

14 March 2013

## How financially savvy are Aussies?

More than half the adult Australian population believe they are financially savvy, however one in three don't have a budget or know the return they're receiving on their savings and only 17 per cent know their superannuation balance, according to new research from Suncorp Bank.

*The Suncorp Bank Financial Savviness Index*, based on an online survey of more than 1000 Australians testing financial literacy and money management, has found a worrying disconnect between Australians' perception of how financially savvy they are and how they're actually managing their money.

### Key findings of the Financial Savviness Index:

- 55 per cent of Australian adults believe they are financially savvy
- 38 per cent say they've become more financially savvy over the past 12 months due to the economic environment
- 33 per cent don't have a budget
- 33 per cent don't know the interest they receive on their savings
- Younger adults prefer friends to inform their financial decisions, working aged Australians instead look to the web, while pre-retirees turn to professional financial advisers
- More South Australians believe they have become more financially savvy in the past 12 months than any other state or territory. (See Graph 1)

Suncorp Bank Executive Manager Craig Fenwick said overall it was encouraging to discover that almost 38 per cent of adult Australians felt they had become more financially savvy over the past 12 months as a result of the economic climate, with almost 70 per cent paying their credit card off in-full each month one indication of this.

"Australians are being more careful with their money, saving at record levels and are paying down debt faster than ever before. Coupled with ongoing cost of living pressures many are becoming more financially astute as a result," Mr Fenwick said.

"Generally consumers are being savvier with their money however many may not be getting the best bang for their buck with almost half the respondents admitting they hadn't considered switching their banking or finance products in the past 12 months," he said.

Mr Fenwick said it was interesting to learn how greatly one's age influenced where financial information and advice was sought.

"Ironically, university age adults turn to friends and family for financial advice, rather than researching the answers themselves, while all other working age Australians overwhelmingly go online for their financial answers.

"In comparison, pre-retiree baby-boomers were most likely to seek expert face-to-face advice from a financial planner – perhaps because they have more at stake. (See Graph 2)

“It’s clear Australians are using a variety of sources to help inform their financial decisions however they should be careful about who and what they deem trusted and expert.

“We’ve all heard of cases where people have done their dough based on ill-advice from a family member, friend or online blog so it’s worth keeping your wits about you,” Mr Fenwick said.

Comparing the results along gender lines, it appears that while more men displayed greater overall financial knowledge than women, women are in fact better at the day-to-day management of their money including the budget. Women are also more likely to speak to a professional financial advisor or bank about their finances, while men are more likely to ‘self-help’ through their own research.

### Other key findings:

- 10 per cent said that they were more likely to invest in the stock market this year
- 83 per cent were unaware that an annuity was like a private pension and provided a guaranteed income
- 39 per cent didn’t understand that an offset account is attached to a home loan and deducts interest from it.

“Being financially savvy is about understanding how effectively managing your finances can help you reach your goals, ensuring your money is working the hardest it can for you and getting the right information and advice to make sound financial decisions,” Mr Fenwick said.

“Overall, while Australians appear to be making some headway, there’s always room for improvement when it comes to financial savviness.”

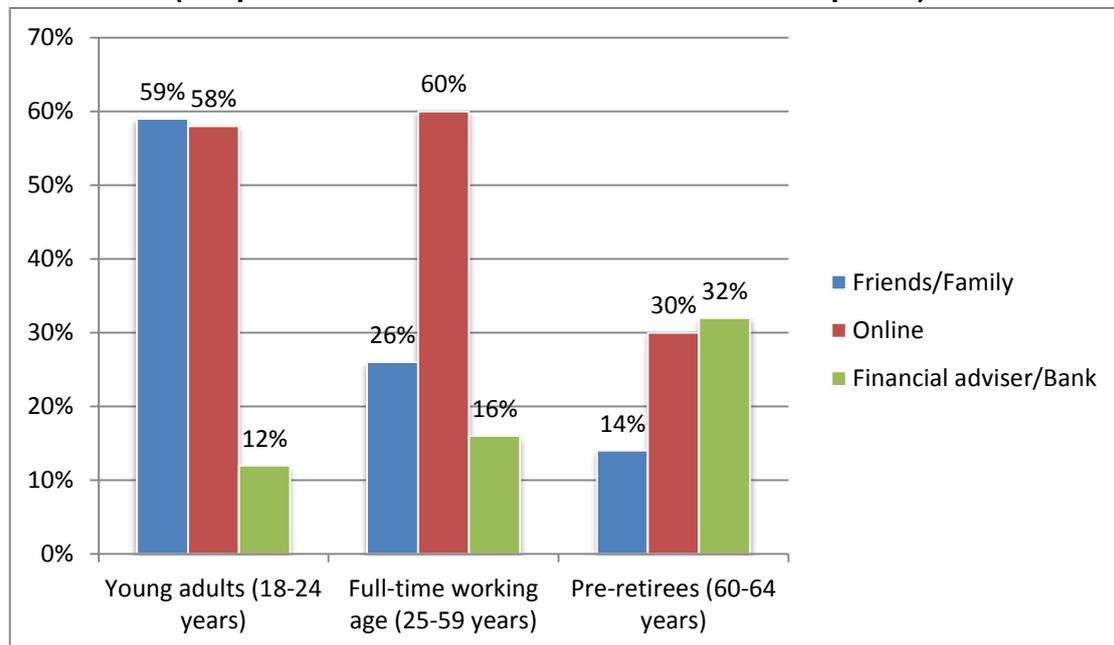
### Suncorp Bank has developed five tips for improved financial savviness:

1. **Know what you’ve got and where it’s going:** start with a budget so you can understand and track your incomings and outgoings and identify where savings can be made and ensure it’s reviewed regularly. There are a number of great budget tracker tools available online to help with this such as the Suncorp Bank Budget Tracker
2. **Make sure it’s manageable:** consider simplifying your finances by consolidating your debt, your savings and your super where possible to minimise fees and better monitor your money
3. **Know what return you’re getting:** make sure your hard-earned dollars are working as hard as they can for you relative to your risk appetite. Seek out the best rates on term deposits or high interest online savings accounts
4. **Talk to the right people:** consider seeking expert advice from your bank or a financial planner before rushing into an important financial decision
5. **Never stop learning:** whether it’s an online university course, a reputable website or a self-help book, it’s important to proactively continue to educate yourself to boost your financial knowledge. A good place to start could be [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

**Graph 1: Have you become more financially savvy due to the economic climate over the past 12 months?**



**Graph 2: Where do you get information from to inform your financial decisions? (Respondents could choose more than one response)**



**ENDS**

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