

REPORT

---

# Juggling risks

Insurance in households struggling with financial insecurity

Marcus Banks | Dina Bowman

The Brotherhood of St Laurence is a non-government, community-based organisation concerned with social justice. Based in Melbourne, but with programs and services throughout Australia, the Brotherhood is working for a better deal for disadvantaged people. It undertakes research, service development and delivery, and advocacy, with the objective of addressing unmet needs and translating learning into new policies, programs and practices for implementation by government and others. For more information visit [www.bsl.org.au](http://www.bsl.org.au).

.....

Marcus Banks is a Senior Research Fellow and Dina Bowman is a Principal Research Fellow in the Work and Economic Security team of the Brotherhood's Research and Policy Centre.

Front cover photo (only) [Juggler](#) by woodleywonderworks is licensed under [CC BY 2.0](#). Details of the relevant licence conditions and legal code are available on the Creative Commons website.

Published by

Brotherhood of St Laurence  
67 Brunswick Street  
Fitzroy, Victoria 3065  
Australia

ABN 24 603 467 024

T (03) 9483 1183

[www.bsl.org.au](http://www.bsl.org.au)

ISBN 978-1-921623-71-4

Suggested citation: Banks, M & Bowman, D 2017, *Juggling risks: insurance in households struggling with financial insecurity*, Brotherhood of St Laurence, Fitzroy, Vic.

© Brotherhood of St Laurence 2017

Apart from fair dealing for the purpose of private study, research, criticism, or review, as permitted under the *Copyright Act 1968*, no part of this paper may be reproduced by any process without written permission. Enquiries should be addressed to the publisher.

# CONTENTS

Acknowledgements	4
Summary	5
1 Introduction	8
2 Contextualising insurance	9
Financialisation: the shift in risk and responsibility	9
Increasing household financial risks	12
Managing risks	12
High-risk households and Australian insurance markets	13
Insurance and the social relations of household risk management	15
3 The study design and method	17
4 What people told us about risks	19
Situating insurance within participants' financial riskscapes	19
Responding to risk: insurance within participants' financial repertoires	23
5 Discussion	30
6 Concluding comments	31
References	32

## Acknowledgements

In 2014 the Fire Service Levy Monitor, an entity established to oversee the transition of Victoria's fire service levy from insurance policies to municipal rates, entered a funding agreement with the Brotherhood of St Laurence. This agreement arose from levies that 56 insurers continued to collect from consumers after the transition date. The Monitor acknowledged insurer difficulties in refunding all consumers and instead directed that amounts not refunded be used by BSL and several like agencies 'in support of consumer insurance issues'.

This report examines reasons why and how households do or do not use insurance to manage risk. This research will inform the development of more responsive policies, programs and products to better protect households with low or uncertain incomes from the financial consequences of current and future shocks and hazards.

We deeply appreciate the involvement of participants who shared how they attempted to make competing emotional and financial ends meet from one pay period to the next.

We thank staff and volunteers from the many organisations that generously promoted our call for participants.

We are grateful to BSL Research and Policy Centre colleagues: Cara Bradley, Chabel Khan and Jane Hosking, who sourced and interviewed participants; Aradhana Barua, Geraldine Fela and Nick Fredman, who provided valuable research assistance; and Deborah Patterson, who provided insightful editorial support.

## SUMMARY

*It is commonly understood that the financial harm resulting from a risk, such as accident, illness or unemployment, can be dealt with in one of two ways: preparation or coping. While social security provides a safety net to moderate some of these harms, increasingly individuals are encouraged to prepare for a future harmful event by having a savings buffer or buying insurance. Without the resources to prepare for a harmful event or social policies that provide an adequate safety net, people have to cope with the harms that occur. Our study shows that for people struggling with financial insecurity deciding whether to take out insurance is just one decision in a process of juggling risks.*

Most Australians regard having a savings buffer of at least \$500 for an emergency, being covered for home contents damage, and having comprehensive car insurance as part of the 'essentials of life ... for all Australians' (Saunders & Bedford 2017, p. 3). Yet one in three people in this country cannot find \$500 to deal with an unexpected event (Commonwealth Bank 2017) and insurance remains unaffordable for many. Nevertheless, taking out insurance is viewed as an important part of an individual's or family's responsibility to prepare for the financial impact of the potential pitfalls in life.

Insurance can provide a sense of security, and help ensure that the impact of risks will be financially manageable. Insurance does not, of course, stop a house fire, a car crash, a job loss or a family illness from happening. For those with adequate cover, insurance mitigates the impact of such events because it provides a means of rebuilding the house, fixing the car or receiving an income while recovering from other losses.

To understand why people on low incomes do or do not take out insurance we need to understand their overall financial circumstances and risks. This report focuses on insurance and risk and draws from findings in the Spinning the Plates study, which aims to shed light on the drivers of economic insecurity and how low and moderate-income households manage risk and are 'making do and getting by' (Hall & Holmes 2017).

We interviewed and collected data about income and financial practices from 75 individuals in three Melbourne suburbs where high levels of financial stress have been identified.

### Shift of risk and responsibility

The scale of financial risks for Australian households is increasing, due to rising income inequality, less secure employment and more conditional access to welfare payments.

The rolling back of social protections (or 'social insurance') such as unemployment benefits and pensions, Medicare and 'free' education) is leaving the private insurance market to fill considerable gaps. Services such as Medicare still provide equal cover to most of the population, but the increasing expectation that people take out private insurance is a symptom of the shifts of risks and responsibilities to the individual.

Those most exposed to the risk of harmful and financially high-impact events have the greatest need for insurance. Yet low-income households are the most likely to lack private cover.

Policymakers and social justice advocates tend to frame the poor insurance take-up rates of economically insecure households as a problem of affordability and access: the insurance market is failing to meet these consumers' needs. In part they are correct: the costs of house, contents and comprehensive car insurance tend to be higher for those who have less. Policies that encourage cheaper, more accessible insurance are one way to address this failing. However, another important consideration is the heightened level of risk which many households face.

Our research confirms that economically insecure households interact with a range of failing markets that heighten their risks of financial harm. Precarious labour

## Summary continued

markets and an increasingly frayed, inadequate, quasi-marketised welfare system provided meagre and unstable incomes and support for many respondents in our study. These people were left with only wafer-thin buffers to cope with day-to-day risks, which increased their risk of harm in the short and longer term.

The failure of the private insurance market is far deeper than issues of affordability; it needs to be considered in the context of the broader shift of risk and responsibility from governments to individuals. Most of the harmful events regularly experienced by households in our study were so common and small that they were not covered by private markets. Furthermore, according to modelling by the Actuaries Institute (2016), significant sections of the population who live with heightened risks of low or unstable incomes are likely in the very near future to find their insurance premiums become unaffordable or to even be rated by the industry as uninsurable. We argue that the overall effect of these market and social policy trends is to place disadvantaged people at more risk while also limiting their capacity to effectively manage those risks.

### Key findings

Though drawn from a relatively small sample, many of the findings in the study are consistent with Australian and international research.

- 1 Level of income is an important determinant of contents and private health insurance take-up rates.** The average equivalised fortnightly income of participants with contents (\$1,327) and private health insurance (\$1,439) was considerably higher than those without contents (\$1,117) or health cover (\$1,140). Analyses of larger Australian data sets confirm these findings (O'Sullivan 2012b; Quantum Market Research 2013).
- 2 Women in the study were far more likely than men to hold insurance:** contents (56% versus 12%), private health (35% versus 6%), car (86% versus 47%), home (48% versus 16%) and other assorted insurances such as life, jewellery, pet and income protection (16% versus 11%). Australian research provides some support for these findings, particularly that women are more likely than men to report that they believe in taking out insurance (Financial Literacy Foundation 2008) and less likely to feel non-insurance is acceptable (Quantum Market Research 2013). In rental households women are also more likely to have contents insurance than men (Quantum Market Research 2014).
- 3 It is expensive to be poor:** 'The poorer you are, the more things cost' (Brown 2009). Many participants in our study spoke about the extra costs of living on low incomes. Transport costs for low-income households tend to be higher due to living further from work and major services, and the greater expense of maintaining and running older cars (Blumenberg & Agrawal 2014; Rosier & McDonald 2011). Poorly insulated, low quality housing with inferior appliances increases energy and upkeep costs. Similarly, banking and credit costs and instalment payments tend to increase their costs of living. This 'poverty premium' has been quantified in a British study at 9% of the disposable income of an average-size family (Family Action 2007). Insurance itself is subject to this poverty premium. Low-income people not only tend to live in areas rated by insurers as high risk, with the highest premiums (AI 2016, p. 20), but are increasingly subject to the fact that being low-income is itself a high risk factor.

In addition, our use of eight sequential surveys provided new, more nuanced insights into how households with low or precarious incomes managed risks, and how insurance enters their financial and relational calculations.
- 4 Erratic incomes are associated with lower insurance rates.** We found that income volatility influenced a participant's insurance purchase decisions and level of confidence to handle financial risks. International studies have found that households whose incomes fluctuate by more than 25% from one pay period to the next experience sharply higher risks of emotional conflict (Hill et al. 2013) and financial hardship (Hacker et al. 2012; Morris et al. 2015; Nichols & Rehm 2014). We asked participants to respond to a statement about their risk-preparation capabilities and attitudes ('I could handle a major unexpected expense'). Responses showed that a small majority were not confident about their capacity to handle a major unexpected expense, yet there was little difference between the average fortnightly incomes of the less-confident (\$1,182) and the more-confident (\$1,245). Average income volatility, however, was considerably higher for those who were less confident they could handle a large expense (36%) than for more confident participants (26.6%). The higher preparedness for a harmful financial event by the more-confident group was reflected in their higher rate of contents insurance (48%) and private health cover (38%) than less-confident participants (41% contents and 24% health cover).

- 5 Prepare or suffer the consequences?** The binary notion that people must either prepare for a future calamity (with insurance or savings) or cope with the consequences is not relevant to households with low or precarious incomes. For many participants in our study preparation for and coping with potentially harmful events occurred simultaneously. One participant, for example, wrote about not eating dinner (coping with a low income) to 'save' on food costs so that she could pay for her daughter's school excursion (a preparation strategy).
- 6 Low and precarious incomes are accompanied by more frequent, high-impact risks.** Most participants in our study faced frequent micro-events that exacted a heavy toll on their day-to-day financial and emotional lives, and affected the ways they responded to these risks. These uninsurable everyday events are not seen through a standard insurance lens, which focuses on less common, larger events such as illness, unemployment and housing loss that can be priced and managed through market mechanisms, backed up by social protections.
- 7 Buying insurance is a risk.** For those with low or uncertain incomes, paying for private insurance may pose additional financial risks. The current instabilities that households face destabilise their future risk calculations, and increase their immediate risks. For these households, insurance is just part of their economic and social context, or riskscape, which is characterised by increasing financial uncertainty.
- 8 To insure or not to insure? No clear 'right' or 'wrong'.** The decision by the majority of participants not to take out health, contents or extra car insurance was, by and large, just as rational and moral as the decision of others to insure for personal, 'family tradition' and pragmatic reasons. There was no clear 'right' or 'wrong' choice about insurance as neither decision could mitigate the factors outside their control: insecure employment, low and unstable incomes, and increasingly haphazard and unreliable social protections in education, health, transport and housing.

## Implications

Understanding how individuals and households living in constrained circumstances prepare for/cope with financial risks in the short and longer terms is a key step towards developing more innovative and relevant social policy, programs and practices.

Changes in insurance, labour and welfare markets pose a central question for future research: who should be responsible for the hazards that low-income people now experience—individuals, families, private insurers or governments?

Policy interventions that would re-socialise some key risks being experienced by households with low or uncertain incomes include:

### 1 Strengthening economic security

- less conditional, higher welfare payments and more generous taper rates
- legislation to enhance job security and wage certainty
- easing of restrictions on unions' capacity to respond to economic and social risks in the workplace

### 2 Revamping government insurance

- integrating dental cover into Medicare
- providing basic contents insurance cover in state rental bond schemes

While many of these proposals are likely to be welcomed by social justice advocates, only the first group seriously tackle the underlying generators of risk for low-income and precariously employed households. Gaining economic security and reclaiming decent social insurance in health, education, housing and education will require, as the founder of the Brotherhood of St Laurence once argued, a public that 'keeps protesting until the government acts' (Tucker 1952).

# 1 INTRODUCTION

Insecure work, low and fluctuating wages, inadequate and unreliable welfare payments, and escalating household costs are increasing the risk of financial harm for many Australians. There is a pressing need to understand how lower income households cope with the heightened economic risks they are facing.

This research report draws on findings from the Spinning the Plates study, which aimed to shed light on the links between risk, financial uncertainty, inequality and poverty through the lens of insurance. We investigated the financial practices, understandings, hopes and fears of 75 households to gain insight into what people do—their financial repertoires (Daly 2015)—and how they make sense of risk in everyday life (Zinn 2017).

To understand why people do or do not have insurance coverage requires an examination not only of individual and household practices, but also of broader social policies and the socioeconomic context.

The report first outlines three key contextual themes. We consider the shift of risk and responsibility to individuals and households in the context of increasing income insecurity, inequality and the financialisation of daily life (Martin 2002). We also consider the economic and moral assumptions underpinning the general insurance market. Drawing on a review of relevant literature, we then appraise the ways low-income households manage risk in their particular contexts. We focus on the importance of time, emotional relationships and family traditions in financial decision-making.

Next, we introduce the Spinning the Plates study, considering its rationale, methods, scope and limitations.

Drawing on interview and survey data we then examine why respondents did or did not take up several forms of insurance—health, house, contents and third party property car insurance.

We conclude by raising some policy implications, particularly the need to ‘decommodify’ and re-socialise many financial risks (Esping-Andersen 1990). Without stronger social protections, people experiencing economic insecurity will be increasingly exposed to risks against which they cannot insure. This greater exposure has implications for individuals, households, communities and overall social cohesion. We argue that unless economic security is enhanced in labour, welfare and finance markets, forthcoming changes in insurance are likely to increase individual, social and economic risk.



## 2 CONTEXTUALISING INSURANCE

Insurance is commonly seen as a reliable financial safeguard for an uncertain future. Taking out insurance is viewed as an important part of an individual's or family's responsibility to prepare for the financial impact of the potential pitfalls in life. Insurance can provide a sense of security, to help ensure that the impact of risks that may happen will be financially manageable. Taking out insurance does not stop a house fire, a car crash, the loss of a job or a family illness from happening. For those with adequate cover, insurance mitigates the impact of such events because it provides a means of rebuilding the house, fixing the car and financial security while recovering from other losses.

This understanding of insurance as a firm set of safeguards for an uncertain future is increasingly problematic. Preparing for future financial risks in work, health, housing, transport, raising children or retirement by taking out insurance cover requires present resources. So insurance is not only about the future; it is also about the present.

The rolling back of social protections is leaving the insurance market to fill the gaps. For example, income protection insurance is a growing market in Australia (Business Monitor International 2017, p. 29), with one in 10 households having this product (Levine 2013). In extensive advertising on daytime television, this insurance appeals to people's worries about having to rely on income support (Barsby 2015).

In Australia, the retreat from social protections remains partial. Social insurances such as Medicare still provide equal cover to most of the population. However, the increasing dependence on private insurance is a symptom of the shifts of risks and responsibilities to the individual.

For those with low or uncertain incomes, this increasing reliance on private insurance poses a range of additional risks, including affordability and whether they are even eligible for cover. The current instabilities facing households increase their immediate risks and destabilise their future risk calculations. For these households, insurance is part of their contemporary economic and social context, or riskscape, which is characterised by increasing financial uncertainty.

### Financialisation: the shift in risk and responsibility

Underpinning current expectations of managing risk with insurance are two significant social and economic transformations that have occurred in the last three decades: the financialisation of daily life (Martin 2002), and the reallocation of risks from the state to the individual, household or charities. US political scientist Jacob Hacker (2006) calls this 'the great risk shift'. Both changes have strengthened financial 'drivers of vulnerability' which add to the complexity of how low-income households manage risks and mitigate the hazards of poverty (Dayson, Vik & Aiden 2009, p. 4; Saunders & Wong 2012, p. 487).

In an ever-expanding range of markets, Harvey (2006, p. ix) contends that the weight of finance is so deeply reconfiguring economies and social relations that the 'financialization of everything' is looming as the new norm.

### Financialisation and insurance

Financialisation refers to the increasing penetration of financial markets and financial thinking into the lives of individuals, families and communities. British scholar Robin Blackburn (2006, p. 39) has noted how financialisation now permeates everyday life, with the individual encouraged to think of themselves as a 'two-legged cost and profit centre'.

This shift is not just a matter of households having to manage their risks of unemployment, insecure housing tenure, inadequate education, hardship in retirement and so on. Under financialisation the household has become an economy in its own right (Bryan 2012); it is no longer simply considered to be a 'pass-through mechanism for flows of goods and services in the macro-economy' (Montgomerie & Tepe-Belfrage 2016, p. 4). Just as labour is essential for production, households are now essential in financial markets. Their financial assets such as superannuation are linked with pension funds that invest globally.

## Contextualising insurance continued

Household financial practices have also become risk-graded categories of financial investment. Utility payments (electricity, telephone, water and toll road charges), car loans and various forms of household insurance have become globally traded financial assets. Bryan, Rafferty and Jefferis (2015, p. 320) explain how this occurs:

***Central to this process [of contemporary finance] has been the securitization of household payments: a process of bundling up payments on loans (for housing, education, and vehicle, personal, and other credit), on insurance (for house, vehicle, and health), on rent, and on utilities (for energy, water, and telephone) and selling the income streams (the monthly payments) into global markets, but without selling the underlying asset. These are called asset-backed securities (ABS); those related specifically to mortgages are called mortgage-backed securities (MBS). They involve selling the liquid dimension of households' exposures: not the fixity (the house) but the mortgage payments, not the health care but the health insurance payments, and not the student learning experience but payments from post-student earnings.***

Financial markets grade each household's distinctive risk profiles to sort these household payments into tradeable asset classes. The household economy has become so important to the financialised macro-economy that an IMF Global Financial Stability Report called households the financial system's 'shock absorbers of last resort' (IMF 2005, p. 89).

Understanding how the actions and emotions of individuals affect the household economy is therefore an increasing concern for governments and financial markets. Indeed, political economist Dick Bryan (2012) argues that financialisation requires risky actions and practices to be normalised, culturally embedded and stabilised because what households 'should do' financially is far more materially connected to financial markets and economic policies today than in the past.

### What is insurance?

State-based types of insurance (worker's compensation, compulsory third party car cover, and more broadly, Medicare and social welfare) and private household insurance are seen as a 'safety net' when things go wrong (Ericson, Barry & Doyle 2000). For households, both forms of insurance are entangled in their life-course calculations of how to deal with the potential pitfalls of work, housing, health, family formation and dissolution, child-rearing, investment and retirement.

State-provided insurance such as Medicare, unemployment benefits and pensions tends to socialise risk across the whole population. Until recently, the cost of protection against illness or lack of work has not been based on an individual's level of risk but rather has been spread progressively, with those with higher incomes paying more through taxes for the same protection. However, an actuarial or 'investment' approach to identifying individual risks is increasingly being adopted in welfare policy by governments (Arthur 2015).

By contrast with traditional state-based insurance, the commercial insurance industry socialises its risks differently by pooling funds from households seeking to buy insurance (the 'insured'). For insurance companies, these pools form their risk 'exposures' as they have to pay for the losses that the insured incur out of each pool. The insured are protected from a specified risk for a fee (the 'premium'), with the premium depending upon the frequency and severity of the event occurring within the pool.

### Specification of risk in insurance markets

The standard way of understanding the operation of the insurance market is to see the different rates of insurance as a product of disinterested actuaries technically segmenting populations into risk-based pools, with those graded as a greater risk paying a higher premium than those deemed lower risk.

Insurance (and other financial markets) operate by specifying particular events and market participants as risks. To price premiums, every customer is assigned a risk profile. Insurers that classify risk profiles most accurately have a strong competitive advantage. A company that has reduced its risk can offer cheaper premiums and lift its profits. As an insurance executive in the United States commented, within each pool 'a good risk is one that pays a high enough premium' (Ericson, Barry & Doyle 2000, p. 535). Companies with less accurate categories suffer greater

risk exposures and thus have to charge more expensive premiums than their 'high enough' rivals to cover their exposures (Swedloff 2014).

According to finance scholars Dimitrios Sotiropoulos and Spyros Lapatsioras (2013, p. 93) the specification of risk comprises two elements: each customer is distinguished by the 'concrete risks she runs and the probability of risk to which she is exposed'.

Risks are not the same for each person. The risk of lung cancer, for example, differs between those who smoke and do not (a concrete risk), and between those in their 60s who have smoked all their lives and a teenager who has smoked for a year (risk probability).

Participants pooled by their risk profiles have a marketised 'individuality' that is marked by social relations of class, gender, race and so on. In this way, the process of risk-profile formation is part of broader, marketised movement of individualisation and normalisation (Sotiropoulos & Lapatsioras 2013, p. 94).

The use of 'big data' is allowing insurers to refine each customer's individual risk profile through sophisticated algorithms that analyse phone data, social media and other internet interactions, health records, sensors in cars and clothes, utility and water use patterns, shopping practices and so on (Swedloff 2014). In the United States, insurance companies are utilising artificial intelligence technologies to enhance their 'descriptive, predictive, prescriptive, nudge, cognitive and experimental analytics' of their current and prospective customers (Digital Insurance 2017).

For example, a person applying for a small online loan will be risk-rated not only by the expected metrics but also by how long they hesitate over entering their name (Ali & Banks 2014). To finely rate individual risk (and thus more accurately price premiums or even reject insurance applications), some car insurers in the United Kingdom already know which drivers brake harder, drive faster, or drive at high-risk periods of the day (Swedloff 2014). In Australia, some insurance companies explicitly market their tailored risk profile approach, as telematics changes the way that risks are assessed for motor insurance (Actuaries Institute 2016).

As a bearer of a risk profile, individuals are expected to adopt appropriate risk management attitudes and strategic action. Sotiropoulos and Lapatsioras (2013, p. 95) identify two interconnected 'moments' that are involved:

***On the one hand, given one's risk profile, proper insurance or hedging against risk must be implemented. On the other, one can improve one's position by exploiting risk, that is to say implementing actions that will foster efficiency in achieving particular targets as defined by coexisting social power relations.***

Class, gender, race and other social relations of power permeate both types of risk management strategies. People who are not entrepreneurial and who fail to exploit risk for reward do not live up to current norms of responsible economic individualism. Throughout most of the 19th and 20th centuries, thrift, prudence and frugality were seen as socially desirable goals and a measure of a household's moral qualities (Maltby 2014). Under financialisation, a key feature has been the liberalisation of credit markets and 'democratising' of access to credit and debt for working-class households (Erturk et al. 2007). High levels of debt—particularly asset-backed—have signalled a new responsibility to embrace risks. While there has been a recent counter-movement to reinstate savings behaviours in working-class households with 'unsustainable' credit card and other debts (Janda 2017), the norm remains that the financially responsible individual takes calculated investment risks (Maltby 2014).

However, the majority of the working population, including women with low superannuation accounts, tend to be considered 'risk averse' (Tversky & Kahneman 1981), particularly if they do not invest in the stock or housing markets (Austen, Jefferson & Ong 2014). Fewer than one in 13 Australian households has an investment property (OnProperty 2017) and only 37% directly own shares in 2017—a figure that has been trending down since the turn of this century (Deloitte Access Economics 2017, p. 21).

A similarly stigmatising risk category is reserved for most unemployed workers, poor retirees and others living with scant financial resources: they are commonly said to be 'at risk' (Dercon 2004).

These crude risk typologies fail to recognise the complex functional and emotional calculations of households as they manage their everyday and future financial risks. The functional calculations employed are sharply distinguished by class, gender and other social relations. Each household decision maker also emotionally weighs up the effects of financial decisions on other family members.

## Contextualising insurance continued

### Increasing household financial risks

The scale of financial risks for Australian households has increased due to the impact of rising income inequality, less secure employment and more conditional access to welfare payments.

Overall income inequality in Australia has grown since the mid-1990s (Fletcher & Guttman 2013; OECD 2015). Australia's poverty rate of 13% is above the OECD average of 11% (OECD 2016b).

Labour market changes have contributed to increased risks of financial insecurity and hardship. Minimum wages have declined from 50% of average full-time wages in 2000 to 44% in 2015 (OECD.Stat 2017) and wages growth has stagnated (RBA 2017). Casual and part-time work have become the norm for many workers. The number of casual employees grew by 70% between 1984 and 1998 and has subsequently stabilised at around 20% of the workforce (Wooden & Richardson 2016). Between 1986 and 2016 the percentage of employment in Australia accounted for by part-time work increased from 18.9% to 31.6% (Borland 2017). Part-time employees who work fewer than 30 hours a week make up 25% of the workforce—the third highest in the OECD (2016a). Working conditions for part-time workers who receive leave entitlements have deteriorated, with a decrease in predictable and regular weekly rosters (Charlesworth 2012). The impacts of underemployment on individuals vary according to age, gender, career stage, coping strategies, existing financial commitments and resources, as well as job opportunities (Campbell, Parkinson & Wood 2014; Kjeldstad & Nymoer 2012).

Under financialisation, households experiencing income insecurity are developing new (or rediscovering old) patterns of managing risks that are poorly understood by financial markets, including insurance companies—thus putting pressure on their risk exposures and profitability.

Access to adequate welfare payments as a public form of insurance has also become less secure. The Australian tax-transfer system is less redistributive and income support more conditional on certain behavioural requirements than it was 20 years ago (Herault & Azpitarte 2014). Access for single parents to a pension, won in the mid-1970s, has become increasingly conditional and is now limited to those whose youngest child is under the age of eight. As a consequence, poverty rates in single parent households increased from 25.7% in 2003–04 to 29.1% in 2013–14 (ACOSS & SPRC 2016, p. 19). Over the same period, Newstart Allowance has dropped from 25% to 17% of average full-time wages (p. 30).

### Managing risks

Individuals are encouraged to perform a difficult balancing act: to avoid risks that may harm them while at the same time embracing risks to get ahead. Risk management is simultaneously prudential—a responsibility of cautious, forward-planning individuals—and entrepreneurial—an opportunity for making money (Armstrong 2005).

The effect of fine-graining insurance profiles is 'profoundly inequalitarian' (Armstrong 2005, p. 452), leading to subclasses of the uninsured who are ill-protected from life events as their risk profiles become increasingly 'transparent' to insurers (AI 2016, p. 5).

The Actuaries Institute of Australia (2016) observes that the increased analysis of granular data will tend to change the overall risk profile of insurance customers, and flatten the curve in Figure 1. Currently, most people with insurance are assessed as average risk and have the average insurance premium (area A). In the very near future it is predicted that the risk-ratings will spread (dashed line). More low-risk customers will enjoy lower premiums (area B). At the same time, far more customers will be rated high risk than at present (area C).

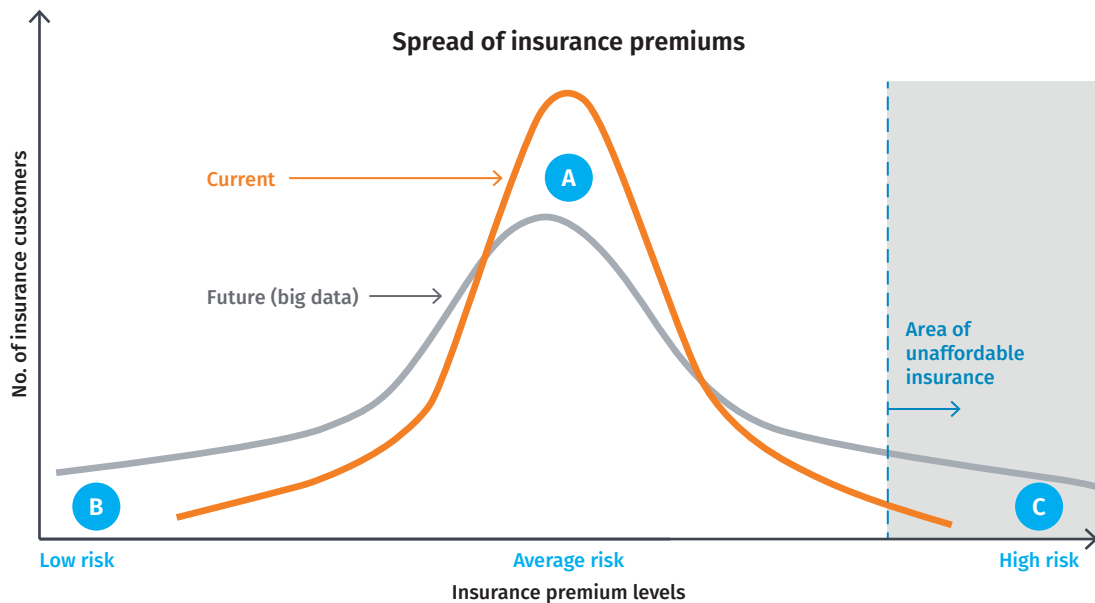
The Institute draws out the profound consequences of these changes:

***At the extreme, some policyholders will have their risks assessed as so high that the price will be prohibitive or insurers will decline to provide cover ... Unaffordability or unavailability of insurance may marginalise high risk individuals, preventing them from participating in all of life's activities. Examples of how this already occurs today are a breast cancer patient who cannot fly because travel insurance is not accessible, or a mortgage application is declined because life insurance cover is denied. Circumstances such as these will become more prevalent as more individuals are identified as particularly high risk. (AI 2016, pp. 39–40)***

A central question is posed by this change in insurance markets: who should be responsible for the hazards low-income people experience today—individuals, families, employers, private insurers or governments?

Figure 1

As the use of big data becomes the norm, more people are expected to find insurance unaffordable or inaccessible



Source: AI 2016, p. 4. Reproduced with the kind permission of the Actuaries Institute.

### High-risk households and Australian insurance markets

Australia has a large and long-established insurance industry. As at 30 September 2016, there were 109 registered general insurers. However, home and motor insurance is dominated by four insurers, which have 74% of the market: IAG, Suncorp, QBE and Allianz (Senate Economics References Committee 2017).

The level of household income is a key predictor of insurance coverage in Australia. An analysis of the ABS 2009–10 Household Expenditure Survey by O’Sullivan (2012a) for the Insurance Council of Australia found that 60.9% of households in the bottom income quintile had contents insurance, compared to 84.2% in the top quintile. Private health insurance shows an even starker pattern, with 33.3% of bottom quintile households having private health insurance compared to 87.9% of households in the top quintile (Wilkins 2016, p. 96).

Research from the United Kingdom also suggests that income levels affect insurance coverage rates (ABI 2007). A 2009 study by Community Finance Solutions found that 36.4% of households with below-median incomes had no home and contents insurance, compared to 13.2% of households with above median incomes. Similarly, 75.7% of below-median income households do not have a life insurance policy, compared to 56.6% of above-median income households (Dayson, Vik & Aiden 2009).

Income levels also affect car insurance retention rates. An Australian study of 70,000 customer records of a major car insurer found customers with lower incomes were far less likely to continue their policy (Dawes 2009).

There is no public data on the number or incomes of Australian car owners who do not have any vehicle insurance. Robinson (2017a) notes that motoring organisations such as the RACV in Victoria and the RAA in South Australia have estimated an uninsured rate of between 8% and 13%. Robinson’s analysis of the ABS Motor Vehicle Census and car insurance data collected by the Australian Prudential Regulation Authority found a higher rate—that 11.9% of motor vehicles lacked any insurance cover (p.9).

## Contextualising insurance continued

### Affordability

Affordability is often cited as the main reason why low-income people do not take out insurance (Connolly 2013; Day 2012; DHHS & VCOSS 2017). This is not simply because they have less available income to purchase an insurance policy. It is also because of the paradox 'it's expensive to be poor' (The Economist 2015).

One of the major reasons that the financial riskscapes of lower income households are more perilous is that 'the poorer you are, the more things cost' (Brown 2009). Transport costs for low-income households tend to be higher due to living further from work and major services, and the greater expense of maintaining and running older cars (Blumenberg & Agrawal 2014; Rosier & McDonald 2011). Similarly, banking and credit costs, the running costs of lower quality and poorly insulated homes, and the ways low-income households purchase many other goods and services tend to increase their costs of living. This 'poverty premium' has been quantified in a British study at 9% of the disposable income of an average-size family (Family Action 2007).

Insurance itself is subject to this poverty premium. Low-income people tend to live in areas rated by insurers as high risk, with the highest premiums (AI 2016, p. 20). A recent Victorian report noted:

***The primary cost driver for insurance is the level of risk as assessed by the insurer. For house and contents insurance, the unfortunate reality is that premiums in higher risk locations are very likely to be higher than in other areas, noting that the risk profile may well be about theft rather than fire, flood or storm. For low-income people who live in higher risk locations, where housing costs may be lower, the insurance affordability gap will be the highest (DHHS & VCOSS 2017, p.14).***

Earlier reports about poverty and insurance have noted other affordability issues. For example, Collins (2011) argued that many low-income households who take out an insurance policy face more expensive methods of payment, such as monthly instalments, and rely on credit as they cannot pay in full. More recently, Robinson (2017b, p.12) has pointed out that insurers have designed some products in ways that discourage take-up by low-income consumers:

***Industry practice heavily favours annual premium payment. The option of instalments, where available, usually incurs a surcharge; for example, an RACV contents policy costs 20 per cent more if paid by monthly instalments rather than annually.***

Even monthly payments are problematic for many households as their financial rhythms—structured by fortnightly wages or welfare payments—fit uneasily into a monthly bill-paying cycle.

Some not-for-profit insurance initiatives have been developed in partnership with insurers but currently they service relatively few clients (Good Shepherd Microfinance 2017). Rises in commercial premiums have made insurance less affordable for low-income households. Between 2001 and 2016 home and contents insurance premiums rose much faster than wages: home insurance premiums increased by 8.3% per year, compared to 3.4% for wages (ICA 2017, pp. 7–8).

According to the Insurance Council of Australia, the two material factors influencing a rental household's decision about contents insurance are the value of the contents and the household income. As expected, these factors are highly correlated with the rates of cover. For example, only 7% of rental households with contents valued in the lowest quintile have contents insurance, whereas 86.1% of rental households with contents valued in the highest quintile have contents insurance. Similarly, only 22.2% of renters in the lowest income quintile have contents cover, compared to 50% of high income renters (O'Sullivan 2012b).

Levels of income also strongly influence the insurance cover a household can afford to manage various risks. The tendency for more extreme cash-flow fluctuations in low-income households can further limit their ability to regularly pay premiums (GIZ 2012, p. 11). Australian households in the highest income quintile spend, on average, \$16.61 per week on home and contents insurance and \$11.69 on sickness and personal accident insurance (which does not include private health insurance). By contrast, households in the lowest income quintile spend \$7.81 per week on home and contents insurance and 58 cents on sickness and personal accident insurance (ABS 2011).

Insurance premiums for flood, storm and bushfire insurance are highly dependent on location-based risk assessments. The Climate Institute (2014, p. 2) observed that the cost of premiums in some high weather-risk [of flood or fire] parts of the country is 10 times that of a typical policy at low-risk locations. Questions of affordability are underscored as low-income households increasingly populate bushfire-prone urban fringes and other high-risk areas (Booth, Tranter & Eriksen 2015).

Implementing stricter building codes and regulations to make properties more resilient to natural disasters can increase the cost of building, which in turn leads to higher premiums to insure greater value (Climate Institute 2014). For instance, after the Black Saturday bushfires, on the recommendation of a Royal Commission, the Victorian Government adopted the *Integrated Planning and Building Framework for Bushfire in Victoria* (Department of Environment Land Water and Planning 2017). The Climate Institute (2014) raises the problem that while owners may be insured for the current value of their property, their cover may not be sufficient to rebuild or repair in line with the stricter building codes. It estimated that 'in some cases, homeowners could receive insurance payouts amounting to as little as half the sum required to replace their home' (p. 2). Consequently, there is the risk of increasing underinsurance. In addition, large-scale property damage results in high demand for building materials and labour, which drives up building costs.

At the same time, premiums do not always flow in line with insurance risks. For example, while vehicle accidents in New South Wales decreased by 20.1% between 2000 and 2010, private companies providing 'greenslips'<sup>1</sup> (Comprehensive Third Party (CTP) insurance) maintained very high profit margins instead of reducing their premiums (Robinson 2017b, p. 16). In contrast to private insurers maximising profit, the Victorian Government Transport Accident Commission (TAC) places a cap on annual increases in CTP premiums, and this has contributed to premiums 45% lower on average than in New South Wales (Robinson 2017b, p. 23).

US research shows that car insurance rates are also influenced by affordability. According to the Insurance Research Council (IRC), a primary reason people choose to drive without auto liability insurance is cost (Tennyson, Kelly & Kleffner 2012). A study by the Financial Responsibility and Insurance Committee corroborated this finding, stating that among the uninsured driver group '82% indicated they either can't afford insurance or the vehicle is inoperable or not in use' (NAIC & CIPR 2014).

## Insurance and the social relations of household risk management

Insurance is a social relationship. Reducing insurance to a technical transaction obscures its emotional, social and economic dimensions. Decisions about how to manage financial risks—by purchasing insurance, managing household relationships, avoiding moral and emotional pitfalls when organising credit and debt—reflect structural, interpersonal and individual factors (Sonnenberg 2008).

Class, gender and cultural background deeply influence financial decision-making. Wage inequalities, segmented labour markets, the one-and-a-half breadwinner model in households, and imbalances in family care responsibilities not only engender divisions between women's and men's financial decision-making practices and ideas, but also tend to socially devalue women's decisions (Folbre 2009; Usdansky 2011). Similarly, gender roles within the family, the workplace and wider society differentially frame financial behaviours and senses of economic security (Goode 2010). At a micro level, individual financial behaviours, attitudes, beliefs and practices are not only shaped by class, gender, cultural and family background but also markedly differ in stability and meaning over a person's life course (Dixon & Wetherell 2004).

### Risksapes

One avenue to understand financial, moral and political attitudes to insurance is to locate insurance within an individual's 'riskscape'. The term riskscape usefully encapsulates how the spatial and temporal, and the subjective and objective tensions of risk and uncertainty are caught within households and between individuals (Neisser 2014, p. 101).

Constructions of risk and uncertainty 'create relational spaces' between individuals across both time and space (Christmann et al. 2012, p. 25). Beck and Kropp (2011, p. 9) build on this understanding to contend that:

***Supposed risky things are not risky in general but in particular assemblages. [The] material level and discursive level cannot be analysed separately as both are intrinsically entangled with each other and with the ways in which the involved actors make sense of what is permissible, possible or dangerous.***

<sup>1</sup> In NSW, six insurance companies provide greenslips (a generic term for compulsory third party insurance). See <https://www.greenslips.com.au/>

## Contextualising insurance continued

Riskscape are heavily influenced by the contemporary social relations of time (Adam 1998). May and Thrift (2001) describe how the various socioeconomic dimensions of modern time (such as working time, family time, travel time, the rhythms of welfare payment time, dinner time, holiday time) are actively constructed. These socially constructed forms of time constrain the ways people live and respond to risk.

### **Riskscape and household financial repertoires**

The 'meanings and repertoires of action associated with money' in low-income households fit well into the concept of riskscape (Daly 2015, p. 450). Daly argues that money is 'ever present' and profoundly 'interwoven' into everyday individual and family life (p. 453). How people manage money can be understood in terms of interrelated and dynamic 'money repertoires', which Daly calls functional and relational.

Functional repertoires tend to be routinised and focused on material need. In Daly's study, rent money 'was the king of all spending' and allocated first (2015, p. 454). Non-payment of rent was overwhelmingly seen as the highest risk, to be averted at all costs. Other expenditures were often earmarked (Zelizer 1994) as 'food money', 'heating money' and 'children's school money' or even more finely graded into 'the kids' fruit money', 'our Christmas money, the children's bus money' and so on. The risks associated with these expenditures were generally foreseen, and extended far beyond the single act of purchase. Food risks, for example, could be buffered by adopting strategies such as purchasing in bulk—a practice seen as 'saving' by households. However, as Daly argues, such 'functionally-oriented earmarking' provides only a limited understanding of money practices and financial risks (p. 455).

Relational repertoires describe the ways that money and risks also acquire meaning from the relationships between individuals within the household and their social and familial obligations, which often cut across functional strategies. Daly identifies a value hierarchy along generational lines, where it is 'almost universal' that parents prioritise children's food and other expenditures. Birthdays, for example, often mean forgoing other expenditures, including food for a parent. In circumstances of low income, such self-sacrifice is often a source of pride and family solidarity, while marking their relationship with children as one of affection, care and responsibility.

Functional and relational money management repertoires are interrelated and underpinned by moral and rational elements that influence each household's riskscape. Located within each riskscape is a 'debtscapes', an associated concept that encapsulates the social and spatial relationships of debt and credit (Walks 2013).

It is in the interaction of increasing debt, precarious labour markets and welfare conditionality that low-income people attempt to cope with higher exposure to financial risk. In managing their riskscape, individuals and households adopt different ways of preparing for, and coping with, the harms that may result from these risks. Insurance is one strategy, but as we have discussed, it can be risky, especially for those with very few resources.



**It is in the interaction of increasing debt, precarious labour markets and welfare conditionality that low-income people attempt to cope with higher exposure to financial risk.**



### 3 THE STUDY DESIGN AND METHOD

The *Spinning the Plates* study was designed to investigate how low and moderate-income households are 'making do and getting by' (Hall & Holmes 2017) in uncertain circumstances.

A key consideration informing the study is that financial risks are intensifying due to a range of social and economic changes: a reallocation of risk from the state to the individual (Hacker 2006), rising income volatility and inequality (Morris et al. 2015), and smaller households (Rohde et al. 2015). The purpose of the research was to investigate how households respond to their particular riskscapes through their financial repertoires.

#### Study method

The study was designed in two phases: in-depth, semistructured telephone interviews and a follow-up panel survey with a member of each household. The household rather than the individual was chosen as the unit of analysis in order to capture the micro-level risk pooling that can smooth income flows and stabilise economic security (Western et al. 2012).

#### Phase 1: Narrative, semistructured interviews

The main part of the interview was designed to encourage each participant to tell stories of their household's financial practices, strategies and subjective levels of coping at their own pace and in their own way. Participants were advised that this discussion was structured in three parts:

- their past finance circumstances
- their current situation
- their hopes and fears for the future.

The final part of the interview gathered data on household composition and type; income in the last two weeks; household assets and liabilities; insurance of contents, house, car, health and other events; and borrowing and lending practices. A short, internationally recognised survey of financial wellbeing was also included (CFPB 2015).

Participants were reimbursed for their participation with a \$60 Coles voucher.

#### Phase 2: Survey

All interviewees were encouraged to complete an online survey once a fortnight over a four-month period. The eight fortnightly 20-minute surveys had two sections.

The first section of the survey asked about the income their household received in the fortnight, including cash/wages received from a job, business income, payments from Centrelink and any other income.

The second asked about their household expenses, savings, lending and changes to credit and debt obligations that fortnight. Ten open-ended fields invited stories or short comments to explain unexpected financial events that occurred in the fortnight; how their shopping purchases varied; why they lent to, or borrowed from, a household or family member; and how participants felt they were coping during the fortnight.

Respondents were reimbursed with a \$25 Coles voucher for each completed survey (payable at the end of the survey period).

#### Selection method and process

Eligibility to participate in the study was restricted to households receiving less than the national median gross income of \$80,496 (rounded to \$80,000 for promotional purposes) (ABS 2015).

Applicants for the study also needed to live in one of three local government areas in Melbourne: Greater Dandenong in the south-east, Whittlesea in the north-east or Brimbank in the north-west. Households in these areas experienced the highest rates of financial stress in the city, defined as the percentage of the adult population who indicate that they could not raise \$2000 in two days (Community indicators Victoria 2011).

Respondents also needed to be able to specify the amount of, and changes to, total disposable income, credit, debt and saving arrangements for each member of their household.

Between May and July 2016, multiple techniques were used to promote the study and source participants. A website was established with a five-minute screening survey for interested applicants. Researchers approached diverse bodies to distribute the electronic and printed recruitment flyers to their networks: councils; childcare centres; libraries; employment agencies; university and TAFE associations; community, religious, sporting, ethnic, legal support, welfare and other local groups. Initial contact was usually by email, with follow-up telephone calls and promotional visits to agencies such as Men's Sheds, Neighbourhood Houses, social microfinance outlets and community hubs.

## The study design and method continued

### Demographic characteristics of the sample

From 133 people who expressed interest, 75 were selected for interview—25 from each local government area. While particular efforts were made to source male participants, the final sample reflected greater interest from women (56) compared to men (19). Most participants were of working age, mainly between 30 and 60 years (Figure 2).

The majority of household respondents (71%) were employed, with 80% of households having at least one member who had been paid for work in the previous fortnight.

The number of people living in the households was fairly evenly distributed between one (16), two (19), three (17) and four (15) people. Eight households comprised five or more people.

As Figure 3 shows, the largest household type was couples with dependent children (28%); another 15% were couples without dependent children. One in five of those interviewed headed a single parent family and a similar proportion lived alone. The 'Other' category includes people living in a boarding house or with extended family members.

Of the 75 initial interviewees, 70 agreed to participate in the second phase, to complete eight fortnightly surveys.

There was a remarkably strong survey response rate: all 70 completed the full panel schedule, with support from a dedicated researcher who assisted participants who lacked internet access or had other problems completing the surveys.

### Ethics

Ethics approval was granted by the Brotherhood of St Laurence Human Research Ethics Committee in August 2016.

### Limitations

The four-month survey period was relatively short and led up to Christmas and the summer holidays. Other times of the year might show different financial practices and patterns.

Due to resource constraints we interviewed and surveyed only one member of each household rather than all adult members. This might have affected the accuracy of information for about half the sample households. Reliance on one person provided less detail about each member's financial practices and about household smoothing strategies, bargaining and power relations.

Figure 2

### Most study participants were women and aged 30 to 60 years

(n=75)

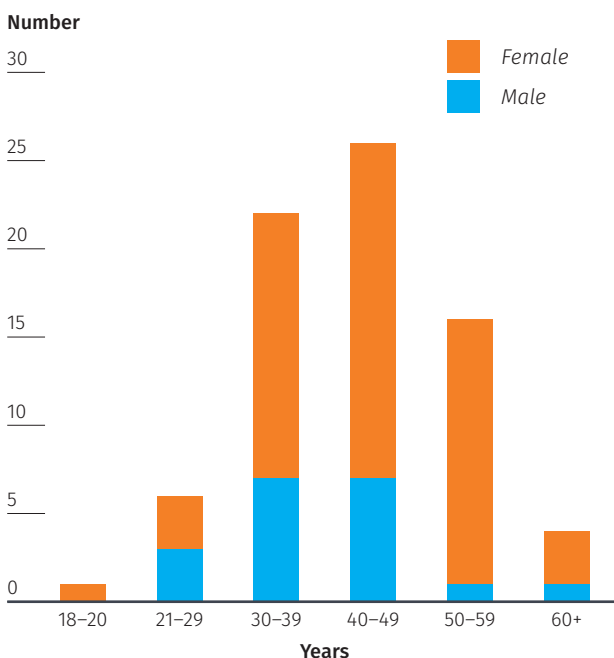
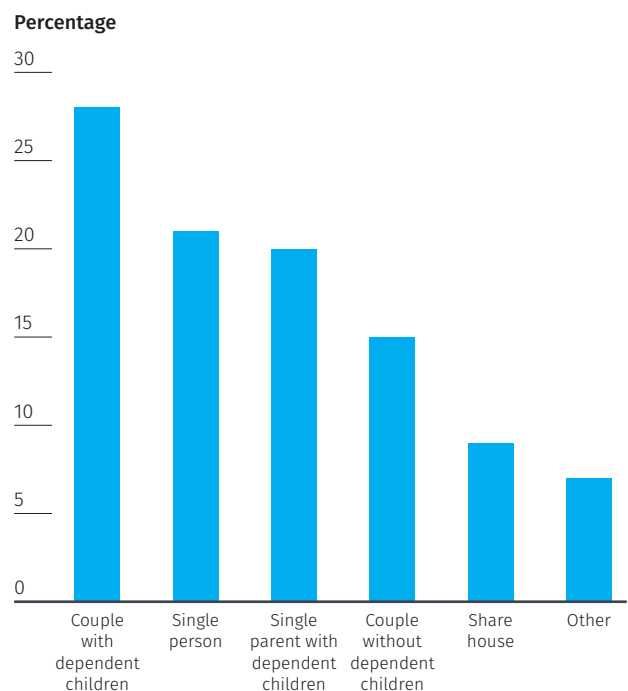


Figure 3

### Study households were diverse types

(n=75)



## 4 WHAT PEOPLE TOLD US ABOUT RISKS

Our interviewees made it clear that decisions about insurance can only be understood within the context of overall household financial risks. This chapter is therefore divided into two sections.

First, we situate insurance within participants' financial riskscapes<sup>2</sup>. We outline some of the key factors influencing their households' financial circumstances. These riskscapes varied in intensity and rhythm due to diverse financial hazards, including intermittent work, uncertain hours or shifts, fluctuating Centrelink payments, delays in child support payments, unanticipated school expenses, disputes with the landlord and losing a day's pay to look after a sick child or injured pet.

In the second section, we move to how households responded to the risks they faced. Making sense of, and acting in relation to, their riskscapes involved particular financial repertoires (Daly 2015). Lundgren (2017) argues that insurance is one consideration in a household's functional and relational financial repertoire, as one way of coping with their constrained economic circumstances. We consider that each participant's financial decisions, based on self-interest, social interests or moral values and influenced by the timeframe and social context (Wilk & Cliggett 2007), are both moral and rational (Ericson, Barry & Doyle 2000; Storchi 2017).

### Situating insurance within participants' financial riskscapes

#### Unstable employment and variable incomes

A prominent feature in many low-income households' financial riskscapes is the pervasive financial and emotional impact of unstable employment (Daly 2015). Henly and Lambert (2014, p. 990) have found that unpredictability due to limited advance schedule notice, schedule changes, varied days of work and other factors can lead to work-to-family conflict that is either:

***time-based, in which the time pressures of one role make it challenging to fulfil the demands of another role, or strain-based, in which the strain symptoms produced by one role interfere with one's ability to carry out another role.***

Maria, a participant in our study who worked casually, talked about hazards that loomed in her financial riskscape. One was how her subcontractor partner's fluctuating income increased the tensions:

***Sometimes it's hard. I think it's a lot more stressful that my partner can't bring in a stable income ... Sometimes he gets work with a builder that gives him jobs, but he's got to foot the bill for the materials to buy. So therefore sometimes I help him out with that so he can get a job done so we can get some money. Even ... when the job is completed, he has to wait 30 days before he gets paid for it anyway.***



**Our unexpected events are an ongoing problem now ... It's not even a week-to-week, it's a day-to-day sort of thing ... We rob Peter to pay Paul. (Rick)**

<sup>2</sup> Pseudonyms are used for research participants mentioned in this report.

## What people told us about risks continued

Another financial hazard emerged in the fourth fortnight of the survey period, when four of Maria's siblings stayed with her temporarily due to assorted accommodation, health and unemployment problems. This increased her financial pressures:

*I think I've done pretty good, considering I have got six people in my house now. My partner doesn't get paid all the time, so I have to make sure that the money is around for shopping, bills, petrol for both of us.*

Like Maria, the majority of households in our study lived with riskscape made more perilous by volatile incomes. International studies have found that households whose incomes fluctuate by more than 25% from one pay period to the next experience sharply higher risks of emotional conflict (Hill et al. 2013) and financial hardship (Hacker et al. 2012; Morris et al. 2015; Nichols & Rehm 2014).

Figure 4 shows the fluctuations in household fortnightly equivalised incomes<sup>3</sup> over the survey period for the 63 households (out of 70)<sup>4</sup> that recorded their income every fortnight. These 63 households were split into seven equal groups ranked from those who had the most stable fortnight-to-fortnight incomes (Group 1) to participants who recorded the most volatile incomes (Group 7). Most study households experienced dangerous (orange) levels of income instability—over 25% from one fortnight to the next. The income of every household in Group 7, for example, fluctuated from one fortnight to the next by more than 60%.

Linda, for example, is one of the Group 7 participants with highly variable incomes. A single parent of a 5-year-old son, her fortnightly income fluctuates markedly as she does casual relief teaching at one school, has agency work at other schools and also does private tutoring on occasions. These multiple and uncertain jobs increase her strain-based risks:

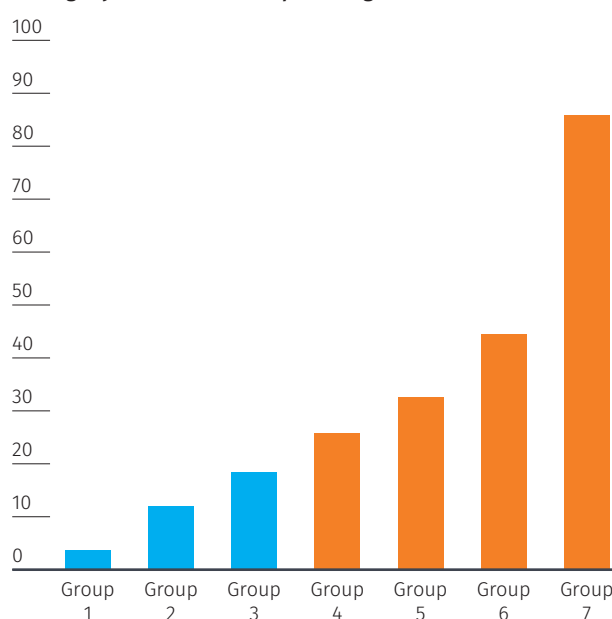
*Sometimes they call me the day before and then it's easier for me to get ready and organise after-school care for my son and all that. But sometimes they can call me in the morning. Then it is very stressful because [I have] to get ready with the child and be on time at the school.*

Figure 4

### Many households had dangerous fortnightly variations in income

(n=63)

Fortnightly income variation (percentage)



Note: Graph shows average fortnight-to-fortnight variation in equivalised household income for each group.

With the caveat that this is a small, non-random sample, there was not a statistically significant relationship between volatility and equivalised household income.

A lack of correlation between the volatility and amount of income is supported by participants' responses to a statement about their risk-preparation attitudes: 'I could handle a major unexpected expense'. There were three notable findings. First, a majority (n=34) were pessimistic they could handle a major unexpected expense ('very little' or 'not at all'). The others calculated they could 'somewhat', 'very well' or 'completely' handle this expense (n=29) (Figure 5).

<sup>3</sup> Equivalised income is a measure of household income that takes account of household size and composition. It is used for the calculation of poverty and social exclusion indicators. A scale attributes a weight to all members of the household: 1 point to the first adult, 0.5 to each additional person who is 15 years and over, and 0.3 to each child under 15. See <http://www.abs.gov.au/ausstats/abs@.nsf/0/A390E2529EC00DFECA25720A0076F6C6?opendocument>

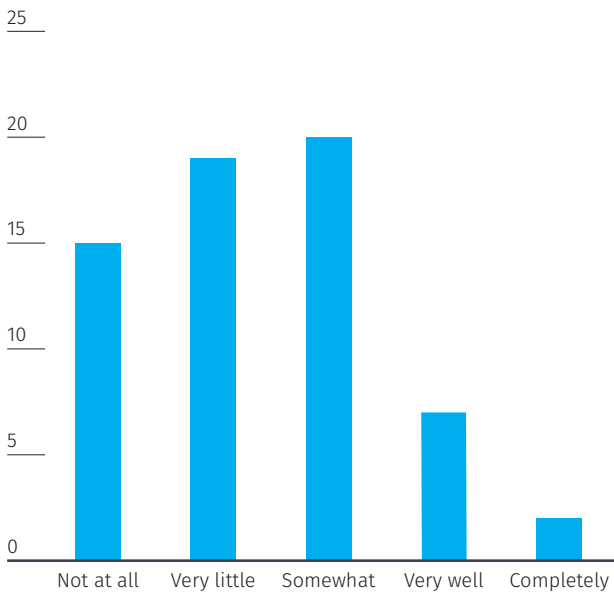
<sup>4</sup> Seven households who completed surveys did not record their income every fortnight.

Figure 5

### Many respondents felt they could not handle a major unexpected expense

(n=63)

Number of respondents



Second, there was little difference between the average fortnightly incomes of the less-confident (\$1,182) and the more-confident (\$1,245). Third, levels of income volatility appeared to vary inversely with confidence. Those less confident of handling a future large expense that they did not expect had incomes that varied by a dangerous 36.3% from one fortnight to the next. By contrast, the more-confident participants had incomes close to being defined as stable by the international literature (26.6% variation).

An unexpected expense is one of the nagging, cumulative micro-risks that often have disproportionate impacts. Respondents were encouraged to record any unexpected expense in each fortnight, what it was and how it affected their ability to manage their finances. These immediate risks proved to be frequent: on average, each participant experienced about one unexpected expense—a micro-event—per fortnight. A large variety of costs were recorded, ranging from car problems or a sudden illness to dealing with the financial consequences of a theft or their pet needing veterinary treatment.

### Insurance cover in participants' riskscape

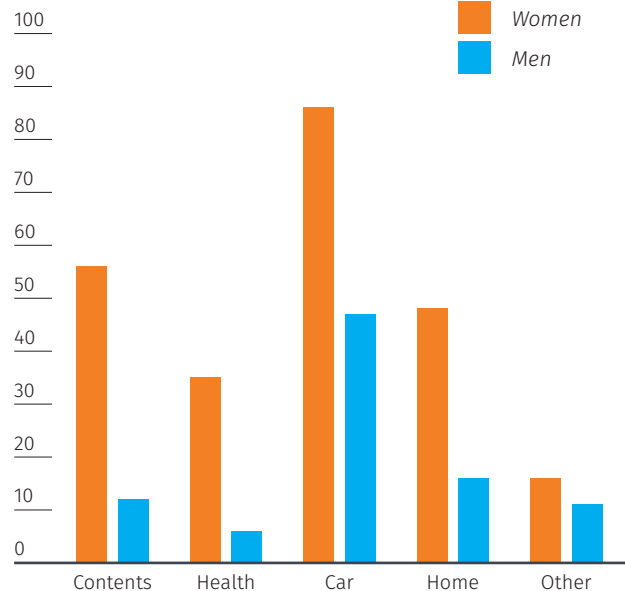
The high proportion of respondents reporting they were not confident they could financially handle a major unexpected expense matched the overall insurance coverage rates. Most of the study households did not have contents, home or private health insurance. The rates of contents (44%) and private health insurance (29%) are lower than other studies of national coverage rates among households in the lowest income quintile, where 61% had contents insurance (O'Sullivan 2012a unpub.) and 33% had private health insurance (Wilkins 2016, p. 96). The higher rate of car insurance cover (74%) is likely to be due to a design problem in the survey, which did not ask the participants to distinguish between compulsory third party insurance<sup>5</sup> and optional car insurance such as Third Party Property Damage, Third Party Fire and Theft, and Comprehensive insurance.

Figure 6

### Women were more likely than men to be insured

(n=75)

Percentage



<sup>5</sup> Compulsory third party insurance is linked to car registration in Victoria and covers personal injury. Other research shows that some drivers believe their compulsory insurance covers property damage (see Robinson 2017a, pp. 13–14).

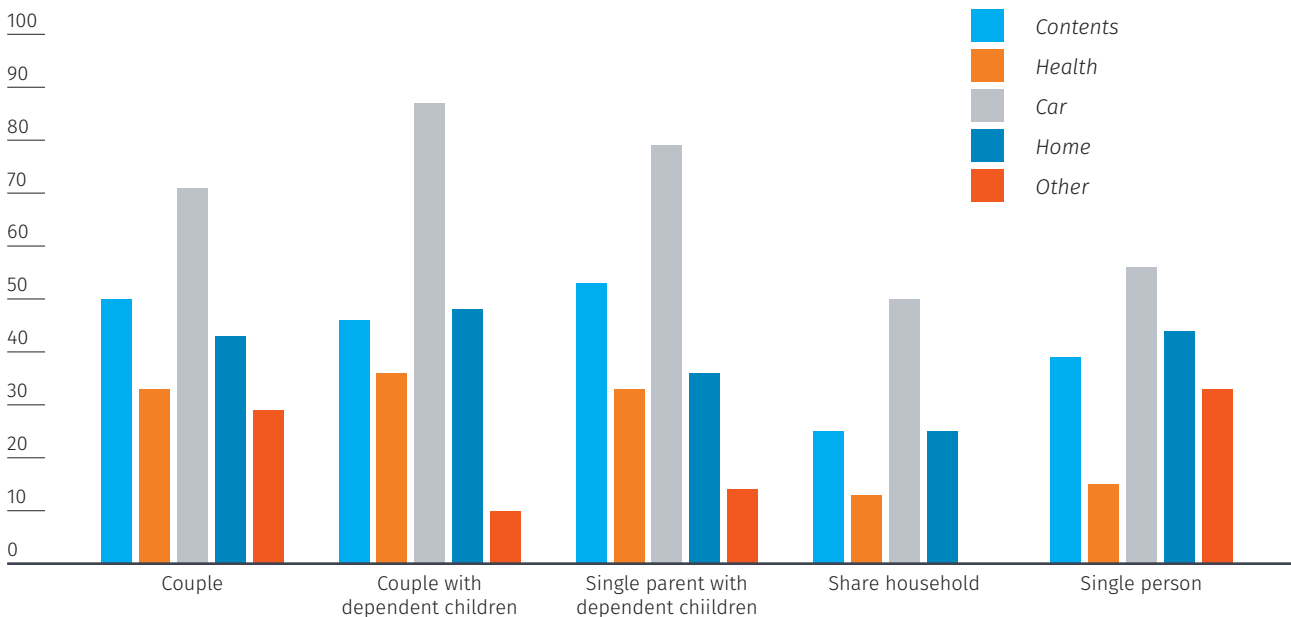
## What people told us about risks continued

Figure 7

### Insurance patterns did not vary much between household types

(n=75)

Percentage



Women in the study were far more likely to have insurance cover than men (Figure 6). Single people were less likely to have contents insurance, and much less likely to have health insurance, than couples or households including children (Figure 7). Private health insurance cover was held by fewer households across the sample but showed a similar coverage pattern. Home insurance rates were lower because many participants rented, but a similar gender disparity in cover is also evident.

Survey participants who were at least somewhat confident that they could handle a major unexpected expense not only had more stable incomes but also were more likely to have contents insurance cover (48%) and private health insurance (38%) than under-confident participants with far more erratic incomes (41% contents and 24% private health cover) (Figure 8).

From a policy perspective, this is *not* to argue that level of income is irrelevant to insurance take-up rates. The minority of respondents with contents insurance (44%) had

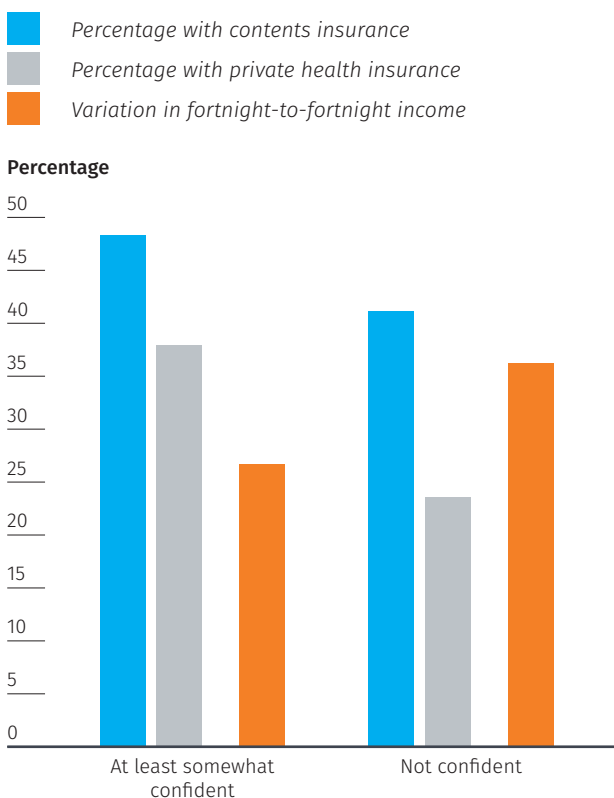
considerably higher incomes (\$1,329) than those (56%) who did not (\$1,117). The average income of households with private health cover (\$1,482) was much higher than those without it (\$1,094). However, what these findings suggest is that affordability and access to insurance is also influenced by *how* income is received. People with relatively stable incomes, with less precarious risks, are likely to have a greater capability to prepare for future risks than those coping with the more immediate risks imposed by highly volatile incomes.

The relatively low insurance rates reflected how participants' circumstances were constrained by low and often unpredictable incomes. The overall impact of living with more hazardous risks meant that in most fortnights of the survey only 1 in 5 participants reported that had they financially coped well ('great' or 'pretty good') while 2 in 5 stated 'not so good' or 'terrible'.

Figure 8

### Respondents who were at least somewhat confident about unexpected expenses were more likely to be insured AND to have less volatile incomes

(n=63)



Note: Graph shows relationship between two types of insurance cover and income variation grouped by responses to the statement 'I could handle a major unexpected expense'.

### Responding to risk: insurance within participants' financial repertoires

Insurance was one of many risk mitigation tactics adopted by respondents. They also reported using their savings, drawing down on their mortgage, complex borrowing and lending practices with friends and other family members, delaying bill payments and doing without essentials such as food.

### Dealing with erratic incomes

Households in our study had to deal with riskscape made more perilous by erratic incomes. To mitigate the risks of incorrect or unreliable Centrelink payments, participants deployed a range of strategies. For example, Ted, a single man in his 50s, was reliant on income support. In the survey period, he had to go without food and was depressed as he was struggling to pay his bills because of the pressure of outstanding legal expenses. He was expecting a notice to vacate because of his rent arrears. In the final fortnight of the survey, just before Christmas, Ted noted a new problem that increased his risk of eviction:

*Centrelink determined I had been overpaid in 2013/14 by \$4,400. Notice received stating, including fine, over \$4,800 owing. I have always correctly reported, so??*

With one of the very few legal options Ted had at his disposal, he was querying the validity of this overpayment notice and was waiting for a reply from Centrelink.

The risk of Centrelink payment fluctuations was mitigated in a different way by Alice, a single parent with five dependent children. Alice's former partner was unreliable in making his monthly child support payments, which in turn affected her Family Tax Benefit payments. She explained:

*If he doesn't pay his child support, child support don't pay me. When he banks it to them, they then will transfer it, but if he doesn't bank it to them then I get nothing. But Centrelink doesn't adjust [my Family Tax Benefit] fortnightly, they keep their base rate at whatever it is.*

## What people told us about risks continued

To buffer the risks of these fluctuations, Alice earmarked some payments and integrated them into her fortnightly cycle:

***I do bill smoothing with my home phone and internet. So I put \$35 a fortnight away into my phone account and I can't access it. Mortgages are paid monthly so I brought mine to fortnightly because it's so much easier to lose \$750 than it is to lose \$1500.***

Seven participants said that they had 'income protection insurance', though most appeared to be actually describing the Temporary and Permanent Disability cover under their superannuation. As with other forms of insurance, many respondents were unclear what was covered and how much they would receive if an event occurred. For example, Philomena, who had to stop work after her fibromyalgia and arthritis became too severe, was granted a Disability Support Pension in 2015. She was initially unaware that she could also claim permanent disability insurance from her superannuation provider and receive a \$100,000 lump sum and \$9,000 per year (for two years) income protection payment:

***It was actually a gentleman from the insurance company that suggested I go for the claim ... I rang up and asked if I could stop paying insurance on my superannuation because I was no longer working. He said, 'Oh well you might be eligible for a claim'. So I went for a claim and I got it.***

Another way risk was buffered was by borrowing and lending small amounts of money within families and between friends. During the four-month survey period this was very common: there were 105 occasions when participants borrowed from, or lent money to, household members, and a further 58 occurrences between friends. These borrowing and lending practices also carried relational and financial risks which were carefully considered.

### Risks beyond income

Participants' responses to their housing, transport, health and education risks were also deeply associated with low and fluctuating incomes.

The following examples illustrate how participants responded to various risks they faced in housing, education, transport and ill health. Some of these appear to be quite small, even mundane, expenses of everyday life, rather than 'risks'. However, when living with very thin financial buffers, even small costs can have high financial and emotional impacts. While the risks are described separately, in reality they overlap and together create the relentless, cumulative pressures of participants' riskscapes.

#### ***Paying rent is king***

For most respondents paying the rent was 'king'—the crucial risk around which all other financial practices were structured (Daly 2015). Some households increased their rent payments as a form of insurance against falling behind. For example, Philomena, a disability pensioner with no private insurance, prepared for financial risks by paying \$180 rent each week instead of the \$175 that was due: 'So after so many weeks, that extra \$5 would add up to an extra week's rent, yeah!'

The timing of rental payments created an unanticipated financial shock for some participants, and further destabilised their riskscapes. Marion, for example, had recently found rental accommodation after a period of homelessness. Her immediate focus was not on purchasing insurance ('it's something that we're looking at having in the future') but on the risk of eviction she and her casually employed partner faced when rent payments were moved from weekly to monthly. As the transcript shows, Marion was not clear who was actually benefiting from the new arrangements:

***We just lived week to week. We made sure the rent was always paid, but when we found out that the landlord wanted the money monthly instead of weekly, because I've had it set up direct debit coming out of my account—\$300—but I've found out that she wanted instead of \$300 a week, she wanted \$1,304 every 1st of the month instead of dribs and drabs. I didn't understand what she meant by that, but just because that extra \$104 wasn't in the bank, that means that the agent wasn't going to get a commission out of it. So, I had to stop the direct debit and save up the \$1,400 a month and put that in the landlord's account. That mucked us up a little bit because when [partner] left his other job, we were short, so we fell behind in rent.***



Risks associated with household running costs featured strongly in the interviews and subsequent survey comments. The timing of utility bills exacerbated financial and emotional risks. Lisa lives with her husband and two young daughters. The youngest has a disability and a life-threatening illness, for which treatments since 2010 had wiped out their savings. As part of her financial repertoire Lisa cooks for three rather than four people and eats the leftovers from the children's dinner to save money. She noted in a survey that:

***Both electricity and gas bill arrived at the same time, both under [the same company] and both due 6th Oct. I rang them complaining why [would] both utilities be billed on the same month? The last time they did this sometime June/July, we ran out of money for food. It was devastating. I had to ask, negotiate for payment terms, since husband's pay cheque [is] only once a month.***

Small domestic events added to the risks experienced by respondents. Alannah reported she was struggling financially because of the cumulative costs associated with her children's schooling, her daughter's basketball uniform, her car, laptop, medications, gifts and new rental/moving costs. Even small expenses could have large impacts:

***I've had a number of household items break in the last week, all of which needed replacing ... the kitchen bin, the toaster and the kettle. They all seem like minor things, but they are essential to daily living. I used food money to buy the cheapest version of these items that I could. We will just go without the extras in our shopping to pay for these things.***

Although cheap items might require replacement sooner, Alannah needed to carefully weigh up current and future risks, no matter how small.

Contents insurance was seen by a minority of respondents as a way of buffering risk. These respondents talked of this insurance giving them 'peace of mind', but sometimes purchasing it was linked to other financial practices. Barbara, for example, had been sold contents insurance by her bank when she went in to get a credit card. She was unsure whether it cost \$12 a month or a fortnight, but knew she was insured for \$25,000. Nine months later her rental house burned down and she received a payout that was seen as a huge windfall:

***I got paid out in full. I was underinsured, completely underinsured. I mean that's one thing the [bush]fires have taught everybody is that we all looked at our insurance policies and bumped them up. I'm relatively positive about that because from that claim my daughter and I lost everything, but we got what we really wanted and that was a deposit for a house.***

Lack of knowledge about and confidence in contents insurance were just as prevalent among participants who had this insurance as among those who did not. Asked why she had contents insurance, one respondent replied:

***In case of something, some damage to the house, I hope the insurance company will pay. And that's just a hope. We don't know ... they come up with all kinds of reasons why they can't pay the insurance.***

As part of their financial repertoires, other respondents had targeted contents cover for specific goods that were at most risk of causing financial and relational harm. Laptop insurance to buffer risks for their children was commonly cited. Many were unsure what was actually covered:

***Yes, I do have [contents insurance]. I don't know why. I just take it out. But I found it really, really cheap. It's like \$200 a year. They gave me a good quote. I said contents, just because I have a computer for my daughter, I've got a laptop and a computer ... I thought maybe I'd insure them in case someone pinches them. And mobile phones. I don't know if I'm covered for mobile phones.***

Having a manageable contents insurance excess allowed some participants to buffer their financial risks:

***My oven was on fire the other month and I was like: how the hell am I going to pay for this? I've got to get a new oven, and then I clicked and I used my home insurance. So I paid only \$500, and I don't even know where I got the money from, I think that was another [Centrelink] advance—so that I could pay the excess to get my oven installed. And my son's iPad, I used my home and contents insurance to fix that because it was cheaper.***

## What people told us about risks continued

Many others saw little reason to take up contents insurance because their household assets were of little value, but doubts remained. Linda, a single mother and casual teacher had calculated she did not need contents insurance, but she was not confident this was the right decision:

***I feel that I don't need it at the moment. Because all my stuff, they are not very expensive, if something breaks it's better for me to go and buy it outright. Paying insurance every month, it's another expenditure for me. I saw it as that. I don't know whether I'm being foolish not to take contents insurance.***

As expected, the majority of participants gave pragmatic reasons for not having insurance. There were fewer examples of emotional or relational explanations. Andrea, a casually employed social worker, had no contents insurance because she considered that it would not cover what she actually valued:

***Well ... there's three things that I have in the house that I care about: my mother's piano, my mother's buffet and the photos of the children ... And those things cannot be replaced by insurance, so, to me, it's not worth it.***

Of course, this explanation could be a way of making sense of her decision not to have insurance given her financial circumstances.

### **Views vary about insuring against ill health**

Decisions about health and life insurance were deeply influenced by the need to support and care for family members. These relational financial repertoires are interrelated with their functional repertoires. Many participants who had private health insurance said it either gave a positive sense of security, or guarded them from the public hospital system that many did not trust to respond quickly or effectively.

Political perspectives on private health insurance played a noticeable role in financial repertoires. Respondents without private health cover made comments such as 'Medicare is enough for us', or 'Because I'm a lefty and I've always been Medicare'. But most, like Malcolm, did not have private health insurance for pragmatic reasons. With good health, 'pretty good' health care and Medicare, the cost of private health insurance did not make sense for him:

***Health care is pretty good in Australia, despite three-month waiting lists and stuff ... I am happy to pay whatever percentage out of my wages that goes to the Medicare. I'll get that money back. I don't feel the need for [private insurance]. The benefits don't outweigh the costs of it. It might when I am older and my body is more frail. Right now, I'm good.***

Ingrid, a single parent caring for two sons with disabilities, reflected that her financial riskscape did not allow her to take out health insurance. She weighed up the risks associated with potentially not having access to timely care, and the financial risks associated with paying for private health insurance:

***I can't afford it. Gee that's a hard one. There's a few points of view. It's just so expensive to go privately for surgery and whatever ... The only positive about [insurance] is if you wanted surgery you would get straight in ... That's a really big risk you take not having it, but it's just ridiculous the price and then to be out of pocket. So that's what I think the government could really improve on. It just seems to be back to front ... It's a different life if you have private health insurance.***

Unlike other respondents, she specifically referred to the role of government in managing these risks more equitably.

For respondents who did have health cover, this insurance was a relational repertoire that formed part of their social identity. Jenny, for example, considered she was 'lucky' to have private health insurance because she was continuing a family tradition. Her motivation for taking out health insurance was based on heeding her mother's warnings:

***And mum's a nurse and she tells me horror stories about people that can't even walk properly and are on a two-year waiting list because there are so many people waiting, but they're in excruciating pain. I just don't want to live like that. I'd rather be broke but know that I don't have to live two years in pain waiting for a doctor.***

For low-income households, deciding about private health insurance was deeply entangled with weighing up other risks. Maggie, for example, cares for her disabled adult son; her husband was made redundant from his full-time job 18 months prior to the interview and subsequently became unwell. Maggie manages the household finances with the Carer Payment she now receives and most of her son's Disability Pension, supplemented by drawing down on the remaining \$35,000 of her husband's redundancy payout. After 35 years they have paid off their mortgage. She explained that her husband was reluctant to apply for income support because of the onerous mutual obligation conditions:

***Given his situation, the way he's feeling, I don't want them to pressure him. I know they'll pressure him, but he can't take that at the moment.***

Their past experiences with Centrelink, in relation to their son, have been 'very demeaning. It was very uncomfortable to say the least'. Their weighing up of the financial and emotional risks of testing whether social insurance payments were available to her husband was rational.

Maggie has no family to rely on financially and she is against borrowing from friends as it could affect their relationship. She manages necessities by purchasing no-name brands, clearance items and bulk meat from the local chicken factory. She tries to save money by turning off gas and utilising the lowest heat margin on the heater (if turning it on at all) and recycles water for washing. She sometimes uses vegetables from her vegetable patch.

For several reasons Maggie prioritised health insurance. One was 'I don't trust the public hospitals'. More importantly, having health insurance was entangled with how Maggie supported her family's overall wellbeing and managed risk:

***We pay our health insurance the first thing. That's one thing I will not skimp on, because we don't know what's around the corner, with my husband being unwell and a disabled son. And now I've hurt my foot. I mean, accidents happen.***

Many respondents took out private health insurance to gain dental cover for their families. The greatest worry was about public dental waiting lists and whether the health insurance would cover the dental expenses. As with other types of insurance, there was a patchy understanding of what was covered. One participant talked of her frustration with her health insurance: her partner had seen a dentist for dentures, believing that the cost would be covered, only to discover that it was not:

***Not happy ... We called our private health insurance and even though he has extras, dentures is not covered and if we wanted it covered, we would need to wait 12 months to be eligible.***

Dental risks for children also entered into the calculations of others who did not have health insurance. Brenda, who lives with her husband and two children, talked about parental responsibility and guilt for not taking out private health cover. She has two casual jobs bringing in \$600–\$700 a fortnight; her husband is a full-time fork-lift driver, earning about \$700 a week. She explained:

***We've never had private health insurance. I'm 41 now. It would be great if we could, I guess. We try to think about it but it's just too unrealistic at this point on the sort of money we are on. But it does worry me; my son plays sport every weekend [and] if he was injured, if there was something like dental work then I don't know what we would do. That's just being honest. Medicare is great, our hospitals are great but ...***

Some assessed the potential financial cost of not having health insurance. Navjot, a recent migrant who lives with his wife and three young children, said he only had private health insurance to avoid the financial penalty:

***Because I got a letter from some government department that if you buy the insurance within one year of coming to Australia, then you won't get the 2% loading, lifetime loading charges.***

Regarding life insurance, most respondents observed that it was irrelevant for people in their financial circumstances: 'Life insurance is only for the rich, I reckon'. They considered they did not have the choice to mitigate possible future risks to their families because they were focused on managing current pressures.

## What people told us about risks continued

At least one participant had decided to stop paying life insurance. Cecilia, who earned \$1700 per fortnight, had completed a money management course for low-income people. Her decision to discontinue life insurance reflected a revised functional response to her riskscape, informed by her new awareness that extra insurances are often attached to credit products, including mortgages.

*I cancelled my life insurance [which was associated with the mortgage]. Because that was a waste of money, because who's going to get my life insurance, it's my kids, and I've already got other life insurance [through superannuation] that they'll get anyway ... So I cancelled that, and that was a really good strategy for saving money. That was like \$100 I think a month. So that's a lot of money, that's \$1200.*

Confusion about exactly what insurance cover participants had was common in this study.

### **New school runners means no meat this week**

The shift of the financial risk of managing the extra costs of education onto families and individuals creates the potential for emotional harms against which formal insurance is no protection. Universal services like free public education are the foundations of a strong and cohesive society that shares risk. In a previous Brotherhood of St Laurence study, the authors found that extra school expenses resulted in 'children from low-income households ... missing out on full participation in formal education' (Bond & Horn 2008, p. 11). The struggles of many parents in our study to financially support their children's schooling reinforce these findings.

The emotional toll of school costs on family life was acutely expressed by Brenda:

*My daughter's nine and ... I found out over time that she was worrying about things. There was an excursion form she didn't end up bringing home because she thought that maybe we couldn't afford it, and I was a bit embarrassed about that once I heard. I have since spoken to her and said, 'Never feel like you can't ask, you just have to be prepared for whatever the answer is', because sometimes I said the school might be fine [if I tell them], 'Okay, I can't pay it by tomorrow but I'll pay it by the end of the week'. So it worried me that at nine she can be not sleeping because she thinks that we might not be able to afford it. She shouldn't have to worry about those sort of things at that age.*

Remedial social measures such as the (now defunct) Education Maintenance Allowance (EMA) were designed to mitigate these risks. However, the allowance was insufficient for Rachel, a single mother of a 13-year-old, and currently studying. Despite receiving \$400 EMA she had fallen behind in her rent in order to buy a school laptop and uniform for her son:

*I think I spent \$500, so that \$400 I got, it went straight to the laptop. Then I had to not pay the rent that week so I could buy his uniform. Because the uniform is expensive, like \$60 just for pants, and it was \$100 for his jacket. We need more help in that I guess.*

In the second fortnight of the survey, she noted her extra expenses and the strategies she adopted to manage them, without jeopardising her son's education:

*For me to buy my son new runners for school (\$40), stationery for his project (\$15), phone credit (\$40) or else I can't complete my university studies online, medication (\$6.30) because son came down with a cold, also my medication which ran out so I had to get new lot (\$6.30) and renewed my licence because it was expired—for me to afford this I had to put less petrol in car, [and do] less grocery shopping (no meat because it's too expensive ... so we substitute and buy cheap prepacked frozen food). This all together cost me \$185.50.*

The shift of costs for their children's education exposes families to additional risk.

### **Transport – running on empty**

Due to their paper-thin financial buffers, the costs of keeping a car on the road figured as prominent and chronic risks for many households in our study. With low and uncertain incomes, respondents made difficult choices about car insurance. For example, underemployment affected Jessica's decision to stop her comprehensive car insurance. After working part-time while caring for her mother, Jessica had expected an increase in hours when her mother went into care. This turned out to be a miscalculation, due to funding cuts. As a result, she had to 'strip out anything that was unnecessary':

*Look, my mum went into care and ... I was supposed to get the additional hours, but unfortunately that got cut in a round of budget cuts at work. I realised that I had to survive on a part-time wage, and part of that was taking out anything that wasn't totally, totally necessary, and part of that was ... car insurance. The excess for car insurance was usually \$1000, and my car is only worth \$3000. So it wasn't necessarily worth it.*

Rianna, who had comprehensive car insurance, struggled with the dilemma that her car did not have a high value but was an important asset:

***Because that is my only asset and I think it's worth paying that little bit of extra money per month, just to make sure that I am covered, you know. Because then my car's not particularly new. So it's a bit of a catch-22.***

Others like Malcolm, a casually employed factory worker currently receiving Newstart Allowance, only had CTP insurance because his car was 'not worth insuring' for property damage. He explained:

***It's a financial balancing act. Most things that could get damaged on my car I could fix myself ... It's just finding out what's wrong and doing it myself rather than need to worry about accident insurance and stuff. It's just unnecessary for me. And if it gets written off, it gets written off, and I move on.***

However, Malcolm's lack of cover against property damage exposes him to significant risk if he causes an accident which damages another person's vehicle.

Petrol and the higher costs of maintaining the older and less reliable cars commonly driven by participants in the study were a prominent feature in many riskscape. Thea, a working mother with a husband receiving Newstart Allowance, balances her petrol costs with her relational risks:

***I might put in a little bit less petrol for that week, so I budget out my wage to make sure we kind of cover everything but if I'm short I might only put \$20 in it and just make sure I'm not driving all over town for no reason and I'm just getting to and from work. We always make sure everyone's fed properly.***

For Thea, buffering her petrol risks by saving required her to draw upon interlinked functional and relational repertoires. Thea had also 'set aside' some money for her daughter:

***She's got a little account, so I put a bit of money in there and I just budget. I just make sure that we're covering the bare minimum that we need to keep the house, keep the power, keep the water, keep all that stuff and then whatever's left is ours, but some months it doesn't work out that way, you know, and I've had to dip into my daughter's account for a little bit of petrol or things like that but we always have a bit of a buffer.***

For those on Newstart Allowance, such as Rick, eking out petrol was a daily struggle. Rick had been homeless for some years prior to finding a place to rent. He lived with his partner in an outer Melbourne suburb, and had bought an old car so he could find casual packing work in the warehouses. In July 2016, he was moving between receiving Newstart Allowance and income from intermittent casual shiftwork. Chronic problems with his car not only required extra spending but, crucially, led to a couple of days off work as there was no public transport to the warehouse. This led to him being laid off. Lacking the income to register his car, he was fined by the police and had his vehicle impounded while he was driving to a job interview. In fortnight 6 of the survey, he commented: 'Our unexpected events are an ongoing problem now'.

For Rick, risk was the new normal that compounded the harms he experienced.

***It's not even a week-to-week, it's a day-to-day sort of thing. I often leave my licence at service stations so I can put petrol in the car and then when I get paid I'll go back and I'll fix them up. Now there's only a certain amount of things you can do the right way in society before people just don't trust you. They automatically assume or they stereotype you and it makes it very difficult to get by, extremely difficult. You know, to go to a local service station and put \$5 petrol in your car to get you through the day to get to and from doctor's appointments or just day-to-day life in general, let alone the additional bills that come in; and it is hard ... We rob Peter to pay Paul ... We try not to overthink anymore.***

In this context formal insurance is out of reach. Instead, Rick relies on other people's trust and careful calculation of balancing and trading off everyday risks.

## 5 DISCUSSION

The financial repertoires of households in our study show that the standard distinction between preparation and coping as the two ways of dealing with hazards is not clear cut. This customary division obscures the complex class, gender and cultural responses to immediate and future risks, largely by disregarding the impact of living with precarious riskscapes. As Zinn (2009, p. 3) observes, if risk is the distinction between reality and possibility, then expectations of the future are profoundly shaped by the reality of current circumstances.

In financialised times, households with low or uncertain incomes respond to future threats in ways that challenge standard insurance understandings of time and what is considered to be an unfortunate event, shock or hazard. Participants in our study experienced riskscapes that were of a different kind from those of households with higher disposable incomes. Events such as illness, unemployment and housing loss are traditionally seen through a standard insurance lens as sufficiently rare that they can be priced and managed through market mechanisms, backed up by social protections. However, rather than facing a rare—and thus insurable—event, most participants in our study faced frequent, micro-events that exacted a heavy toll on their day-to-day financial and emotional lives, and on the ways they responded to these uninsurable risks.

Chronic financial uncertainty undermines the insurance distinction between preparing for and coping with future financial harms. A qualitatively different dynamic exists where coping and preparation financial practices penetrate each other. Saving, for example, is customarily seen from an insurance perspective as preparation—a way to buffer future financial harms. However, the saving practices of participants cannot be so simply reduced to a ‘money-in-the bank’ buffer nor even to a broader ‘preparation logic’. In perilous financial riskscapes, buffers such as savings can be so thin that they also turn into a coping strategy. Saving money by cutting back on fresh food purchases to pay for a school excursion, for example, is both a preparatory and coping response to risk. To protect a child from the future harm of missing out on an excursion may entail coping with the current harm of not eating adequately.

Participants experienced frequent, low-grade but often high-impact risks, such as calculating how to deal with not receiving a fortnightly child maintenance payment, weighing up petrol costs against missing a job interview, or juggling the emotional and financial costs of borrowing \$20 from a parent.

Our study shows that in the context of inadequate income and a frayed social safety net the incessant occurrence of small adverse events compounded these households’ risk of current and future harms.

Overall, these descriptions of receiving income, spending, borrowing, lending, sharing and saving are not simply one-off events recorded by participants but rather processes and strategies they used to manage risk. Pragmatically deciding whether or not to take out insurance cover was a calculation of weighing up multiple risks that were also profoundly influenced by the need to maintain, support and care for family members.

## 6 CONCLUDING COMMENTS

Australian households with low and unstable incomes are ‘making do’ but not in circumstances of their own choosing. Rising inequality and more precarious incomes are exposing these households to further financial and emotional risks that they are struggling to buffer. The fraying of the social safety net and increasingly targeted private insurance exacerbate these risks.

Household responses to multiple risks are blurring the traditional divide between preparatory and coping strategies. The unrelenting harms of micro-events are placing enormous strains on low-income households (Berentson-Shaw 2017). Weighing up ways to prepare for the next small but high-impact financial shock means simultaneously coping with other risks. Having to replace a lost school tie or pay for a new car battery may often mean ‘saving’ on food costs by a parent quietly forgoing dinner, or risking running out of petrol on the way to work, or hoping that they will have enough shifts next week. Within such difficult constraints, the strategies respondents deployed to mitigate the risks to themselves and their families were overwhelmingly rational.

If greater knowledge of a particular insurance product would have assisted refining these strategies, it was not the primary problem. Nor was accessibility. Whether a particular type of insurance was purchased or not was a matter of individual financial and relational calculation based on household circumstances or family traditions. There was no clear ‘right’ or ‘wrong’, as neither insuring nor choosing not to insure could mitigate the factors outside their control that were dominating their riskscapes: insecure employment, low and unstable incomes, and increasingly haphazard and unreliable social protections in education, health, transport and housing.

The trend in private insurance towards a more granular rating of each individual’s risk is rapidly gaining pace. In a social and economic context where fewer people will be treated as ‘average risk’, far more Australians will soon be unable to afford insurance or will be assessed as uninsurable. In one sense this trajectory of increasing exclusion from private insurance can be viewed as an example of market *failure*. In a deeper sense, however, this movement towards exclusion can be viewed as an example of a market more *successfully* understanding the specific risks individuals face in contemporary Australia than do policy actors. Perversely, the market drive to know and grade what each individual does to manage their finances and risks refocuses attention back onto the structural and social constraints, largely overlooked by government, that affect what low-income households *cannot do*.

The Actuaries Institute (2016, p. 5) argues that many of the risks experienced by those rated high risk are not controllable by consumers:

***Increasing the sophisticated analysis of large data sets will create significant issues of insurance access and affordability for society and for policymakers. A key issue is whether society wants individuals to pay a ‘fair price’ for insurance that reflects risk or does it want everyone to have affordable access to insurance regardless of the risk. Government may have a role to play when competitive insurance markets do not deliver adequate cover at an affordable price. This is especially so when the underlying risk is beyond the consumer’s control.***

In its recent green paper, *The impact of big data on the future of insurance*, the Institute suggested increasing some protections for consumers experiencing uncontrollable risks, including price restrictions on insurance (as happens with compulsory third party car insurance) and new risk-sharing mechanisms akin to Medicare (AI 2016, p. 5).

Proposals for government to socialise key risks have already been raised by some policy advocates: integrating dental cover into Medicare and providing basic contents insurance in state rental bond schemes.

It is beyond the scope of this paper to investigate these suggestions. While all are likely to be welcome, none tackles the key generators of risk for low-income and precariously employed households, which are at the same time in danger of triggering their rejection by Australian insurers.

Gaining economic security and reclaiming decent social insurance in health, education, housing and education will require more fundamental changes to strengthen the economic security of households with low or uncertain incomes, including:

- less conditional, higher welfare payments and more generous taper rates
- legislation to enhance job security and wage certainty
- an easing of restrictions on unions’ capacity to respond to economic and social risks in the workplace.

These specific and broader proposals will require, as the founder of the Brotherhood of St Laurence once argued, a public that ‘keeps protesting until the government acts’ (Tucker 1952).

## REFERENCES

- ABI (Association of British Insurers) 2007, *Financial inclusion and insurance: meeting low-income consumers' needs*, ABI Insurance market study no. 3, ABI, London.
- ABS (Australian Bureau of Statistics) 2011, *Household expenditure survey 2009–10*, Cat. no. 6530.0, ABS, Canberra, <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6530.0/>>.
- ACOSS & SPRC 2016, *Poverty in Australia 2016*, Poverty in Australia, Australian Council of Social Service & Social Policy Research Centre, UNSW, Strawberry Hills, NSW.
- Adam, B 1998, *Timescapes of modernity: the environment and invisible hazards*, Routledge, New York.
- AI 2016, *The impact of big data on the future of insurance*, Actuaries Institute, Sydney.
- Ali, J & Banks, M 2014, 'Into the mainstream: the Australian payday loans industry on the move', *JASSA: The Finsia Journal of Applied Finance*, no. 3, pp. 35–42.
- Armstrong, C 2005, 'Equality, risk and responsibility: Dworkin on the insurance market', *Economy and Society*, vol. 34, no. 3, pp. 451–73.
- Arthur, D 2015, *Investment approach to welfare*, Budget Review 2015–16 research paper, Parliamentary Library, viewed 9 October 2017, <[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/BudgetReview201516/Welfare](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516/Welfare)>.
- Austen, S, Jefferson, T & Ong, R 2014, 'The gender gap in financial security: what we know and don't know about Australian Households', *Feminist Economics*, vol. 20, no. 3, pp. 25–52.
- Barsby, W 2015, *Avoiding the traps of income protection insurance*, Shine Lawyers, [Brisbane].
- Baum, S & Mitchell, WF 2010, 'Labour underutilisation and gender: unemployment versus hidden-unemployment', *Population Research and Policy Review*, vol. 29, no. 2, pp. 233–48.
- Beck, G & Kropp, C 2011, 'Infrastructures of risk: a mapping towards controversies on risks', *Journal of Risk Research*, vol. 14, no. 1, pp. 1–16.
- Berentson-Shaw, J 2017, 'Are there any good choices when you live on a low income?', *The Spinoff*, 16 August, viewed 13 November 2017, <<https://thespinoff.co.nz/society/16-08-2017/are-there-any-good-choices-when-you-live-on-a-low-income/>>.
- Blackburn, R 2006, 'Finance and the fourth dimension', *New Left Review*, no. 39, pp. 39–70.
- Blumenberg, E & Agrawal, AW 2014, 'Getting around when you're just getting by: transportation survival strategies of the poor', *Journal of Poverty*, vol. 18, no. 4, pp. 355–78.
- Bond, S & Horn, M 2008, *Counting the cost: parental experiences of education expenses*, Brotherhood of St Laurence, Fitzroy, Vic.
- Booth, K, Tranter, B & Eriksen, C 2015, 'Properties under fire: why so many Australians are inadequately insured against disaster', *The Conversation*, 20 November.
- Borland, J 2017, *Part-time work in Australia: a second look*, Labour market snapshots, University of Melbourne, Melbourne.
- Brown, D 2009, 'The high cost of poverty: why the poor pay more', *Washington Post*, 18 May.
- Bryan, D 2012, 'Going forward: the perpetual crisis of finance', *Culture and Organization*, vol. 18, no. 2, pp. 171–6.
- Bryan, D, Rafferty, M & Jefferis, C 2015, 'Risk and value: finance, labor, and production', *The South Atlantic Quarterly*, vol. 114, no. 2, pp. 307–30.
- Business Monitor International 2017, *Australia insurance report*, Business Monitor International, London.
- Campbell, I, Parkinson, S & Wood, G 2014, *Underemployment and housing insecurity: an empirical analysis of HILDA data, Final report*, Australian Housing and Urban Research Institute at RMIT, Melbourne.
- CFPB (Consumer Financial Protection Bureau) 2015, *Measuring financial well-being*, CFPB, Washington, DC.
- Charlesworth, S 2012, *Working time regulation: briefing notes for Work + Family Policy Round Table meeting*, University of South Australia, Adelaide, November.
- Christmann, G, Ibert, O, Kilper, H & Moss, T 2012, *Vulnerability and resilience from a socio-spatial perspective: towards a theoretical framework*, Leibniz Institute for Regional Development and Structural Planning, Erkner, Germany, viewed 5 September 2017, <[http://www.resilience-berlin.de/download/wp\\_vulnerability.pdf](http://www.resilience-berlin.de/download/wp_vulnerability.pdf)>.
- Climate Institute 2014, *Buyers beware: home insurance, extreme weather and climate change*, Climate Institute, Sydney.
- Collins, D 2011, *Reducing the risks: improving access to home contents and vehicle insurance for low-income Australians*, Brotherhood of St Laurence, Fitzroy, Vic.
- Commonwealth Bank 2017, *More than a third of Australians struggle to reach financial goals*, media release, 3 April, Commonwealth Bank, viewed 16 October 2017, <<https://www.commbank.com.au/guidance/newsroom/financial-wellbeing-goals-201704.html>>.
- Community indicators Victoria 2011, *Financial stress*, Community Indicators Victoria, in partnership with VicHealth and The University of Melbourne, Melbourne, viewed 5 September 2017, <[http://www.communityindicators.net.au/metadata\\_items/financial\\_stress](http://www.communityindicators.net.au/metadata_items/financial_stress)>.
- Connolly, C 2013, *Measuring financial exclusion in Australia*, Centre for Social Impact, University of New South Wales, for National Australia Bank, Melbourne, viewed 13 November 2017, <<http://www.csi.edu.au/research/project/measuring-financial-exclusion-australia-2013/>>.
- Daly, M 2015, 'Money-related meanings and practices in low-income and poor families', *Sociology*, vol. 51, no. 2, pp. 450–65.
- Dawes, J 2009, 'The effect of service price increases on customer retention: the moderating role of customer tenure and relationship breadth', *Journal of Service Research*, vol. 11, no. 3, pp. 232–45.
- Day, A 2012, *Reinsurance – villain or hero?*, Suncorp Group, Brisbane.
- Dayson, K, Vik, P & Aiden, W 2009, *Developing models for delivering insurance through CDFIs: opportunities and risks – final report*, Community Finance Solutions, University of Salford, Salford, UK.
- Deloitte Access Economics 2017, *ASX Australian investor study*, Australian Stock Exchange, Sydney, viewed 5 September 2017, <<http://www.asx.com.au/documents/resources/2017-asx-investor-study.pdf>>.
- Department of Environment Land Water and Planning 2017, *Victoria's bushfire planning and building framework*, Victorian State Government, Melbourne, viewed 1 May 2017, <<https://www.planning.vic.gov.au/bushfire-protection/victorias-bushfire-planning-and-building-framework>>.
- Dercon, S (ed.), *Insurance against poverty*, United Nations University–World Institute for Development Economics Research, Oxford, UK.



- DHHS & VCOSS 2017, *Addressing non-insurance and underinsurance for emergencies in Victoria*, Department of Health and Human Services & Victorian Council of Social Service, Melbourne, viewed 13 April 2017, <<http://vcoss.org.au/documents/2017/05/Insurance-Discussion-Paper-final-130417.pdf>>.
- Digital Insurance 2017, *Insurance Analytics & AI Conference*, Boston, October 16–17.
- Dixon, J & Wetherell, M 2004, 'On discourse and dirty nappies: gender, the division of household labour and the social psychology of distributive justice', *Theory & Psychology*, no. 14, pp. 167–89.
- Ericson, R, Barry, D & Doyle, A 2000, 'The moral hazards of neo-liberalism: lessons from the private insurance industry', *Economy and Society*, vol. 29, no. 4, pp. 532–58.
- Erturk, I, Froud, J, Johal, S, Leaver, A & Williams, K 2007, 'The democratization of finance? Promises, outcomes and conditions', *Review of International Political Economy*, vol. 14, no. 4, pp. 553–75.
- Esping-Andersen, G 1990, *The three worlds of welfare capitalism*, Polity Press, Cambridge.
- Family Action 2007, *The poverty premium*, Family Action, London, <<http://www.family-action.org.uk/uploads/documents/Poverty%20Premium%234%23.pdf>>.
- Financial Literacy Foundation 2008, *Financial literacy: women understanding money*, Financial Literacy Foundation, Canberra, viewed 13 November 2017, <<http://www.financialliteracy.gov.au/media/209296/women-understanding-money.pdf>>.
- Fletcher, M & Guttmann, B 2013, 'Income inequality in Australia', *Economic Roundup*, no. 2, pp. 35–54.
- Folbre, N 2009, 'Beyond economic man', in N Folbre (ed.), *Greed, lust and gender*, Oxford University Press, Oxford, UK.
- Friedland, DS & Price, R 2003, 'Underemployment: consequences for the health and well-being of workers', *American Journal of Community Psychology*, vol. 32, no. 1/2, pp. 33–45.
- GIZ 2012, *Consumer protection in microinsurance*, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Bonn, Germany.
- Good Shepherd Microfinance 2017, *Submission to the Senate Inquiry into Australia's General Insurance Industry*, Good Shepherd Microfinance, Melbourne.
- Goode, J 2010, 'The role of gender dynamics in decisions on credit and debt in low income families', *Critical Social Policy*, vol. 30, no. 1, pp. 99–119.
- Hacker, J 2006, *The great risk shift: the assault on American jobs, families, health care, and retirement*, Oxford University Press, New York.
- Hacker, J, Huber, G, Nichols, A, Rehm, P, Schlesinger, M, Valletta, R & Craig, S 2012, *The Economic Security Index: a new measure for research and policy analysis*, Federal Reserve Bank of San Francisco working paper 2012-21, viewed 13 November 2017, <<http://www.frbsf.org/publications/economics/papers/2012/wp12-21bk.pdf>>.
- Hall, SM & Holmes, H 2017, 'Making do and getting by? Beyond the romantic politics of austerity and crisis', *Discover Society*, no. 44, viewed 25 May 2017, <[http://discoversociety.org/2017/05/02/making-do-and-getting-by-beyond-a-romantic-politics-of-austerity-and-crisis/?utm\\_content=bufferff5b1&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](http://discoversociety.org/2017/05/02/making-do-and-getting-by-beyond-a-romantic-politics-of-austerity-and-crisis/?utm_content=bufferff5b1&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer)>.
- Harvey, D 2006, *The limits to capital*, Verso, London.
- Henly, JR & Lambert, SJ 2014, 'Unpredictable work timing in retail jobs', *ILR Review*, vol. 67, no. 3, pp. 986–1016.
- Herauld, N & Azpitarte, F 2014, *Recent trends in income redistribution in Australia: can changes in the tax-transfer system account for the decline in redistribution?*, Melbourne Institute working paper no. 2/14, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne, viewed 13 November 2017, <<https://melbourneinstitute.com/>>.
- Hill, HD, Morris, P, Gennetian, LA, Wolf, S & Tubbs, C 2013, 'The consequences of income instability for children's well-being', *Child Development Perspectives*, vol. 7, no. 2, pp. 85–90.
- ICA (Insurance Council of Australia) 2017, *Submission to Senate Economics References Committee Inquiry into Australia's General Insurance Industry*, Insurance Council of Australia, viewed 5 September 2017, <[http://www.insurancecouncil.com.au/assets/submission/2017/2017\\_02\\_17\\_SENATE\\_INQUIRY\\_GI\\_INDUSTRY\\_ICA\\_SUBMISSION\\_FINAL.PDF](http://www.insurancecouncil.com.au/assets/submission/2017/2017_02_17_SENATE_INQUIRY_GI_INDUSTRY_ICA_SUBMISSION_FINAL.PDF)>.
- IMF 2005, *Global financial stability report*, International Monetary Fund, Washington DC, viewed 5 September 2017, <<http://www.imf.org/External/Pubs/FT/GFSR/2005/01/index.htm>>.
- Janda, M 2017, 'Australia at risk from high household debt: Bank for International Settlements', *ABC News*, 26 June, viewed 5 September 2017, <<http://www.abc.net.au/news/2017-06-26/australia-at-risk-of-high-household-debt-bis/8651044>>.
- Kjeldstad, R & Nymoene, EH 2012, 'Underemployment in a gender-segregated labour market', *Economic and Industrial Democracy*, vol. 33, no. 2, pp. 207–24.
- Levine, T 2013, 'Will an income protection policy work for you?', *The Guardian*, 31 August.
- Lundgren, M 2017, 'Riskscape: strategies and practices along the Georgian-Abkhazian boundary line and inside Abkhazia', *Journal of Borderlands Studies*, pp. 1–18. Published online 29 March. DOI 10.1080/08865655.2017.1300778
- Mattby, JA 2014, 'Bringing back Thrift Week: neo-liberalism and the rediscovery of thrift', *Critical Perspectives on Accounting*, vol. 25, no. 2, pp. 115–27.
- Martin, R 2002, *Financialization of daily life*, Temple University Press, Philadelphia.
- May, J & Thrift, N (eds), *Timespace: geographies of temporality*, Routledge, New York.
- Montgomerie, J & Tepe-Belfrage, D 2016, 'Caring for debts: how the household economy exposes the limits of financialisation', *Critical Sociology*. First published 30 November. DOI 10.1177/08969205166664962
- Morris, P, Hill, H, Gennetian, L, Rodrigues, C & Wold, S 2015, *Income volatility in U.S. households with children: another growing disparity between the rich and the poor?*, Institute for Research on Poverty, University of Wisconsin-Madison, Madison, Wisconsin, viewed 13 November 2017, <<http://www.irp.wisc.edu/publications/dps/pdfs/dp142915.pdf>>.
- NAIC & CIPR 2014, *Uninsured motorists*, National Association of Insurance Commissioners & The Centre for Insurance Policy and Research, Washington, DC, <[http://www.naic.org/cipr\\_topics/topic\\_uninsured\\_motorists.htm](http://www.naic.org/cipr_topics/topic_uninsured_motorists.htm)>.

- Neisser, FM 2014, 'Riskscape' and risk management – review and synthesis of an actor–network theory approach', *Risk Management*, vol. 16, no. 2, pp. 88–120.
- Nichols, A & Rehm, P 2014, 'Income risk in 30 countries', *Review of Income and Wealth*, vol. 60, no. 51, pp. S98–S116.
- O'Sullivan, P 2012a unpub., Analysis provided in private correspondence. Background work for report *The non-insured: who, why and trends – an update*, Insurance Council of Australia, Sydney.
- 2012b, *The non-insured: who, why and trends – an update*, Insurance Council of Australia, Sydney.
- OECD 2015, *In it together: why less inequality benefits all*, OECD Publishing, Paris.
- 2016a, *Part-time employment rate 2013*, OECD, Paris, viewed 4 November 2016, <<https://data.oecd.org/emp/part-time-employment-rate.htm>>.
- 2016b, *Society at a glance 2016: a spotlight on youth – how does Australia compare?*, OECD, Paris, viewed 6 March 2017, <<http://www.oecd.org/australia/sag2016-australia.pdf>>.
- OECD.Stat 2017, *Minimum relative to average wages of full-time workers*, OECD, Paris, <<https://stats.oecd.org/Index.aspx?DataSetCode=MIN2AVE>>.
- OnProperty 2017, *What percentage (%) of Australians own investment property? (Ep269)*, viewed 20 July 2017, <<http://onproperty.com.au/percentage-of-australians-own-property/>>.
- Quantum Market Research 2013, *The understand insurance research report*, Insurance Council of Australia, Sydney, viewed 13 November 2017, <<http://understandinsurance.com.au/assets/pdf/FINAL%20Understand%20Insurance%20Research%20Report.pdf>>.
- 2014, *The understand home insurance research report*, Insurance Council of Australia, [Sydney], viewed 13 November 2017, <[http://understandinsurance.com.au/assets/research/ICA%20Understand%20Home%20Insurance\\_Report.pdf](http://understandinsurance.com.au/assets/research/ICA%20Understand%20Home%20Insurance_Report.pdf)>.
- RBA 2017, *Insights into low wage growth in Australia*, Bulletin March quarter, Reserve Bank of Australia, Canberra, viewed 13 November 2017, <<https://www.rba.gov.au/publications/bulletin/2017/mar/pdf/bu-0317-2-insights-into-low-wage-growth-in-australia.pdf>>.
- Robinson, T 2017a, *Pranged: the cost of optional vehicle insurance in Australia*, Brotherhood of St Laurence, Fitzroy, Vic. .
- 2017b, *Uninsured Australia: the case for not-for-profit insurance*, Brotherhood of St Laurence, Fitzroy, Vic.
- Rohde, N, Tang, KK, Osberg, L & Rao, DSP 2015, 'Economic insecurity in Australia: who is feeling the pinch and how?', *Economic Record*, vol. 91, no. 292, pp. 1–15.
- Rosier, K & McDonald, M 2011, *The relationship between transport and disadvantage in Australia*, Australian Institute of Family Studies, Melbourne, viewed 5 September 2017, <<https://aifs.gov.au/cfca/sites/default/files/publication-documents/rs4.pdf>>.
- Saunders, P & Bedford, M 2017, *New minimum income for healthy living budget standards for low-paid and unemployed Australians*, Social Policy Research Centre, UNSW, Sydney, viewed 13 November 2017, <<http://unsworks.unsw.edu.au/fapi/datastream/unsworks:46140/binc76de784-a739-416b-9361-6ebb285882ea?view=true>>.
- Saunders, P & Wong, M 2012, 'Estimating the impact of the global financial crisis on poverty and deprivation', *Australian Journal of Social Issues*, vol. 47, no. 4, pp. 485–503.
- Senate Economics References Committee 2017, *Australia's general insurance industry: sapping consumers of the will to compare*, Senate Economics References Committee, Canberra, viewed 13 November 2017, <[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Economics/Generalinsurance/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Generalinsurance/Report)>.
- Siegrist, J & Marmot, M 2004, 'Health inequalities and the psychosocial environment – two scientific challenges', *Social Science & Medicine*, vol. 58, no. 8, pp. 1463–73.
- Sonnenberg, S 2008, 'Household financial organisation and discursive practice: managing money and identity', *The Journal of Socio-Economics*, vol. 37, no. 2, pp. 533–51.
- Sotiropoulos, DP & Lapatsioras, S 2013, 'Financialization and Marx', *Review of Radical Political Economics*, vol. 46, no. 1, pp. 87–101.
- Storchi, S 2017, *The intrinsic and instrumental value of money and resource management for people's wellbeing in rural Kenya*, Bath Papers in International Development and Wellbeing, Centre for Development Studies, University of Bath, Bath, UK.
- Swedloff, R 2014, 'Risk classification's big data (r)evolution', *Connecticut Insurance Law Journal*, vol. 21, no. 1, pp. 339–73.
- Tennyson, S, Kelly, M & Kleffner, A 2012, *The design of auto insurance systems: research and implications for Ontario*, Insurance Bureau of Canada, viewed 5 September 2017, <<http://assets.ibc.ca/Documents/Auto%20Insurance/CISL/Ontario%20Final%20Report.pdf>>.
- The Economist 2015, 'It's expensive to be poor', *The Economist*, 3 September.
- Tucker, G 1952, 'Slums are up to you', *The Herald*, 5 August, p.4.
- Tversky, A & Kahneman, D 1981, 'The framing of decisions and the psychology of choice', *Science*, vol. 211, no. 4481, pp. 453–8.
- Urdansky, ML 2011, 'The gender-equality paradox: class and incongruity between work–family attitudes and behaviors', *Journal of Family Theory & Review*, vol. 3, no. 3, pp. 163–78.
- Walks, A 2013, 'Mapping the urban debtscape: the geography of household debt in Canadian cities', *Urban Geography*, vol. 34, no. 2, pp. 153–87.
- Western, B, Bloome, D, Sosnaud, B & Tach, L 2012, 'Economic insecurity and social stratification', *Annual Review of Sociology*, vol. 38, no. 1, pp. 341–59.
- Wilk, R & Cliggett, L 2007, *Economies and cultures: foundations of economic anthropology*, 2nd edn, Westview Press, Boulder, USA.
- Wilkins, R 2016, *The Household, Income and Labour Dynamics in Australia Survey: selected findings from Waves 1 to 14*, Melbourne Institute of Applied Economic and Social Research, The University of Melbourne.
- Wooden, M & Richardson, S 2016, 'FactCheck: has the level of casual employment in Australia stayed steady for the past 18 years?', *The Conversation*, 31 October.
- Zelizer, V 1994, *The social meaning of money*, Basic Books, New York.
- 2012, 'How I became a relational economic sociologist and what does that mean?', *Politics & Society*, vol. 40, no. 2, pp. 145–74.
- Zinn, JO 2009, 'Introduction', in JO Zinn (ed.), *Social theories of risk and uncertainty: an introduction*, Blackwell, Oxford.
- 2017, 'The meaning of risk-taking – key concepts and dimensions', *Journal of Risk Research*, pp. 1–15, <<http://dx.doi.org/10.1080/13669877.2017.1351465>>.



## Contact us

**Research & Policy Centre**  
Brotherhood of St Laurence

67 Brunswick Street  
Fitzroy, Victoria 3065  
Australia

**T** (03) 9483 1183  
**E** [research@bsl.org.au](mailto:research@bsl.org.au)

[bsl.org.au/knowledge](http://bsl.org.au/knowledge)

