

For immediate release

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Australia's hidden spending: the country's \$11 billion dirty secret

- ➔ Average Australian spends \$2,713 per year on hidden expenses – clothing and gambling top list
- ➔ Men spend more than three times as much on secret purchases than women
- ➔ Tips on avoiding secret debt

11 April, 2016, Sydney, Australia – We're a nation of secret spenders, new research by finder.com.au, one of Australia's biggest comparison websites¹, reveals.

Australians spend a massive \$11.3 billion per year – or, on average, \$2,713 each on sneaky purchases they don't tell their partner about.

The finder.com.au survey of 1,035 Australians found that on average men spent \$4,596 per year on hidden purchases compared to \$1,476 for women. However women were more likely to cover up their spending, with 23% admitting to secret spending habits versus 20% of men.

Topping the list of the secret purchases was clothes, followed by gambling and 'guilt' foods. Rounding out the Top 5 were adult entertainment and cigarettes.

Secret Spend	Percentage
Clothes	5.1%
Gambling	4.3%
Guilt Foods	4.2%

¹ Experian Hitwise since 2013

Adult Entertainment	1.6%
Cigarettes	1.4%

Source: finder.com.au survey of 1,035
Australians



Women were more than twice as likely to hide clothing purchases than men. While the number one guilty pleasure for males was gambling followed by adult entertainment.

Bessie Hassan, Money Expert at finder.com.au, says the average Australian is now \$1,196 in debt because of secret spending.

“If we earn it, do we have the right to spend it however we choose? Some Australians would be very stunned to learn their partner’s frivolous spending habits.

“Hiding purchases from a partner might seem harmless, however it’s a deceptive habit worth breaking for the sake of your relationship.”

The research showed Generation Y (those aged 18-35) had the largest debt hangover from the secret spending at a whopping \$2,054 on average, compared to \$1,173 for Generation X and \$318 for Baby Boomers.

“Some people are just in denial about their spending habits. If you have to hide purchases from a partner it’s probably because you know you shouldn’t be buying the items at all,” Ms Hassan says.

“These secret shopaholics can be quite creative with excuses about where money is going to and go to extreme lengths to hide new purchases.

When it comes to paying for the secret spending habits the majority use cash (44%) which is hard to trace, followed by credit card (26%), and debit card (17%).

“Some go as far as having secret credit cards to pay for it all without getting busted by their partner.

“Covert credit card behaviour is a slippery slope.”

With the latest Reserve Bank research showing Australians currently owe \$50.8 billion across 16.3 million credit cards, it comes as no surprise cardholders are hiding their habits.

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Generation break down

- Baby boomers have the lowest average level of debt hanging over their heads as a result of secret spending (\$318).
- Generation X are the biggest users of cash to pay for secret splurges –46% (compared to 41% of baby boomers and 44% of Gen Y). They’re also the most likely

- to gamble secretly (6%, vs 4% for Baby Boomers and 3% for Gen Y)
- Clothing is by far the biggest weakness for Generation Y with 10% admitting to this type of purchase.
 - Generation Y blow the most money on hidden spending – \$337 per month compared to Generation X (\$249) and Baby Boomers (\$73)

Gender breakdown

- Men were 4% more likely to use cash for secret splurges than women (46% versus 42%)
- Almost a third of women (28%) paid on credit card, compared to 23% of men.
- While men are more transparent about their spending (only 20% make secret purchases, compared to 23% of women) they spend more than three times as much as women (\$383 per month versus \$123 per month)

Tips on avoiding secret debt

Be honest. If you can't get control of your secret spending it's time to divulge your habits to your partner. When a problem is visible to someone other than yourself it can be easier to overcome.

Stop feeling ashamed about your credit card spending. The easiest way to do this is to review your budget by looking at how much money you have coming in and what expenses you have going out. The money left over should be divided up into paying off debts, [a portion for savings](#) and a realistic amount to spend on clothing and entertainment. If you're upfront about your budget and try to stick to it, there's no need to hide your spending. You'll feel better about it and be in control of your money and your future.

Reduce debts by consolidating and comparing balance transfer credit cards. For instance, there are 65 credit cards on creditcardfinder.com.au offering no interest for balance transfers for up to 24 months so it's worth comparing deals to save on interest and escape the debt rut.

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Bessie Hassan

Acting Head of PR
& Consumer Advocate

+61402 567 568

+61 1300 FINDER (346 337)

Bessie@finder.com.au



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