

News Release

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Farmers experience improved financial wellbeing, despite COVID-19 challenges

Farmers were one of the few groups to have experienced an improvement in their financial wellbeing since the onset of COVID-19, new ANZ research shows.

The ANZ Roy Morgan Financial Wellbeing Indicator found that in the five-months to August 2020, the financial wellbeing of farmers and farm managers improved 4.3%, from 60.2 to 62.8 (as a score out of 100), compared to the national average which declined 6.4%, from 60.7 to 56.8.

The report also found that regional Australians experienced a much smaller decline (0.7%) in their ability to meet financial commitments, compared to a decline of 8.6 per cent experienced by those living in capital cities.

ANZ's Head of Agri Insights, Michael Whitehead, said there are numerous reasons for the improvements to farmers' financial wellbeing this year, many of which are unrelated to COVID-19.

"Now that the drought has broken, farmers are not only enjoying more reliable crops, they have more grass for cattle and sheep, which means feed costs are also way down.

"At the same time, prices for a number of agri commodities are at record highs, driven by an increase in demand for cattle, sheep and dairy which can be partially attributed to panic buying during COVID-19, as well as strong export demand," Mr Whitehead said.

Other insights from the ANZ Roy Morgan Financial Indicator include, in the five months to Aug 2020:

- The number of farmers who described themselves as "Struggling" dropped by more than seven percentage points (from 12.8% to 5.0%), while the number of those who describe themselves as "Doing OK" increased by 12 percentage points (from 46.6% to 58.7%)
- Farmers improved their savings buffer, increasing the amount of income held in savings from 8.2 months to 9.3 months The number of farmers who said they'd cut down their spending increased by more than six percentage points (from 64.4% to 70.7%)
- Attitudes towards money were also more conservative, with the proportion of farmers saying they'd prefer to invest in something with a safe return increasing 10 percentage points (up from 71.9% to 81.6%), and the number saying they'd like to be well insured increasing from 64.4% to 77.1%.

The ANZ Roy Morgan Financial Wellbeing Indicator is based on the Roy Morgan Single Source survey of 50,000 Australians annually that assesses financial behaviours as well as the psychological, social and economic factors that contribute to financial wellbeing. ANZ releases the Indicator quarterly.

You can read the full report on [bluenotes](#).

Financial Wellbeing definitions:

Survey respondents are divided into four segments according to their overall financial wellbeing score (out of 100):

- **Struggling:** (0-30) Most describe their current financial situation as 'bad', having little or no savings and finding it a constant struggle to meet bills and credit payments. Very few are confident about their financial situation over the next 12-months.
- **Getting By:** (>30-50) Many describing their financial situation as 'bad', less confident in their money management skills and their ability to control their financial future.
- **Doing OK:** (>50-80) Describe their current financial situation is 'fair' or 'good' and reasonably confident about their financial situation over the next 12-months.
- **No Worries:** (>80-100) Financial behaviours – active savings and not borrowing for everyday expenses – contributing positively to financial wellbeing. High levels of confidence in managing money and substantial amounts in savings, investments and superannuation.

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