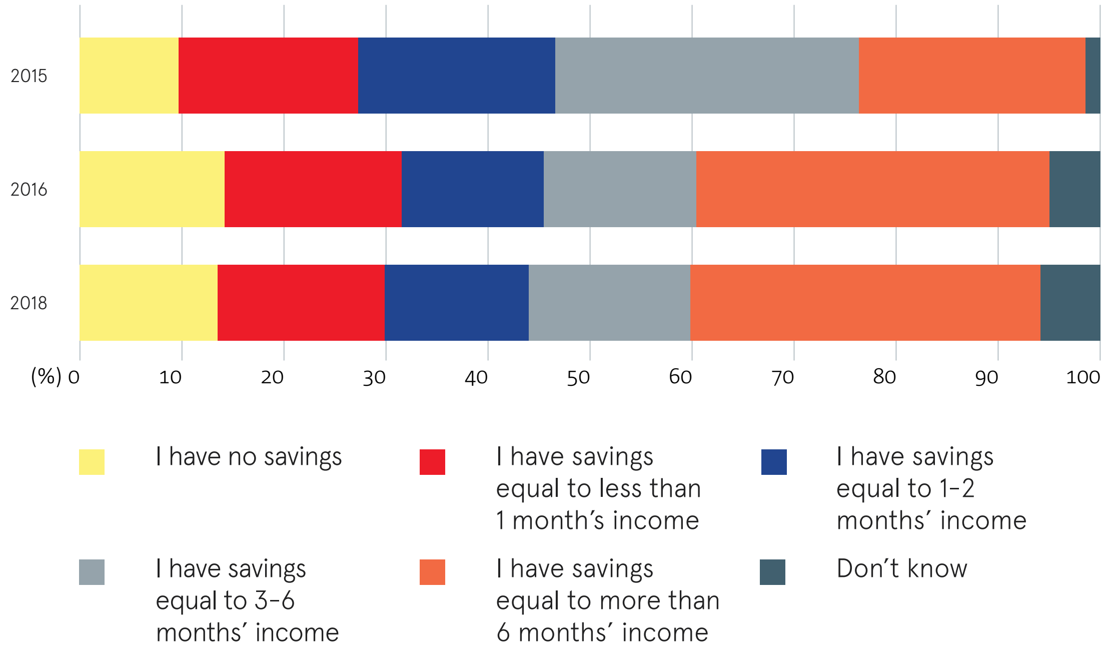


Figure 8: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062, weighted to be representative of the Australian population aged 18+. Differences between the three years are statistically significant, chi-square test ($p < 0.05$) *Response options in 2018 varied slightly: participants were asked if they had 3-6 months' income in savings (15.8%) or 6+ months' income in savings (34.3%) – responses have been combined here for comparison to previous years.

There was no significant change in the number of respondents who indicated they were overindebted. 4.2% of respondents in 2018 indicated they had more debts than they could pay back, while almost one in six people (15.8%) said they were just managing to keep up with debt repayment. The ABS 2015-16 Survey of Income and Housing reported that 29% of households in Australia are over-indebted; most of which (77%) lacked sufficient liquid assets to cover a quarter of their debts in case of a financial shock[10]. This disparity between self-reported level of indebtedness in the current financial resilience survey, and calculated indebtedness based on income and asset to debt ratio indicates that adults in Australia may not have a good awareness of the extent of their debt or may not have a plan for how they would manage debt if they were to experience a significant financial shock.

Similarly, there was no significant change in the reported difficulty in meeting necessary cost of living expenses between 2016 and 2018. Almost one in six respondents (15.9%) reported that it was very difficult or difficult to meet necessary cost of living expenses in 2018, while 43.6% said that it was easy or very easy. There was no significant change in the proportion of respondents who indicated they would be able to raise $2,000 in a week in an emergency from 2016 (81.4%) to 2018 (80.9%). Of the respondents in 2018 who indicated they would be able to raise $2,000, the majority (82.0%) indicated that they would be able to get this money from their personal savings.

As would be expected, a higher proportion of respondents in the 2018 survey with very low levels of economic resources reported that they experienced financial problems very often (19.2%) or quite often (22.7%) (see Figure 9). Respondents with low levels of economic resources also reported experiencing financial problems quite often (10.8%) or occasionally (37.0%); overall there was a significant difference in the frequency of the experience of financial problems based on how people fared in the economic resources category (p < .001). This suggests that while nearly half of the sample reported that it was easy to meet cost of living expenses, this is unsurprisingly concentrated among respondents with higher levels of economic resources.

Figure 9:

Frequency of financial problems, by economic resource category

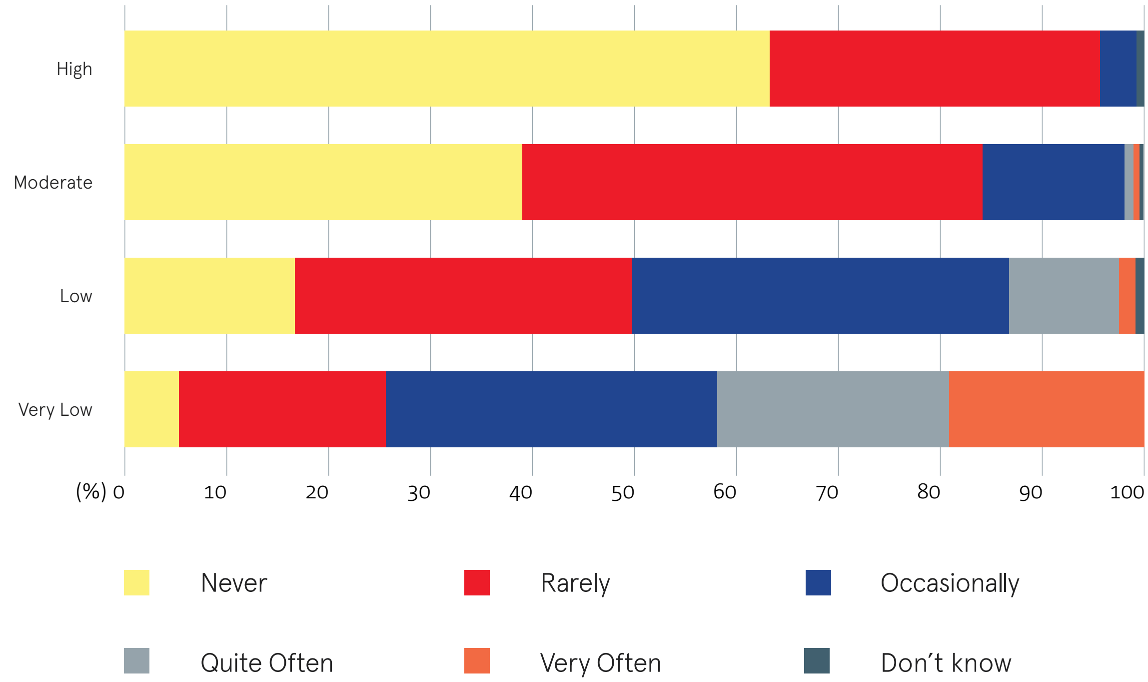


Figure 9: Source: Roy Morgan Research 2018
Notes: Sample size = 2,059 weighted to be representative of the Australian population aged 18+.
There was a significant difference across groups (p < .001).

Financial products and services

Most Australians have high access to financial products and services, but those with lower levels of economic resources are also relying on more credit.

About half of adults in Australia had a high level of financial products and services in 2018 (49.8%; Figure 10). While this was not statistically different to 2016 (when 50.8% of respondents had high levels of financial products and services), it does represent a significant decline from 2015 where close to two-thirds of Australians (65.8%) had a high level of financial products and services. Although there was no significant change overall, there are significant disparities in the type of credit accessed and difficulties in accessing financial products or services based on levels of economic resources. Overall, respondents with low and very low levels of economic resources were more likely to indicate that they had experienced barriers to accessing financial products or services.

Figure 10:

Level of financial products and services

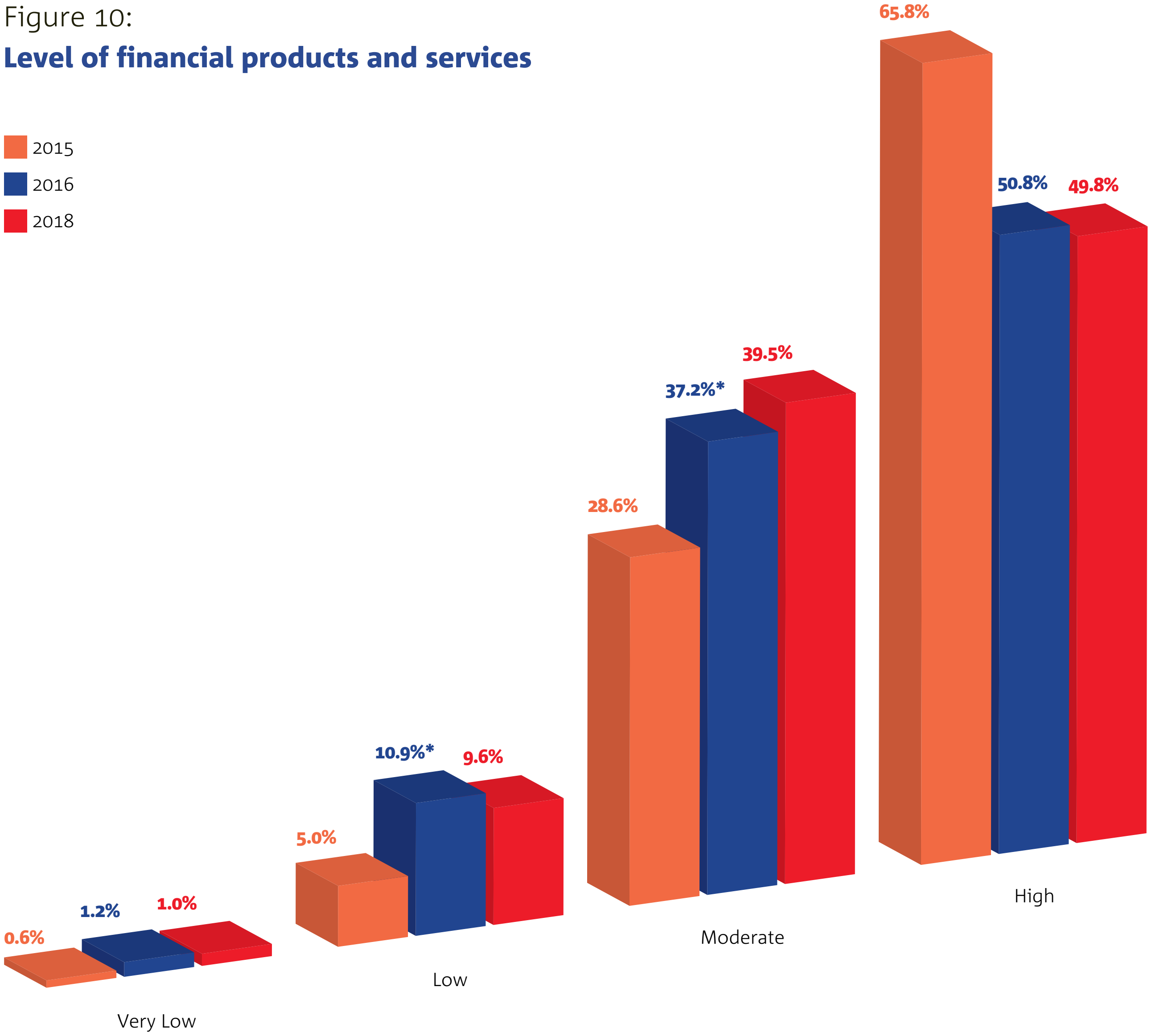


Figure 10: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,004, sample size 2018 = 2,058, weighted to be representative of the Australian population aged 18+. * statistically different to previous year ($p < 0.05$)

What has changed?

The financial products and services component takes into account people's level of access to, and unmet demand for a bank account, credit and insurance.

Access to a bank account was significantly higher in 2018, compared to 2016. In 2018, a higher proportion of people indicated having direct access to a bank account (97.4% and 96.1% in 2016), and a lower proportion of people reported having indirect or no access to a bank account (2.1% compared to 3.3% in 2016).

There were significant changes between 2016 and 2018 in insurance needs (see Figure 11).The proportion of respondents who said that their insurance needs were not met rose from 10.0% in 2016 to 12.2% in 2018. In addition, a lower proportion of people reported having a lot of insurance in 2018 (35.7%) compared to 2016 (36.5%).

Figure 11:
Access to insurance

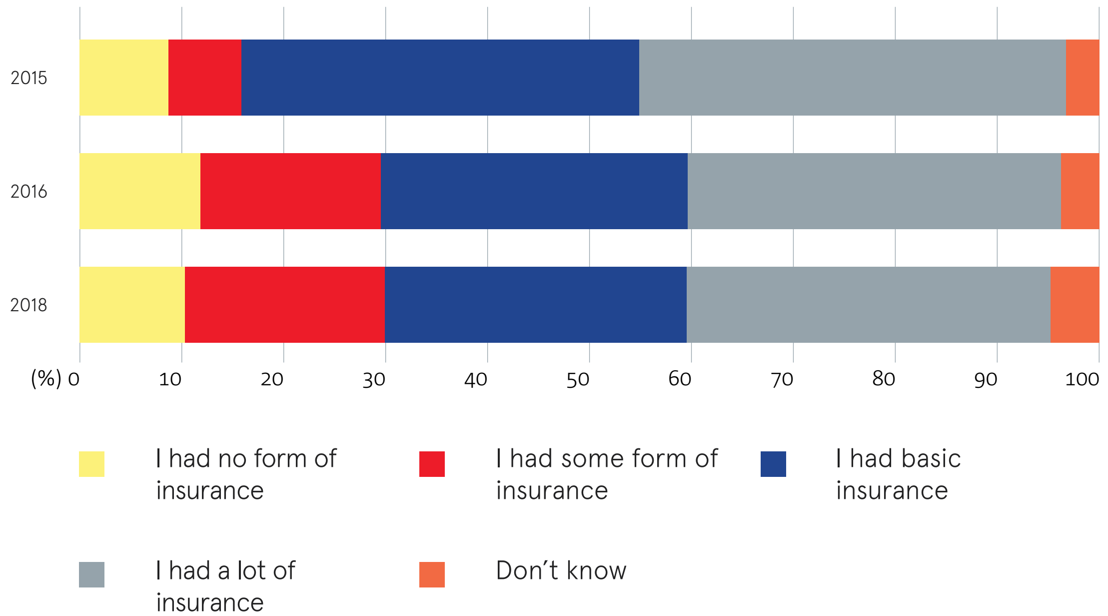


Figure 11: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062, weighted to be representative of the Australian population aged 18+. * statistically significant ($p < 0.05$)

In 2018, when asked about their unmet credit needs, over a third of the population (37.6%) indicated they had all the credit or loans they needed and a further 48% reported not wanting to use any credit or loans[B]. This indicates that on a population level, the need for credit is largely being met by the current financial market. However, people with lower levels of economic resources tended to use informal credit more frequently than those with high levels of economic resources (discussed below).

In general, respondents with high levels of economic resources had much higher levels of financial products and services compared to respondents with very low economic resources (see Figure 12).

Comparing across the 2015, 2016 and 2018 surveys there were significant changes in the level of financial products and services used by respondents with low, moderate and high economic resources. There were fewer respondents with high levels of financial products and services, and there was a shift towards more respondents having moderate levels in this same component. However, there was no significant shift in the proportion of respondents with very low levels of economic resources – around half of the respondents in each of the survey years had moderate levels of financial products and service use.

Figure 12:
Financial product and services category, by economic resources category

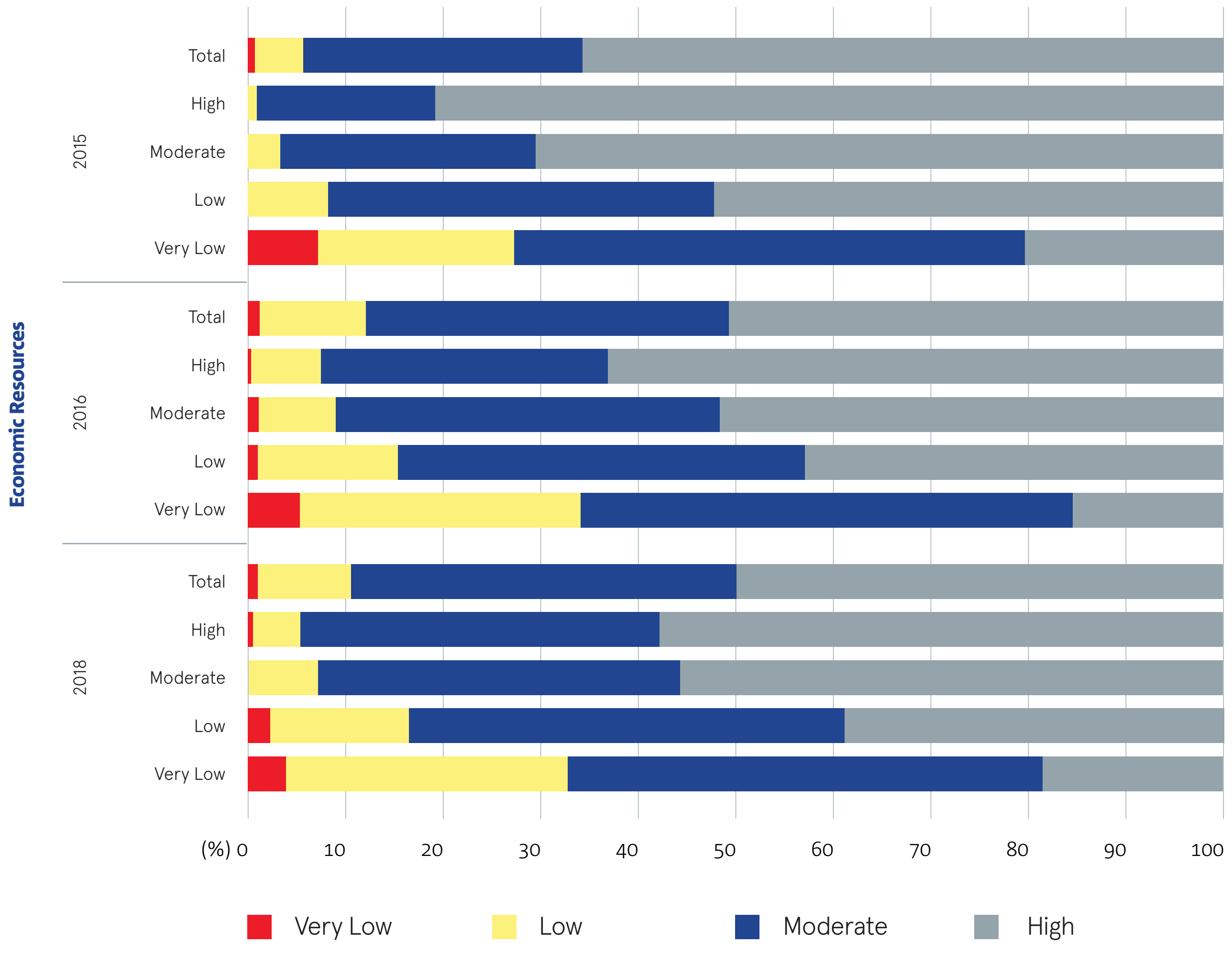


Figure 12: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2,062, weighted to be representative of the Australian population aged 18+.

[B] In 2015, respondents could only indicate that they had no unmet need for credit. In 2016 and 2018, this response category was split in two: "No, I don't want to use any credit/loans" and "No, I already have all the credit/loans I need".

When considering the types of credit that had been accessed by respondents, based on economic resource level, there were a number of significant differences across groups (2018 survey, see Figure 13 and Figure 14). Respondents with moderate and high levels of economic resources were more likely to indicate that they had used a credit card, personal loan, or their mortgage as forms of credit (p < .001), while respondents in low and very low economic resource groups were significantly more likely to report using non-bank forms of credit – particularly drawing on loans from the government, community, family or friends.

Figure 13:

Type of credit accessed in the past 12 months, by economic resources category

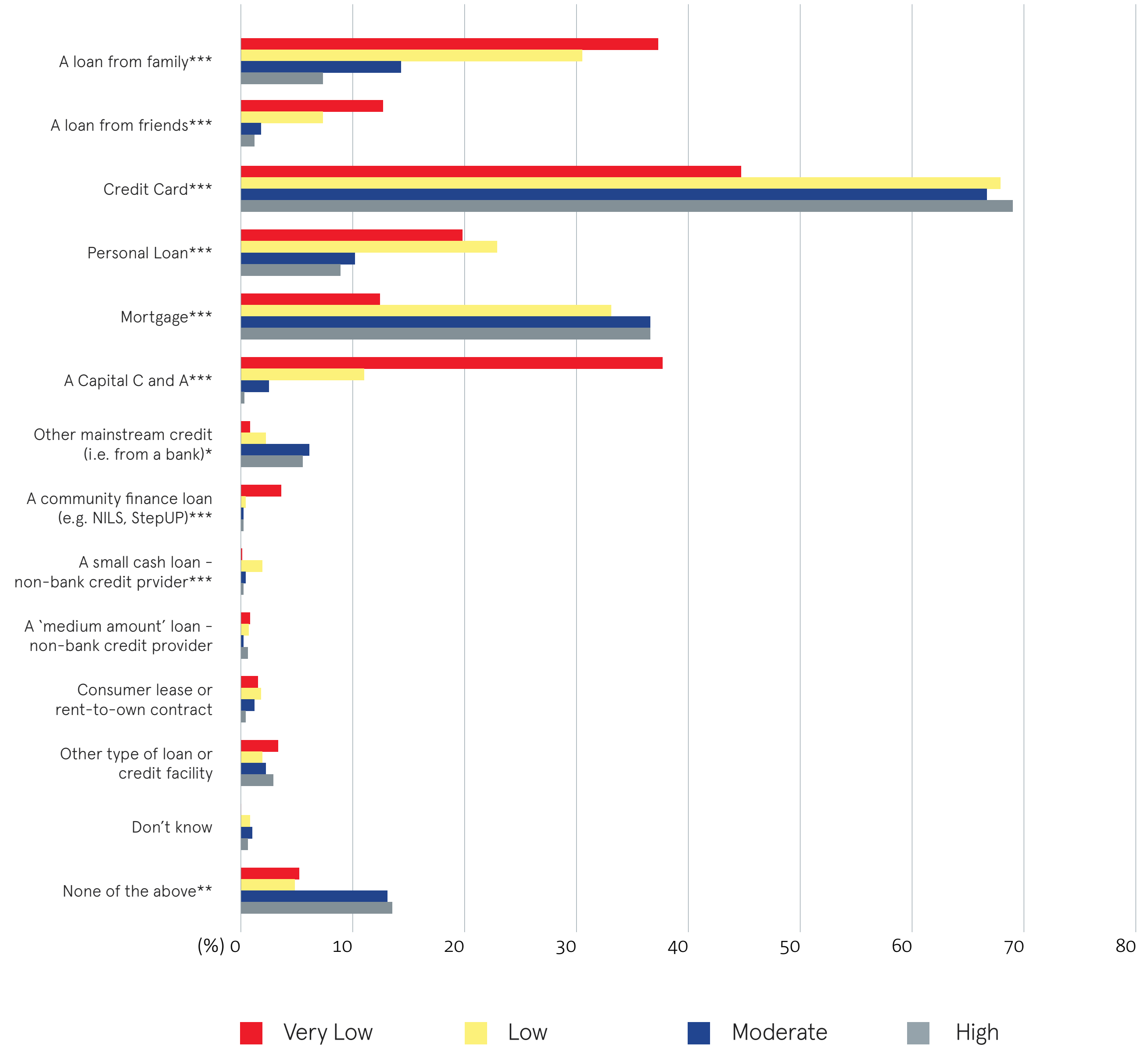


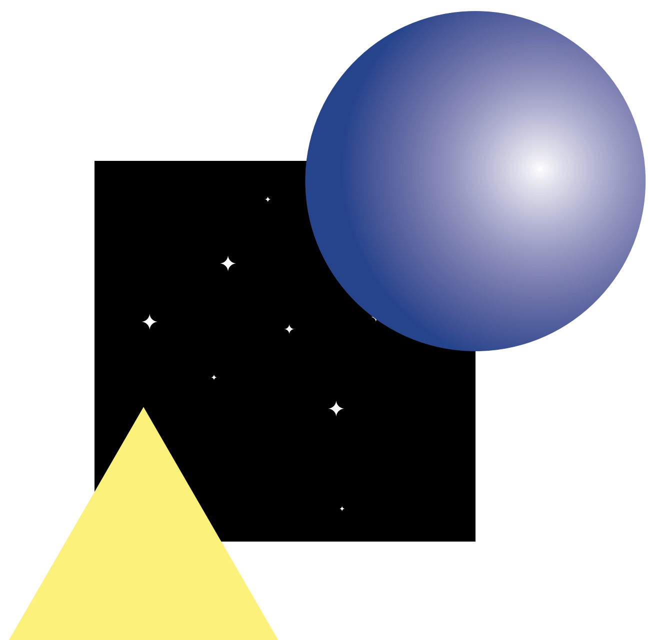
Figure 13: Source: Roy Morgan Research 2018
Notes: Sample size = 1374 weighted to be representative of the Australian population aged 18+. There was a significant difference across groups (*p<.05, ** p< .01, *** <.001)

While most people reported accessing some type of credit, people with very low and low levels of economic resources were more likely to be relying on some type of credit (94.8% and 95.2%) than those with moderate and high levels (86.9% and 86.5%) of economic resources. Respondents with lower levels of economic resources had accessed, on average, more forms of credit (an average of 1.8 forms of credit per respondent) compared to respondents with moderate (1.4 forms of credit) and high levels (1.3) of economic resources ($p < .001$).

When we look at the types of credit by generalising their associated costs (Figure 14), close to one in three people with very low levels of economic resources (31.6%) are accessing affordable, low cost-credit, such as a Centrelink Advance, community finance or borrowing from family or friends[C]. This group, however, is also overrepresented in their use of high cost credit. Close to one in five people with very low economic resources report using high cost credit (17.1%), such as a consumer lease, a small or medium credit or a personal loan, compared to around one in five people in the moderate (5.3%) and high (3.1%) economic resource groups (Figure 14). A higher proportion of respondents with low, moderate and high levels of economic resources indicated they had used a credit card, compared to respondents with very low economic resources.

The high proportion of respondents with low levels of economic resources using high cost forms of credit, raises questions about whether there are appropriate and non-predatory forms of credit available to individuals with lower levels of income who may earn too much to qualify for Centrelink or other community finance initiatives. As income and other forms of economic resources are criteria to be able to access most traditional bank-based forms of credit, it is unsurprising that individuals with higher levels of economic resources are able to use these products more easily.

Overall, these results raise questions for people on low incomes regarding their ability to meet living costs without credit and point to the difficulties people have of with lower incomes to access affordable credit when needed.



[C] Access to cost forms of credit were calculated by coding respondents who indicated they had accessed any of the forms of low, medium, high cost or credit card forms of credit. Figure 13 presents the proportion of respondents who had accessed these forms of credit, with total access to credit included for comparison

Figure 14:
Type of credit accessed in the past 12 months, by economic resources category

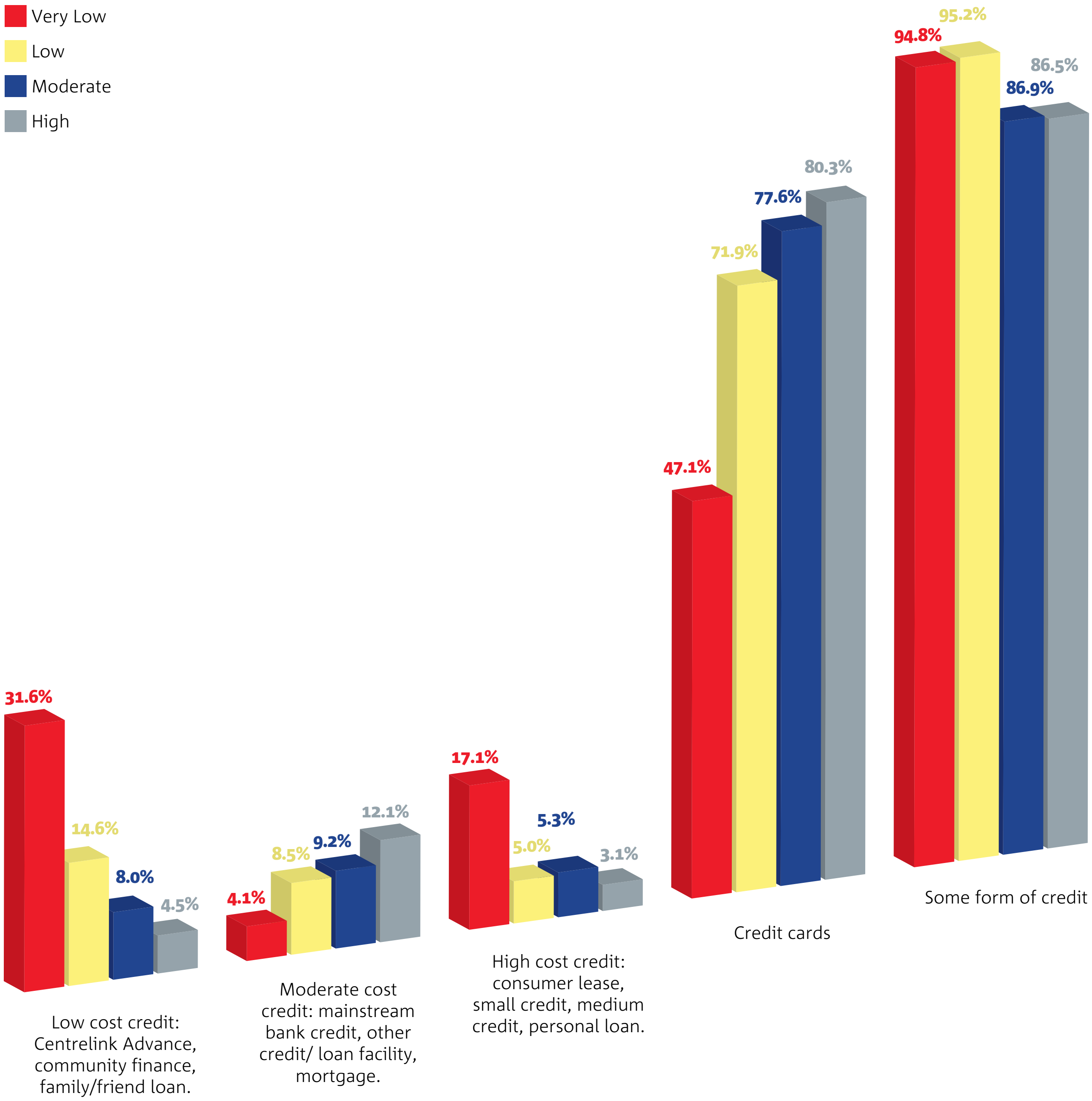


Figure 14: Source: Roy Morgan Research 2018

Notes: Sample size = 1,374 weighted to be representative of the Australian population aged 18+. There was a significant difference across groups (p < .001). Access to credit card or a total some form of credit included for comparison.

Relatedly, a higher proportion of respondents with very low and low levels of economic resources reported experiencing difficulties in accessing financial services and products (Figure 15).

Nearly one in three (30.3%) in the very low economic resources category, and one in five in the low economic resources category, indicated that the cost of services was a difficulty they had experienced. This is in contrast to less than one in ten in the moderate and high economic resources categories.

A significantly higher proportion of respondents with very low levels of economic resources also reported that their lack of trust in financial services, wait times to access services, poor customer service, or a difficulty in accessing service due to their own disability, distance to the service or an overall lack of services in their area acted as barriers to accessing financial products and services.

On the other hand, a significantly higher proportion of respondents with moderate (75.5%) and high (82.7%) levels of economic resources said they had no difficulties accessing financial services, compared to respondents with lower levels of economic resources

Figure 15:

Barriers to accessing financial products and services, by economic resources level

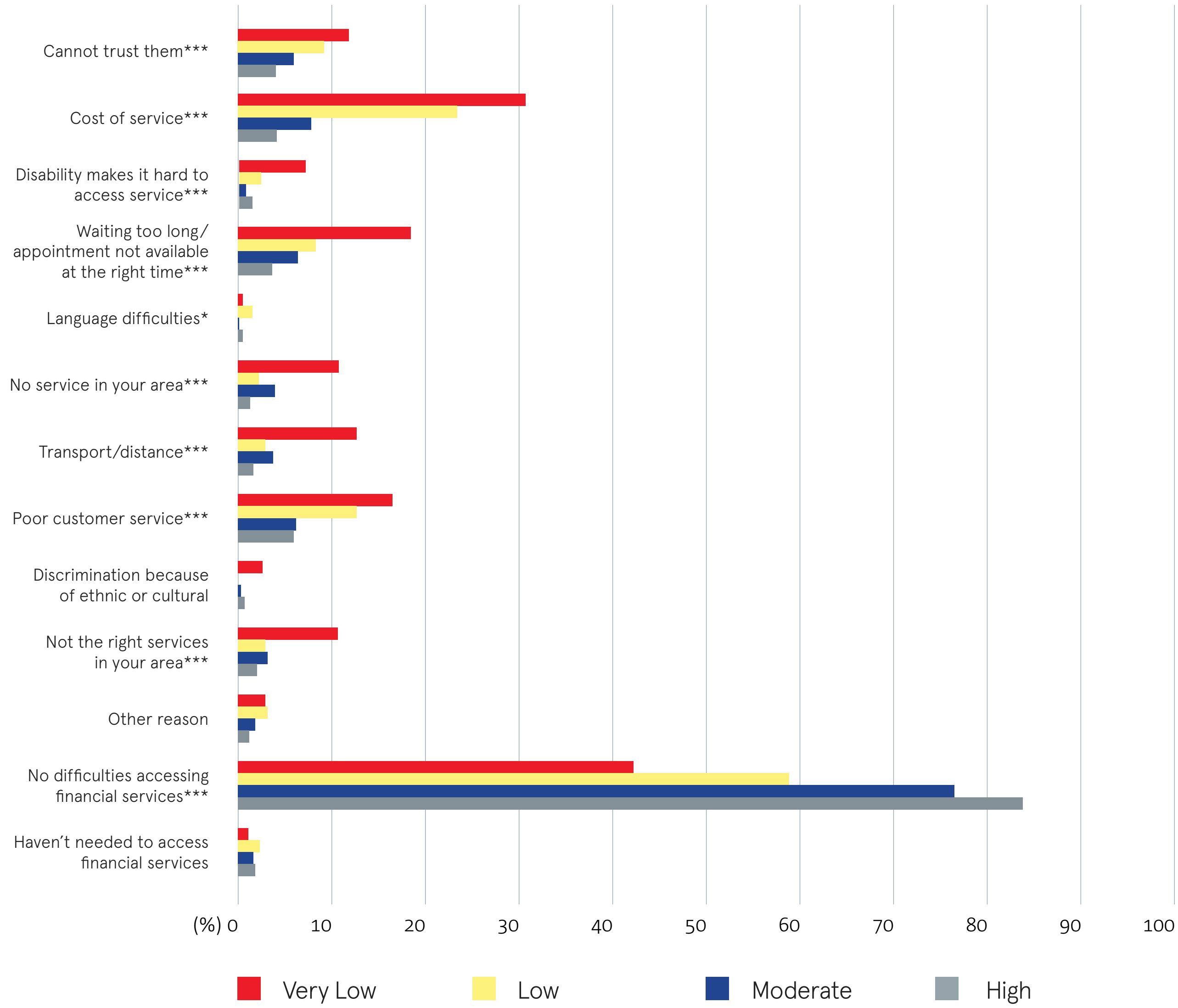


Figure 15: Source: Roy Morgan Research 2018

Notes: Sample size = 2,059 weighted to be representative of the Australian population aged 18+. There was a significant difference across groups (*p<.05; **p < .01; ***p < .001).

Financial knowledge and behaviour

Adults in Australia continue to increase in their levels of financial knowledge and enacting proactive financial behaviours.

The proportion of Australians with very low levels of knowledge and behaviour decreased from 7.1% in 2016 to 3.6% in 2018. Similarly, there was a significant increase in the proportion of respondents with high levels of financial knowledge and behaviour from 14% in 2016 to 22.6% in 2018 (Figure 16).

The positive trends occurred across all economic resource groups (Figure 18). In particular, 43% of respondents with very low levels of economic resources had moderate to high levels of financial knowledge and behaviour, compared to 24.7% in 2015. This may be a result of programs and initiatives like ASIC's Money Smart[11], the implementation and expansion of the Financial Inclusion Action Plan[12, 13], and funding for evidence-based programs from organisations like Financial Literacy Australia[14].

Further understanding of structural, policy and program changes, such as government or industry-run financial literacy promotions or programs, as well as shifts in the media that took place between 2016 and early 2018 may help further interpret this significant change.

Figure 16:

Level of financial knowledge and behaviour

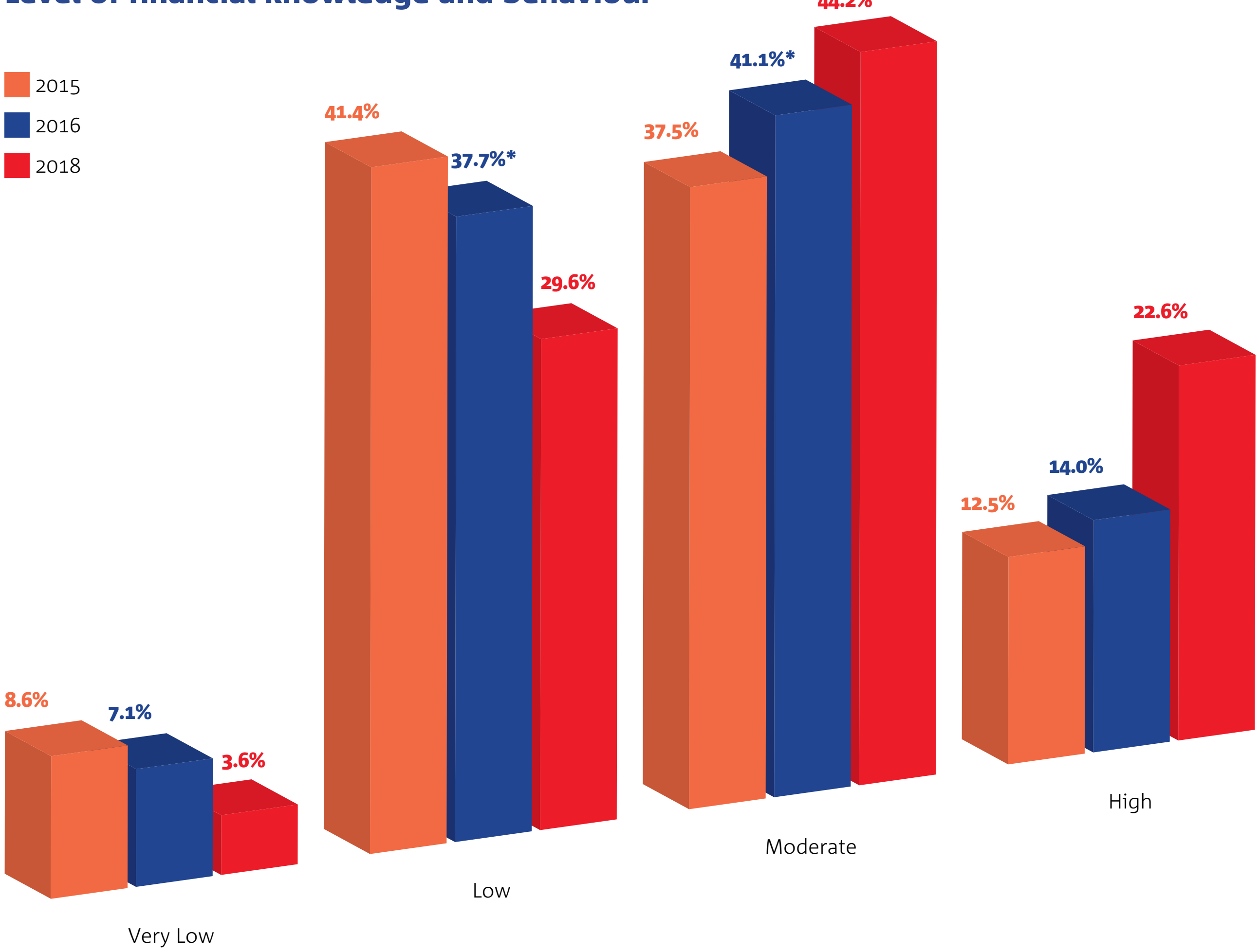


Figure 16: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062, weighted to be representative of the Australian population aged 18+. * statistically significant ($p < 0.05$)

What has changed?

The financial knowledge and behaviour component considers people's level of knowledge of financial products and services; their confidence using financial products and services; their willingness to seek financial advice; and their proactive financial behaviours.

There was no significant change in reported understanding of, and confidence using financial products and services in Australia between 2016 and 2018. 46% of respondents in 2018 indicated that they had a good or very good understanding of financial services and products, and 60% reported that they felt reasonably confident or very confident using financial services and products.

Overall, there was a positive attitude towards seeking financial advice in 2018. A lower proportion reported they would never consider seeking financial advice in 2016 and 2018 (4.9% and 4.0% respectively) than in 2015 (6.0%; Figure 17). In 2018, 29.7% of respondents said that they had sought advice or information previously and would do so again, In 2018 2.4% said that they had sought information or advice previously but would not do so again.

Figure 17:
When would you seek financial advice and/or information?

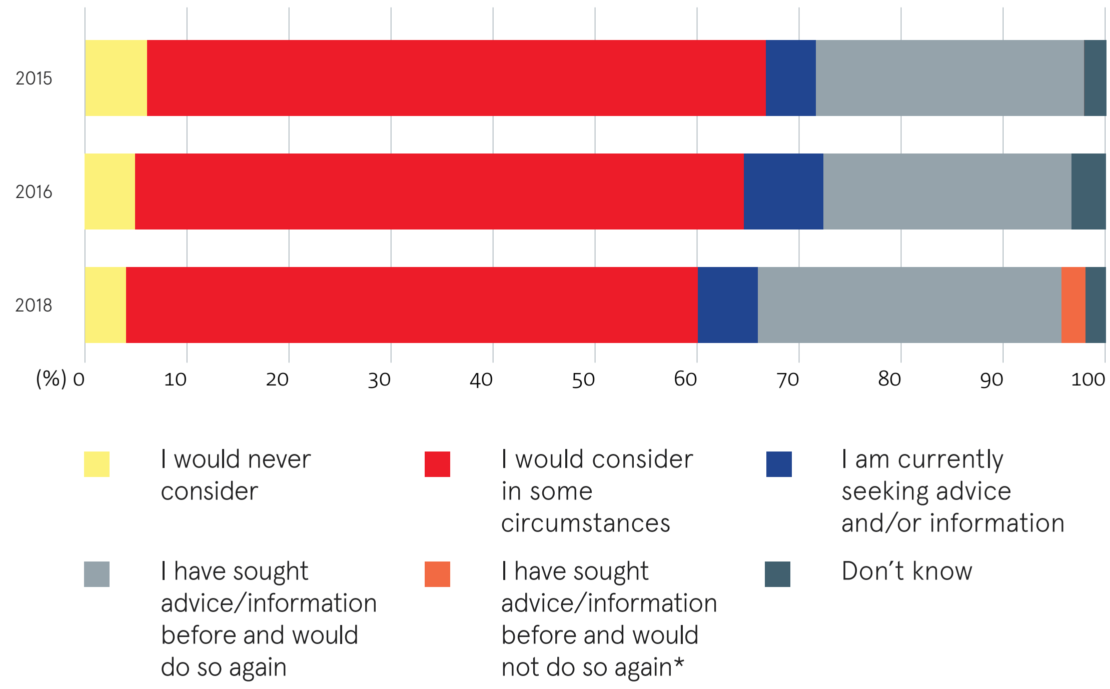


Figure 17: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062, weighted to be representative of the Australian population aged 18+. Differences between the two years are statistically significant, chi-square test ($p < 0.05$) *Item only asked in 2018 survey

When looking at proactive financial behaviours, there was a significant decrease in the number of respondents who indicated they did not employ any proactive financial behaviours (2.5%, compared to 8.8% in 2016). This change may be partly explained by the inclusion of two new proactive behaviours: checking bank statements for unusual or suspicious entries (which 80% of the sample indicated they did), and checking credit card statements for unusual or suspicious entries (which 65.5% of the sample did).

However, there was also a significant decline in the proportion of respondents who indicated they paid more than the minimum repayment on their home loan in 2018 compared to 2016 (25.2% and 28.9% respectively).

Respondents with very low and low levels of economic resources had significantly lower levels of reported financial knowledge and behaviour compared to respondents who had higher economic resources scores ($p < .001$) (see Figure 18).

In line with the overall population trend towards an increase in financial knowledge and behaviour, all economic resource groups had higher levels of financial knowledge and behaviour in 2018 compared to previous surveys. Encouragingly, this was particularly the case for respondents in the very low economic resource category: 22.2% were classified as having very low financial knowledge and behaviour in 2015; this reduced to 13.0% in 2018, and 38.0% were classified as having moderate levels of financial knowledge and behaviour.

Figure 18:

Financial knowledge and behaviour category, by economic resources

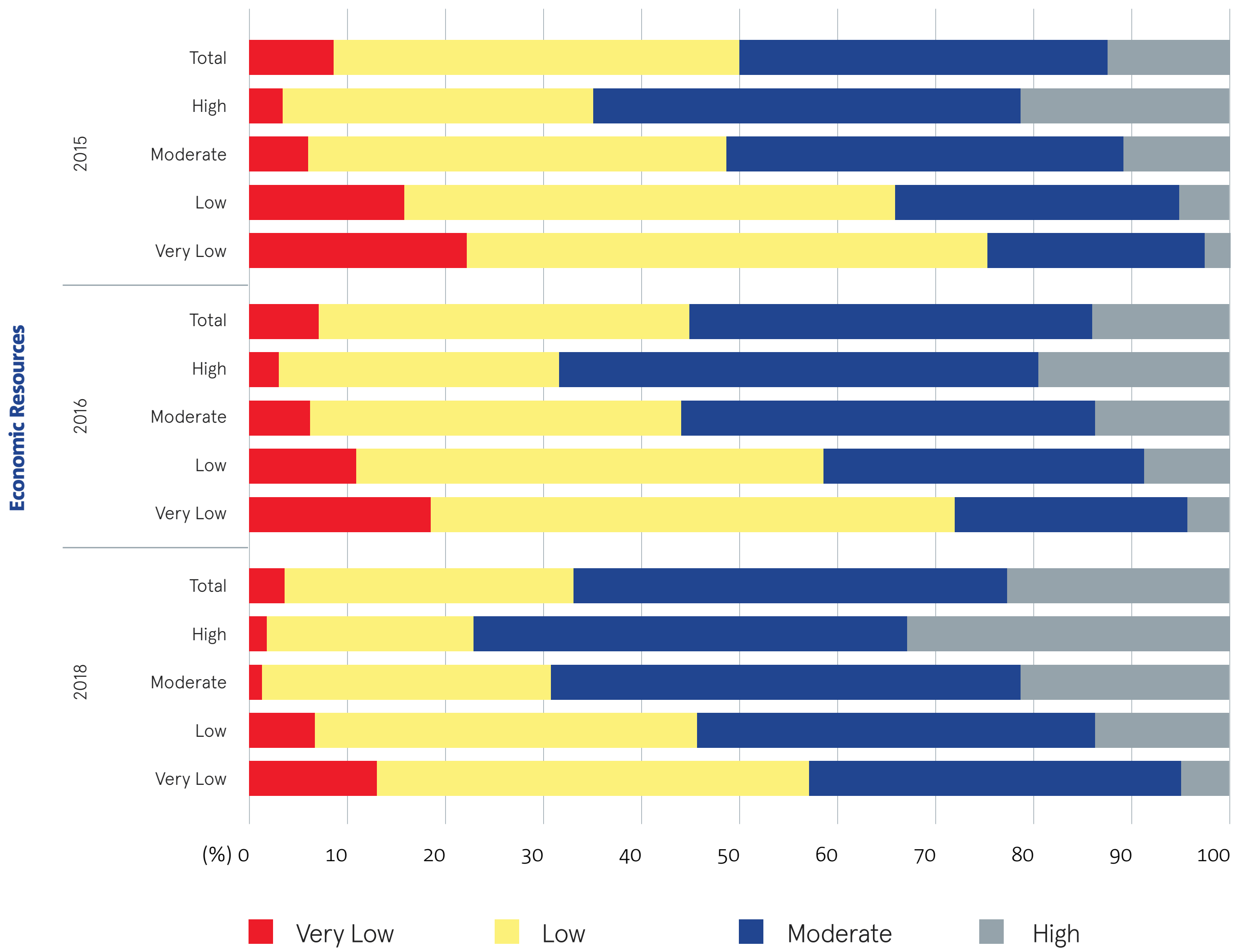


Figure 18: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2,062, weighted to be representative of the Australian population aged 18+.

Using the 2018 survey, financial advice seeking behaviours were explored across economic resource categories. While overall, 94% of the sample indicated that they would consider or had previously sought financial advice, this source of advice differed according to economic resource category.

As shown in Figure 19 below, respondents in the very low and low economic resources category were significantly more likely than respondents with higher levels of economic resources to have either previously used or consider using a free community service for financial advice (p < .001). Of the very low economic resource respondents, 60.2% indicated that they had used, or would use a free community service, compared to 22.5% of respondents in the high economic resources category.

In contrast, respondents in the moderate and high economic resources categories were significantly more likely to indicate that they would, or already have sought advice from a paid professional service (p < .001). For example, while 63.5% and 68.6% of people with moderate and high levels of economic resources reported using this service, respectively, only 29.0% of respondents with very low levels of economic resources indicated the same.

There were no significant differences across other sources of information and advice, such as government information services, or online resources, which suggests the actual advice seeking could be related to having the resources to do so. Indeed, a significantly higher proportion of people with very low economic resources (4.4%) indicated they did not know what sources of information and advice they would use. This suggests that for individuals with lower economic resources, there are fewer perceived and actual options for financial advice at no or low cost.

Figure 19:

Sources of financial advice and information, by economic resources category

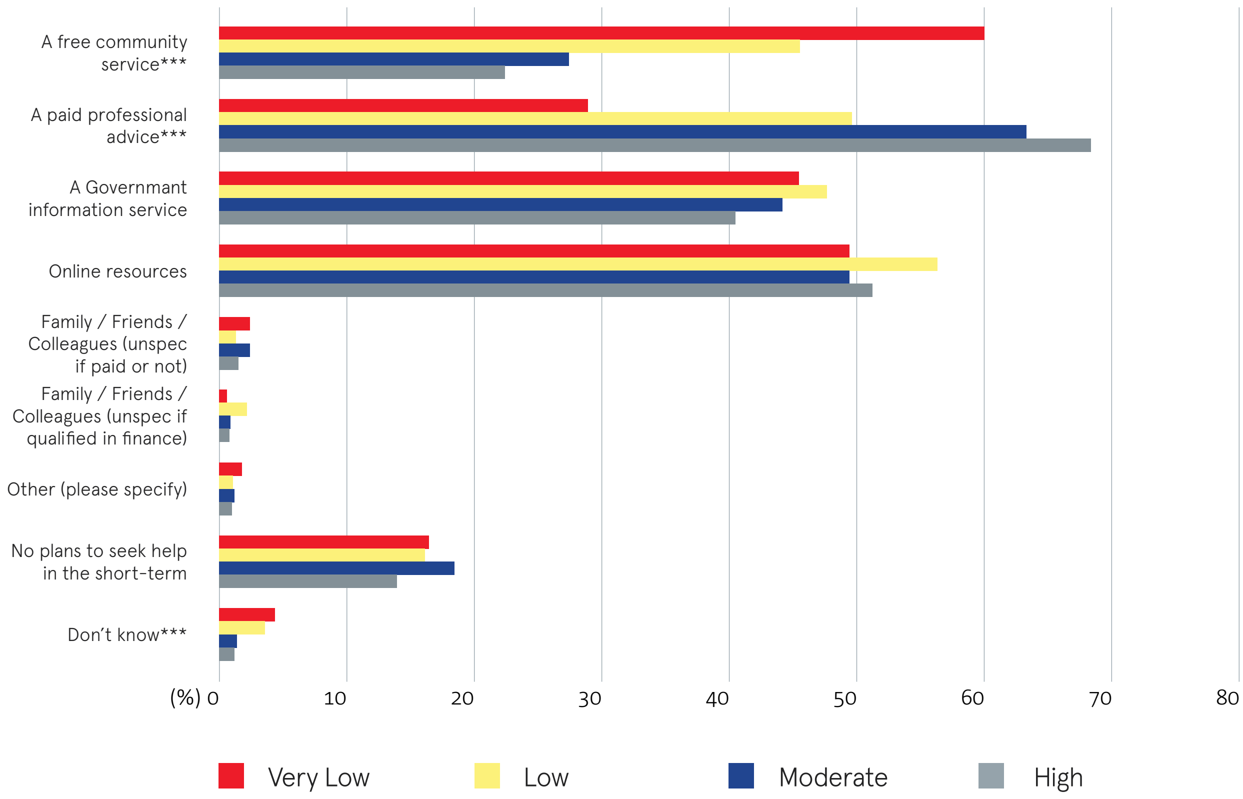


Figure 19: Roy Morgan Research 2018

Notes: Sample size = 1,937 weighted to be representative of the Australian population aged 18+.
There was a significant difference across groups (***p < .001).

Social capital

There was a trend of decreasing levels of social capital between 2016 and 2018 – and the decrease was most significant for adults who had moderate and high levels of economic resources.

There has been a significant decrease in the proportion of people with a high level of social capital from 53.4% in 2016 to 49.0% in 2018 (Figure 16). At the same time, there has been a significant increase in the proportion of people with moderate levels of social capital between the two years, while the proportion in the very low and low categories remained statistically unchanged.

Figure 20:
Level of social capital

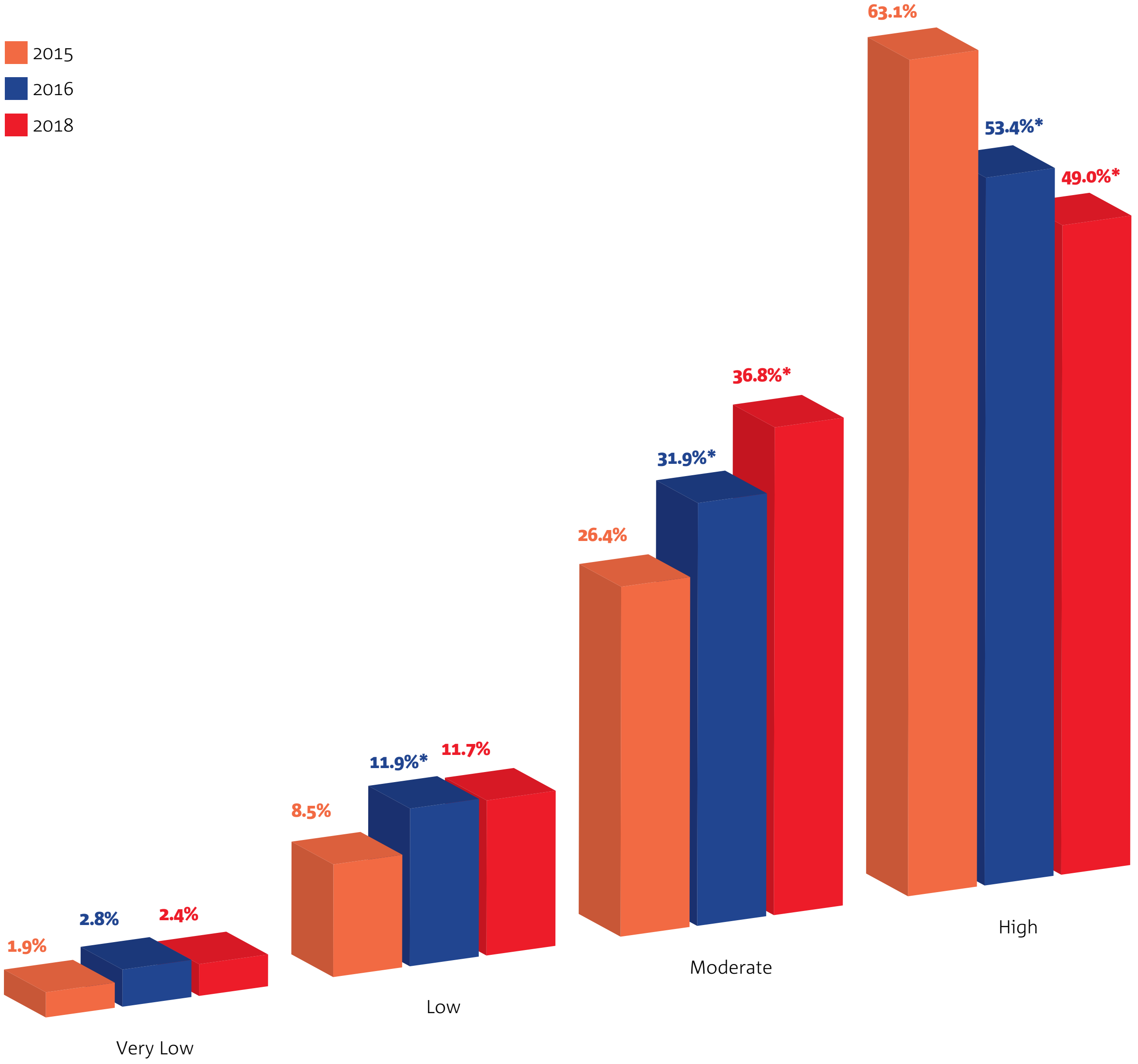


Figure 20: Source: Roy Morgan Research 2015, 2016, 2018

Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2018 = 2,062, weighted to be representative of the Australian population aged 18+. * statistically significant ($p < 0.05$)

What has changed?

The social capital component looks at people's level of contact with social connections; the likelihood of receiving financial support from social connections; and the level of government or community support they receive.

There was a significant change in how Australians connected with others in 2018 ($p < 0.05$)[D]. The proportion of people who reported having regular contact with close connections dropped in 2018 to 52.5% in 2018 from 68.0% in 2016, and regular contact with distant social connections increased to 29.6% in 2018 from 12.9% in 2016. The proportion of people who reported that they only had occasional contact with others, or were isolated or alone most of the time remained statistically unchanged between 2016 and 2018.

When asked how likely they were to get financial support from social connections, 12.6% reported that they would always or very likely receive financial support from their social connections (Figure 21), and 31.4% said it was fairly likely they would get support. This was not significantly different from 2016. This suggests that while social capital decreased overall, people's perceived ability to get financial support from social connections has not changed.

Figure 21:

Likelihood of getting financial support from social connections (2018)

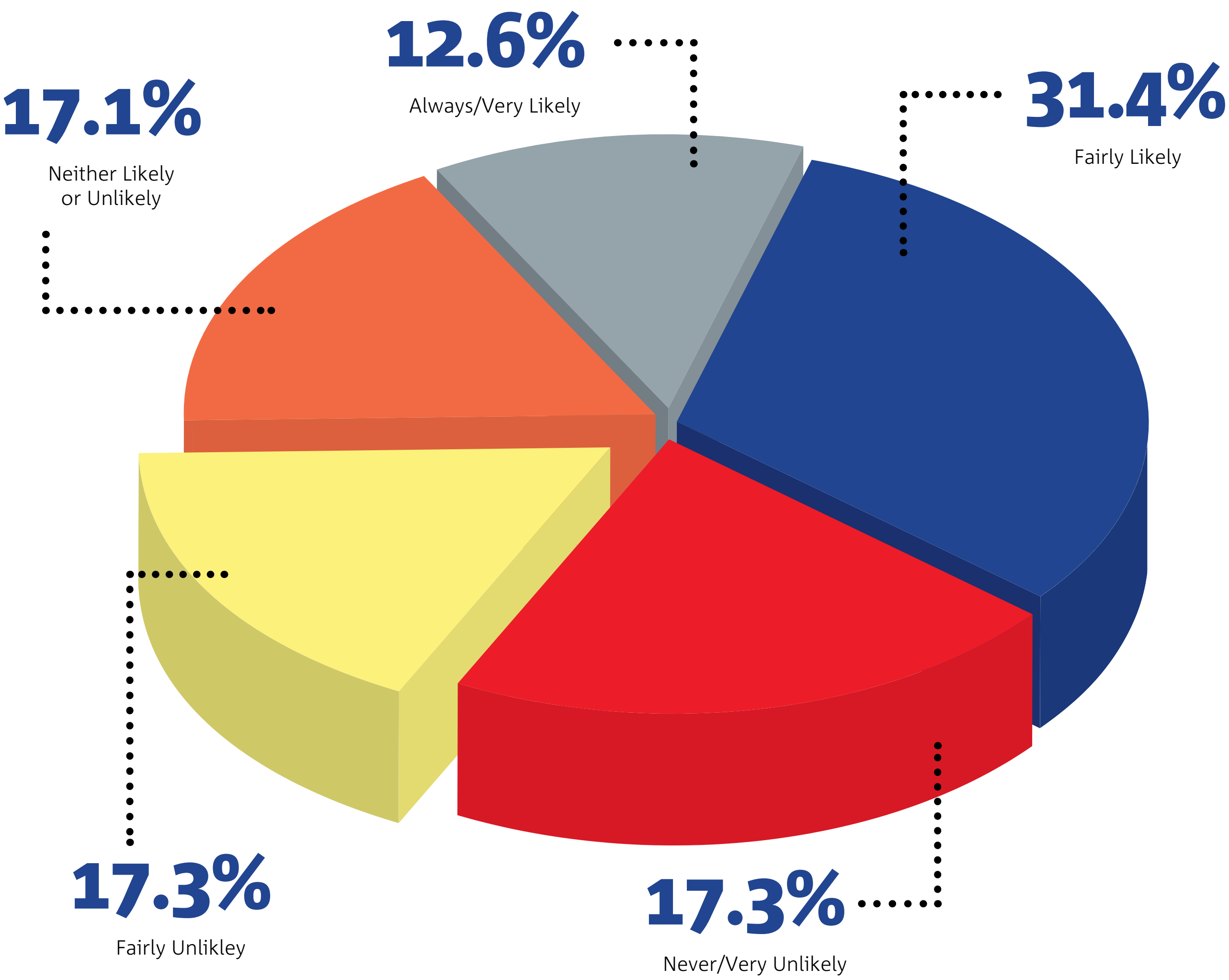


Figure 21: Source: Roy Morgan Research 2018
Notes: Sample size = 2,062 weighted to be representative of the Australian population aged 18+

[D] The wording of the contact with social connections questions changed slightly in the 2018 survey (see Appendix), which may have contributed marginally to the reported change.

Levels of social capital also differed significantly across economic resource levels. On average, about 60% of people with moderate and high levels of economic resources also had high levels of social capital across all survey years, compared to under 50% and 30% for people with low and very low levels of economic resources respectively (see Figure 22). Overall levels of social capital did not shift significantly for individuals with very low and low levels of economic resources across the three surveys, although there was a significant downward shift towards moderate levels of social capital for respondents with moderate and high levels of economic resources (p < .001). Considering that there has been a downward trend in social capital overall since 2015, this analysis suggests that it is the decrease in the social connections of higher economic resource groups that is primarily contributing to this change.

Figure 22:
Social capital category, by economic resources category

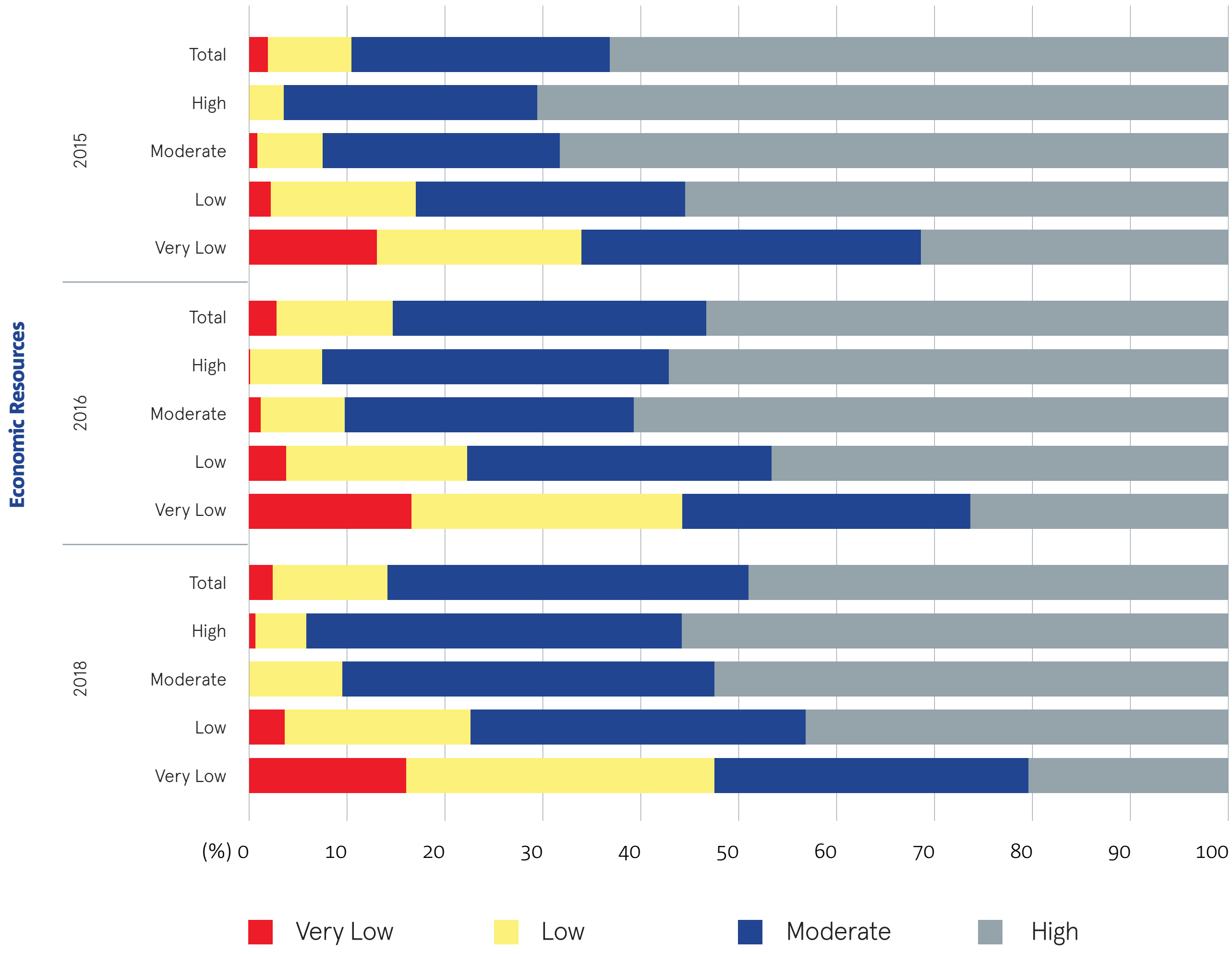


Figure 22: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2,062, weighted to be representative of the Australian population aged 18+. There was a significant difference across groups, across all years (p < .001)

The reported level of need for community and government support was also not significantly different between 2016 and 2018. 80.3% reported that they did not require any form of Government support – but 5% of respondents reported needing support, but were not able to access it (see Figure 23).

Figure 23:

Access to community and government support (2018)

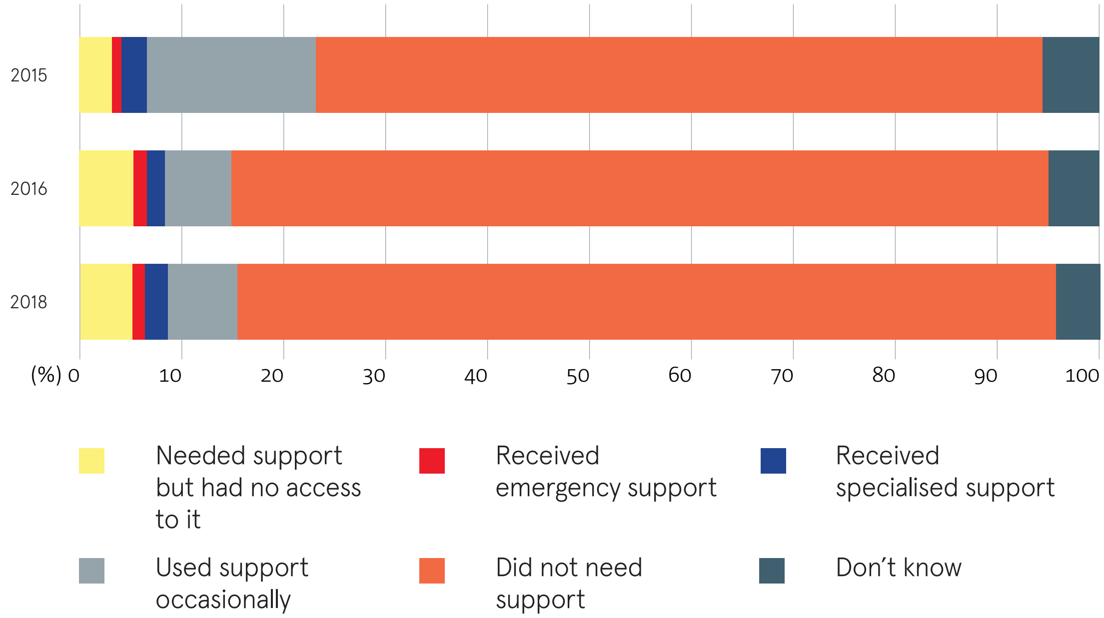


Figure 23: Source: Roy Morgan Research 2015, 2016, 2018
Notes: Sample size 2015 = 1,496, sample size 2016 = 2,006, sample size 2,062, weighted to be representative of the Australian population aged 18+. Differences between 2016 and 2018 are not statistically significant.

Examining the types of government or community support accessed in 2018 by economic resource level demonstrated that, as expected, it was predominantly people with very low economic resources who utilised these services. Around half of the people with very low economic resources and a quarter of those with low economic resources who had used government or community services in the last twelve months had received a Centrelink Advance payment or had received a payment plan or extension on bill or rate payments (see Figure 24). 12% of respondents with very low economic resources also indicated they had accessed a No Interest Loan Scheme (NILS), and a further 3.4% had received a low interest loan through a community organisation. However, considering that 5% of the total respondents reported that they had needed government or community support in the past twelve months and could not access it, and very low economic resource respondents reported greater difficulty in accessing services due to distance or lack of service in their area, there is a possibility that community based financial support initiatives such as NILS require additional support to achieve the scale and flexibility required to meet needs.

Figure 24:
Type of Government or community support accessed, by economic resources category

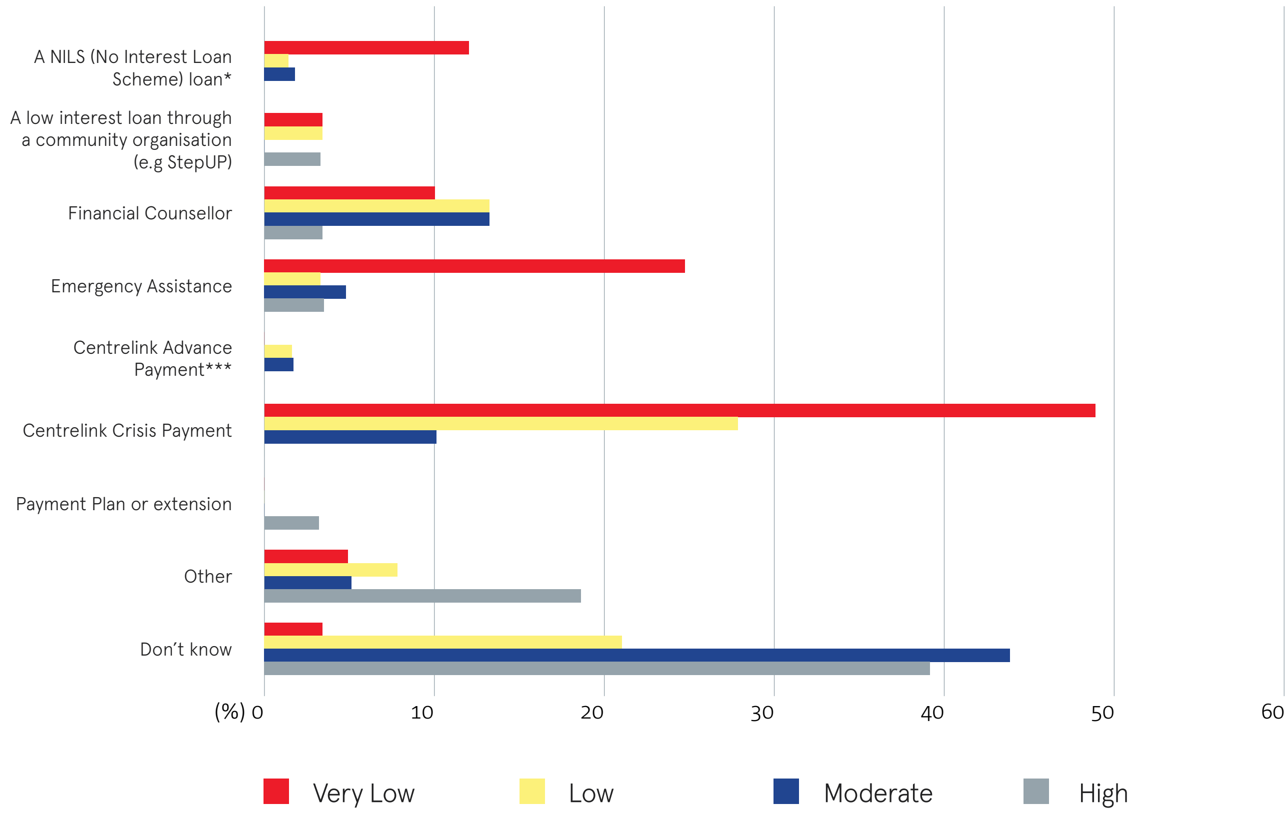
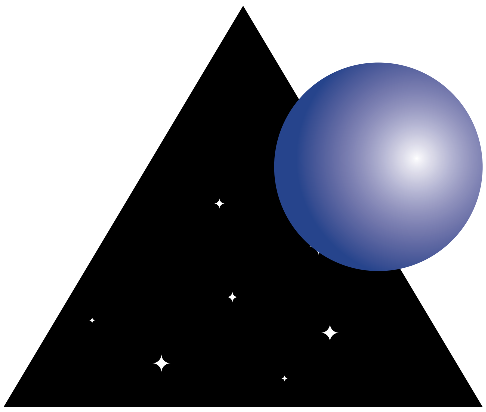
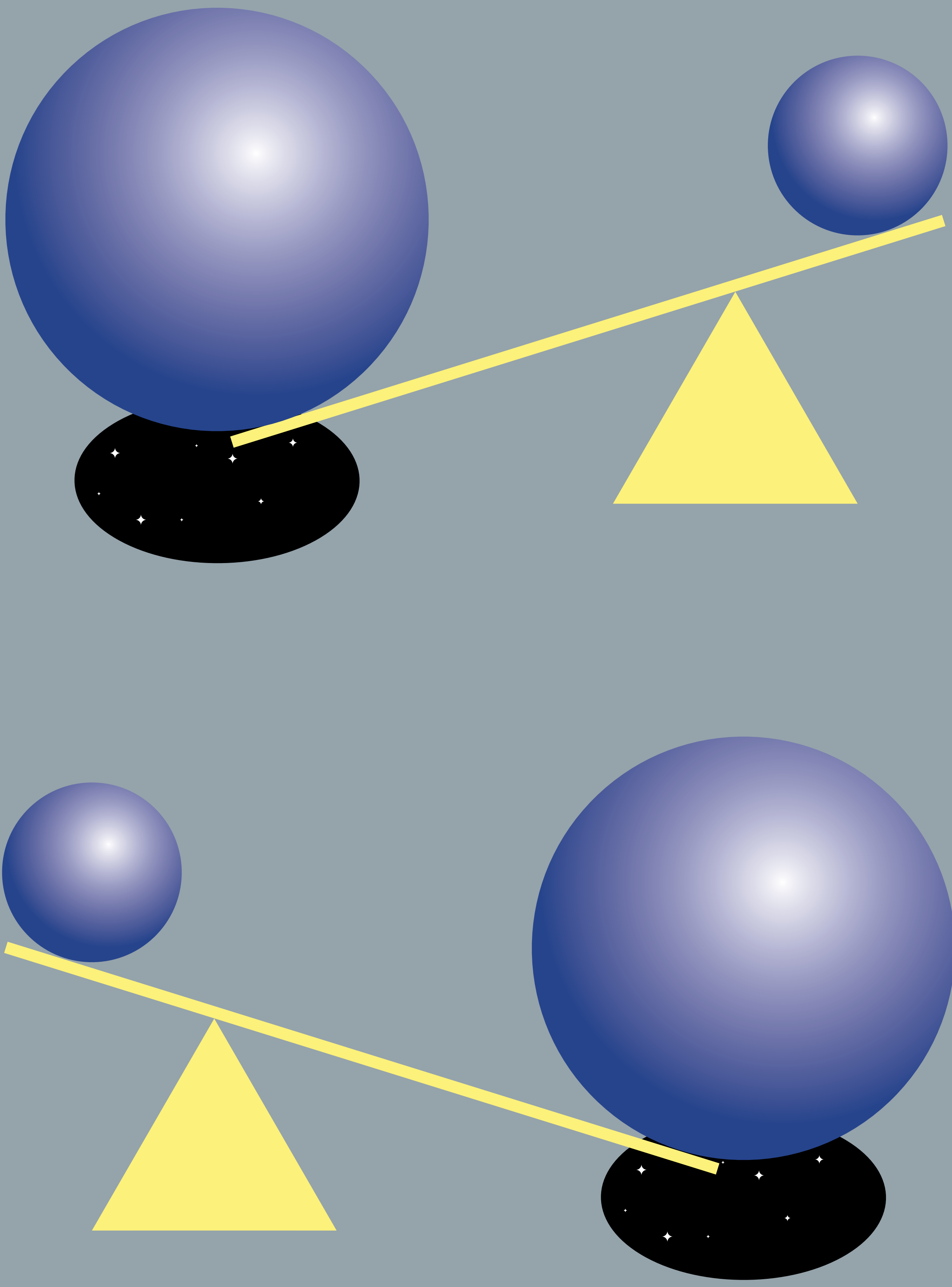


Figure 24: Source: Roy Morgan Research 2018
Notes: Sample size = 211 weighted to be representative of the Australian population aged 18+. There was a significant difference across groups (*p<.05; **p < .01; ***p < .001).





Financial Resilience: State Comparisons

As the Financial Resilience report is in its third year, it is important to consider what the findings indicate about financial resilience for individuals in varying contexts and places, rather than simply considering the national average in scores.

Recognising that access to the resources necessary for financial resilience might differ based on location, a priority of the 2018 survey and report was to conduct analyses that compared the financial resilience scores across Australian States and Territories. Each State and Territory has its own unique social context that will influence their residents' overall financial situation and ability to bounce back from financial shocks. Greater sample numbers are needed to conduct robust analyses according to demographic characteristics such as age group, employment status and remoteness. However, an analysis according to gender is presented here as an example of potential diversity that can occur across States and Territories.

Financial resilience

Overall, financial resilience levels were not statistically different across States and Territories (Table 9). There were also no significant differences between the proportion of respondents in each category of financial resilience across States or Territories (see Figure 25).

Figure 25:

Financial resilience category, by State or Territory (2018)

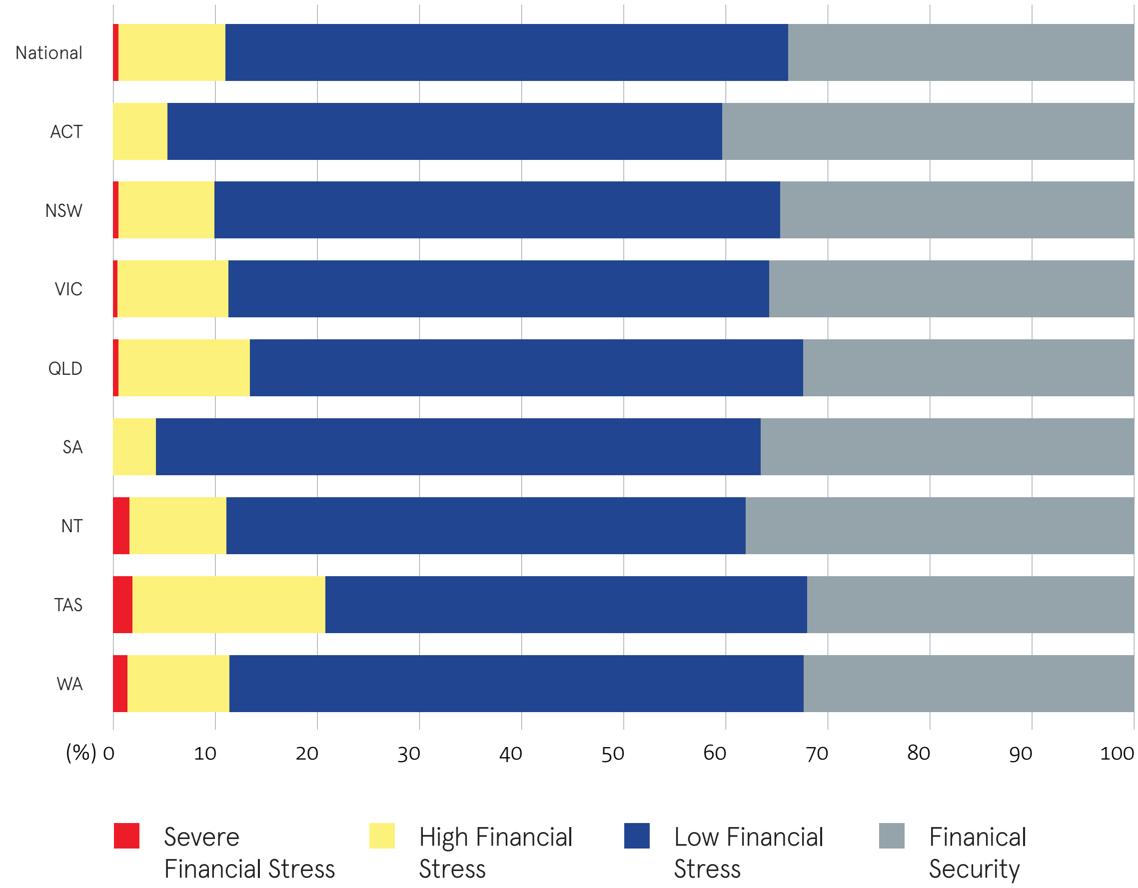


Figure 25: Source: Roy Morgan Research 2018

Notes: Sample size 2018= 2,062 weighted to be representative of the Australian population aged 18+. There were no significant differences between groups.

Although mean scores for overall financial resilience did not differ from each other significantly across States and Territories, there was a significant difference in mean scores for social capital. Queensland and Western Australia had lower scores (3.06 and 3.09, respectively) compared to the Australian Capital Territory and South Australia (3.22 and 3.23, respectively). In spite of variation across States and Territories for other component scores, these differences were not statistically significant.

Figure 26:
Mean financial resilience and component scores, by State or Territory (2018)

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Financial resilience	**3.05**	**3.14**	**3.06**	**3.05**	**3.03**	**3.09**	**3.09**	**2.95**	**3.02**
Economic resources	2.92	3.12	2.94	2.96	2.87	2.91	3.01	2.71	2.85
Financial products and services	3.26	3.29	3.24	3.25	3.28	3.30	3.38	3.24	3.24
Financial knowledge and behaviours	2.88	2.93	2.89	2.86	2.89	2.93	2.86	2.74	2.89
Social capital*	3.14	3.22	3.16	3.15	3.06	3.23	3.11	3.12	3.09

Figure 26: Source: Roy Morgan Research 2018
Notes: Sample size 2018= 2,062 weighted to be representative of the Australian population aged 18+. *There was a significant difference in means between groups.

Men and women were compared across States and Territories to explore whether there were any significant differences in either overall financial resilience category or its related components.

The distribution of financial resilience and its related components was relatively equal across States and Territories for both men and women. The only significant difference observed was for economic resource categories for women (Figure 27) – a higher proportion of women in Tasmania had very low levels of economic resources, and a higher proportion of women in the Australian Capital Territory had high levels of economic resources. Tasmania and South Australia both had lower proportions of women in the high economic resource category. This difference in distribution was not replicated among men.

Figure 27:
Level of economic resources – by gender and State or Territory (2018)

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
MEN									
Very low	**8.3%**	3.0%	7.1%	9.3%	11.0%	2.9%	8.3%	0.0%	11.4%
Low	**17.7%**	19.0%	19.7%	13.4%	15.4%	24.3%	18.9%	18.3%	21.3%
Moderate	**33.9%**	28.7%	34.3%	29.8%	36.3%	37.0%	28.6%	56.2%	33.0%
High	**40.1%**	49.4%	38.9%	47.5%	37.3%	35.7%	44.2%	25.6%	34.3%
WOMEN*									
Very low	**9.9%**	8.2%	8.9%	8.2%	11.3%	9.3%	6.9%	32.5%	11.0%
Low	**20.5%**	12.1%	20.9%	21.6%	18.9%	19.8%	20.8%	13.9%	23.4%
Moderate	**35.4%**	28.0%	31.4%	38.3%	35.2%	46.1%	38.3%	39.1%	33.8%
High	**34.2%**	51.8%	38.8%	31.9%	34.7%	24.8%	34.0%	14.5%	31.9%

Figure 27: Source: Roy Morgan Research 2018
Notes: Sample size 2018 nationally = 2,062, weighted to be representative of the Australian population aged 18+. National population proportion estimates included for comparison. *Differences between States and Territories were significant ($p < .05$).

Conclusion

The level of financial resilience overall improved between 2016 and 2018, and more people were considered to be financially secure. Despite this, around 2.1 million Australians are estimated to be experiencing severe or high financial distress. This report suggests that this stress may be concentrated in individuals with lower levels of economic resources with inadequate access to credit, financial services and government support, while individuals with higher levels of economic resources are potentially overindebted and liable to increased distress if they experience a financial shock.

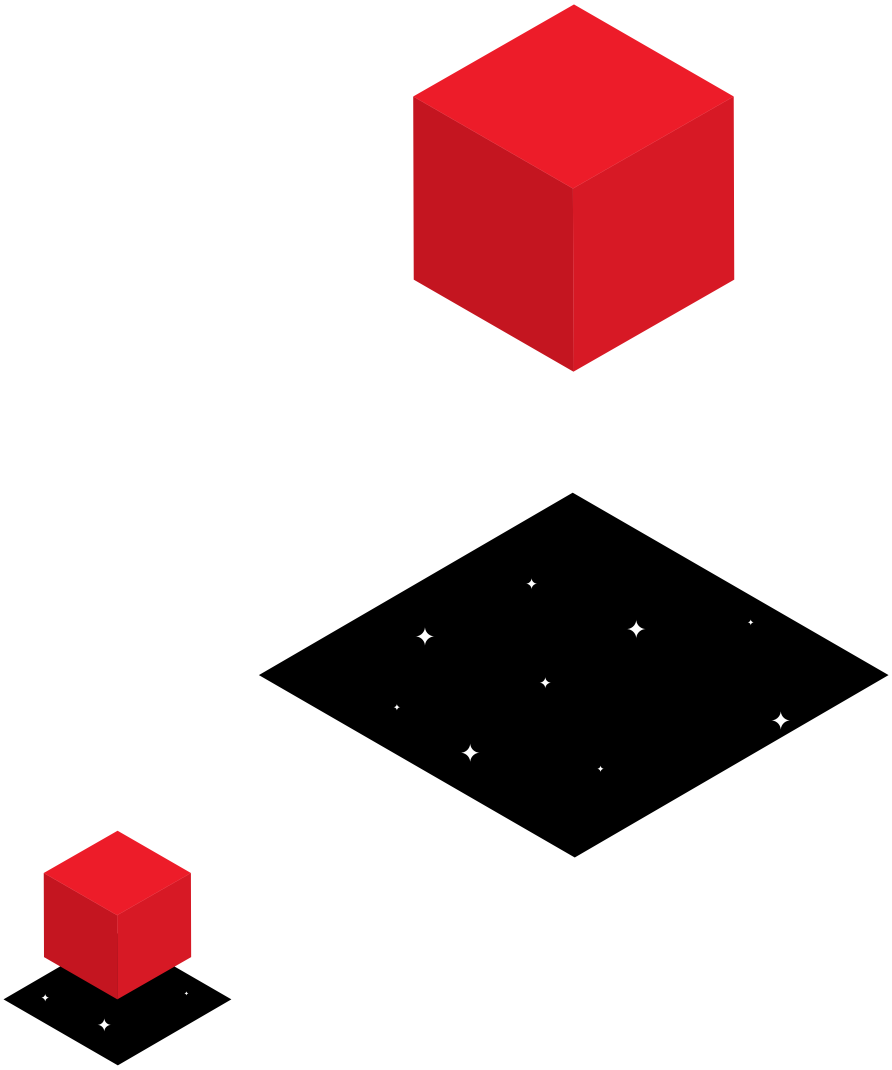
The mean level of financial knowledge and behaviours has continued to increase, while social capital has simultaneously decreased. Financial knowledge and behaviour was not significantly different across respondents based on economic resources – thus, providing more financial capability training alone is unlikely to reduce financial stress for those with lower economic resources. It is not yet clear the consequences of having lower levels of social connection could have on the ability to bounce back from financial shocks, but it is possible that having access to both emotional and financial support from social connections is important when dealing with financial stresses.

Next steps and future research

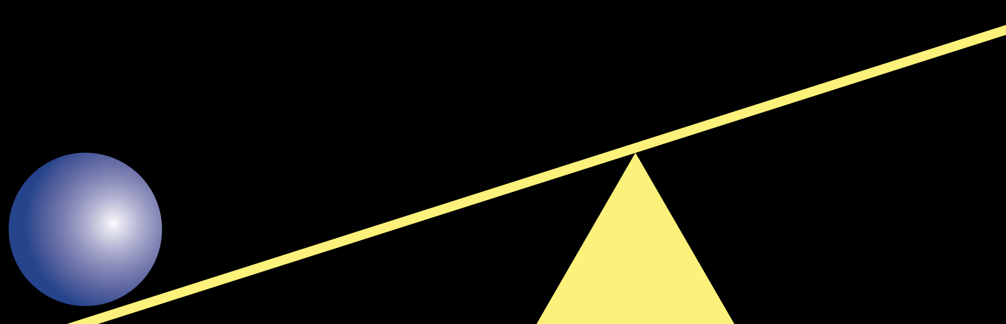
This report has begun to explore how financial resilience is demonstrated across subgroups of the adult population in Australia. Women and young people have reported lower levels of economic resources, and future research could:

- Explore whether different components have different 'weightings' of importance – for example, if women have lower economic resources on average, is social capital more important for them in protecting against financial distress?
- Further explore the financial decision-making processes and behaviours of people with lower levels of economic resources, to better understand how difficulties in accessing services and government support impacts on overall financial stress.

Nearly all respondents (96%) indicated that they were open to seeking financial support or advice. Addressing barriers, such as cost, location or accessibility for people with disability or language difficulties is a structural change that can better support individuals if they are either experiencing, recovering from, or planning to avoid financial stress. Further understanding and addressing these barriers and how they inform financial decision making, along with addressing other levers, such as increasing economic resources and affordable financial products and services, will assist to improve the financial resilience of the population.



Financial stress may be concentrated in individuals with lower levels of economic resources



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Appendix 1

Sample Details

The 2018 sample details are presented below. Please see Marjolin, Muir et al.[15] for 2016 and Muir, Reeve et al.[2] for 2015 sample details.

Demographic characteristic		Sample Size
	TOTAL	**2062**
Gender	Male	985
	Female	1077
Age	18–24	184
	25–34	386
	35–49	541
	50–64	514
	65+	437
Location	Australian Capital Territory	57
	New South Wales	626
	Victoria	514
	Queensland	397
	South Australia	142
	Northern Territory	63
	Tasmania	53
	Western Australia	210
Country Of Birth	English speaking country	1851
	Non English speaking country	211
Educational attainment	Year 12 and below	455
	Certificate or Diploma	645
	Bachelor's degree or higher	943
	Prefer not to say	19

Demographic characteristic		Sample Size
Labour force status	35 hours or more per week	837
	Less than 35 hours a week and happy with hours	330
	Less than 35 hours a week but want more hours	134
	Not working, looking for work	121
	Not working, not looking for work	601
	Prefer not to say	39
Income	Under $20,000	357
	$20,000 – $39,999	390
	$40,000 – $59,999	322
	$60,000 – $79,999	262
	$80,000 – $99,999	188
	$100,000 or more	273
	Unknown	270
Housing	Living in a temporary or insecure accommodation, such as boarding houses and caravan parks	6
	Homeless or in a shelter or refuge	0
	Living in a housing commission property, community housing or public housing	36
	Living in a very short term rental (e.g. no lease or a lease of less than 6 months)	31
	Rental property with private lease	392
	Living in student accommodation	6
	Living at home with my parents	195
	Living in a home that I own	1,309
	Other	60
	Prefer not to say	27

Appendix 2

Financial Resilience Survey 2016

Screening and Quota

SDGEN Are you...

1. Male
2. Female

SDAGE How old are you?

1. 18 – 24
2. 25 – 34
3. 35 – 49
4. 50 – 64
5. 65+

99. Prefer not to say

SDARE What state/territory do you live in?

1. Australian Capital Territory
2. New South Wales
3. Victoria
4. Queensland
5. South Australia
6. Northern Territory
7. Tasmania
8. Western Australia
9. Outside Australia

99. Prefer not to say

PCODE What is your post code?

[Insert free text]

98. Don't know

Questionnaire Body

B1. How often do you experience financial problems (such as missed payments)?

1. Never
2. Rarely
3. Occasionally
4. Quite often
5. Very often

98. Don't know

B2. How much understanding do you have about financial services and products?

1. I don't understand them at all
2. I have a basic understanding
3. I have a good understanding
4. I have a very good understanding

98. Don't know

B3. How confident do you feel about using financial services and products?

1. I have no confidence
2. I have limited confidence
3. I am reasonably confident
4. I am very confident

98. Don't know

B4. When would you seek financial advice and/or information?

1. I would never consider
2. I would consider in some circumstances
3. I am currently seeking financial advice
4. I have sought financial advice/information before and would do so again
5. I have sought financial advice/information before and would not do so again

98. Don't know

B4.1. Which sources of advice and information would you consider or have you already used? Choose all that apply.

1. A free community service
2. A paid professional advice
3. A Government information service
4. Online resources
5. No plans to seek help in the short-term

97. Other (please specify)

98. Don't know

B5. Which of the following have you done in last 12 months? Choose ALL that apply

1. Followed a budget
2. Saved regularly
3. Paid more than the minimum repayment required by credit card company or loan provider
4. Paid more than the minimum home loan repayment
5. Made voluntary contributions towards superannuation
6. Checked my bank statements for unusual/suspicious entries
7. Checked my credit card statements for unusual/suspicious entries

96. None of these

98. Don't know

A9. In the last 12 months, have you experienced difficulties accessing financial products and services for any of the following reasons? Choose all that apply.

2. Cost of service
3. Disability makes it hard to access service
4. Waiting too long/Appointment not available at the right time
5. Language difficulties
6. No service in your area
7. Transport/distance
8. Poor customer service
9. Discrimination because of ethnic or cultural background
1. Cannot trust them
10. Not the right services in your area
97. Other reason (please specify)
96. No difficulties accessing financial services

C1. How frequently do you have face to face contact with family or friends?

1. Everyday
2. At least once a week
3. At least once a month
4. At least once in three months
5. No recent contact
6. No family and no friends
98. Don't know

C2. How frequently do you have telephone (inc. phone calls made online e.g. skype; mobile phones), email, mail, SMS contact with family or friends

1. A few times a day
2. Once a day
3. A few times of week
4. Once a week
5. At least once a month
6. At least one a quarter
7. No recent contact
8. No family and no friends
98. Don't know

C3. Over the past 12 months, how would you describe your level of contact with social connections? Social connections refer to connections with family, friends, work colleagues, neighbours or clubs.

1. I am isolated or alone most of the time
2. I have occasional contact with social connections
3. I have regular contact, mostly with people who know me a little or pretty well
4. I have regular contact with people who know me very well
98. Don't know

C4. How likely are you to get financial support from your social connections (family, friends, work colleagues, neighbours or clubs) in times of crisis?

1. Never/ Very unlikely
2. Fairly unlikely
3. Unsure
4. Fairly likely
5. Always/ Very Likely

C5. How much support have you had from community or government organisations to help with your financial situation over the past 12 months?

1. I needed support, but I had no access to it
2. I received emergency support (e.g. food-banks or vouchers)
3. I received specialised support (e.g. meals on wheels, financial counselling, no interest loan, homecare services)
4. I used their support occasionally, but I was not reliant on them
5. I did not need any community or Government support

98. Don't know

C.5.1 Which of the following types of support have you received in the past 12 months? Choose ALL that apply

1. A NILS (No Interest Loan Scheme) loan
2. A low interest loan through a community organisation (e.g. StepUP)
3. Financial counsellor
4. Emergency Assistance (energy vouchers, food parcels etc.)
5. Centrelink Advance Payment
6. Centrelink Crisis Payment
7. Payment plan or payment extention (e.g. on payment of utility bill; mortgage; credit card)

97. Other – please specify

98. Don't know

C6. What access have you had to a bank account over the past 12 months?

3. I had my own bank account

2. I had access to a bank account only through a partner, relative or friend

1. I had no access to a bank account at all

98. Don't know

C6.1. Which of the following bank accounts do you have access to? Choose all that apply

1. Everyday banking/transaction account
2. Term Deposit
3. High Interest Online Account
4. Bonus Interest or Reward Saver Account

97. Some other savings account (please specify)

98. Don't know

C7. What is your current level of savings (including cash, bank deposits and other formal savings like bonds and term deposits)?

1. I have no savings
2. I have savings equal to less than 1 month's income
3. I have savings equal to 1-2 months' income
4. I have savings equal 3-6 months' income
5. I have savings equal to 6 months' income or more

98. Don't know

C7.1. What is the approximate balance of your total savings?

1. Less than $500
2. $500 to $2,999
3. $3,000 to $4,999
4. $5,000 to $10,000
5. $10,000 or more

98. Don't know

C8. Over the past 12 months, if you needed credit/loans, which of the following did you use or would you have been able to access? Choose all that apply.

1. I had no access to any form of credit/loans
2. A cash loan from a non-bank credit provider (e.g. payday loan or loan from an online or store front lender)
3. A loan from a pawn broker
4. A loan from friends or family
5. A loan from Centrelink
6. A loan (including credit card) from a bank or building society
7. Community finance (e.g. NILS, StepUP)
8. A mortgage or an investment loan

98. Don't know

C8.1. You mentioned that you have access to credit. Which of the following types of credit have you accessed over the past 12 months? Choose all that apply

1. A loan from family
2. A loan from friends
3. Credit card
4. Personal loan
5. Mortgage
6. Other mainstream credit (i.e. from a bank)
7. A Centrelink Advance
8. A community finance loan (e.g. NILS, StepUP)
9. A small cash loan from a non-bank credit provider of up to $2,000 (to be repaid between 16 days and 1 year; from an online or store front lender)
10. A 'medium amount' loan from a non-bank credit provider between $2,001 and $5,000 (to be repaid between 16 days and 2 years; from an online or store front lender)
11. Consumer leases or rent-to-own contracts

97. Other type of loan or credit facility

96. None of the above

98. Don't know

C8.2. What is your current level of debt? Choose one only

1. I have more debts than I can pay back
2. I have debts that I am just managing to pay back
3. I have debts that I am managing to pay back comfortably
4. I have debts that I am managing to pay back very comfortably
5. I have no debts

98. Don't know

C8.3. You mentioned previously that you currently have debts. Excluding your mortgage, what is your combined approximate outstanding debt balance?

1. Less than $3,000
2. $3,000 to $4,999
3. $5,000 to $10,000
4. $10,000 or more

98. Don't know

C8.4. You mentioned previously that you had a mortgage. What is your approximate outstanding mortgage balance?

[Insert free text]

98. Don't know

C8.5. What is your approximate outstanding mortgage balance?

1. Less than $50,000
2. $50,000 to $99,999
3. $100,000 to $199,999
4. $200,000 to $299,999
5. $300,000 to $499,999
6. $500,000 or more

98. Don't know

C9. Do you need more credit/loans than you currently have?

1. Yes, I need a lot more
2. Yes, I need a little more
3. I could use some more, but I can go without it
4. No, I already have all the credit/loans I need
5. No, I do not want to use any credit/loans

98. Don't know

C9.1. What do you need more credit/loans for? Choose all that apply

1. Car-related expense (e.g. buying a car, insurance, repairs, registration)
2. Education-related expense (e.g. school fees, TAFE fees, purchase of laptop)
3. Health and medical related expenses (e.g. surgery, medication, dentist)
4. Rent / accommodation
5. Big household expense (e.g. repairs, furniture, electrical equipment)
6. Small household expense (e.g. food, clothing)
7. Water, gas, electricity, telephone
8. Paying back other debts
9. Emergency or "just in case"

97. Other (please specify)
98. Don't know

C10. In an emergency (e.g. your car breaks down, your washing machine or fridge stops working), would you be able to get $2,000 within a week to deal with it?

1. Yes
2. No

98. Don't know

C10.1. Where would you get this money from? Choose all that apply.

1. Family or friends
2. Savings
3. Borrowing from the bank (e.g. a loan or overdraft)
4. Using a credit card
5. Payday loan, online or store front lender, pawn broker

97. Other (please specify)
98. Don't know

C10.2 You have indicated that you could get $2,000 for an emergency from the following sources. Please rank them in order from the most to the least amount of money you would be able to get. For example, if you could get most of the amount from your savings and would have to borrow the rest from family or friends, rank savings first and family or friends second.

1. Family or friends
2. Savings
3. Borrowing from the bank (e.g. a loan or overdraft)
4. Using a credit card
5. Payday loan, online or store front lender, pawn broker

97. <Text from code 97 on C10.1>

C11. What has been your level of insurance over the past 12 months?

1. I had no form of insurance
2. I had some insurance
3. I had basic insurance
4. I had a lot of insurance

98. Don't know

C11.1 You mentioned that you have access to insurance. Which of the following types of insurance do you have? Choose ALL that apply

1. Motor-vehicle- insurance
2. Home (building) insurance
3. Home (contents) insurance
4. Health insurance
5. Life insurance
6. Income protection

97. Other
98. Don't know

C12. Do you need more insurance than you currently have?

1. Yes
2. No

98. Don't know

C12.1. What type of extra insurance do you need? Choose all that apply

4. Health insurance
1. Motor-vehicle- insurance
2. Home building insurance
3. Home contents insurance
4. Health insurance
5. Life insurance
6. Income protection

97. Other (please specify)
98. Don't know

C13. In the last 12 months, how difficult was it for you to meet your necessary cost of living expenses like housing, electricity, water, health care, food, clothing or transport?

1. Very difficult
2. Difficult
3. Neither difficult or easy
4. Easy
5. Very easy

98. Don't know

C14. Which of the following have happened in your household in the past 12 months due to not having enough money? Choose all that apply.

12. Could not pay rent/mortgage
1. Could not pay electricity, gas or telephone bill
2. Could not pay car registration or car insurance
3. Could not pay home/contents insurance
4. Pawned or sold something
5. Went without mealsw
6. Was unable to heat at least one room in the home
7. Asked for money from friends and family
8. Could not pay for hospital or dentist
9. Could not pay for repairs/replacement to essential household items (e.g. washing machine, fridge)
10. Could not pay for car service/repairs
11. Could not pay for children to participate in school activities and outings

97. Other (please specify)
96. None of the above
98. Don't know

A11. During the past 30 days, about how often did you feel...

	ALL OF THE TIME (1)	MOST OF THE TIME (2)	SOME OF THE TIME (3)	A LIITLE OF THE TIME (4)	NONE OF THE TIME (5)	DON'T KNOW (98)
A. Nervous	◯	◯	◯	◯	◯	◯
B. Hopeless	◯	◯	◯	◯	◯	◯
C. Restless or Fidgety	◯	◯	◯	◯	◯	◯
D. So depressed that nothing could cheer you up	◯	◯	◯	◯	◯	◯
E. That everything was an effort	◯	◯	◯	◯	◯	◯
F. Worthless	◯	◯	◯	◯	◯	◯

And finally, a few questions about you.

A1. How much paid work are you currently doing? Please answer considering all your jobs.

1. 35 hours or more per week
2. Less than 35 hours a week and happy with hours
3. Less than 35 hours a week but want more hours
4. Not working, looking for work
5. Not working, not looking for work

99. Prefer not to say

A13 How many jobs do you have?

1. 1
2. 2 or more

99. Prefer not to say

A12. What kind of employment contract do you have in your main job?

1. Permanent (employed on an ongoing basis) or fixed term with a contract of at least 1 year
2. Fixed term with a contract of less than 1 year
3. Casual
4. Self-employed

99. Prefer not to say

A12.2 What was your business' revenue (that is the amount of money your company took in) in the last financial year?

1. Less than $20,000
2. $20,000 to $49,999
3. $50,000 to $99,999

2. $100, 000 to under $2 million
3. $2 million to under $10 million
4. $10 million or more

99. Prefer not to say

A1.1 How long have you been not working and looking for work?

1. Under 1 month
2. 1 to under 2 months
3. 2 to under 3 months
4. 3 to under 6 months
5. 6 months to under 1 year
6. 1 year or more

99. Prefer not to say

A1.2. What is the main reason why you are not working and not looking for work?

1. Studying
2. Retired
3. Don't need the money
4. Stay-at-home parent looking after children
5. Caring for a family member or friend
6. Have a disability or health problem that prevents me from working
7. I'd like to work but don't think I could get a job

97. Other (specify)
99. Prefer not to say

A2. What is your main source of personal income? Personal income is your own income (i.e. not money that you access through your partner or family).

1. Wage or salary
2. Government pension or allowance
3. Superannuation
4. Workers compensation
5. Investment income
6. No personal income

97. Other
99. Prefer not to say

PINC. What is your estimated personal income for the last year (before tax and expenses)?

1. Under $10,000 per year (under $385 per fortnight)
2. $10,000 to $19,999 per year ($385 to $769 per fortnight)
3. $20,000 to $29,999 per year ($770 to $1,154 per fortnight)
4. $30,000 to $39,999 per year ($1,155 to $1,538 per fortnight)
5. $40,000 to $49,999 per year ($1,539 to $1,923 per fortnight)
6. $50,000 to $59,999 per year ($1,924 to $2,308 per fortnight)
7. $60,000 to $69,999 per year ($2,309 to $2,692 per fortnight)
8. $70,000 to $79,999 per year ($2,693 to $3,077 per fortnight)
9. $80,000 to $89,999 per year ($3,078 to $3,462 per fortnight)
10. $90,000 to $99,999 per year ($3,463 to $3,846 per fortnight)
11. $100,000 to $109,999 per year ($3,847 to $4,231 per fortnight)
12. $110,000 to $119,999 per year ($4,232 to $4,615 per fortnight)
13. $120,000 to $129,999 per year ($4,616 to $5,000 per fortnight)
14. $130,000 to $139,999 per year ($5,001 to $5,385 per fortnight)
15. $140,000 to $149,999 per year ($5,386 to $5,769 per fortnight)
16. $150,000 to $199,999 per year ($5,770 to $7,692 per fortnight)
17. $200,000 to $249,999 per year ($7,693 to $9,615 per fortnight)
18. $250,000 or more per year ($9,616 or more per fortnight)
99. Prefer not to say

A3. Where are you currently living?

1. Living in a temporary or insecure accommodation, such as boarding houses and caravan parks
2. Homeless or in a shelter or refuge
3. Living in a housing commission property, community housing or public housing
4. Living in a very short term rental (e.g. no lease or a lease of less than 6 months)
5. Living in a rental property with a private lease of 6 months or more (including sharing a flat with others)
6. Living in student accommodation
7. Living at home with my parents
8. Living in a home that I own
9. Other (please specify)
99. Prefer not to say

A3.1 How much of your mortgage have you paid off?

1. Completely paid off
2. Less than 50%
3. 50% or more
99. Prefer not to say

A4. How many people aged 15 and over are living in your household on a usual night?

1. One
2. Two
3. Three
4. Four
5. Five
6. Six
7. Seven
8. Eight
9. Nine
10. Ten or more
99. Prefer not to say

A5. How many people aged under 15 are living in your household on a usual night?

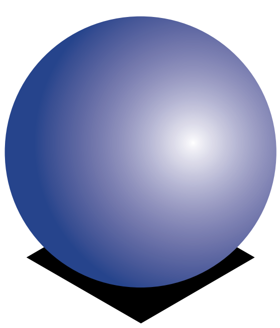
1. One
2. Two
3. Three
4. Four
5. Five or more
6. None

99. Prefer not to say

A6. What is your estimated total household income for the last year (before tax and expenses)?

[Insert free text]

98. Don't know



A6.1. In order to understand how different households deal with financial stress we would appreciate an estimate of your yearly household income (before tax and expenses). Please choose from the ranges below.

1. Under $10,000 per year (under $385 per fortnight)
2. $10,000 to $19,999 per year ($385 to $769 per fortnight)
3. $20,000 to $29,999 per year ($770 to $1,154 per fortnight)
4. $30,000 to $39,999 per year ($1,155 to $1,538 per fortnight)
5. $40,000 to $49,999 per year ($1,539 to $1,923 per fortnight)
6. $50,000 to $59,999 per year ($1,924 to $2,308 per fortnight)
7. $60,000 to $69,999 per year ($2,309 to $2,692 per fortnight)
8. $70,000 to $79,999 per year ($2,693 to $3,077 per fortnight)
9. $80,000 to $89,999 per year ($3,078 to $3,462 per fortnight)
10. $90,000 to $99,999 per year ($3,463 to $3,846 per fortnight)
11. $100,000 to $109,999 per year ($3,847 to $4,231 per fortnight)
12. $110,000 to $119,999 per year ($4,232 to $4,615 per fortnight)
13. $120,000 to $129,999 per year ($4,616 to $5,000 per fortnight)
14. $130,000 to $139,999 per year ($5,001 to $5,385 per fortnight)
15. $140,000 to $149,999 per year ($5,386 to $5,769 per fortnight)
16. $150,000 to $199,999 per year ($5,770 to $7,692 per fortnight)
17. $200,000 to $249,999 per year ($7,693 to $9,615 per fortnight)
18. $250,000 or more per year ($9,616 or more per fortnight)

99. Prefer not to say

A7. What is your level of English?

1. Very poor
2. Poor
3. Basic (neither poor nor good)
4. Good
5. Excellent
98. Don't know

A8. Do you speak a language other than English at home?

1. No, English only
2. Yes, I speak other language(s)
99. Prefer not to say

CountryofBirth. Please record the country of your birth.

1. Australia
7. New Zealand
8. UK / Ireland
4. Greece
5. Italy
6. Other Europe
9. USA
3. Canada
2. Asia
10. Other

A14. Were you ever a refugee – that is, did you (or your family) ever flee from your home to another country to escape danger or persecution?

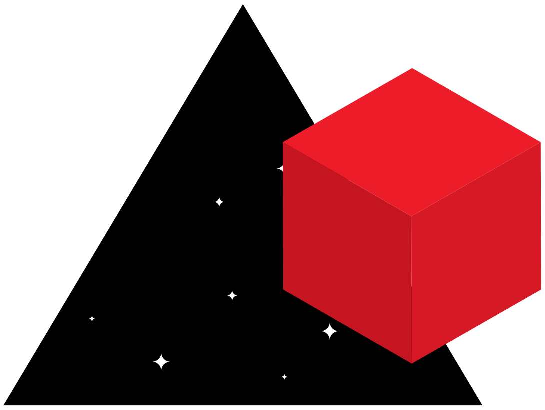
1. Yes
2. No
99. Prefer not to say

Aboriginal. Do you consider yourself to be an Aboriginal or Torres Strait Islander?

1. Yes - Aboriginal
2. Yes - Torres Strait Islander
3. No [Single]

A15. What is the highest level of education that you have already completed? If you were educated in a country other than Australia, please choose the closest option from the list.

1. Year 9 or below
2. Year 10 or 11
3. Year 12
4. Certificate (level unknown)
5. Certificate I or II
6. Certificate III or IV
7. Advanced Diploma or Diploma
8. Bachelor's degree or higher
99. Prefer not to say



Appendix 3

State and Territory Scores

Mean financial resilience and component scores

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Financial resilience	**3.05**	3.14	3.06	3.05	3.03	3.09	3.09	2.95	3.02
Economic resources	**2.92**	3.12	2.94	2.96	2.87	2.91	3.01	2.71	2.85
Financial products and services	**3.26**	3.29	3.24	3.25	3.28	3.30	3.38	3.24	3.24
Financial knowledge and behaviours	**2.88**	2.93	2.89	2.86	2.89	2.93	2.86	2.74	2.89
Social capital*	**3.14**	3.22	3.16	3.15	3.06	3.23	3.11	3.12	3.09

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. *Difference in means across States and Territories was significant ($p < .05$)

Financial Resilience Category

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Severe financial stress	0.5%	0.0%	0.5%	0.4%	0.5%	0.0%	1.6%	1.9%	1.4%
High financial stress	10.5%	5.3%	9.4%	10.9%	12.9%	4.2%	9.5%	18.9%	10.0%
Low financial stress	55.1%	54.4%	55.4%	52.9%	54.2%	59.2%	50.8%	47.2%	56.2%
Financial security	33.9%	40.4%	34.7%	35.8%	32.5%	36.6%	38.1%	32.1%	32.4%

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. Differences in categories across States and Territories were not significant.

Economic Resources Category

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Very low	9.1%	5.3%	8.0%	8.7%	11.1%	6.2%	7.7%	16.5%	11.2%
Low financial stress	19.9%	15.9%	20.3%	17.6%	17.2%	22.0%	19.8%	16.1%	22.4%
Moderate	34.6%	28.4%	32.8%	34.1%	35.7%	41.7%	33.2%	47.5%	33.4%
High	37.1%	50.5%	38.9%	39.5%	36.0%	30.2%	39.3%	19.9%	33.1%

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. Differences in categories across States and Territories were not significant.

Financial Resources Category

	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Very low	1.0%	0.0%	0.5%	1.6%	1.5%	1.3%	1.1%	0.0%	0.4%
Low financial stress	9.6%	8.7%	9.1%	9.6%	8.5%	9.1%	3.2%	16.9%	13.0%
Moderate	39.5%	47.0%	43.4%	40.3%	37.0%	32.2%	38.2%	34.8%	35.6%
High	49.8%	44.3%	47.1%	48.5%	53.0%	57.4%	57.5%	48.4%	51.0%

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. Differences in categories across States and Territories were not significant.

Financial Knowledge and Behaviours Category

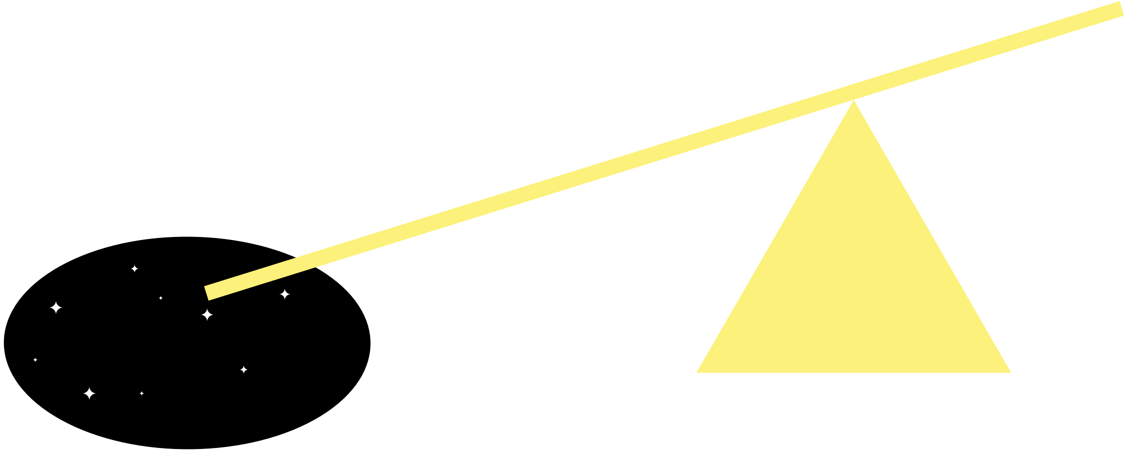
	PROPORTION OF POPULATION								
	National	ACT	NSW	VIC	QLD	SA	NT	TAS	WA
Very low	3.6%	1.7%	4.4%	4.4%	3.5%	0.6%	2.3%	1.9%	2.3%
Low financial stress	29.6%	30.0%	26.7%	30.0%	29.4%	34.4%	28.7%	42.1%	31.4%
Moderate	44.2%	42.0%	46.2%	43.5%	43.3%	39.9%	51.1%	43.7%	44.9%
High	22.6%	26.3%	22.6%	22.2%	23.8%	25.1%	17.9%	12.3%	21.4%

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. Differences in categories across States and Territories were not significant.

Social Capital Category

	PROPORTION OF POPULATION								
	National	**ACT**	**NSW**	**VIC**	**QLD**	**SA**	**NT**	**TAS**	**WA**
Very low	2.4%	1.6%	2.3%	2.9%	2.2%	0.0%	4.5%	3.8%	3.6%
Low financial stress	11.7%	8.7%	10.6%	11.3%	15.5%	10.7%	4.4%	12.9%	11.0%
Moderate	36.8%	33.4%	38.7%	34.8%	36.6%	35.9%	43.3%	32.3%	38.6%
High	49.0%	56.3%	48.4%	51.1%	45.8%	53.4%	47.9%	51.0%	46.8%

Source: Roy Morgan Research 2018
Notes: Sample size = 2,062, using data weighted for Australian adults aged 18+. Differences in categories across States and Territories were not significant.



How NAB is Building Financial Resilience

This report is part of our ongoing commitment to understand how we can continue to support Australians to become more financially resilient. A key component of financial resilience is having access to appropriate financial services and the right support options when financial shocks occur, and we know we can play a significant role in these areas.

What we do

Building financial resilience and inclusion is embedded throughout our organisation, and our people. We partner with Good Shepherd Microfinance, Federal and State Governments to provide access to fair and affordable credit for Australians who need it most through no-interest loans, StepUP, AddsUP, Speckle and Indigenous Money Network programs as well as Good Money stores.

NAB has committed $130 million in loan capital to support lending to people on low incomes, and together with Good Shepherd Microfinance we aim to quadruple our reach from assisting approximately 25,000 people each year, to assisting 100,000 people. In 2017, more than 27,000 loans totalling almost $30 million were provided to people on low incomes through these programs, delivered through a network across Australia.

In addition to our work with Good Shepherd Microfinance, we provide services to build financial resilience, such as our Microenterprise Loan Program, NAB Assist, and support for our customers and staff in situations of domestic violence.

Access to a transaction account enables people to store money, send and receive payments, and is the most basic requirement for financial inclusion. Our personal banking customers have easy access to their money, with no monthly account service fees.

No Interest Loan Scheme (NILS)

Through NILS, Australians on low incomes have the opportunity to access a no-interest loan of up to $1,500, to purchase essential items, such as whitegoods and furniture.

Developed by the Sisters of Good Shepherd in 1981, NILS is based on the concept of circular community credit: by repaying their loan, borrowers make the funds available for another borrower to access.

StepUP Loans

StepUP loans are affordable, low-interest loans of between $800 and $3,000 which can be used for a range of purposes, including the purchase of a second-hand car, whitegoods, medical expenses, and vocational education and training.

StepUP loans enable borrowers to develop a credit history with NAB and improve their financial literacy and confidence.

This provides them with the skills and understanding to make an informed entry into mainstream banking.

Speckle

Launched nationally in March 2018, Speckle is our newest initiative designed to build financial inclusion and resilience.

Speckle is an Australian-first, online, fast cash loan managed by Good Shepherd Microfinance and backed by NAB. Speckle is up to 50% cheaper than most small cash loans, and a safe and affordable option for people seeking loans under $2,000, who have limited access to other forms of credit.

There are no hidden fees and charges and when a loan isn't the most suitable option for the applicant they can be referred to financial counselling and other services. This helps to ensure people are able to get the financial support they need.

Speckle is a not-for-profit program with all fees and charges going back into keeping costs as low as possible so more people can borrow.

AddsUP

Since 2009, the AddsUP program has offered a matched savings plan of up to $500 to people who have successfully repaid a NILS or StepUP loan. We've supported more than 3,000 customers to date.

NAB and Good Shepherd Microfinance are currently undertaking a review of the AddsUP Program, with a view to launch an improved offering in 2019, to help more people reach their savings goals.

Good Money stores

Good Money stores offer customers a one-stop-shop to access Good Shepherd Microfinance's range of fair and affordable financial products and services.

The stores are strategically located on busy streets close to mainstream and payday lenders. The stores are a collaboration between NAB and Good Shepherd Microfinance in partnership with the Victorian, South Australian and Queensland State Governments.

Since the first Good Money stores were launched in 2012 the presence has grown to seven stores across three states.

The stores provide:

- Access to appropriate and affordable financial products;
- Access and referral to relevant local support services; and
- Access and referral to information and programs which enhance financial understanding and knowledge.

Good Money stores are intentionally located in areas where we know they will be of most benefit – for example, our Good Money store in Morwell opened its doors in July 2017, at a time when several major employers in the Latrobe Valley community closed their doors.

Microenterprise Loan Program

Our Microenterprise Loan Program provides unsecured business loans of between $500 and $10,000 to help start up or support the growth of an existing small business. The program supports those who wish to develop their own small business, however have few or no avenues to access mainstream business credit.

NAB partners with a number of organisations to deliver business skills training, mentoring and advice to loan recipients throughout the first year of their business. This ensures that businesses that are supported through a Microenterprise Loan have the best chance of success. The skills and support provided by these partner organisations help to ensure a low rate of loan defaults for this product.

Indigenous financial resilience

Indigenous Australians are more than twice as likely to be financially excluded than non-Indigenous Australians, and since launching our first Reconciliation Action Plan in 2008, supporting financial inclusion for Indigenous Australians has been a key focus for NAB.

Our Indigenous Money Mentor program (run from 2009-2018) aimed to build the financial capability of Indigenous clients by providing face to face support, and linking clients to further support services.

Recognising that financial exclusion is widely felt by Indigenous Australians on low incomes, NAB is building on the success of the Indigenous Money Mentor program, by transitioning to an expanded Indigenous Money Network (IMN), in partnership with Good Shepherd Microfinance.

The IMN will back the microfinance network to reach Indigenous clients and provide support for locally self-determined initiatives to increase financial resilience. In addition, the IMN program will provide connections between organisations in the IMN, and contribute to a unified voice that speaks to issues that are widely experienced by Indigenous clients on low incomes.

NAB Assist - supporting customers in hardship

Our NAB Assist team provides a one-on-one support service to customers who are finding it difficult to keep up with their payments, or facing financial stress. NAB Assist deals with tens of thousands of customers each year. Many of these people have experienced an unexpected turn of events, like losing their job, an illness, or separation from their spouse.

The NAB Assist team are trained in areas including payment plan options, providing financial relief where appropriate, and prioritising critical payments to reduce the risk of default and triggering further financial hardship.

Kildonan provide training and consultancy services to NAB Assist team members on understanding financial vulnerability and customer needs, as well as the best complementary financial and mental health services available for customers in hardship. The NAB Assist team may refer customers to these complementary programs, both within NAB, and with external partners such as government bodies and not-for-profit organisations.

Support for customers and employees in situations of domestic violence

A range of teams across our business have worked hard to better understand how we can assist our customers and our staff experiencing domestic violence.

Our employees: NAB was the first major Australian bank to introduce a Domestic Violence Support Policy for employees. It provides formal provisions for support including: special leave (with pay), help for employees to travel safely to and from work, support to enhance employee safety/security at work, linking employees to external organisations, welfare checks where appropriate, security awareness briefing for vulnerable employees, counselling and emergency financial assistance.

Our customers: Customers who alert NAB that they are experiencing/at risk of family violence can access support through our hardship provisions administered by NAB Assist. Customer assistance includes help by specialist staff trained who are trained in respectful conversations and how to diffuse difficult situations. Support can include a break from, or reduced payments, extended time to catch-up on missed payments, restructuring of the loan facility, refund of interest and fees, and, in some cases, part or total waiver of the debt. Hardship assistance is available to joint loan holders vulnerable to financial abuse at the request of one of the borrowers. This reduces the prospect of our products being used to perpetrate financial abuse.

NAB also supports customers who need to leave an abusive environment with connection to specialist support services, creation of an independent bank account and a small grant where appropriate.

Building financial knowledge and behaviour

We know that one in ten Australians have no understanding of financial products and services, and one in eight wouldn't be able to raise $2,000 within a week for an emergency.

To assist in building the financial knowledge and behaviour of all Australians, we have developed a range of 'Life Moments' materials to financially educate people, no matter what stage of life they are in.

Our Life Moments online hub is designed to provide practical news, insights and tips to help individuals actively manage their finances. Our 16 Life Moments include areas such as planning for retirement, buying a car, dealing with finances during divorce, and investing in property.

What’s next?

We’re working towards quadrupling the number of people we can support on an annual basis with Good Shepherd Microfinance. We’ve also partnered with the Centre for Social Impact and First Nations Foundation to better understand Indigenous Financial Resilience with the results of this research to be released late 2018.

Learn more about NAB’s work at: http://nab.com.au/microfinance