

Australians predict continued steady rise in increase rates in the next 15 years

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Octopus Research

Sydney, Australia, 30/05/2022 – A recent research study among n=1000 Australians has uncovered that 72% of Australians predict interest rates to continue rising in the next 15 years. While peaks and troughs are anticipated, the trend is believed to be steadily increasing and climbing as high as 5-8%. This belief is held across age, gender and states.

Yet the nation is divided on the forecasted rate of increase

While there is clear consensus that rates will continue to rise, the believed rate at which increases will occur in the next 15 years, differs considerably.

- 19% believe increases will be on a steep trajectory, with an overall highly significant increase
- 27% predict a medium trajectory with an overall significant increase
- 26% predict a slow trajectory with an overall noteworthy increase
- Only 13% predict a rise & fall, and
- 12% are not sure.
- Only 3% predict no further increase

But even among those expecting a steady and steep increase, less than one in three are yet to believe they need to make significant changes to their current lifestyle

Among the 46% of Australians in debt who are anticipating a steep increase over time, only:

- 37% think they will need to sacrifice on travel,
- 29% will renegotiate monthly commitments,
- 13% would move to another area or property and
- 5% anticipate selling their current property

Lower income earners (<\$80k) are more likely to make smaller changes to their lifestyle to mitigate the looming increases, while those on a higher income (\$80k+) are slightly more likely to anticipate selling (8% vs 12%)

Future plans are in the air

Instead, the threat of a steep increase is impacting one in two Australians' ability to plan (49%) and save (50%) as much as they would like to, making future property and economic impact increasingly challenging to predict.

Commenting on the findings

Alexandra Heather, Director at Octopus Research says: "This research highlights that our nation is preparing ourselves for tougher times to come, and making long term plans will be more challenging as predictions are not transparent and accurate enough to paint a clear picture of the years to come.

As a result, Australians are yet to get a clear understanding of the impact the rise will have on their everyday life. In coming years, it will therefore be particularly interesting to closely monitor shifts in knowledge and sentiment over time."

About this study

This survey was fielded online between 10th and 17th of May 2022 via Octopus Groups proprietary respondent panel. In total, n=1,000 nationally representative Australians were interviewed. Octopus group is ISO accredited, all data is stored in onshore servers and in adherence to local privacy laws.

About Octopus Group

Octopus Group is an Australian owned and operated research and insights company. Established in 2017 they have fast grown and established Australia's largest online research panel amongst a host of other online research capabilities to deliver critical access to consumer understanding for organisations.

For more information about the study findings, please contact.

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