



Media Release

15 February 2019

Entertainment first to go when times get tough

In new research recently commissioned by NobleOak Life Limited (NobleOak), entertainment costs are the first to be cut back if Australians lost some or all of their income.

Anthony Brown, CEO of NobleOak, said, “When times are tough financially, Australians appear to be most likely to ditch entertainment and holidays, dip into their savings, and cut down on Life Insurance – while hanging onto their mobile phones!”

These are the findings from an independent survey¹ commissioned by NobleOak amongst over 1,000 Australians in December 2018, with around half of these people having Life Insurance in place.

Respondents were asked to rank the order in which they would cut back expenses if they lost some or all of their income for an extended period of time. For the second year in a row, entertainment pushed out holidays in the top slot as the item most likely to be cut back when necessary.

The results show savings/investment and Life Insurance were ranked four and five respectively in the list of items to cut when the squeeze is on. However, Income Protection cover ranked eighth.

Entertainment, mobiles and income protection

The payments of the mortgage or rent and energy bills have been the priority every year for the past three years, as absolute essentials when it comes to household expenses.

After entertainment, holidays and health and beauty, savings and Life Insurance are among the first costs to be cut during hard times. This is in contrast to Income Protection Insurance which respondents felt was more important to respondents ranking it as eight out of 13.

This prioritisation reflects people’s reliance on financial security as being more important than transport.

¹ Research conducted by Pureprofile in December 2018 with 1,043 Australian respondents.



However, mobile phone usage is ranked ninth in the list of expenses to be reduced in the event household costs need to be cut.

This is not surprising, as Australians’ reliance on their mobile phones increases with eight in 10 adults having a smartphone. More importantly, reliance on mobile phones continues to increase as the number of people electing to not have a fixed landline increases. Mobiles provide many options to keep in touch – voice, video and SMS.

The full results are shown in Table 1 below.

Table 1

If you lost some or all of your income or financial support for an extended period of time, in which order would you cut back your expenses?

	Score*	Overall Rank
Entertainment costs	11147	1
Holidays	10958	2
Health & Beauty expenses	9743	3
Savings/Investment plans	7845	4
Life Insurance (Including Death/Life cover, TPD, or Trauma cover)	7226	5
Education costs	7114	6
Transport expenses	7102	7
Income Protection Insurance	6861	8
Mobile phone useage	6558	9
Grocery costs	6097	10
Car/Home insurance premium	5739	11
Gas/electricity bills	4964	12
Mortgage/rent payments	3559	13

Total Respondents 1043

*Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.

Likelihood of Adverse Event

We also asked respondents to rate 11 traumatic events in the order of likelihood they would happen. Similar to last year’s survey, the results showed that respondents nominated the top four in order of likelihood as cancer, heart attack, car accident and stroke. The main difference in this year’s survey is that respondents ranked the likelihood of dying from Parkinson’s disease, Alzheimer’s or Dementia as being lower



(7) compared to sixth in 2017. This is despite the fact that Alzheimer’s and Dementia is the second biggest cause of death in Australia.

Table 2

Rank the following events in order of likelihood to happen to someone like you in the future (1 is most likely to happen, 10 is least likely to happen)

	Score	Overall Rank
Cancer	8443	1
Heart attack	8380	2
Car accident	8065	3
Stroke	7603	4
Premature death through a health issue	6963	5
Angioplasty (surgical repair or unblocking of a blood vessel)	6902	6
Parkinsons disease, Alzheimer’s or Dementia	6585	7
Plane crash	4489	8
Terrorist attack	4217	9
Lightening strike	3770	10
Shark attack	3421	11

Total Respondents 1043

Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.

Mr Brown, said, “It is welcoming to see that people value the security and peace of mind that Income Protection insurance provides should they suddenly needed to replace their income. However, there is still much work needed by the industry to educate people on the need and value of having some form of Life Insurance and Income Protection insurance in place to better manage unexpected events.”

ENDS

Sources:

A third of Australians have ditched their landline:
<https://www.smh.com.au/business/companies/a-third-of-australians-have-ditched-their-landline-20171208-p4yxj4.html>

Deaths in Australia: <https://www.aihw.gov.au/reports/life-expectancy-death/deaths-in-australia/contents/leading-causes-of-death>



About NobleOak Life Limited

NobleOak Life Limited (NobleOak), is one of Australia’s most established life insurers, and has been in the Australian market for over 140 years. NobleOak provides Life, TPD, Trauma, Income Protection and Business Expenses insurance.

NobleOak keeps costs low by providing fully underwritten cover, passing any savings back to their clients through reduced premiums, supported by outstanding personal service.

NobleOak is an Australian public unlisted company regulated by APRA, with products backed by a leading global reinsurer, Hannover Life Re. For more information visit www.nobleoak.com.au

NobleOak has a client satisfaction rating of 95% (2018 client survey) and is the winner of the 2016, 2017 and 2018 Canstar 5 Star Awards for both Premium Life Direct cover and Income Protection.

NobleOak was the winner of the Life Insurance Company of the Year from the RFI Group Australian Insurance Awards 2018 and received the award for Life Insurance Product - Innovation of the Year for its online calculator.

In addition, NobleOak received the Strategic Insights Overall Direct Life Insurance Excellence Award for 2018 and was a finalist for the Term Life, Trauma – Rider and Trauma award. In 2018 NobleOak received the Gold Trusted Service Award from Feefo in 2018.





Media Enquiries

For further information or to arrange an interview with NobleOak CEO Anthony Brown please contact:

Tim Boys

Chief Digital and Marketing Officer

NobleOak Life Limited

M: 0412 329 635

E: timb@nobleoak.com.au

Margaret Rochford

Marketing Manager

NobleOak Life Limited

M: 0414 012 250

E: margaretr@nobleoak.com

NobleOak Life Limited
ABN 85 087 648 708, AFS Licence AFSL 247302
Level 7, 66 Clarence Street, Sydney, NSW, 2000