

Gender credit agenda

A new survey confirms some spending stereotypes, writes Karina Barrymore

THE stereotype could be true, women might be the boss of household finances but they still spend more and have more debt than men, according to a new survey.

And despite women being more aware of the dangers of credit card debt they are less willing to do anything about it, continuing to rack up higher credit card balances than men, the survey assessing the impact of new Government credit reforms has found.

In contrast, the men surveyed were not as aware of the recent reforms and safeguards but they were reducing their debt levels anyway.

The research by comparison website creditcard.com.au found a clear gender divide between awareness and taking action, when it came to personal debt levels.

"The survey revealed an unexpected contradiction: women are more aware but less likely to act when it comes to credit issues," creditcard.com.au director Roland Bleyer said yesterday.

"It surprised us because of the contradiction it threw up," he said.

"Generally, we have been observing a trend where more people are trying to pay debts down and from the feedback we get from our customers, it is clear women often take the lead in managing money and debt.

"So it surprised us that men are claiming to be more active in reducing debt levels than women."

The research found six out of 10 people who were aware of the new safeguards were women and that twice as many women than men read the new highlighted warning panel on credit card statements showing the long term interest costs.

"Yet twice as many women admitted to holding a higher level of credit card debt than before the reforms," Mr Bleyer said. "And for every woman paying down her credit card

Reasons for paying off credit card debt faster

“Because my girlfriend is much smarter than I am and suggested it was a good idea

— Male 26-34

“Because the breakdown in the statement frightened me. 19 years to pay off \$2500 at minimum payment!!!

— Female 45-54

“Divorced last year, now on one much lower income. Can't afford to have large debt at my age. I'm going without - so card will be paid off

— Female 55

“My Mum told me if I didn't get my debt sorted, she'd kick me out and I'd have to find a place of my own. OMG!!

— Male 35-44

Reasons for not paying off credit card debt faster

“Because I was stupid and got cash out on the credit card - therefore making the interest costs higher.

— Female 35-44

“I was on maternity leave and have only just got back to work.

— Female 26-34

“My friends say I'm a shopaholic. That's silly but there's some lovely things out there to buy. Maybe my credit card is my best friend.

— Male 26-34.

“Trying to get the mortgage millstone off my shoulders. It's tough. I know I should be getting rid of the credit card millstone too. But well it's tough.

— Male 45-54



Source: creditcard.com.au

Aussie consumers hit the cards hard

THE average Australian credit card debt has increased 2.6 per cent during the past month as consumers continue to spend on credit and increase card limits.

According to the latest statistics from the Reserve Bank of Australia, the average card balance in February was \$3281, up \$83 on January but down \$82 compared with February a year ago.

However, credit card limits have been

gradually increasing during the past year and now stand at an average of \$9140 per card — up 1.4 per cent.

Commonwealth Bank economist Savanah Sebastian yesterday said consumers were starting to use their cards more wisely.

The number of cash advances on credit cards has fallen by 7.5 per cent during the past month and 4.5 per cent compared with a year ago.

debt faster, two men were doing the same.”

Another pointer to women's greater appetite for credit was their reaction to the new reform banning banks and credit providers from offering to increase credit limits unless the customer asks, or opts in to receive increased offers.

About 75 per cent of those people who chose to opt in and receive higher credit offers were women.

The Government reforms, part of the National Consumer Credit Protection Act, came in to force in July last year.

They include a ban on unsolicited offers to increase credit limits, a warning panel on monthly statements showing the true cost of only making minimum payments and more information about interest-free periods.

Payments must also now

be put toward the highest-interest earning debt first and card companies must now notify you if you go over your credit limit and only charge a fee for this if you agree.

According to the Consumer Action Law Centre, credit card providers are still actively looking for ways around the new reforms.

“People won't necessarily notice a lack of unsolicited

credit offers but we're sure many will have noticed their finances, the credit card, paying the bills etc. And perhaps that's also why more women than men are increasing their credit limits,” Ms May said.

And although men “claim” to be repaying their debt at a faster rate, according to the survey, Ms May said this could be because they didn't know what was really going on.

“They might think the credit card is being paid off at a faster rate but that could be because they don't actually make the repayments themselves, they just think that's probably what's happening.

“We have lots of examples of couples where one person doesn't know about the real debt level, it's quite common for one person not to know the true picture. That happens a lot.”

Leighton backs Gregg

CONSTRUCTION giant Leighton Holdings has given finance chief Peter Gregg the additional role of deputy chief executive.

The move hands Mr Gregg responsibility for speeding up change at Leighton's Australian operations.

Mr Gregg will continue to hold his position as chief financial officer and as an executive director of the construction and contract mining firm.

Leighton chief executive Hamish Tyrwhitt said Mr Gregg would focus on improving the structure, operations and financial position

of Leighton's Australian-based contracting subsidiaries: Thiess, Leighton Contractors and John Holland.

“In appointing Peter as deputy chief executive officer, I aim to ensure that the pace of progress accelerates as we rebase the business for sustainable growth in 2014 and beyond,” Mr Tyrwhitt said in a statement.

Mr Tyrwhitt said changed reporting lines for the Australian-based contracting businesses would help quicken the pace of change.

Leighton shares closed 3.9 per cent lower at \$19.52. AAP



Mark Stone

Small business gets big voice

SMALL BUSINESS

Jane Harper

SMALL business is too big to ignore, warns Victoria's peak business lobby group as part of a national campaign to highlight key concerns from the sector.

The Victorian Employers' Chamber of Commerce said topping its reform agenda were employment changes, tax relief, better infrastructure and reducing the burdens of government cost and red-tape.

The call follows the launch

last week of the national *Too Big to Ignore* campaign, which encourages small business owners and employers to collectively make their voices heard.

“Small business faces an increasing regulatory burden, higher operating costs and a suffocating workplace relations system,” VECCI chief executive Mark Stone said.

“It's time for a federal government that will take on board its concerns and do something about them.”

Small businesses employ seven million Australians, accounting for 60 per cent of

the nation's workforce.

There have also been six small business ministers in the last 16 months.

The campaign has gained the support of small business minister Gary Gray and shadow minister Bruce Billson.

But Australian Chamber of Commerce and Industry chief executive Peter Anderson said campaigners would be “actively testing the real commitment political parties and candidates make.”

“While we appreciate their support, words are not enough,” Mr Anderson said.