Consumer Credit Expectations Survey

June Quarter 2011

Dun & Bradstreet (Australia) Pty Ltd
April 2011

Key findings

Credit applications

➢ 27 percent of Australians intend to apply for new credit

➢ Demand for new credit is most significant for people aged between 18-34 years

Credit limit increases

➢ 6 percent of Australians expect to apply for a credit limit increase on their current credit card

Household debt

➢ 23 percent of Australian households anticipate increased debt levels, while 20 percent expect to lower their debt levels

➢ The demographic with the greatest proportion of households expecting their debt levels to increase is people aged 35+ years

Credit to cover expenses

➢ 38 percent of Australians anticipate using a credit card to make a purchase they otherwise couldn't afford

➢ Use of credit cards for this purpose is highest among the younger demographic, people living in NSW and middle income earners

Key findings

Planned major purchases

➢ 29 percent of households have indicated their intention to make a major purchase.

➢ 23 percent of households have decided to delay making a major purchase

Challenges meeting credit commitments

➢ 34 percent of households expect to face some level of difficulty in meeting credit commitments

➢ The number jumps to 40 percent for households with children

Impact of rising interest rates

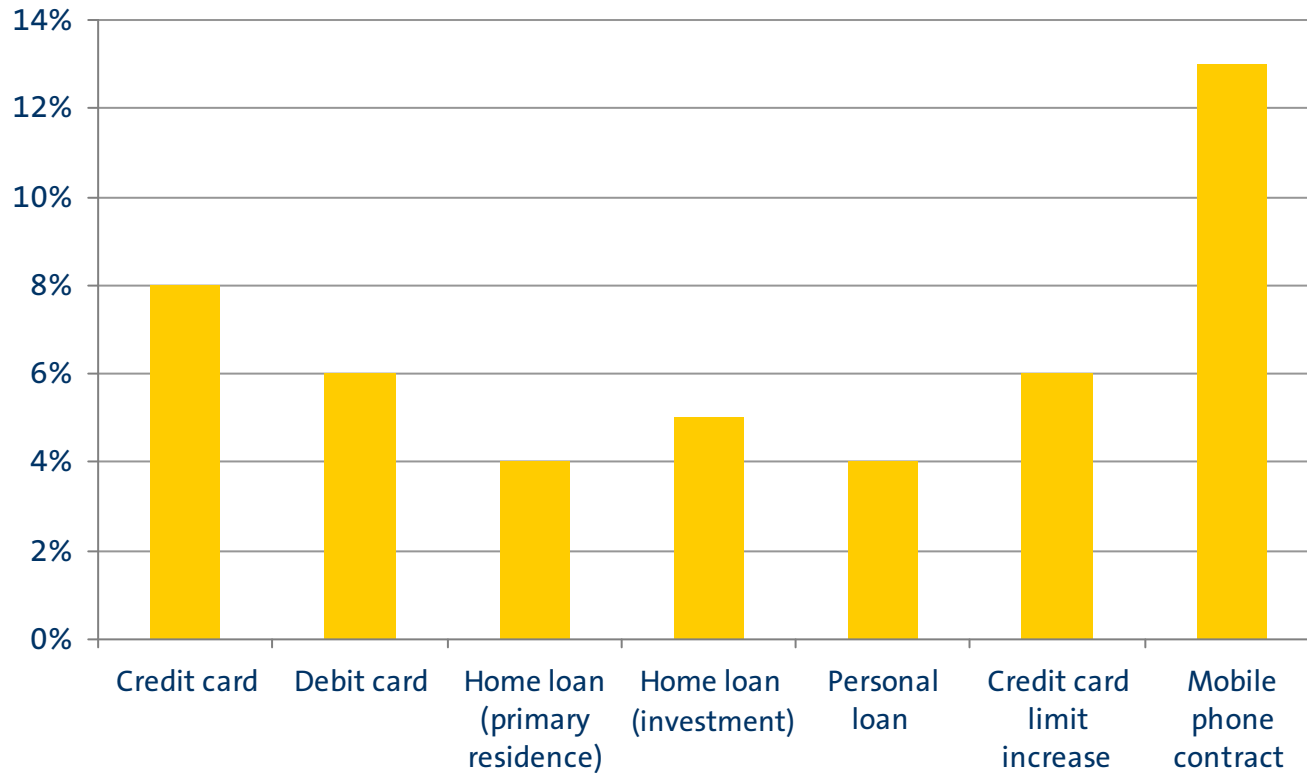➢ 50 percent of households expect rising interest rates to have a negative impact

➢ The level of concern was highest in NSW and Queensland and among middle income earners

Credit applications
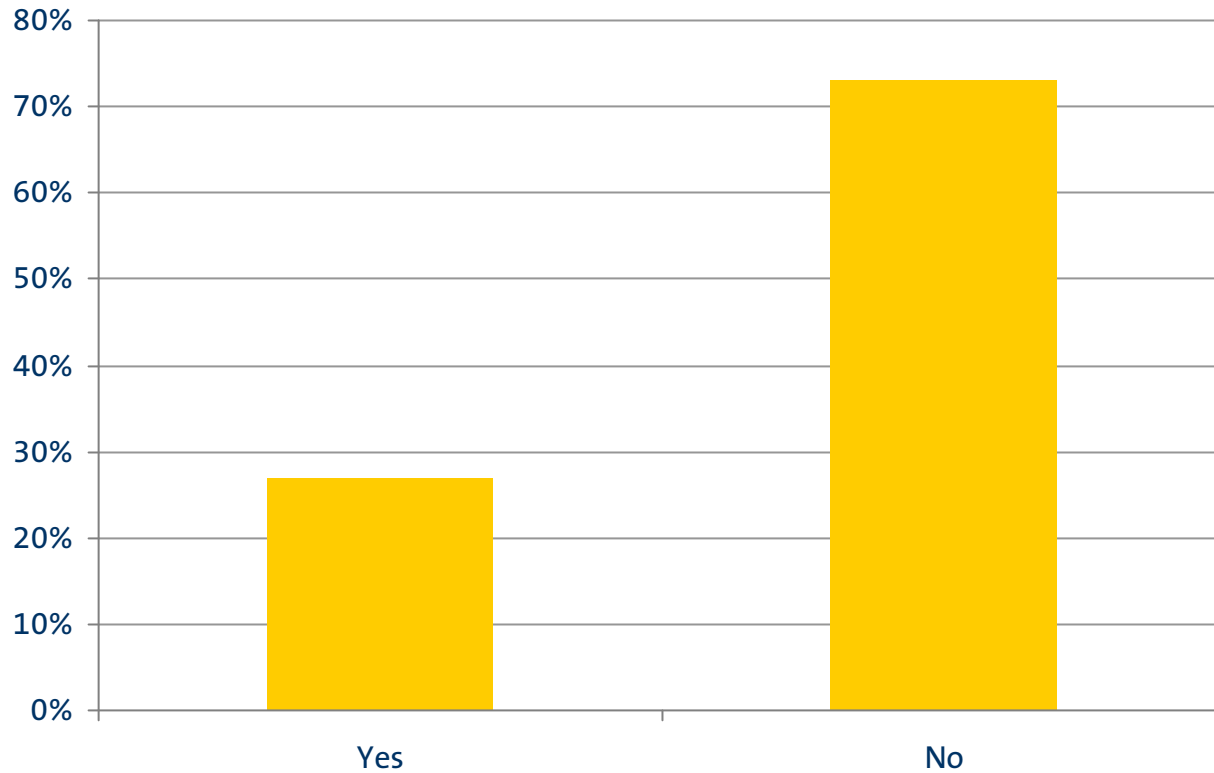
Expect to apply for credit

Credit applications
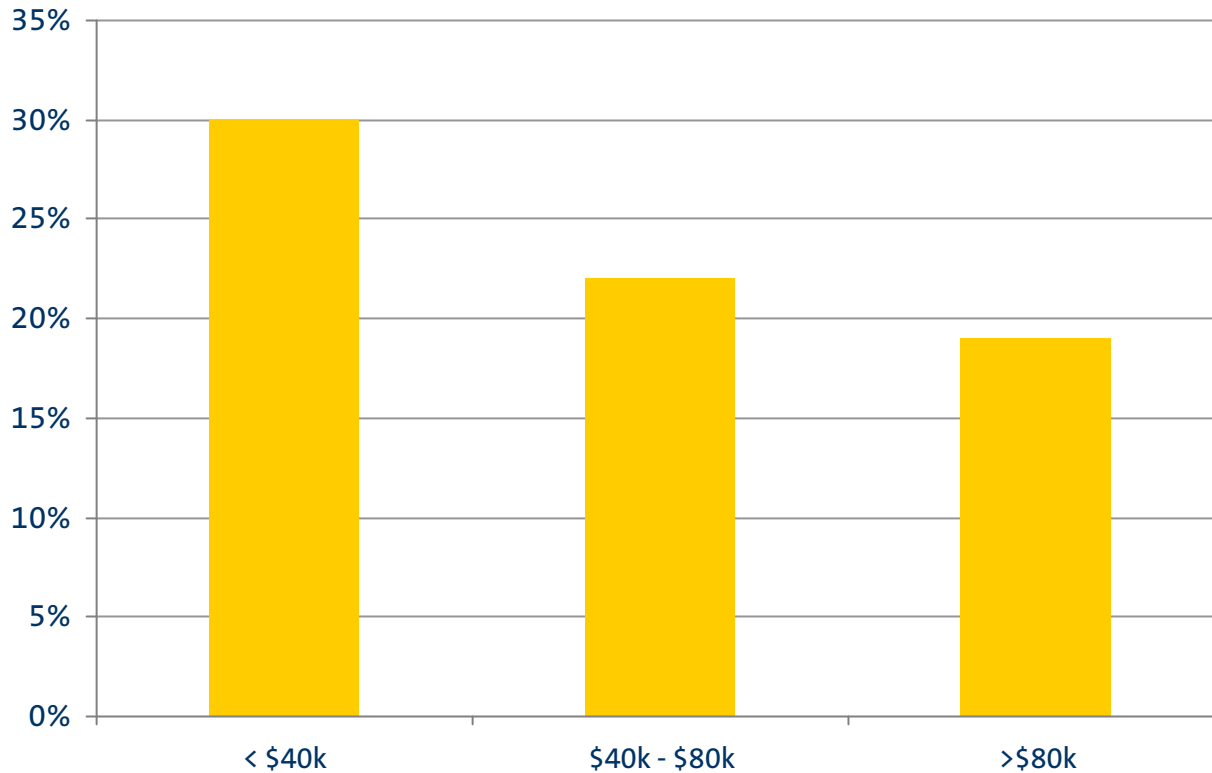

Type of credit product expect to apply for

Household debt
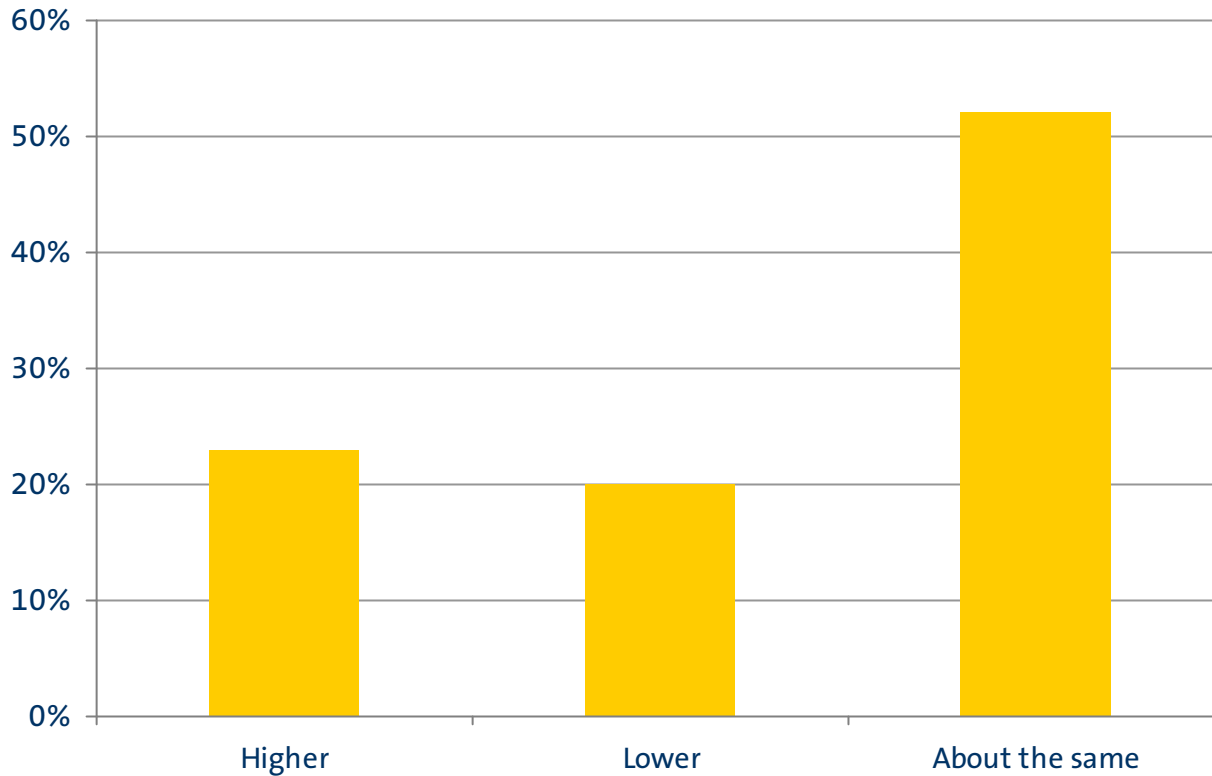
Household debt expectations

Household debt

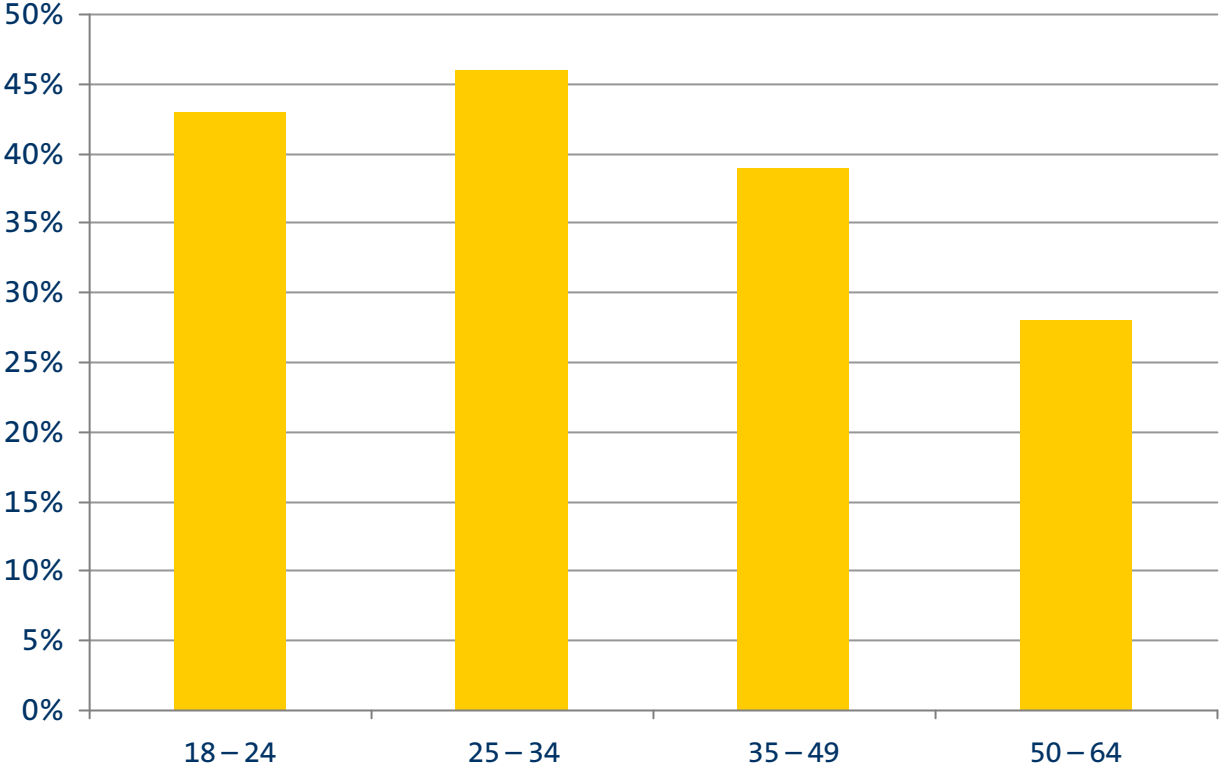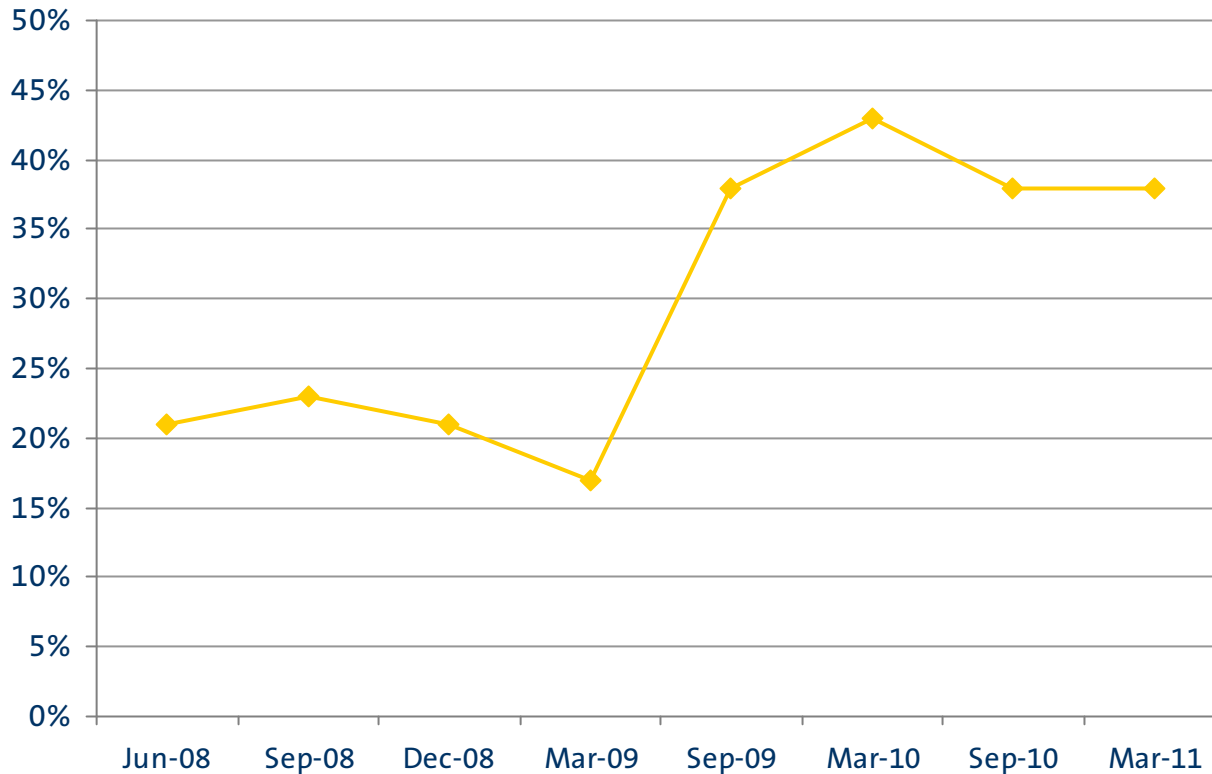**Expectations of higher household debt level (income)**

Credit to cover expenses

Using credit card to pay for otherwise unaffordable expenses (age)

Credit to cover expenses

Using credit card to pay for otherwise unaffordable expenses (quarter)

Planned major purchases

Major purchases

Planned major purchases
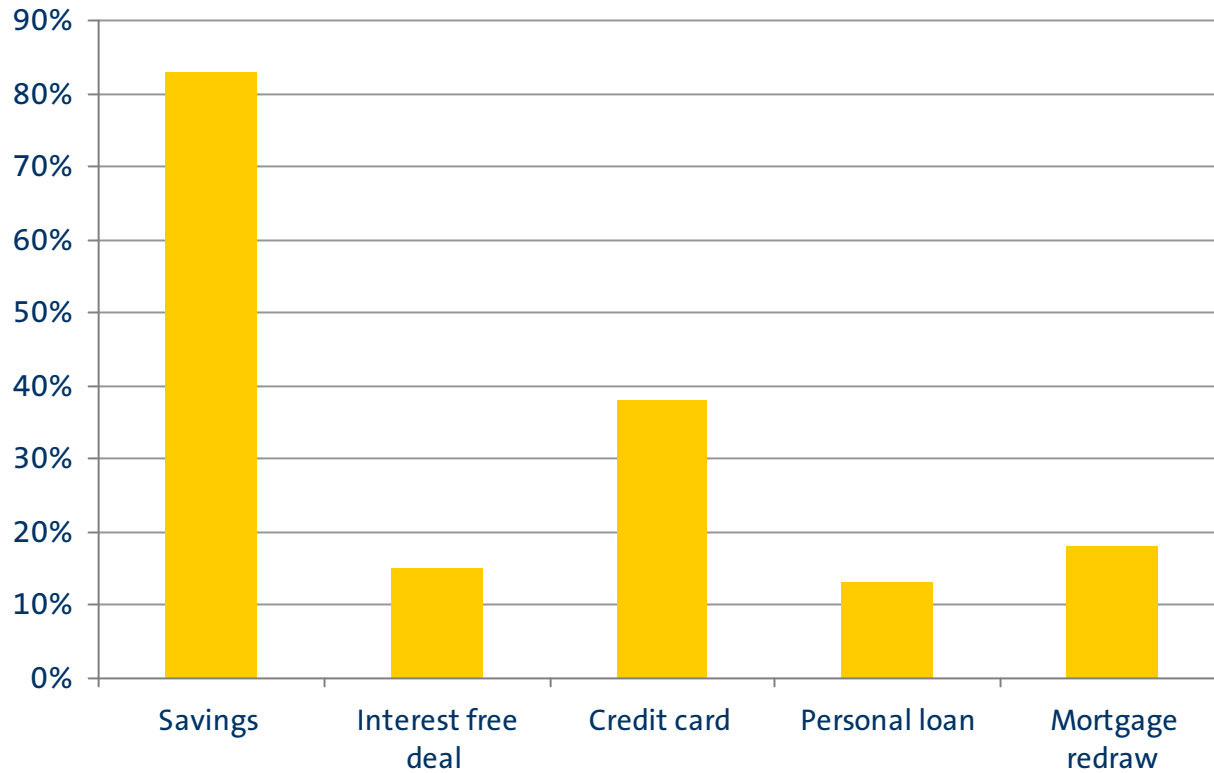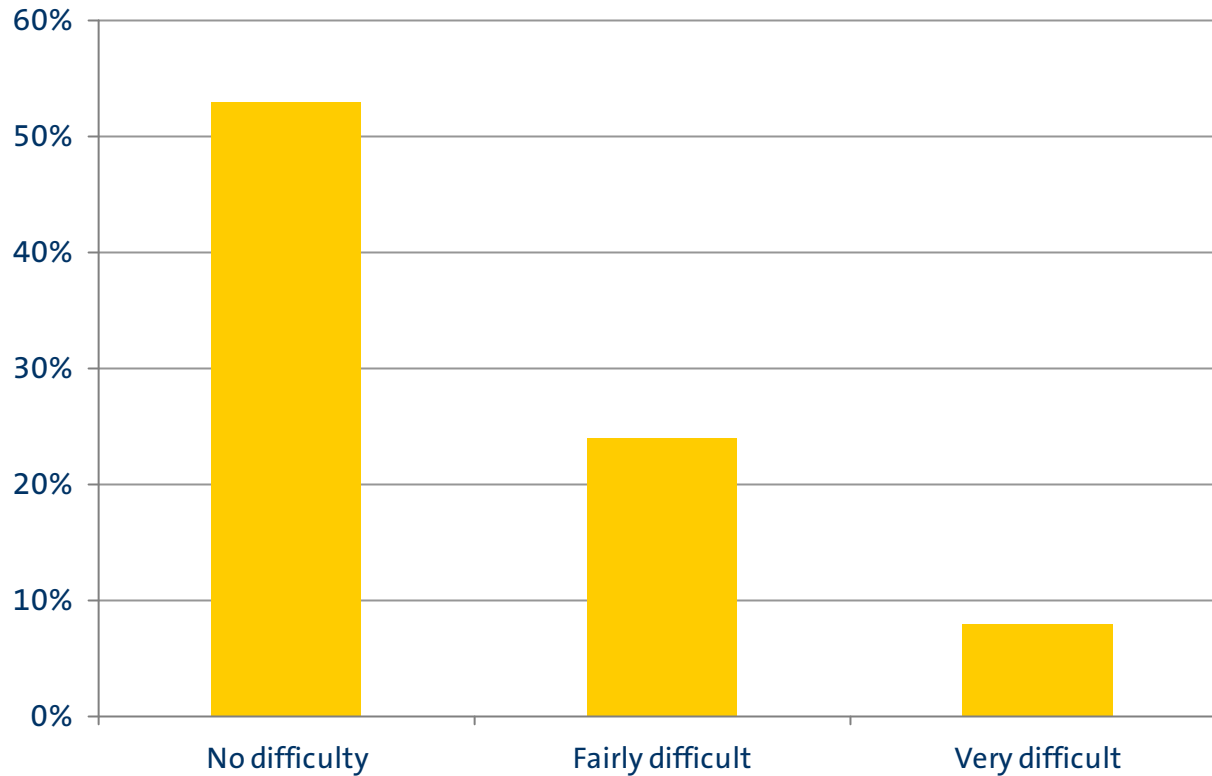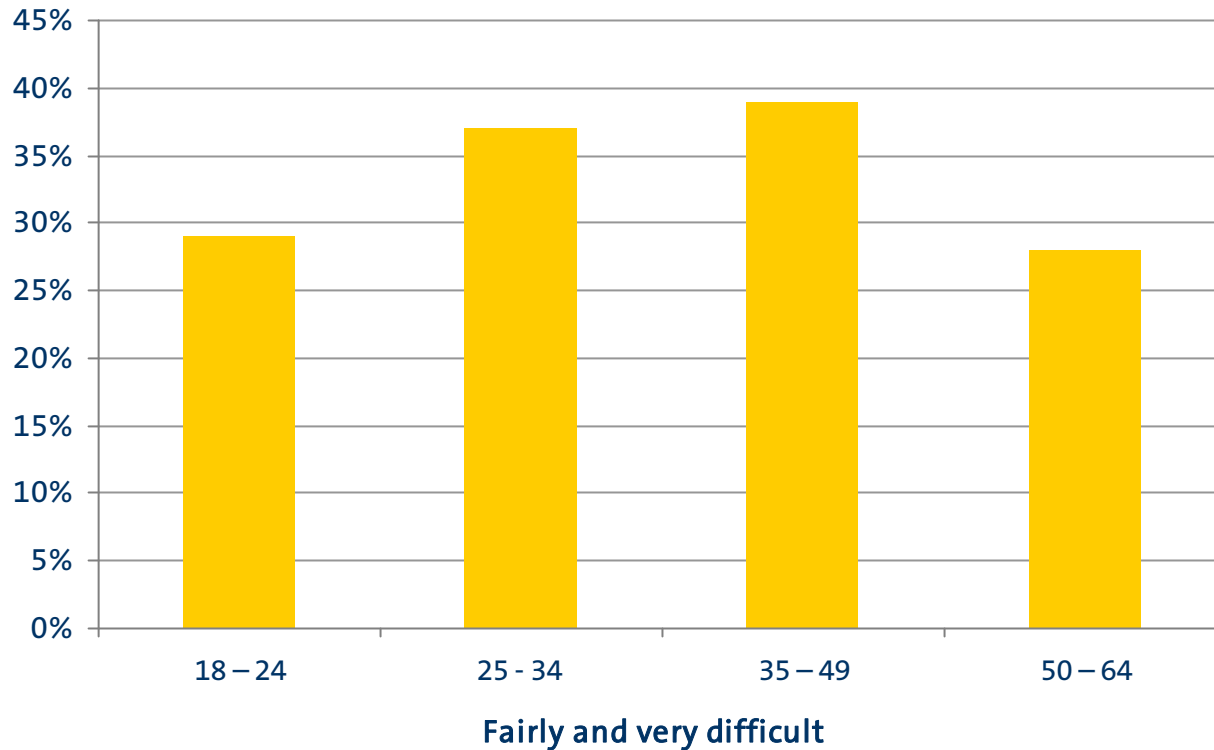

Payment for major purchase

Meeting credit commitments

Difficulty meeting credit obligations

Meeting credit commitments

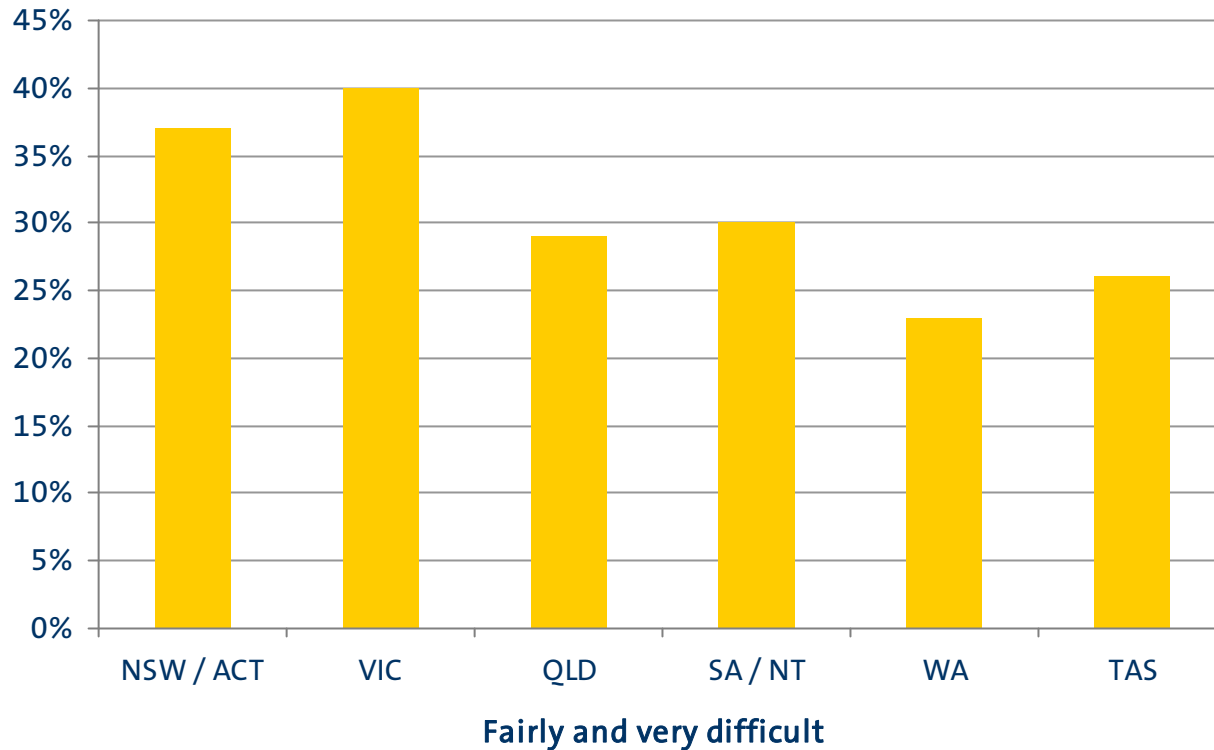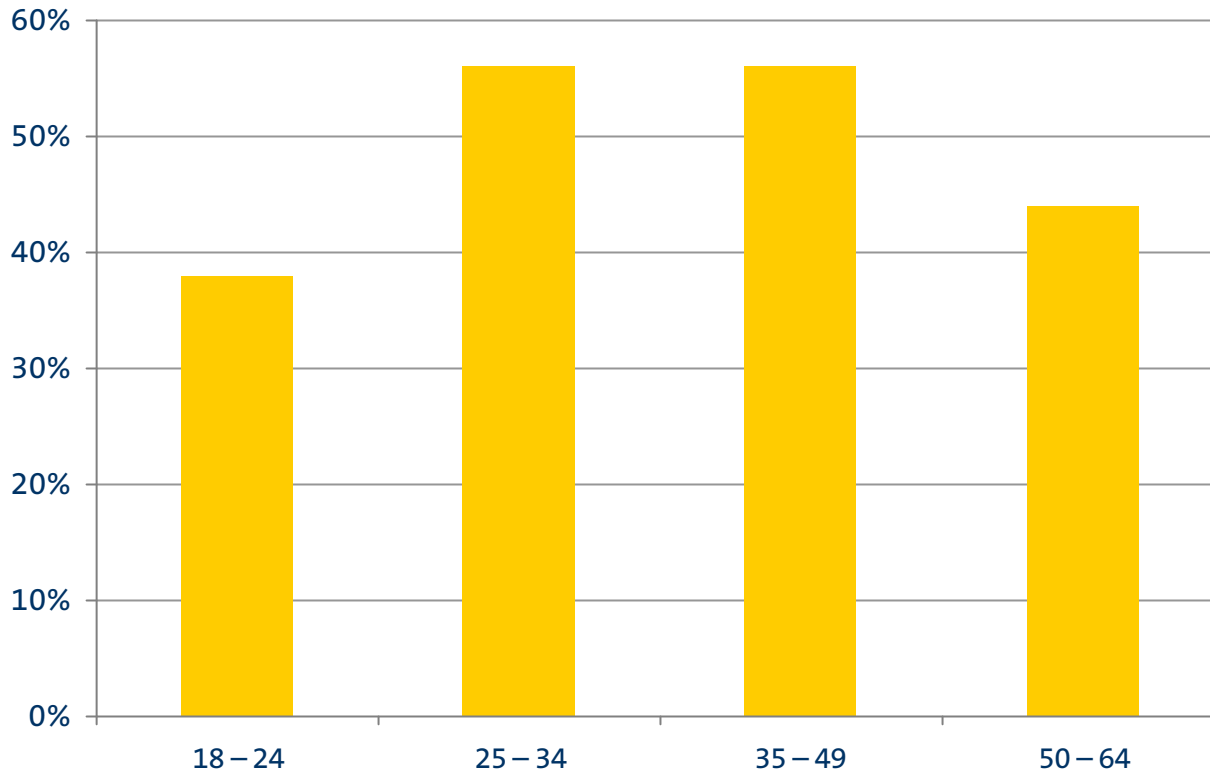**Difficulty meeting credit obligations (age)**

Meeting credit commitments

Difficulty meeting credit obligations (state)

Impact of rising interest rates

Negative impact if interest rates rise (age)

Methodology

The D&B *Consumer Credit Expectations Survey* is a forward looking survey, which asks consumers about their expectations regarding credit use and debt in the forthcoming quarter.

The survey was conducted by Newspoll in March. The survey was based on 1200 respondents aged 18 years and over. To reflect the population distribution, results were post-weighted to Australian Bureau of Statistics data on age, highest level of schooling completed, gender and area.

The survey provides breakdowns based on:
➢ Gender
➢ Age
➢ Children – whether there are children under 18 years of age living in the household
➢ Work status
➢ Geographic location
➢ Socio-economic status
➢ Household income

Newspoll is Australia's premier public opinion polling company.

About D&B

Dun & Bradstreet is the world's leading provider of credit, marketing and purchasing information and receivables management services.

D&B manages the world's most valuable commercial database with information on more than 195 million companies, including 3 million in Australia, and millions of consumers.

Information is gathered in 193 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than 5 million times daily as part of D&B's commitment to provide accurate, comprehensive information for its more than 150,000 customers.

D&B's data provides insights which improve business decision-making and outcomes.