



## MEDIA RELEASE

### Big Spenders succumb to saving

**13 September 2005** - Australians have kicked their big spending habits amid rising concerns about their personal finances, according to the latest half-yearly Spenders Report produced by Virgin Money.

The Report is based on data collected by Nielsen Media Research from more than 12,000 Australians in the first half of the year. It is one of the most comprehensive measures of Australians' attitudes to spending and their personal finances.

The latest survey found the boom in the number of spenders in previous surveys went sharply into reverse in the first half of 2005. Almost 600,000 Australians switched from being spenders to savers between December 2004 and June 2005.

This included 203,000 Big Spenders – people who had the money and the inclination to buy goods and services – who clamped shut their wallets and purses.

Virgin Money Director, Carole Donaghy, said the survey revealed a potentially nasty end to Australians' recent love affair with spending.

"The rise of the Big Spender had been almost unstoppable over the past three years. But in the most recent survey we saw the biggest quarterly swing away from Big Spenders."

"And with fuel prices climbing even higher since the end of the survey period, it could be Thrifty Types – those who have money and want to save it – who are on the rise."

Nationally, the number of Big Spenders dropped from 3.69 million in the March 2005 quarter to 3.43 million in the June 2005 quarter.

Big Spenders now account for 28.7% of all Australians who are categorised by spending group, compared to 32.5% in the previous quarter. Thrifty Types increased from 26.5% to 28.5%, ranking them just behind Big Spenders as the largest spending group.

Ms Donaghy said the shift away from spending came despite good increases in average household incomes for Big Spenders and Thrifty Types.

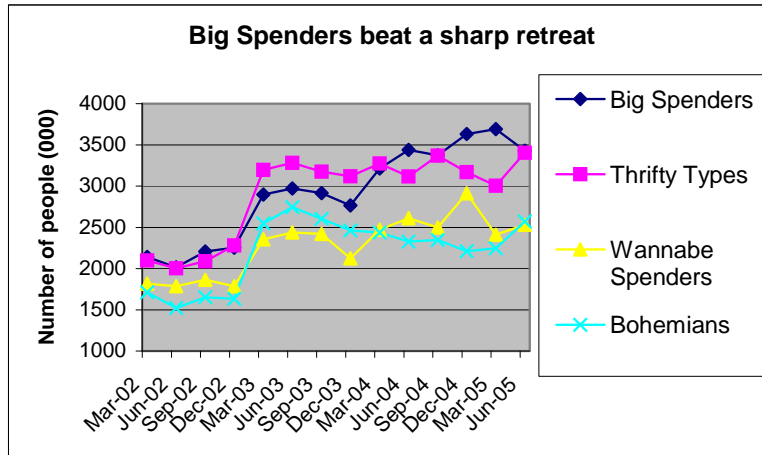
"This highlights the level of concern about personal finances and confirms that it is the expense side of the household budget, not the income side, that is causing increasing numbers of Australians to worry about their finances."

The Virgin Money Spenders Report also found:

- Parents with children in day-care were doing it toughest, with the highest proportion of Thrifty Types (35%) of any lifestage group, while stay-at-home kids were having the financial time of their lives (46% Big Spenders).
- Men accounted for three out of every four Australians who gave up their big spending ways between the March and June quarters of 2005.

- MORE -

- New South Wales and Queensland were hit hardest by the decline in Big Spenders. In NSW, the number of Big Spenders dropped by 90,000 in just three months, (down from 1.31 million in the March 2005 quarter to 1.22 million in the June 2005 quarter), but the biggest loss was in Queensland (down by 116,000 from 675,000 to 559,000).
- WA remained the home of the Big Spender, with more per capita than any other state. One in every three (33.3%) people in WA were Big Spenders, with Victoria the next highest state (31.9%).



#### Typical Spender Profiles:

The Report categorises Australians into four spending types – Big Spenders, Thrifty Types, Wannabe Spenders and Bohemians – according to our attitude and ability to spend.

##### Big Spender

- High disposable income and would rather splurge than save
- Late 20s male professional, earning \$85,300 a year
- Loves to drive an Alfa Romeo

##### Thrifty Type

- Financially strong but would rather save than spend
- Late 40s / early 50s male empty nester earning \$88,300 a year
- Saving like crazy for retirement

##### Wannabe Spender

- Wants to splash cash around but has no real spending power
- Mother or father of a young family
- Earns \$54,500 a year

##### Bohemian

- Low spending power but content with their lot
- Soon to retire 50 / 60 year old or mother of a young family
- Earns \$58,100 a year

#### Further information or interviews:

Kirsty Lamont, Virgin Money  
(02) 8249 8028 / 0400 411 148  
[kirsty.lamont@virginmoney.com.au](mailto:kirsty.lamont@virginmoney.com.au)

or

Deahne Falk, Virgin Money  
(02) 8249 8044 / 0421 047 031  
[deahne.falk@virginmoney.com.au](mailto:deahne.falk@virginmoney.com.au)

#### About Virgin Money:

Virgin Money launched in Australia in May 2003, shaking up the credit card sector with the first credit card to combine low interest rates, no annual fees, up to 55 interest free days and instant rewards. Over 500,000 Virgin Credit Cards are now on issue in Australia. Virgin Money followed up this success with the launch of Virgin Super in June 2005, and now plans to become a broad-based provider of retail financial services in Australia. There's no funny stuff, just money stuff. <http://virginmoney.com.au>