

Q Regions Matter Research Series

MONEY MATTERS: The financial behaviours and perceptions of regional and metropolitan Australians



INSTITUTE FOR REGIONAL FUTURES This report was prepared by IRF for NGM on the land of the Awabakal and Worimi people, whom we acknowledge as the traditional custodians of this land. We also pay respect to the wisdom of our Elders, past and present, and acknowledge the traditional custodians of all lands referred to in this report.



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Message from the NGM Group CEO



I am proud to present the Money Matters report, a collaboration between NGM Group and the University of Newcastle's Institute for Regional Futures. This comprehensive study helps to shed light on the financial behaviours, perceptions, and challenges faced by Australians – examining both regional and metropolitan areas, with a particular focus on the Hunter region where we are proud to be based.

Australia's regional communities and economies are the backbone of our nation, and it's important we understand how we - the people who live and work here - interact with and manage money.

NGM Group's mission extends beyond simply providing financial services to over 620,000 Australians; our purpose is to help our customers and communities thrive. This report illustrates the resilience of regional Australians, who demonstrate strong financial confidence and planning compared to their metropolitan counterparts. It specifically highlights the correlation between higher financial confidence and higher home ownership in the regions, compared to big cities. Helping more Australians to own their own home is how our organisation started and I'm proud to say we remain committed to that same goal today, 120 years later. This data has demonstrated that financial literacy and education are essential in improving financial behaviours, and as an industry it is important that we consider how to best support our communities to create meaningful change and a lift in confidence among our regions. As both a financial institution and significant employer in regional Australia, we recognise our own responsibility in empowering Australians to improve their money skills and financial confidence.

Our award-winning Greater Bank Finance Academy is one way in which we are improving financial literacy in our communities. Our program equips high school students with practical finance skills like budgeting and saving, while developing their understanding of credit and debt. Since its establishment in 2018, we have delivered the program to over 1,000 high school students each year, helping them put their best foot forward with the tools to become financially independent, secure and confident.

The report findings underscore the economic pressures many Australians face, such as limited savings and the stress of rising living costs. Although regional areas like the Upper Hunter stand out for their financial optimism and planning, broader systemic challenges persist across both regional and metropolitan areas.

This research will not only help us better support our customers, but also reinforces our commitment to creating impactful change, especially for regional communities through our brands Newcastle Permanent and Greater Bank.

By continuing to invest in community-focused solutions and advancing financial literacy, we aim to continue supporting Australians in navigating economic uncertainties with confidence and security – just as we have done for more than a century already.

Bernadette Inglis

Group CEO NGM Group

Message from the IRF Interim Director



From the desert to the coast, thousands of regional, rural and remote communities make a unique and valuable contribution every day to the social, cultural and economic fabric of our country.

Around two-thirds of Australia's export earnings come from regional industries including; agriculture, tourism, mining, retail, services and manufacturing. Socially and culturally Australia's regions are renowned for demonstrating resourcefulness, innovation and collaboration, which are embedded in regional life.

We are proud to have partnered with NGM Group on this report, which builds on our previous Regions Matter research, to take a deeper dive into the financial behaviours and perceptions of not only our local regional communities, but more broadly of the cities and regions across the nation.

Although we are a nation of prosperity, recent local and global economic factors have presented challenges for the financial stability of many communities – both regional and metropolitan. This report outlines the importance of several factors that contribute to a buoyant view of financial confidence and future financial stability. It particularly highlights the challenges faced by young people, women and nonhomeowners who report facing financial pressure and lower confidence in managing financial matters, thereby strengthening the need for ongoing efforts to build financial literacy and the importance of proactive financial planning.

As Interim Director of the Institute for Regional Futures, I am proud to continue to share our research which reflects our commitment to building a comprehensive view of the contribution, resilience and wellbeing of not only our local communities and regions, but those across the nation.

Professor Kate Senior Interim Director Institute for Regional Futures

MONEY MATTERS:

The financial behaviours and perceptions of regional and metropolitan Australians.

1. Executive Summary

Australia's cost-of-living crisis is well-documented and while inflation, mortgage stress and slow wage growth are some of the known contributors; less understood are the financial behaviours and attitudes that are at play, and the differences between the experience of regional Australians and their metropolitan counterparts.

MONEY MATTERS provides valuable insights into the trends in financial confidence, planning, and optimism between regional and metropolitan populations, with a particular focus on the Hunter Region and New South Wales (NSW).

The research approach for this project analysed key patterns in behaviours and perceptions towards money and used:

- Responses to the 2023/2024 *Regions Matter Two* research; and
- Aggregated/deidentified customer data for savings and mortgage balances provided by NGM Group for the Hunter Region (includes the Upper and Lower Hunter and the Central Coast).

Further information about the evidence base for this report can be found in Appendix 1.

The report findings detailed in Section 2 cover:

- 1. Financial confidence: people's perceived abilities to manage their finances.
- 2. Financial situation today: how financially comfortable people feel they are, levels of savings and people's preparedness for financial shocks.
- 3. Future outlook: expectations about people's standard of living in the next two years and their perceived ability to control their financial future.

Key findings at a glance

There are clear differences in behaviour and perceptions about money, financial situations, financial security and about future expectations between the NSW regions and NSW metropolitan locations. Compared to metropolitan locations, people in the NSW regions reported feeling more in control over their current and longer-term finances.

- In regions across Australia, the traditional extractive industry base with generally higher paid jobs and lower housing costs leads to people feeling more financially secure and more positive about the future than their metropolitan counterparts.
- There is a strong association between home ownership in the regions leading to financial confidence and optimism. Homeowners, particularly in regional areas, report higher levels of financial confidence, financial security and optimism about their financial situation. In comparison, the higher costs of housing in metropolitan areas can impact financial confidence.
- There is a concerning trend that people across all regions are too busy to manage their finances, saying they feel there is nothing they can do to change their financial situation and find dealing with money stressful and overwhelming.
- In the Hunter region, older people, males and homeowners seem to be in a better financial position, reporting more financial security and are generally more positive about the future than younger people, women and homeowners with mortgages or people who rent. There are small differences across the region with the Upper Hunter often being an outlier across many indicators.

The findings in **MONEY MATTERS** make it clear that while communities in regional Australia demonstrate financial confidence and a level of security, there is no room for complacency. Economic uncertainties, rising living costs, and shifting employment patterns require a proactive approach to support these populations. Importantly, stronger financial literacy is a priority among specific groups who report higher levels of financial stress and lower confidence in managing their money including young people, women and renters.

¹The 'Hunter Region' refers to the combined Upper Hunter, Lower Hunter, and Central Coast regions. The Upper Hunter comprised Dungog, Muswellbrook, Singleton and the Upper Hunter LGAs. The Lower Hunter comprised Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens LGAs. The Central Coast LGA was surveyed and, except where described otherwise, is included within references to the 'Hunter'.



2. Research Findings

The purpose of the analysis was to understand two elements:

- · how behaviours about money change with location; and
- perceptions about financial situation, financial security and future expectations.

The analysis considers behaviours and perceptions in three locational contexts:

- Hunter region;
- a comparison between regional and metropolitan areas in NSW; and
- regions across Australia.

The findings are presented across three key themes.

Key themes



Financial confidence

This section presents findings on people's perceived abilities to manage their finances. This includes financial planning and levels of stress associated with managing their money. Home ownership, gender and age are influencing factors in the level of people's financial confidence.



Financial situation today

This section considers how financially comfortable people feel they are, and the similarities and differences across the three regions. Also included in this analysis are levels of savings and people's preparedness for financial shocks, such as unanticipated loss of income.

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Future outlook

This section looks at people's expectations about their standard of living in the next two years and their sense of agency in being able to control their financial future.

Hunter Region

- The 'Hunter Region' refers to the combined Upper Hunter, Lower Hunter, and Central Coast regions.
- The Upper Hunter comprised Dungog, Muswellbrook, Singleton and the Upper Hunter local government areas (LGAs).
- The Lower Hunter comprised Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens LGAs.
- The Central Coast LGA was surveyed and, except where described otherwise, is included within references to the 'Hunter'.



2.1 Financial confidence

Financial confidence is characterised by people's perceived abilities to manage their finances. This includes financial planning and levels of stress associated with managing their money.

There is a strong association between home ownership in the regions leading to financial confidence and optimism. Homeowners, particularly in regional areas, report higher levels of financial confidence, financial security and optimism about their financial situation. In comparison, the higher costs of housing in metropolitan areas undermines financial confidence.

Global research on perceived abilities to manage money² is relevant to these findings. It shows that people's perception of their financial management skills is a better predictor of financial wellbeing and financial outcomes than actual financial management skills. A more optimistic view of one's financial management skills is positively linked to better financial outcomes for households.

² Voros et al. 2022. The forms of financial literacy overconfidence and their role in financial well being. International Journal of Consumer Studies. Vol. 45, Issue 6 November 2021. pp1292-1308. Available at: https://doi.org/10.1111/ijcs.12734

At a glance: Financial confidence

The Upper Hunter region demonstrates significantly higher levels of financial confidence than the rest of the region, particularly among older residents and homeowners.

Financial confidence is less prevalent among women and younger residents, with 50% of women across the Lower and Upper Hunter reporting that they find financial matters stressful and overwhelming.

Regional areas in NSW show stronger financial confidence compared to metropolitan locations like Sydney. People in regional NSW are generally more proactive in financial planning.

Across regional Australia there is consistently greater confidence in financial management than in metropolitan Australia. While residents in regional areas said they feel more in control of their financial futures, their challenges related to time availability. Approximately 20% of regional Australians report being too busy to properly manage their finances, which could limit the effectiveness of their financial planning.



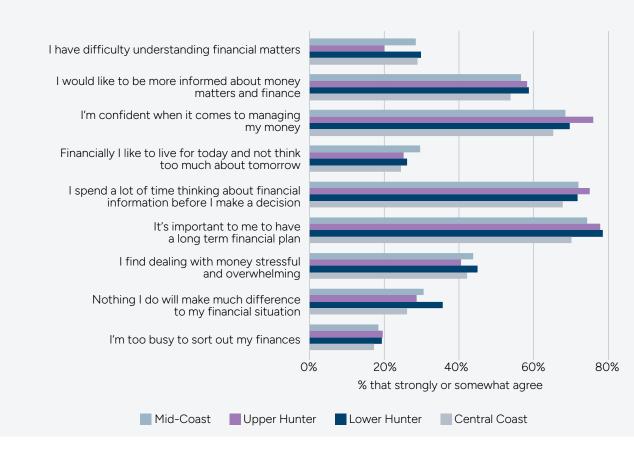


2.1.1 Financial confidence: Hunter region

Overall, many of the behaviours and perceptions towards financial confidence across the Hunter LGAs are similar. However, people in the Upper Hunter reported generally better financial habits and said they felt more confident in managing their money.

Conversely, people in the Lower Hunter are more likely to believe that having a long-term plan is important, want to be informed about money matters and said they are less likely to think they have control over their money situation.

People in the Central Coast LGA have reported slightly less robust financial habits, for example, they said they are less likely to have a long-term financial plan, are not as confident about managing their money and are slightly less likely to wish to be informed about money matters and finance.



Behaviour and perceptions about money across the Hunter, Mid Coast, and Central Coast

Figure 1: Behaviour and perceptions about money by location

Housing status and higher levels of confidence in managing money are linked in the Hunter. Over 80% of homeowners who own their home outright somewhat or strongly agree they are confident in managing their money compared to renters (55%). This may be replicated in other regional areas.

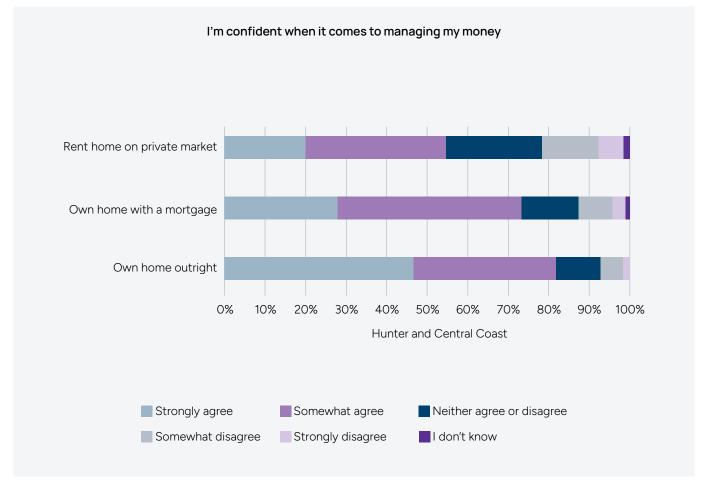


Figure 2: Confidence in managing money in the Hunter and Central Coast by housing status

Age plays a key role in financial confidence in the Hunter. When comparing behaviours and perceptions with savings balances, increasing age correlates with increasing confidence and better ability to manage money, lower appetite for risky behaviour and a higher degree of financial planning.

A further influencing factor in the Hunter is gender. The gender disparity in financial confidence in the Hunter is prominent, with 50% of women stating they find dealing with finances stressful and overwhelming, compared to 34% of men. However, the Hunter is not unique in this finding with global research demonstrating consistent patterns in lower financial literacy for women, as well as other groups.



2.1.2 Financial confidence: NSW regional and metropolitan comparison

Generally, people in NSW regions reported feeling more positive about their finances compared to those in metropolitan NSW. People in the regions typically rate higher in terms of confidence, do not find dealing with money stressful and dedicate time to their finances.

Both NSW regional and metropolitan locations rate highly in terms of confidence in managing money (over 68% for each); said they consider it important to have a long-term financial plan (over 76% for each); and they spend a lot of time thinking about financial information before making a decision (over 72% for each).

However, people in regional NSW said they are less likely to live for today and not think too much about tomorrow than people in NSW metropolitan locations. They also feel more empowered to change their financial situation.

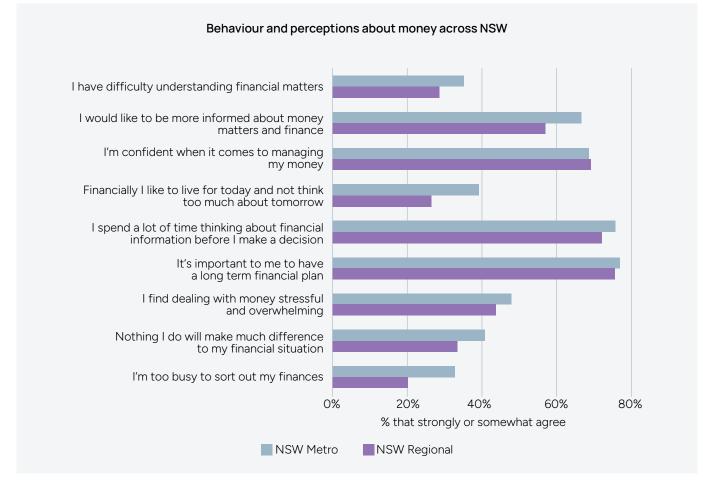


Figure 3: Behaviour and perceptions about money comparing NSW regions and metropolitan areas

2.1.3 Financial confidence: Regional Australia

There are higher levels of home ownership in regional Australia³ and people reported feeling generally more confident about their finances. In general, they feel better able to manage their money. However, they said they have a lower appetite for risky behaviour and undertake a higher degree of financial planning. The only exception to this is in Western Australia where metropolitan locations score higher on confidence and risk.

There is a significant contrast in NSW, Victoria and Queensland regions compared to metropolitan areas for barriers to managing money i.e. people in these regional areas see fewer perceived barriers to managing their money and indicate that they feel greater control over their financial future. This may be due to the impact of house prices in the metropolitan areas of these three states.

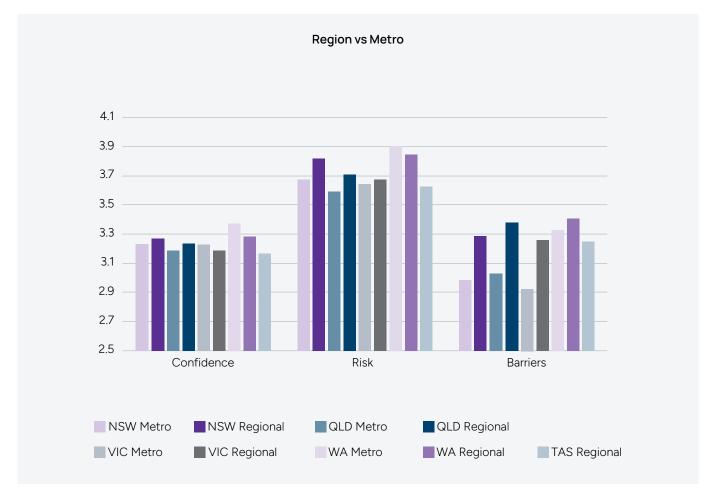


Figure 4: Confidence, risk and barriers comparing regions and metropolitan areas in Australia

The scores for Confidence, Risk, and Barriers are based on responses to questions E3 and E6 in the Regions Matter survey. The answers were grouped into categories and the average of the response was taken to calculate a score out of five for each (see Appendix 1 for more details).

Of all the states, people in regional Western Australia have a lower appetite for risky behaviour than their metropolitan counterparts. However, Western Australians generally score higher for perceived barriers, risk and confidence than other states. Regional Queensland and New South Wales are not far behind. This may be associated with the mining industry boom in the regions of Western Australia, NSW and Queensland which generally provides higher paying jobs yet necessitate greater mobility for employment.

³ Australian Bureau of Statistics (2021) GCCSA (EN) by Tenure Type (TEND) by Age (AGEP) [Census TableBuilder], accessed 22 January 2025

Financial confidence



In contrast, close to 20% of people across all regions are too busy to sort out their finances and up to 30% feel there is nothing they can do to change their financial situation. Close to 40% across all regions find dealing with money stressful and overwhelming.

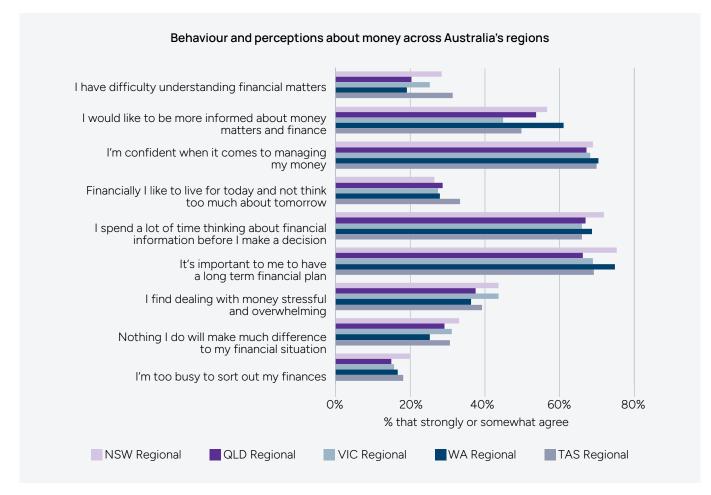


Figure 5: Behaviour and perceptions about money comparing regions in Australia





2.2 Financial situation today

The analysis of people's current financial situation measured indicators ranging from whether they are living comfortably through to not having enough money to meet basic expenses. This section also presents data on savings levels and people's preparedness for financial shocks, such as unanticipated loss of income.

Although traditionally Australians are better at paying off debt than saving, a substantial portion of Australians cannot afford to save. The household saving to income ratio dipped to 0.6% for the June 2024 quarter⁴. Savings fell due to the cost-of-living pressures and increases in interest payments on home loans and rent. This was the lowest rate since March 2016. It has subsequently lifted to 0.8% for the September quarter.

Savings balances increase with age, with Baby Boomers having almost four times the average cash savings than Gen Z^5 . However, almost half of Australians have less than \$1,000 in savings.⁶

⁴ ABS 2024. Australian National Accounts: National income, expenditure and product. Available at: https://www.abs.gov.au/statistics/economy/national-accounts/australiannational-accounts-national-income-expenditure-and-product/latest-release

⁵ Statistica 2023. Average value of cash savings of Australians in 2022, by generation. Available at: https://www.statista.com/statistics/1332094/australia-average-value-ofcash-savings-2022-by-generation/#statisticContainer

 $^{\rm 6}$ https://www.finder.com.au/news/millions-of-aussies-have-less-than-a-grand-in-savings

At a glance: Financial situation today

In the Hunter region, the Upper Hunter LGA has the highest proportion (40%) of people reporting that they are living comfortably compared to 22% of Central Coast LGA residents and 28% of Lower Hunter LGA residents.

More than two-thirds (68%) of people living in regional and metropolitan NSW report living comfortably or meeting basic expenses with a little left over.

Regional NSW has a greater proportion of people who estimate they have less than a month worth of savings (29%) compared to metropolitan NSW. On the other hand, NSW regions also report a greater proportion of people who have over a year of savings available (16%).

There are few differences between regional areas in terms of financial situation, despite differences in perceptions and behaviour. Around 25% of people in regions said they are living comfortably, with people in NSW regions having the highest percentage. People in Tasmania have the highest proportion of people just meeting basic expenses (32%).

2.2.1 Financial situation today: Hunter region

There is some financial disparity within different parts of the Hunter region.

The Upper Hunter LGA has a greater proportion (40%) of people reporting that they are living comfortably. Notably, only 22% of Central Coast LGA residents and 28% of Lower Hunter LGA residents reported living comfortably, with the remainder either just meeting basic expenses or struggling to meet their expenses.

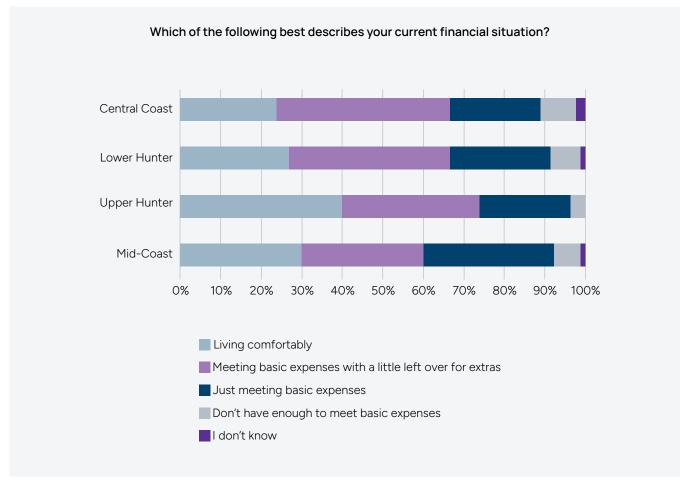


Figure 6: Current financial situation by location in the Hunter



Home ownership is an influencing factor on people's financial situation in the Hunter. 48% of homeowners who have no mortgage report they are living comfortably compared to just 17% of those who rent.

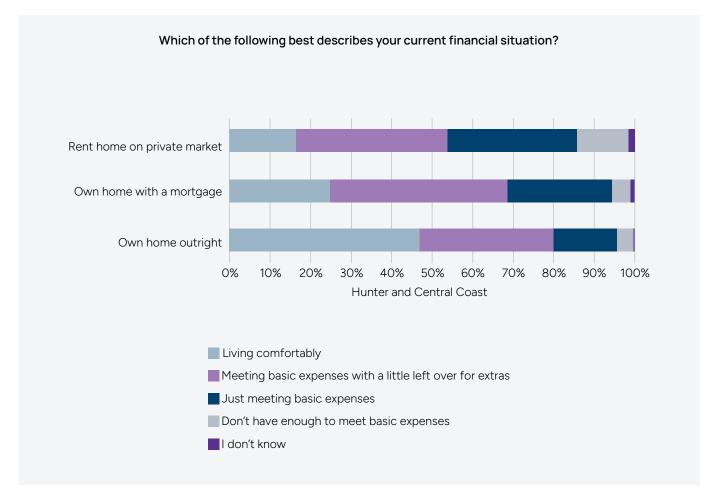


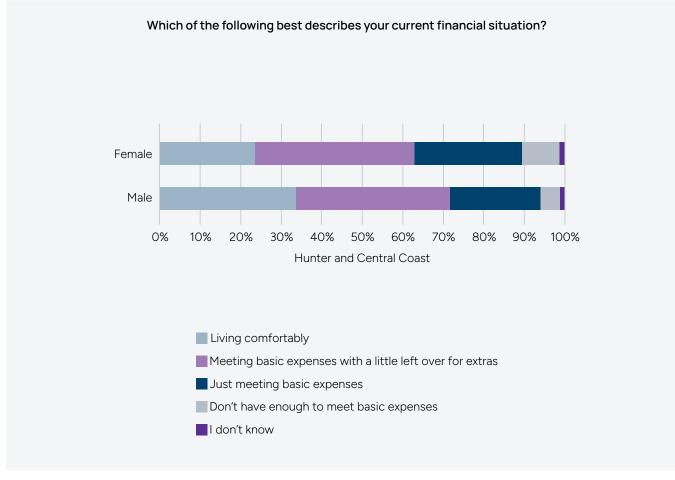
Figure 7: Current financial situation by home ownership status in the Hunter and Central Coast

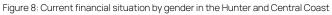
Looking at the age profile, older people are most likely to report living comfortably (37%) with about 33% across all age groups saying they are not meeting or only just meeting basic expenses.

The research also looked at the correlation between age groups and changes in their savings balances. A higher change in savings balances in younger cohorts could be due to cost-of-living pressures, such as rent and interest rate rises, or these groups moving money elsewhere, for example, into a home loan or an overseas holiday.

A lower change in savings balance as people get older is likely due to higher incomes as people progress in their careers (up to a point) and older individuals being more likely to own their house, which cushions cost-of-living increases as they have no mortgage/rent outgoings.

Again, reflecting gender disparity trends globally, men in the Hunter overall feel they are more financially comfortable than women (36% compared to 24%) and at the other end of the scale, more women than men do not have enough to meet basic expenses (8% compared to 5%).







2.2.2 Financial situation today: NSW regional and metropolitan comparison

Two-thirds of people living in regional and metropolitan NSW (68%) report living comfortably and meeting basic expenses with a little left over.

While there is similar consistency across the two cohorts for just meeting basic expenses, more people in NSW regional areas report not having enough money to make ends meet compared to their metropolitan counterparts.

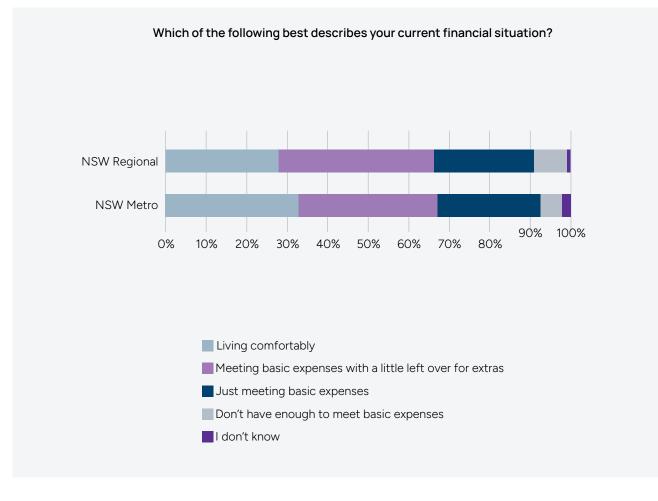


Figure 9: Current financial situation comparing NSW regions and metropolitan areas

Regional NSW has a greater proportion of people who estimate they have less than a month worth of savings (29%). Conversely, they also report a greater proportion of people with over a year of savings (16%). People in NSW metropolitan locations have a larger portion in the up to three and up to six months categories (58%).

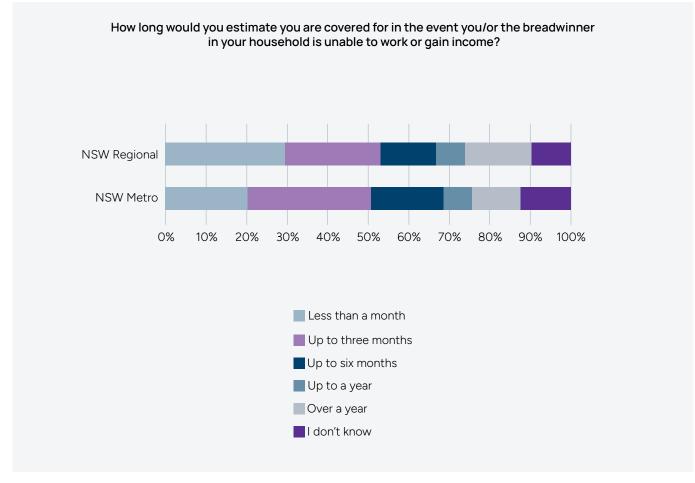


Figure 10: Capacity to cope with financial shocks comparing NSW regions and metropolitan areas

Looking at saving balances by location, Sydney residents see more perceived barriers to managing their money and indicate that they feel they have less control over their financial future despite displaying higher savings balances. They also have a fairly similar score for their confidence as the other locations, but a higher appetite for risky behaviour.

The Upper Hunter has almost the opposite response, with low appetite for risky behaviour and a higher degree of financial planning, coupled with higher confidence and higher perceived control.

Like the Upper Hunter, people in the Lower Hunter have a relatively low appetite for risky behaviour. However, they said they are less confident and perceive more barriers to their ability to manage their money

Financial situation today



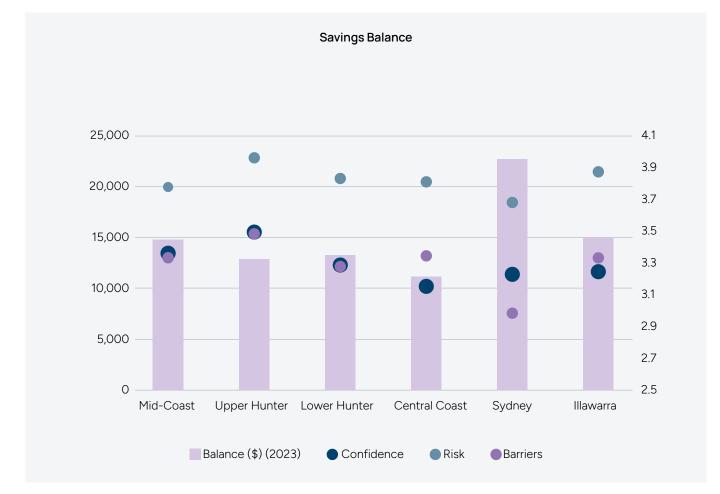


Figure 11: Confidence, risk and barriers by savings balance, comparing NSW regions and metropolitan areas

Sydney residents experienced the second largest fall in savings balance in the financial year to June 2023 (nearly 5%). While this larger drop in savings may explain Sydney's low score for confidence in the figure above, Upper Hunter residents saw even greater reductions in their balances and yet remain confident and feel they are better able to manage their money.

However, while it is not possible to understand what customers in the Upper Hunter have done with their balance i.e. they might have switched savings products, bought things (alternate assets and houses, an investment property etc.) it seems they have long term financial plans and are more confident in money management.

2.2.3 Financial situation today: Regional Australia

There are few differences between regional areas in terms of financial situation, despite differences in perceptions and behaviour. Around 25% of people in regions said they are living comfortably, with people in NSW regions having the highest percentage. Tasmania has the highest proportion of people just meeting basic expenses (32%).

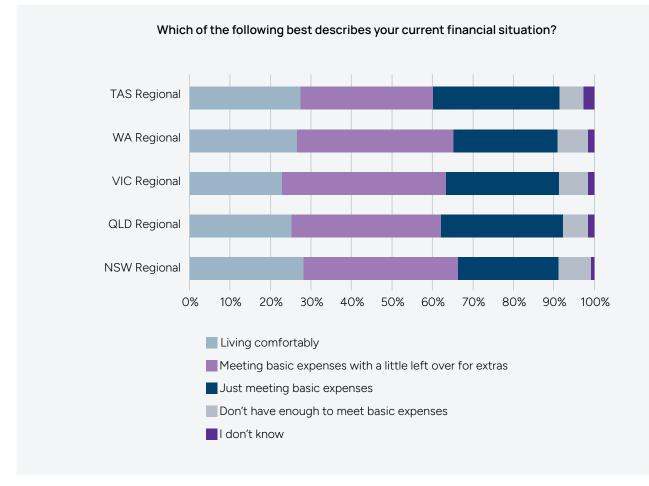
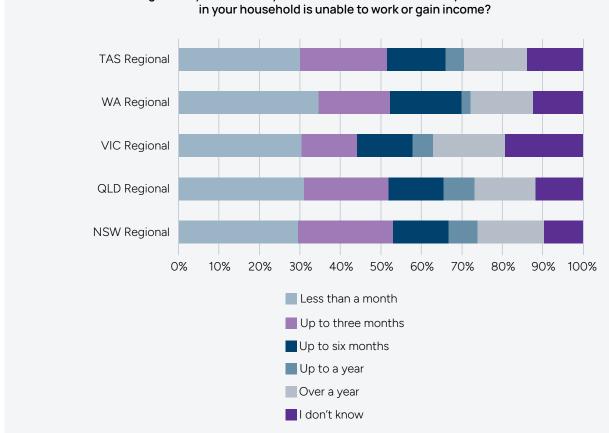


Figure 12: Current financial situation for people living in regional Australia



Notably, most people in regional Australia (30% and higher) estimate they would only be covered financially for less than a month to deal with a financial shock. Also of significance is a high number of people who said they don't know how long they would be covered financially, with regional Victoria reaching almost 20%.



How long would you estimate you are covered for in the event you/or the breadwinner

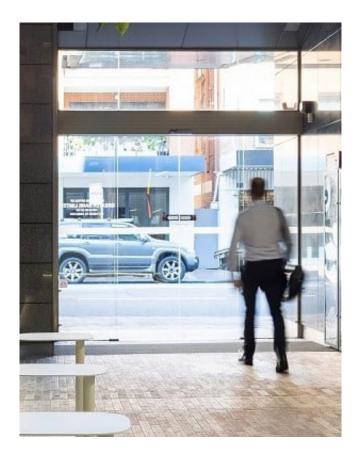
Figure 13: Capacity to cope with financial shocks in regional Australia





2.3 Future outlook

The following analysis considered people's expectations about positive or negative changes in their future living standard. It also reports on people's sense of agency and their perceived ability to change their financial situation.



At a glance: Future outlook

In the Hunter region, residents in the Upper Hunter are the most optimistic about their future, with 40% expecting their standard of living to improve in the next two years. In contrast, Central Coast residents are more cautious, with many expecting their financial situation to remain stable rather than improve. Significantly, almost half of younger people (48%) in the Hunter are more likely to think their standard of living will be better in the future than now.

People in NSW metropolitan locations are more likely to think they will be better off in two years compared to regional NSW (44% compared to 36%). But metropolitan NSW also has slightly more people compared to regional NSW who think they will be worse off in the future (28% compared to 26%).

Across the Hunter region, about half of the population agree that they can make a difference to their financial situation. This is most noticeable in the Lower Hunter, but all people in the Hunter are more optimistic than in Sydney, where over 42% think that nothing they do will make a difference.

About 30% of people across regional Australia feel they will be better off in the next two years. However, 25% to 28% of people in regions other than Western Australia think they will be worse off.

2.3.1 Future outlook: Hunter region

Residents in the Upper Hunter are the most optimistic about their future, with 40% expecting their standard of living to improve in the next two years, and only a small percentage fearing financial decline. In contrast, Central Coast and Lower Hunter residents are more cautious, with many expecting their financial situation to remain stable rather than improve significantly.

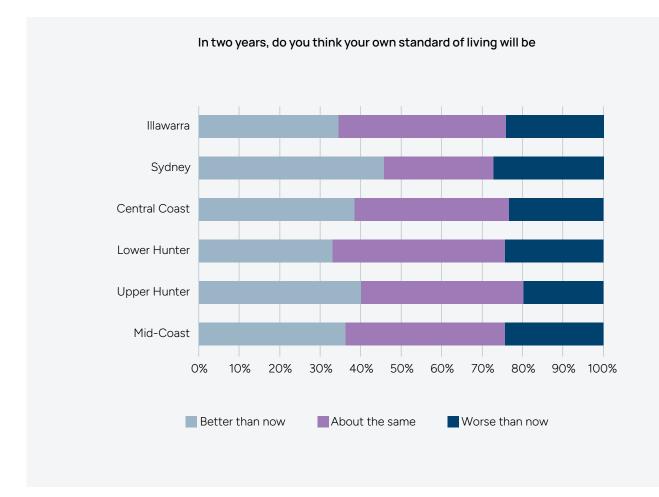


Figure 14: People's expectations about positive or negative changes in their future standard of living



In contrast to findings on financial confidence and financial situation today, homeowners with mortgages are most likely to expect they will be better off in the next two years, followed by renters and then people who own their home outright. This may reflect aspirations of decreasing mortgage debt or entering the housing market.

Notably, across all types of housing status, 18% to 26% expect to be worse off in the next two years.

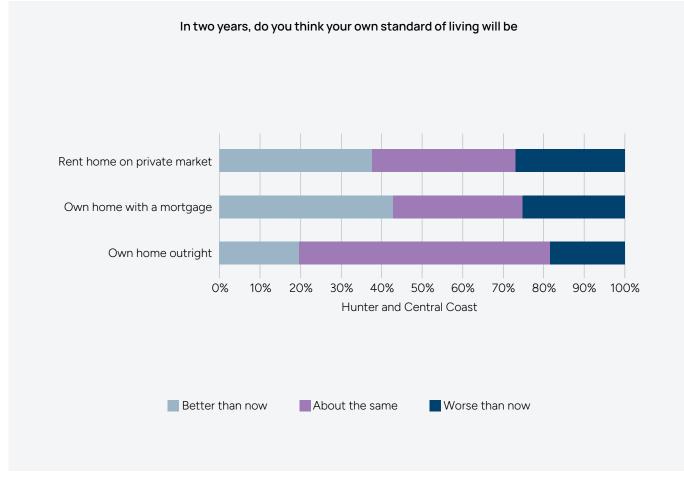


Figure 15: People's expectations about positive or negative changes in their future standard of living in the Hunter and Central Coast by home ownership status

Younger people in the Hunter are more likely to think their standard of living will be better than now (48%). Across all age groups 78% feel their standard of living will be better than now or about the same, with over 20% reporting that they think it will be worse.

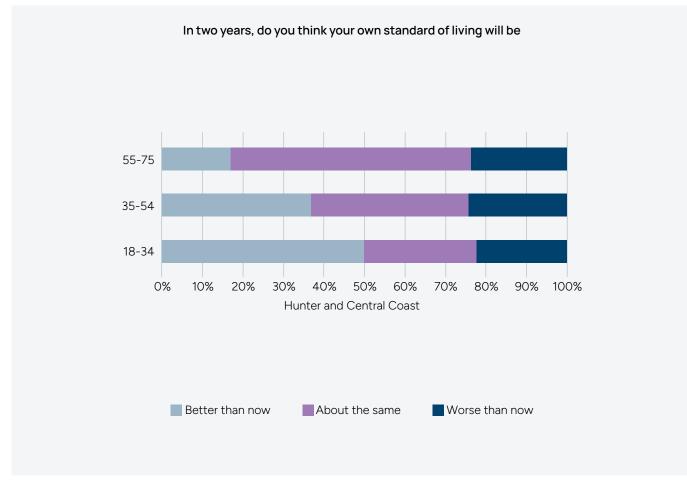


Figure 16: People's expectations about positive or negative changes in their future standard of living in the Hunter and Central Coast by age



2.3.2 Future outlook: NSW regional and metropolitan comparison

Figure 17 shows that people in NSW metropolitan locations are more likely to think they will be better off in two years (44% compared to 36%). The majority of NSW regional residents expect they will be about the same.

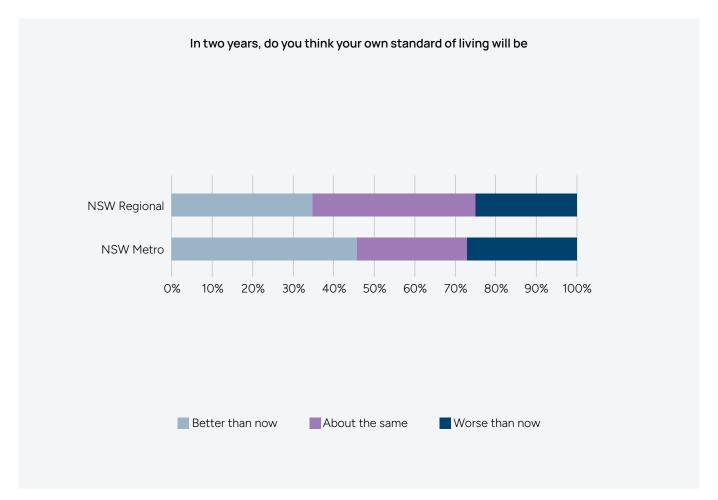


Figure 17: People's expectations about positive or negative changes in their future standard of living comparing NSW regional and metropolitan areas

Across all of NSW, about half of the population somewhat or strongly agree that they can make a difference to their financial situation. This is most noticeable in the Upper Hunter but people in the Hunter are more optimistic than in Sydney where over 42% somewhat or strongly agree that nothing they do will make a difference (see Figure 3).

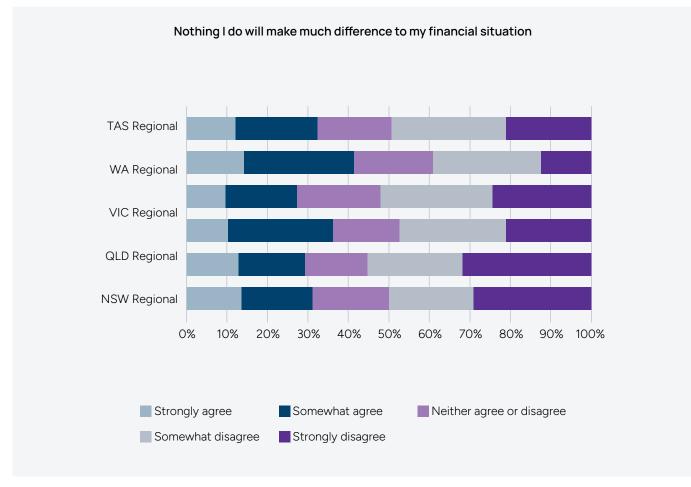


Figure 18: Nothing I do will make much difference to my financial situation, by location



2.3.3 Future outlook: Regional Australia

There is little difference between the regions in terms of their expectations about standards of living in the future. People in Western Australian regions are more likely to think they will be better off (potentially due to the effect of mining) and overall, about 30% of people feel they will be better off.

Notably, 25% to 28% of people in regions other than Western Australia think they will be worse off in two years.

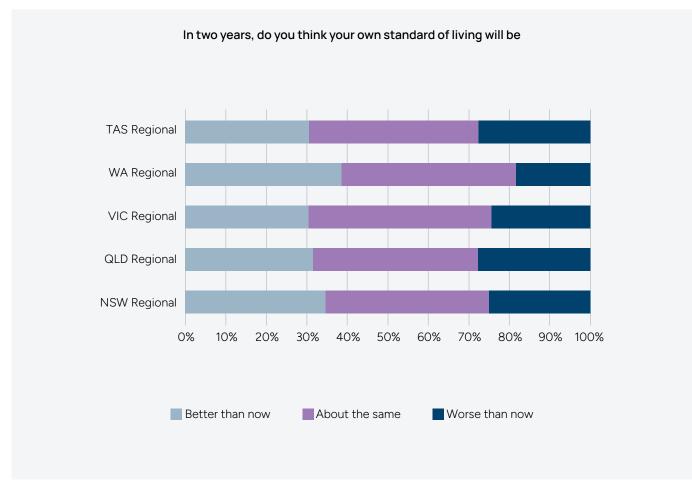


Figure 19: People's expectations about positive or negative changes in their future standard in regional Australia



3. Conclusion

The findings from **MONEY MATTERS** reveal significant differences in financial behaviour patterns between regional and metropolitan areas in Australia. Notably, regional Australians, particularly those in the Hunter region, demonstrate higher confidence in managing their finances, lower appetite for risky financial behaviours and greater control over their financial future compared to their metropolitan counterparts.

There is a strong association between home ownership in the regions leading to financial confidence and optimism. Homeowners, particularly in regional areas, report higher levels of financial confidence, financial security and optimism about their financial situation. In comparison, the higher costs of housing in metropolitan areas may impact financial confidence.

However, these regional strengths contrast with some critical challenges faced by certain demographics especially younger people, women and renters—who report higher levels of financial stress and uncertainty.

Global research into financial literacy, behaviours and perceptions reveals the following key implications for financial wellbeing that provide additional context for the findings of this report and underscore the pressing need for targeted financial education and support programs for different groups of people:

- Education and behaviour change: Financial literacy and education are essential in driving improvements in financial behaviours. However, the challenge lies in changing belief systems and perceptions about money, which are often influenced by external factors such as family, friends and overall wellbeing.
- 2. Perceived vs. actual financial skills: People's perceptions of their financial management skills are often more important in determining their financial outcomes than their actual financial abilities. This underscores the need for financial education programs that focus on building confidence in managing money as much as improving technical financial skills.
- 3. Generational differences: Younger people, particularly those aged 18-34, are more likely to live for today and exhibit less interest in long-term financial planning.

This group is also more likely to engage in risky financial behaviour, which highlights the importance of early financial education and interventions targeted at improving savings habits and financial planning.

4. **Supporting home ownership:** Regional areas are wellplaced to help people achieve home ownership, which when combined with financial literacy, can lead to more favourable long-term financial outcomes.

The findings and literature point to the need for communities across Australia to improve their financial management skills and develop more confidence in managing money. Importantly, stronger financial management skills are a priority among specific groups, such as young people, women and renters, who report higher levels of financial stress and lower confidence in managing their money.

MONEY MATTERS makes it clear that while communities in regional Australia demonstrate relatively higher financial confidence and a level of security, there is no room for complacency. Economic uncertainties, rising living costs and shifting employment patterns require a proactive approach to support these populations.

Appendix 1

Research approach and data used for this project

The research approach for this project analysed key patterns in behaviours and perceptions towards money and used:

- The responses to the 2023/2024 *Regions Matter Two* research; and
- Aggregated/deidentified customer data for savings and mortgage balances provided by NGM Group for the Hunter region (includes the Upper and Lower Hunter and the Central Coast).

Regions Matter Two data

The evidence base for this project is a sample of residents in local government areas (LGAs) from the 2023/24 *Regions Matter Two*. This sample is statistically valid and is separated (south to north) into:

- Illawarra: Wollongong and Shellharbour LGAs n= 170
- Sydney: Greater Sydney as defined by the ABS n = 223
- Central Coast: Central Coast LGA n=249
- Mid Coast: Mid North Coast LGA n=100
- Lower Hunter: Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens LGAs n=609
- Upper Hunter: Dungog, Muswellbrook, Singleton and Upper Hunter LGAs n=120

Regions Matter Two also included population samples to enable comparisons between regional and metropolitan Australia as follows:

- Regional locations in Queensland, NSW, Victoria, Western Australia and Tasmania n=2,377:
 - Queensland n=203
 - NSW n=1,700
 - Victoria n=195
 - Western Australia n=129
 - Tasmania n=150
- Metropolitan locations in Sydney, Brisbane, Melbourne and Perth n=671:
 - Sydney n=223
 - Melbourne n=220
 - Brisbane n=123
 - Perth n=105

The 2023/24 *Regions Matter Two* survey included nine specific questions on behaviours and perceptions provided by NGM Group (E6 in Table 1) as well as questions determined by the Institute. These questions, used for the purpose of this report, are shown in Table 1.

Questions from Regions Matter Two survey to analyse behaviours and perceptions		
Behaviours and perceptions Nine questions from NGM Group, ranked from strongly agree to strongly disagree	E6c. I have difficulty understanding financial matters	
	E6f. I would like to be more informed about money matters and finance	
	E6i. I'm confident when it comes to managing my money	
	E6b. Financially I like to live for today and not think too much about tomorrow	
	E6d. I spend a lot of time thinking about financial information before I make a decision	
	E6h. It's important to me to have a long-term financial plan	
	E6a. I find dealing with money stressful and overwhelming	
	E6e. Nothing I do will make much difference to my financial situation	
	E6g. I'm too busy to sort out my finances	
Financial situation New question in <i>Regions Matter Two</i>	 E1. Which of the following best describes your current financial situation? Living comfortably Meeting basic expenses with a little left over for extras Just meeting basic expenses Don't have enough to meet basic expenses 	
Financial security From <i>Regions Matter One</i> and repeated in <i>Regions Matter Two</i>	 E3. How long would you estimate you are covered for in the event you/or the breadwinner in your household is unable to work or gain income? Less than a month Up to three months Up to six months Up to a year Over a year I don't know 	
Future expectations New question in <i>Regions Matter Two</i>	E5. In two years, do you think your own standard of living will be?Better than nowWorse than nowAbout the same	
Happiness New question in <i>Regions Matter Two</i>	 B1. Overall how happy are you? Mostly happy Somewhat happy Neither happy or unhappy Somewhat unhappy Mostly unhappy I don't know 	

Table 1: Question set to understand behaviours and perceptions around money in this report

Nine questions provided by NGM Group and one continuing question from the Regions Matter One research (also see Section 1.3) were grouped into three behaviour/perceptions categories. The categories are shown in Table 2: Behaviour and perception categories used in the analysis.

Behaviour/perception category	Questions from Regions Matter Two survey
1. Confidence and ability to manage money	• E3. How long would you estimate you are covered for in the event you/or the breadwinner in your household is unable to work or gain income?
	E6c. I have difficulty understanding financial matters
	E6f. I would like to be more informed about money matters and finance
	E6i. I'm confident when it comes to managing my money
2. Risk appetite	• E6b. Financially I like to live for today and not think too much about tomorrow
	• E6d. I spend a lot of time thinking about financial information before I make a decision
	• E6h. It's important to me to have a long-term financial plan
3. Perceived barriers to managing money	• E6a. I find dealing with money stressful and overwhelming
	• E6e. Nothing I do will make much difference to my financial situation
	E6g. I'm too busy to sort out my finances

Table 2: Behaviour and perception categories used in the analysis

An average was taken for the Likert Scale scores in each question to produce a single score between 0-5 for each category. The scores indicate:

- Confidence and ability to manage money: A higher score indicates greater levels of confidence in people's ability to manage their finances.
- Risk appetite: A higher score indicates a lower appetite for risky behaviour and a higher degree of financial planning.
- Perceived barriers to managing money: A higher score indicates people see fewer perceived barriers to managing their money and indicates that they feel greater control over their financial future.

NGM Group customer data

NGM Group provided aggregated/deidentified data for the LGAs in Illawarra, Sydney, Central Coast, Mid Coast, Lower Hunter and Upper Hunter for the financial year to June 2023. This included a breakdown of customers with savings balances and homeowners with an owner-occupied mortgage by age group and gender by region.

The sample size included:

- Illawarra n= 10,220
- Sydney n= 15,829
- Central Coast n=31,950
- Mid Coast n=10,989
- Lower Hunter n=180,956
- Upper Hunter n=20,058

A comparison of the NGM Group data with the *Regions Matter Two* data for **savings balances** highlighted:

- The largest differences between NGM Group and the *Regions Matter Two* data is in variation by age in a couple of regions, specifically across Sydney and the Central Coast. However, this is not significant.
- Sample sizes across the Mid Coast and Upper Hunter are small when broken down by age which may introduce some inconsistencies.
- There are largely similar ratios in gender across both the NGM Group and the *Regions Matter Two* data.

This means that the savings balance data was considered to be aligned and could be used for the analysis.

A comparison of the NGM Group data with the *Regions Matter Two* data for homeowners with an owner-occupied mortgage highlighted:

- There is substantial variation comparing homeowners with an owner-occupied mortgage in *Regions Matter Two* to owner-occupied data from NGM Group.
- This is because there is a proportion of the population with an owner-occupied mortgage which is with lenders other than NGM Group.

This means that the homeowners with an owner-occupied mortgage data **was not used** as the NGM Group data is not reflective of mortgage data across the region or across other regions/metropolitan areas.

As such, the analysis in this report only uses data on savings and changes in savings balance.





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