

## MEDIA RELEASE

Monday 25 November 2019

# Seven million Aussies losing sleep over money

ALMOST seven million Australians are losing sleep because they are worried about money, according to research by online financial services company Spaceship.

Nearly 40 per cent of adult respondents to Spaceship's *Fear of Finding Out Survey* admit to losing sleep because of financial concerns and more than 60 per cent regularly feel 'hot' and 'stressed' about their bank accounts.

And it is likely to get worse as Australians head into the most expensive period of the year, the one-month run-up to Christmas and party season.

Spaceship CEO Andrew Moore said a combination of rising debts, an inability to control personal spending and a fear about the global economy were likely to blame.

"Increasingly Australians are becoming more and more anxious about their finances, at a time when this generation is wealthier than any that has gone before it," Mr Moore said.

"We call it FOFO, or Fear of Finding Out your bank balance.

"The most stressed group of Australians are aged between 35 and 54.

"This is the group who generally face peak mortgage debt after upsizing to accommodate a growing family and is the cohort juggling career and raising families."

Australian household debt is now the fourth highest in the world, after Denmark, the Netherlands and Norway<sup>1</sup>.

Personal debt has risen to \$2 trillion or \$250,000 per household<sup>2</sup>. Based on a median annual gross household income of \$88,452, the average Australian household now owes triple their annual income in debt<sup>3</sup>.

This is especially troubling when we consider Australia has twice as much household debt as the United States.

### Key findings:

- NSW is the most financially anxious state or territory, with 22 per cent of the population frequently worried about money matters, followed by 21 per cent of Queenslanders, and 20 per cent of Victorians and Western Australians.
- This compares with zero per cent of Canberrans, suggesting we may have something to learn from the habits of conservative public servants.
- More women than men are anxious about their finances, with 42 per cent of women losing sleep compared with 35 per cent of men.

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<sup>1</sup> <https://data.oecd.org/hha/household-debt.htm>

<sup>2</sup> <https://www.finder.com.au/australias-personal-debt-reported-as-highest-in-the-world#personaldebt>

<sup>3</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0>



- Generation X (35-54) is the most financially stressed with just less than 50 per cent losing sleep because of financial worries. This is a cohort juggling career and raising families.
- Sixty-two per cent of Australians feel financially anxious, one third feels embarrassed about their spending habits and 38 per cent don't always feel comfortable talking about their finances with their partner.
- Trust within relationships could be a growing problem, with one third (33 per cent) of Aussies refusing to share a bank account with their 'other half'.

"Australians' top financial regret is failing to budget, which demonstrates the importance of keeping it simple when it comes to managing your financial affairs," Mr Moore said.

"More worrying though is the fact that Australians' second biggest financial regret is receiving poor advice, followed by getting a credit card.

"These results underscore the need to improve financial literacy so we can all make better decisions."

Mr Moore said FOFO could lead to irrational spending, with more than 70 per cent of the nation admitting to spending money on items they don't need, or purchases they've forgotten about.

"More than 55 per cent of Australians admit to never being taught how to manage their finances," he said.

"The good news is, you no longer need to wait for anyone to teach you. Thanks to technology, there are so many ways you can now teach yourself.

"Most Australians are not using a simple budgeting app. Embracing free financial education online should be the first port of call.

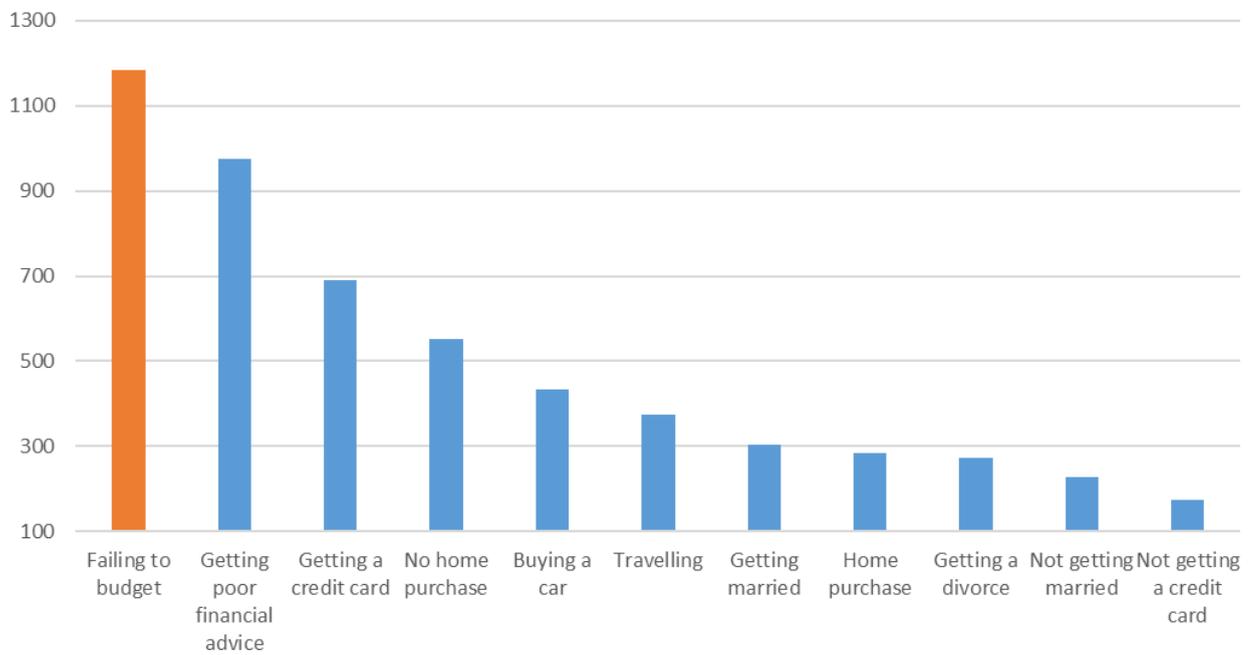
"It could also help bring about a more open relationship with your partner about money matters."

According to international investment bank, Morgan Stanley<sup>4</sup>, Australian households face a collective \$700 billion cut to their wealth from the need to wind back the massive amounts of debt built up during the property boom.

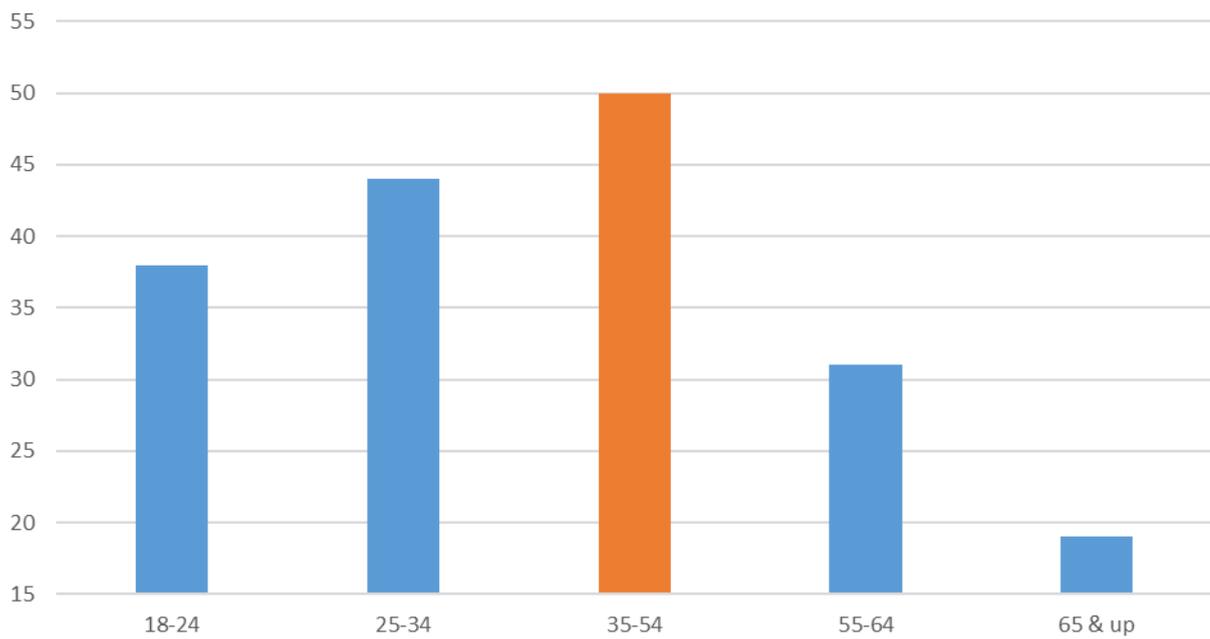
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<sup>4</sup> <https://www.abc.net.au/news/2018-10-30/australia-most-country-to-risks-of-rising-household-debt/10445814>

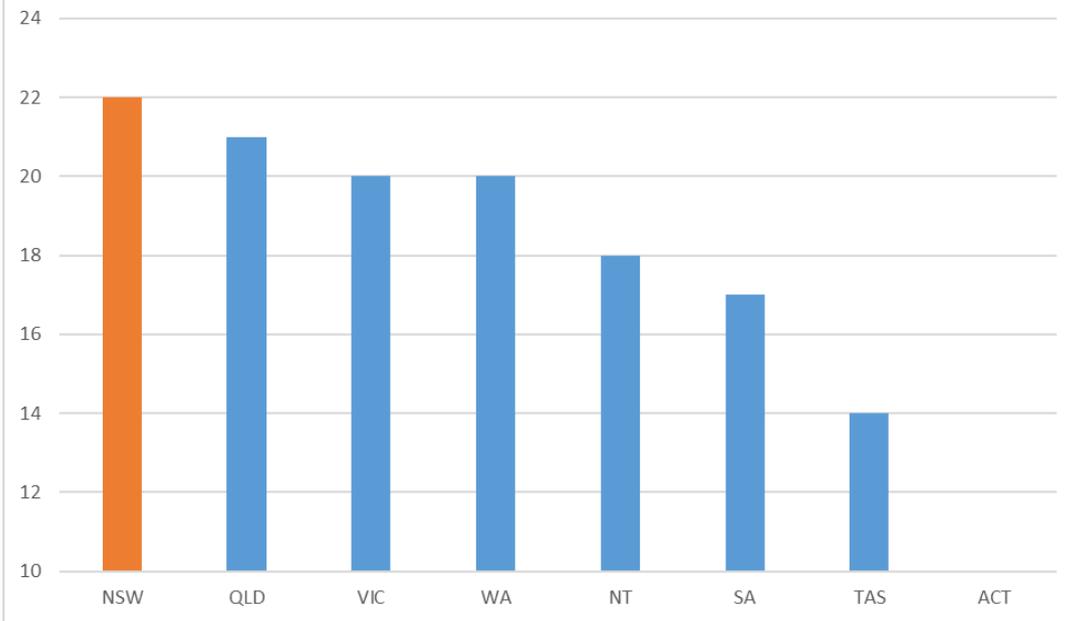
**Table 1: Biggest financial regrets**



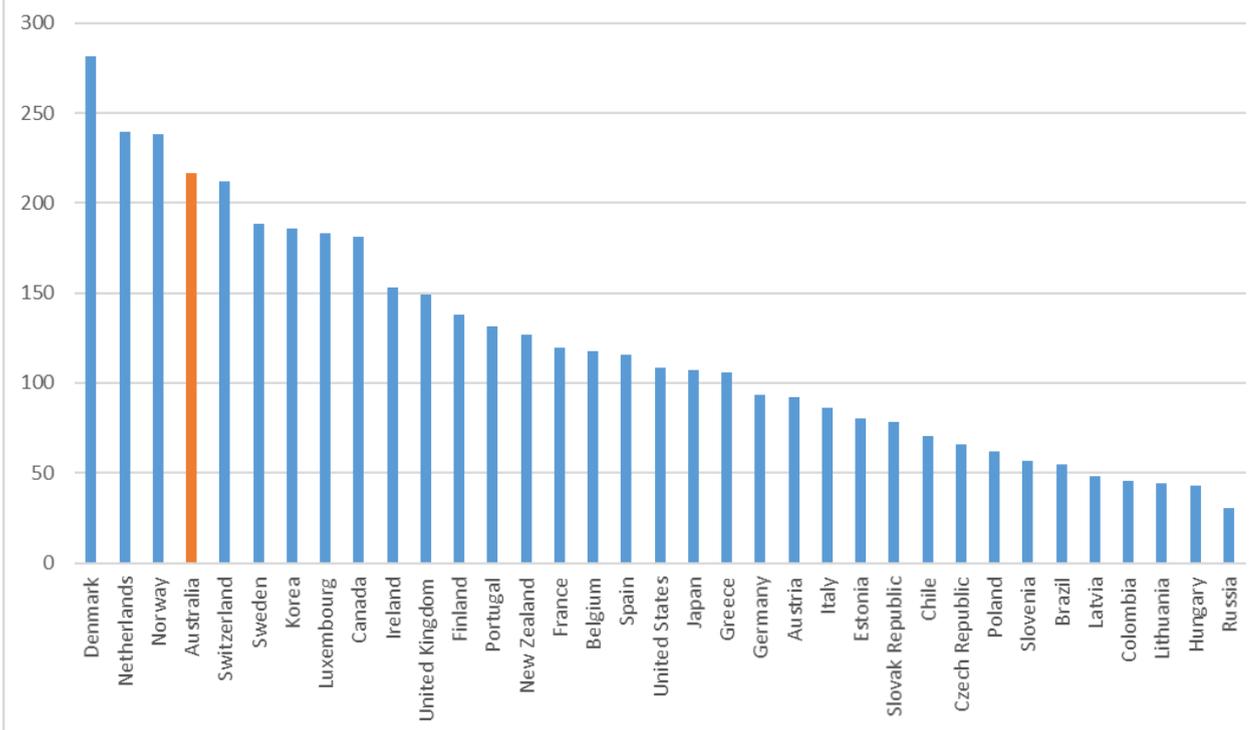
**Table 2: Generations losing the most sleep**



**Table 3: Most FOFO-prone states / territories**



**Table 4: Nations with most household debt as a percentage of net disposable income (source: OECD)**





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## About Spaceship

Launched in 2017, [Spaceship](#) is an Australian financial services company offering investment and superannuation products, specifically designed to engage younger people.

Spaceship's successful superannuation product (issued by Tidswell Financial Services Ltd) was released in January 2017 and has already attracted more than \$250 million in assets under management.

Spaceship's Voyager investment product was released in April 2018 and has more than 50,000 members and continues to add new members every week.

## About the research

The research was conducted on behalf of Spaceship by consumer research company PureProfile. 1,001 people were surveyed. Participants answered questions remotely and electronically.