

27 October 2022

Xmas looms as a burden for Queensland households

New RACQ Bank research has revealed more and more people consider Christmas to be a financial burden and will use credit to cover their expenses.

With less than two months until Christmas, Queenslanders are urged to adopt mindful spending with more than half (56%) saying the cost of the festive season is stressful and 42% plan to put their spending on credit cards or a buy now pay later service.

The findings come as 40% of people reveal they were not confident in their financial position and had no savings to fall back on.

RACQ Group Executive Banking Michelle Winzer said the holiday season should be a happy time with family and friends and encouraged Queenslanders to think about their finances.

“It’s been a tough year for many people with the cost of food, fuel, and electricity increasing substantially,” Ms Winzer said.

“We know this is the time of year when we get swept up in the spirit of giving and start spending beyond our means.

“Gifts, decorations, transport, accommodation, and food can add up quickly, and you end up spending more than you can afford.

“Try to have a conversation early with your loved ones and set a budget you’re comfortable with.

“Look at ways you can reduce costs like setting a price limit on gifts, doing Secret Santa or each family member bringing a dish to Christmas lunch.

“There are also plenty of sales coming up which are a great opportunity to buy the items on your list early.”

Ms Winzer said it was also important to be mindful about the use of credit cards or buy now pay later services as this debt may cause future stress in the new year.

“You may also want to check your finances and find quick ways to save money such as reviewing forgotten subscriptions or foregoing discretionary items like food delivery services.”

The research found 30% of people will spend more than \$500, 21% will spend \$300-\$500 and 28% will spend up to \$300.

RACQ is Queensland’s largest club and peak independent motoring organisation. We were formed in 1905 to represent the interests of the State’s first motorists and today campaign for safer drivers, vehicles and roads on behalf of more than 1.7 million members who own the Club. We offer those members a vast range of motoring, insurance, banking, entertainment and travel services and benefits, and each year respond to more than a million calls for roadside assistance.

Ms Winzer said it was pleasing to see more than a third of people planned to spend less on holidays than in previous years.

“These findings show that people are being proactive with their finances and being practical about how much they can realistically afford to spend,” Ms Winzer said.

Acknowledging the challenging environment, Ms Winzer said help was available for RACQ members who were experiencing financial hardship.

“We urge anyone who is feeling overwhelmed by their finances not to suffer in silence and to reach out,” Ms Winzer said

“The earlier we’re contacted, the sooner we can find ways to help whether that be fast-tracking financial hardship requests or providing assistance and flexibility with payment options.”

Key findings:

- 40% of Queenslanders surveyed were not confident in their financial position and had no savings.
- 56% of Queenslanders consider the cost of the festive season a burden.
- 36% of Queenslanders plan to spend less this Christmas than last.
- 79% plan to spend more than \$100, with 30% planning to spend more than \$500.
- 65% will use savings to cover costs, while 42% will put it on credit.

Note to editor: Online quantitative survey of Queensland residents aged 18+; representative sample across age, gender and location. Sample size: 439.

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