

## **ING DIRECT Financial Wellbeing Index (FWI) – Q4 2011**

### **Overall summary**

#### **Overall**

- Household Financial Wellbeing Index is 105.6. This is slightly lower than the 105.9 recorded in quarter three 2011.
- The level of comfort with long term assets/property fell from 88 to 86 - the lowest level since tracking began.
- The level of comfort with credit cards/short term debt, and with mortgages/long term debt continues to track at high levels as households deleverage from debt
- One in three (32%) households say their financial position deteriorated in 2011, with the increased cost of food/power/transport to blame
- For one quarter (26%) of households there was an improvement in their financial position due to more savings, spending less or a new/better paying job

#### **Savings**

- The median level of household savings has improved (from \$7,812 in Q3) to \$8,598 this quarter, the highest level in the last twelve months.
- 50% of Australian households have less than \$17,000 in savings
- 19% of Australian households have no savings at all (lifts to 30% among low income households and is 6% for those earning over \$100k)
- Comfort with savings remains the lowest score across the six financial dimensions measured (3.4 out of 7)

#### **Personal debt**

- Households across Australia have on average 1.7 credit cards
- The median outstanding balance on credits cards is \$1,686 (down from \$1,773 in Q4 2010)
- One in six (17%) households have no credit card in their household (up 6% from Q1 2011).
- 58% of credit card holders typically pay off their credit cards each month.
- One in five (21%) households have a personal loan, with a median outstanding balance of \$10,277

#### **Mortgages**

- The proportion of mortgage free households in Australia holds at 23% this quarter
- Among households with a mortgage, 41% are paying down ahead of time (down from 43% in Q3)
- The median outstanding mortgage balance is \$219,747 (down from \$224,853 in Q3)

#### **Household Income & Bills**

- Comfort with household income has declined as pressure continues from household bills
- The median annual household income of \$67,857 is down a little from Q3 (\$72,737)
- 10% of households say it is almost impossible to pay all monthly bills on time (up from 8% in Q3)
- Seven percent of households say their household income is not enough to cover immediate bills and debts

#### **Investments**

- One in four (24%) households have share-market investments.
- Half (52%) of all households have no assets or investments outside of the family home.
- The median value of total assets in each household (including equity in the family home) is \$126,966
- One in four (27%) households have less than \$50,000 in assets

**For a full copy of the report, please visit <http://ingdirect.wieck.com/>**

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