

Paying the price
for the rising
cost of living

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



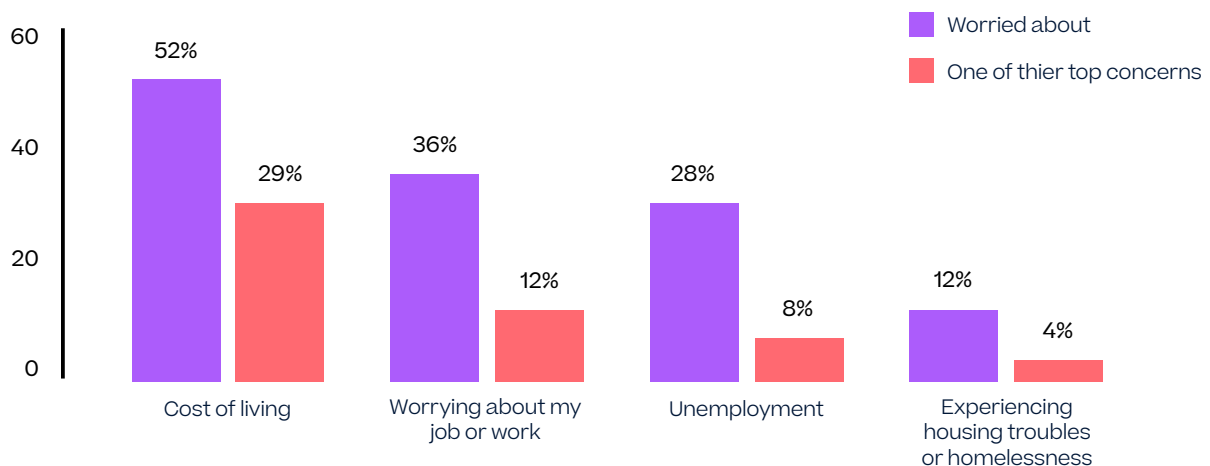
young people surveyed, the cost of living was one of the most concerning issues in their lives.

'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:

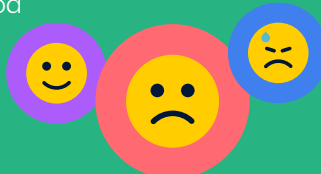
52%

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.

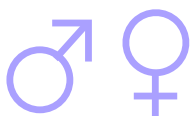


Who was impacted by money and cost-of-living worries?



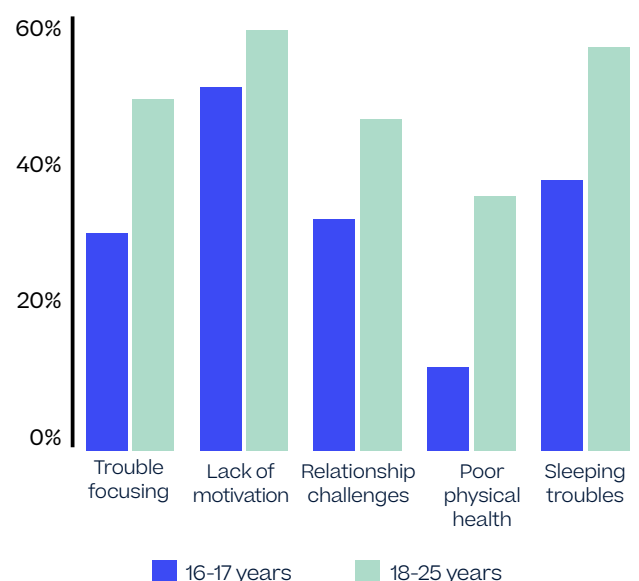
- Over half (52%) of young people in **major cities** and **61 per cent** of young people in **regional and remote areas** said that cost of living had worried them in the past year. **Nearly one in three** (29%) urban dwellers and **36 per cent** of regional and remote young people listed it as one 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?

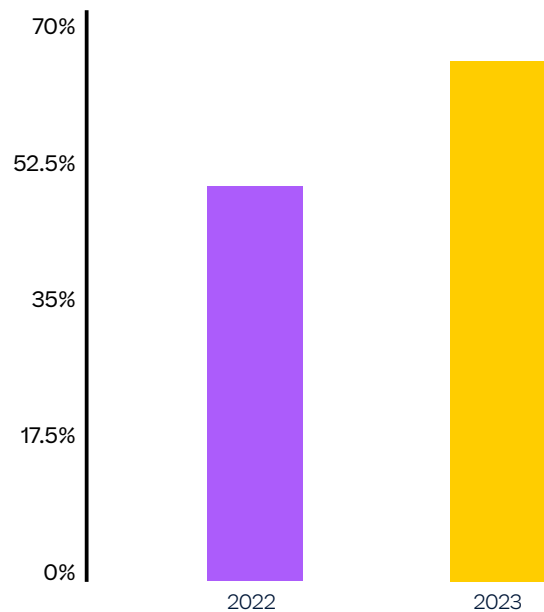
To get an update on how cost-of-living stress is affecting young people in 2023, we asked more than 1000 young people aged 16–24 whether money, the cost of living or finances had caused them stress in the past 12 months.

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.

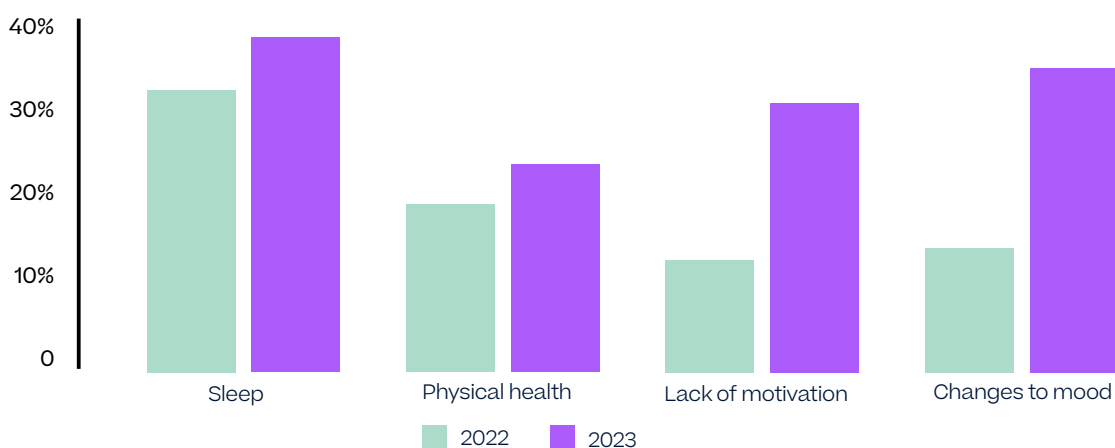
What did young people do to cope?

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.

