

**Media Release:** Wednesday, 25 January 2012

## **Big jump in financial wellbeing for NSW households as savings grow and debt declines**

**NSW achieves nation's top score for financial wellbeing, and although one in three (31%) expect the economy to deteriorate in 2012, 78% see their personal finances improving or holding steady this year.**

The latest ING DIRECT Financial Wellbeing Index shows NSW leads the nation for household financial wellbeing with an Index score of 109.1 compared to national score of 105.6.

### **Key findings for Q4 of 2011 (surveyed in January 2012)**

- NSW has scored the nations' highest Household Financial Wellbeing Index of 109.1 in Q4 2011 (up from 108 in Q3) compared to 105.6 nationally.
- Only 21% of NSW households saw their financial situation deteriorate in 2011 compared to 32% nationally.
- Among those who experienced an improvement in their personal finances last year, key drivers included increased household saving (47%), fewer unnecessary purchases (47%) and better budgeting (40%).

*The quarterly Financial Wellbeing Index rates household comfort levels across six key aspects of personal financial wellbeing including credit card and mortgage debt, savings, investments, household income and ability to pay bills. Respondents rated their personal comfort level across each area on a scale from 1 ('very uncomfortable') to 7 ('very comfortable').*

**The overall Household Financial Wellbeing Index for NSW the fourth quarter of 2011 is 109.1 – an increase on the Q3 Index score of 108.0, and above the national Index of 105.6.**

### **2011 – NSW households rose to the challenges**

One in five NSW households say their financial wellbeing declined in 2011 however 74% say their personal finances improved or remained stable throughout the year.

Among those who experienced improved financial wellbeing, key actions taken included building savings (47%), avoiding unnecessary purchases (47%) and improved household budgeting (40%). A further 38% switched to a better paying job.

For the 21% of NSW households who say their financial wellbeing declined, the key challenges were:

- 58% reduced employment income
- 55% rising living costs
- 36% mounting credit card debt

### **Outlook for 2012**

While 31% of NSW residents expect the economy to struggle in 2012, 78% believe their own financial position will improve or hold ground.

For 28% of households, rising taxes/levies and living expenses (food, power, transport) will be the challenge in 2012; 19% say the cost of maintaining their lifestyle and 16% say uncertainty about job security will be a hurdle this year.

Mr Don Koch, CEO of ING DIRECT, says "NSW households can take pride in knowing they have taken the appropriate steps to improve their financial wellbeing in 2011 with a positive outcome for most."

"None of us have control over the broader economy but we do have the ability to shore up our personal financial wellbeing, and rising savings together with careful spending are leaving the state's household well-placed to weather any changes in the broader economy in 2012," adds Mr Koch.

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For a copy of the report go to <http://ingdirect.wieck.com/>

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**Research methodology**

The ING DIRECT Financial Wellbeing Index was compiled by Galaxy Research from the online responses of 1,013 households between Thursday 5 January and Tuesday 10 January 2012 (Q4). The data was weighted by region and household size to reflect the Australian household population based on the 2006 census. The level of savings reported in the study is also calibrated to APRA national bank total deposits (households) to ensure accuracy of household savings levels.

**About ING DIRECT**

ING DIRECT pioneered branchless banking in Australia by offering the first online, high interest, fee free savings account. Our low cost operating model allows us to pass these savings on to the customer in the form of great value products and services. Today, ING DIRECT has more than 1.4 million customers with \$26 billion in deposits and \$38 billion in mortgages and a range of innovative banking products.

**Please note ING DIRECT is never abbreviated to ING.**