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74% of Queenslanders expect their financial wellbeing to improve or stabilise in 2012

The latest ING DIRECT Financial Wellbeing Index confirms Queenslanders experienced an upswing in financial wellbeing in the final quarter of 2011, with reduced spending on unnecessary purchases (42%), increased savings (36%) and better budgeting (35%) being the key factors behind households' ability to maintain or strengthen their financial position.

However one in three (36%) Queenslanders fear higher taxes and living costs will impact their financial situation in 2012.

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

- Q4 saw Queenslanders enjoy an upswing in financial wellbeing. The state's Index score rose from 97.4 in Q3 2011 to 103.8 in Q4 but below the national Index score of 105.6.
- 74% of Queenslanders say their personal financial situation improved or held steady in 2011. Key drivers were reduced spending on non-essentials (42%), increased savings (36%) and better budgeting (35%).
- Among the 39% of Queenslanders who say their finances took a backward step in 2011, increases in living costs (food, power, transport) were cited as the main hurdle (70%) followed by reduced employment income (33%). Almost one in four (23%) lost money on investments in 2011.
- Although 56% of Queenslanders believe the economy will deteriorate in 2012, 74% expect their own financial wellbeing to improve or hold steady.
- The main financial concerns for Queenslanders heading into 2012 are rising taxes/levies and higher living costs (36%), the ability to maintain their current lifestyle (20%) and uncertainty over job security (15%).

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 Household Financial Wellbeing Index for Queensland rose in the fourth quarter (Q4) of 2011, reaching 103.8 – up from 97.4 in Q3, though below the national Index of 105.6.

Despite the devastating natural disasters of 2011, 61% of Queenslanders say their personal finances held steady or improved in 2011. The chief factors behind this were:

- 42% Reduced spending on unnecessary purchases
- 36% Increased savings at the bank
- 35% Improved household budgeting
- 32% Paid down part of their credit card debt
- 32% Securing a better paying job.

Looking ahead

Heading into 2012, over one in three (35%) Queensland households believe the economy will slow down but only 22% expect their personal financial wellbeing to decline as a result.

- 36% say increasing fixed costs is the chief concern for 2012
- 20% say the cost of maintaining the household's current lifestyle is the chief concern for 2012
- 15% say job security is the chief concern for 2012

Among those households (39%) that saw their financial wellbeing drop in 2011, 70% blame rising living costs – food, power and transport.

Mr Don Koch, CEO of ING DIRECT, says "Queenslanders had a challenging year in 2011 so it is good to see that many households took steps to strengthen their financial wellbeing."

"Worries about rising living costs is justified but continued budgeting and a focus on saving will aid many households facing larger than normal bills 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.

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