

Financial Vulnerability and Independence

Snapshot



100 Families WA

“A good day would mean me having money for all my needs so that I can eat and enjoy life”

Financial vulnerability refers not just to income level, but the level of debt a family has and their ability to repay that debt, as well as the ability to withstand financial shocks such as income loss or unexpected expenses (Anderloni, Bacchiocchi, & Vandone, 2012).

What is financial vulnerability?

Findings are based on survey responses collected from 400 families experiencing entrenched disadvantage across Perth. For more in-depth information and findings please refer to the **the 100 Families WA Baseline Report**.

What does financial vulnerability look like for people experiencing entrenched disadvantage in Perth?

Findings indicate that the majority of families experiencing entrenched disadvantage in Perth are not receiving a wage or salary based income and are struggling with debt that is not a mortgage on their home. This is leading to significant problems in the paying of utility bills and providing food for their family. These struggles are occurring despite their active efforts to improve their personal situation.

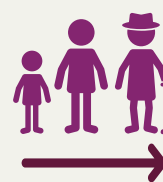
Demographics of families taking part:



69%
of family members
were female



33%
family members
identified as
Aboriginal or Torres
Strait Islander



44 years
is the mean age
(range is 18 – 75
years old)



55%
have children in
their care or in
their household



21%
have a permanent
physical disability



17%
were homeless at
the time of survey

In the year prior to the survey:



75%
did not receive any
wage or salary-based
income



68%
could not pay utility
bills on time



51%
had gone without
meals

At the time of the survey:



86%
had a **debt** that was
not a mortgage on
their home.

Of that
86%:



54% had overdue utility bills



61% had a personal loan



39% had overdue personal bills



27% had a loan from a payday lender

The impact of debt:



65%
reported they had experienced an
inability to sleep as a result of their debt



60%
had experienced **stress-related illness**



65%
felt they were **unable to do what**
they wanted to do in their daily lives
due to having debt



43%
had experienced **relationship break**
down attributed to their debt

Seeking improvement

The baseline survey findings tell us that families are experiencing entrenched disadvantage across all domains of social, health and economic wellbeing. The findings also tell us that families are actively trying to improve their situations, including by seeking assistance from welfare and community organisations (70%), addressing financial issues through financial counselling (45%), and by visiting food emergency relief programs (72%).



When family members were asked an open-ended question; *what would make the biggest difference in your life?* One in five families answered, **getting a job**. However, a lack of appropriate job options as well as discrimination were listed as major barriers to employment. Therefore, with regard to employment the issue is not the individual's motivation to gain employment, but the creation of pathways into employment.

Anderloni, L., Bacchiocchi, E., & Vandone, D. (2012). Household financial vulnerability: An empirical analysis. *Research in Economics*, 66(3), 284-296.

To learn more about the project visit www.100familieswa.org.au