

KEY FINDINGS – FINANCIAL FREEDOM REPORT

Insignia Financial's inaugural Financial Freedom Report is the collation of qualitative and quantitative data gained through focus groups and an online survey of 2,511 Australians.

Australians dream of financial wellbeing

The most common aspirations held by Australians today are:

- Financial independence (55%)
- Taking regular holidays (50%)
- Having a good work/life balance (45%) tied with owning a home (45%)
- Having a trusted group of family and friends (44%)

Financial challenges lead to new priorities:

- 62% of Australians are budgeting more since the pandemic.

Australians are seeking a dream life

- 60% of Australians are more likely to align themselves with desiring a dream lifestyle than owning their dream home (40%).
- Two in five Australians (44%) strongly or somewhat agree they will be able to maintain their current lifestyle over the next two years, whilst a further 29% slightly agree this will be possible.
- Gen Z drive the push to live their dream life over having their dream home (71% cf. 58% Gen Y, 60% Gen X, 57% Baby Boomers, 54% Builders).
- Males are more likely to be interested in living their dream lifestyle, over having their dream home (63% males cf. 57% females).

Australians are eager to improve their financial literacy

Satisfaction with current financial situation:

- 22% of Australians are extremely/very satisfied with their financial situation. 55% are somewhat/slightly satisfied, and 22% are not satisfied at all with their financial state.
- 26% of Australian females are not at all satisfied with their current financial situation (cf. 18% of males).
- Younger males are much more likely than younger females to be extremely or very satisfied with their current financial situation (24% Gen Z males, 44% Gen Y males cf. 10% Gen Z females, 19% Gen Y females).

Managing money better / improving financial literacy:

- More than half of Australians (58%) strongly/somewhat agree they want to manage their money better.
- Young Australians are more likely than their older counterparts to look for sources to improve their financial knowledge (28% Gen Z, 27% Gen Y cf. 21% Gen X, 13% Boomers, 3% Builders).

Financial education in childhood:

- 31% of Australian report receiving no financial education in their childhood, and 57% receive merely a small (35%) or fair amount (22%).
- Younger females report receiving either no (20% Gen Z females, 28% Gen Y females cf. 11% Gen Z males, 14% Gen Y males), or a small amount of financial education in their childhood (43% Gen Z females, 39% Gen Y females cf. 28% Gen Z males, 28% Gen Y males).

Women are working hard to achieve their dreams

- 60% of Australian females have thought extensively/a fair bit about their dreams as opposed to 52% of Australian males.
- Australian females are highly motivated to achieve their dreams, with over half (55%) reporting to be extremely/very motivated compared to 44% of males.
- To improve their financial situation, females would be more likely than their male counterparts to work more hours (21% cf. 14%), work multiple jobs (14% cf. 8%), and improve their financial knowledge (23% cf. 18%).

KEY FINDINGS – FINANCIAL FREEDOM INDEX

Accompanying the Report, the Financial Freedom Index (FFI) measures the behaviour of Australians to determine what actions they are taking to realise their dreams and secure financial independence.

- Australians demonstrate a real desire to achieve their dreams and secure financial freedom, with a score of **49 out of 100 in the inaugural FFI**.
- The FFI comprises three elements – Foundation, Behaviour and Attitude. The Index reveals Australians score the highest in their **Attitude (59), followed by Behaviour (48) and Foundation (40)**.
- FFI by generation: Gen Z (52) and Gen Y (55) receive the highest Financial Freedom Index scores, which is mostly driven by their strong results in Attitude, representing their positive mindset towards achieving their dreams.

	FFI Score
Gen Z	52
Gen Y	55
Gen X	47
Boomers	44
Builders	45

- FFI by state: Australians living in the ACT receive the highest FFI score at 52, followed by VIC (50) and NT (50).

State	FFI Score
NSW	49
VIC	50
QLD	49
TAS	44
NT	50
SA	48
WA	49
ACT	52

Interpreting the Index

The Financial Freedom Index uses three key measures to check the pulse of how Australians are going about attaining their dreams:

The following are the three key measures that form the index:

- **Foundation** measures the extent to which individuals are set up to move towards financial freedom and achieve their dreams, from their childhood experiences to their current financial literacy.
- **Behaviour** measures the extent to which individuals have habits and practices that are likely to benefit them in moving towards financial freedom and achieving their dreams.
- **Attitude** measures the degree to which individuals have a mindset that will help them flourish and move closer to financial freedom and their dreams, from how motivated they are, to how much they believe the dreams are realistic.

An average score is provided for each of the three measures and the average across the three measures provides the overall Financial Freedom Index. The Index can range from a score of 0 to 100. Anything above 50 indicates an individual is well positioned to achieve their dreams.