

20 May 2008

Media release

For comment, please contact

Josh Fear (02) 6162 4140 0403 424 866 (mob)

Australians overwhelmed by financial choices

Almost one in two Australians believe that financial investments and superannuation are too complicated to understand properly, according to a report from the Australia Institute launched in Melbourne today by Nick Sherry, the Minister for Superannuation.

A similar proportion regard mobile phone contracts and private health insurance as too complicated.

The findings are found in a new Discussion Paper, *Choice Overload: Australians Coping with Financial Decisions*, by Institute Research Fellow Josh Fear.

The research also revealed that many Australians, particularly older people and those on lower incomes, are uneasy about the increasing complexity of financial decision-making.

“In the realm of personal finances, people are often presented with choices that they would prefer not to make, or would prefer someone else to make on their behalf,” said Mr Fear.

“If you are confused about a financial concept, or struggle to make sense of a financial document, you shouldn’t blame yourself. You are not alone.”

The report recommends that governments should:

- provide consumers with simple, independent information to compare superannuation and investment products;
- make financial advice more widely available to people who do not wish to use a commercial financial adviser;
- invest in basic literacy and numeracy; and
- focus on the needs of groups who tend to struggle with financial decisions, such as women, people with lower levels of education and Indigenous people.

The launch will take place at the Consumer Action Law Centre (Level 7, 459 Lt Collins St, Melbourne) at 10am, Tuesday 20th May.

The paper can be read on the Institute’s website — www.tai.org.au