

## CHAPTER 5

### Vulnerable groups

This chapter explores the experiences and characteristics of some of the groups of participants who emerged from the analysis in the preceding chapters as particularly vulnerable. Specifically, the chapter includes discussion of the situation of home buyers, Aboriginal people, homeless people, people on the Disability Support Pension and people on Newstart Allowance. Unfortunately, the sample size involved in relation to people of a non-English speaking background means that they cannot be included, even though this group was repeatedly identified as likely to be at considerable risk of extreme hardship and difficulty. This chapter also considers the influence of age and gender on the experiences reported by participants.

#### 5.1. Home buyers

##### Key findings

- Almost three quarters (71.4%) of the participants who were home buyers said that the cost of their mortgage was a big problem for their household and every home buyer said that mortgage costs were a problem to some degree.
- Home buyers were also much more likely than all participants to experience problems with a range of household expenses. Three fifths (60.7%) described five or more expenses as a big problem for their household.
- Nearly all (92.6%) of the home buyers who participated in the survey were receiving income support payments and 88.9% had no income from paid work.
- Well over half (57.1%) of the participants who were home buyers said their household was affected by three or more underlying issues in the previous year.

**Almost three quarters (71.4%) of home buyers said that the cost of their mortgage was a big problem for their household and every home buyer said that mortgage costs were a problem to some degree.**

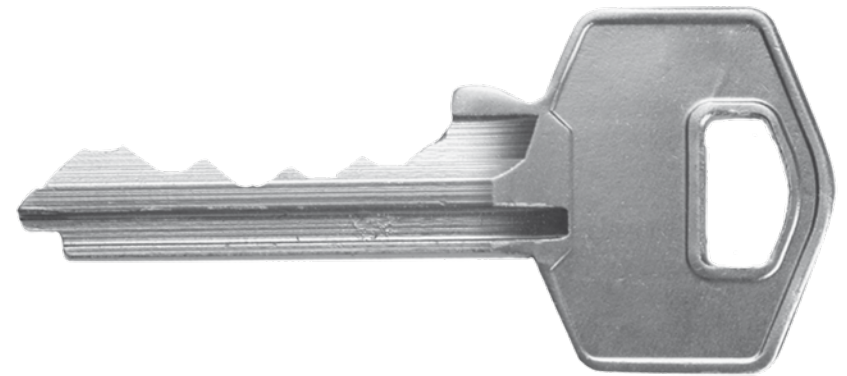
Home-buyers described food costs as a big problem for their household in proportions one and a half times that of participants overall. They report very high rates of missing meals and of anxiety about being able to afford enough food. Yet the proportion of home buyers who attributed their need for assistance to the cost of food was minimal – just three households. The most common reason home buyers were seeking assistance was the cost of their home loan – 57.9%\* of home buyers said this was a main reason for seeking assistance. The only other reasons mentioned at all by home-buyers as main reasons for

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\* Estimate has a relative standard error of 25-50% and should be used with caution.

seeking assistance were electricity bills, food, and loan repayments.<sup>40</sup>

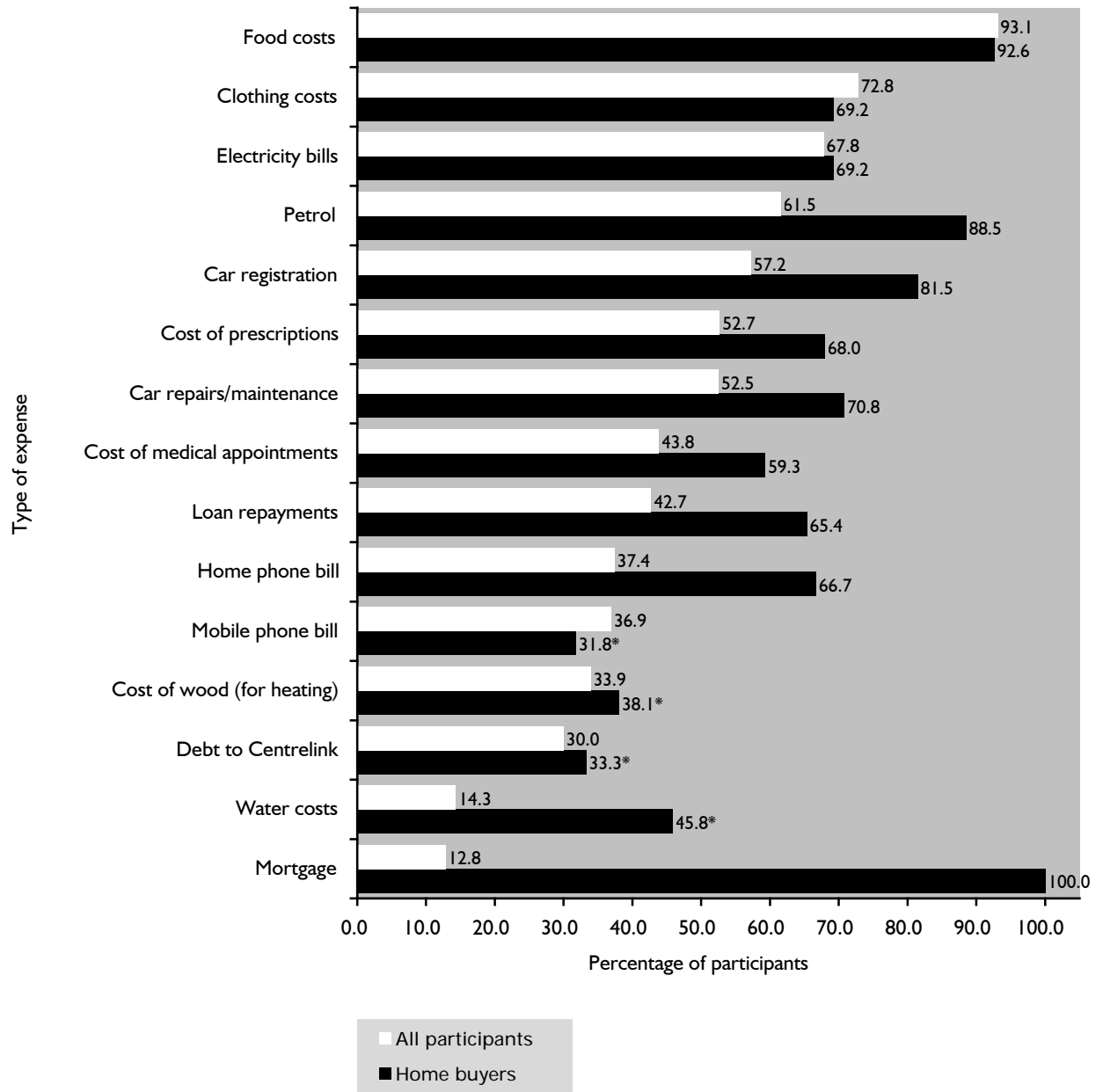
Figure 27 compares the proportion of all participants describing each expense listed in the survey as a problem for their household with the proportion of home buyers describing that expense as a problem for their household.



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<sup>40</sup> The numbers nominating the first two reasons were so low that the estimates are not reliable enough for general use and the numbers nominating the last (loan repayments) are small enough that this estimate should also be treated with caution.

**Figure 27.**  
**Percentage of participants describing expenses as a problem for their household: all participants compared to home buyers**



\* Estimate has a relative standard error of 25-50% and should be used with caution.

**Note:** Estimate for home buyers and other transport costs had a relative standard error of 50% which is considered too unreliable for general use and was excluded. No home buyers described moving expenses or rent as a problem for their household and so these results have also been excluded.

Figure 27 demonstrates the impact mortgage costs had on the home buyers who participated in the survey: every single one of them identified the cost of their mortgage as either a big problem or a bit of a problem for their household (and the majority, 71.4%, said that mortgage costs were a big problem). Otherwise, home buyers in general found the same kind of expenses problematic as did all the participants: food, petrol, transport costs and electricity bills.

However, for 12 of the 15 expenses listed, a greater proportion of home buyers nominated the expense as a problem than did all participants, and for all but one (electricity bills), by a notable amount. Home buyers were also the participant group most likely to experience difficulty with multiple expenses – 71.4% described three or more expenses as big problems for their household and 60.7% described five or more expenses as big problems. These were the highest levels for all participant groups assessed across source of income, gender, location, cultural background, age, children and tenure, and compare to averages for all participants of 55.0% and 33.6% respectively. Home buyers were also much more likely to report that their household had financial problems regularly or always (57.1% compared to 47.2% of all participants), and were much more likely than other participants to have, in the past year due to a shortage of money, been unable to pay a utilities bill and to have pawned or sold possessions (79.2% and 75.0% respectively compared to 67.9% and 64.6% respectively).

**The home buyers participating in the survey are in a marginal position and would be very vulnerable to any increase in interest rates.**

In the past, home ownership has been found to protect against hardship (Bray 2001, p. 37). It is likely that it still does for most people, given the small number of home buyers and even smaller number of home owners participating in this survey, observed in other surveys and recorded as clients by the Salvation Army, a statewide provider (see Table 1 in section 2.7). However, those home buyers who do seek assistance are under extreme financial strain, and it appears that this strain results mainly from the pressures of meeting commitments on their home loan.

In recent years considerable concern has been expressed about the relaxation of lending policy in Australia and the apparent increase in the number of home loans made to low income or disadvantaged customers. This concern even triggered a parliamentary inquiry into how lending practices had changed and what effect the changes had had (SCEFPA 2007, p. iii). In the current survey, almost all (92.6%) of the home buyers were receiving income support payments and 88.9% had no income from paid work. They were also more likely than other participants to report that they were affected by three or more underlying issues (57.1% compared to 51.3%). On the face of it, they do not represent ‘good lending risks’.

It was difficult to tell from the data available exactly where the home buyers in the survey were living. Participants did provide their postcode, but in Tasmania, one postcode can cover several suburbs or towns and may include places with starkly different socio-economic characteristics. However, when the postcodes of the home-buyers who participated in the survey were considered, about three fifths related to groups of small, rural communities and the other two fifths included in their scope suburbs originally built as broadacre public housing estates. House prices remain relatively low in rural communities making home ownership more attainable: of the ten suburbs ranked as 'most affordable' by the Real Estate Institute of Tasmania's website for the December 2008 quarter, four of the top six are small rural communities (Real Estate Institute of Tasmania n.d.). Home ownership assistance programs have been and continue to be promoted heavily to public housing tenants and increasingly, low income households in general. The Affordable Housing Strategy 2003-2008 included funding for home ownership assistance programs (Flanagan, K 2007, pp. 18, 30). The Tasmanian Government currently offers three programs to people on low incomes to assist them into home ownership. The Streets Ahead program is an incentive program offering \$6000 of deposit assistance to buy an ex-public housing property, the HomeShare program is a shared equity program for low and moderate income earners which covers ex-public housing stock, 'quick build' properties and properties on the open market, and there is also a shared equity program for public housing tenants wishing to buy their rental property from Housing Tasmania.

The Minister for Human Services described the HomeShare program as 'a tremendous opportunity for people who otherwise would never be able to meet the financial obligations, to own their own home', and stressed the availability of the boosted First Home Owner's grant and the State Government stamp duty rebate, which, together with the shared equity saving would 'take the total level of assistance to as much as \$75,000' (Thorp 2009b). Hayward (1996) has argued that Australian governments have always preferred to promote home ownership over other forms of tenure such as public housing. Although the Minister has stated that 'we will not be seeing loans made to those who are unable to afford to keep up with the repayments... We want to bridge a gap, not encourage people to over-extend themselves financially' (Thorp 2008), elsewhere, she has said, 'People talk all the time about public housing waiting lists but there are more ways to skin a cat than just more public housing... What we need to do is make sure more and more Tasmanians get access to their own homes, preferably that they own privately and outright' (ABC 2009).

Research has indicated that while home ownership assistance schemes in Australia to date have been extremely successful, they are not without risk. Specifically, their success depends on increasing property

values, which means it is critical that governments providing home ownership assistance take into account the issue of location (Grieve et al. 2005). International research has found that some home buyers can be exposed to detrimental levels of stress if they accumulate mortgage arrears, face repossession of their homes or end up in negative equity (i.e. owe more on their home than it is worth) (Hulse & Burke 2009, p. 1).

While the survey did not collect the information necessary to ascertain what financial position the participants who were home buyers had been in when they first purchased their home, given their source of income and limited involvement in paid work, it is clear that they are now marginal home buyers, already struggling to make their mortgage repayments. This puts these people in a very vulnerable position if interest rates increase significantly or if they experience a significant change in their personal circumstances. A number of commentators, including the Reserve Bank Governor, have expressed concern about the vulnerability of marginal borrowers lured into home ownership by the combination of a boosted First Home Owners' Grant and very low interest rates (Uren 2009; Saulwick 2009; Leyden 2009).

## 5.2. Aboriginal people

### Key findings

- Aboriginal people consistently reported higher levels of financial difficulty, hardship and underlying issues than other participants.
- Aboriginal participants were much more likely than all participants to report that they or someone in their household had experienced family or relationship breakdown, chronic debt, drug or alcohol addiction or legal issues in the previous year.
- A number of other disadvantaged groups were over-represented among Aboriginal participants.

**Aboriginal people consistently reported higher levels of financial difficulty, hardship and underlying issues than other participants.**

Throughout the analysis of the survey results, Aboriginal participants were consistently found to experience higher levels of financial difficulty and hardship than non-Aboriginal participants. Aboriginal participants were more likely to be affected by multiple underlying issues – 65.6% reported being affected by three or more underlying issues and 32.8% reported being affected by five or more, compared to 49.7% and 24.1% respectively of non-Aboriginal participants. In particular, Aboriginal

participants were much more likely than all participants to report problems with family or relationship breakdown, chronic debt, drug or alcohol addiction and legal issues. Other findings, less reliable, suggest Aboriginal participants were much more likely than other participants to have experienced funeral expenses, bankruptcy or someone in the household leaving prison.\* Aboriginal participants also reported particularly high levels of financial hardship, especially in relation to missing meals, going without heating and the disconnection of electricity and telephones.

However, Aboriginal participants were less likely than other participants to report difficulties with multiple expenses and only experienced notably greater difficulties on three expenses: the cost of medical appointments (50.0% of Aboriginal people said this cost was a problem overall compared to 43.8% of all participants), the cost of wood (39.1% compared to 33.9%) and the cost of water (23.9%\* compared to 14.3%). Difficulties with medical appointments, wood and water costs could be connected to the much higher proportion of Aboriginal people living in rural areas (45.5% compared to 34.2% of all participants).

There were a number of overlaps between the group of participants identifying as Aboriginal and other groups found at various points in the analysis to be at risk of disadvantage: Aboriginal participants were more likely to be aged between 25 and 54 (80.0% compared to 71.9% of all participants), more likely to be male (41.0% compared to 32.8%) and more likely to rely on Newstart Allowance (38.3% compared to 22.7%). They were more likely to be on a reduced rate of income support (56.6% compared to 49.7%), more likely to be both paying back an advance payment (75.0% compared to 69.2%) and paying back a debt to Centrelink (50.0%\* compared to 39.1%).<sup>41</sup> Aboriginal people were also less likely to be on a reduced rate for just one reason (75.0% compared to 87.0% of all participants).

None of these findings are a particular surprise given the extensive body of research on Aboriginal disadvantage. They must also be treated with some caution given the difficulties with using self-identification of Aboriginality in a survey such as this. However, they can be taken to confirm that Aboriginal people are much more likely than non-Aboriginal people to face financial hardship and complex issues and to have other characteristics strongly linked to disadvantage.

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\* Estimates have a relative standard of error of 25-50% and should be used with caution.

<sup>41</sup> These figures include participants who were on a reduced rate for more than one reason.

**Financial crisis can trigger homelessness as well as be a consequence of it.**

## 5.3 Homeless people

### Key findings

- Just over half (56.0%) of the homeless participants were in secondary homelessness, staying with family or friends or in crisis accommodation.
- Homeless participants were disproportionately likely to be single, male and young.
- Homeless participants did not report significant problems with day-to-day living expenses, but did report considerable levels of anxiety about being able to afford enough food, experienced very high rates of hardship and were much more likely than other participants to be affected by multiple underlying issues.
- Homeless participants were much more likely than average to have been affected by family or relationship breakdown, mental illness, drug or alcohol addiction, disability and domestic violence.

Chamberlain and MacKenzie (2003b, pp. v-vii) identified three main ways in which adults become homeless. The first is to become homeless as the result of a housing crisis, the second, to become homeless as a result of family breakdown, particularly family breakdown caused by domestic violence, and the third is to transition from being homeless as a young person into being homeless as an adult; this latter population is already chronically homeless and face a range of complex issues, including drug and alcohol addiction, mental illness and criminality. Chamberlain and MacKenzie described these pathways as 'homeless careers'. The first career 'draws attention to the fact that for many people it is poverty – and accumulating debt – that underpin the slide into homelessness'. For people moving through a 'homelessness through housing crisis' career, there are three main stages: the gradual accumulation of rental arrears, usually due to job loss or ongoing unemployment or another financial setback, that leads to an elevated risk of eviction, then the loss of accommodation and the immediate worsening of the household's circumstances and finally, although not for all people, the transition to chronic homelessness, where the person has adapted to homelessness as a way of life (Chamberlain & McKenzie 2003b, pp. 30-37). The point to note is that financial crisis is not necessarily exclusively the result of homelessness – it may well have been the trigger for homelessness in the first place.

The participants in this survey who were homeless were living in a range of circumstances: in boarding houses, hostels, pub-tops, caravans or cabins (tertiary homelessness), staying with family or friends or living in crisis accommodation (secondary homelessness) or sleeping rough, in their car or in a tent

(primary homelessness). Just over half (56.0%) were in secondary homelessness, with 60.7% of these people reporting that they were staying with family or friends in the short-term. Nearly two fifths (38.3%) of the homeless participants were receiving Newstart Allowance and a further 27.7%\* were receiving the Disability Support Pension. They tended to be disproportionately single, male and young, when compared to the representation of these groups among participants in general: half of the people who were homeless were single (50.0%), half were men (50.0%) and 70.8% were aged 34 years or younger.

The type of homelessness the person was experiencing could be expected to influence their responses to the questions in this survey. A person sleeping in their car, for example, would not be expected to report current problems with electricity bills or rent (although problems with these costs might have caused them to become homeless in the first place), but they would be expected to have considerable difficulties in keeping warm. A person staying with family or friends may or may not be expected to contribute financially to the household bills, rent or food budget. The experience of a person in crisis accommodation might be different depending upon whether they were living in a community tenancy<sup>42</sup> or in a crisis shelter. The experience of a person in a boarding house or caravan would vary depending on the quality of the facilities provided.

The number of homeless people who participated in the survey was too small to reliably compare the experiences of participants in the different homelessness categories, but large enough to consider the experience of homeless participants overall.

In general, the issues faced by homeless people were not necessarily connected with their day-to-day living expenses. Homeless people were much less likely than participants in general to identify three or more expenses as a big problem – just 40.0% of homeless people did so compared to 55.0% overall – and also appear less likely to identify five or more expenses as a big problem – 30.0%\* compared to 33.6%. Their most common reason for seeking assistance was the cost of food,\* although this finding needs to be treated carefully.

Homeless people were no more likely than participants in general to be on a reduced rate of income

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\* Estimate has a relative standard error of 25-50% and should be used with caution.

<sup>42</sup> A rental property run by community organisations as medium-term or transitional accommodation.

**The issues faced by homeless people were not necessarily connected to the burden of day-to-day living expenses.**

support – 48.9% of homeless people were on a reduced rate compared to 49.7% overall. However, of the nine participants who reported that they were serving a Centrelink breach, four were homeless. Homeless participants were also much more mobile than other participants – nearly half (47.5%) had moved five or more times in the previous two years, which is more than four times the proportion of participants generally (10.7%) who had moved five or more times.

Homeless people may not appear particularly disadvantaged (compared to some of the other participants) when it comes to daily living expenses, but they were more likely than all participants to report that in the previous year, a shortage of money had meant that they had been unable to pay their rent (50.0%), pawned or sold possessions (75.6%), missed meals (86.7%), been unable to heat their home (65.9%) and had their telephone disconnected (51.3%). Compared to other types of tenure, they experienced particularly severe problems with heating and telephone disconnections.

If not the pressure of daily living expenses, then what is causing this particularly high rate of hardship among the homeless participants who responded to the survey? Bisset, Campbell and Goodall (1999, p. 38) comment that,

It is clear that homelessness is more than “houselessness”. The lack of adequate shelter may be caused by, and a cause of, a range of other personal and social problems. Without an adequate response to these issues the combination of factors compounds personal crisis and entrenches homelessness. Consequently, as well as the threat to physical and mental well-being, homelessness frequently involves progressive marginalisation from society. This marginalisation of homelessness can include isolation from the supportive networks of a local neighbourhood, exclusion from the formal support provided by community services and, ultimately, being disenfranchised from basic welfare entitlements.

Homeless participants in this survey were much more likely than other participants to be affected by multiple underlying issues: 42.0% of homeless participants said their household was affected by five or more underlying issues, compared to just a quarter (24.6%) of participants as a whole. This was overwhelmingly the highest proportion reporting this of any group when compared across income, gender, cultural background, age, number of children, tenure and living arrangements.

**Homeless people had particularly intense difficulties with multiple underlying issues.**

Homeless people were more likely than all participants to have been affected by family or relationship breakdown (60.0%), mental illness (48.0%), drug or alcohol addiction (44.0%), disability (34.0%) and domestic violence (32.0%). They also appear to be more likely to have been affected by chronic debt, a legal problem or court appearance, eviction, someone leaving jail, someone leaving hospital, the birth of a new baby and bankruptcy.\* Research suggests that complex issues such as the ones reported by participants in this survey are not just reinforced by homelessness, but that they can in fact be caused by homelessness. For example, a study of 4252 homeless people in Melbourne found that of the 1940 people who had substance use problems, 66% had developed their problem after becoming homeless, which had then entrenched their homelessness into the long-term, and of the 1344 households with mental health problems, 53% had developed their problem after becoming homeless (Chamberlain, Johnson & Theobald 2007, pp. 20-21, 28-9).

#### 5.4. People receiving the Disability Support Pension

##### Key findings

- Participants on the Disability Support Pension were disproportionately likely to be male, older, living alone or as part of a couple without children and living in public housing.
- Disability Support Pensioners reported high levels of hardship and difficulty across a wide range of household expenses, and nearly a third (30.1%) had been affected by five or more underlying issues in the previous year.
- Disability Support Pensioners were much more likely than other participants to be affected by chronic debt and to have multiple debts, particularly pensioners with physical disabilities.
- Pensioners with more than one kind of disability reported greater levels of hardship and financial difficulty than people with only one type of disability.

The Disability Support Pensioners participating in this survey were more likely than participants in general to be men (46.0% compared to 32.8% of all participants), older (42.7% were aged 45 or over compared to 22.4%), living alone (40.0% compared to 31.1%) or as part of a couple with no children (16.3% compared to 8.2%) and living in public housing (41.2% compared to 33.7%).

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\* Estimates in this sentence have a relative standard error of 25-50% and should be used with caution

**Participants on the Disability Support Pension were disproportionately more likely to be men, to be in older age groups, to have no children and to live in public housing.**

**Participants on the Disability Support Pension reported high rates of hardship, were more likely to be affected by multiple underlying issues and experienced considerable difficulty in affording a wide range of household expenses.**

Disability Support Pensioners experienced a high level of hardship, and they were also more likely than average to be affected by multiple underlying issues: 67.0% were affected by three or more and 30.1% were affected by five or more (compared to 51.3% and 24.6% of all participants respectively). Unsurprisingly, those issues that Disability Support Pensioners were much more likely than other participants to have experienced were health-related, including mental illness, disability, other serious illnesses and someone leaving hospital, but they also reported a much higher level of chronic debt than other participants. Further discussion of disability and debt can be found in section 4.1.1.

Unlike other groups where high levels of hardship and complex needs did not necessarily translate into problems with the household budget, Disability Support Pensioners were also much more likely than other participants to experience problems with multiple expenses – 64.1% described three or more expenses as a big problem and 44.7% described five or more expenses as a big problem. People receiving the disability pension were much more likely than other participants to describe the following as problems: home phone and mobile phone bills, loan repayments, clothing costs, the cost of medical appointments and prescriptions and car repairs and maintenance. They were also much more likely to describe the following costs as big problems: electricity, home phone and mobile phone bills, loan repayments, food and clothing costs, the cost of medical appointments and prescriptions, and the cost of car registration, car repairs and maintenance.

It is therefore evident that people with disabilities experience issues with the full range of essential expenses: utilities, food and clothing, health costs and transport costs. They are less likely to have problems with housing costs, but this may be attributable to the greater proportion of Disability Support Pensioners living in public housing. Their issues with the cost of private transport may well be related to the documented difficulties that people with disabilities have in using public transport – including problems with availability and the limited accessibility of vehicles and information as well as concerns about safety and the fear of being targeted because of difference – and in accessing affordable alternative forms of non-private transport, such as taxis (Cameron & Flanagan 2004, pp. 54-5; Hinton 2006, pp. 96-8).

**People receiving Newstart Allowance reported very high levels of hardship but this did not appear to translate into other areas of financial difficulty.**

## 5.5. People receiving Newstart Allowance

### Key findings

- Participants on Newstart Allowance experienced very high levels of hardship but this did not translate into difficulties with multiple expenses, greater indebtedness or greater reliance on crisis assistance.
- Participants on Newstart Allowance were more likely than other participants to identify non-private transport costs and debts to Centrelink as problems for their household.
- Newstart Allowees were more likely than participants on average to report that they or someone in their household had been affected by eviction, drug or alcohol addiction and legal issues. They were also more likely to say that a household member had recently lost their job.

Newstart Allowance was the income support payment most associated with financial hardship, with people receiving Newstart Allowance experiencing above-average rates of hardship on five of the seven indicators of hardship (see Table 8a in section 3.2.1). However, the high rate of financial hardship experienced by people receiving Newstart Allowance does not necessarily translate into other areas. Table 37 compares the proportion of Newstart Allowees experiencing a range of other indicators of financial difficulty or vulnerability to financial difficulty with the proportions for all participants.

**Table 37.**

**Percentage of participants reporting that their household experienced financial difficulty or disadvantage: all participants compared to Newstart Allowees**

<b>Indicator of financial difficulty or disadvantage</b>	<b>All participants (%)</b>	<b>Newstart Allowees (%)</b>
Three or more expenses described as a big problem for the household	55.0	52.2
Five or more expenses described as a big problem for the household	33.6	26.7
Participant has three or more debts (excluding Centrelink debt)	29.4	26.7
Participant mostly or always worries about whether the amount of food they can afford to buy for their household will be enough	76.8	79.5
Participant has moved three or more times in previous two years	27.9	39.5
Participant has applied for emergency relief or financial counselling before	81.0	80.2
Participant has applied for assistance three or more times in the previous year (excluding day of survey)	46.2	35.3
Household has financial problems regularly or always	47.2	49.4

As Table 37 indicates, despite their high levels of hardship, people receiving Newstart Allowance are slightly less likely than the average for all participants to experience difficulties with multiple expenses, have multiple debts, and rely on emergency relief or financial counselling assistance on a regular basis. The only indicator in Table 37 which people on Newstart Allowance were notably more likely to experience was moving regularly. This is probably linked to the concentration of Newstart Allowees in the private rental market, where there is less security of tenure.

There were only two household expenses which participants on Newstart Allowance were much more likely than other participants to identify as a problem: the cost of non-private or 'other' transport

**Participants on Newstart Allowance were more likely than all participants to report problems with the cost of non-private transport and debt to Centrelink.**

(46.5% of people on Newstart Allowance said this was a problem compared to 38.8% of all participants) and debt to Centrelink (37.7% compared to 30.0%).

A more detailed discussion of the impact of Centrelink debt and the particular issues this causes for casual workers is found in section 3.4.2, but it is likely that Newstart Allowees' greater difficulty with Centrelink debt is linked to the difficulty of correctly declaring fluctuating income from casual work. Transport costs could also be related to job-search activities: looking for work requires travel, to drop off resumes, attend interviews and make face-to-face enquiries about potential work. The aspects of hardship where people on Newstart Allowance were particularly vulnerable were inability to pay rent, missing meals and having the phone and power disconnected. It could be that people were compromising on housing, food and access to essential services in order to prioritise other expenditure.

There may also be other factors accounting for the greater hardship experienced by the Newstart Allowees participating in this survey. Table 31 in section 4.1.1 lists six underlying issues which were found to be most associated with hardship: bankruptcy, eviction, chronic debt, alcohol and other drug problems, legal problems and a new baby. Of these six issues, people receiving Newstart Allowance were more likely than all participants to have been affected by three: eviction\*, alcohol and other drug addiction and legal problems.

Participants on Newstart Allowance were also much more likely than other participants to have been affected by job loss (37.8% compared to 21.4% of all participants). Over all, two fifths (39.5%) of those affected by job loss were on Newstart Allowance. Although the question about underlying issues related to whether the participant or someone in their household had experienced the issue in the previous year, given that a quarter (25.9%) of Newstart Allowees had been on income support for less than 12 months, it is reasonable to assume that at least some of the participants were referring to their own loss of employment.

Job loss was not linked to particularly high levels of hardship when compared to those experienced by all participants, except in relation to the payment of rent, an area where people receiving Newstart Allowance also reported considerable difficulties (55.3% of people receiving Newstart Allowance and 63.3% of people affected by job loss reported problems paying rent in the previous year due to a shortage

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\* Estimate has a relative standard error of 25-50% and should be used with caution.

of money compared to 47.9% of all participants). It is possible that the difficulties experienced by people affected by job loss are due to working people living in more expensive rental properties prior to losing their job.

## 5.6. Age

### Key findings

- Participants aged 25-54 reported the highest levels of hardship overall.
- Participants aged 55 and over appeared to have the lowest levels of hardship, with the exception of having missed meals due to a shortage of money, where people aged 55 and over were the second most likely age group to have done so.
- The presence of multiple underlying issues was more prevalent among younger participants than older participants. Younger people appeared more likely to be affected by interpersonal or family issues and job loss, while older people were more likely to be affected by health-related issues.

People aged 25-54 report higher rates of hardship when compared with people in younger and older age groups.

**Hardship:** The analysis throughout this report identified a number of factors that varied with the age of the participant. This section explores in more detail the issue of age, beginning with Table 38, a consideration of the rates of hardship across different age groups.

Table 38 shows that in general, people aged 25-54 years old have the highest rates of hardship, and people aged 55 years and over the lowest (although these findings must be treated with caution). The two indicators where there are discrepancies are the indicators relating to missing meals and going without heating. The relatively low proportion of younger people reporting that they were missing meals and going without heating is most likely due to the fact that a higher proportion of these households included children; the analysis in section 3.2.3 of this report shows a strong link between the presence of children and a reduced likelihood of missing meals or going without heating.

The unexpectedly low proportion of people aged 35-44 reporting that their phone had been disconnected may be due to the fact that these people were more likely than people aged 25-34 and 45-54 to have both a home phone and a mobile phone (40.0% compared to 26.2% and 33.9% respectively). As discussed in section 3.3.7, people with both types of phone were much less likely than people reliant on only one type to have been disconnected in the previous year.

**Table 38.**  
**Percentage of participants reporting that their household experienced financial hardship by age group**

Indicator of hardship: this happened to participant's household in previous year due to a shortage of money	Participant's age group (%)				
	24 years or younger	25-34 years	35-44 years	45-54 years	55 years or older
Could not pay electricity or phone or gas bill	61.7	62.7	79.8	67.9	54.5*
Could not pay rent or home loan	40.0	54.5	51.2	45.3	40.0*
Pawned or sold something	58.7	72.4	63.2	66.1	47.6*
Went without meals	73.5	67.0	76.1	84.7	82.6
Unable to heat your home	54.8	54.4	60.7	66.0	45.5*
Had the phone disconnected	33.8	52.6	31.1	50.0	27.3*
Had the power off	25.0	34.1	30.4	25.5*	**

\* Estimate has a relative standard error of 25-50% and should be used with caution.

\*\* Estimate has a relative standard error of more than 50% and is considered too unreliable for general use.

**Note:** Cells shaded in grey indicate the highest value in each row.

On all the indicators in Table 38 except one, (and acknowledging the need for caution in relation to the findings), people aged 55 and over had the lowest rate of hardship of all the age groups. The exceptional indicator is that relating to missing meals, which was also the only indicator for which sufficient numbers of people aged 55 and over had answered yes, they had had this experience, for there to be completely reliable results. For this indicator, people aged 55 and over were the second most likely group to have missed meals; the most likely were the next oldest age group, 45-54 year olds. As noted in section 3.2.1, older people tend to use reduction in food intake as a coping strategy when faced with financial difficulty (Lawrence, cited in Sharam 2003, p. 9).

**Other indicators of financial and personal difficulty:** Table 39 below shows the variation with age of the experience of multiple underlying issues and difficulty across multiple expenses.

Younger people were more likely to have been affected by multiple underlying issues. People aged 35-44 experienced the greatest difficulty with multiple household expenses.

**Table 39.**  
**Percentage of participants affected by multiple underlying issues and describing multiple expenses as a big problem by age group**

Experience reported by participant	Age group of participant (%)				
	24 years or younger	25-34 years	35-44 years	45-54 years	55 years or older
Participant or someone in their household affected by three or more underlying issues in the previous year	50.5	55.2	54.7	46.9	40.0*
Participant or someone in their household affected by five or more underlying issues in the previous year	28.7	25.9	23.6	25.0	**
Three or more expenses described as a big problem for the household	39.1	54.3	66.0	56.3	56.0*
Five or more expenses described as a big problem for the household	21.8	30.2	45.3	37.5	24.0*

\* Estimate has a relative standard error of 25-50% and should be treated with caution.

\*\* Estimate has a relative standard error of more than 50% and is considered too unreliable for general use.

**Note:** Cells shaded in grey indicate the highest value or values in each row.

Table 39 indicates that complex issues tend to be more prevalent among younger people than older people, but also, as noted previously in section 3.3, that participants aged 35-44 years tend to experience the highest level of difficulty with multiple expenses, while younger people experience relatively low levels of difficulty with this issue.

Table 40 shows the underlying issues affecting different age groups at levels notably above the average for all participants.

Younger participants were more likely to be affected by interpersonal or family issues, employment-related problems and legal issues, while older people were more likely to be affected by health problems and debt.

\* Estimate has a relative standard error of 25-50% and should be used with caution.

**Note:** The averages for all participants for the issues included in Table 52 are as follows (in alphabetical order): bankruptcy - 5.4%; chronic debt - 27.5%; disability - 27.5%; domestic violence - 17.8%; drug or alcohol addiction - 23.4%; eviction - 10.0%; family/relationship breakdown - 43.3%; funeral expenses - 7.5%; job loss - 21.4%; left prison - 8.0%; mental illness - 32.4%; new baby - 10.2%; and other serious illness - 20.2%.

**Table 40.**  
Percentage of participants affected by underlying issues at notably above average levels by age group

Participants aged 24 years or younger (%)		Participants aged 25-34 years (%)		Participants aged 35-44 years (%)		Participants aged 45 years or older (%)	
Job loss	27.6	Family/relationship breakdown	56.0	Mental illness	44.3	Disability	44.9
Drug or alcohol addiction	27.6	Job loss	25.9	Disability	33.0	Chronic debt	37.1
Domestic violence	24.1			Chronic debt	32.1	Other serious illness	24.7
New baby	23.0			Other serious illness	24.5	Funeral expenses	12.4*
Eviction	14.9*						
Left prison	12.6*						

Table 40 suggests that younger participants were more likely to be affected by interpersonal or family issues, employment-related problems and legal issues, while older people were more likely to be affected by health problems and debt.

## 5.7. Gender

### Key findings

- Overall, men reported higher rates of hardship than women and were more affected by those underlying issues most closely linked to hardship.
- Women were more likely to identify the cost of food as a big problem and to describe multiple expenses as a big problem for the household.
- The experience of particular groups of men and women did vary significantly from the respective averages for all men and women when factors such as source of income and living arrangements were taken into account.

**Some researchers have argued that women face a greater risk of poverty than men. On the surface, the findings of this survey do not support this.**

In their study of emergency relief clients in Sydney, King et al. (2009, pp. 39-41) found that women were more vulnerable to poverty than men. They linked this to a body of international research on the 'feminisation of poverty' or the 'gender poverty trap', which argued that those most at risk of poverty were single women, with and without children. There is support for this from other researchers: a collaborative research project by Flinders University, the University of South Australia, the South Australian Department of Human Services and the Women's and Children's Hospital in South Australia looking at the effects of chronic and multiple disadvantage on families argued that it is women '(particularly *young* women) and children [who] are most vulnerable to poverty and other forms of disadvantage' (Murray-Harvey et al. c. 2004, p. 5, emphasis in original). King et al. (2009) do however acknowledge a 2004 NATSEM study on poverty in Australia which found that men were slightly more vulnerable to poverty than women: the male poverty rate is 11.2% and the female rate is 11% (Lloyd, Harding & Payne 2004, p. 5). And at first glance, the findings of this survey certainly seem to contradict arguments that women are more vulnerable to poverty than men.

As noted in section 3.2, men were more likely than women to report that they had experienced hardship, with men experiencing higher rates of hardship on six of the seven indicators. The only indicator which women were more likely to have experienced was being unable to pay a utilities bill due to a shortage of money. Men were slightly more likely to be affected by multiple underlying issues – 54.9% of men were affected by three or more issues compared to 50.5% of women, although the proportions affected by five or more issues were almost identical: 24.8% of men and 24.9% of women. However, overall, the issues linked in earlier analysis (see section 3.1.1) to greater levels of hardship and financial difficulty either affected men and women in roughly similar proportions or affected men more than women. Women were more affected than men by serious illness, but men were more affected than women by eviction, alcohol and other drug problems, legal issues and disability.

As has been discussed in other parts of this report, the experience of hardship and general pressures on the household budget did not always overlap. Despite men reporting much higher rates of missing meals, for example, women were more likely to describe the cost of food as a big problem for their household (53.1% compared to 43.8%). Women were also more likely to experience issues with multiple expenses – 56.0% said that three or more expenses were a big problem and 37.7% described five or more as a big problem, compared to 53.4% and 25.6% respectively of men.

**Male participants were more likely than women to be on Newstart Allowance or the Disability Support Pension, to be older, to be Aboriginal, to live alone and to be homeless.**

The male participants in this survey were more likely than women to be dependent on Newstart Allowance and the Disability Support Pension. Overall, male participants also tended to be older (28.2% were aged 45 or older compared to 19.5% of female participants). They had a higher rate of Aboriginality (19.2% compared to 13.5% for women) and were much more likely to live alone (50.0% compared to 21.9%). Three quarters (75.7%) had no children compared to 35.3% of women, and where they did have children, men tended to have smaller families – 82.1% had only one to two dependent children compared to 64.3% of women. Men were also much more likely to be homeless: 19.4% of the male participants were homeless compared to 9.4% of the female participants.

Do age, living arrangements or receipt of particular income support payments make a difference to men's and women's experiences? Analysis was conducted across a range of variables where sufficiently reliable data was available, including source of income, the presence of a partner or children, living arrangements, location, tenure and age. In some cases, the trends were the same as for men and women generally: men experienced greater difficulty with the indicators of hardship, women experienced greater difficulties with household expenses and there were mixed findings in relation to underlying issues, with men more likely to be affected by three or more but with the proportions affected by five or more relatively even. However, in some cases, the findings were unexpected. Table 41 summarises the more striking of these.



Among participants in this survey, the experience of poverty was not something related specifically to gender but depended on a range of factors including income and living arrangements.

**Table 41.**  
**Percentage of participants reporting that their household experienced financial difficulty or were affected by multiple underlying issues by population group by gender**

Experience reported by participant	All women (%)	All men (%)	Participant's circumstances (%)							
			Lives alone		No dependent children		Has dependent children		Receives Disability Support Pension	
			Women	Men	Women	Men	Women	Men	Women	Men
Could not pay electricity or phone or gas bill in previous year due to shortage of money	68.9	64.6	66.7	63.6	65.4	64.4	69.6	73.1	78.4	66.7
Could not pay rent or home loan in previous year due to shortage of money	46.7	50.9	44.0	41.8	43.7	48.6	48.1	61.9*	43.5	40.5*
Pawned or sold something in previous year due to shortage of money	61.6	70.5	64.7	63.6	60.3	66.7	62.0	78.3	62.5	65.0
Went without meals in previous year due to shortage of money	69.8	85.1	83.6	83.3	80.8	85.0	63.3	84.0	82.7	88.9
Unable to heat your home in previous year due to shortage of money	55.5	61.9	66.7	58.8	63.2	62.3	50.8	59.1*	72.5	69.2
Had the phone disconnected in previous year due to shortage of money	39.4	44.9	38.3	40.0	38.6	41.2	38.0	50.0*	34.8	52.9
Had the power off in previous year due to shortage of money	25.7	33.0	17.8*	24.0*	14.9*	25.4	29.5	57.1*	30.2*	24.2*
Three or more expenses described as a big problem for the household	56.0	53.4	54.2	54.5	56.0	56.3	58.4	60.7	68.5	60.9
Five or more expenses described as a big problem for the household	37.7	25.6	35.6	28.8	36.9	27.6	39.0	25.0*	55.6	34.8
Participant or someone in their household experienced three or more underlying issues in previous year	50.5	54.9	52.5	50.0	54.8	51.7	48.1	75.0	70.4	67.4
Participant or someone in their household experienced five or more underlying issues in previous year	24.9	24.8	30.5	24.2	32.1	23.0	24.0	32.1*	31.5	30.4*

\* Estimate has a relative standard error of 25-50% and should be treated with caution.

Note: Cells shaded in grey indicate the highest value in each set of two columns (i.e. men vs. women). However, where the two values are virtually identical, both cells are left unshaded.

Table 41 indicates that the comparative experiences of men and women can vary significantly based on their living arrangements or type of income. Although overall, men experience the greatest difficulties with hardship, women who live alone and women on the Disability Support Pension are more likely than or as likely as men who live alone or as Disability Support Pensioners to experience hardship. While overall, women experience the greatest difficulty with household expenses, this is less definite in the case of people living alone, people without dependent children and people with dependent children, where there are variations in the findings for people describing three or more expenses as a big problem. And while overall, men are only slightly more likely to be affected by multiple underlying issues, women living alone, women without children and women on the Disability Support Pension are definitely more likely to be affected by multiple underlying issues than their male counterparts, while men with children are much more likely to be affected by multiple underlying issues than women with children. (It is worth noting that of the men with dependent children, 42.9% were single parents and 35.7% were part of a couple).\*

The findings of this survey are therefore that, for these participants at least, poverty is not something particular to women but is dependent on a range of factors including those related to people's income and living arrangements.

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\*These estimates have a relative standard error of 25-50% and should be used with caution.