



FINANCIAL WELLBEING

People with disability or long-term health conditions

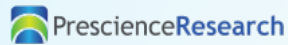
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This report and other research into financial capability and financial wellbeing in Australia and New Zealand can be found at anz.com.au/about-us/esg/financial-wellbeing/

Further information on ANZ's approach to accessibility can be found at anz.com.au/about-us/esg/workplace-participation-diversity/accessible-workplace/

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FOREWORD

ANZ is committed to improving the financial wellbeing of our people, customers and communities by helping them make the most of their money throughout their lives.

For 20 years, ANZ has been exploring the financial literacy, capability, attitudes and behaviours of Australian adults. This body of research has informed our approach to improving financial wellbeing through our products and services, as well as our flagship financial education programs delivered in partnership with government and community organisations.

In 2021, we shared the insights from our latest Financial Wellbeing Survey which further contributed to the understanding of why people might behave the way they do, what is driving their behaviour and what factors, both internal and external, are 'blocking' or 'enabling' their financial wellbeing. A key finding was that the socio-economic conditions a person faces – such as their health, earning potential, employment circumstance and the support they have around them – have the strongest influence on their financial wellbeing.

We know from our research that these factors affect some Australians more than others. Supporting financial wellbeing across the whole population is important in sustaining a healthy and inclusive economy.

ANZ has been building a more accessible and inclusive bank for our customers, employees and the community for many years. In our latest **Accessibility and Inclusion Plan 2023–2025**, we committed to share our survey insights on the financial wellbeing of the millions of Australians living with disability or long-term health conditions.

What is clear is that we all have a role to play in supporting people with disability to build financial wellbeing. This includes helping people build their financial confidence and resilience and ensuring that supports are in place to enable people with disability to participate to their full potential in the workplace and the broader community.

The findings from this research further validate the importance of creating a more accessible and inclusive bank. We are pleased to share these insights so they can be used by government, community and corporate sectors to inform their work and we can work together to foster a more inclusive society.



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Group Executive Australia Retail
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EXECUTIVE SUMMARY

This report focuses specifically on the financial wellbeing of Australians with disability or long-term health conditions using data and analysis from **ANZ's 2021 Financial Wellbeing Survey**,¹ the seventh iteration of this national survey of Australian adults' financial capability, attitudes, behaviours and wellbeing since 2002. This report aims to improve understanding of how living with disability and/or long-term health conditions impacts a person's financial wellbeing.

“FINANCIAL WELLBEING IS THE EXTENT TO WHICH SOMEONE IS ABLE TO MEET ALL THEIR CURRENT COMMITMENTS AND NEEDS COMFORTABLY AND HAS THE FINANCIAL RESILIENCE TO MAINTAIN THIS IN THE FUTURE.”

1. <https://www.anz.com.au/content/dam/anzcomau/documents/pdf/aboutus/esg/financial-wellbeing/anz-adult-financial-wellbeing-survey-2021-australia-accessible.pdf>
2. Australian Bureau of Statistics. (2018). Disability, Ageing and Carers, Australia: Summary of Findings. ABS. <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>.

Many Australians are living with disability or long-term health conditions that impact their daily lives. One in four (24%) respondents to ANZ's **2021 Financial Wellbeing Survey** reported having 'a long-term health condition, impairment or disability that has lasted or is likely to last for at least six months and restricts them in their everyday activities', while the Australian Bureau of Statistics (ABS) estimates there were 4.4 million Australians living with disability in 2018.²

As discussed in the **2021 Financial Wellbeing Survey**, an individual's context is critical to their financial wellbeing. Analysis showed that external factors such as a person's socio-economic situation has the strongest direct influence on their financial wellbeing, while their financial behaviours, confidence, attitudes, knowledge, experience and behaviour traits also have important roles to play.

This report clearly demonstrates a significant gap between the financial wellbeing of those Australians who live with disability or long-term health conditions and those who do not. Programs and tools to help develop financial confidence and positive saving and spending habits such as MoneyMinded and Saver Plus, can provide the skills to lessen the impact of socio-economic disruptions on financial wellbeing, however further support is critical. Key contributors to building financial wellbeing for Australians with disability are the structural supports that enable their full inclusion. In order to address the significant gaps in financial wellbeing for people with disability or long-term health conditions, reducing barriers to employment, providing formal and informal social support and improving housing security all have a role to play in enabling people to participate socially and economically to their full potential.





Key findings

People with disability or long-term health conditions, particularly those of working age, have much lower financial wellbeing than other Australians.

- Australians with disability or long-term health conditions had an average financial wellbeing score of 54 (out of 100), well below those Australians who did not have a disability or long-term health condition (66 out of 100).
- The financial wellbeing of working age people with disability or long-term health conditions (18–64 years) was significantly lower again (48 out of 100).

Mental health is a concern, particularly for working age people with disability or long-term health conditions.

- More than two-fifths of those living with disability or long-term health conditions (44%) described their mental health as fair or poor compared to 22% of those without a condition.
- Mental health was an even greater concern for working age Australians with disability or long-term health conditions; 57% reported fair or poor mental health compared to 26% of other working age Australians.

Reduced earning potential and employment opportunities are particularly evident for working age people with disability or long-term health conditions.

- One-in-six (16%) working age people with disability or long-term health conditions had a university degree, compared to 28% of working age people without a condition.
- Almost two-fifths (38%) of working age people with disability or long-term health conditions earned less than \$35,000 per annum (compared to 14% of those without a condition). They were also much less likely to be employed full-time than 18–64-year-olds without a condition (22% versus 52%) and more likely to be either looking for part-time work (8% versus 2%) or not looking for work at all (11% versus 1%).

People with disability or long-term health conditions are more likely to rent and feel home ownership is not a realistic goal.

- People with disability or long-term health conditions were more likely to be renting, either in the private rental market or government social housing, than other Australians (43% versus 27% amongst 18–64-year-olds; 14% versus 6% amongst those aged 65 years and over).
- Further, amongst people who did not own their home outright:
 - 34% of those with disability or long-term health conditions wanted to own a home but did not feel it was a realistic goal for them (versus 15% of people without a condition), and
 - 24% of people with disability or long-term health conditions experienced some difficulty paying their mortgage or rent, more than double the rate of those who did not report any condition (11%).

People with disability or long-term health conditions are less able to access the social support necessary for inclusion, participation and financial wellbeing.

- One-in-four (25%) people with disability or long-term health conditions felt they could not access support from family if they needed it (versus 16% of those without a condition). Almost half (48%) of people with disability or long-term health conditions felt they could not seek support from friends if needed compared to 36% of those without a condition.

Working age people with disability or long-term health conditions find it more difficult to build financial resilience for the short and long term.

- People with disability were less likely to be actively saving and more likely to borrow for everyday expenses. In terms of exercising spending restraint, they were near on par with people without a condition suggesting a more constrained financial situation for those with disability.

- They had less opportunity to ‘build a nest egg’ and were more likely to be worried about their future financial situation. More than half (52%) of all Australians with disability or long-term health conditions said they ‘felt anxious’ when they thought about their future financial situation compared to 39% of all other Australians.

Financial confidence and a sense of financial control are lower for 18–64-year-olds with disability or long-term health conditions.

- Only half (51%) of 18–64-year-olds with disability or long-term health conditions felt confident in their ability to plan their financial future compared to two-thirds (66%) of working age people without a condition.
- Those aged 18–64 years with disability or long-term health conditions were twice as likely to feel their financial situation was largely outside their control than were people in this age group without a condition (32% versus 16% respectively).

Optimism, a key driver of financial confidence, is lower amongst all people with disability or long-term health conditions.

- Only two-fifths (40%) of 18–64-year-olds with disability or long-term health conditions reported feeling optimistic about the future compared to 58% of 18–64-year-olds without a condition.
- Older Australians with disability or long-term health conditions had levels of optimism in line with the national average but were generally more pessimistic than older Australians without a condition.

AT A GLANCE

Financial wellbeing of people with disability or long-term health conditions

4.4 million

people in Australia
with disability

SENSORY

sight, hearing, speech

INTELLECTUAL

difficulty learning or understanding

PHYSICAL

breathing difficulties, chronic or recurrent pain,
incomplete use of limbs and more

PSYCHOSOCIAL

nervous or emotional conditions, mental illness,
memory problems, and social or behavioural difficulties

HEAD INJURY

stroke or acquired brain injury

OTHER

restrictions in everyday activities due to other
long-term conditions or ailments³

Financial wellbeing of all Australians (score out of 100)

with*	without*
54	66

Australians reporting mental health is fair or poor

with*	without*
22%	44%

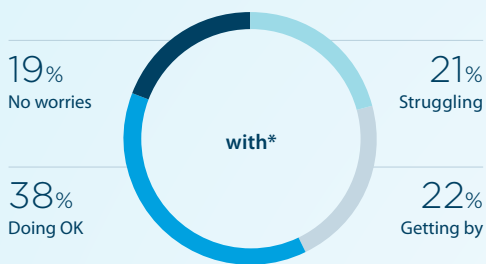
Financial wellbeing of working age Australians (score out of 100)

with*	without*
48	63

Working age Australians receiving a government benefit as their main source of income

with*	without*
36%	9%

Financial wellbeing categories in Australia by disability status



8 million

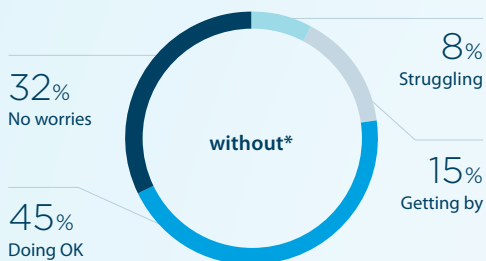
Australians (32%) have at least one long-term health condition. 1 in 6 have a core need for assistance with arthritis, mental health conditions, heart disease, diabetes or other long-term health conditions.⁴

Post-secondary education is key to a person's earning potential for working age Australians

	With*	Without*
University degree	16%	28%
TAFE qualification	35%	24%
Year 11 or below	14%	9%

Working age Australians feeling optimistic about the future

with*	without*
40%	58%



Australians unable to pay for food or expenses

with*	without*
28%	16%

always/often/sometimes needed to borrow or go into debt because they ran short of money for food or expenses.

Working age Australians earning less than \$35,000 annually

with*	without*
38%	14%

Working age Australians feeling confident they can plan their financial future

with*	without*
51%	66%

Australians who don't have any savings

with*	without*
22%	11%

*disability or long-term health conditions

3. Australian Bureau of Statistics. (2018). Disability, Ageing and Carers, Australia: Summary of Findings methodology. ABS. <https://www.abs.gov.au/methodologies/disability-ageing-and-carers-australia-summary-findings/2018>. 4. Australian Bureau of Statistics. (2022). Long-term health conditions. ABS. <https://www.abs.gov.au/articles/long-term-health-conditions>

ABOUT THE 2021 FINANCIAL WELLBEING SURVEY

The **2021 Financial Wellbeing Survey**⁵ is the seventh iteration in the series ANZ has been producing since 2002. The 2021 survey analysis includes updated modelling and is designed to improve our explanation and understanding of financial wellbeing. The **2021 Financial Wellbeing Survey** and analysis is based on the revised Kempson *et al.* model (2018)⁶ and takes into account the evolution in international thinking about financial wellbeing and capability.

The key findings were drawn from an online survey of 3,552 randomly selected adults (over 18 years of age) conducted over two weeks in May and June 2021.

The measurement of financial wellbeing outcomes includes four dimensions with participants' responses converted into scores (out of 100) against each dimension considered to make up overall personal financial wellbeing (Figure 1). Scores for each dimension were calculated and an overall financial wellbeing score was created as an average of the four dimensions:

5. <https://www.anz.com.au/content/dam/anzcomau/documents/pdf/aboutus/esg/financial-wellbeing/anz-adult-financial-wellbeing-survey-2021-australia-accessible.pdf>
6. Kempson, E., & Poppe, C. (2018). *Understanding financial wellbeing and capability. A revised model and comprehensive analysis.* Professional report no.3. Retrieved from: https://www.researchgate.net/publication/326847922_Understanding_Financial_Well-Being_and_Capability_-_A_Revised_Model_and_Comprehensive_Analysis



FIGURE 1 FOUR DIMENSIONS OF FINANCIAL WELLBEING



MEETING EVERYDAY COMMITMENTS

How well people meet their current expenses



FEELING COMFORTABLE

How comfortable people feel about their current financial situation (next 12 months)



FINANCIAL RESILIENCE

The ability to cope with financial setbacks



FEELING SECURE FOR THE FUTURE

A long-term view of future financial security

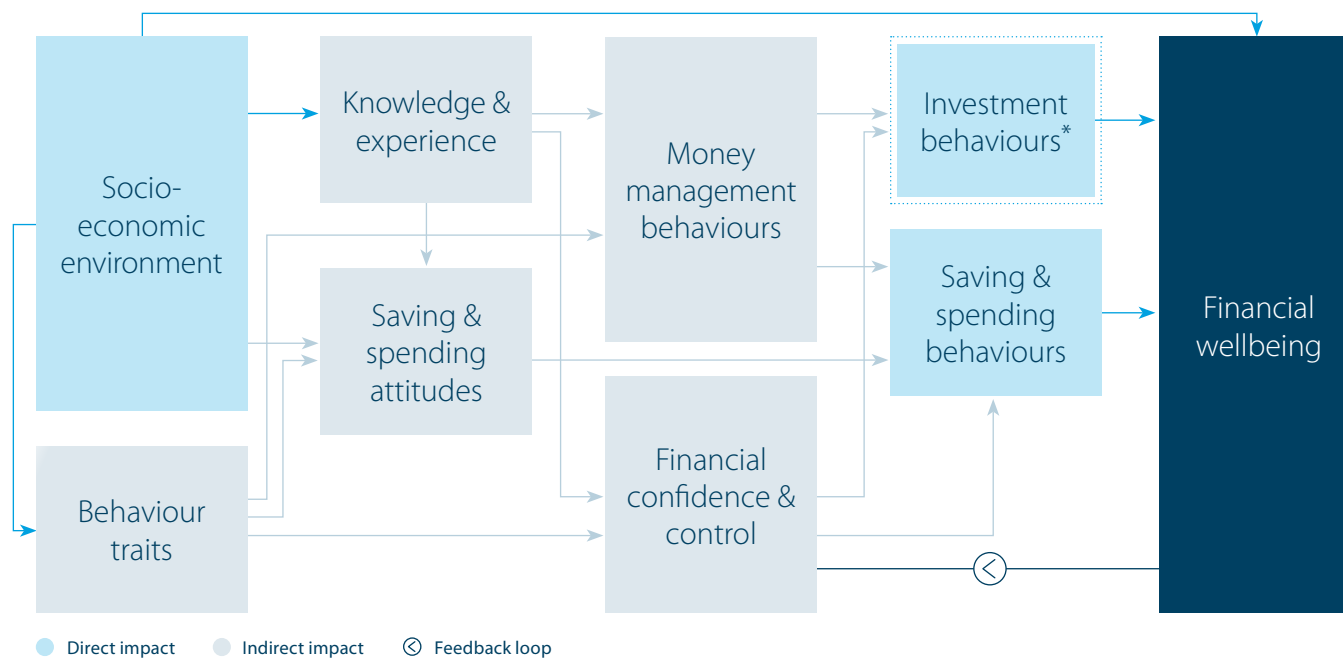
The revised Kempson *et al.* model (2018) is one of the few 'large-scale' models in the financial wellbeing literature that ties together the multitude of potential influences on financial wellbeing. The structure of the model is based on research into how the various variables interact and affect financial wellbeing (Figure 2).

Specifying the revised Financial Wellbeing Conceptual Model as a basis for analysis, the 2021 survey uses structural equation modelling (SEM) to analyse the network of relationships along the different paths and determine their direct and indirect influence on financial wellbeing.

Application of this model in our analysis in the Australian context is mostly consistent with Kempson *et al.* (2018), however inclusion of a fourth dimension of financial wellbeing – feeling secure for the future – in our measure identified 'investment behaviour' as an additional financial behaviour with a direct impact on financial wellbeing (Figure 2).

A summary of the survey methodology and technical approach can be found in the [2021 Financial Wellbeing Survey](#) report.

FIGURE 2 THE FINANCIAL WELLBEING CONCEPTUAL MODEL APPLIED IN THIS RESEARCH



Source: Augmented version of the Kempson, E., & Poppe, C. (2018) Financial Wellbeing Conceptual Model.



* Inclusion of a fourth dimension of financial wellbeing – feeling secure for the future – in this survey has identified 'investment behaviour' as an additional financial behaviour with a direct impact on financial wellbeing.



Our research found that socio-economic factors had the greatest influence on financial wellbeing, accounting for 54.5% of the explained variation⁷ in overall financial wellbeing. Behaviour traits such as a person's orientation towards the future, impulsivity, optimism or frugality accounted for 13.4%. Financial behaviours such as saving and spending behaviours, investment behaviours and money management behaviours, accounted for 19.3% of the explained variation in financial wellbeing in the 2021 survey (Figure 3).

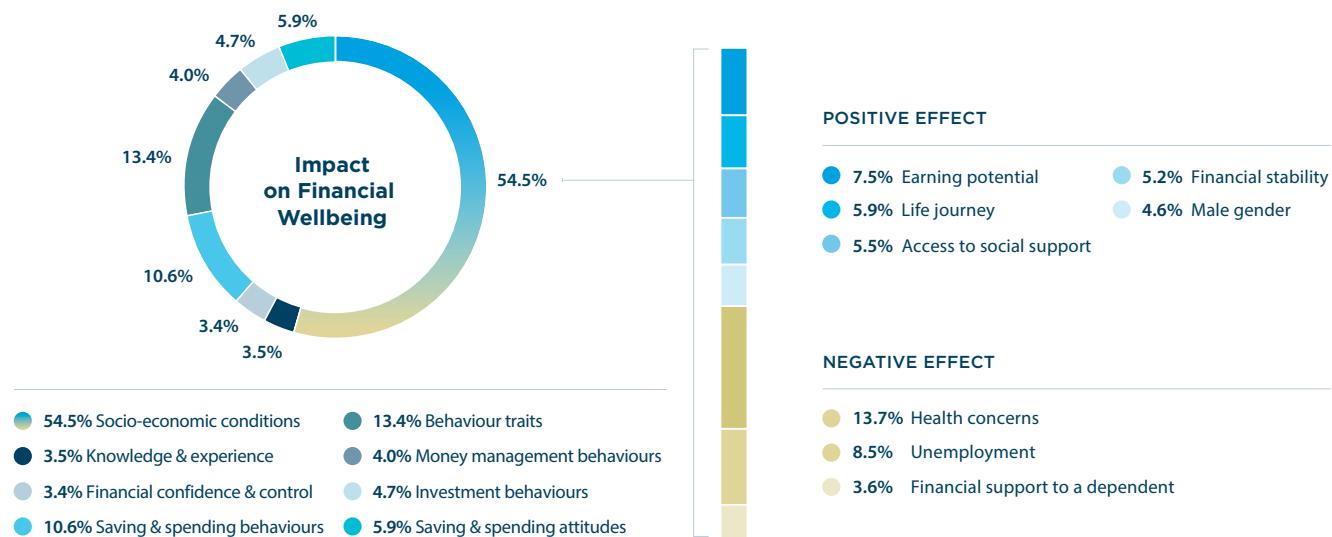
Health, unemployment, earning potential and stage in life journey⁸ were the strongest socio-economic influences on financial wellbeing.

Other socio-economic factors such as access to social support from family, friends and community, financial stability, gender and providing financial support to dependents were all significant influences on financial wellbeing.

Our investigation of financial wellbeing and disability and long-term health conditions was guided by the models shown in Figures 2 and 3. That is, consideration was given to the relationship between disability and poor health and each of the drivers shown in Figure 2. There is a particular focus on the more detailed subsections of these drivers (for example, health, earning potential and access to social support) as presented in Figure 3.

FIGURE 3 WHAT CAN INFLUENCE FINANCIAL WELLBEING?

Socio-economic conditions have the largest influence on financial wellbeing



7. Overall, the structural equation model developed was able to explain 75% of the variation in people's financial wellbeing scores. 8. Reflecting the tendency for people, on average, to accumulate assets as they progress through life.

AUSTRALIANS WITH DISABILITY OR LONG-TERM HEALTH CONDITIONS

The Australian Bureau of Statistics (ABS) estimated there were 4.4 million people with disability in Australia in 2018, or 17.7% of the population.⁹ While not classified as having a disability, a further 22.1% lived with long-term health conditions where they have a core need for some type of assistance.

The **2021 Financial Wellbeing Survey** questionnaire grouped both long-term health conditions and disability together, asking respondents the following:

Do you have any long-term health condition, impairment or disability that restricts you in your everyday activities and has lasted or is likely to last for six months or longer?

Approximately one-in-four (24%) respondents to the **2021 Financial Wellbeing Survey** answered yes to this question.

They were slightly more likely to be female, (56% were female compared to 49% of those without a disability or long-term health condition) and, not unexpectedly, the incidence of disability or long-term health conditions increased with age (Figure 4).

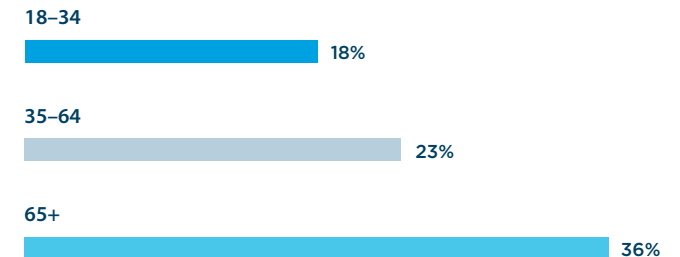
One-quarter (25%) of survey respondents reporting disability or long-term health conditions were living alone, compared to

16% of people without disability. There was a higher incidence of being divorced or separated, (41% compared to 25% of people without disability), something reflected in a higher likelihood of being a single parent and a lower likelihood of living with a spouse with children amongst those aged under 65 years. There was also an over-representation of people from Aboriginal or Torres Strait Islander backgrounds (8% versus 4% of those without a condition) and of people living outside Australia's capital cities (39% versus 32% of those without a condition).

Older Australians (over 65 years) with disability or long-term health conditions were mostly living with a partner with no children (49%) or living alone (38%). Working age Australians (18–64-year-olds) with disability or long-term health conditions had a higher likelihood of single parenthood (12% versus 6% of working age people without disability), living with parents (12% versus 10%) or living in shared accommodation (8% versus 6%).



FIGURE 4 PROPORTION OF AUSTRALIANS REPORTING A DISABILITY OR LONG-TERM HEALTH CONDITION BY AGE GROUP (%)



9. Australian Bureau of Statistics. (2018). Disability, Ageing and Carers, Australia: Summary of Findings. ABS. <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>



KEY FINDINGS

01. People with disability or long-term health conditions, particularly those of working age, have much lower financial wellbeing than other Australians.

Australians with disability or long-term health conditions had an average financial wellbeing score of 54 (out of 100). This was well below both the national average of 64 (out of 100) as well as the average for those who did not have a disability or long-term health condition (66 out of 100). People with disability or long-term health conditions generally also scored below average on all four components of financial wellbeing (Figure 5).

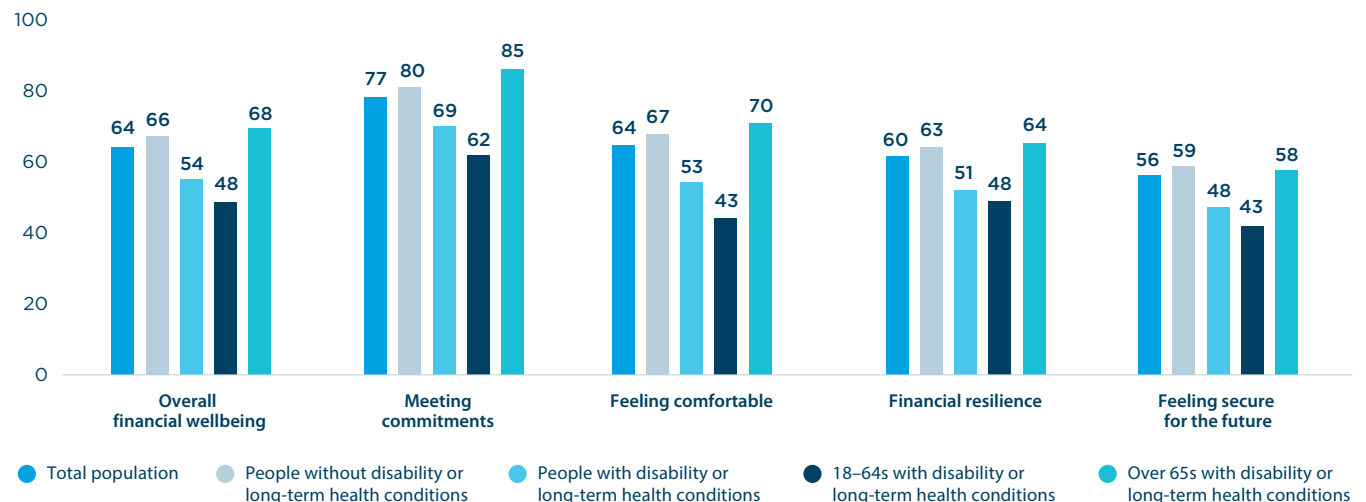
The financial wellbeing of working age people (18–64 years) with disability or long-term health conditions was significantly lower again (48 out of 100), scoring well below both the national average as well as the average score of 63 for those under 65 years of age without a condition (Figure 5).

Older Australians (65 years plus) with disability or long-term health conditions scored 68 out of 100; while this was below the average for older Australians who did not report a condition (80 out of 100), their financial wellbeing score was still above the national average (Figure 5). This reflects the generally higher wellbeing scores amongst older Australians as financial demands decline in line with decreasing debt, increasing assets and increased home ownership. However, the higher life expenses associated with disability or long-term health conditions are likely to be impacting the current household finances and wellbeing of older Australians in this cohort.

While 13% of Australians without disability or a long-term health condition described their current financial situation as 'bad' (very or somewhat bad), more than twice as many people with disability or long-term health conditions (29%) described their current financial situation as 'bad'. This was predominantly the case for 18–64-year-olds with disability or long-term health conditions, 37% of which reported their current financial situation was 'bad', compared to

14% of working age Australians without a condition. This was slightly higher for working age males than females with disability (39% versus 34%). Thirteen per cent of over 65s with disability or long-term health conditions reported their current financial situation was 'bad'. While this was below the national average, it was still more than double the proportion of over 65s without a condition reporting the same state (5%).

FIGURE 5 FINANCIAL WELLBEING AND COMPONENT SCORES BY AGE AND DISABILITY STATUS (OUT OF 100)



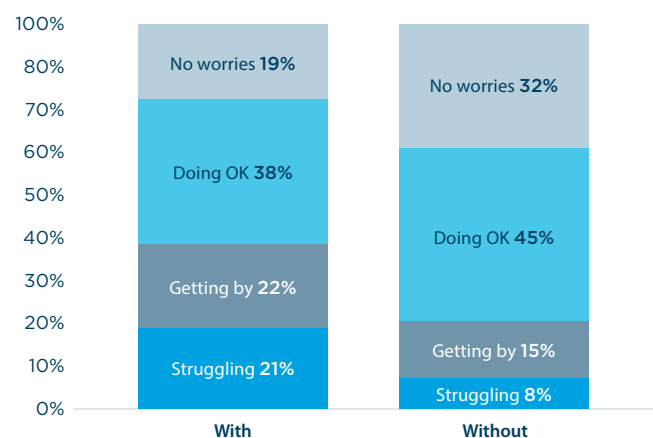


With financial wellbeing unevenly spread across the population, survey respondents were divided into four segments according to their financial wellbeing score (out of 100). These segments were described in the **2021 Financial Wellbeing Survey**:

- **Struggling:** (0–30) Most describing their current financial situation as 'bad', having little or no savings and finding it a constant struggle to meet bills and credit payments. They were less optimistic or future oriented and had poor mental and physical health. Most felt anxious about their future financial situation, did not have any superannuation and did not think owning a home was a realistic goal for them.
- **Getting by:** (>30–50) Many describing their financial situation as 'bad', and feeling less confident in their money management skills and their ability to control their financial future. They were less likely to be frugal than other segments.
- **Doing OK:** (>50–80) Current financial situation is 'fair' or 'good' and reasonably confident about their financial situation over the next 12 months. They were more likely to budget or plan and to have their savings put aside automatically.
- **No worries:** (>80–100) Strongly future-oriented, goal-oriented, optimistic and frugal, contributing positively to financial wellbeing. High levels of confidence in managing money and substantial amounts in savings, investments and superannuation. More likely to report excellent or very good mental and physical health.

Australians with disability or long-term health conditions were much more likely to be **struggling** or **getting by** than those without disability or long-term health conditions, with 43% **struggling** or **getting by** compared to 23% of those without a condition (Figure 6). This was even higher for 18–64-year-olds with disability or long-term health conditions, with more than half (53%) either **struggling** or **getting by**.

FIGURE 6 FINANCIAL WELLBEING SEGMENTS BY DISABILITY STATUS (%)



O2. Mental health is a concern, particularly for working age people with disability or long-term health conditions.

As might be expected, those with disability or long-term health conditions were more impacted by health concerns than other Australians. More than two-fifths (44%) reported fair or poor mental health compared to 22% of people not reporting any condition (Figure 7). Similarly, 59% described their physical health as fair or poor compared to 17% of people not reporting any condition (Figure 7).

People experiencing health concerns were also more likely to report a government benefit or allowance as their main source of income, with three times as many people with disability or long-term health conditions (40%) reporting this to be the case than those without a condition (13%).

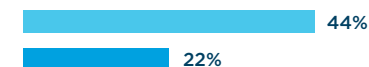
Mental health was a much greater concern for working age Australians with disability or long-term health conditions than for older Australians (over 65 years), with 57% reporting fair or poor mental health, twice as many as working age people without a condition (26%). Comparatively, 16% of older Australians with disability or long-term health conditions reported fair or poor mental health compared to 5% of older Australians without a condition.

O3. Reduced earning potential and employment opportunities are particularly evident for working age people with disability or long-term health conditions.

As shown earlier in Figure 3, a person's earning potential was the largest socio-economic 'enabler' of financial wellbeing. It encompasses those key elements that contribute to an individual's ability to earn a higher income. These include their level of post-secondary education, whether they are a professional or senior manager, their overall 'blue collar/white collar' status and their household income.

FIGURE 7 MENTAL OR PHYSICAL HEALTH IS FAIR OR POOR BY DISABILITY STATUS (%)

Mental Health



Physical Health



● With ● Without



Earning potential was lower for people with disability or long-term health conditions, negatively impacting their ability to make ends meet and their overall financial wellbeing. Our analysis showed that one-sixth (16%) of working age people (18–64 years) with disability or long-term health conditions had a university degree, compared to 28% of working age people without a condition. One-third (35%) had a TAFE/technical certificate or diploma qualification (compared to 24% of those without).

Almost two-fifths (38%) of working age people with disability or long-term health conditions reported household incomes of less than \$35,000 per annum (compared to 14% of those without a condition), with 46% sourcing their income primarily from wages or salary compared to 75% of working age people without disability. A government benefit or allowance was the main source of income for 36% of working age people with disability or long-term health conditions (compared to 9% of 18–64-year-olds without a condition).

Working age Australians with disability or long-term health conditions also experienced greater impacts on their financial wellbeing from unemployment, the second largest socio-economic disruptor of financial wellbeing after poor health. They were much less likely to be employed full-time than 18–64-year-olds without a condition (22% versus 52%) and were more likely to be either looking for part-time work (8% versus 2%) or not looking for work at all (11% versus 1%). Fifteen per cent of women under 65 years with disability or long-term health conditions reported their current employment situation as ‘home duties’ compared to 10% of 18–64-year-old women without a condition.

04. People with disability or long-term health conditions are more likely to rent and feel home ownership is not a realistic goal.

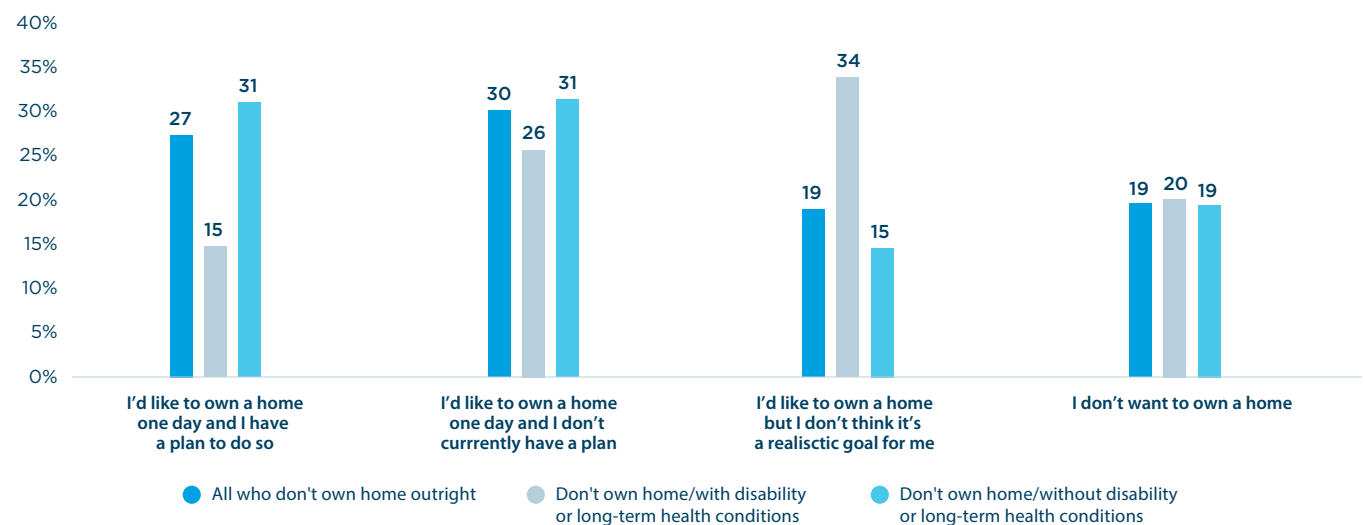
More than one-third (37%) of people with disability or long-term health conditions owned their home outright, which was higher than those without disability (29%), reflecting the older average age of this cohort. Examining this group by age highlights that the proportion owning their home outright is similar to those who did not report a long-term health condition or disability. One-fifth (19%) of people with disability or long-term health conditions under 65 years of age owned their home outright (compared to 18% of under 65s without a condition) and 75% of over 65s in this group owned their home outright (compared to 79% of those aged 65 and over without a condition).

However, 18–64-year-olds with disability or long-term health conditions were much less likely to be purchasing their home with

a mortgage (25% compared to 41% of the same age group who did not report a condition). This was reflected in a higher reliance on renting either from a private landlord (33% compared to 24% of 18–64-year-olds without a condition) or government-sponsored social housing (10% versus 3%). Older Australians (65 plus) with disability or long-term health conditions were also twice as likely to rent, with 14% renting from either a private landlord or government agency compared to 6% of Australians over 65 years who did not report a condition.

Those people with disability or long-term health conditions ‘who did not own a home outright’, showed a similar desire to other Australians to own a home. However, they were more likely to feel home ownership was an unrealistic goal (34%), when compared to a national average (19%) and 15% of people not reporting a disability or long-term health condition. Those who wanted to own a home were noticeably less likely to have a plan to achieve this (15% versus 27% national average and 31% of people without a condition) (Figure 8).

FIGURE 8 INTEREST IN HOME OWNERSHIP AMONGST THOSE WHO DO NOT OWN THEIR HOME OUTRIGHT (%)





The lower incidence of progressing towards owning a home was also reflected in use of financial products by 18–64-year-olds with disability or long-term health conditions, with 22% having a home loan for a property they live in compared to 39% of those without a condition, and less than half as many having a loan for an investment property (6% versus 13%) or a mortgage offset account (8% versus 21% than those without disability or long-term health conditions).

Australians with disability or long-term health conditions who 'did not own their home outright' also found it more difficult to pay their housing costs. Approximately one-quarter (24%) of this group experienced difficulty in paying their mortgage or rent, more than double the incidence amongst those who did not report any disability or long-term health condition (11%).

05. People with disability or long-term health conditions are less able to access the social support necessary for inclusion, participation and financial wellbeing.

The Australian Institute of Health and Welfare (AIHW) report on *People with Disability in Australia* highlights the important role that social support plays, including informal support from family, friends and the larger community, in enabling people with disability to participate in many facets of life and minimise the risk of social isolation and loneliness.¹⁰

Our research shows that having access to social support networks was also important to enabling financial wellbeing (see Figure 3). The definition of access to social support networks in the financial wellbeing context includes whether a person could seek any kind of support from family, friends or their broader community, whether their parents talked to them about finances when growing up, and whether they may have received a significant inheritance in the last 12 months.

People with disability or long-term health conditions were more likely to feel they were unable to access support from family and friends than those without a condition. Figure 9 shows that 25% of people with disability or long-term health conditions felt they could not access support from family if they needed it, whereas 16% of those without a condition felt similarly. Likewise, almost half (48%) of people with disability or long-term health conditions felt they could not obtain support from friends if needed compared to 36% of those without a condition. They were however, on par with all other Australians in whether they felt support would be available to them from neighbours or their local community.

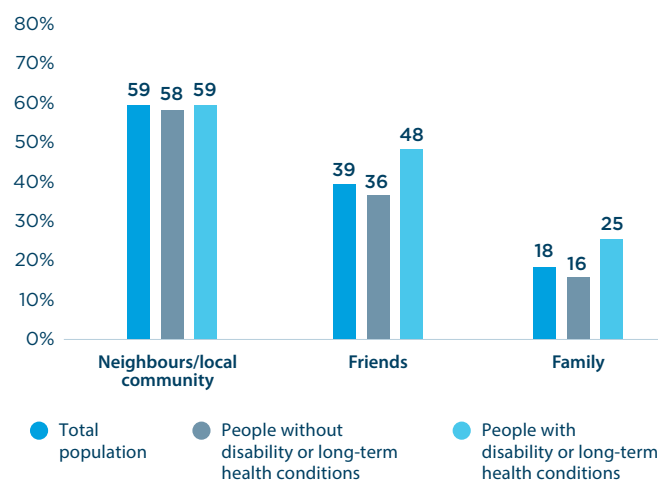
Older Australians 65 years and over, whether they had a disability or not, were less likely to feel they could definitely or sometimes obtain support from family or friends if they need it. Three-fifths (62%) of older people with disability or long-term health conditions reported they could definitely or sometimes obtain support from family

members, no different from all other older Australians (62%). Similarly, 30% of older people with disability or long-term health conditions reported they could definitely or sometimes obtain support from friends if they needed it; again, this was the same as all other older Australians.

Having money conversations remained an important part of social support and financial wellbeing. Whether parents had provided advice growing up was strongly correlated with financial wellbeing. People with disability or long-term health conditions were slightly less likely to have discussed finances with their parents while growing up than Australians without disability (27% versus 33%).

Women with disability or long-term health conditions in particular were less likely to say they felt comfortable talking about their financial situation with their main bank (49%) or utility providers (36%) than women who did not report a condition (60% and 42% respectively).

FIGURE 9 PEOPLE WHO DO NOT THINK THEY COULD SEEK SUPPORT BY DISABILITY STATUS (%)



10. Australian Institute of Health and Welfare (2022) *People with disability in Australia 2022*, catalogue number DIS 72. AIHW, Australian Government. <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/social-support/social-inclusion>



06. People with disability or long-term health conditions are less likely to seek information, guidance or support with finances from formal sources.

In the 12 months prior to the survey, 49% of Australians with disability or long-term health conditions had used one or more formal sources of information, guidance or support with their finances while 46% had used informal information sources with their finances such as relatives or friends. These figures were significantly lower than for people without a disability or long-term health condition (60% for formal sources; 56% for informal sources).

With respect to specific informal information sources used, 30% of working age people with disability or long-term health conditions had used their parents for information, guidance or support with finances in the last 12 months (slightly less than 33% of working age people without a condition); 22% had used close friends; 16% had used other close relatives; and 15% had used an online resource (such as a website, blog, webinar or podcast). They were more likely to have sought information, guidance or support with their finances from a community organisation than other working age people (6% versus 2%). Older Australians with disability made little use of informal information sources (72% did not use any informal information sources, on par with the 73% of others aged 65 years plus) but those who had done so were most likely to have either spoken with other close relatives (13%) or used an online resource (11%).

Use of formal information sources in the last 12 months highlighted almost one-fifth (18%) of working age people with disability using an accountant and 12% using a financial planner; less than those without a condition. Almost one-fifth (17%) had been to a bank website or bank employee, 10% had utilised the services of Centrelink financial information service officers (FISOs) and 5% had sought information, guidance or support from a financial counsellor (slightly higher than 3% of working age people without a condition). Over 65s with disability or long-term health conditions mostly sought formal information, guidance or support with their finances

from a financial planner or advisor (23%) or accountant (13%), with a further 9% speaking with a bank employee. They were less likely than other over 65s to have used formal sources overall (57% had not used any formal source of financial information in the last 12 months compared with 44% of other over 65s).

07. Working age people with disability or long-term health conditions find it more difficult to build financial resilience for the short and long term.

As shown earlier in Figures 2 and 3, financial behaviours have an important role to play in financial wellbeing and are key to ensuring people have the financial resilience to lessen the impact of socio-economic disruptions. For the analysis, financial behaviours were grouped into three different categories:

- Saving and spending behaviours such as active saving, not borrowing for everyday expenses and spending restraint
- Investment behaviours, and
- Money management behaviours such as monitoring finances, planning and budgeting and informed financial product choice and decision-making.

The **2021 Financial Wellbeing Survey** showed that saving and spending behaviours and investment behaviours both influenced financial wellbeing directly, whereas money management behaviours influenced financial wellbeing indirectly through their influence on saving, spending and investment behaviours (see Figure 2).

BEHAVIOURS ARE KEY TO FINANCIAL WELLBEING AND HAVE A ROLE TO PLAY IN BUILDING RESILIENCE AGAINST LIFE'S UPS AND DOWNS.

a. People with disability are less likely to be actively saving and more likely to borrow for everyday expenses but are near on par with people without a condition in exercising spending restraint.

Saving and spending behaviours have the largest influence of all behaviours on financial wellbeing (see Figure 3). People with disability or long-term health conditions had lower scores for active saving and not borrowing for everyday expenses than other Australians although, perhaps reflecting more constrained financial circumstances, they were more or less on par in exercising spending restraint. This pattern of below average saving and above average borrowing for everyday expenses was particularly evident amongst 18–64-year-olds with disability or long-term health conditions.

When specific aspects of saving are considered, it was apparent that twice as many people with disability or long-term health conditions had no savings (22%) than those without a condition (11%). This was even higher amongst 18–64-year-olds with disability or long-term health conditions, 27% of whom reported having no savings.

People with disability or long-term health conditions were also less likely to save money regularly, than those without (67% compared to 73%). Those aged 18–64 years with disability or long-term health conditions were even less likely to save regularly (61% versus 72% of other under 65s). Incidence of regular saving was also slightly lower amongst men aged 18–64 years with disability or long-term health conditions than amongst the corresponding group of women (59% versus 63%).

People with disability or long-term health conditions were also less likely to say they made sure they had saved for future 'rainy days' by saving some money for the bad times (52% compared to 65% for people without disability) (Figure 10), or to have something to fall back on in the future (64% compared to 71% for people without disability). Both were even lower for 18–64-year-olds with disability or long-term health conditions, with 44% reporting they save some money for the bad times and 57% saving to have something to fall back on.



Around one-quarter (27%) of people with disability or long-term health conditions said they set up their account to put their savings aside automatically, compared to 32% of people without disability. This was slightly higher for 18–64-year-olds with disability or long-term health conditions (29% versus 34% of other under 65s) and significantly lower for those aged 65 and over with disability (20% on par with 22% for others aged 65 or over).

In relation to borrowing for everyday expenses, 16% of Australians without disability or long-term health conditions said they always, often or sometimes needed to borrow money or go into debt to pay for food or expenses because they ran short of money. At 28%, this was significantly higher for Australians with disability or long-term health conditions; it was higher again for 18–64-year-olds with disability (37%), 18–64-year-old males with disability in particular (41%).

This behaviour was much lower for older Australians with disability or long-term health conditions (6%) although it was still slightly more common than amongst other over 65s (1%).

Similarly, 12% of Australians without disability or a long-term health condition said they always, often or sometimes borrow money to pay off debts compared to one-fifth (20%) of Australians with disability or long-term health conditions. This was higher again for 18–64-year-olds with disability (27%) and much lower for older Australians in this group (5%). One-third (33%) of working age males with disability or long-term health conditions said they always, often or sometimes borrow money to pay off debts compared to 23% of working age females with disability.

Spending restraint was not greatly different from other Australians for people with disability or long-term health conditions. Sixteen per cent said they ran short of money because they overspend (describes me well/very well) compared to 12% of people without disability or long-term health conditions. Similarly, 15% said they were 'impulsive and tend to buy things even when they can't really afford them' compared to 13% of people without a condition (Figure 10). Both responses were slightly higher for 18–64-year-olds with disability or long-term health conditions, with 18% responding that they ran short of money because they overspend, and that they tended to buy things even when they can't really afford them.

Australians with disability or long-term health conditions were as frugal as those without. Eighty-one per cent said if they can re-use an item they already have, 'there's no sense in buying something new'. Around two-thirds (65%) of working age people with disability felt they could resist buying things today to save for tomorrow, slightly higher than over 65s with disability or long-term health conditions (60%). Sixty-two per cent of working age people with disability or long-term health conditions felt they could control themselves to make sure they get the most from their money. This was even higher for older Australians with disability, with 78% reporting they could control themselves to get the most from their money.

FIGURE 10 SAVING AND SPENDING BEHAVIOURS IMPORTANT FOR FINANCIAL WELLBEING

		Australians with disability or long-term health conditions	Australians without disability or long-term health conditions
 Active saving	"I make sure I save some money for the bad times"	52%	65%
 Not borrowing for everyday expenses	"I am unable to pay a bill by the due date (several times a year/most months) because I run short of money"	21%	12%
 Spending restraint	"I tend to buy things even when I can't really afford them"	15%	13%

b. They are worried about their future financial situation and have less capacity to 'build a nest egg'.

While having less impact than saving and spending behaviours, investment behaviours are nevertheless a significant determinant of financial wellbeing with its focus on the accumulation of longer-term assets such as:

- Investing in property
- Using investment or margin loans
- Having a managed fund or share portfolio, and
- Planning one's finances to make sure there is money available for investment purposes.

Australians generally invest later in life after they have had time to reduce debt and family-related expenses and increase assets (such as property and savings). Our analysis showed that older families and retirees were much more likely to engage in investment behaviours, with investment behaviour scores around double those of younger adults and families. Consistent with this, older Australians with disability or long-term health conditions were almost twice as likely to engage in investment behaviours as their younger counterparts, although they were still less likely to be investing than other older Australians.

People aged 18–64 years with disability or long-term health conditions were less likely to be investing than other working age Australians. For example, working age Australians with disability or long-term health conditions were less likely to hold shares than those without a condition (9% versus 17%) or to make sure there is money available for investment purposes (19% versus 28%).

More than half (52%) of all Australians with disability or long-term health conditions reported some anxiety when they thought about their future financial situation (compared to 39% of all other Australians). This was higher for working age Australians with disability or long-term health conditions (59%), females in

particular (63%). A higher proportion of working age Australians with disability also reported having no superannuation to fall back on in retirement (54%) compared to people aged 18–64 years who did not report a condition (46%), probably reflecting the much lower proportion of those with disability in full-time work. They were also less likely to hold home and contents insurance (43%) compared to other working age Australians (53%), life insurance (17% versus 23%) and income protection (9% versus 14%).

c. People with disability or long-term health conditions are budgeting, planning and monitoring their finances.

As was the case with investment behaviours, people's money management behaviours were less important than saving and spending behaviours but still significant influences on their financial wellbeing. When it comes to money management behaviours, including planning and budgeting, monitoring finances, and informed financial product choice and decision making, people with disability or long-term health conditions were on par with all other Australians.

Three-quarters (76%) of people with disability or long-term health conditions made either a rough or exact plan or budget for how they used their income, on par with people without disability (74%). Similarly, 73% of people with disability or long-term health conditions always, often or sometimes kept to their plan for using their income, on par with people without disability (71%). Older women (65 years and over) with disability or long-term health conditions were twice as likely to say they always keep to their plan (30%) than people without a condition (15%).

People aged 18–64 years with disability or long-term health conditions were more likely than other working age people to check their account transaction records every day (23% versus 17%) or track their spending and saving either manually or automatically through an app or online tool every day (16% versus 11%). Women aged 65 years and over with disability or long-term health conditions in

particular, tended to use a method every day to remind them of when bills were due for payment (24% versus 13% of over 65s without disability), whereas working age women with disability or long-term health conditions were more likely to review their transactions records and receipts every day to help identify where they were spending than other working age women (16% versus 11%).



08. Financial confidence and a sense of financial control are lower for 18–64-year-olds with disability or long-term health conditions.

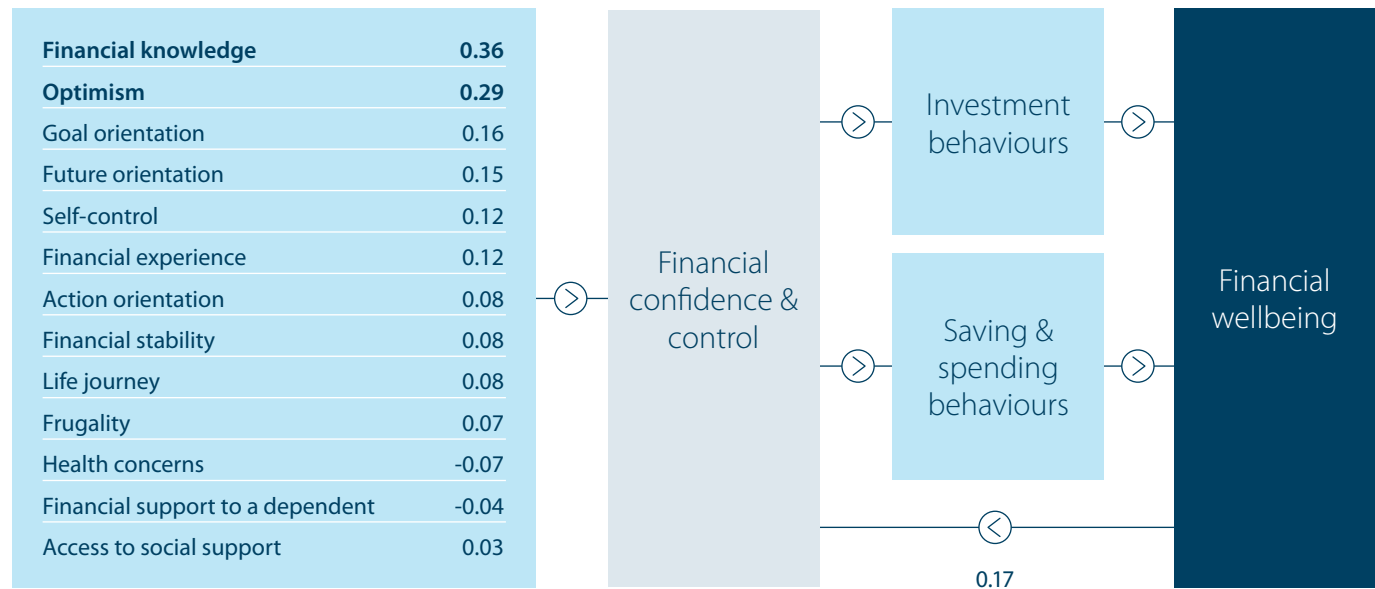
Our 2021 Financial Wellbeing Survey analysis showed that the strongest direct effects on saving and spending behaviours were people’s attitudes to saving and spending (whether you are more of a spender or saver), their sense of financial confidence and control over their financial lives and their money management behaviours (see Figure 12). Further, a person’s behaviour traits, socio-economic situation and financial knowledge indirectly affect saving and spending behaviours through their attitudes, financial confidence and control and money management behaviours (see Figure 2).

Whether a person exhibited strong long-term investment behaviours was influenced primarily by their sense of financial confidence and control over their financial lives and, to a lesser extent, their money management behaviours (in particular whether they were demonstrating informed product choice and decision-making). In turn, both of these factors were influenced primarily by a person’s level of financial knowledge and how optimistic they are (see Figure 11).

While money management behaviours for people with disability or long-term health conditions were on par with other Australians, their overall financial behaviours were also influenced by their financial confidence and control, and by their attitudes to saving and spending.

People aged 18–64 years with disability or long-term health conditions had lower levels of financial confidence and control over their financial lives than the general population and other 18–64-year-olds without a condition. This lower financial confidence and sense of control over their financial lives is likely to be impacting negatively on their saving, spending and investment behaviours. By contrast, over 65s with disability or long-term health conditions had levels of financial confidence and control that were more or less on par with other older Australians.

FIGURE 11 INFLUENCES ON FINANCIAL CONFIDENCE AND CONTROL (STANDARDISED REGRESSION COEFFICIENTS)



Note: only statistically significant results are shown.



In general, 18–64-year-olds with disability were not significantly different in their level of confidence when making decisions about financial products and services than were other people in this age group, although they were less confident than over 65s with disability or long-term health conditions (Figure 12).

However, working age people with disability or long-term health conditions were less confident in their ability to manage their money day-to-day than other working age Australians (71% were very or somewhat confident in their ability to do so compared to 79% of other working age Australians). They were much less confident than older Australians both with and without disability or long-term health conditions (Figure 12).

There was a larger discrepancy in confidence about the ability to plan their financial future. Only half (51%) of 18–64-year-old Australians with disability or long-term health conditions felt very or somewhat confident in their ability to do this compared to

two-thirds (66%) of other working age people, over 65s with disability or long-term health conditions (79%) and over 65s without a condition (85%) (Figure 12). Confidence was even lower for working age women with disability, where only 47% reported feeling confident about their ability to plan their financial future.

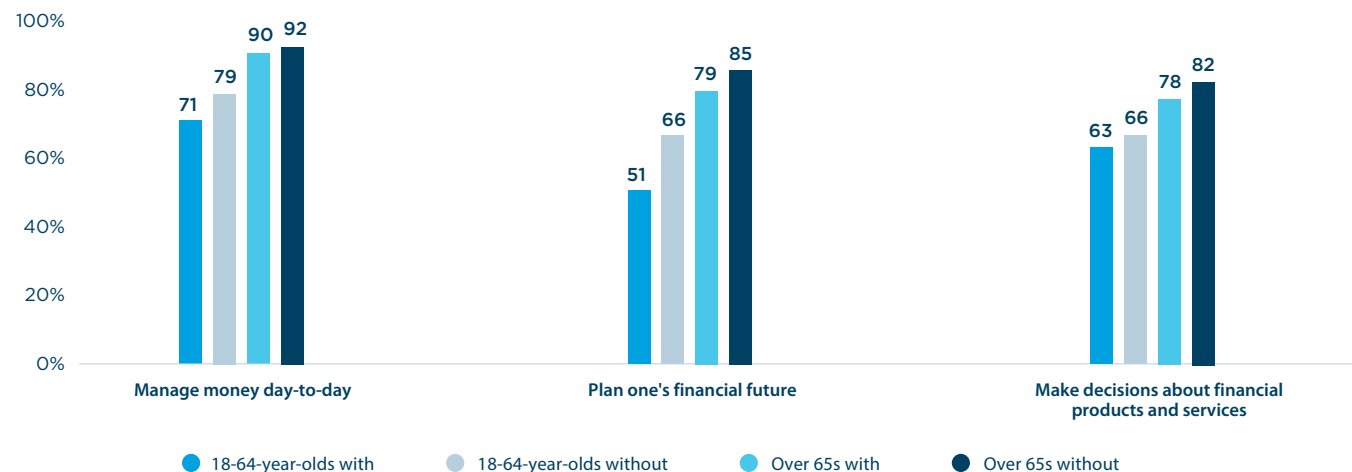
Working age Australians with disability or long-term health conditions were twice as likely to feel their financial situation was largely outside their control (32% said this described them well/very well) compared to working age people without a condition (16%). This was much higher for 18–64-year-old men with disability (37%) than women (27%) reflecting women's higher scores in planning, budgeting and monitoring their finances which was a consistent finding across the general population. While older Australians with disability or long-term health conditions were on par with the national average, they were nevertheless more likely to feel their financial situation was largely outside their control (16%) than were other older Australians (9%).

09. Optimism, a key driver of financial confidence, is lower amongst all people with disability or long-term health conditions.

Feeling pessimistic about the future is likely to be having a negative impact on the sense of financial confidence and control of 18–64-year-olds with disability or long-term health conditions. Both working age men and women with disability demonstrated lower levels of optimism than those without a condition. Only two-fifths (40%) of 18–64-year-olds with disability or long-term health conditions reported feeling optimistic about the future compared to 58% of other 18–64-year-olds. Around one-third (35%) of 18–64-year-olds with disability felt the future looked bright to them compared to 54% of other 18–64-year-olds.

Older Australians with disability or long-term health conditions had levels of optimism in line with the national average but were generally more pessimistic than other older Australians without a condition. Three-fifths (59%) of over 65s with disability were feeling optimistic about the future, well below other older Australians (75%). Almost half (47%) of older people with disability or long-term health conditions felt the future looked bright to them compared to 69% of those without a condition.

FIGURE 12 CONFIDENCE IN FINANCIAL ABILITIES BY AGE AND DISABILITY STATUS (%)





10. Working age women with disability or long-term health conditions are less confident in their knowledge of investment risks.

Financial knowledge appeared to be a key negative influence on the financial confidence of working age women with disability or long-term health conditions. Knowledge scores for working age men and older people with disability were in line with the national average, albeit with older men doing slightly better than older women.

The primary knowledge gap appeared to be in knowledge of the risks associated with different financial products, in particular longer-term investment products. For example, 28% of 18–64-year-old women with disability or long-term health conditions said they understood the risks associated with investing in the share market well or very well compared to 39% of working age people who did not report a condition. This was also lower than working age men with disability or long-term health conditions (45%). Similarly, only 12% of working age women with disability said they understood the risks associated with margin loans compared to 21% of working age people without disability and 24% of working age men with disability.

11. Financial experience for working age men and willingness to take action for working age women with disability is also affecting confidence levels.

Other factors negatively influencing the level of confidence and control for people with disability or long-term health conditions included the lower extent of financial experience for working age men with disability and lower action-orientation for the equivalent group of working age women.

Action orientation includes such factors as the ability to make up one's mind when faced with multiple options, deferring difficult decisions and breaking undesirable habits. While 18–64-year-old women with disability or long-term health conditions were mostly in line with their male counterparts and all other people without a condition in their ability to make difficult decisions and break undesirable habits, they did report slightly more difficulty with making up their minds when facing multiple options. Almost half (47%) of working age women with disability or long-term health conditions reported finding it difficult to make up their own mind when having to choose between a lot of options, compared to 35% of working age men with disability and 41% of all 18–64-year-olds without a condition.

Working age males with disability or long-term health conditions were less likely to say they played a significant role in planning how money is spent in their household (78%) than the equivalent group of working age women (86%) and of 18–64-year-olds without a condition (83%). They were also more likely to say they mainly relied on someone else (14%) compared to 7% of working age women with disability and 11% of 18–64-year-olds without a condition.

This was also the case for their role in ensuring that regular household bills and loan repayments are paid. Working age males with disability or long-term health conditions were less likely to say they played a significant role in paying household bills or making loan repayments (73%) than working age women with disability or long-term health conditions (84%) and 18–64-year-olds without a condition (77%). Fourteen per cent said they mainly relied on someone else compared to 5% of working age women with disability, but in line with 18–64-year-olds without a condition (13%).





Digital knowledge and experience

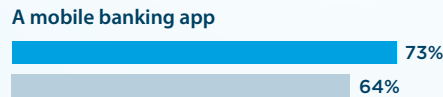
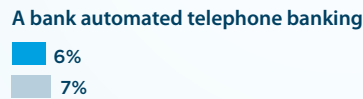
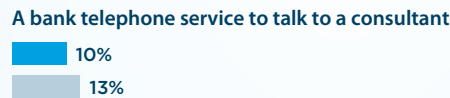
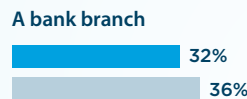
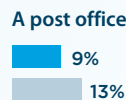
For all Australians with disability, knowledge of online risks was on par with those without disability, although people with disability or long-term health conditions were more likely to have lost money in a scam or fraud (18%) compared to those not reporting a condition (13%). This was mostly driven by men with disability, 22% of whom said they had personally lost money in a scam or fraud, compared to 14% of males who did not report a condition.

Use of bank channels in the last 12 months was similar for people with and without disability or long-term health conditions across both working age and older Australians with some notable exceptions. Working age people with disability were less likely to have used a mobile banking app than those without a condition (64% versus 73%), with women preferring mobile apps more than men (69% versus 58%). They were also more likely to have used a bank branch (36% versus 32%), with working age men with disability or long-term health conditions preferring branch services to women (40% versus 33%).

Older people with disability or long-term health conditions demonstrated less preference for digital banking (both mobile banking apps and internet banking) than older people without a condition. However, this lower usage was mostly driven by older women. Fewer over 65s with disability had frequented a branch in the last 12 months than those without a condition (41% versus 47%). However, 50% of older males with disability or long-term health conditions had used a branch in the last 12 months compared to 37% of women.

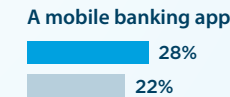
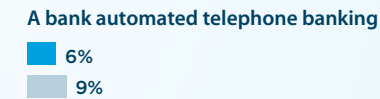
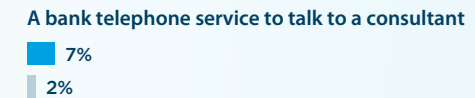
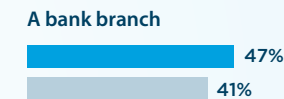
BANKING CHANNEL USED IN THE LAST 12 MONTHS BY AGE AND DISABILITY STATUS (%)

18–64-years-olds



● Without ● With

Over 65s



● Without ● With

12. Working age men with disability have more of a spending mindset, affecting saving behaviours.

Saving and spending attitudes are influenced primarily by personality traits such as an individual's orientation towards the future, impulsivity and frugality. In addition to this, socio-economic traits such as their financial stability and health, and other psychological factors such as whether they are action or goal-oriented, all have an influence on their saving or spending mindset.

Men aged 18–64 years with disability or long-term health conditions reported less of a savings mindset and more of a spending mindset than 18–64-year-olds without disability. This spending mindset is likely to be impacting their saving, spending and investment behaviours. Working age women were in line with 18–64-year-olds without disability. Over 65s with disability or long-term health conditions were in line with over 65s without disability, although older men had slightly more of a spending mindset than older women.

Almost two-fifths (37%) of working age men with disability or long-term health conditions said they found it more satisfying to spend money than save it compared to 26% of working age women with disability and 25% of 18–64-year-old men without a condition. Working age men with disability were also much more likely to say they prefer to spend any money they have rather than save for unexpected expenses or an income fall (29%) than working age women with disability (17%) or 18–64-year-old men without a condition (16%). However, they were more aligned in their preference for buying things on credit rather than waiting to save up, with 20% of working age men with disability saying they preferred to buy on credit than wait to save, similar to 18–64-year-old women with disability or long-term health conditions (17%) and working age men without a condition (18%).



In this instance, the saving and spending attitudes of 18–64-year-old men with disability or long-term health conditions appear mostly influenced by being less future-oriented and more impulsive. Working age men with disability or long-term health conditions were more likely than others to say that they live more for the present day than for tomorrow, with 38% stating that this described them well or very well compared to 31% of 18–64-year-old men without a condition.

Working age men with disability or long-term health conditions were also more likely to describe themselves as impulsive (30% said this described them well or very well) than women with disability or

long-term health conditions (21%) and 18–64-year-old men without a condition (18%). One-fifth (21%) felt they often do things without giving them much thought compared to working age women with disability (16%) and working age men without a condition (19%). One-third (32%) also reported that they say things before having thought them through compared to women in this group (28%) or working age men without a condition (26%).

Overall, a 'live for today' outlook and a high level of impulsivity do not support a 'saver' mindset.

CONCLUSION

The **2021 Financial Wellbeing Survey** aimed to improve understanding of why people might behave the way they do, what is driving their behaviour and what factors, both internal and external are 'blocking' or 'enabling' their financial wellbeing. This report looks deeper into those factors as they influence the financial behaviours, attitudes and wellbeing of Australians with disability or long-term health conditions.

An individual's context is critical. External factors such as the socio-economic conditions they face have the strongest influence on financial wellbeing. For Australians with disability or long-term health conditions, particularly under 65s, their physical and mental health, earning potential (starting with education) and their employment opportunities are clearly impacting their capacity to build resilience for the future and their overall financial wellbeing.

Financial behaviours also have a critical role to play in ensuring people have the financial resilience to lessen the impact of socio-economic disruptions on financial wellbeing over time. People with disability are less likely to actively save and are more likely to borrow for everyday expenses. They are worried about their future financial situation and have less opportunity (or capacity) to 'build a nest egg'. For working age people with disability these behaviours are influenced by how financially confident and in control of their finances they feel. While optimism is key here, there are also possible opportunities to build financial knowledge, particularly in longer term investment risks, and financial experience through taking a more active role in managing finances.

Psychological factors such as willingness to take action and impulsivity also play a part in the confidence, attitudes and behaviours of people with disability. Taking these factors into account can help someone implement beneficial financial behaviours to offset any natural tendencies. For example, establishing a savings habit through having money automatically locked away in a separate account, even if it is only a small amount.

But a key part of building financial wellbeing for Australians with disability or long-term health conditions is ensuring there are supports in place that enable full inclusion of people with disability. Workplace accessibility, formal and informal social support and housing security all have a role to play in supporting people with disability to participate to their full potential and build financial wellbeing.





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