

Submission

to

the

Select

Committee

on

Cost

of

Living

by

ReachOut's

Youth

Advocates

March 2024

**REACH****OUT**

# About ReachOut

At **ReachOut** we are guided by a clear, simple ambition:

Helping young people  
feel better.

## Helping them to feel:

- better in the moments when they most need help
- better about who they are and their place in the world.

## And to be:

- better able to cope with the challenges they are facing today
- better set up and equipped to manage when life doesn't go as planned.

Anonymous and confidential, ReachOut is a safe place where young people can openly express themselves, get a deeper understanding and perspective on what's happening in their lives, connect with people who will provide judgement-free support, and build the resilience to manage their challenges now and in the future.

One hundred per cent online and designed specifically for – and with – young people, ReachOut lets young people connect on their terms at any time from anywhere. From one-to-one support from experienced peer workers, to online communities, as well as tips, stories and resources, ReachOut offers a wide range of support options that allow young people to engage in the ways they want to, when they want to.

ReachOut Parents and ReachOut Schools provide valuable information, resources and advice to help parents, carers and educators better understand the young people in their lives and to play an active role in their wellbeing.



## About ReachOut's youth advocates

ReachOut's Youth Advocates have lived and living experience of mental health challenges. They are passionate about improving the mental health system that supports them and other young people in their communities.

The aim of ReachOut's Youth Advocacy program is to ensure young people are included in the government policy and decision making processes that impact their lives and their mental health.

The work of the Youth Advocates will include: writing policy submissions; meeting with MPs, Senators and other relevant stakeholders; writing opinion editorials; and participating in annual workshops designed around learning, development and networking.

Established in 2023, the Youth Advocacy program was developed by ReachOut in partnership with young people and industry experts. The first group of Youth Advocates includes young people from New South Wales, Victoria and Queensland.

Thank you to the Advocates who have worked on this submission - Carly, April, Chase, Georgia, Callum, Sina, Will, Layla and Sarah.

## Content Warning

Please note that the following document includes references to mental ill-health and suicide. The document has been prepared with reference to [Mindframe's guidelines](#). ReachOut encourages anyone in distress to seek support.

## Research overview

The rising cost of living is having a significant impact on the mental health of young people across Australia. Research by ReachOut in 2022 (a nationally representative survey of young people aged 16 - 25 years) found that 50 per cent of young people reported experiencing stress due to the cost of living (ReachOut, 2023).

In addition, almost one in three young people reported that worries about the cost of living or having enough money was one of the top issues in their lives (ReachOut, 2023). Further, more than four in five young people who were concerned about the cost of living or about having enough money said these financial worries had a moderate to major impact on their wellbeing (ReachOut, 2023).

When ReachOut undertook research with young people again in 2023, these figures had increased significantly with 70 per cent of young people now reporting experiencing stress due to the cost of living. Top concerns reported included: paying bills such as utilities, health-care and accommodation costs, being unable to afford the future lifestyle they wanted and being in debt (ReachOut, 2023).

As young people across the board struggle with the cost of living, it is having very real impacts on their lives. In 2023, 21 per cent reported that they sold something to get extra cash, 19 per cent went without meals, 11 per cent missed paying utility bills, 10 per cent went without heating or cooling, 7 per cent had been unable to pay their mortgage or rent on time, and 7 per cent had sought assistance from a welfare or community organisation (ReachOut, 2023).

In addition, to cope with the high cost of living, 40 per cent had cut down on social activities, 25 per cent cut down on activities such as sports, 21 per cent had taken on extra work to cover their increased expenses, and 17 per cent changed their study plans (ReachOut, 2023).

In ReachOut's research in 2022, more young women reported the cost of living as being a top concern, with almost double the proportion of young women (42%) noting cost of living as having a major impact on their wellbeing compared to young men (24%) (ReachOut, 2023).

ReachOut's research in 2022 also highlighted the varying impacts of the cost of living on city based young people and young people from regional and remote areas (ReachOut, 2023). While housing prices are higher in urban areas, costs such as food and petrol can be up to three times higher in regional and remote areas (Gregory, 2022).

Along with the practical financial impacts of the rising cost of living, young people also reported experiencing mental health impacts. In 2022, among the young people who listed the cost of living as a top concern, 86 per cent reported that these concerns had a moderate to major effect on their mental health (ReachOut, 2023).







Of the young people who indicated they worry about the cost of living (ReachOut, 2023):



In 2022 13 per cent said they had experienced changes in mood and in 2023 this increased to 35 per cent.



In 2022 11 per cent said they lacked motivation and in 2023 this increased to 30 per cent.



In 2022 17 per cent reported impacts on their physical health and in 2023 this increased to 23 per cent.



In 2022 31 per cent reported they had trouble sleeping and in 2023 this increased to 38 per cent.

These findings are consistent with other research from the mental health sector. Beyond Blue found that one in three young people reported that the cost of living was negatively impacting their mental health and wellbeing (Beyond Blue, 2023). And, headspace identified the cost of living as the biggest concern reported by young people in Australia aged 18-25 years (headspace, 2023).

'More money' was the number one thing young people said would help them reduce their stress about the cost of living (ReachOut, 2023). We also asked young people to tell us the number one thing that would help them in their lives. The majority of their open-text responses related to the theme of 'earning more money' (ReachOut, 2023). However, there are a number of barriers to young people earning enough money or accessing adequate support payments. Those barriers include the impact of increasing inflation, the rate of wage growth and the low rate of support payments such as Youth Allowance.

The reported impacts on mental health for young people are concerning as research demonstrates that the rising cost of living particularly affects access to mental health treatment, with its limited affordability forming a barrier to those who need it the most (Kavanagh et al. 2023). Beyond Blue also linked financial stress with struggling to access mental health support, with each factor directly impacting the other since poor mental health can impact a person's capability to work, which in turn affects their income and therefore their ability to afford mental health support services (Beyond Blue, 2023). Mental health support is most inaccessible in regional and remote areas due to limited availability, affordability and low help-seeking behaviours perpetuated by social ostracism by the community (Kavanagh et al. 2023).

See Appendix: *Paying the Price for the Rising Cost of Living* for more information about this research.



# What ReachOut support is available to young people who are stressed about the cost of living?

ReachOut provides a safe, anonymous and free online mental health service to support young people during tough times, including when it comes to the rising cost of living.

ReachOut provides extensive support for young people affected by stress about the cost of living to ensure they have the information and support they need as they navigate this ongoing issue. ReachOut looks at this from both a financial perspective and a mental health perspective, because we know these pressures often go hand in hand.

Importantly, all the support ReachOut provides is free. This is vital, because research by ReachOut (2023) found that one of the top concerns of young people stressed about the cost of living was paying bills, including for health care. For many young people, the cost of clinical support when it comes to their mental health is too high. Notably, ReachOut's most visited cost-of-living article in the past six months was '[How to get professional help if you don't have much money](#)'.

ReachOut provides a range of content for young people on cost-of-living issues covering both practical financial tips and mental health support. Young people can access this content for free, anonymously, from anywhere and at any time. This year, we audited and refreshed our content to ensure we continue to provide the support young people need when stressed about the cost of living.



We also produced new support content, including:



[Your starter guide to managing money](#)



[Practical ways to save money](#)



[How to deal with financial stress](#)



[Ask a therapist: Sleep issues](#)

Importantly, ReachOut's support content includes tips from young people and subject matter experts and pathways to further support if young people need it.

ReachOut also ensures that young people have a range of support options so that they can choose the support that is right for them. They can also join ReachOut's [Online Community](#) to connect with other young people who are going through similar experiences and/or book an appointment for a ReachOut PeerChat session to connect with a trained peer worker for one-to-one peer support.

# How young people are accessing support via ReachOut

The evidence of increasing stress resulting from the rising cost of living highlights the need for easy-to-access support and resources for young people when it comes to their finances and their mental health. ReachOut is listening to young people via our research and our services and responding by providing practical and free resources.

From 1 August 2023 to 31 January 2023 approximately 9,500 unique users from Australia accessed ReachOut's cost-of-living support content. As mentioned above, the most accessed article was '[How to get professional help if you don't have much money](#)'. ReachOut's '[Your starter guide to managing money](#)' and '[Practical ways to save money](#)' content pieces were also highly engaged with, along with content pieces that speak to the difficulties of unemployment. The themes of the content pieces that were most engaged with highlight young peoples' need for both practical support when it comes to finance and mental health support.

A pivotal aspect of ReachOut's response to the cost-of-living crisis lies in our practice of creating and adapting content to meet the changing needs of young people across Australia. In February 2023, ReachOut audited its existing financial stress content, revitalising critical resources and creating new materials tailored to young people's current needs. This proactive approach highlights our dedication to listening to young people and being responsive to their support needs.

Besides quantitative metrics, the stories and experiences shared in ReachOut's Online Community and PeerChat sessions add depth to our understanding of what young people are going through right now when it comes to their mental health and the cost of living. Posts by young people in ReachOut's Online Community reveal that financial strain, housing instability, career pathway concerns and employment uncertainties are causing concerns for the young people who use this service. Discussions in that community about rental increases, job prospects, and coping mechanisms illuminate the profound impact of the cost-of-living crisis on the daily lives of many individuals.

Further, in recent PeerChat sessions, young people have raised concerns about issues such as housing affordability and experiences of domestic violence, which are reported to be exacerbated by financial stress.

ReachOut's research, and what the service is hearing from young people using the Online Community and PeerChat services, demonstrates the importance of the breadth of ReachOut's support for young people when it comes to the cost of living. Some young people will engage with content pieces about money and mental health; others will seek peer support; and still others will benefit from pathways to further support.



## Personal story:



# Chase



*Chase (he/him) is a ReachOut Youth Advocate. He is 24 years old and lives in Geelong, Victoria. Here he shares his personal lived experience about how the cost of living is impacting him.*

For many people, a car is something that is really just something that is nice to have. But as a young person living in regional Victoria it's an essential form of transport for me.

I do shift work in health care, so I'm constantly working in different locations across regional Victoria. I start and finish work at different times throughout my week. Without a car, my commute time to and from work would double or even triple. Particularly at night and early in the mornings, public transport isn't really a feasible option in regional Victoria.

I try to keep the costs of my car down by filling up my petrol at places with good prices and always checking ahead when it comes to parking so that I know what the cheapest option is.

I love my job and I'm learning a lot from it. However, with the rising costs of living, I worry about whether working full-time in just one job is sustainable in the long run.

My dream is to go to medical school and I'm currently working towards this. But there are a lot of costs to

consider. For example, can I afford to sit the GAMSAT right now? Will I be entitled to any government payments if I get in? Will that money be enough to live on?

For now, I'm saving for the future and trying to keep my costs down where I can. I take regional road trips rather than going on overseas holidays and I usually opt to catch up with friends at home rather than going out.

When I think about the cost of living, it feels like something I have to constantly keep on top of so that it doesn't stress me out and impact my mental health.

One thing that really helps me is planning. I'm now thinking about all of my expenses in terms of: *Is this a necessity, or is it a-nice-to-have?*

I know there is still a lot of stigma when it comes to talking about money and the cost of living, and that it's something that can really impact your mental health.

I want other young people to know there is support out there, and I want to advocate for further support for young people when it comes to the cost of living.

I also want to encourage conversations so that young people can support each other with practical money tips and tricks. I think this would help us all get by a little easier each day. This information can be really impactful when it comes from other young people who understand what we are all going through together.



## Personal story:

# April



*April (she/her) is a ReachOut Youth Advocate. She is 20 and lives in Sydney's Northern Beaches. Here she shares her personal lived experience of how the cost of living is impacting her.*

As a full-time uni student, to say the cost of living is on my mind is an understatement.

On top of study, I currently work five days a week to be able to keep up with my essential living costs including food and petrol. Even though I have cut back on things like seeing my friends and buying the quality of food I would like to, unfortunately, the money I make from working doesn't allow me to save anything extra.

This huge workload is making me feel burnt out and stressed. And, my lack of savings means that I'm constantly worrying about the future. It feels like I'm making lots of difficult choices about what I can and can not afford.

Recently, my car broke down and the mechanic gave me a huge quote to fix it. I didn't have a choice because I rely on my car for work. This made me feel stressed and distraught. To pay for the repairs, I had to sacrifice a whole paycheque and borrow money from someone close to me. This had implications for the food I bought that week, and I wasn't able to see friends. In particular, having to borrow money was very stressful and took an emotional toll on me.

In terms of the future, moving out of home (I'm 20 now) is something that is at the top of my priority list. However, I can't see a way forward to afford this anytime soon.

All of these experiences mean that the burden of the cost-of-living crisis has really impacted my mood and mental health. For example, I often feel lost and distraught, I've experienced panic attacks and I find myself shutting myself off from people.

So, for me, the biggest sacrifice that I have to make at the moment is when it comes to my mental health. I simply can't afford to access support that is expensive, like going to talk to a psychologist or other clinical treatments. I rely on free services like ReachOut when it comes to mental health support, which does help. However, I really need more support.

Another big source of support for me when it comes to my mental health is my family. My mum, in particular, is someone I can go to when I need to talk. However, she has moved to a regional area to access affordable housing which means it is now a four-hour journey when I want to see her. Seeing her stressed about money is also tough on me.

I hope that sharing my story can help to bring about solutions for young people like me who are constantly worried about finances.

## Personal story:



# Carly

*Carly (she/her) is a ReachOut Youth Advocate. She is 19 and lives in Western Sydney. Here she shares her personal lived experience of how the cost of living has impacted her.*

While I was in Year 12 and completing my HSC, I had to leave home with literally nothing but the clothes on my back. After couch-surfing for a couple of months, I was eventually placed in an emergency shelter that was over two hours away from my school. Amid the chaos, I vividly recall finding it funny when I found a fork to eat instant ramen with. For many days before that, I'd had to use a butter knife to scoop it up.

It was during this time that I was preparing for my trial exams. I remember trying to print out a practice paper for English at the library, only to be denied because I didn't have an address to put down for the library card.

My days in emergency accommodation were running out; I was unable to afford to rent even a bedroom in the private rental market, and I was rejected by local youth refugees for being diagnosed with a mental illness. The prospect of having to live on the streets was becoming

more and more likely by the day. I felt like I couldn't escape the situation, so I tried to take my own life. My sense of hopelessness about life wasn't internally driven. It arose from the tangible challenges that millions of young people face, where their financial resources fall far too short to cover their basic expenses for survival.

At the moment, I live in a group home for young people as I'm still unable to afford the private rental market. I haven't been homeless for months, which is great, but I'm still in a financially tight position. I fear that one wrong move or one curveball will thrust me back into a state of homelessness again. I somehow managed to graduate high school, and I received offers to study at university. I declined them as I cannot afford HECS fees, with an increasing burden of 7.1 per cent interest each year.

The cost-of-living crisis is hard for most young people, but it's especially difficult for those without parental support or financial assistance, as well as those with disabilities, or caregiving responsibilities, or in a single-parent or First Nations family. Each of us experiences the repercussions of the cost-of-living crisis in a unique way, yet we form a collective entity in how it impacts our chances for a successful future.

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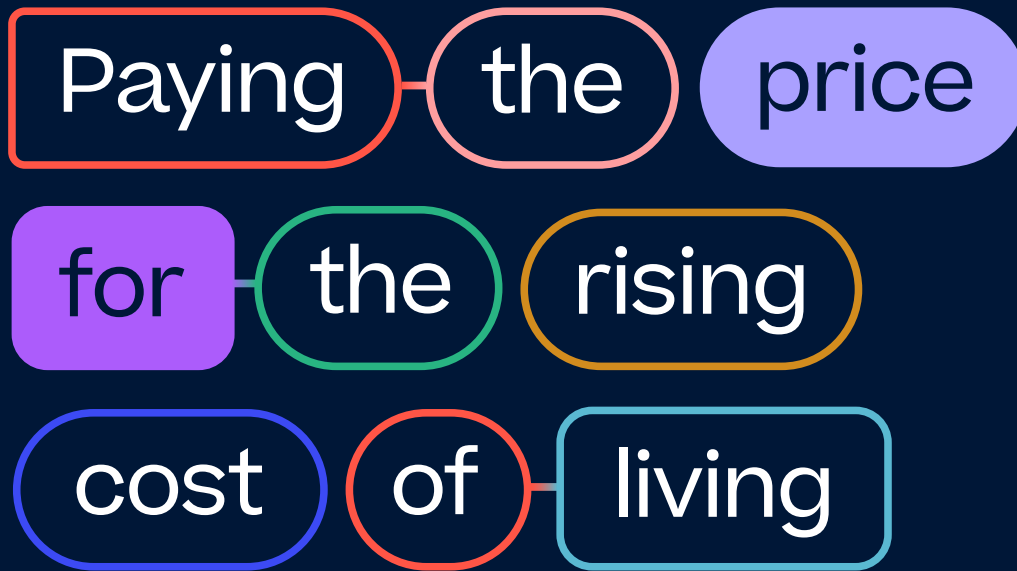
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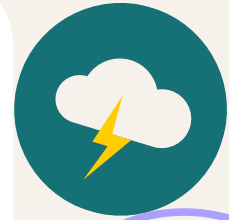
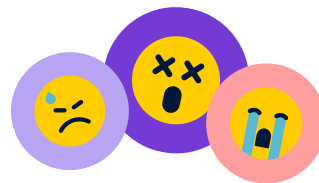
## Appendix



Snapshot from ReachOut's research:  
*Understanding the Issues Impacting  
Young People's Mental Health*

# Cost-of-living and financial worries: Key findings

- Almost **1 in 3** young people reported worries about the cost of living or about having enough money as one of the **top issues** in their lives in 2022.
- More than **4 in 5** young people who were concerned about the cost of living or about having enough money said these financial worries had a **moderate to major impact on their wellbeing**.
- The most commonly reported wellbeing challenges because of cost-of-living worries included **trouble sleeping, lack of motivation and changes to mood**.
- More young people living in **regional or remote** Australia than in urban areas reported cost of living as a top concern, but the wellbeing impacts of cost-of-living stress were similar throughout the country.
- More than **twice as many young women** as young men reported that cost-of-living stress had a major impact on their wellbeing.



## About the study

These findings are a snapshot from ReachOut's *Understanding the Issues Impacting Young People's Mental Health* study, a national survey of 667 young people aged 16–25 years conducted in 2022. The primary aim of the research was to understand what issues young people are concerned, stressed or worried about, and how these worries are impacting their mental health and wellbeing. The full report can be found [here](#).



# Cost of living is a pressing issue for young people

Over

**1/2**

of the young people surveyed were worried about having enough money, their finances, or the cost of living.

For almost

**1 in 3**



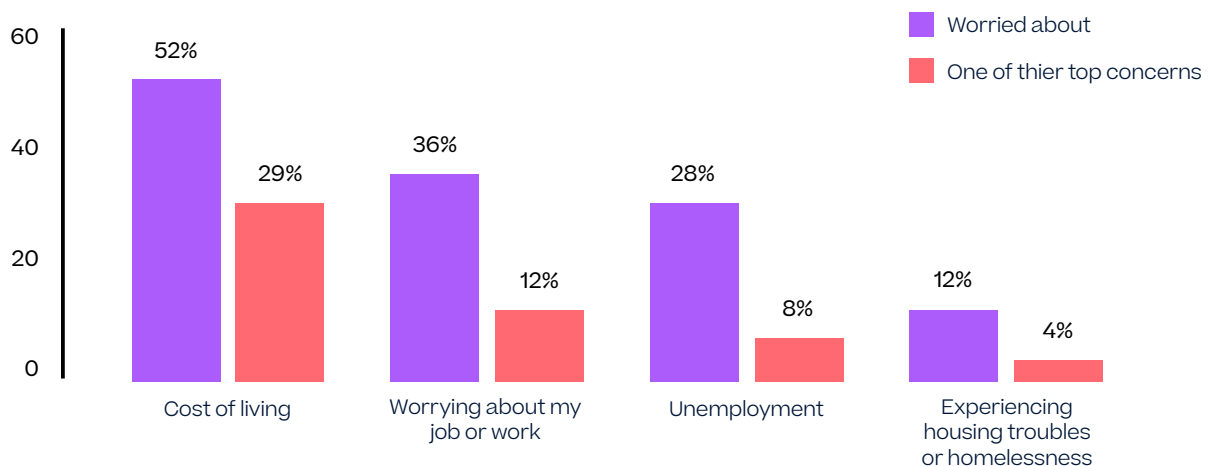
young people surveyed, the cost of living was one of the most concerning issues in their lives.

*'I feel like the rising cost of living, lack of affordable housing, lack of wage growth makes it really difficult to live a good life and have hope for the future – especially with all the events going [on] in the world.'*

**Gender not specified, 24**

A number of those surveyed also reported having been worried in the past year about other issues related to their financial wellbeing and security. These issues included job-related stress, unemployment, and housing troubles/homelessness (see **Figure 1**).

**Figure 1: The proportion of young people concerned about financial stressors and the proportion who rated these issues as a top concern.**





# The impact on mental health and wellbeing



**86%**

of young people who listed the cost of living as a top concern reported that these concerns had a moderate to major effect on their mental health.

Of the young people who indicated they worry about the cost of living:

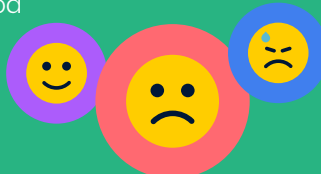
**52%**

reported they had trouble sleeping



**63%**

said they experienced changes in mood



**57%**

said they lacked motivation.



Some young people also reported experiencing:

Changes to appetite

**36%**

Challenges to relationships

**45%**

Trouble focusing

**45%**

Although it affected only a small proportion of the young people surveyed, the issue with the **highest impact** on mental health was **housing troubles or homelessness**. Almost all (96%) of the young people who listed housing troubles or homelessness as a top issue reported that these concerns had a moderate or major impact on their wellbeing.



# Who was impacted by money and cost-of-living worries?



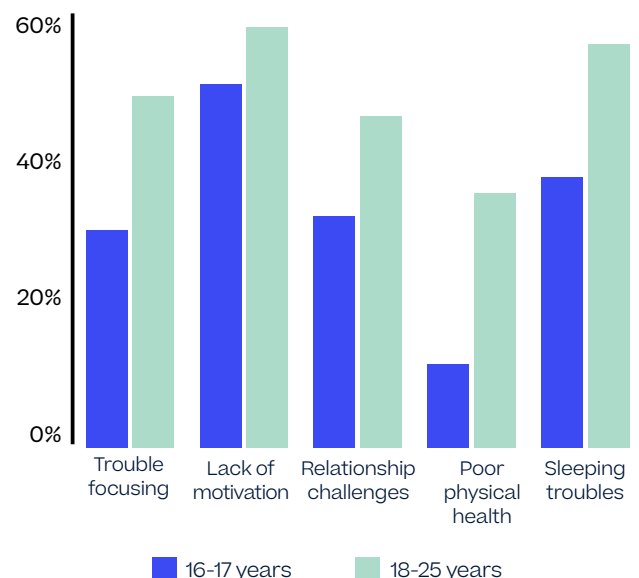
- Over half (52%) of young people in **major cities** and **61 per cent** of young people in **regional and remote areas** said that cost of living had worried them in the past year. **Nearly one in three** (29%) urban dwellers and **36 per cent** of regional and remote young people listed it as one of their top concerns. **Seven in ten** (71%) young people in regional or remote areas experienced trouble sleeping, compared to **45 per cent** of urban dwellers as a result of their stress about the cost of living.

- More young women** than other genders reported cost of living as one of their top concerns. Nearly double the proportion of young women (42%) than young men (24%) reported that cost of living had a **major impact** on their wellbeing. A greater proportion of **non-binary people** considered housing issues or homelessness as one of their most concerning issues (13%), compared to 3 per cent of young men and 3 per cent of young women.



- A larger proportion** (36%) of young people **aged 18-25** listed the cost of living or money as one of their most concerning issues, compared to young people **aged 16-17** (18%).
- Among the over-18s for whom cost of living or money was a major concern, a **larger proportion** reported experiencing trouble with sleeping, poor physical health, changes to relationships, and focusing difficulties as a result of their worry, compared to the younger cohort (see **Figure 2**).

**Figure 2: Percentage reporting effects on wellbeing of cost-of-living stress**



# What a high cost of living means for young people

Young people reported that cost-of-living and financial stress impacted their access to health care, education and safe housing. These worries caused them to struggle to balance the immediate problem of financial stress with long-term goals.

*There is no quick fix to most of these issues. Without an ease to the soaring cost-of-living expenses, there is nothing that could help me.'*

**Female, 23**

*'Nothing is accessible. Waiting lists are years long. Any legitimate help has \$100 per visit GAP fees. An assessment costs thousands of dollars. The hospital can't even deal with mental illness issues. I have been abandoned by the system repeatedly.'*

**Non-binary, 24**

## 'More money' was the number one thing young people told us would help them

We also asked young people to tell us the number one thing that would help them in their lives. The majority of these open-text responses related to the theme of 'earning more money'.

Young people also told us that money troubles were compounding the stress that they were experiencing from other sources, such as balancing work and study, and burnout:

*'A lot of my problems revolve around financial stress. I can't stop working to focus on studying because I have living expenses, and I can't stop studying because it's important for my career. So either way it's a catch-22 [situation].'*

**Gender-diverse, 25**



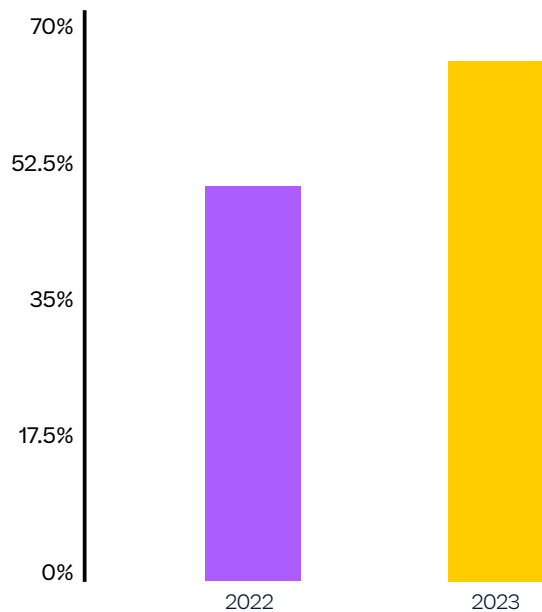
# Is cost of living still causing stress for young people in 2023?

To get an update on how cost-of-living stress is affecting young people in 2023, we asked more than 1000 young people aged 16–24 whether money, the cost of living or finances had caused them stress in the past 12 months.

**7** in **10**

participants in 2023 said that cost of living had caused them stress in the past 12 months. This is a significant increase from 2022 (Figure 3).

**Figure 3: Proportion of study participants who reported experiencing stress due to the cost of living over the past 12 months in 2022 and 2023.**



## Their top concerns were:

- paying bills such as utilities, food, health-care and accommodation costs
- being unable to afford the future lifestyle they wanted
- being in debt

## What happened to young people as a result of the rising cost of living?

As a result of the rising cost of living, 21 per cent of young people reported that they sold something to get extra cash, **19 per cent went without meals**, 11 per cent missed paying utility bills, 10 per cent went without heating or cooling, 7 per cent had been unable to pay their mortgage or rent on time, and 7 per cent had sought assistance from a welfare or community organisation.

## What did young people do to cope?

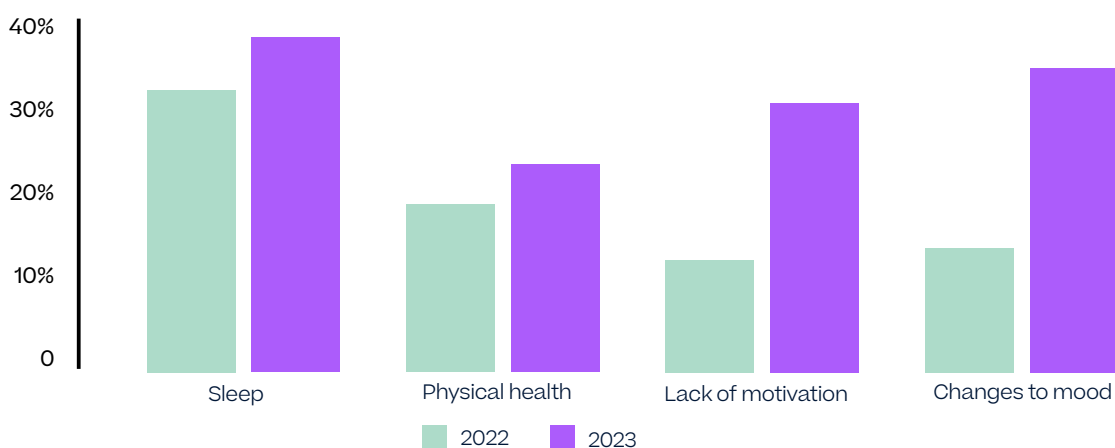
To cope with the high cost of living, **40 per cent cut down on social activities**. Others cut back on organised activities such as sports (25%), took on extra work to cover their increased expenses (21%) or changed their study plans (17%).



## What are the effects of cost-of-living stress on young people's wellbeing?

Of those who said they had experienced stress due to money troubles, the cost of living or financial worries over the past 12 months, **significantly increasing numbers reported that this was impacting their sleep, motivation, mood and physical health (Figure 4)**.

Figure 4: Impact of cost-of-living stress on sleep, physical health, motivation and mood in 2022 and 2023





# How ReachOut can help?

[ReachOut](#) is the leading online mental health service supporting young people during tough times.

We help young people feel better about today and the future, no matter what challenge they're facing. ReachOut provides a safe online place where young people can openly express themselves, explore what's happening in their lives, connect with people who understand their situation, and find the resources to help them manage their challenges now and in the future. Anonymous, free and 100 per cent online, ReachOut has been designed specifically for – and with – young people.

From one-to-one support from experienced peer workers, to online forums, as well as tips, stories and resources, ReachOut offers a wide range of support options that allow young people to engage in the ways they want to, when they want to.



