



Fox Symes Quarterly Debt Poll

Conducted by **NEWSPOLL**
MARKET RESEARCH

Research Summary - Australians' Attitude to Debt

The **Fox Symes Quarterly Debt Poll** is a national poll produced quarterly by GA Research for Fox Symes & Associates which examines Australian attitude to debt and changes in the levels and causes of personal debt.

This national telephone poll of 1,200 Australians over the age of 18 years was conducted in two waves. Wave One was conducted 15-17 September 2006 and Wave Two was conducted 1-3 December 2006 by Newspoll. The results were post-weighted to Australian Bureau of Statistics data to reflect the population distribution for age, highest level of schooling completed, sex and area. Results based on the total sample have a maximum margin of error of plus or minus 3 per cent.

Concern About Debt

The number of people who are now worried about "falling deep into debt from paying interest rates on mortgage" has increased markedly since September (up from 25% to 35%).

Overall, respondents indicated that only 'getting a serious illness' was a greater worry than 'not having a financially secure retirement' and 'not having enough money to pay the bills'.

Table 1: Levels of Concern

"At the moment, do you personally worry about each of the following things a lot, a little, or not at all?"

Things Australians Worry About	Total % SEPT '06	Total % DEC '06
Getting A Serious Illness	62	66
A Lot	21	21
A Little	42	45
Not At All & Don't Know/ Refused	38	34
Losing House In Natural Disaster	43	46
A Lot	12	14
A Little	31	32
Not At All & Don't Know/ Refused	57	54
Not Having Enough Money To Pay Bills	55	56
A Lot	22	26
A Little	33	30
Not At All & Don't Know/ Refused	45	44
Not Being Able To Have A Financially Secure Retirement	60	61
A Lot	25	27
A Little	35	34
Not At All & Don't Know/ Refused	40	39
Being The Victim Of Violent Crime	51	53
A Lot	16	18
A Little	35	35
Not At All & Don't Know/ Refused	49	47
Falling Into Debt From Paying High Interest Rate On Mortgage	25	35
A Lot	9	17
A Little	16	19
Not At All & Don't Know/ Refused	75	65
Being The Victim Of Identity Theft	55	55
A Lot	16	20
A Little	39	35
Not At All & Don't Know/ Refused	45	45
Falling Deep Into Debt From Credit Card Repayments	26	29
A Lot	9	11
A Little	17	18
Not At All & Don't Know/ Refused	74	71
Falling Behind On Mortgage Payments And Losing Home	22	26
A Lot	9	12
A Little	13	13
Not At All & Don't Know/ Refused	73	74

Debt in Australia

Australians continue to recognise the seriousness of the debt problem. Nine in ten feel that the level of household debt in Australia is a problem to some degree, with four in ten viewing it as a very serious problem.

Table 2: Problem of Household Debt in Australia

"About the level of household debt in Australia on things like credit cards, home mortgages, car loans and other personal loans. At the moment, do you think the level of household debt in Australia is...?"

Responses	TOTAL % Sept. '06	TOTAL % Dec. '06	Difference Dec 06-Sep '06
Very Serious Problem	39	41	2
Fairly Serious Problem	41	42	1
Serious Problem Sub-Total	80	83	3
Minor Problem	12	10	-2
Problem Sub-Total	92	93	1
Not a Problem at All	4	2	-2
Don't Know	5	4	-1
Totals* ('000)	15,599 100%	15,599 100%	

* Australian Population Over 18 years WTD. RESP. (000's)

Respondents in households with children see household debt as a far more serious problem than any other segment, with 88% saying it is a very serious or fairly serious problem, compared to 81% without children.

Older respondents are more likely to believe household debt is a serious problem, with 87% of over 50 year olds saying it is a very serious or fairly serious problem, compared to 84% of 35-49 year olds and 78% of 18-34 year olds.

About Fox Symes

Fox Symes is the premier debt relief company in Australia. It is a wholly owned subsidiary of FSA Group Limited, a public company listed on the Australian Stock Exchange. Fox Symes helps people manage their debt by restructuring their current situation. It is not a bank, financial institution or law firm. Since 2000 Fox Symes has helped thousands of Australians work their way through debt.

Additional information can be found at www.foxsymes.com.au

Changing Financial Situation

In regards to their own financial situation in terms of income and expenditure, one in four (25%) of respondents said their financial situation has worsened over the past three months, 16% said it is improved and 57% said it is the same.

Table 3: Assessment of Current Financial Situation Compared to Three Months Ago (Sept. '06 versus Dec. '06 results)

"Compared with three months ago, do you think your financial situation is now...?"

Responses	Total % Sept. '06	Total % Dec. '06	Difference Dec 06-Sep '06
Better	16	16	0
Worse	23	25	2
Same	39	41	2
Don't Know/Refused	61	57	-4
Totals ('000)*	15,599	15,599	
	100%	100%	

* Australian Population Over 18 years WTD. RESP. (000's)

Changes in Personal Debt

When considering whether the change in financial situation has affected their own level of debt 17% believe their debt has increased, 15% believe it has decreased and two in three (65%) believe it has stayed the same.

Table 4: Assessment of Change In Current Levels of Personal Debt Compared to Three Months Ago (Sept. '06 versus Dec. '06 results)

"Compared with three months ago, do you think your financial situation is now...?"

Responses	Total % Sept. '06	Total % Dec. '06	Difference Dec 06-Sep '06
Better	14	17	3
Worse	17	15	-2
Same	31	32	1
Don't Know/Refused	67	65	-2
Totals ('000)*	15,599	15,599	
	100%	100%	

* Australian Population Over 18 years WTD. RESP. (000's)

Reasons for Increased Personal Debt

Around 17% of Australians, up from 14% in Sept. '06, say their own level of financial debt has increased compared to three months ago. The primary listed causes for an increase in household debt during this period are:

- Mortgage/loan/interest related expenses (28%)
- Day to day living expenses / bills (28%)
- New purchases and expenses such as a new car, home renovations, holidays, household purchases and Christmas expenses (24%)
- The costs of petrol and / or running a vehicle (17%)
- Employment related reasons (5%)

Table 5: Reasons Given for Increased Personal Debt (Sept. '06 versus Dec. '06 results)

Among those who say their Debt has increased, their UNPROMPTED open-ended responses as to "why" are listed below. Note that the base size for these results is not overly large (n= 154 in Sept and n = 176 in Dec 06)

"For what particular reasons has your level of debt increased in the past three months? What other reasons?"

Based On Those Had Increased Debt	SEPT '06 n=154 %	DEC '06 n=176 %
Cost Of Petrol / Running Vehicle	22	17
Total Mortgage / Loan / Interest Related	22	28
Mortgage / Home Loans / Interest On Home Loans	17	15
* Loans / Interest On Loans / Interest Rates Nfi	5	15
Total Day To Day Living Expenses / Bills	26	28
Cost Of Groceries / Food	15	12
Cost Of Living / Things More Expensive / Spending More / NFI	8	11
Rates	4	3
Electricity / Gas	3	4
* Insurance	5	0
Bills / NFI	5	6
Total New Purchases / Expenses	31	24
Bought / Paying Off New Vehicle	12	8
Modifications / Renovations To Home	9	5
Holiday	5	3
New TV / Computer / Other Household Purchases / Maintenance	7	2
* Christmas Expenses	0	6
Total Employment Related	9	5
Partner / Self Lost Job	5	1
Change Of Employment / Less Work	4	4
Credit Card NFI	7	6
Education Expenses	4	3
Drought	2	2
* Investing In Shares / Investing NFI	0	4
Business Related Expenses / Difficulties	2	1
Health / Medical Expenses	4	6
Other	10	12

* Shaded lines indicate that the change in response is statistically significantly different and therefore the change is particularly worthy of note.

About The Fox Symes Quarterly Debt Poll

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