

**We're upbeat about economy, but concerned about debt**  
***New research shows Australians less concerned about future than 6 months ago***

**Sydney, November 10, 2009:** Australians are more confident about the economy and far less worried about their jobs than they were six months ago, but still unsure if their own personal finances will improve soon, new research compiled by STW Group's AMR Interactive has confirmed.

The research, which has tracked national perceptions about the economy since the start of the global financial crisis<sup>1</sup>, found that just over one half of Australians (53%) believe that the condition of Australia's economy will be better in six months time than it is today. Only 6% believe it will be worse.

This result contrasts sharply with April results, when only 13% felt the local economy would improve, with 46% believing it would get worse.

In further evidence of rising confidence, only 10% of those surveyed nominated job security as the issue they were most concerned about at the moment, compared with 20% in the April survey.

However, only one third of Australians (34%) believe their personal financial situation will be better in 6 months time. **Nearly one quarter of those surveyed also listed personal debt as the issue they were most concerned about at the moment (see Table 2), and 25% also listed grocery prices as a major concern.**

AMR's General Manager Greg Pettersen, says the results clearly indicate while most Australians feel more positive about the overall economic outlook, personal debt and the cost of living is still a significant concern across the board.

"The results suggest while we're feeling more optimistic overall, some Australians may not have reduced their debt enough to alleviate concerns. This may mean that many are overexposed and unsure about the effects of any potential interest rate increases in the near future," he explained.

"With this level of confidence, the question of interest rate rises over the next twelve months may become less about 'if' or 'when' and more about 'how much' and 'how many'."

In other results, Australians also expressed renewed optimism in their expectations about **investment performance** over the next 6 months:

- 49% expect the value of **residential property** will improve, while only 15% believe it will get worse. In April 2009 only 18% felt residential property would be better in 6 months time, compared to 35% expecting it to worsen.
- 38% expect that the value of **personal superannuation** will rise, while only 15% believe it will fall. In April 2009 only 14% felt it would be better in 6 months time, compared to 41% expecting it to worsen.

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<sup>1</sup> The October 2009 survey was conducted among a representative sample of n=546 Australians aged 18+ years. Previous surveys were conducted in November 2008 (n=2506) and April 2009 (n=504). All surveys were conducted online.

- 28% believe the value of **direct shares** they own will improve, while only 9% believe they will decline. In April 2009 only 10% felt it would be better in 6 months time, compared to 29% expecting it to worsen

These results show a remarkable turnaround from the previous two surveys (November 08, April 09) where respondents were far more pessimistic regarding the value of a range of investments.

Results also demonstrate that Australians recognise the honeymoon is over in relation to **petrol prices**, with 49% expecting affordability to worsen in the next 6 months, and only 7% thinking it will get better.

A healthy 42% believe the condition of **overseas economies** will be better in 6 months, while only 10% believe they will get worse. In contrast, in the April 09 survey only 9% felt overseas economies would improve while 51% thought they would worsen by the end of the year.

“Overall, in spite of concerns around personal debt and looming interest rate rises, more positive perceptions about job security as well as an expected rebound in the property and share markets has done a lot to bolster Australia’s confidence,” Petterson said.

AMR Interactive is part of STW Group, Australia’s leading marketing content and communications services group.

**Ends.**

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Please note – Tables with more detailed results follow

#### **About AMR Interactive**

AMR Interactive is a research consultancy that brings innovation, integration and insight to drive business success. AMR Interactive has operated in Australia for more than twenty years, offering a full range of research services to business and government. From advertising effectiveness and brand equity studies through to corporate reputation, customer satisfaction, concept testing and pricing AMR Interactive offers a complete research consultancy service. Our mission is to drive our clients’ success with the best people, products & processes.

**Table 1: What will get better, worse or about the same in 6 months?**

*Q: For each of the following please indicate if you think that, in 6 months, it will be **better**, **worse** or about the same as it is **at the moment**?*

n=	Nov 08	Apr 09	Oct 09
<b><i>The condition of the Australian economy</i></b>			
Better in 6 months time	16%	13%	53%
Worse in 6 months time	42%	46%	6%
About the same as 6 months time	29%	31%	32%
Don't know	13%	10%	10%
<b><i>The condition of overseas economies</i></b>			
Better in 6 months time	11%	9%	42%
Worse in 6 months time	51%	51%	10%
About the same as 6 months time	22%	27%	30%
Don't know	16%	12%	18%
<b><i>Your personal financial situation</i></b>			
Better in 6 months time	23%	21%	34%
Worse in 6 months time	26%	23%	14%
About the same as 6 months time	43%	48%	47%
Don't know	9%	8%	6%
<b><i>The value of residential or investment property</i></b>			
Better in 6 months time	16%	18%	49%
Worse in 6 months time	42%	35%	15%
About the same in 6 months time	27%	34%	25%
Don't know \ Can't say	15%	13%	11%
<b><i>The value of your personal superannuation</i></b>			
Better in 6 months time	14%	14%	38%
Worse in 6 months time	42%	41%	15%
About the same in 6 months time	23%	28%	28%
Don't know \ Can't say	22%	17%	19%
<b><i>The value of any direct shares you may own</i></b>			
Better in 6 months time	10%	10%	28%
Worse in 6 months time	31%	29%	9%
About the same in 6 months time	14%	18%	20%
Don't know \ Can't say	44%	43%	43%
<b><i>The value of other investments you may have, not including superannuation or direct shares</i></b>			
Better in 6 months time	9%	9%	25%
Worse in 6 months time	27%	25%	7%
About the same in 6 months time	20%	24%	24%
Don't know \ Can't say	45%	42%	43%
<b><i>The affordability of petrol</i></b>			
Better in 6 months time	33%	11%	7%
Worse in 6 months time	25%	41%	49%
About the same in 6 months time	29%	38%	34%
Don't know \ Can't say	12%	9%	10%

**Table 2: Which issues are of greatest concern to Australians?**

*Q: Which **one** of these are you personally **most** concerned about **at the moment**?*

	<b>Nov-08</b>	<b>Apr-09</b>	<b>Oct-09</b>
<b>n=</b>	2506	506	564
The cost of grocery items	25%	21%	25%
Your personal level of debt	<b>20%</b>	<b>21%</b>	<b>24%</b>
The value of your personal superannuation	15%	14%	13%
Your job security	<b>11%</b>	<b>20%</b>	<b>10%</b>
The value of residential or investment property	6%	6%	5%
The value of any direct shares you may own	5%	3%	3%
The value of the Australian dollar in comparison to the US dollar	5%	2%	2%
The affordability of petrol	4%	3%	5%
The value of other investments you may have, not including superannuation or direct shares	2%	2%	3%
The ease with which you could access a personal loan	0%	1%	1%
None of these	5%	4%	7%
Don't know \ Can't say	2%	3%	2%