



FINANCIAL PLANNING
ASSOCIATION of AUSTRALIA

Gifts THAT Give



Research Into Australian Gift-Giving

CEO WELCOME

Australia is a generous nation

I don't know anyone who doesn't love getting gifts. This year's Financial Planning Week national research into our gift-giving habits and preferences reveals some truly fascinating insights into how we think, buy, plan and spend our money on those we love the most.

It made me smile to see 85% of us find more joy giving gifts to others than in receiving gifts. And we are so generous. We spend big, you might be surprised at just how much. Let's just say it's more than most of us spend on mobile phone plans.

Naturally, it bothers me the research also shows most of our generosity is *unplanned*.

There's literally billions of dollars of household spend that is simply not budgeted for by 3 in 4 Australians across genders, generations, and geographies. That's an obvious opportunity to increase our nation's financial literacy and awareness of the benefits of budgeting, planning, and giving in a way that brings joy without debt or regret.

That said, I was deeply encouraged by one outstanding fact from the research: four in five young Australians would like to receive the gift of seeing a financial planner. Specifically 81% of Gen Z and 76% of Gen Y said they'd value the gift of time with a financial planner who could create a plan to help achieve their life goals and provide peace of mind that their finances are in order.

That fact combined with the strong trend toward giving cash or gift cards inspired us to create a really practical gift for someone you love: a Gift Voucher to see a professional financial planner is now available from moneyandlife.com.au. We hope it comes in handy for those of us keen to give more gifts of lasting value.

Thanks to all of our 14,000+ FPA members who give that gift to their clients, every day. After all, what could be a more precious gift than peace of mind?

Keep giving, responsibly,



Dante De Gori CFP®

CEO

Financial Planning Association of Australia (FPA)

[#giftsthatgive](https://www.instagram.com/giftsthatgive)





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GENEROUS AUSTRALIA

Almost \$20 billion spent on gifts each year

Australia is a generous nation. We love to give gifts. It brings us joy.

When we spend, we go big: \$19.8 billion AUD is spent on gifts by Australians each year, or an average of \$100 each month (\$1,200 per year).

That's more than buying a \$4 coffee every weekday, getting our shirts dry cleaned daily, or what we spend, on average, on mobile phone plans.

Gen Y spend more on gifts than any other generation: \$130 each month (\$1,560 per year).

Here's what the average Australian adult spends on gifts for loved ones each year:

- **\$437** for our spouse or **partner**,
- **\$361** for each of our **children**,
- **\$201** per **parent**, and
- **\$115** for our **pet**.

Women are more generous towards their spouses or partners than men (\$454/year compared to \$419/year), but men are spending \$22 more per month on gifts than women in general.

Younger adults spend more than older adults (see table).

	Gen Z (18-24)	Gen Y (25-39)	Gen X (40-54)	Boomers (55-73)
Average gift spend per month	\$91	\$130	\$87	\$89

We find joy in giving

Experts in psychology generally agree that the altruistic act of giving has neural and emotional benefits. These range from elevated activity in regions of the brain associated with pleasure, social connection, and trust, all the way through to lowering blood pressure and stress levels.

So it's a good thing most of us find joy in giving. **Most Australians (85%) say they get more joy *giving* gifts to others than in *receiving* gifts themselves.**

Females find particular joy in giving (88% find greater joy in giving than receiving, compared to 83% of males).

Older Australians gain the greatest joy: 90% of Baby Boomers say they get more joy in giving than receiving, as do 84% of Gen X, 84% of Gen Y and 78% of Gen Z.

¹ Assuming drycleaning fee of \$15 for five shirts, 52 weeks per year. Australians spend an average of \$77/month on mobile phone plans, according to Canstar Blue research.

Gifts for pets

74% of Australian pet owners buy gifts for their pet.

Those who do spend an average of \$115/year on gifts for their pet. Pushing the average higher are Gen Ys who spend \$121/year and Gen X who spend \$142/year.



Generous to a fault

73% OF AUSTRALIANS DON'T BUDGET FOR GIFTS

Disturbingly, a significant proportion of the \$19.8 billion spent on gifts each year in Australia is not accounted for in household budgets.

In fact, three in four of us (73%) do not have a budget allocation for gifts. Men are less likely than women to allocate a budget towards gift-giving (24% men cf. 31% women).

Those least likely to budget for gifts are older families, couples and older singles, of whom 79% don't have a budget allocation for gifts.

Surprisingly, the vast majority of us are happy with the amount we spend on gifts. Just one in eight of us (13%) feel we spend too much on gifts, while most of us (81%) feel we spend about the right amount.

The discrepancy between a high unplanned household spend and a satisfaction with that spend indicates an opportunity to improve our financial literacy and awareness of the benefits of budgeting, planning, and giving in a way that brings joy without debt or regret.

How do we decide how much to spend?

If we don't budget or plan for gifts, how do we decide how much to spend?

The top three decision-drivers that inform how much we choose to spend on a gift are:

1. How close we are to the recipient (59% selected this)
2. How special the occasion is (58%); and
3. Our budget at the time (55%).

GIFT GUIDE: WEDDINGS, CHRISTMAS & KIDS

How much do we spend on gifts for significant occasions?

Average dollar value spent on a gift for a 'significant' occasion of this type.	Wedding	Adult's birthday	Christmas	Child's birthday (not own)	Teen's birthday (not own)
All	\$137	\$66	\$93	\$50	\$66
Women	\$130	\$62	\$84	\$49	\$63
Men	\$144	\$70	\$102	\$50	\$68

Weddings: Australia's biggest gift-giving occasion

We spend, on average, \$137 on a wedding gift – twice the amount we spend on a significant adult birthday for a friend or family member. Two in five of us (44%) normally give cash or gift cards for a wedding, rather than purchase a tangible gift.

The top two gift types normally given for weddings are identical across all generations:

- Cash and gift cards (44%)
- Home and garden gifts (26%)

Brides and grooms say they prefer cash and gift cards above any other type of gifts (36% desire cash or gift cards). This preference is reflected in the rising popularity of “Wishing Wells” at modern weddings where a box or similar receptacle is provided for guests to place envelopes with cash or gift cards.

Children: Families with kids give the most

Parents are generous to their own children and other children. Over the course of a year parents spend \$361 on gifts for each of their own children. When invited to birthday parties, they spend about \$50 on a significant birthday for a child other than their own aged 0-12, and \$66 on a significant birthday for a teenager.

Families with young children purchase the greatest number of gifts, understandably given the social network of children created through school and extra-curricular activities. Two in five (44%) buy one or more gifts each month. Not only do they buy the greatest number of gifts, families with young children also spend the greatest amount on gifts in general at \$123 per month, compared to the national average of \$100, and \$88 on a significant teen birthday.

Christmas: Cash for all seasons

Australians spend an average of \$93 on a significant Christmas gift. Those with young families spend even more, averaging \$117 on a significant Christmas gift.

The top three types of gifts given for Christmas are:



Cash or gift cards (31%)



Food and alcohol (14%)



Tech and gadgets (12%)

Gen Z are the only generation that gives fashion and jewellery as their go-to Christmas gift and are least likely to give cash or gift cards.

For more information, practical tips and insights about gifts for weddings, Christmas and children's parties, go to

www.moneyandlife.com.au

and download the new FPA **Goodness of Giving** ebook.



PRACTICAL AUSTRALIA

Cash or gift cards most popular

Cash and gift cards are Australia's new go-to gifts. We much prefer to give cash or gift cards for weddings, adult birthdays, Christmas, and teen birthdays. The only occasion for which we prefer giving tangible gifts (above cash or gift cards) are children's birthdays, for which toys are our gift of choice.

Baby Boomers most prefer giving cash. More than half (53%) normally give cash² for weddings, 41% normally give cash at Christmas, 38% prefer to give cash for adult birthdays, 45% prefer to give cash for a teen birthday, and 21% normally give cash for a child's birthday.

We like to give and receive cash

We not only prefer to give cash; we also prefer the convenience and usefulness of receiving cash or gift cards. We are more likely to desire cash and gift cards for a wedding, birthday, or Christmas than any other category of gift.

Parents report their children are also strongly cash or gift card focused. While parents state their children's top preferences for birthdays would be in the form of toys (53%, among children 0-12) or technology and gadgets (36%, among teens 13-18), cash is the second.

We prefer getting practical gifts to personal ones

We love to give cash but many of us still value more sentimental gifting of something personal and unique. Half of us (48%) prefer to give personal gifts that are unique and the other half of us (52%) prefer to give practical gifts that are useful.

In contrast, many Australians are utilitarian, functional, and pragmatic. Two thirds (65%) of us prefer to receive useful, practical gifts above unique, personal ones. This is particularly true of men (74% prefer practical gifts), but also true for more than half of women (56% prefer practical gifts).

Are the personal gifts we give well received?

Perhaps not as often as we like to think. Just a third of gift recipients (35%) prefer to receive personal and unique gifts over practical, useful ones.



² Statements in this report about preferences to give "cash" includes gift vouchers or gift cards.

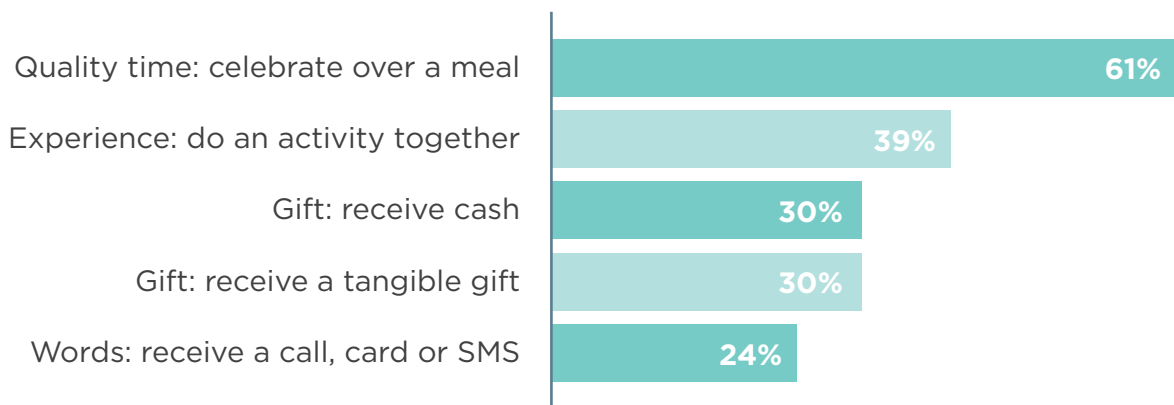
Time is a precious gift

Intangible gifts are often the most practical gifts to share and receive. Spending time with others is one of our most sought-after gifts.

Given the choice, 61% of us prefer others celebrate our birthdays by spending quality time with us. We next want an experience together (39%) before wanting a tangible gift or cash gift (30%).

TOP WAYS WE WOULD LIKE TO BE CELEBRATED ON A SPECIAL BIRTHDAY

% who selected this in their Top 2 preferences



Intangible gifts are particularly important for Gen Z. They are the only generation of whom more than half say that receiving an intangible gift such as time, an experience, or learning a new skill has had a more significant impact on shaping their life than a physical, tangible gift (53% choose 'intangible' over 'tangible', compared to just 27% of Baby Boomers).



RESOURCEFUL AUSTRALIA

Re-gifting is the new normal

Many Australians are finding joy in decluttering and turning to a lifestyle of minimalism. Our purpose is to become more intentional in how we relate to our belongings.

This conscientiousness is impacting how we give gifts. Re-gifting, the practice of giving an unwanted gift to another person or for another occasion, is becoming more common.

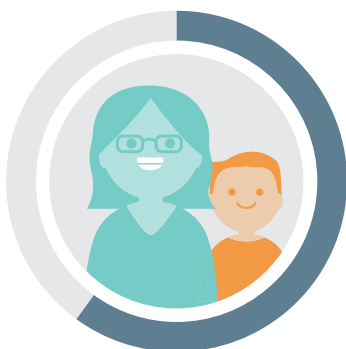
Re-gifting is increasingly perceived as a strategy to reduce waste and lengthen an item's lifespan. Two in five of us (41%) have re-gifted a gift to another person or for another occasion.

TWO IN FIVE AUSTRALIANS (41%) HAVE RE-GIFTED A GIFT TO ANOTHER PERSON OR FOR ANOTHER OCCASION

Gen Y is the re-gifting generation. 54% of Gen Y admit to re-gifting (compared to 44% of Gen X, 37% of Gen Z and 32% of Baby Boomers).

Young families are Australia's most serial re-gifters. Three in five families with young children aged 0-12 (60%) have re-gifted.

AUSTRALIA'S SERIAL RE-GIFTERS ARE:



**Young families
(60%)**



**Gen Y
(54%)**



**Women
(48%)**

Do Australians know they've likely been the recipients of a re-gifted item? A third (32%) 'definitely' believe they've received a re-gifted item. Half (48%) are not sure. Just one in five (20%) believe they have never received a re-gifted gift.



HOW DO AUSTRALIANS PLAN THEIR GIFT-GIVING?

Some do

Bulk buying multiple gifts in advance that are not intended for a specific occasion is a growing trend among Australians of all generations: one in three of us buy gifts this way.

Bulk buying gifts is one way to save both time and money in gift-giving.

- Females are more likely to buy a batch of gifts in advance than males (31% cf. 24%).
- Younger generations are more likely to do so than the older. 37% of Gen Z and 35% of Gen Y batch buy gifts compared to just 28% of Gen X and 19% of Baby Boomers.
- Bulk buying is well suited to the busyness of family life. It is hugely popular among families (44% of families with children aged 0-12 batch buy, as do 40% of those with children aged 13-18).

Some don't

Over a third of us (36%) buy a gift with little or no time to spare, within the week, days, or 24 hours of an occasion.

Gifts are increasingly purchased on the fly. Just 14% of Gen Y and 16% of Gen Z purchase gifts months in advance, compared to 19% of Gen X and 23% of Baby Boomers.

A rushed lifestyle with little gift preparation time is especially common among young couples and singles. Two in five young couples and singles (41%) buy their gifts within the week, days, or 24 hours of an occasion.

COLLABORATIVE AUSTRALIA

Group giving is very common

Going in together on gifts as a group, be it colleagues, friends or family, is a strong trend. Nearly three quarters (73%) of us participate in group gift-giving, and we play different roles in the process:

EVERYONE PLAYS A PART IN GROUP GIFTS

We asked: What contribution comes most naturally to you when buying a gift as part of a group? You said:



Group giving is particularly popular among the younger generations. Four in five Gen Zs and Gen Ys (80%; 81%, respectively) participate in group giving, compared to only three in five Baby Boomers (62%).

Women are more likely to participate in group gift-giving than men (77%, cf. 69%).

THREE QUARTERS

(73%) OF AUSTRALIANS PARTICIPATE
IN GROUP GIFT-GIVING



Younger generations prefer to share ideas (31% Gen Z and 25% Gen Y) and more naturally involve themselves in non-material ways (such as buying the gift, wrapping it, or writing the card).

Older generations have a stronger inclination to simply give cash and leave the rest to someone else (43% Baby Boomers and 34% Gen X, compared to 21% Gen Y).

GEN Y: THE NATION'S BIGGEST GIFT-GIVERS

Gen Y are by far Australia's biggest spenders on gifts. They also plan the best.

Gen Y spend more on gifts than any other generation: \$130 each month which equates to \$1,560 per year.

Two in five (38%) buy at least one gift every month (cf. 31% Gen Z, 23% Gen X and just 16% of Baby Boomers).

They not only buy the most gifts but also have a greater tendency to re-gift which is a growing trend in Australia. More than half (54%) of Gen Y admit to re-gifting (cf. 44% of Gen X, 37% of Gen Z and 32% of Baby Boomers).

Gen Ys are generous towards both people and pets. Nearly nine in ten (86%) pet owners give gifts to their pets (cf. 61% of Baby Boomers). More than a third (34%) give gifts to their pets at least once per

month or more (cf. 28% of Gen X and just 13% of Baby Boomer pet owners).

They intend to budget well but often struggle to follow through.

Gen Y can be commended for being the most likely generation to have a budget that includes an allocation for gifts (35% cf. 31% of Gen Z, 24% Gen X and 23% Baby Boomers).

However, when they choose a gift, they are the least likely to decide how much to spend based on their budget at the time (49% cf. 52% of Gen Z, 59% of Gen X and 60% of Baby Boomers).

As such, Gen Y are conflicted. Despite their planning, they are the most likely to spend more than they intend on gifts (19% cf. 16% of Gen Z, 11% of Baby Boomers and 9% of Gen X).



FUTURE-MINDED AUSTRALIA

Conscientious legacy gifts

There is a growing conscientiousness in Australia's gift-giving psyche. We want to buy gifts in a way that is convenient, but want them to be enjoyed for longer.

We are both motivated to give a gift that a recipient finds useful in the short-term, and mindful about how long a gift will last.

More than four in five Australians who regularly give gifts (81%) think about how

long a gift will last when they choose a gift. They would like to give gifts that last longer than the ones they have given in the past.

This is even stronger among the younger generations.

Almost nine in ten Gen Z (88%) and Gen Y (88%) would like to give gifts that last longer than the ones they have given in the past.

81% OF AUSTRALIANS THINK ABOUT HOW LONG A GIFT WILL LAST WHEN THEY CHOOSE IT

81% WOULD LIKE TO GIVE GIFTS THAT LAST LONGER THAN THE ONES THEY HAVE GIVEN IN THE PAST

Gift for the future: a financial plan

The propensity for the younger generation to want to give gifts that last is mirrored in their preferences for gifts they like to receive as well: Gen Z and Gen Y are particularly interested in receiving the gift of time with a financial planner.

A financial plan is a gift that leaves a legacy. It's a gift that keeps on giving well beyond the occasion, allowing recipients to sleep well at night, knowing their finances are in order, debts are being managed, and they have a path forward to achieving their money and life goals.

Three in five Australians (57%) would like to receive the gift of time with a financial planner who could create a plan for achieving their money and life goals, and

provide peace of mind that their finances are in order.

The preference jumps notably higher with younger Australians who are increasingly aware of the challenges and complexity of managing their finances well.

Four in five Australians aged 18-39 would like to receive the gift of time with a financial planner: 81% of Gen Z and 76% of Gen Y.

These generations are already modelling positive financial behaviour to others: two thirds of them (64% Gen Z; 67% Gen Y) say they have a budget to manage their finances (compared to 53% of Gen X and 46% of Baby Boomers).

81% of Gen Z

AND

76% of Gen Y

would like to receive the gift
of time with a

.....
financial planner
.....

who could create a plan to help them
achieve their life goals and provide peace
of mind their finances are in order.

AUSTRALIA'S FOUR GIFT-GIVING PERSONALITIES

There are four distinct Gift-Giver Personalities represented across generations, genders and geographies in Australia. The FPA created a [Gift-Giver Personality Quiz](#) to help people identify their own gift-giving preferences, and those of others within their social networks.



HEARTFELT GIVERS

- Spend \$103/per month on gifts
- Least likely to bulk buy gifts (29%)
- More likely to be female (57%)
- Most likely to value the gift of seeing a financial planner (64%)



PRACTICAL GIVERS

- Spend \$104/month on gifts
- Most likely to budget for gifts (40%)
- Highly value the gift of seeing a financial planner (60%)
- Most likely to be older (66% are Gen X or Baby Boomer)



IMPULSIVE GIVERS

- Spend the most on gifts at \$112/month
- More likely to be female (61%)
- Least likely to budget for gifts (24%)
- Highly likely to value the gift of seeing a financial planner (61%)



SIMPLE GIVERS

- Spend the least on gifts at \$85/month
- Least likely to value the gift of seeing a financial planner (53%)
- Unlikely to budget for gifts (25%)
- Prefer to give cash or an easy gift such as wine or chocolate

Give personal gifts



Buy spontaneously

Buy deliberately

Give functional gifts

The **FPA Gift-Giver Personality Quiz** can be found at moneyandlife.com.au and includes detailed personality profiles with fascinating insights about buying behaviours, preferences and habits.

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METHODOLOGY

Gifts that Give is an independent publication of the Financial Planning Association (FPA) of Australia to mark Financial Planning Week (19-25 August 2019).

All cited data is based on research conducted by The Curious Co obtained through a national quantitative survey of 1,000 Australian adults. The research was conducted between 2nd and 10th July 2019. The sample is nationally representative of the Australian population by gender, age and state. All financial figures are based on self-report. The generations in this report refer to the following age groupings:

- Generation Z: 18-24 (born 1995-2009)
- Generation Y: 25-39 (born 1980-1994)
- Generation X: 40-54 (born 1965-1979)
- Baby Boomers: 55-73 (born 1946-1964)

Any data or content from this report cited or published by other parties in any other form or outlet must reference its source as “FPA ‘Gifts that Give’ 2019 National Research Report” courtesy of moneyandlife.com.au/.



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