

## **MEDIA RELEASE**

### **2nd February 2024**

#### **New research reveals 1 in 5 Australians couldn't find \$4,000 in an emergency**

While Australians are currently navigating a complex financial landscape, new research has revealed that financial confidence is diminishing, due to the state of the economy including effects of the cost-of-living crisis in Australia, combined with 13 interest rate increases recorded since May 2022<sup>1</sup>.

Close to half (41%) of Australians are concerned about their current financial situation, and 35% do not feel in control of their personal finances. 1 in 4 (25%) - particularly those without life insurance (37% compared to 27%) - do not feel confident that if something happened to them, their family would be looked after financially, signifying a widespread sense of financial unease.

The research<sup>2</sup>, commissioned by direct Australian life insurer NobleOak, highlights the underlying challenges faced by people amidst the evolving economic landscape and the link between their happiness, feeling in control of their financial situation, and the ability to cover an unexpected expense.

The research also revealed 1 in 5 Australians (19%) would have serious difficulties finding \$4,000 if they had to for an unexpected expense. This financial vulnerability is more prominent amongst those under 45 (20% vs 17% of over 45-year-olds), as well as renters (26% vs 19% with a mortgage), who shared greater concerns about their ability to meet such a financial demand.

Introducing the annual NobleOak Life Insurance Pulse Report", Anthony Brown, NobleOak's Chief Executive Officer, said with many Australians struggling with current cost of living pressures, NobleOak wants to ensure Australians are aware of the role that having financial protection in place can play in their lives.

"The report was developed to shed light on the many factors that shape the decision-making process that Australians go through when taking out life insurance. Understanding the financial viewpoints of Australians allows us to further the conversation on the importance of boosting financial confidence."

"Despite these challenges, 70% of those who feel a lack of control in their personal finances say they wish they could do more to feel in control. This underscores the resilience and positive intent of Australians, pointing towards an opportunity for life insurers to foster financial empowerment."

NobleOak's data traces back to 2017, where it consistently shows people with life insurance are more optimistic in their outlook of life (29% in 2023) as opposed to those without (24% in 2023).

"Individuals with life insurance may feel more secure and better equipped to navigate unforeseen financial challenges or life events, which plays a role in overall optimism about the future.

However, those who are likely to need life insurance the most financially are also the ones who are least likely to hold cover. Those with a lower household income and renters are least likely to be able

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<sup>1</sup> \*<https://www.9news.com.au/interest-rates>

<sup>2</sup> The survey was conducted by The Market Intelligence Co. on behalf of NobleOak, in December 2023, with a sample of 1,039 respondents in Australia aged 30-69 years old, with a household income of \$100,000 or higher.

to deal with a large, unexpected expense - typically the same demographic less likely to have life insurance.”

“Over the years there has been a steady increase in the number of people who have life insurance who are planning to renew from 47% in 2017, to now 65% in 2023. For those with life insurance, the research also found that people are prioritising life insurance more than ever before, even being prepared to reduce their grocery bill to hold onto their insurance.

This is a clear indication that the current external climate is influencing Australian’s financial decisions.”

“NobleOak’s research serves as a critical insight into the nation's financial mindset and reinforces the importance of fostering financial resilience, education, and accessible resources to ensure Australians can navigate financial complexities with confidence,” Mr Brown concluded.

The annual NobleOak Life Insurance Pulse Report is now available for download here:

<https://assets.nobleoak.com.au/wp-content/uploads/2024/01/29150405/NobleOak-Life-Insurance-Pulse-Report-2024.pdf>

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#### **About NobleOak**

NobleOak has been offering life insurance directly to Australians since 2012, but our history dates back over 145 years. At NobleOak, we offer life insurance directly to our customers and we carefully manage our costs to keep our premiums as low as possible. Our products are fully underwritten, and we pride ourselves on our customer service. The result is quality cover customers can rely on at a competitive price.

Survey conducted in December 2023 by The Market Intelligence Co. (TMIC) on behalf of NobleOak encompassing over 1,000 Australians. This cohort comprised 55% individuals with active life insurance coverage and 45% without, capturing a wide spectrum of demographics and geographic regions.

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