

The Wellbeing Conversation

With Dylan Alcott, Brad McEwan and special guests

Financial wellbeing and women with Alexis George and Dr Suzy Green

Brad McEwan: Welcome. It's great to have you here. Now, our chapter today is all about women and financial wellbeing. Let's meet our panelists first Paralympic gold medalist and ANZ Ambassador Dylan Alcott. Dylan, great you can join us again.

Dylan Alcott: G'day Brad. So good to be here mate. I'll tell you what, I'm learning so much from this series. I really am and very excited for today's episode.

Brad McEwan: Also joining us today is ANZ Deputy CEO and Group Executive Wealth Australia, Alexis George. Lex, thanks for joining us.

Alexis George: Can't wait. I think it's such an important topic and really looking forward to the conversation.

Brad McEwan: Our final panelist today is Dr Suzy Green, clinical and coaching psychologist and CEO of the Positivity Institute. Suzy, thank you for joining us today.

Dr Suzy Green: Thank you so much for having me. This is also a topic that is very close to my own heart and a topic that I've been learning a lot more about in the last twelve months or so in working with ANZ.

Brad McEwan: Okay, let's get started. Lex, young Australians across the board are doing it tough right now, aren't they?

Alexis George: Yeah, I mean, we've been doing some research and created an indicator with Roy Morgan since 2014, actually. So it's the first real data we've got on post-COVID and pre-COVID around financial wellbeing and we've seen a significant drop. In fact, it's gone from sixty point seven to about fifty six point five. And that is actually a really large drop in terms of people's financial wellbeing and has turned back all of the benefits that we got during late 2019. And as you just said, it's disproportionately affecting those younger people, younger, single people and younger people with children. I think we can probably guess why - new entrants to the workforce. But I think what's also interesting is it's disproportionately affecting women as well. And in fact, if I look at the stats pre-COVID, you know, the average was sixty point seven. I'm being very precise here, but men were at sixty two point six and women were at fifty eight point nine and post-COVID average fifty six point five. Men are at fifty eight point four and women are at fifty five point one. So, yeah, women and the younger generation are really being impacted much more than the general population.

Brad McEwan: And Suzy, that means a whole lot of stress?

Dr Suzy Green: Absolutely. And we know that financial stress is the largest cause of stress for Australians. My own Australian psychological society has records of that over previous years. And we're now experiencing additional stress. And I guess, again, we do a lot of work in workplaces and in schools. And I guess when you're looking at schools too, I think that a large proportion of school teachers are women. And so having to deal with those challenges that schools are facing right now and then also increased unpaid labor in

the home as well, which I've read some research about today as well. So, yes, even more stress than normal, I would say.

Brad McEwan: A recent financial wellbeing survey highlights that historically women will go to great lengths to avoid managing their finances and also talking about them. Lex, how do we change that?

Alexis George: Yeah, unfortunately, I think that's a general thing around the Australian population and something we kind of have to address. But as you said, it is much more in the female population. And I think it's partly, you know, because of history and societal. But women spend a lot more time thinking about financial decisions and they really need to make sure they feel comfortable before they're happy to move forward, whereas men tend to make, and I've seen a lot of research from this around the advice industry, men tend to make decisions more quickly. And so you really see a bit more procrastination in that female population. And I was just talking to our staff about this today because finance is really scary, right? I live and breathe it every day, but a lot of people don't. And you don't realise they haven't been educated about it in school. And so it's really scary. And as a result, you kind of think if you stick your head in the sand, it might go away and it doesn't. So now I think just starting on that journey, one little step about understanding is really important. And that particularly goes for women. And they need that nurturing environment to take that step, I think.

Brad McEwan: So, Lex, how do we support women to have more confidence around their finances?

Alexis George: I think having conversations like this is great, but I think involving them in the conversation. Right? Not treating them like they have no say in the way that the family budget is done. So that is really important for me. Involve women in the conversation involve them in the major financial decisions. And listen to the views they have because women tend to be more risk averse than men as well. And in this environment, that is not a bad thing to have a bit of consideration of risk. So I think discussion, equal partners, support and just take the time to explain and I think then you'll find that both you'll be better off quite honestly.

Brad McEwan: And Suzy, there's clearly a lot of stress around finances. Even more so in the current world we're living in?

Dr Suzy Green: Absolutely. And, you know, I mean, really, it's one of our basic human needs is a sense of safety and security. And obviously, finances play a large part there, particularly if you haven't got a lot of financial income as well. We do know from research that above a certain amount of money and it's not actually put my finger on exactly. It's not a lot of money, but you don't get an extra happiness or wellbeing point, but you absolutely need a certain basic income to be able to cover those basic needs to feel that sense of security. And we also know from psychological research that if you haven't got that sense of security, you become even more risk averse as well.

So, yeah, I mean, one of the things that I've been talking a lot about through the last few months with COVID is basic stress management skills, basic anxiety management skills, because under stress and duress, it is very difficult to think clearly and make good decisions as well. It can affect our health from our physical health as well as our mental health. So anything you can do to reduce that stress. But I agree with Lex that it really needs to be, I know not everybody is in a relationship, but if you are, it's so important to be

able to dedicate some time. And I know there are lots of other people talking about the concept of date night or financial date night. Getting clarity on your values. Often, in my experience, most couples haven't even really talked about their values. And it's where these values clashes occurred that the problems occur as well. And that can, in many cases, be around money. So what we're really talking about is building a strong relationship, strong, positive relationship, and that openness and transparency and time allocated to talking about the things that really matter. And I think what COVID has done, at least in my experience, is that people seem to be willing to talk more about the things that matter right now. I don't know if that's everyone's experience, but particularly from a mental health perspective, people are more open to acknowledging the impact that stress has on our mental health and our wellbeing. And as we said before, financial stress is one of the biggest stressors on our mental health and wellbeing.

Brad McEwan: Dylan, how do you go about discussing finances with your partner? And also what insights can you share about considerations when talking about money in our relationships?

Dylan Alcott: I mean, as a young person, I'm 29. Does that count me as young still? I'm not sure. But, you know, it wasn't on the agenda for my partner Chantelle and I talk about really, to be honest. Do you know, when I first started talking about it? Was when I sang in the ads during the Australian Open. And I'd like to apologise to everyone for my singing voice on the ANZ ad singing that I'm financing lack of never finance before. But I've got to say, like it was actually started. We'd been going at a year we'd never really communicated between us about our financial situation. It was probably something that we should have done sooner. And I'm so glad that we did. But I mean, everything that we touched on here is so important to be an active listener rather than just contributing to what you think in terms of how the budget should happen and what should happen within the family household in terms of your finances. But I know I can speak as a young person. Obviously, the current crisis has hit people differently across a whole bunch of different scopes. But for young people, it's pretty scary, to be honest. And I know I'm in a pretty, very lucky, privileged position where I've had a, you know, a good steady income for a long time, which a lot of my friends and my family and people around my age it's tough because people probably weren't having those financial discussions like they should have. You know, you don't plan for a pandemic or anything like that. So it's left people in a position whereby they're probably not, as you know, set up as they probably wanted to be, because, as we said, who knows what's gonna happen in the future? And I'm so glad that we're putting a, you know, a lens on women specifically here. But, you know, I come from a minority group being people with a disability. Imagine being a woman and having a disability. You know what I mean? It's hard enough for women to get positions in leadership and to get up the chain and that because of things like discrimination and unconscious bias that currently exists. If you add on another minority group on top of that, whether it's your race or your disability or whatever it is some times that hill is too steep to climb and that's not the fault of anybody. It's up to all of us, especially males and people in leadership roles to I guess eliminate those unconscious biases, because if they stay there at the moment in addition to the pandemic, you know, it's going to it's really going to hurt a lot of people. And I think it's important to have those discussions now.

Brad McEwan: A common definition of financial wellbeing is the extent to which someone is able to meet all of their current commitments and needs comfortably and has the financial resilience to maintain this in the future. So Lex I imagine because of the current financial climate, a lot of people aren't able to meet those commitments and needs?

Alexis George: Yeah, I think actually Dylan just said some really interesting things and he said it as a young person that, you know, people don't think about putting away for a rainy day. And if you could just do one thing to improve your financial wellbeing it is having that pot of savings of about three months, we would suggest, that is really difficult in the current environment right? To start to talk about making that happen right now. But you can see the statistics that show if people did have that small of saving, that three months of saving, they're feeling much more comfortable now. And as I said, disproportionately women and younger people didn't have that. You're right that the definition you just gave is the right definition. The way I look at it is do people feel comfortable about their future financial security to be simple? And clearly, women do not. Part of that's understanding. Part of that's not having that pot. Part of it's having typically more responsibilities still in terms of putting food on the table or making sure their children's school fees are paid. So I think there's many factors that come to play there.

Brad McEwan: Lex, what advice do you have for women who want to achieve financial wellbeing?

Alexis George: Yeah, we're on an ANZ video. So I actually feel okay about promoting ANZ. But honestly, there are some fantastic tools on our website around financial wellbeing. I don't know if you did any of them, Dylan, when you were doing your singing, but they really are quite good and they're quite simple. I went through them myself and learnt some things that I didn't know about. But there's some great, simple education, even just talking about budgeting. So there's tools out there. Many of them. What I would say just take one minor step forward towards engaging with your finances. Yes. As Suzy said, it will certainly help with your mental wellbeing if you deal with your financial wellbeing. They're all intricately linked. Just one step, even just thinking about a budget. That's what I would encourage. Just take one minor step forward, understand your spending. Think about a budget, because I don't think any of us do that. And there's a plethora of tools out there. Some really good ones that will help you focus.

And can I say, as a mother of younger, younger children, it's really important to talk to your kids about it as well. Yeah, I've got, my aren't children anymore, they're young adults only slightly younger than Dylan, so that's how old I am. But it's really important to talk to your kids about that, to talk to them about finances, the importance of saving, the importance of budgeting so that we don't continue this dirge in financial literacy.

Brad McEwan: So Suzy, is the key here to get into good financial habits early?

Dr Suzy Green: I think so. I mean, the compound interest is just a basic law, I guess, that we could learn a lot about. I didn't I guess as a as a woman growing up in the era I grew up in. I really had no financial literacy. And I guess I also grew up in the state where you got married and you had children. I'm the first person in my family to go to university. So I've had to learn the hard way. And I wish that I'd had a program at school around financial literacy. And I know ANZ do support a financial literacy program, which I think is absolutely fabulous, and we need that in schools as well. And we also know from some research and often quote in some of our work in schools that there are mindsets or beliefs that women pass on inter-generationally to their daughters if they have a belief that they are no good at mathematics, then those beliefs can get passed on as well. So as a parent and look at I know it's the hardest job I've ever done, but the greatest investment you can make in yourself is going to absolutely flow on to your children, but observing being aware of your own thoughts or beliefs that you have around your capability, around finances and perhaps setting a small goal. I mean, if you're fortunate enough to have had some good habits

instilled, you are far ahead of others that haven't had that or good role modelling. But, we've got over 40 years of research on goal setting and the impact it can have on goal attainment and wellbeing. But even just starting to set some small goals and the earlier you can do that with children you are teaching them that they are able to set a goal and work towards it and not get instant gratification, which is also a real challenge, which a lot of gets the younger population. Some may have had the privilege of having instant gratification. But I can tell you from the psychological perspective, you're not doing your children any good by giving them instant gratification, because it's actually through the striving process, that the wellbeing comes. Working for something and it builds every time you reach a sub goal, a small goal, you're building up your sense of confidence and competence to take the next step. And one of the factors that I came across in the research around financial wellbeing was confidence in abilities to be able to manage finances so that the more that we can do and perhaps ideally through goals and then habits accompanying habits is going to absolutely impact our financial wellbeing.

Brad McEwan: And Lex, what advice can you offer younger Australians who want to support their parents and their grandparents who might not have the confidence around dealing with their finances?

Alexis George: The stress of not getting engaged is far more than taking one step forward. And, you know, in Australia, the reality is if you don't engage with it, you can have a nice retirement or you can have a terrible retirement. And that's what I would explain to them. You know, it can make a real difference. Just a little bit of saving. You know, compound interest is important. Unfortunately, low interest rates at the moment, but still it's important and it can change your life. So I think to just constantly say I can't change my habits now is a bit of a cop out. We all know we can change habits. It just takes time and a bit of effort, actually. And if the goal and the reward is good enough, we do it.

Dr Suzy Green: And there is research to show you can teach old dogs new tricks. No one said it was going to be overnight or easy, but it's possible. And it is about setting small steps, building up your competence and confidence, setting another one and having support. So, whether you set goals with your partner or with a good buddy, or perhaps there are again some financial literacy counselling programs you might seek some assistance. You will build your confidence each baby step that you take.

Alexis George: And celebrate the success. Because too often we're too critical of ourselves and we move straight to the next goal without celebrating that we achieved one.

Brad McEwan: Lex, I'm embarrassed to say that years ago I used to line up at the post office to pay my bills. It took me forever, but I didn't know of all the options out there. The reality is, though, is for all of us, there is so much support around finance now.

Dylan Alcott: Hey, Brad. I didn't even know you can pay bills at the post office. I didn't even know you could do that!

Alexis George: And I'm sure he doesn't know what a cheque is.

Brad McEwan: So there really are easier ways of doing things now, aren't there?

Alexis George: And can I tell you, you say that and this crisis that we're in now, which started off as a health crisis and probably is an economic crisis as well has really accelerated the manner in which people do make their lives easier and deal digitally. Like,

if you look at the digital transactions in banking, versus going to a branch or physical ones. It's exponential change. And I think that is a great thing because it does force people to engage right? And you see that balance when you go onto the app and you see it nudging you to think about saving or nudging you to set goals. So I think it's fantastic. And you talked about the older generation, but actually, the more I like to call, the more mature because I'm one of them. The more mature generation actually is really engaging with digital tools now and is right up there in terms of the numbers.

Brad McEwan: And Lex is a long time lifeline volunteer you've always been passionate about mental health and wellbeing. The current COVID situation just adds another level of stress, doesn't it?

Alexis George: I mean, you're seeing it play out and I think Suzy just talked about it. The mental stress in our society, our mental wellbeing in our society at the moment is huge. And I think it's largely around uncertainty. It's uncertainty about what's going to happen. We've seen unemployment rise a little bit. But because of the government programs today, it's largely been staged off. People are really, really concerned about what's going to happen in the future. And actually, if I look at the stats we've got right now, they are saving more. To be honest, there's more saving than there was because you're trying to prepare for that and that's a good thing. But that's not going to go away in the short term, Brad, and that feeling comfortable about the future, that is really concerning our staff, our customers and the community in general. And that is something that I think is really hard to deal with because, you know, we all know once you have a little bit of control back, you can start to relieve some stress. And at the moment, it's a pretty uncertain environment we're living in.

Brad McEwan: So, Suzy, would your advice be to have conversations even though they might be difficult?

Dr Suzy Green: Absolutely. And I guess lean to it. And one of the, I guess, highly recommended psychological approaches right now is about learning to sit with discomfort rather than trying to get rid of it. I mean, nobody wants to feel discomfort. But learning to sit with a little bit of discomfort, knowing that in the long run it's going to pay off by, you know, a lot of the techniques that were found in the surveys that I reviewed is that men and women avoided looking at their finances. They'd prefer to do juice cleanses and go to the dentist than look at their finances. But I guess, you know, from a coaching perspective, we would recommend that, you know, and as much as it's so hard to predict our future, we are living in a VUCA world. This is this volatile, uncertain, complex and ambiguous world. And it existed before COVID hit. And it's going to continue. This is just a, I guess, a prime example of living in a VUCA world. And that's really challenging. Challenging because, as I say, as humans, we have this basic need for security, but we are going to learn, need to learn. And this is why these skills are being taught to children in schools now, to sit with discomfort and to be able to be psychologically flexible, to disengage from a goal and re-engage in another goal. And these are skills that you can learn. And as I said, they're starting to be taught in schools, which is really inspiring for me. But you can learn them through - you can pick up a book and learn some basic thinking skills to help you understand the thoughts that might be helping you. The thoughts that might be hindering when it comes to your financial situation. And mindfulness, a lot of people will have been hearing about mindfulness again prior to COVID. But right now, it's probably a non-negotiable. Having a basic and it might be another form of meditation, but some form of mental, I guess practice. And that then can translate, builds up your capacity to cope with in the here and now rather than catastrophizing about what could happen in the future or ruminating on what you should have done. The bad decisions you've made the

mindfulness allows you to be in the moment. And there's also a whole lot of application when it comes to money about being really mindful about what you're spending your money on. And as Lex said, I think now more than ever, having a bit of a secure, you know, base of money there is probably one of the smartest things that you could do would be to have that money that's saving there given we have such an uncertain future.

Brad McEwan: So then what does the conversation around financial wellbeing look like?

Alexis George: You know, that's an interesting question. And I had to do something with my 25 year old daughter recently where we did an interview and they asked her her learnings from her mother. I was horrified to think what she was going to say, actually. But one of the things she said and I felt so proud was that the learning she'd had from her mother was to manage her own finances and know where things had gone and been spent. And I thought, oh, I didn't realise that was something she'd learned from me, but I felt pretty proud that she'd learned that actually, because we've always talked about know where your money's going. Make sure you have to work the things, you have to set goals. So it even comes down in my mind to pocket money. You know, Suzy just mentioned it before, you have to get - you have to do something for your pocket money. It's not just a handout and the instant gratification. And you have to save for something you really want, other than your parents just giving it to you.

Now, in my childhood, I was lucky or unlucky enough that you had to do that because there was no way my parents were going to be able to give instant gratification. But I really was conscious about that with my children. So it's you know, it's talking about the pocket money setting the goals, little things. Making them work for it. I think they're really important to instill the right values for later in life because things don't come to you easily. And then you're got to make bad decisions, right? We all make bad decisions. It's how you choose to deal with them. And Suzy just said that but I read a great psychology page this week that said a bad decision is like one of those unwanted party guests. They come and what are you gonna do about it? You let it ruin your whole night or you just accept it and move on and make a new decision. And so I think it's really important to understand you're going to make mistakes. Pick yourself up, dust yourself off and carry on to the next go and celebrate the next success.

Dr Suzy Green: Yeah, I think that is a large dose of compassion that's needed too, I guess, for ourselves as women. And perhaps I know for me, as I mentioned before, looking back, as I didn't have, I came from a family with my mum stayed at home. And, you know, my dad took care of the finances. And so I didn't have that role modelling to that degree. But, yeah, I think we need to have a little bit of compassion because not everybody and all women have had that role modelling which is why the education component is so important. I mean, even, you know, the public dissemination of information that I know ANZ and other financial institutions are doing, it's so important. And then building up that, as I said, that sense of confidence for women. And, you know, whether that's through support from their partners or family or friends as well, that they can do it, you know, they can be in charge of their finances. And it's actually quite exciting. Once you do, I mean, I run a small business as well. And one of the biggest impacts that I read about, too, is income variability. And as many small business owners will know, that's one of the greatest challenges that you face with small business. So, yeah, having that sense of compassion, learning what you can and learning from those mistakes as well, and getting back up and having another go.

Brad McEwan: Lex in finishing, what are your tips for achieving financial wellbeing?

Alexis George: Firstly, start. Actually start. Take one step over that starting line and engage with your finances. Set, as we've discussed today, some realistic goals that you can attain and then celebrate and go for the next goal, but start. Just start in some small step, saving, budgeting, whatever.

Brad McEwan: Thank you, Suzy and Lex, for your fabulous advice.

Dr Suzy Green: Thank you.

Alexis George: Thank you.

Brad McEwan: A really insightful conversation, Lex. Isn't it wonderful to be able to pass on this advice and help people?

Alexis George: Absolutely. And look, I think it's such an important topic. And any way we can get females and the younger generation engaged, I'm willing to give it a go. So thank you for raising it.

Brad McEwan: Suzy, you're all about positivity. I imagine your advice is to try and stay positive?

Dr Suzy Green: To try and stay as positive as possible. We actually know from the research it broadens your perception. You see all options are more likely to achieve your goals.

Brad McEwan: And Dylan, wonderful to have your insights once again.

Dylan Alcott: Good on you Brad and I strongly believe in role models and how good are these two ladies as role models for everybody? But also, you know, it's up to all of us to continue to provide opportunities for everybody, but especially women. You know, people in minority groups. And I guess it's impressive to hear that these tools are available so we can continue to improve.

Brad McEwan: Absolutely. Thank you to Lex, Suzy and Dylan, and thank you for joining us on the Wellbeing Conversation.

Dylan Alcott: Hey, everyone. Dylan Alcott again. Now we touched on a few topics around mental health throughout that chat. Now if that brought up anything for you, make sure you reach out to beyondblue.org.au or their phone number is 1300 224 636. You can also hit up Lifeline on 13 11 14 or reach out to the people within your ANZ teams and they'll be able to help.