

# NAB Consumer Insights



## Cost of living pressures - what's driving it, and what changes to spending & lifestyle have consumers made in response?

NAB Behavioural & Industry Economics

Q2 2022

### AUSTRALIANS ARE MAKING BIG CHANGES DUE TO THE RISING COST OF LIVING.

**1 IN 2 ARE SWITCHING TO CHEAPER BRANDS & SHOPPING AROUND, TURNING OFF ELECTRICAL APPLIANCES & LIGHTS AND MAKING FEWER CAR TRIPS TO SAVE PETROL. OVER 4 IN 10 HAVE CANCELLED OR CUT BACK ON FOOD DELIVERY & ENTERTAINMENT, COFFEES, SNACKS & LUNCHES. ENCOURAGINGLY, 4 IN 10 HAVE CREATED OR ARE NOW FOLLOWING A BUDGET AND KEEPING A BETTER TRACK OF THEIR SPENDING.**

The amount of money a household needs to be able to afford the goods and services necessary to maintain their standard of living is steadily rising. Consumers are not only noticing price increases more (particularly when spending on groceries, transport and utilities), but are changing their spending and lifestyle patterns in an attempt to tackle them. Consumers are focussing more on their outgoings, prioritising essentials and cutting back where they can. In this report, over 2,000 Australians were asked where they are noticing price changes, which spending categories are causing them the most stress and how these pressures are influencing their spending and lifestyle choices. This has important implications for how businesses must position themselves to align with changing consumer sentiment and behaviours.

The top five ways Australians are changing their spending behaviours are:

1. Switching to cheaper brands or shopping around for cheaper products
2. Cancelling/cutting back on food delivery services
3. Cancelling/cutting back on entertainment such as cinema, theatre, etc.
4. Cancelling/cutting back on subscriptions such as newspapers, magazines, audio books, apps
5. Cancelling/cutting back on gym, sports, or club memberships

The top five ways Australians are changing their lifestyle behaviours are:

1. Cutting back/turning off electrical appliances/lights
2. Cutting down on car journeys to save on petrol
3. Cutting back/stopping buying micro treats e.g. coffee, snacks, lunches
4. Creating/following a budget/keeping a better track of spending
5. Cancelling/delaying or making more modest holiday plans

More Australian consumers are noticing price increases across a number of key categories. Grocery prices come in at number one, with a net +72% of consumers noting higher prices over the past 3 months (up from +50% at the same time last year). With travel and work restrictions easing and petrol prices rising, transport costs came in second (+66%) followed by utility costs (+59%).

With home loan interest rates rising, perceptions about rising mortgage costs also jumped sharply over the quarter to +41% (+21% in Q1). Relative to the previous quarter, we also noted large jumps in the net number of consumers who believe costs had increased for travel & holidays, eating out, entertainment, personal goods and major household items.

In addition to asking whether prices had moved, consumers were also asked to identify the top 3 things that added most to their personal cost of living over the past 3 months. Once again groceries topped the list with over 3 in 4 Australians (75%) identifying it as their biggest cost pressure. Transport was the next biggest contributor according to almost 1 in 2 Australians (47%) - more than twice as many than at the same time last year (23%). Utilities rounded out the top 3 according to 4 in 10 (41%) people, unchanged from the previous quarter, but down from 47% at the same time last year. Other areas that added to cost to of living pressures for a large number of Australians included eating out (16%), rent (16%), medical expenses (15%) and mortgages (12%).

When incomes are squeezed, there is a natural tendency for consumers to pay closer attention to their spending. The number one response for over 1 in 2 Australian consumers was to switch to cheaper brands or shop around for cheaper products. Many are also targeting non-essential spending - around 4 in 10 have either cancelled or cut back spending on food delivery services such as Uber Eats and Menulog (43%), and on entertainment such as cinema or theatre (40%). A significant number (around 3 in 10) also cancelled or cut back other subscriptions such as newspapers, magazines, audio books & apps (28%). A further 1 in 4 have cut back or cancelled gym, sports, or club memberships (26%), subscription streaming services like Foxtel, Netflix, and Stan (26%), cut back on food (24%) or cancelled or cut back on out-sourced home services like lawn mowing and house cleaning (22%). Around 1 in 5 cancelled or cut back on children's activities such as sport, dancing, or hobbies (19%) and spending on pets (19%). Around 1 in 10 Australians deliberately missed a rent or mortgage repayment (9%), a bill payment (11%) or cut back mortgage repayments or drawn down equity from loans (12%).

Younger people (aged 18-29) in particular are cancelling or cutting back on food delivery (50%), subscription streaming services (32%), food (31%). More women than men are changing their behaviours particularly in regard to switching to cheaper brands or shopping around for cheaper prices (63% women; 44% men), cancelling or cutting back on food delivery (50% women; 37% men), and on entertainment (46% women; 35% men). By income, not surprisingly more people in the lowest income group are changing their behaviours, particularly in terms of entertainment, food, switching to cheaper brands and shopping around for cheaper prices, cancelling or cutting back on subscriptions (e.g. newspapers) and out-sourcing home maintenance services.

When survey participants were also asked if they had made any changes to their lifestyle over the past 3 months due to cost of living pressures, around 1 in 2 said they had responded by turning off electrical appliances and switching off lights (48%), or had cut down on car trips to save on petrol (46%).

Around 4 in 10 cut back or stopped buying micro treats such as coffees, snacks, and lunch (44%), or created or followed a budget and kept better track of their spending (43%). Around 1 in 3 cancelled, delayed or made more modest travel plans (34%), cut back or cancelled charitable giving (34%), or dipped into their savings to cover gaps until pay day (32%). Around 3 in 10 cancelled or delayed a major household purchase such as a TV, fridge or washing machine (29%), or sold possessions on marketplaces such as eBay (27%), while 1 in 4 worked from home to avoid transport and other costs (23%), worked longer hours or got a second job (23%), or cancelled or delayed a car purchase (23%). Only 14% cut back or cancelled childcare services & babysitting (but almost 1 in 10 also intended to so), 19% borrowed money from family or friends, and 17% switched to public transport.

By age, a much higher number of consumers in the 50-64 age group turned off electrical appliances and switched off lights (58%), cut down on car journeys to save petrol (55%), and cut back or cancelled charitable giving (46%). Also apparent was the higher number in the 18-29 age group that dipped into their savings to cover gaps until pay day (42%), sold possessions (36%), worked longer hours or a second job (31%), switched to public transport (28%), or borrowed money from family & friends (25%).

Women were more proactive than men in all areas, except switching to public transport and cancelling or cutting childcare services & babysitting, where the number who did so broadly aligned. The biggest differences related to cutting back on buying micro treats (53% women; 36% men), cutting down on car journeys to save petrol (53% women; 39% men), turning off electrical appliances and switching off lights (54% women; 41% men), budgeting and keeping a better track on spending (48% women; 38% men), dipping into savings to cover gaps until pay day (37% women; 27% men), and selling possessions (32% women; 22% men).

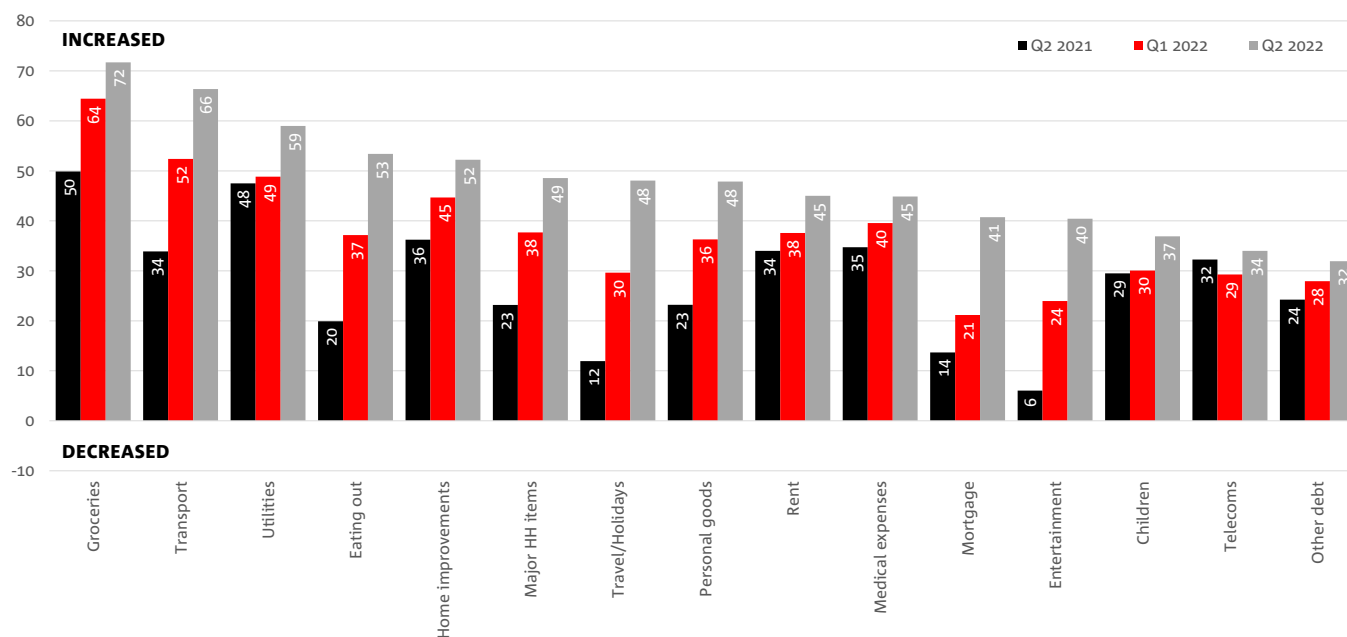
Consumers in the lowest income group were much more likely to have turned off appliances and switched off lights (62%), stopped buying micro treats (53%), created or followed a budget (54%), cut back or cancelled charitable giving (49%), dipped into their savings to cover gaps until pay day (40%), cancelled or delayed a major household purchase (40%), borrowed money from family & friends (26%) or cancelled or cut back childcare services & babysitting (24%).

Survey results are based on responses from a representative sample of 2,050 Australian consumers over the period 18-29 May 2022.

# Main report

The cost of living is steadily rising in Australia and is a key issue for Australian consumers. Rising inflation has been a key driver, with Australian consumer prices rising by 5.1% over the year to Q1 2022 - the largest annual change in the CPI since June 2001 when the introduction of the GST lifted headline inflation to 6.1%. More recently, the Treasurer indicated pressure on households was intensifying, and the inflation challenge Australians are facing is worse. In this special report, NAB explores consumer perceptions of how their cost of living has changed, and what is causing them the most stress. We also explore how cost of living pressure is influencing their spending and lifestyle choices.

## Extent costs have changed in past 3 months (net)



How customers perceive prices is often as important as the price itself. To help understand this, NAB looks at cost of living perceptions through the eyes of Australian consumers, by asking them if they believe the cost of several key goods and services increased or decreased over the past 3 months. The results are reported as a net balance (i.e. a positive result indicates the number of consumers who believe cost has risen outweighs the number who believe it has fallen. A negative result signals that more consumers believe the cost has fallen than risen. The results are summarised in the chart above.

It shows more consumers think costs have risen than fallen across the board in the past 3 months. Perceptions of higher prices were most evident in relation to groceries, where costs increased according to a net +72% of consumers, up from +64% in the previous quarter and +50% at the same time last year. With travel and work restrictions easing and petrol prices rising, the net number who said transport costs increased in Q2 also rose sharply to +66%, from +52% in the previous quarter and +34% at the same time last year, while utility costs increased according to a net +59% of consumers, up from 49% in the last quarter.

With mortgage interest rates rising, perceptions about rising mortgage costs also jumped sharply over the quarter to +41% (+21% in Q1). Relative to the previous quarter, we also noted large jumps in the net number of consumers who believe costs had increased for travel & holidays (+48% vs. +30%), eating out (+53% vs. +37%), entertainment (+40% vs. +24%), personal goods (+48% vs. +36%), and major household items (+49% vs. 38%).

By state, groceries increased according to most consumers in all states (except TAS), led by QLD (+81%) and SA/NT (+79%). QLD (+75%) and SA/NT (+73%) also had the highest number who said transport costs had risen. Home improvement costs rose according to most consumers in TAS (+66%), and was also highest in the country. Higher utility costs impacted noticeably more consumers in QLD (+64%), VIC (+61%) and WA (+61%), and major household items in QLD (+55%), WA (+52%) and SA/NT (+62%). Other areas that stood out were the higher number in WA (+56%) and QLD (+53%) singling out travel & holidays, in WA personal goods (+57%), in QLD rents (+60%), in WA entertainment (+49%), and in QLD (+43%) and WA (+43%) children.

## Extent costs changed in the last 3 months: State, region, age, gender & income

	Groceries	Transport	Utilities	Eating out	Home improvements	Major household items	Travel/Holidays	Personal goods	Rent	Medical expenses	Mortgage	Entertainment	Children	Telecoms	Other debt
<b>All consumers</b>	<b>72</b>	<b>66</b>	<b>59</b>	<b>53</b>	<b>52</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>45</b>	<b>45</b>	<b>41</b>	<b>40</b>	<b>37</b>	<b>34</b>	<b>32</b>
NSW/ACT	67	60	56	53	49	48	49	46	43	44	40	41	37	34	34
VIC	68	65	<b>61</b>	52	45	42	44	46	37	41	35	37	32	33	27
QLD	<b>81</b>	<b>75</b>	<b>64</b>	56	61	<b>55</b>	<b>53</b>	51	<b>60</b>	50	48	42	<b>43</b>	34	37
WA	76	70	<b>61</b>	57	61	<b>52</b>	<b>56</b>	<b>57</b>	49	47	42	<b>49</b>	<b>43</b>	35	35
SA/NT	<b>79</b>	<b>73</b>	53	52	52	<b>52</b>	40	46	40	48	45	36	34	34	18
TAS	54	61	51	35	<b>66</b>	39	26	33	34	43	37	25	12	33	25
Capital city	69	63	57	51	50	46	47	46	43	44	40	39	<b>38</b>	33	30
Regional city	<b>81</b>	<b>74</b>	<b>64</b>	<b>59</b>	<b>61</b>	<b>54</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>50</b>	<b>46</b>	<b>46</b>	<b>41</b>	36	37
Rural area	73	<b>72</b>	58	<b>56</b>	51	<b>51</b>	48	48	44	43	37	41	24	37	33
18-29	61	55	51	51	38	40	43	43	41	37	40	36	33	30	26
30-49	66	64	58	51	48	44	44	46	46	45	42	39	<b>41</b>	33	<b>36</b>
50-64	<b>82</b>	<b>75</b>	<b>64</b>	<b>57</b>	<b>68</b>	<b>58</b>	<b>56</b>	<b>56</b>	48	<b>54</b>	45	<b>48</b>	36	37	<b>34</b>
65+	<b>81</b>	<b>74</b>	<b>63</b>	<b>57</b>	59	<b>56</b>	<b>55</b>	48	47	44	29	42	24	38	29
Women	<b>78</b>	<b>70</b>	<b>65</b>	<b>56</b>	<b>57</b>	<b>50</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>50</b>	<b>45</b>	<b>43</b>	<b>40</b>	<b>38</b>	<b>35</b>
Men	66	63	53	51	48	47	45	45	40	40	37	38	34	30	29
<\$35,000 p.a.	<b>77</b>	71	65	58	59	57	51	<b>56</b>	51	51	47	<b>51</b>	47	<b>43</b>	<b>40</b>
\$35-50,000 p.a.	<b>79</b>	69	61	54	56	54	54	48	46	47	50	43	39	38	34
\$50-75,000 p.a.	73	69	58	57	54	50	55	50	<b>58</b>	50	48	42	44	31	35
\$75-100,000 p.a.	68	67	52	54	50	49	45	44	31	45	38	39	31	37	28
\$100,000+ p.a.	68	64	58	50	49	43	44	45	46	40	38	37	36	28	30

The survey also found higher numbers of consumers in regional cities who believe costs increased in most areas, particularly groceries, utilities, home improvements, travel & holidays, personal goods, rent, medical expenses, mortgages, and entertainment when compared to consumers in capital cities and rural areas. Noticeably more consumers in regional cities and rural areas, also said costs had risen in relation to transport, eating out and major household items than in capital cities, and in regional and capital cities for children than in rural areas.

By age, significantly more consumers over 50 said costs had risen in nearly all areas than those under 50, particularly home improvements, groceries, transport, major household items and travel & holidays. Higher costs related to children were more apparent in the 30-49 age group, with consumers in this group and those in the 50-64 age group also noting higher costs associated with other debts.

By gender, more women than men reported higher costs in all areas. The gap was highest for groceries (+78% women; +66% men), utilities (+65% women; +53% men), rent (+51% women; +40% men), medical expenses (+50% women; +40% men), and home improvements (+57% women; +48% men).

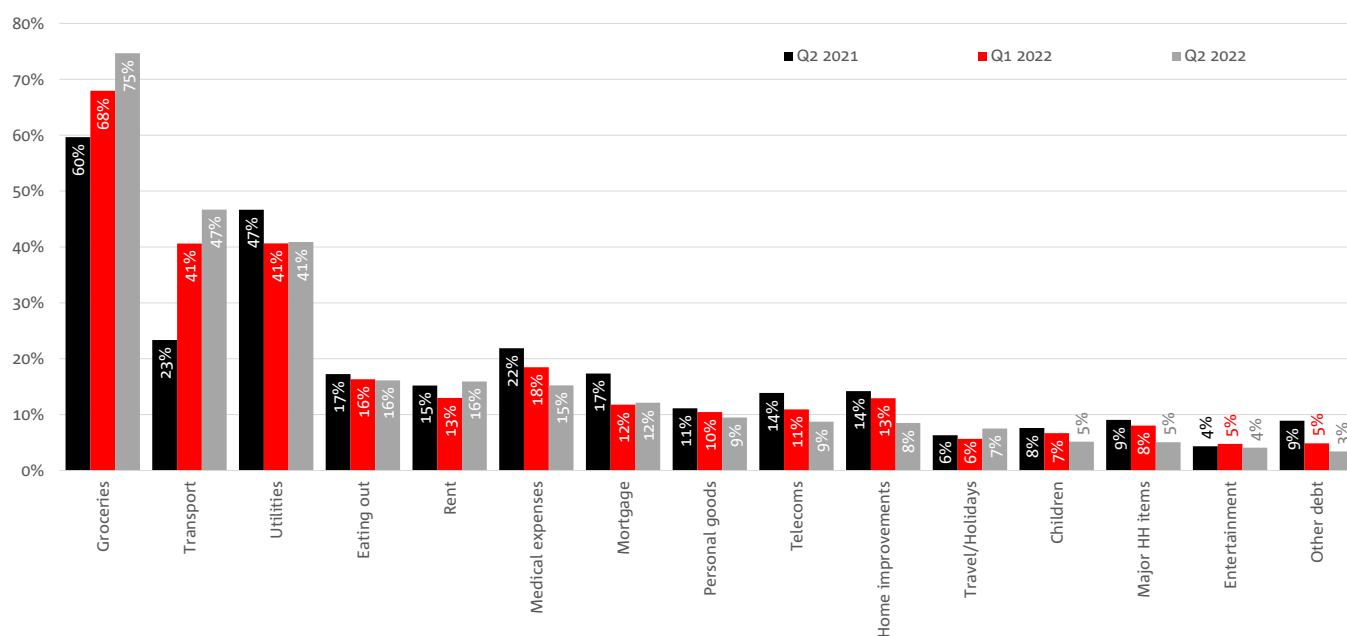
More consumers in all income groups said costs had risen than fallen in all categories. Though most consumers in all income groups said grocery prices had risen, higher grocery prices were highlighted by noticeably more consumers in lower income groups. Significantly more consumers in lower income groups also said prices had increased for personal goods, entertainment, telecoms, and other debts. Also noticeable was the much higher number of consumers in the \$50-75,000 p.a. income group that highlighted rising rents.

Consumers were also asked to identify the top 3 things that added most to their personal cost of living in the past 3 months. The chart below shows that not only did the cost of groceries increase according to most consumers in Q2, but it also added the most to their personal cost of living pressures. Moreover, the number of consumers who said it added most to these pressures increased to 75% (or 3 in 4 consumers overall), from 68% in the previous quarter and 60% at the same time last year.

Transport was the next biggest contributor, with the number of consumers impacted climbing to 47%, from 41% in Q2 and more than twice as many than at the same time last year (23%). Utilities rounded out the top 3, with around 4 in 10 (41%) consumers indicating it added most to their personal living costs, unchanged from the previous quarter, but down from 47% at the same time last year.

Other areas that added to cost to of living pressures for a large number of Australians included eating out (16%), rent (16%), medical expenses (15%) and mortgages (12%). But the survey also revealed the number of consumers who said eating out added most to their personal cost of living in the past 3 months has been steady over the past year. More consumers however said rents were adding to their cost of living than in the previous survey, but the impact of mortgages was unchanged. Pressure on cost of living coming from medical expenses has however fallen quite noticeably over the past year.

### Added most to cost of living pressure



Most consumers in all states said groceries added most to their personal cost of living, though it was somewhat higher in SA/NT (84%) and QLD (81%). Transport added to a lot more consumers in TAS (69%), and utilities in SA/NT (51%), WA (49%) and VIC (46%). TAS (21%) and NSW (20%) led for eating out, and TAS for medical expenses (25%). Consumers in NSW (15%) and VIC (14%) noted that mortgages added more to their cost of living than in other states.

By region, more consumers in capital cities said groceries (77%), utilities (43%) and eating out (18%) impacted their personal cost of living, with medical expenses and mortgages also impacting more consumers in capital and regional cities than in rural areas.

By age, groceries and transport added to the personal cost of living for somewhat more consumers under 50, and utilities somewhat more for consumers over 65. But noticeably more in the youngest age group (18-29) said eating out (29%), rent (27%) and personal goods (16%) added most to their personal cost of living. Along with consumers in the 30-49 age group, more also said mortgages and children impacted them than older consumers.

Women and men were in broad agreement in most areas, except groceries (78% women; 71% men) and utilities (45% women; 37% men), and eating out (18% men; 14% women).

Key differences by income included the higher number earning between \$35-75,000 p.a. impacted by transport costs, in the lowest (51%) and middle income group (20%) by rent, in the highest income group by eating out (21%), and among those consumers over \$75,000 p.a. by mortgages - see table below.

## Added most to cost of living in last 3m: State, region, age, gender & income

	Groceries	Transport	Utilities	Eating out	Rent	Medical expenses	Mortgage	Personal goods	Telecoms	Home improvements	Travel/Holidays	Children	Major HH items	Entertainment	Other debt
<b>All consumers</b>	<b>75%</b>	<b>47%</b>	<b>41%</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>12%</b>	<b>9%</b>	<b>9%</b>	<b>8%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>
NSW/ACT	70%	40%	33%	<b>20%</b>	17%	14%	<b>15%</b>	12%	9%	8%	10%	8%	5%	4%	4%
VIC	74%	46%	<b>46%</b>	17%	14%	16%	<b>14%</b>	8%	8%	10%	7%	4%	5%	5%	3%
QLD	<b>81%</b>	53%	40%	11%	18%	16%	9%	7%	8%	9%	6%	5%	6%	3%	4%
WA	72%	46%	<b>49%</b>	13%	12%	14%	11%	9%	8%	7%	6%	3%	6%	4%	2%
SA/NT	<b>84%</b>	56%	<b>51%</b>	13%	15%	15%	9%	10%	11%	7%	7%	1%	3%	3%	5%
TAS	77%	<b>69%</b>	31%	<b>21%</b>	21%	<b>25%</b>	4%	8%	6%	12%	9%	0%	6%	2%	2%
Capital city	<b>77%</b>	46%	<b>43%</b>	<b>18%</b>	17%	<b>16%</b>	<b>14%</b>	10%	9%	9%	9%	6%	5%	6%	3%
Regional city	72%	47%	37%	12%	15%	<b>16%</b>	<b>10%</b>	9%	9%	7%	3%	4%	5%	1%	3%
Rural area	70%	48%	37%	13%	12%	11%	6%	9%	9%	6%	6%	5%	4%	1%	5%
18-29	64%	34%	30%	<b>29%</b>	<b>27%</b>	16%	<b>17%</b>	<b>16%</b>	10%	9%	11%	<b>9%</b>	9%	9%	5%
30-49	73%	44%	40%	16%	18%	12%	<b>19%</b>	10%	8%	9%	9%	<b>9%</b>	5%	5%	3%
50-64	<b>79%</b>	<b>53%</b>	44%	11%	12%	16%	7%	7%	8%	6%	4%	1%	2%	1%	3%
65+	<b>81%</b>	<b>56%</b>	<b>49%</b>	11%	7%	18%	3%	6%	10%	9%	6%	0%	4%	1%	2%
Women	<b>78%</b>	46%	<b>45%</b>	14%	15%	16%	11%	9%	8%	8%	7%	5%	4%	3%	4%
Men	71%	47%	37%	<b>18%</b>	17%	14%	13%	10%	9%	9%	8%	5%	6%	5%	3%
<\$35,000	79%	46%	45%	9%	<b>21%</b>	19%	3%	7%	12%	5%	3%	3%	3%	1%	4%
\$35-50,000	76%	<b>52%</b>	47%	11%	14%	15%	5%	10%	9%	8%	6%	3%	4%	4%	4%
\$50-75,000	75%	<b>53%</b>	40%	15%	<b>20%</b>	18%	9%	10%	9%	10%	7%	3%	5%	3%	3%
\$75-100,000	70%	41%	41%	17%	17%	13%	<b>16%</b>	13%	10%	8%	8%	7%	8%	6%	3%
\$100,000+	72%	46%	35%	<b>21%</b>	14%	13%	<b>21%</b>	9%	6%	10%	11%	8%	6%	5%	3%

Have Australian consumers changed their spending or lifestyle behaviours in response to increasing personal cost of living pressures over the past 3 months?

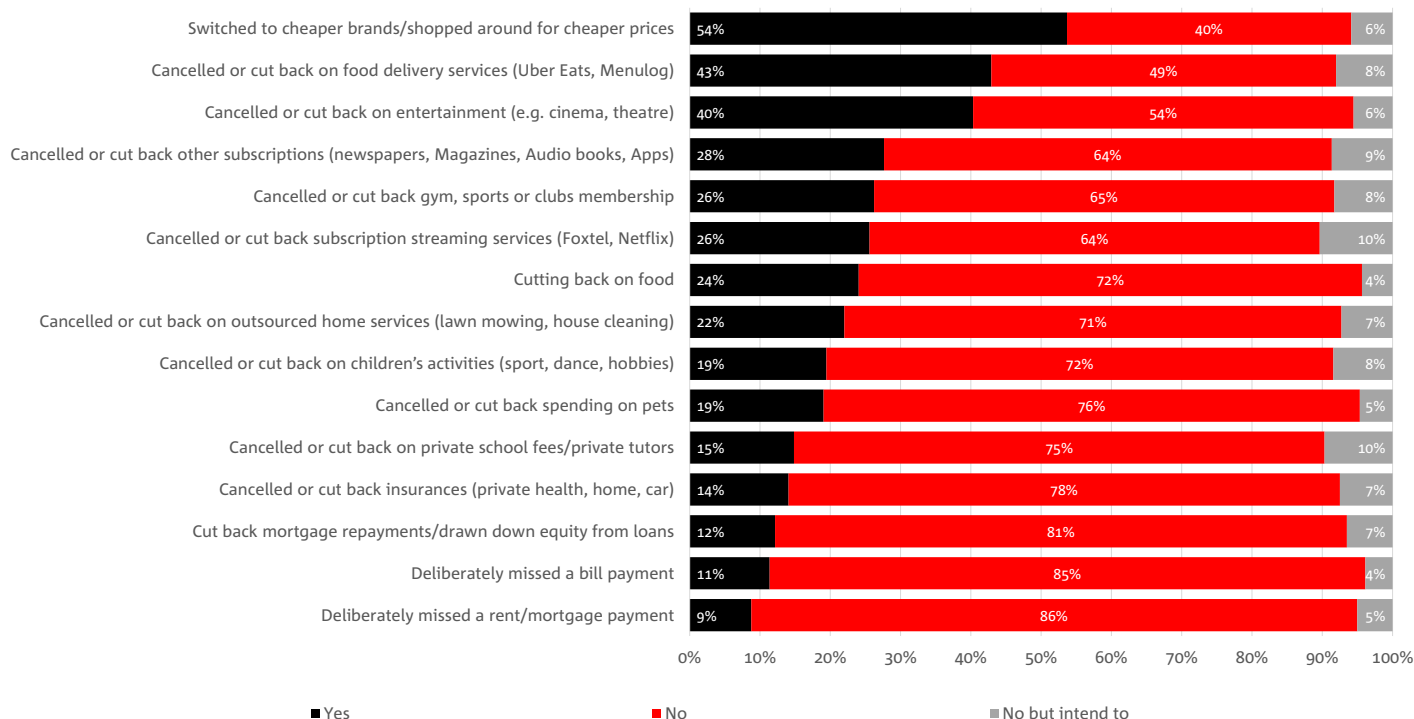
When asked if they had, the survey found that over 1 in 2 consumers responded by switching to cheaper brands or shopping around for cheaper products (and a further 6% had not started doing this yet but intended to do so).

Many consumers also targeted non-essential spending. Around 4 in 10 said they had cancelled or cut back their spending on food delivery services such as Uber Eats and Menulog (43%), and on entertainment such as cinema or theatre (40%). A significant number of consumers - around 3 in 10 - also cancelled or cut back other subscriptions such as newspapers, magazines, audio books, apps (28%)

A further 1 in 4 consumers cut back or cancelled gym, sports, or club memberships (26%), subscription streaming services like Foxtel, Netflix, and Stan (26%), cut back on food (24%), or cancelled or cut back on out-sourced home services like lawn mowing and house cleaning (22%). Around 1 in 5 cancelled or cut back on children's activities such as sport, dancing, or hobbies (19%) or spending on pets (19%).

Consumers were however less prepared to cut back their spending on essentials, with the survey showing that only 1 in 10 deliberately missed a rent or mortgage repayment (9%), a bill payment (11%) or cut back mortgage repayments or drawing down equity from loans (12%), and only around 1 in 20 intended to do so in these areas - see chart below.

### Changes made to spending over past 3 months due to cost of living pressures



The table on the following page shows the number of consumers that answered “yes” when asked if they had made changes to their spending over the past 3 months due to cost of living pressures in these areas.

Most consumers in all states said they had responded to cost of living pressures by switching to cheaper brands or shopping around for cheaper prices, though the number that did so ranged from 62% in QLD to 43% in TAS. Significantly more consumers in QLD and WA cancelled or cut back on food delivery services (50%) and subscriptions (35% WA; 33% QLD). We also noted a significantly higher number of consumers in WA that cancelled or cut back gym, sports or club memberships (36%), and subscription streaming services (33%) and in SA/NT mortgage repayments and drawing down loan equity (18%).

By region, the biggest discrepancies were noted in the much larger number in regional cities and rural areas that switched to cheaper brands or shopped cheaper prices to save money, cancelled or cut back on entertainment, cut back on food or cancelled or cut back on children’s activities relative to consumers living in capital cities.

By age, some key take outs were the higher number of younger people (18-29) who had cancelled or cut back on food delivery services (50%), subscription streaming services (32%), cut back on food (31%), deliberately missed a rent or mortgage repayment (12%) and along with consumers aged 30-49 spending on pets. Also apparent was the much lower number of consumers over the age of 65 that cancelled or cut back their spending in most of these areas.

More women than men answered “yes” in all categories except deliberately missing a rent or mortgage repayment (8% women; 9% men). The biggest discrepancies were for having switched to cheaper brands or shopped around for cheaper prices (63% women; 44% men), having cancelled or cut back on food delivery services (50% women; 37% men), and on entertainment (46% women; 35% men).

By income, not surprisingly more people in the lowest income group answered “yes” in most categories than in all other income groups, particularly when it came to the number that cancelled or cut back on entertainment, cut back on food or skipped meals to save money, switched to cheaper brands or shopped around for cheaper prices, cancelled or cut back other subscriptions such as newspapers, magazines, audio books and apps, and out-sourced home maintenance services. Also interesting was the relatively high number of consumers in the \$50-75,000 p.a. income group that cancelled or cut back gym, sports or club memberships and cancelled or cut insurances.

## Changes made to spending (“yes” only): State, region, age, gender & income

	Switched to cheaper brands/shop cheaper prices	Cancelled/cut back food delivery services	Cancelled/cut back entertainment	Cancelled/cut back other subscriptions	Cancelled/cut back gym, sports or club membership	Cancelled/cut back subscription streaming services	Cutting back food to save money	Cancelled/cut back outsourced home services	Cancelled/back childrens activities	Cancelled/cut back spending on pets	Cancelled/back private school fees/private tutors	Cancelled/back insurances	Cut back mortgage repayments/drawn down loan equity	Deliberately missed a bill payment	Deliberately missed a rent/mortgage payment
<b>All consumers</b>	<b>54%</b>	<b>43%</b>	<b>40%</b>	<b>28%</b>	<b>26%</b>	<b>26%</b>	<b>24%</b>	<b>22%</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>14%</b>	<b>12%</b>	<b>11%</b>	<b>9%</b>
NSW/ACT	50%	40%	39%	27%	27%	25%	25%	22%	19%	22%	16%	15%	14%	13%	11%
VIC	50%	42%	34%	25%	22%	22%	20%	17%	17%	15%	15%	10%	11%	11%	8%
QLD	<b>62%</b>	<b>50%</b>	46%	<b>33%</b>	30%	29%	26%	27%	26%	20%	19%	17%	11%	12%	6%
SA/NT	63%	41%	44%	21%	17%	26%	22%	24%	14%	16%	7%	12%	<b>18%</b>	9%	8%
WA	53%	<b>50%</b>	49%	<b>35%</b>	<b>36%</b>	<b>33%</b>	28%	23%	25%	24%	10%	16%	10%	9%	8%
TAS	43%	30%	25%	22%	28%	19%	21%	11%	0%	6%	0%	10%	4%	7%	4%
Capital city	50%	41%	38%	25%	25%	24%	21%	21%	17%	17%	15%	13%	13%	10%	9%
Regional city	<b>59%</b>	49%	<b>46%</b>	34%	31%	29%	<b>29%</b>	25%	<b>25%</b>	22%	16%	16%	10%	12%	8%
Rural area	<b>62%</b>	44%	<b>46%</b>	32%	27%	29%	<b>30%</b>	24%	<b>24%</b>	22%	13%	18%	10%	16%	9%
18 - 29	55%	<b>50%</b>	43%	32%	29%	<b>32%</b>	<b>31%</b>	22%	19%	<b>24%</b>	16%	16%	15%	14%	<b>12%</b>
30 - 49	56%	44%	41%	28%	28%	27%	27%	23%	21%	<b>22%</b>	15%	16%	11%	13%	8%
50 - 64	57%	38%	42%	28%	26%	22%	22%	26%	18%	14%	13%	12%	12%	12%	8%
65+	46%	22%	33%	20%	13%	14%	13%	15%	12%	9%	13%	11%	9%	5%	5%
Men	44%	37%	35%	23%	22%	21%	21%	19%	16%	15%	14%	13%	12%	10%	9%
Women	<b>63%</b>	<b>50%</b>	<b>46%</b>	<b>33%</b>	<b>31%</b>	<b>30%</b>	<b>27%</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	16%	16%	12%	12%	8%
<\$35,000	<b>63%</b>	47%	<b>54%</b>	<b>37%</b>	<b>33%</b>	<b>33%</b>	<b>36%</b>	<b>32%</b>	26%	25%	18%	<b>19%</b>	20%	<b>18%</b>	13%
\$35-50,000	56%	41%	42%	30%	22%	26%	23%	21%	24%	22%	8%	12%	17%	11%	8%
\$50-75,000	51%	41%	43%	26%	<b>34%</b>	25%	22%	20%	26%	22%	20%	<b>17%</b>	14%	13%	12%
\$75-100,000	52%	45%	39%	26%	24%	26%	26%	21%	23%	22%	16%	13%	18%	14%	11%
\$100,000+	52%	43%	35%	25%	23%	24%	20%	21%	15%	16%	13%	12%	9%	8%	6%

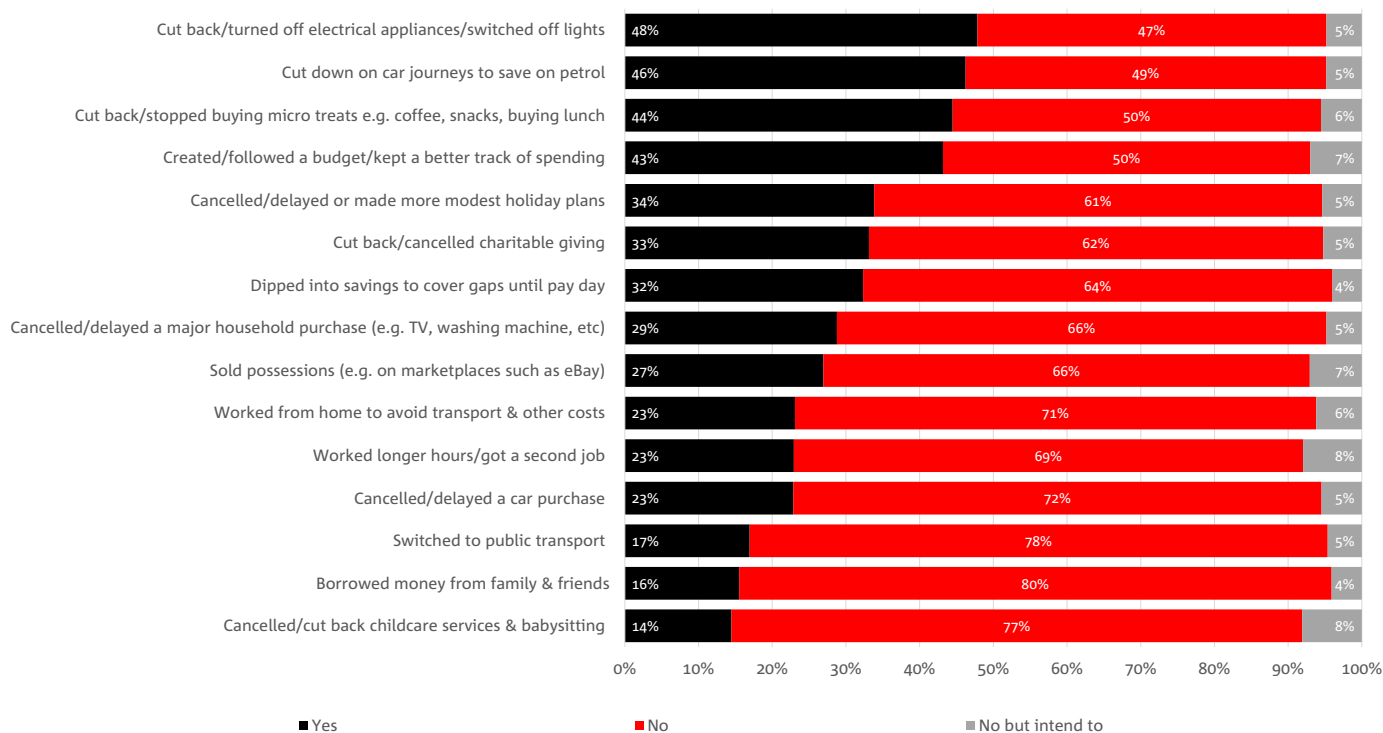
When survey participants were also asked if they had made any changes to their lifestyle over the past 3 months due to cost of living pressures, around 1 in 2 said they had responded by cutting or turning off electrical appliances and switching off lights (48%), or had cut down on car trips to save on petrol (46%).

Around 4 in 10 cut back or stopped buying micro treats such as coffees, snacks, and lunch (44%), or created or followed a budget and kept better track of their spending (43%). Around 1 in 3 cancelled, delayed or made more modest travel plans (34%), or dipped into their savings to cover gaps until pay day (32%). Around 3 in 10 consumers cancelled or delayed a major household purchase such as a TV, fridge or washing machine (29%), or sold possessions on marketplaces such as eBay (27%), while 1 in 4 worked from home to avoid transport and other costs (23%), worked longer hours or got a second job (23%), or cancelled or delayed a car purchase (23%).

Only 14% cut back of cancelled child care services & babysitting (but almost 1 in 10 also intended to so), 19% borrowed money from family or friends, and 17% switched to public transport - see chart below.



### Changes made to lifestyle over past 3 months due to cost of living pressures



By state, over 1 in 2 consumers in SA/NT (55%), QLD (53%) and WA (53%) responded to cost of living pressures by switching off electrical appliances and lights. Noticeably more consumers in SA/NT (56%) and QLD (54%) also cut down on trips to save petrol, and in SA/NT (52%), QLD (51%) and WA (50%) cut back or stopped buying micro treats. Also noticeable was the higher number in SA/NT that cut back or cancelled charitable giving (44%), in QLD (34%) and WA (32%) that sold possessions, and in WA that cancelled or cut back childcare services & babysitting (21%).

By region, the survey showed a much higher number of consumers in regional cities and rural areas that turned off appliances and switched off lights, cut back on car trips to save petrol and buying micro treats than in capital cities. Noticeably more people in regional cities also budgeted (50%), dipped into their savings to cover gaps until pay day (41%), worked longer hours or a second job (27%), borrowed money from family & friends (23%), or cancelled or cut back childcare services & babysitting (22%) than in other areas. Somewhat more consumers in rural areas however cancelled or delayed a car purchase (29%).

By age, some key areas of difference were the much higher number of consumers in the 50-64 age group that turned off electrical appliances and switched off lights (58%), cut down on car journeys to save petrol (55%), and cut back or cancelled charitable giving (46%). Also apparent was the higher number in the 18-29 age group that dipped into their savings to cover gaps until pay day (42%), sold possessions (36%), worked longer hours or a second job (31%), switched to public transport (28%), or borrowed money from family & friends (25%).

Women were more proactive than men in all areas, except switching to public transport and cancelling or cutting childcare services & babysitting, where the number who did so broadly aligned. The biggest differences related to cutting back on buying micro treats (53% women; 36% men), cutting down on car journeys to save petrol (53% women; 39% men), turning off electrical appliances and switching off lights (54% women; 41% men), budgeting and keeping a better track on spending (48% women; 38% men), dipping into savings to cover gaps until pay day (37% women; 27% men), and selling possessions (32% women; 22% men).

Consumers in the lowest income group were much more likely to have turned off appliances and switched off lights (62%), stopped buying micro treats (53%), created or followed a budget (54%), cut back or cancelled charitable giving (49%), dipped into their savings to cover gaps until pay day (40%), cancelled or delayed a major household purchase (40%), borrowed money from family & friends (26%) or cancelled or cut back childcare services & babysitting (24%) - see table below.

## Changes made to lifestyle (“yes” only): State, region, age, gender &amp; income

	Cut back/turned off electrical appliances/switched off lights	Cut down on car journeys to save on petrol	Cut back/stopped buying micro treats e.g. coffee, snacks, buying lunch	Created/kept a budget/kept a better track of spending	Cancelled/delayed or made more modest holiday plans	Cut back/cancelled charitable giving	Dipped into savings to cover gaps until pay day	Cancelled/delayed a major household purchase (e.g. TV, washing machine, etc)	Sold possessions (e.g. on marketplaces such as eBay)	Worked from home to avoid transport & other costs	Worked longer hours/got a second job	Cancelled/delayed a car purchase	Switched to public transport	Borrowed money from family & friends	Cancelled/cut back childcare services & babysitting
<b>All consumers</b>	<b>48%</b>	<b>46%</b>	<b>44%</b>	<b>43%</b>	<b>34%</b>	<b>33%</b>	<b>32%</b>	<b>29%</b>	<b>27%</b>	<b>23%</b>	<b>23%</b>	<b>23%</b>	<b>17%</b>	<b>16%</b>	<b>14%</b>
NSW/ACT	43%	41%	42%	41%	34%	31%	33%	29%	27%	23%	26%	24%	16%	18%	14%
VIC	46%	42%	39%	40%	29%	29%	30%	25%	19%	23%	22%	20%	13%	13%	12%
QLD	<b>53%</b>	<b>54%</b>	<b>51%</b>	48%	35%	36%	35%	31%	<b>34%</b>	22%	21%	25%	13%	16%	17%
SA/NT	<b>55%</b>	<b>56%</b>	<b>52%</b>	51%	39%	<b>44%</b>	34%	33%	28%	24%	24%	21%	18%	14%	16%
WA	<b>53%</b>	50%	<b>50%</b>	46%	40%	38%	34%	31%	<b>32%</b>	22%	22%	25%	22%	16%	<b>21%</b>
TAS	37%	43%	34%	36%	23%	31%	16%	8%	25%	12%	6%	17%	11%	10%	14%
Capital city	44%	42%	41%	41%	32%	31%	29%	26%	25%	24%	22%	22%	17%	14%	13%
Regional city	<b>57%</b>	<b>55%</b>	<b>53%</b>	<b>50%</b>	40%	40%	<b>41%</b>	34%	32%	23%	<b>27%</b>	24%	18%	<b>23%</b>	<b>22%</b>
Rural area	<b>54%</b>	<b>52%</b>	<b>51%</b>	43%	36%	36%	36%	35%	30%	16%	20%	<b>29%</b>	13%	15%	13%
18 - 29	41%	42%	48%	48%	35%	27%	<b>42%</b>	29%	<b>36%</b>	24%	<b>31%</b>	21%	<b>28%</b>	<b>25%</b>	14%
30 - 49	46%	45%	46%	41%	34%	30%	34%	31%	30%	26%	23%	25%	15%	17%	17%
50 - 64	<b>58%</b>	<b>55%</b>	49%	45%	34%	<b>46%</b>	30%	32%	24%	21%	17%	24%	12%	12%	8%
65+	48%	45%	33%	40%	31%	32%	20%	21%	12%	9%	6%	21%	11%	5%	5%
Men	41%	39%	36%	38%	31%	29%	27%	26%	22%	19%	20%	21%	18%	13%	14%
Women	<b>54%</b>	<b>53%</b>	<b>53%</b>	<b>48%</b>	<b>37%</b>	<b>38%</b>	<b>37%</b>	<b>32%</b>	<b>32%</b>	<b>27%</b>	<b>26%</b>	<b>25%</b>	16%	<b>18%</b>	15%
<\$35,000	<b>62%</b>	56%	<b>53%</b>	<b>54%</b>	39%	<b>49%</b>	<b>40%</b>	<b>40%</b>	31%	19%	21%	27%	19%	<b>26%</b>	<b>24%</b>
\$35-50,000	52%	51%	42%	45%	35%	35%	30%	30%	21%	21%	24%	27%	16%	13%	18%
\$50-75,000	48%	47%	47%	41%	35%	32%	31%	28%	26%	23%	27%	22%	15%	16%	21%
\$75-100,000	42%	39%	43%	44%	34%	32%	34%	29%	29%	22%	23%	25%	22%	18%	15%
\$100,000+	42%	42%	42%	40%	31%	26%	30%	24%	26%	23%	23%	23%	16%	12%	12%

# Contact the Authors

**Dean Pearson**  
Head of Behavioural & Industry Economics  
**[Dean.Pearson@nab.com.au](mailto:Dean.Pearson@nab.com.au)**  
+61 0 457 517 342

**Robert De Iure**  
Associate Director - Economics  
**[Robert.De.Iure@nab.com.au](mailto:Robert.De.Iure@nab.com.au)**  
+61 0 477 723 769

## Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.