

AUSTRALIAN SPENDING AND BUDGETING HABITS BY GENERATION





How are Different Generations in Australia Budgeting and Spending Their Monthly Income



With much of the world experiencing an increase in financial pressure over the past year or so, many consumers have had to drastically alter their spending habits to accommodate higher living costs and inflationary pressures that mean their monthly wage is unable to stretch quite as far as in the past.

For each generation, the things that we value most as our ‘essentials’ vary – from ensuring our groceries are budgeted for, to prioritising new beauty products. This can lead to very different shopping and budgeting trends across different age groups. We here at [Ubuy](#) were interested in how different generations of Australians choose to budget their monthly income these days, and which products they can’t live without.

To do this, we surveyed over 1,000 Australian adults born after 1946 to find out more about their spending habits.

Methodology

Ubuy conducted a survey of 1,006 Australian adults born after 1946. The survey ran between the 26th of April 2023 and the 2nd of May 2023.



Revealing How Often Australians Budget

We wanted to know how many Australians budget their monthly spending, and how often they do so.

We found that the vast majority of Australian adults do set themselves a budget, with 77% doing so. Of these, 46% said they set themselves a budget every month – while 30% said that they do set a budget, but it's not a guarantee every month. 23% said that they didn't budget their monthly spending at all.

Overall, female respondents (80%) were slightly more likely to budget than male respondents (73%), with 49% of women saying they had a budget in place every month, in comparison to 43% of men. Similarly, 27% of male respondents said they had no monthly budget, in contrast to 20% of female respondents.

Broken down by generation, millennials are the most likely to set themselves a budget (85%), with 51% doing so every month and 33% doing so often. Just 15% of millennial respondents said they didn't have any budget in place.

In contrast, the first wave of baby boomers were the least likely to set themselves a monthly spending budget (52%). Many of the respondents in this generation said they had no budget (48%), while 16% often budgeted and 36% said they had a budget set each month.

The second wave of baby boomers were slightly more inclined to budget (64%) – with 39% budgeting each month and 25% doing so often. Of the respondents in this generation, 35% said they did not set a monthly budget for their spending.

Gen-Z had a preference for budgeting (80%), with the majority of respondents opting to set themselves a spending limit each month (45%) while 35% do so often. Of this generation of Aussies, just 20% said they did not budget at all.

Similarly, Gen X mostly opted to set themselves a budget (74%) – of which 48% did so every month with an additional 26% doing so often, but not every month. An additional 26% of Gen X's said they didn't budget.

The Non-essential Expenses Prioritised by Aussies

Next, Ubuu wanted to know which non-essential outgoings Australians are including in their budget each month, to determine which purchases take spending priority over others.

We found that the most important non-essential outgoing was eating out, with over half of respondents setting money aside in their budget for this activity (54%). Of those, female respondents were more likely to budget for eating out (56%) than their male counterparts (51%).

Other non-essentials that were popular choices included subscriptions to media and music services (54%), takeaway (52%), work lunches and coffee (33%), fashion/clothing (32%), and gym memberships (27%).

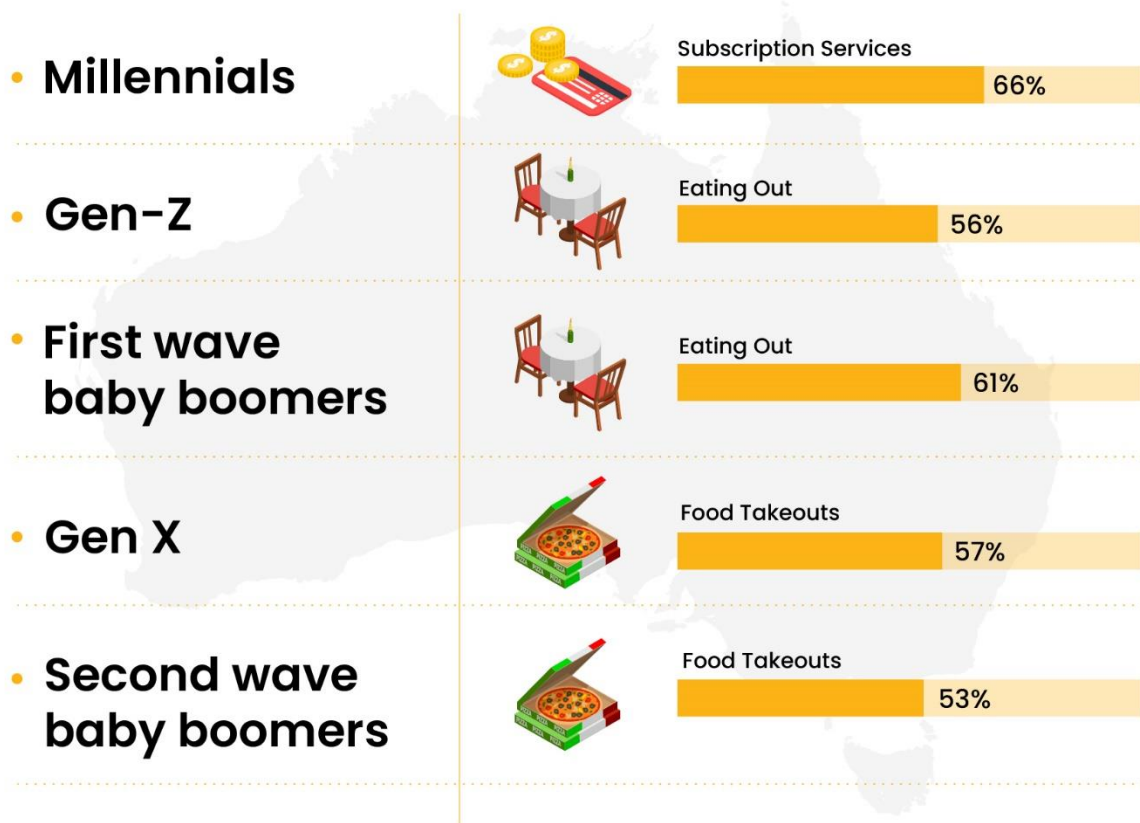
Interestingly, health and wellness outgoings – such as spa treatments (9%), and fitness classes excluding gym memberships (6%) ranked much lower on the list in comparison to typical commerce purchases.

Other notable expenses included beauty products (35%), transport excluding commuting (22%), theatre/cinema tickets (20%), gambling (14%), and food subscription services (13%). Overall, just 6% of Australians said they don't budget for any non-essential outgoings.

For female respondents, the most important non-essential expense was subscriptions to media/music streaming platforms and magazines (58%), while male respondents opted for eating out at a restaurant (51%).

Broken down by generation, millennials favoured subscription services (66%), while Gen-Z (56%) and the first wave of baby boomers (61%) preferred to budget for eating out. Additionally, the majority of Gen X (57%) and the second wave of baby boomers (53%) each opted for takeaways in their budget.

THE NON-ESSENTIAL EXPENSES PRIORITISED BY AUSSIES





In terms of purchasing luxury goods, such as clothes and beauty products, Gen-Z was the generation with the most respondents that set aside money in their monthly budget to afford these items – with 34% saying they budget for new clothes, while 32% budgeted for the latest beauty products.

How Much of a Monthly Budget is Allocated to Non-essential Items

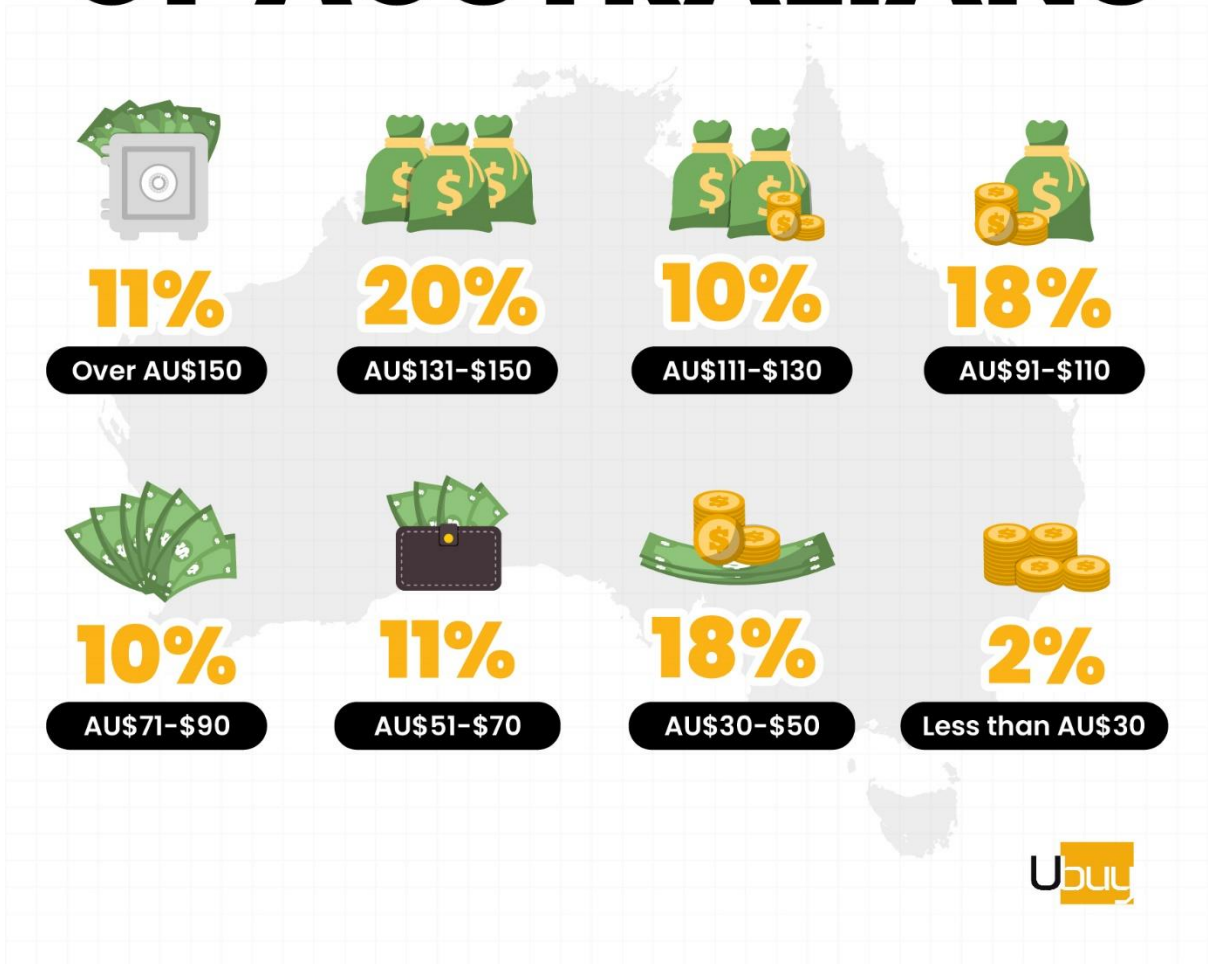
With so many non-essential items being clearly valued by Australians of all ages, we were curious to know exactly how much money is budgeted for these luxury splurges. Ubuy found that the average amount of money set aside for non-essential spending each month is AU\$117.57.

Overall, 20% of respondents said that they budgeted between AU\$131-\$150 each month for non-essential purchases, while 18% each said they budget between AU\$30-\$50 and AU\$91-\$110 per month.

Other popular choices included:

- AU\$51-\$70 (11%)
- Over AU\$150 (11%)
- AU\$111-\$130 (10%)
- AU\$71-\$90 (10%)
- Less than AU\$30 (2%)

THE AVERAGE MONTHLY BUDGET OF AUSTRALIANS



Interestingly, it seems that men are the ones setting aside the most money in their budget for non-essential purchases. The majority (22%) of women budgeted between AU\$30-\$50 – in contrast to 22% of men that budgeted between AU\$131-\$150.

Gen-Z and baby boomers mostly set aside between AU\$30-\$50 per month (23% of Gen-Z, 26% of boomers), while millennials and Gen X typically budgeted far more money for their non-essential shopping habits – 23% of millennials and 27% of Gen X said they budget between AU\$131-\$150.

For the second wave of baby boomers, it was a budget of over AU\$150 that saw the most responses – with 23% of respondents saying they dedicate this amount in their monthly budget for non-essential items.



The Temptation to Overspend on Luxuries

So, now that we know exactly how much Aussies are putting aside to afford their monthly non-essential shopping sprees – who is accidentally going over-budget on their luxury purchases?

Almost half (49%) of Australians in the survey said that they often overspend by 25%-50% – the majority of which are male (52%), in contrast to 46% of women. 20% of respondents said they go over-budget by less than 25%, with an additional 20% having enough self-control to stay within their budget at all times.

Interestingly, the majority of respondents that never go over-budget are women (22%), with only 17% of men saying they remained within their budgeted amount each month.

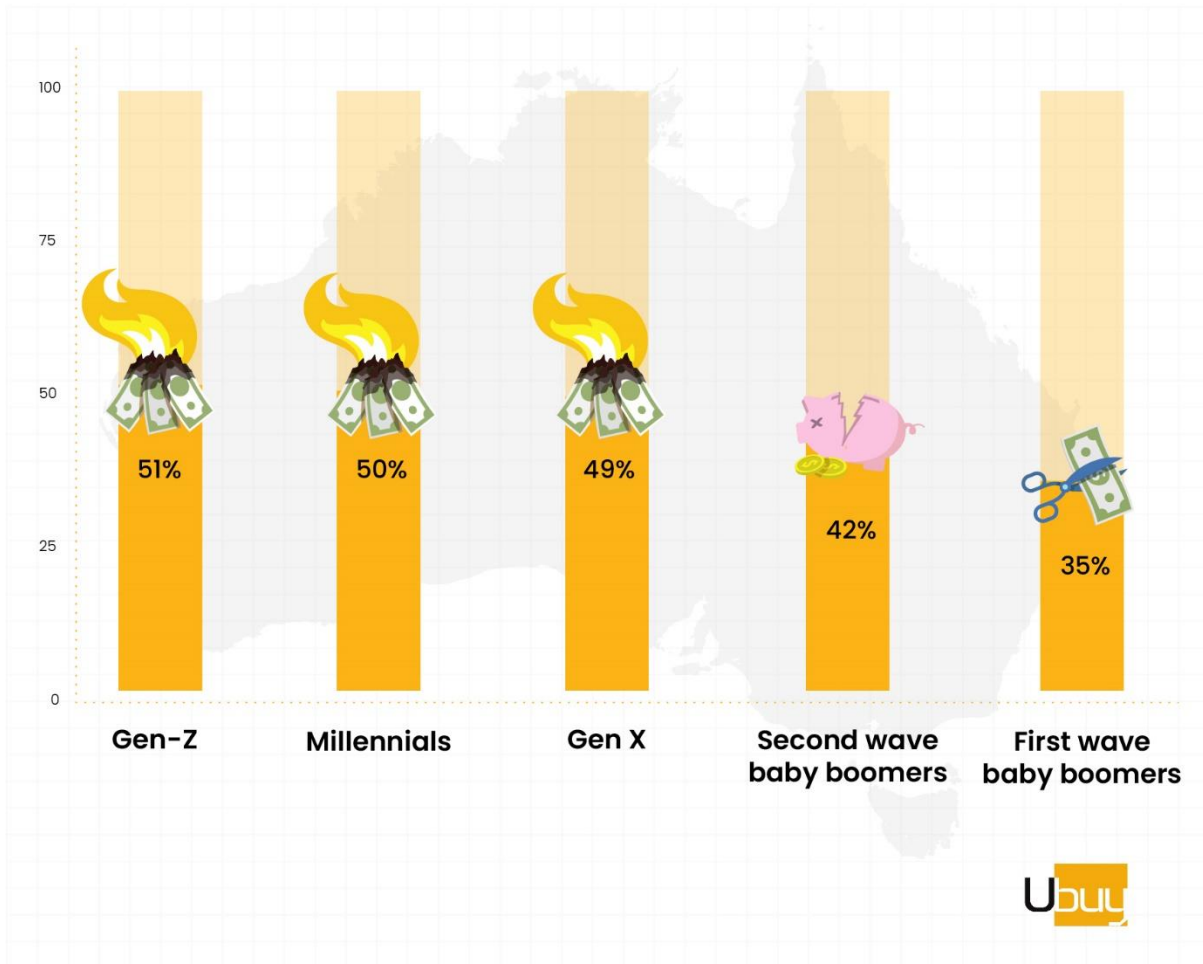
Additionally, 9% said they tend to go over their budgeted amount by 51%-75% – while 2% typically overspend by 76%-99%. Thankfully, nobody exceeded their budget by 100% or more.

Across all of the generations, going over-budget by 25%-50% was the most common amount.

Broken down by generation, it looks like this:

- Gen-Z (51%)
- Millennials (50%)
- Gen X (49%)
- Boomers II (42%)
- Boomers I (35%)

WHO OVERSPENDS ON NON-ESSENTIALS THE MOST?



The generation that was able to remain on-budget the most was the baby boomers (35%), with 26% of the second wave of boomers and Gen X not going over budget. In contrast, just 20% of millennials and 13% of Gen-Z said they never went over their budget on non-essentials.

The Purchases That Spark Buyer's Remorse

It can be difficult to stick to a rigorous budget from time to time, whether it's through wanting to buy yourself something nice or through semi-necessity – say, needing to replace something in the home that has gotten old.

We wanted to know which non-essential purchases cause different generations of consumers to feel guilty afterwards.



The results of the survey found that, for the majority of Australians, ordering a takeaway was the non-essential purchase that caused them to feel most guilty (44%). On a similar note, eating out at a restaurant was the 2nd highest response – with 42% of respondents saying this caused them to feel guilty.

Buying new [fashion items](#) was a source of guilt for 29% of Australians, alongside 21% who each said gambling and work lunches/coffee were the main cause of guilt for them after making a purchase. An additional 19% said buying beauty products caused them to feel guilty, while 14% felt the most guilt towards paying for subscription services.

Other notable purchases included:

- Spa/wellness treatments (12%)
- Cinema/theatre tickets (11%)
- Gym memberships (6%)
- Food subscriptions (5%)
- Transportation outside of commuting (4%)
- Other fitness classes (2%)

Additionally, 14% said there wasn't any particular purchase that made them feel guilty afterwards.

Broken down by generation, 50% of Gen-Z respondents said that takeaway or eating out was the non-essential purchase that made them feel guilty. Similarly, 50% of millennials said that takeaway was their biggest guilt-purchase.

For Gen X, takeaway was also the main culprit for guilt (41%), with an additional 37% saying eating out was what caused their buyer's guilt.

For the second wave of baby boomers, 30% said takeaways were a source of guilt, while an additional 30% said that there were no particular non-essential purchases that they regretted afterwards.

For baby boomers, 29% said that eating out at a restaurant was the purchase they most often regretted afterwards, along with 28% that said they felt guilty after spending money on gambling.

Conclusion

Through this survey, we were able to determine that many Australians specifically budget for extra, non-essential purchases each month – ranging from treating themselves to a takeaway or meal out to buying new clothes, beauty products, and cinema tickets.



Although many were designating money for these purchases, the majority of Australians surveyed said that they went over-budget to some extent, which led to feelings of guilt after making a purchase. Utilising e-commerce to order goods from overseas can provide a solution, allowing consumers to find the best prices for their favourite items by browsing stores from around the world.

At Ubuy, we're proud to assist online shoppers with their international purchases, providing them with access to thousands of online stores around the world that would otherwise not be available to them due to regional limitations.

This research is done by [Ubuy Australia](#)