Young Australians' financial stress and financial support from parents

Insights from *Growing up in Australia*, the Longitudinal Study of Australian Children*

Spotlight series | August 2026

***Growing Up in Australia:* The Longitudinal Study of Australian Children (LSAC)** is an ongoing study that follows the lives of children and their families from all over Australia. In 2004, around 5,000 0–1 year olds (B cohort) and 5,000 4–5 year olds (K cohort) and their families were recruited and have been surveyed every 2 years since.

This research is based on Wave 10 self-reported data collected in 2023–24, at which time the B cohort was aged 19–20 years and the K cohort 23–24 years. Information on the study design, questionnaires, statistical considerations, data files and other data resources are available via the LSAC Data user guide.

What young Australians are experiencing financially

As young Australians move through early adulthood, many are taking on greater financial responsibility while facing rising living costs, insecure work and housing pressures.[1] Everyday expenses, education costs and debt repayments are shaping major life choices about study, work, health and independence.[2] These issues affect a substantial number of young adults at a critical life stage – when they are laying down financial foundations.

Navigating financial independence amid early adulthood pressures

Public narratives often frame early adulthood as a period of growing financial independence. However, the LSAC Wave 10 data suggest that this phase of life can be difficult for many young people, particularly when education, workforce entry and housing costs overlap.

- For young people in both age groups (19–20 and 23–24 years), greater financial independence comes with higher debt exposure and financial stress as many balance competing demands such as funding education, establishing themselves in the workforce and meeting housing costs.
- Many young people are navigating these increasing financial obligations without adequate financial supports.

These findings suggest that many young people may benefit from better support across education, work and housing transitions, particularly where they are managing debt, meeting everyday costs and establishing financial independence without reliable family financial support.

Non-property debt and debt stress

Not all debt is the same. Young people may hold non-property debt for various reasons, including financing education, purchasing a vehicle or covering everyday expenses. Study loans are generally considered an investment in future qualifications and are repaid according to income, whereas credit card debt and other consumer borrowing may create more immediate financial pressures.

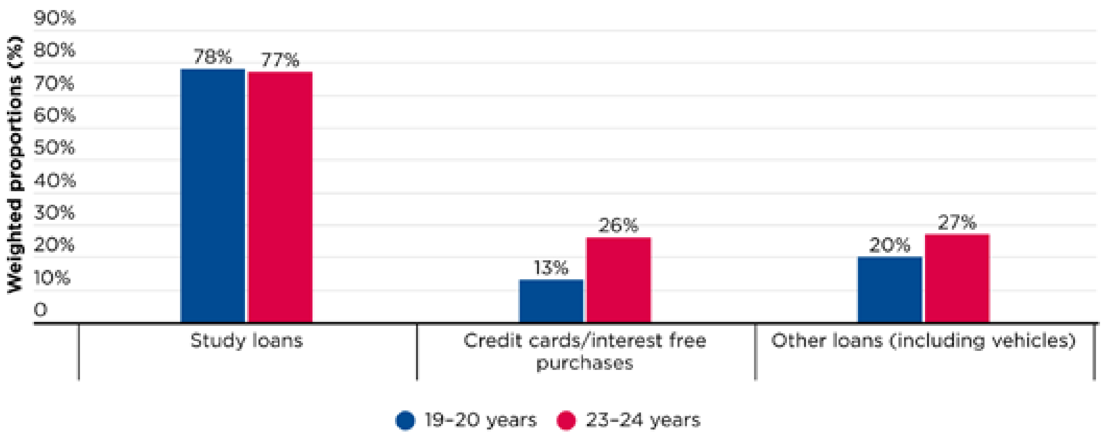
The findings suggest that debt, particularly from education, is a common part of the transition to adulthood and, for some young people, can be a source of financial stress and concern:

1 Walsh, L., Huynh, T. B., & Deng, Z. (2025). *2025 Australian youth barometer*. Monash Centre for Youth Policy and Education Practice (CYPEP), Monash University. doi.org/10.26180/30184270.v2.

2 Atalay, K., Silva-Goncalves, J., Stevens, K., & Whelan, S. (2022). *Housing and the transition into adulthood: Australian evidence*. (Life Course Centre Working Paper 2022-16). Life Course Centre.

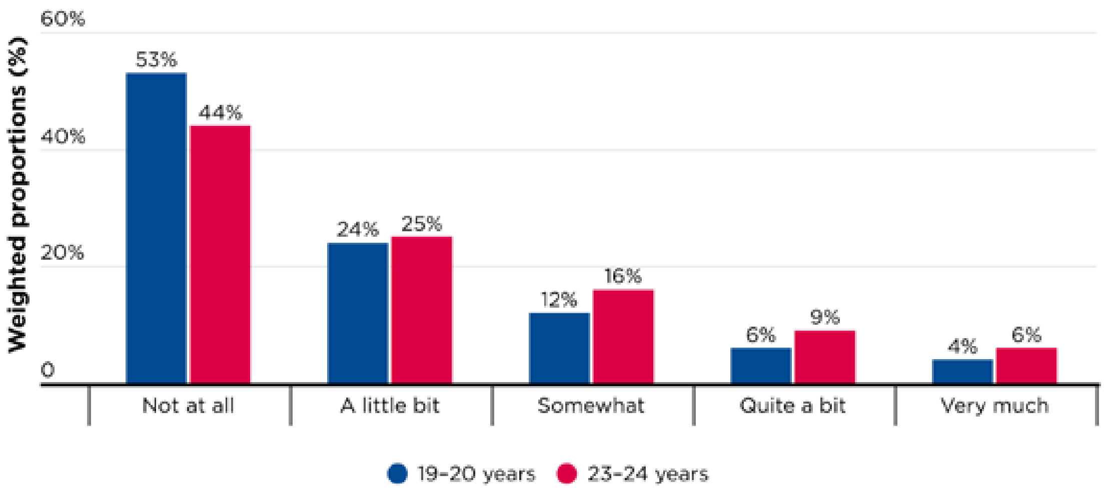
- Debt becomes more common as young people age, with almost two-thirds of 23–24 year olds reporting non-property debt, compared with just over half of 19–20 year olds (63% vs 53%).
- Education is the main source of debt for many young people, with around two-thirds of those holding non-property debt reporting study-related loans (Figure 1a).
- Debt is not always experienced as manageable. Around half of young people with non-property debt reported experiencing some level of debt stress (Figure 1b).
- For a smaller group, debt was a significant concern, with 10% of 19–20 year olds and 15% of 23–24 year olds reporting that they were ‘quite a bit’ or ‘very much’ worried about their debt.

Figure 1a: Type of debt among young people with any non-property related debt aged 19–20 and 23–24 years in 2023–24



Notes: 19–20 years (*n* = 1,389) and 23–24 years (*n* = 1,519)
Source: LSAC Wave 10

Figure 1b: Prevalence of debt stress among young people aged 19–20 and 23–24 years in 2023–24



Notes: 19–20 years (*n* = 1,389) and 23–24 years (*n* = 1,519)
Source: LSAC Wave 10

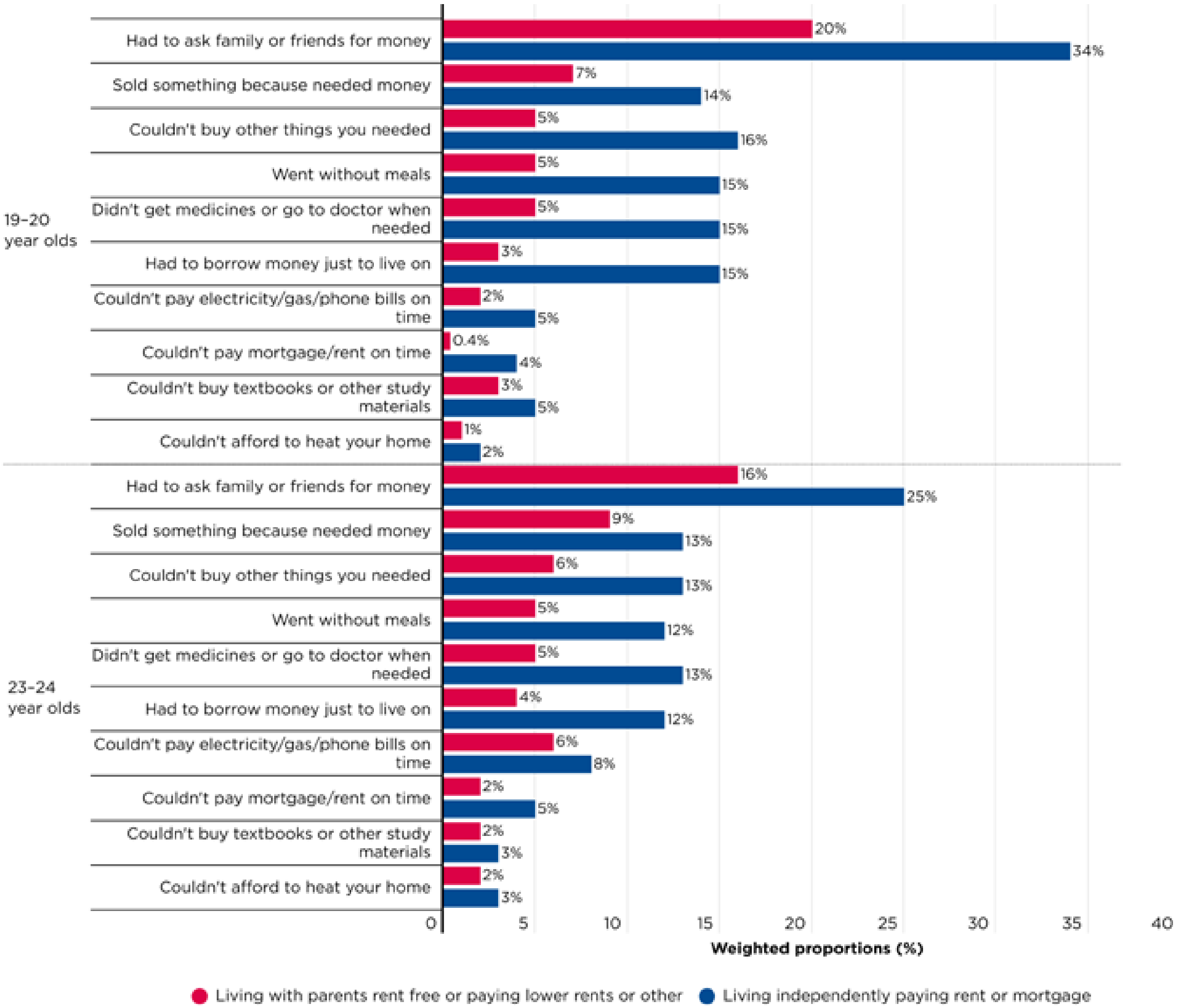
Almost one-third experience financial hardship, with some groups more at risk

Financial hardship was common, with around 3 in 10 young people (29%) in both age groups experiencing at least one form of hardship in the past year. For a notable minority, this was not an isolated experience.

- Two or more forms of hardship were experienced by 13% of those aged 19–20 years and 17% of those aged 23–24 years.
- Financial hardship often involved going without necessities (e.g. meals), seeking help from family or friends, or selling possessions.
- Young people living independently (away from parents and paying rent or a mortgage) reported substantially higher levels of financial hardship across most indicators, particularly needing financial help and going without essentials such as meals and health care (Figure 2).
- Financial hardship was more common among some groups of young people than others. Across both age groups (19–20 and 23–24 years):
  - Around **one-third of young women** experienced financial hardship, compared with around **one-quarter of young men**. These gender differences may be linked to broader employment patterns. LSAC education and employment spotlight findings show that young men are more likely than young women to work longer full-time hours, which may contribute to differences in income and financial security during early adulthood.
  - Financial hardship was particularly high among **young non-binary, gender diverse or questioning people** (45% at age 19–20 and 69% at age 23–24).
  - **Young people with disability or a long-term medical condition** were substantially more likely to experience financial hardship than those without (41%–45% compared with 26%–27%).
  - At **age 23–24**, young people who spoke **English as the main language at home** were more likely to experience financial hardship than those who spoke another language at home (29% vs 18%).

Together, these findings suggest that financial hardship is a common experience in early adulthood, with higher levels reported by young people living independently, young women and young gender diverse people and young people with disability or long-term medical conditions.

Figure 2: Forms of financial hardships experienced in past 12 months by living arrangements, among young people aged 19–20 and 23–24 years, in 2023–24



Notes: 19–20 years (n = 2,268) and 23–24 years (n = 2,083). 'Other' includes 'Living away from parents and occupied rent free' and 'None of these'.

Source: LSAC Wave 10

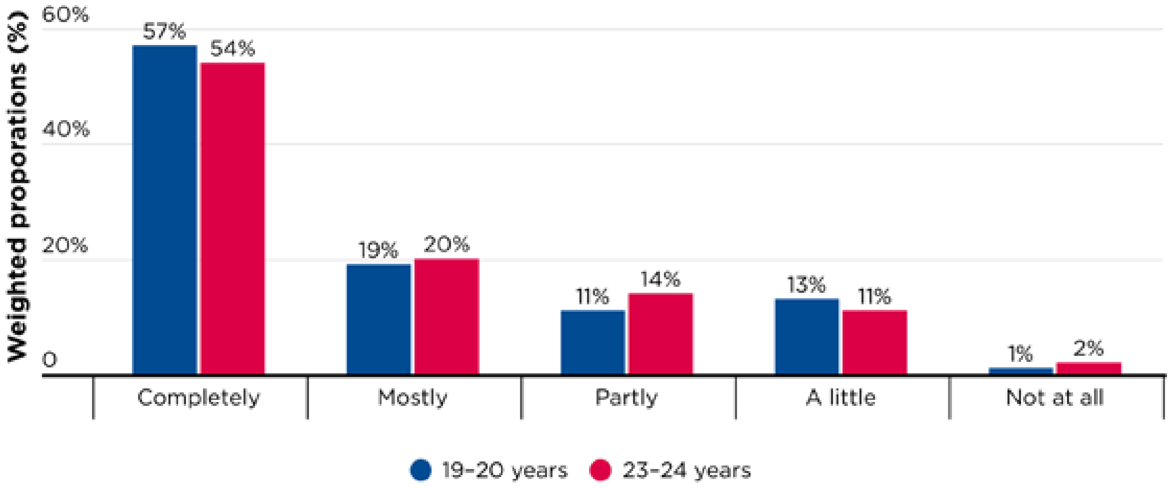
Parents remain a key source of support but not for everyone

The findings also show that parental financial support remains important into early adulthood:

- Around half of young people in both age groups reported needing financial assistance from parents in the previous year.
- In most cases, parents were able to meet these needs completely or mostly (Figure 3).

While parental support can help young people navigate short-term financial pressures, it also highlights inequalities in access to informal support. Young people without access to these supports may be more exposed to financial stress during the transition to adulthood.

Figure 3: Percentage of parents who meet the needs of young people aged 19–20 and 23–24 years by providing financial assistance



Notes: 19–20 years (*n* = 1,982) and 23–24 years (*n* = 1,763)
Source: LSAC Wave 10

What this tells us

These findings highlight the financial trade-offs many young people face as they invest in education, establish themselves in the workforce and take on the costs of independent living.

- **Financial pressures intensify in early adulthood:** Transition to early adulthood is characterised by growing financial pressures. For some young people, debt, income constraints and rising costs may combine to increase the risk of financial hardship.
- **Living independently amplifies these financial pressures:** Young people living away from their parents are more likely to experience financial hardship, suggesting that the costs of establishing an independent household, particularly for those with no alternative, can place considerable strain on already stretched budgets.
- **Parental support matters but is uneven:** Many young people rely on informal safety nets, particularly financial support from parents, to deal with financial pressures. However, not all young people have access to this support.

Overall, the findings suggest that early adulthood is a period of increasing financial responsibility and financial pressure, with access to family support playing an important role in shaping how young people experience these challenges.

Why this matters

- The findings suggest that financial pressures in early adulthood are affecting day-to-day wellbeing and may have longer-term implications for young people's opportunities and life choices. Differences between young people with access to family financial support and those without may contribute to unequal experiences of financial stress and financial security.
- Financial pressures may influence decisions about education, health care and independent living, with potential implications for future wellbeing, workforce participation and economic security.
- The resources available to manage these pressures are not evenly distributed. As a result, some young people may face greater barriers to achieving financial security and may be more exposed to longer-term risks.

Considerations for policy

The LSAC findings highlight the importance of policy settings that:

- recognise that financial independence is not a simple or evenly experienced transition for many young people and account for the cumulative effects of debt, income constraints, housing costs and broader cost-of-living pressures
- consider whether education, income support, housing and health systems adequately support young people who cannot rely on informal family financial support.

The findings invite consideration of how existing education, income, housing, health and cost-of-living policies interact to shape young Australians' financial security, and how they can better support young people who are building financial independence without access to family resources.

Potential next steps with LSAC data

This study examined young people's financial stress and parental financial supports using Wave 10 data. However, many related and important questions could be investigated with current and future waves of LSAC, including:

- How does receiving financial support from parents at ages 19–20 and 23–24 shape later outcomes in labour force participation, financial wellbeing and mental health?
- How does financial stress in early adulthood affect later health care use and social participation?
- What are the intergenerational factors that shape young people's financial wellbeing?
- Does receiving government support help young people mitigate financial stress?

Acknowledgements

Authors: Dr Neha Swami, Simone Redman-Jones, Dr Hung Pham, Catherine Andersson, Dr Monsurul Hoq.

This report benefited from contributions from Dr Sean Martin, Dr Kristen Power, Dr Ebony Biden and Kirsten Campbell, AIFS.

This research would not have been possible without the invaluable contributions of the *Growing Up in Australia* young people and their families.

The study is a partnership between the Department of Social Services, the Australian Institute of Family Studies and Roy Morgan Research (Waves 1–9 were collected by the Australian Bureau of Statistics) and is advised by a consortium of leading Australian academics.

The Australian Institute of Family Studies acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands and waters. We pay our respects to Aboriginal and Torres Strait Island cultures, and to Elders past and present.

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