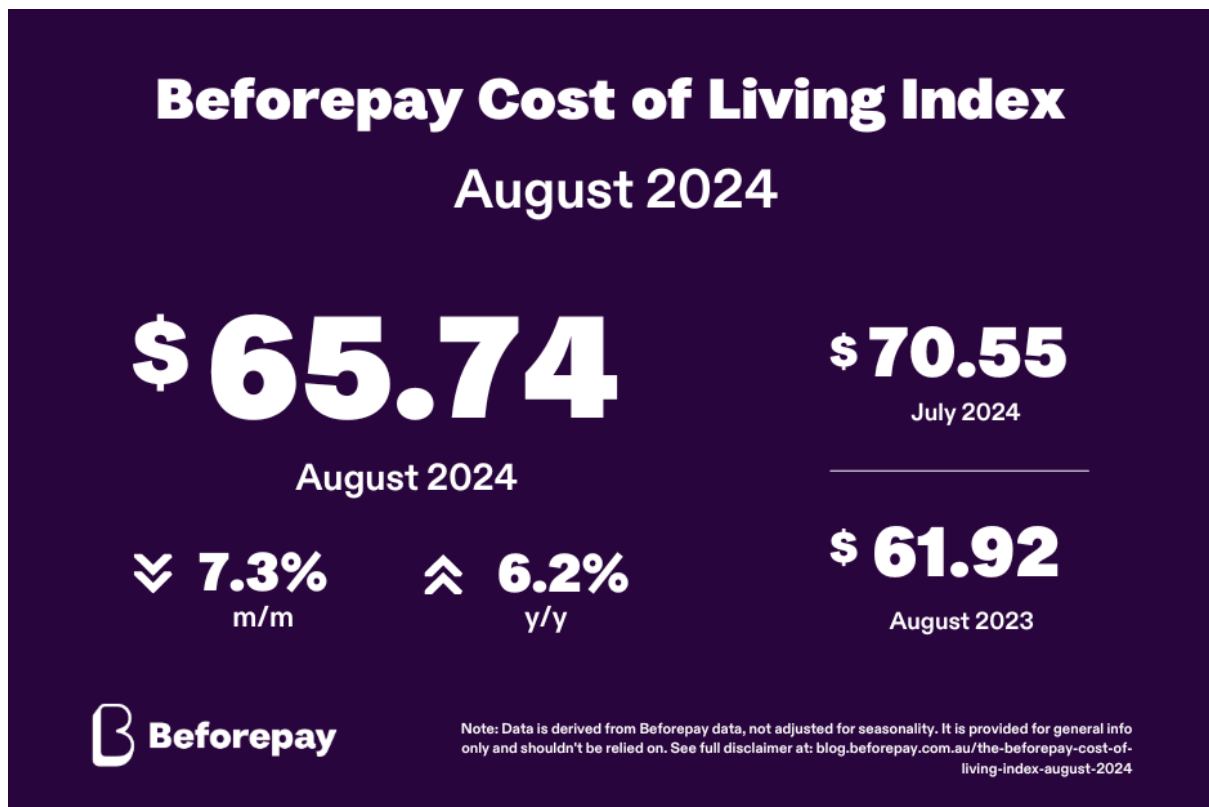


Household spending drops 7.3% in August as mid-year sales boom ends

5 September 2024

Sydney, Australia – Australian consumer spending saw a significant decline in August, with the average daily spend dropping by 7.3% to \$65.74, down from \$70.55 in July, according to the latest Beforepay Cost of Living Index. This decrease reflects a shift back to more conservative spending patterns following the mid-year sales and school holidays, similarly seen over the same period in 2023.

Year-on-year, the Index still shows a 6.2% increase from \$61.92 in August 2023, highlighting that overall spending remains higher compared to the previous year, likely due to ongoing inflationary pressures.



In August, the most substantial reductions were seen in shopping and durable goods. Daily average spend fell by 15.7% for shopping, down to \$8.81 from \$10.19, and 13.1% for durable goods, down to \$7.79 from \$8.81, both of which reflect sharp declines as consumers scaled back discretionary purchases after July's spending surge. Entertainment and leisure spending also fell by 7% to \$4.83 from \$5.17, while fitness and health-related spending dropped by 2% to \$3.02.

In non-discretionary expenses, utilities also saw a notable decrease of 8.1% in August. Daily average spend for the category dropped to \$6.68 from \$7.22, possibly as households adjust usage at the end of winter.

Food and drink expenses were down 5.2% month-on-month to \$11.42, while groceries, which had seen minimal changes in previous months, decreased by 4.6% in August to \$15.12. Petrol and auto expenses, also typically stable, saw a slight decline of 2.4% to \$8.07.

Jamie Twiss, CEO of Beforepay, commented on the August figures: "The decrease in spending we observed this August aligns with typical post-sales behaviour as consumers pull back after mid-year spending peaks. However, the year-on-year increase in the Cost of Living Index highlights the ongoing financial pressures that consumers face. As we move towards the end of the year, it's crucial for Australians to continue monitoring their spending and adjusting their budgets to ensure they remain on track financially."

Beforepay		Cost of Living Index											
		August 2024 Update											
	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	July 2024	August 2024
Cost Of Living Index	\$61.92	\$61.14	\$60.52	\$62.23	\$64.69	\$58.12	\$60.78	\$60.28	\$63.28	\$60.69	\$62.91	\$70.55	\$65.74
Sub Categories													
Groceries	\$15.60	\$15.34	\$15.43	\$15.28	\$15.43	\$15.17	\$15.07	\$14.70	\$15.27	\$14.48	\$14.83	\$15.81	\$15.12
Food & Drink	\$11.65	\$11.24	\$11.12	\$11.07	\$11.32	\$10.53	\$9.90	\$9.89	\$10.65	\$10.14	\$10.93	\$12.01	\$11.42
Petrol & Auto	\$8.09	\$8.30	\$8.18	\$8.41	\$7.95	\$7.53	\$7.68	\$7.57	\$7.75	\$7.48	\$7.55	\$8.26	\$8.07
Shopping	\$7.47	\$7.36	\$7.37	\$8.06	\$10.19	\$6.80	\$7.50	\$7.58	\$8.10	\$7.89	\$8.10	\$10.19	\$8.81
Utilities	\$6.14	\$6.21	\$6.06	\$6.34	\$6.02	\$6.10	\$6.74	\$6.72	\$6.77	\$6.84	\$6.83	\$7.22	\$6.68
Entertainment & Leisure	\$3.28	\$3.35	\$3.29	\$3.29	\$3.56	\$3.19	\$4.38	\$4.34	\$4.64	\$4.27	\$4.44	\$5.17	\$4.83
Durable Shopping	\$7.09	\$6.77	\$6.61	\$7.20	\$7.42	\$6.35	\$6.61	\$6.67	\$7.08	\$6.74	\$7.29	\$8.81	\$7.79
Fitness & Health	\$2.60	\$2.57	\$2.46	\$2.58	\$2.80	\$2.45	\$2.90	\$2.81	\$3.02	\$2.85	\$2.94	\$3.08	\$3.02

Note: Data is derived from Beforepay data, not adjusted for seasonality. It is provided for general info only and shouldn't be relied on. See full disclaimer at blog.beforepay.com.au/the-beforepay-cost-of-living-index-august-2024

The August 2024 Cost of Living Index is based on insights from over 439,000 Beforepay registered users, providing a detailed view of consumer behaviour across key household spending categories.

For more information contact mediaenquiries@beforepay.com.au.

About the Beforepay Cost of Living Index



The Beforepay Cost of Living Index shows the average daily spend of Beforepay registered users across multiple household expense categories. As of March 2024, the average annual individual Beforepay customer gross income was \$65,783 (counting only the main source of income) with a broadly representative geographic and gender breakdown. The data may vary depending on the main bank account linked with Beforepay. To the maximum extent permitted by law, Beforepay and its related bodies corporate, make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this article and do not accept any liability for any loss whatsoever arising from the use of this article or its contents or otherwise arising in connection with it.

For more information about the Cost of Living Index visit the Beforepay website:

<https://blog.beforepay.com.au/tag/cost-of-living-index>

About Beforepay Group

Beforepay Group is an ethical-lending fintech founded in 2019 to create safe and affordable lending products.

Beforepay Group operates two business lines: Carrington Labs, which builds and deploys AI-powered loan-decisioning systems and high-efficiency lending platforms, and Beforepay, the Company's direct-to-consumer business.

Beforepay's flagship pay advance product is a safe and affordable way for customers to access a portion of their pay, on demand, for a single fixed fee to help them through short-term cash-flow challenges.

The Beforepay app also includes free budgeting tools and spending insights.

For more information visit: www.beforepay.com.au