

COST_{OF} LIVING

REPORT

AUSTRALIA



Contents

| | |
|----------------------------------------------------------------------------------------|-----------|
| Foreword | 3 |
| Introduction: Finder's consumer research programs | 4 |
| Part 1: Inflation, interest rates and the rising cost of living | 5 |
| The economic factors driving inflation | 5 |
| Interest rate rises to combat inflation | 7 |
| The impact of the rising cost of living on Australian consumers | 8 |
| Part 2: How the cost of living is impacting different demographics in Australia | 11 |
| Mortgage holders | 11 |
| Renters | 13 |
| Parents and families | 14 |
| Young Australians | 16 |
| Part 3: Looking forward | 18 |
| Part 4: Closing commentary from Finder's experts | 20 |
| Appendices | 23 |
| Methodology | 23 |
| Definition of generations | 23 |
| Sources | 23 |
| RBA Cash Rate Survey participants | 23 |



Chris Ellis

CEO, Finder Australia

Foreword

In the last few years and particularly over the last 12 months, the cost of living has soared dramatically, making it increasingly difficult for many Australians to afford their basic needs. From rising prices of food and petrol to the higher costs of healthcare and education, and the major pressure on both rents and mortgages, consumers are feeling the financial burden. This report seeks to examine the causes and consequences of the rising cost of living, as well as explore potential solutions to help consumers cope with these challenges.

At Finder, we welcome around 2 million visitors to our website each month, where they can hear from our in-house experts and gain access to deep market insights to see the full picture. We're therefore in a unique position to investigate the "cost of living crisis" as it happens. This report draws on a wide range of sources from Finder, the government and a range of other reputable third-party data providers, incorporating economic data, academic research, market and consumer behaviour insights and expert opinions, to provide a comprehensive overview of the issue.

It begins by outlining the factors that have contributed to the rising cost of living, and then explores the consequences of these trends for consumers, including increased financial stress, reduced quality of life and greater economic inequality. Finally, the report offers advice from our in-house experts for both consumers and policy makers on how to navigate these challenges.

Raising awareness of the issues Australians are facing, and considering ways to respond, supports increased financial literacy at a time like this. One key policy amendment I believe will support Australians in becoming more financially aware and more easily able to respond to these pressures, will be expansion of the Consumer Data Right (CDR). CDR opens up data so that people can compare products to make sure they're getting the best deal, and the action-initiation element being proposed in legislation right now will allow Australians to switch to a better deal with relative ease.

Overall, the report aims to provide a clear and accessible overview of the complex issue of the rising cost of living, and to empower consumers with the information and tools they need to improve their financial wellbeing.

Introduction : Finder's consumer research programs

As Australia's most-visited financial comparison site, Finder is on a mission to help everyone make better financial decisions. We operate in over 20 countries, where we provide clear and simple comparisons for a wide range of products and services. There are around 2 million visitors to Finder each month and more than 400,000 Finder app users.

As part of Finder's mission to understand Australian consumers and empower them to make better financial decisions, our Insights team conducts regular consumer research in multiple countries. Two of Finder's significant research programs contribute the bulk of Finder data to this report:

Finder's **Consumer Sentiment Tracker (CST)** is a nationally representative study of the Australian public. Designed by Finder and conducted by Qualtrics (an SAP company), this survey asks 1,000 Australians approximately 60 questions each month about their finances and lifestyle. The panel changes each month, with a very low repeat rate of under 5%. The survey so far covers a sample of over 47,000 Australians and is growing by 1,000 every month. As Finder's CST has been live in-market since May 2019, it provides a full snapshot of the behaviour of Australian consumers before, during and after the main impacts of the COVID-19 pandemic.

Finder's **Reserve Bank of Australia Survey** also runs monthly and taps Australia's leading economists and property experts from our nation's most prominent corporate and academic institutions, including the Universities of Sydney and Melbourne, QUT, Commonwealth Bank, AMP, Lateral Economics and Moody's Economics. It has been in-market since 2015 and is Australia's largest survey of its kind. Findings from this survey are cited over 200 times each month across Australian media, including syndications.

To produce this report, we combined the data gathered in these 2 surveys, together with data from other sources including the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS).

Part 1: Inflation, interest rates and the rising cost of living

The economic factors driving inflation

The Australian consumer price index (CPI), the primary indicator of the nation's cost of living, reveals a remarkable narrative. As the chart below shows, there has been a dramatic surge in consumer costs since the beginning of 2022.

This sharp uptick stands in stark contrast to the average annual increase of 2% in the cost of goods over the last decade. The sudden and substantial increase in 2022 has taken many consumers by surprise.

Households were paying **7.8%** more for goods and services in December 2022 compared to the same period in 2021.

Australia — All groups CPI, annual movement (%) 2014-2022



Chart: Finder · Source: Australian Bureau of Statistics, Consumer Price Index, Australia December Quarter 2022

The main non-housing expense categories driving this increase in inflation are food and non-alcoholic beverages (9.2%), recreational costs (9%), furnishings and furniture (8.4%) and transport (8%).

The cost of clothing and footwear (5.3%), financial services (5%), education (4.6%) and health (3.8%) have also increased more dramatically than in recent years.

Australia — Annual CPI increase by category, December 2022

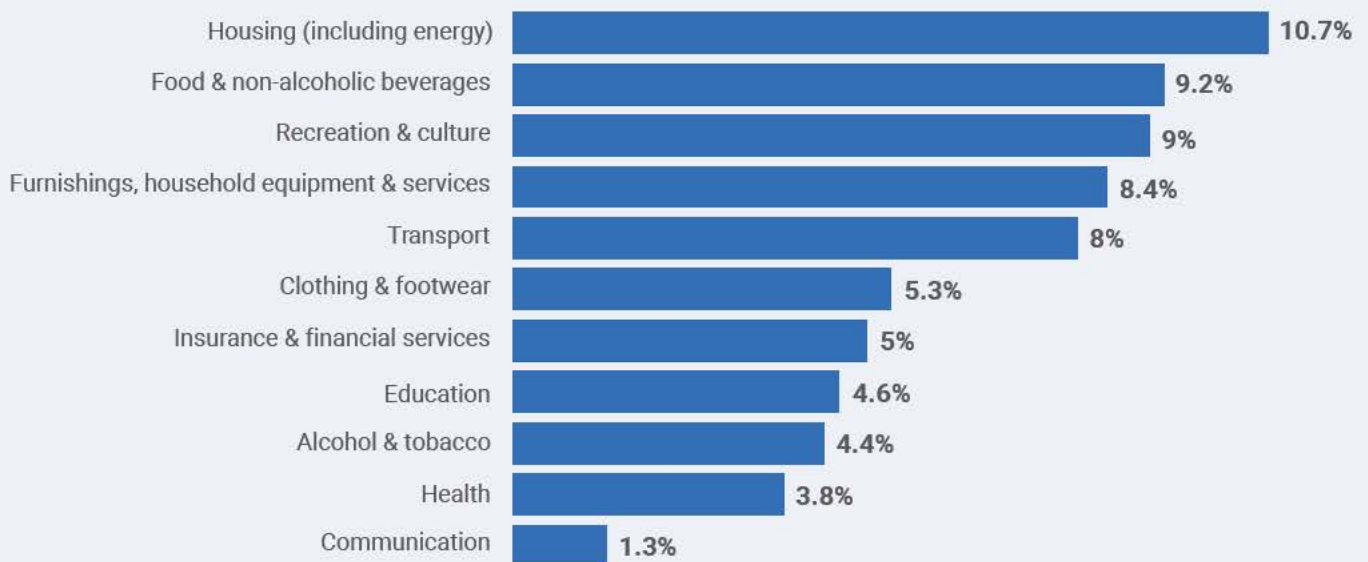


Chart: Finder · Source: Australian Bureau of Statistics, Consumer Price Index, Australia December Quarter 2022

9.2%

Food and non-alcoholic beverages are the main non-housing expense driving inflation.



Interest rate rises to combat inflation

The RBA's target rate for inflation is 2-3%. Aiming for inflation in this band avoids the many costs to the economy that can eventuate from inflation that is too high or too low. By March 2022, price pressures had driven inflation up to 5.1%, from where it continued to climb. This caused the Reserve Bank of Australia (RBA) to activate its main inflation control mechanism – raising interest rates to reduce consumer spending capacity. A series of cash rate target (henceforth, cash rate) hikes followed, starting in May 2022. After an unprecedented 18 months at a rock-bottom 0.10%, the RBA increased the cash rate 10 times in a row – resulting in a cash rate of 3.60% by March 2023.

Over the same period, the average discounted home loan rate paid by owner-occupiers rose from 3.65% to 6.22%, according to RBA data. The interest rate increase has had a significant impact on Australians with a mortgage. For a typical \$600,000 home loan, this interest rate change increased monthly payments from \$2,678 to \$3,683 per month, adding an additional \$12,061 to the annual cost of servicing such a mortgage. This RBA figure does not factor in the March 2023 rate rise which will push owner-occupier home loan rates above 6.22%.

RBA cash rate (%) April 2022 — March 2023

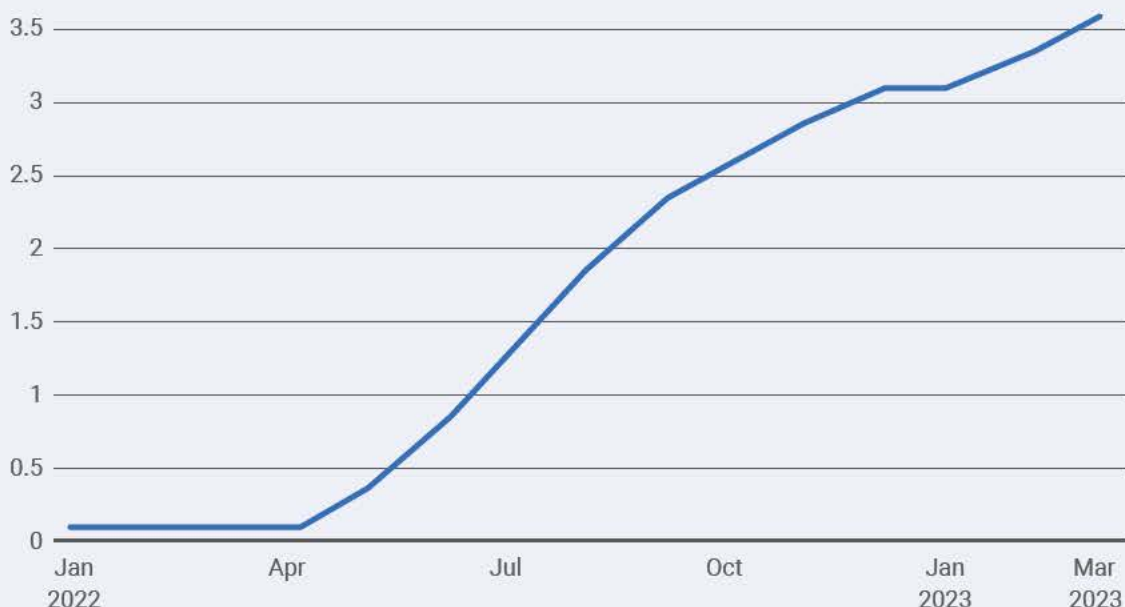


Chart: Finder · Source: RBA

There has been a flow-on effect on the cost of rental accommodation across Australia, with house and unit rental costs up **10% or more** in 6 of Australia's 8 capitals.

The impact of the rising cost of living on Australian consumers

These increased costs have impacted the majority of Australians, with 78%¹ of respondents to Finder's Consumer Sentiment Tracker saying they have had to reduce their spending to cope with the increasing cost of living. Groceries took the largest hit, with 50% of respondents cutting back. Consumers then focused

on reducing spending on non-essentials with 37% pulling back on holidays, 31% on entertainment and food delivery and 30% on petrol. Costs are mainly impacting younger demographics, with 90% of gen Z reducing their spending compared to only 59% of baby boomers.¹

Percentage of Australians that have had to reduce their spending on at least one expense

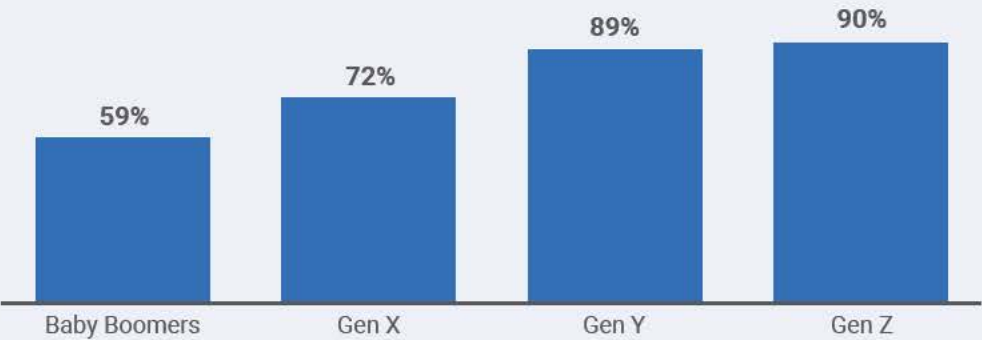


Chart: Finder - Source: Finder Consumer Sentiment Tracker, February 2023

Additionally, 52%² of CST respondents said they have experienced financial stress due to the increased cost of living. Again, this was far more likely to impact younger Australians – with 70% of gen Z saying they experienced financial stress, followed by 60% and 45%

for generation Y and X. Baby boomers (29%) were the least likely to report financial stress. Women (58%) were also significantly more likely to report financial stress than men (46%).

Percentage of Australians that have been experiencing financial stress due to increased cost of living pressures

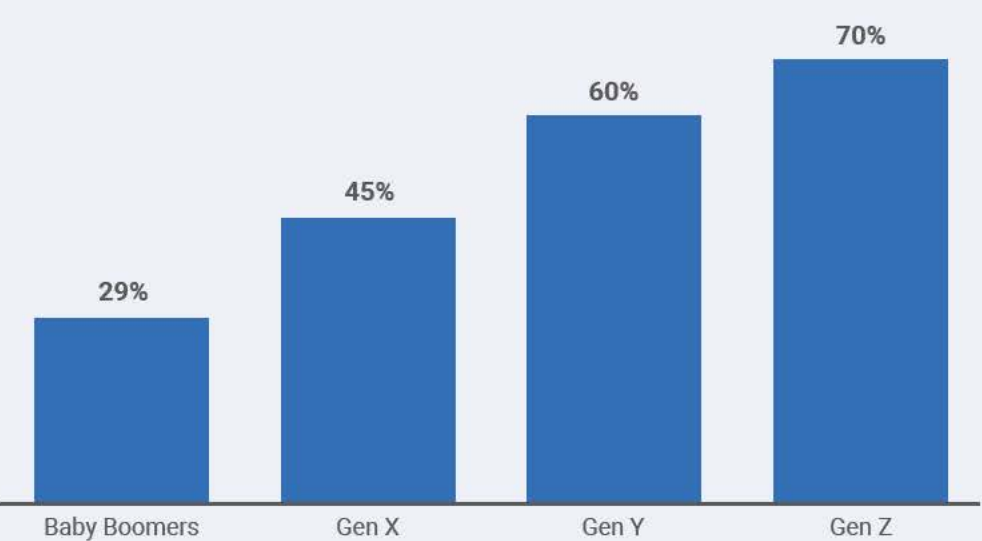


Chart: Finder - Source: Finder Consumer Sentiment Tracker, February 2023

Grocery and housing stress remain high, petrol and energy cool off

Each month, Finder's CST asks consumers which household expenses, if any, are causing financial stress. The question covers 19 different expense types, with each user able to nominate up to 3 expenses causing

financial stress. The most commonly nominated expenses are housing costs (rent/mortgage), groceries, petrol and energy.¹

| Expense type | Average % of respondents citing this metric as a cause of financial stress, December 2022 - February 2023 |
|------------------------------|-----------------------------------------------------------------------------------------------------------|
| Groceries | 38% |
| Rent/mortgage | 37% |
| Petrol | 26% |
| Energy | 26% |
| Council rates | 16% |
| Health insurance | 14% |
| Home insurance | 9% |
| Car insurance | 8% |
| Credit card | 8% |
| Internet | 6% |
| Mobile phone | 5% |
| Strata fees | 5% |
| Childcare fees | 4% |
| Car loan | 4% |
| Personal loan | 3% |
| Buy now pay later repayments | 3% |
| Private school fees | 3% |
| Public transport | 3% |
| Streaming services | 1% |

Source: Finder CST (Dec 2022–March 2023)

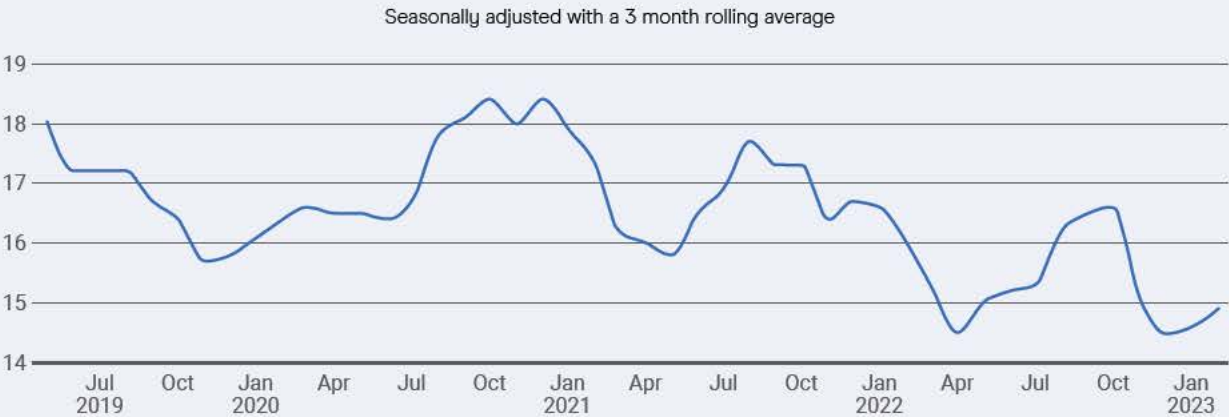
The percentage of households citing these expenses as a source of stress has been increasing steadily since 2021.

| | March 2021 | March 2022 | March 2023 |
|-----------|------------|------------|------------|
| Housing | 30% | 34% | 42% |
| Groceries | 23% | 29% | 43% |
| Petrol | 12% | 27% | 26% |
| Energy | 18% | 19% | 23% |

The average Australian household reported spending \$185 a week on groceries in February 2023, up \$37 a week compared to 12 months prior.¹ With 94% of consumers noticing an increase in their grocery bill¹, it is no wonder that Australians are listing groceries in their top 3 most stressful expenses. The percentage of Australians pointing to the weekly shop as a cause of stress has risen dramatically, from an average 23% in March 2021 to 43% in March 2023.¹

The sharp increase in grocery prices and housing costs has had a considerable impact on how long Australians think their funds could last in an emergency. Every month, Finder asks panellists how long they could live off their savings if they lost their job. A 3-month rolling average of this data shows that the average Australian has lost almost a month off their perceived savings buffer since the beginning of 2021, down from around 18 weeks to 14-15 weeks.

Average number of weeks Australians say their savings will last if they lost their job



Almost 60% of Australians earning under \$50,000 say they can only live off their savings for 1 month or less. When looking at our last cost of living report, published

in May 2022, there has been a significant increase in consumers from the middle income bracket saying they could only live off their savings for 1 week or less.²

How long Australians could live off their savings by household income



Chart: Finder • Source: Finder Consumer Sentiment Tracker, September 2022 - January 2023

This striking financial vulnerability is forcing some consumers to take more extreme measures to deal with the increased cost of living. Over 30% of all Australians have asked a friend or family member for financial

help in the past 12 months, with half of those asking for help paying for groceries. Meanwhile, 1 in 4 (27%) of Australians say they couldn't manage their finances without a credit card.¹

Part 2: How the cost of living is impacting different demographics in Australia

Mortgage holders

Increases in housing costs are having a higher impact on Australian households than any other metric. Finder estimates that the 10 RBA cash rate rises in 2022 and 2023 have increased a typical Australian mortgage holder's repayments on a \$600,000 loan by \$12,061 per year – and this impact will be significantly higher for mortgage holders with larger loans.

Consumers paying off a mortgage in New South Wales saw the largest increase, with \$1,200 added onto their monthly repayments. Those in the Northern Territory experienced the smallest increase of \$719, according to Finder calculations based on CoreLogic data.

Net increase in monthly mortgage repayments by state
(April 2022 — February 2023)

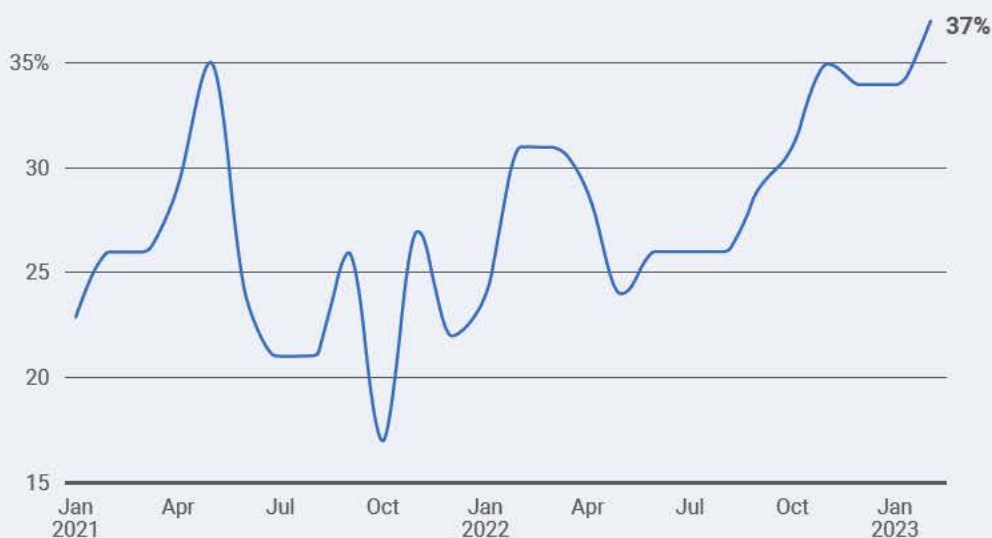
| State | Increase (\$) |
|-------|---------------|
| NSW | \$1,200 |
| VIC | \$1,083 |
| ACT | \$861 |
| QLD | \$858 |
| SA | \$921 |
| WA | \$833 |
| TAS | \$809 |
| NT | \$719 |

Based on average loan size (January 2023), average owner occupier variable discounted rate (February 2023)
Table: Finder · Source: ABS, RBA February 2023

When asked specifically if they struggled to pay their home loan, more than a third of Australians (37%) said they do¹. This figure has been increasing steadily from a survey low of 17% in October 2021.

Two-thirds (66%, 21/32) of experts from the Finder RBA Cash Rate Survey believe this is a precursor to increased mortgage defaults in 2023.⁵

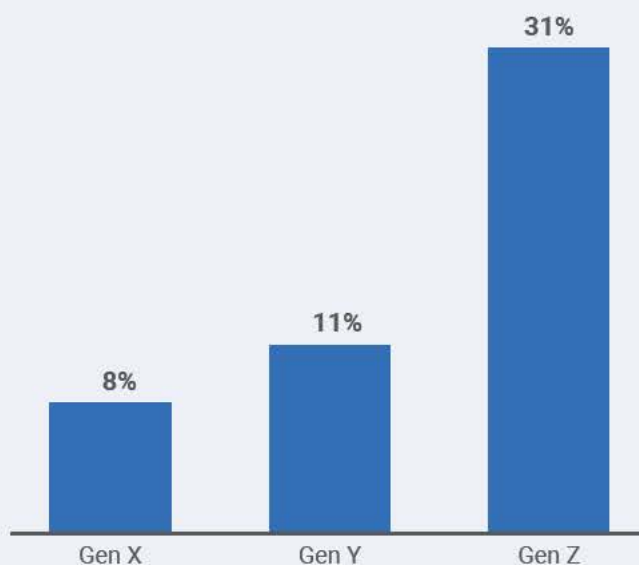
Percentage of respondents who struggle to pay their home loan



Additionally, 13% of mortgage holders said that they had missed a mortgage repayment in the past 6 months, with 6% of respondents missing more than 1 repayment. This means that just under half a million (429,000) households fell short of their monthly obligations in the second half of 2022.

Younger generations were far more likely to report financial difficulty in managing their mortgage repayments, with 8% of generation X reporting a missed payment vs 31% of generation Z (who are less likely to have a mortgage).²

Percentage of Australians who said they missed a mortgage repayment in the last 6 months



Refinancing is a high priority for homeowners to try to reduce the impact of rate rises. Two-thirds of Finder's RBA Survey panel (68%, 15/22) predicted that refinancing levels will increase a further 10-15% in 2023, compared to 2022.⁷ This is in line with the 18% of consumers who have or plan to refinance in the first 6 months of 2023. A further 15% said they will refinance if interest rates rise again.²

The majority (54%) of Australians with a mortgage said finding the cheapest interest rate is most important when looking to refinance their home loan. An offset account (12%) and sign-up cash bonus (11%) were the next most important features to consumers.²

Renters

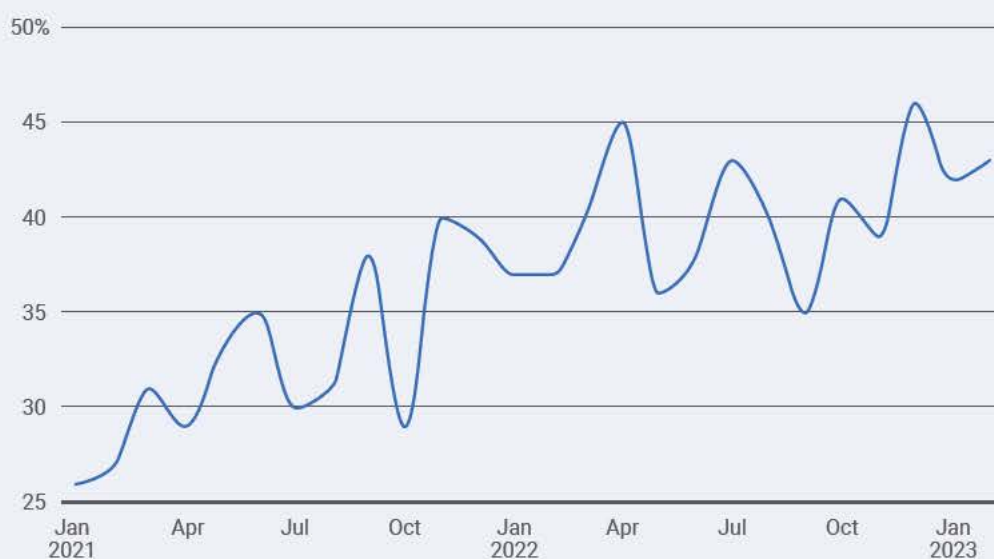
The increased costs of repaying loans has had a knock-on effect in the rental market, with rents rising by an average of 10% across the capital cities in 2022, according to CoreLogic data.

Increase weekly rent repayments by capital city (November 2021 — November 2022)

| Capital City | YOY Change |
|--------------|------------|
| Brisbane | 14% |
| Adelaide | 13% |
| Perth | 12% |
| Sydney | 11% |
| Darwin | 9% |
| Hobart | 9% |
| Canberra | 7% |
| Melbourne | 6% |

Table: Finder · Source: Corelogic, February 2023

Percentage of respondents who struggle to pay their rent



Over 2022 there was a significant increase in the percentage of people saying they struggle to pay their rent. This figure has risen from 30% 18 months ago (July 2021) to 43% in February 2023.¹

February CST data reveals just how tight the rental market is. A third of Australian tenants (30%) have taken

extreme measures to secure their most recent rental property. This is a slight increase from 27% of renters in November.⁴ Concerningly, 6% of tenants say they have lied about their income in order to secure a rental – this is equivalent to more than 174,000 households.¹

Parents and families

Parents who reported the volume of their savings in Finder's CST tend to have less money in the bank than non-parents.²⁻⁴ This is most likely due to extra expenses

associated with raising children, as well as time out of the workforce to care for them.

Average cash savings

Values in \$ thousands; 3 month average

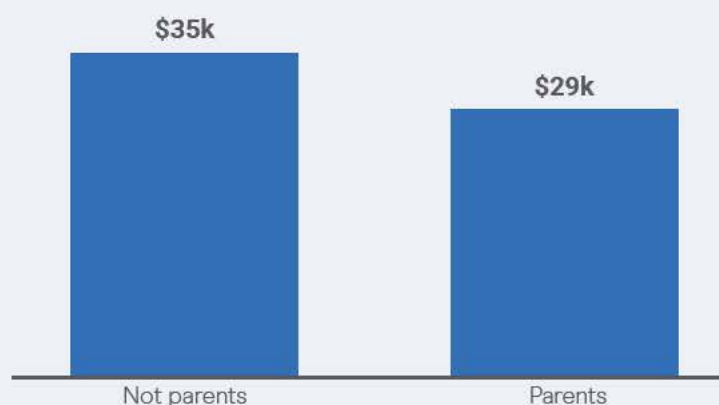


Chart: Finder · Source: Finder Consumer Sentiment Tracker, February 2023

Our research found 87% of parents have had to reduce their spending on at least 1 expense due to the increased cost of living. This is compared to 74% of consumers without children.¹

Percentage of respondents who reduced spending on at least 1 expense

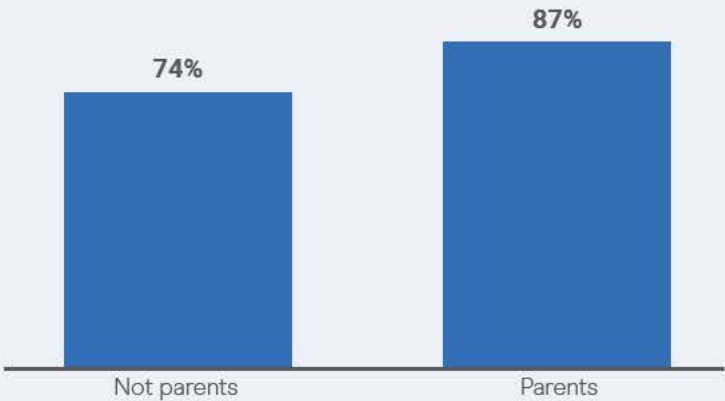


Chart: Finder - Source: Finder Consumer Sentiment Tracker, February 2023

An extension of free childcare has been proposed to provide some relief to parents – helping to reduce costs, allowing more parents to return to the workforce and relieve financial stress.

CST data shows that an extension of free childcare is supported by 70% of Australians. Almost 80% of millennials believe this would significantly reduce financial stress for families with young children. This is compared to only 62% of gen X.

Australians who believe free childcare would significantly reduce financial stress on young families, by generation

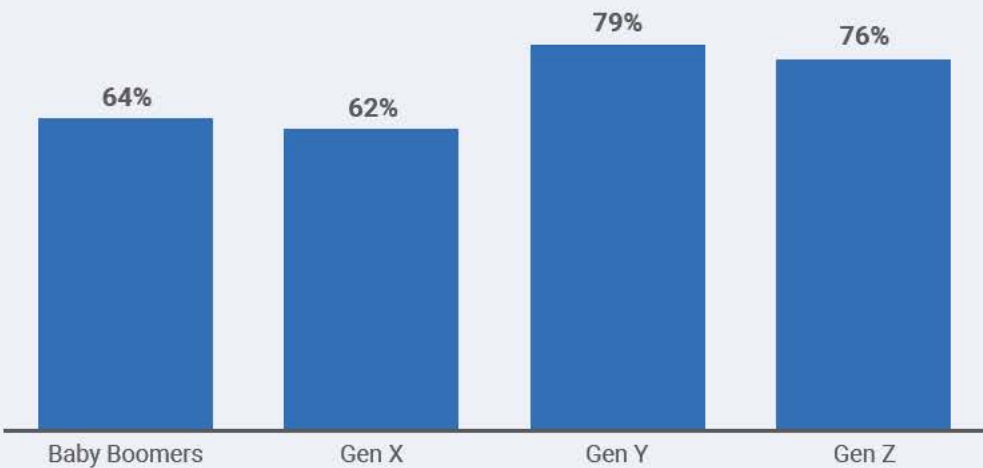


Chart: Finder - Source: Finder Consumer Sentiment Tracker, February 2023

The RBA Cash Rate Survey also showed overwhelming support for an extension of free childcare. All but 1 (96%) of

the experts believe that extending free childcare would significantly reduce financial stress on families.⁶

Average cash savings by generation

Values in \$ thousands; 3 month average

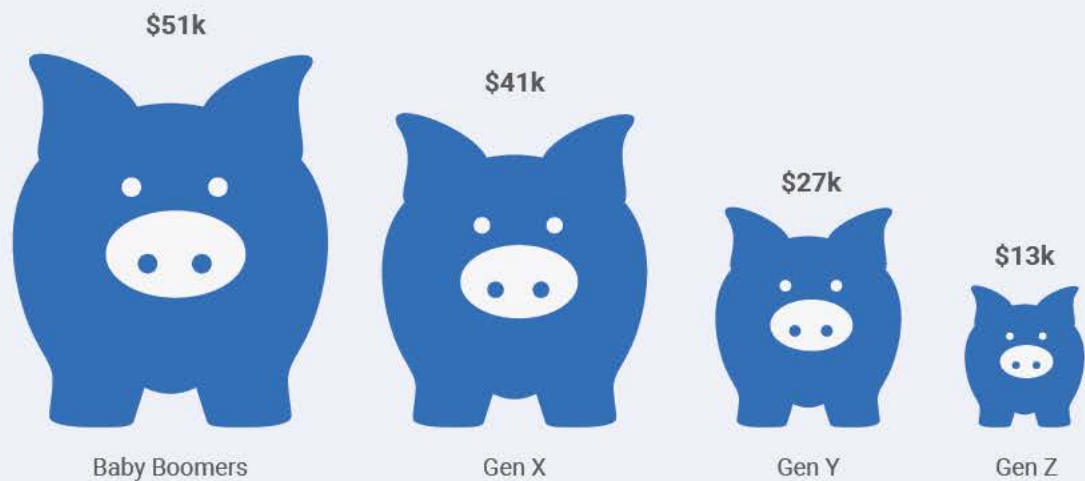
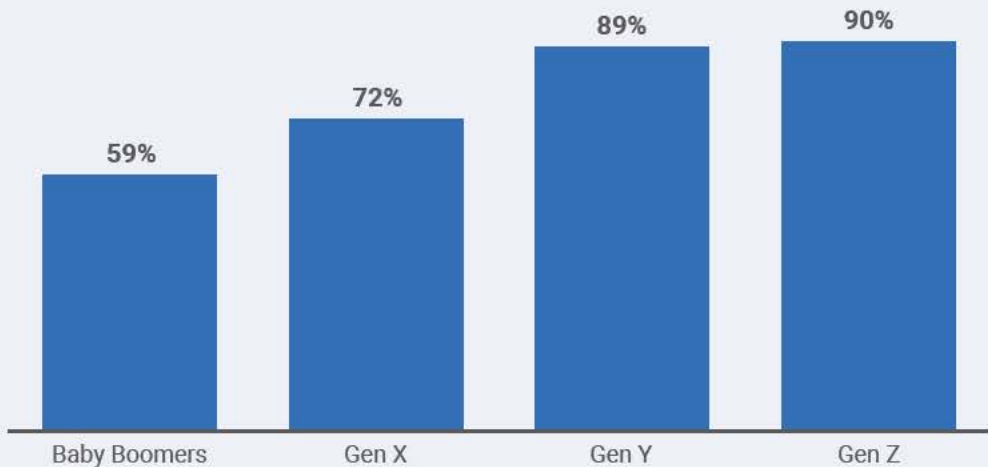


Chart: Finder - Source: Finder Consumer Sentiment Tracker, Dec 2022 - Feb 2023

The lower savings balances of younger Australians mean these consumers are also particularly affected by cost of living pressures. Gen Z Australians have almost \$38,000 less in savings than baby boomers.¹⁻³

This reduced savings buffer has meant that younger Australians are more heavily affected by the rising cost of living, with 90% of gen Z reporting reduced spending. In comparison, 59% of baby boomers have lowered their spending.¹

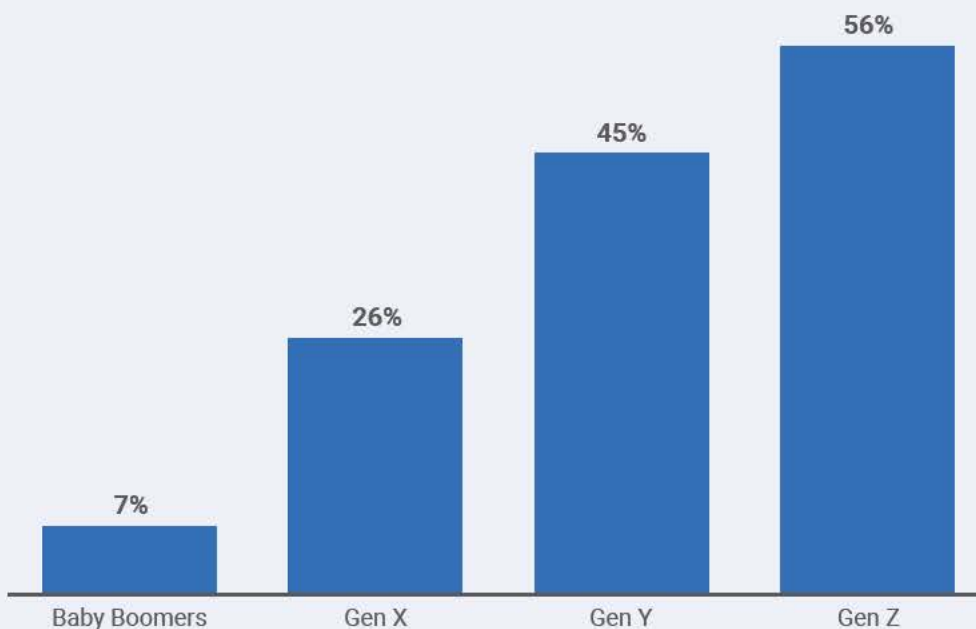
Percentage of Australians that have had to reduce their spending



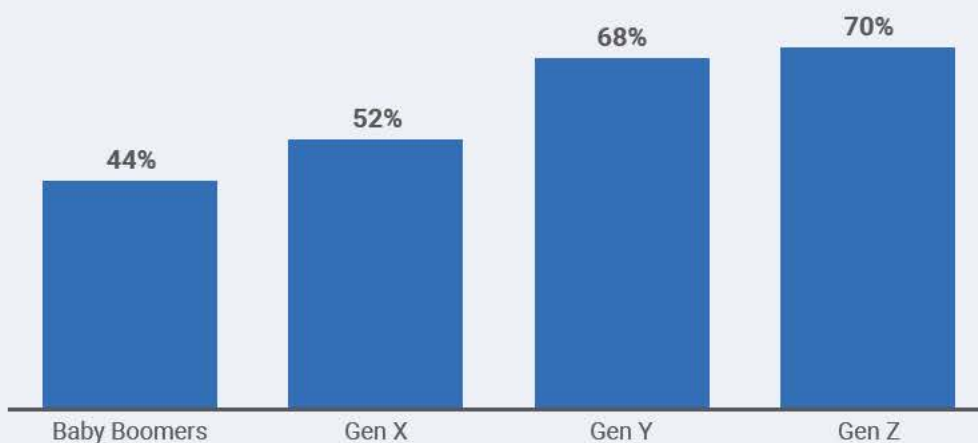
Higher vulnerability from their lower savings has led to over half (56%) of younger Australians (gen Z) feeling

financially pressured to look for a second job in 2023. This is compared to 1 in 4 (26%) gen X Australians.¹

Percentage of generations that feel financially pressured to look for a second job in 2023



Percentage of consumers that are enjoying life less than they were 2 years ago due to current financial pressures



Missing mortgage repayments, cutting back on spending and looking for second jobs are the reverberations of the rising cost of living felt by young Australians.

The result is that the majority of young people report enjoying life less than they did before the cost of living rose.

Part 3: Looking forward

How would you describe your outlook for the Australian economy in 2023?

Very negative Negative Neutral Positive



Chart: Finder • Source: Finder RBA Cash Rate Survey January 2023

In January, Finder asked the RBA panel to describe their outlook for the Australian economy in 2023. While the majority (53%) of the panel had a neutral outlook, a significant portion (39%) had a negative outlook, with 4% reporting a very negative outlook. Only 8% of panellists had a positive outlook for the economy in 2023.⁶

Representative of the panel who had a negative outlook, Dr Sveta Angelopoulos from RMIT, commented that, “If the RBA continues to pursue contractionary monetary policy, the continued increase in the cost of credit (combined with inflationary pressures) may result in significant negative implications for both households and businesses. This will likely result in an economic downturn and will affect the economy's long-run growth capacity.”

On similar terms, Dr James Morley of the University of Sydney noted, “The economy has been relatively robust given negative external headwinds and rising interest rates. High commodity prices have helped and a reasonably strong domestic economy with considerable past fiscal stimulus has also underpinned continuing growth. However, 2023 looks a bit ominous in terms of a weakening US economy, problems for China's economy related to COVID and ongoing global issues related to the war in Ukraine. Also, the higher interest rates will start to affect more and more households as they come off any fixed-term mortgage rates. Falling house prices will also weigh on consumer sentiment and spending. The fiscal setting is still supporting economic expansion. But if stage 3 tax cuts are abandoned, it could result in a significant drop in household expenditures.”

However, those panellists with a more neutral outlook like Dr Mark Melatos of the University of Sydney noted: “Any drag-on growth from higher interest rates, a slowing world economy and the negative wealth effect of declining house prices is likely to be offset by continued near-full employment and rising wages due to labour shortages. The economy is likely to remain in this holding pattern until uncertainties about the future path of inflation – and, hence, central bank monetary policy settings – are resolved.”

On the unlikelihood of a recession, Shane Oliver from AMP, commented, “The rise in interest rates and cost of living pressures will likely drive a sharp slowdown in economic growth. Recession is likely to be avoided though. And the slowdown should lead to much lower inflation, a peak in interest rates and eventually a reduction in rates later in the year or early in 2024.”

Of the few experts on the panel who had a positive outlook, Stephen Halmarick from the Commonwealth Bank of Australia, noted that “Economic growth will slow under the weight of higher interest rates, but no recession (is likely).”

Panelist economic sentiment, February 2023



Chart: Finder • Source: Finder RBA Cash Rate Survey February

Every month, Finder asks the RBA panel for their outlook on 5 specific aspects of the economy – housing affordability, household debt, cost of living, employment and wage growth. The majority (70%) of panellists on Finder’s February survey had a negative outlook regarding household debt and the cost of living.⁵ There was a similar negative outlook regarding the cost of living. Wage growth was the one aspect of the economy with a positive outlook.

Stella Huangfu from the University of Sydney noted on the forces behind cost of living and employment that, “Inflation for the past 12 months has been record high. Unemployment has remained at a very low level.”

Similarly, Mathew Tiller, from LJ Hooker Group said, “Despite the expectation that inflation will fall over the course of 2023, the latest quarterly CPI data release shows that it currently remains high.”

On housing affordability, particularly rental prices, Leanne Pilkington from Laing+Simmons commented, “The market in New South Wales is already being

impacted by the systemic undersupply of homes to buy and rent. Among the many variables influencing prices, the supply and demand imbalance is the most significant,” she said. On the same topic, Mathew Tiller from the LJ Hooker Group said, “Despite home prices softening over the past 12 months, housing/rental affordability remains an issue for Australia’s property markets, particularly for tenants, many of whom have experienced double-digit rental growth over the past year. Governments across the country continue to push demand-side policies and neglect long-term policies that will substantially increase the supply of affordable, high-quality and well-located homes.”

On the pressures affecting households, Mala Raghavan from the University of Tasmania commented that, “Australia’s consumer-led recovery and confidence are slowing down due to high inflation, rising interest rates, and the falling real wages and wealth effects. Some households are forced to dip into their savings to keep up with the rising cost of living for essential items.”

Part 4: Closing commentary from Finder's experts



Graham Cooke
Head of Consumer Research

Advice for consumers

The cost of living crisis has really hit Australians hard – but there are some simple steps that consumers can take to relieve some of the pressure. Initially, it is crucial to start by understanding the nature of the problem. The report has identified several factors that are contributing to the rise in the cost of living, including inflation and cash rate rises. Understanding how these drivers translate into pressure on the household budget is the first step to tackling any cost of living increase. Starting and maintaining a budget will help consumers identify which of their expenses have increased, which are causing the most financial stress and where they may need to take action.

Secondly, consumers can take proactive measures to reduce the cost of day-to-day living. The most important place to start is by examining the debt which is costing the highest amount of interest. For most people, this will be credit card debt. If you have any unpaid credit cards, focus on paying them off as quickly as possible, or transferring that debt to a lower-interest alternative like a balance transfer card or personal loan. For homeowners, the mortgage will be the next most impactful expense – a small decrease in your interest rate can have a large impact in the long run. Once these issues are addressed, consumers should review their other spending habits by utilising their budget, prioritising essential expenses and switching to the most cost-effective financial products.

Finally, consumers should take advantage of the one financial metric that benefits them in times of high interest rates – better value savings accounts. Finder's CST shows that the average Aussie has about \$30,000 in savings, and is saving around \$600 per month. At the time of writing, the standard saving accounts from some of the big banks are paying 1.60% interest after temporary promotional periods. The highest ongoing rate on the market is 4.80%. The average saver would make an extra \$2,178 in interest alone over 2 years by switching between these accounts.

The economy itself may be out of your control, but your personal finance need not be. No matter how well cushioned you think you are to the impacts of economic turbulence, it always pays to add more padding. Comparison services such as Finder aim to help consumers do exactly that.



Sarah Megginson

Head of Editorial

Advice for policy makers

The cost of living crisis that has developed over the last 12 months reveals a “perfect storm” of conditions that impact almost every area of our personal budgets. But the biggest area people are struggling with financially is affording housing. Whether renting or paying off a mortgage, housing costs have increased at an unprecedented rate.

It's not just the rising costs that has people in a bind: it's also the fact that increasing interest rates and rents impacts people's borrowing power, when they wish to access credit (e.g. personal loans, credit cards and home loans).

Finder research shows that to qualify for a \$600,000 loan in January 2022, a borrower (or borrowers) needed to earn around \$107,102 to comfortably pay off the loan and avoid mortgage stress. By March 2023, this figure had increased to \$145,340 – a number that could get higher with further rate increases.

This means many are stuck in “mortgage prison”, unable to refinance as they no longer qualify for finance, but also stuck with a higher interest rate than they may be able to get with a different bank.

The regulatory body Australian Prudential Regulation Authority (APRA) currently sets the interest rate “affordability buffer” that applies to all residential home loans at 3%. With current rates sitting at around 6%, this means lenders must qualify loan eligibility against a hypothetical interest rate of 9%.

As more households struggle to meet their mortgage repayments, the threat of foreclosure and bankruptcy looms large for a growing number of households. Revisiting this buffer and reducing it to 2.5% (forecasting a future rate of 8.5%) may be prudent to assist in restoring some access to credit and providing some borrowers with the means to weather the cost of living crisis.

Furthermore, there are steps that could be taken more broadly to help ease the burden on consumers. For instance, the government could increase its efforts to improve financial literacy among the general public.

While it's clear that the issue of the increased cost of living is a complex one, there is no single solution that will solve all of the challenges that consumers face. However, it will be interesting to see which policies our major political parties introduce to address the root causes of the rising cost of living, as one thing is clear: we need to supplement RBA rate movements. They currently stand as the one and only lever we currently have to address rising inflation, as it's increasingly less effective at achieving its goal.



Richard Whitten

Money Editor

Advice for homeowners

Most borrowers are feeling the impact of the RBA's rapid cycle of rate rises. If you have a variable rate loan, it's possible your interest rate has almost doubled in less than a year.

The best thing a borrower can do is get themselves onto a lower rate. The typical way to do this is to compare loans widely and then refinance to a more competitive offer from another lender.

Even a slightly lower interest can lead to big savings. With a \$600,000 mortgage with a 30-year loan term, a rate of 5.00% has monthly repayments of \$3,221.

If a borrower could switch to a comparable loan with a rate of 4.80% then these repayments would drop to \$3,124. That's a saving of \$97 a month, or \$1,164 a year.

Some borrowers may find there's an even easier way to get a lower interest rate. Many lenders are passing on rising interest rates to their existing borrowers while offering better deals to entice new customers.

Most lenders won't automatically offer existing customers their best rate, but all you have to do is call and ask. Most lenders will happily oblige, they just make you do the work. And a quick call to your lender is much faster than refinancing to a new loan.

For borrowers who are really struggling with rising loan repayments and other living expenses, refinancing may not be an option. If you know you're not going to be able to make your next repayment, talk to your lender first.

Work with your lender and see if you can get some kind of hardship arrangement or negotiate a pause in your repayments. Don't wait until you've already missed a repayment to do this.

Appendices

Methodology

Finder's Consumer Sentiment Tracker (CST) surveys over 1,000 Australians every month through a survey distributed by Qualtrics – an SAP company. The survey sample is nationally representative in age, gender, location and income. The CST has run since April 2019 and surveyed 42,000 Australians so far.

Additionally, Finder runs a Reserve Bank of Australia (RBA) Cash Rate Survey. This is a monthly survey of Australia's leading economists and property experts across industry and academia. It has been in-market since 2015 and is Australia's largest survey of its kind. Findings from this survey are cited over 200 times each month across Australian media, including syndications. The number of participants in each survey are listed below in the sources.

Report authors and editors: Graham Cooke, Joshua Godfrey, Sarah Megginson and Saranga Sudarshan.

For more information about the content of this report, or for any data enquiries please reach out to Finder's Insights team at insights@finder.com. For media enquiries, please reach out to Finder's PR team at aupr@finder.com

Definition of generations

Within the Consumer Sentiment Tracker, generations are defined as follows:

Generation Z: aged 18–28 (born 1995–2005)

Generation Y (millennials): aged 29–43 (born 1980–1994)

Generation X: aged 44–63 (born 1960–1979)

Baby boomers: aged 64–100 (born 1923–1959)

Sources

This section lists Finder sources only. Any external data used is referenced in copy.

1. Finder Consumer Sentiment Tracker, February 2023 (1,059 respondents)
2. Finder Consumer Sentiment Tracker, January 2023 (1,053 respondents)
3. Finder Consumer Sentiment Tracker, December 2022 (1,085 respondents)
4. Finder Consumer Sentiment Tracker, November 2022 (1,114 respondents)
5. Finder Reserve Bank of Australia Survey, February 2023 (44 respondents)
6. Finder Cost of Living RBA Panel Survey, January 2023 (26 respondents)
7. Finder Reserve Bank of Australia Survey, December 2022 (40 respondents)
8. Finder Reserve Bank of Australia Survey, November 2022 (39 respondents)

RBA Cash Rate Survey participants

The following panellists took part in Finder's RBA Cash Rate Survey between November 2022 and February 2023:

- Sveta Angelopoulos, RMIT University
- Jason Azzopardi, Resimac
- Garry Barrett, University of Sydney
- Peter Boehm, Pathfinder Consulting
- Mark Brimble, Griffith University
- Jonathan Chancellor, The Daily Telegraph
- Mark Crosby, Monash University
- Harry Murphy Cruise, Moody's Analytics
- Evgenia Dechter, UNSW
- Craig Emerson, Emerson Economics
- Nicholas Frappell, ABC Refinery
- Dale Gillham, Wealth Within
- Matthew Greenwood-Nimmo, University of Melbourne
- Nicholas Gruen, Lateral Economics
- Stephen Halmarick, Commonwealth Bank
- Rich Harvey, Propertybuyer
- Brodie Haupt, WLTH
- Stella Huangfu, University of Sydney
- Sarah Hunter, KPMG
- Angela Jackson, Impact Economics and Policy
- Dr Angela Jackson, Impact Economics and Policy
- Geoffrey Harold Kingston, Macquarie Business School
- Stephen Koukoulas, Market Economics
- Cameron Kusher, REA Group
- Jakob B Madsen, University of Western Australia
- (A/Prof) Mark Melatos, School of Economics, University of Sydney
- Stephen Miller, GSFM
- James Morley, The University of Sydney
- Peter Munckton, Bank of Queensland
- Cameron Murray, University of Sydney
- Tim Nelson, Griffith University
- Shane Oliver, AMP
- Alan Oster, NAB
- Brian Parker, Australian Retirement Trust
- Matthew Peter, QIC
- Leanne Pilkington, Laing+Simmons
- Nalini Prasad, UNSW Sydney
- Mala Raghavan, University of Tasmania
- Tim Reardon, Housing Industry Association
- David Robertson, Bendigo Bank
- Jeffrey Sheen, Macquarie University
- Azeem Sheriff, CMC Markets APAC
- Mathew Tiller, LJ Hooker Group
- Anthony Waldron, Mortgage Choice
- Noel Whittaker, QUT
- Christine Williams, Smarter Property Investing P/L
- Andrew Wilson, My Housing Market
- Malcolm Wood, Ord Minnett
- Tomasz Woźniak, University of Melbourne
- Michael Yardney, Metropole Property Strategists

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