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## Cost of Living Crisis Worsens Mental Health Strain


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– Categories: Finance



Australia's soaring cost of living is taking a severe toll on mental health, with one in three citizens now experiencing financial stress according to recent data. Women report significantly higher levels of money-related anxiety as prices have surged over 20% in five years amid relentless interest rate hikes by the Reserve Bank of Australia (RBA). The economic pressure cooker has spawned a range of psychological impacts, from

chronic stress to body dysmorphia, as Australians struggle to maintain their quality of life. This crisis reveals the dangerous intersection between financial instability and mental wellbeing in modern society.

The RBA's thirteen consecutive rate increases have pushed mortgage holders to breaking point, while renters face record-high housing costs. Psychologists report growing cases of "financial dysmorphia," where individuals develop distorted perceptions of their economic worth and physical appearance due to budget constraints. Middle-class families previously comfortable are now rationing essentials, with many avoiding  medical care to save money. Women disproportionately bear this burden, often managing household budgets while facing persistent gender pay gap issues that compound financial anxiety.

Mental health professionals warn the crisis extends beyond temporary stress, creating long-term psychological damage. Emergency services report increased calls related to financial distress, while psychologists note spikes in anxiety disorders and depression linked to money worries. The situation exposes flaws in Australia's mental health infrastructure, which struggles to meet demand as economic pressures mount. While some advocate for government intervention, others emphasize personal financial literacy and private sector solutions as more sustainable approaches to building resilience.

As Australia grapples with this dual crisis, the solution requires both economic and psychological strategies. Financial advisers stress the importance of budgeting and debt management, while mental health experts recommend proactive stress reduction techniques. The lasting lesson may be that economic policy and mental health can no longer be treated as separate issues. In an era where financial stability directly

impacts psychological wellbeing, Australia must develop integrated solutions that address both wallet and mind to weather this unprecedented challenge.

