

Households in financial hardship spend HALF weekly budget on housing

People in financial hardship are spending on average half of their weekly budget on housing costs alone, the WACOSS *Cost of Living Report* has revealed today.

Data from 265 households who sought assistance from community-based financial counselling services in September, reveals that those with mortgages are spending 55% of their weekly budget on housing costs, while renters in financial hardship spend around 44%.

“This report highlights that housing affordability is *the number one issue* when it comes to financial stress,” said Louise Giolitto, Chief Executive Officer, WACOSS.

For the first time since the report’s inception 10 years ago, financial counselling data has been included, highlighting the reality of cost of living pressures for people in financial hardship. WACOSS compared this data with the recent Australian Bureau of Statistics Household Expenditure Survey (HES) – to see how those in financial crisis differ from the average household.

Benchmarking against HES data produced dramatic results. Weekly housing expenditure for those who sought financial counselling (48%) is nearly double the spending of the average Australian household at 26%.

The comparison also clearly shows those in hardship are cutting back on the spending on health (3.6% versus 6%) and recreation (1.6% versus 11%) to make ends meet.

“There is clearly a growing gap in the quality of life between those in hardship and the average Australian family. For households to spend such a small portion of their budget on recreation and cut back on necessities like health, transport, food, and communications indicates that a small but vulnerable part of our community are barely keeping their heads above water.

“This is the reality for people doing it tough. The things we all take for granted, these people are going without,” Louise said.

The report’s household modelling highlights the inadequacy of government income support, with an unemployed single around \$24 short of a basic standard of living each week. An age pensioner couple has only \$13 left after meeting their basic living costs if they are renting, and around \$183 per week if they own their own home.

The Cost of Living Report analysis has been undertaken in partnership with Bankwest Curtin Economic Centre (BCEC). A report by BCEC *The Price is Right? An Examination of the Cost of Living in Western Australia* will be launched on Friday 1 December.

Ends.

For further information or to arrange an interview with Louise Giolitto, please contact Laurene Coller, Communications Officer 08 9420 7222 or 0419 316 557, laurene@wacoss.org.au.