

Tuesday, 10 May 2022

Consumer Confidence plunges for Australians with a mortgage – before and after RBA increases interest rates

ANZ-Roy Morgan Consumer Confidence has fallen 6pts (-6.2%) to 90.5 over the last two weeks during the period in which began with the [ABS releasing a higher-than-expected CPI of 5.1% for the year to March 2022](#). Following the higher-than-expected inflation reading the RBA increased interest rates by 0.25% points to 0.35% last week - the first increase to official interest rates for over a decade.

A close look at Consumer Confidence analysed by home ownership status reveals a stark difference between the reactions of Australians who are currently paying off their home, those people who own their home outright and those people who are currently renting, over the last two weeks.

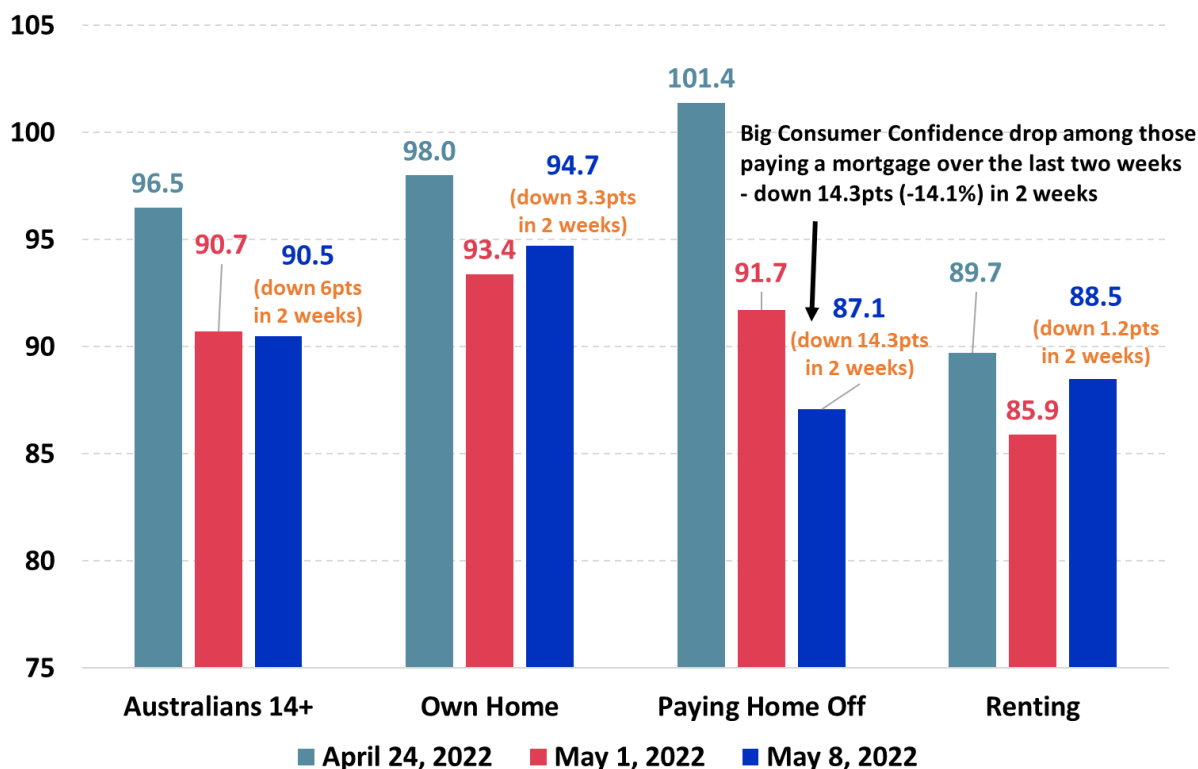
The people most impacted by interest rate movements are the (approximately) 30% of the population with a mortgage – a key voting block in Sydney, Melbourne and other cities around Australia.

They did not want to see interest rates increase last week – and the latest ANZ-Roy Morgan Consumer Confidence figures show this comprehensively.

Consumer Confidence among those currently paying off their homes has plunged 14.1pts (-14.3%) from two weeks ago to 87.1 – now the lowest of all three groups.

In comparison, Consumer Confidence for those who own their own home is down 3.3pts (-3.4%) to 94.7 while the Consumer Confidence of those who are renting is down only 1.2pts (-1.3%) to 88.5.

ANZ-Roy Morgan Consumer Confidence by Housing Status (April 24, May 1 & May 8, 2022)



Source: Roy Morgan Single Source Australia, April 24, 2022: n=1,486, May 1, 2022: n=1,521, May 8, 2022: n=1,498.
Base: Australians 14+.

Roy Morgan CEO Michele Levine says the plunge in Consumer Confidence for those Australians with a mortgage over the last two weeks shows the ‘sensitivity’ of this group to changes in the official interest rates – and this spells trouble for the Morrison Government:

“As we can see – the biggest plunge in Consumer Confidence over the last two weeks, before and after the RBA’s decision to raise interest rates, was among those Australians paying off their mortgage – their Consumer Confidence dropped by over 14pts!

“The declines for those who already own their home and for renters were much less. For those who already own their home Consumer Confidence was down by only 3.3pts over the last two weeks and for renters it was down by only 1.2pts.

“This key voting block who are paying off their mortgage, which includes a lot of younger families in key seats around Australia in the so-called ‘mortgage belt’, has been a key demographic for the Coalition in many marginal seats over the last few years.

“This significant hit to the confidence of a third of Australians on the eve of the Federal Election look set to be the final ‘knockout blow’ to the Coalition that is likely to result in the election of the [Anthony Albanese-led ALP to Government at next week’s Election](#).

“The last time the RBA raised interest rates during a Federal Election campaign was in November 2007. At the Federal Election later that same month the L-NP Government of John Howard lost office after over a decade in power.”

For comments or more information about Roy Morgan’s Consumer Confidence data please contact:

Roy Morgan Enquiries
Office: +61 (3) 9224 5309
askroymorgan@roymorgan.com

[Click here](#) to purchase the ANZ-Roy Morgan Consumer Confidence Detailed Report in Australia.

The latest ANZ-Roy Morgan Consumer Confidence Monthly Report is available on the [Roy Morgan Online Store](#). It provides demographic breakdowns for Age, Sex, State, Region (Capital Cities/ Country), Generations, Lifecycle, Socio-Economic Scale, Work Status, Occupation, Home Ownership, Voting Intention, Roy Morgan Value Segments and more.

About Roy Morgan

Roy Morgan is Australia’s largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 80 years’ experience collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2