

The financial impact of a furry friend

There are over 29 million pets in Australia with approximately 61% of households owning one of these 29 million pets. Of that 61%, most are dog owners at 40%, followed by cat owners at 27%. In 2019, over 60% of dog and cat owners considered their pet as a member of their family¹ – which means we want to treat them well and keep them in good health for a long and happy life, but at what cost?



In this article we take a look at the benefits of pets and the costs involved with keeping them – which should be considered in your household budget!

The benefits of pets

Many people boast the benefits of a pet – love, affection, happiness, joy, improved mental wellbeing, improved physical fitness and the chance to teach children about gentleness and responsibility. The Baker Medical Research Institution in Melbourne studied seniors with pets over a three-year period and found that a benefit of pets within the study group was lower blood pressure and cholesterol levels.

Early in 2020, during the height of the COVID-19 pandemic reports mentioned a spike in animal adoption as people sought to lockdown with a household pet for company. Animal shelters were pleased with increased adoption numbers, but hoped pets would not be a fad and be surrendered as people struggled with the economic downturn and loss of income – or could not care for their pet when they returned to an office environment.

Studies into the benefits of pets are clear, and we also know they are for keeps so we want to look after our furry friends and know we can continue to afford to do so.

The true cost of a pet

Research by Animal Medicines Australia (Pet Ownership in Australia 2019) discovered that a staggering \$13 billion in that year. Dog owners spent, on average, \$1,627 per year on food, veterinary services, healthcare products and accessories.

ASIC's Money Smart website predicts that vet care is the second-highest annual cost for dog and cat owners in their study with the Pet Ownership in Australia Report and they have developed a simple calculator on their website to help you understand, and budget for, the cost of a pet².

Pet insurance

Just as we protect our own income and lifestyle from a life event through a personal insurance plan, pet insurance can give you peace of mind knowing you will be financially protected in the event your pet suffers an unexpected illness or injury as it can lower the cost of surgery and medication significantly.

For dog owners, the right pet insurance policy can protect your dog against a portion of the costs associated with vet bills due to injury from accidents like dog attacks and car accidents. You can also choose a policy that includes illness coverage. Some policies can be paid either upfront, or in instalments, which may help you to better manage your cashflow.

Talk to your adviser about including the cost of a pet in your budget

If you're smart about your finances and upfront with yourself about the cost of a pet, you can keep your budget in-check and remain financially secure – even if unexpected pet expenses crop up if your furry friend becomes ill or injured.

Next time you have a financial review with your financial adviser, let them know if they need to factor in the cost of a pet to your overall financial budget.

Notes:

1 | [How many pets are there in Australia? - RSPCA](#)

2 | <https://moneysmart.gov.au/getting-a-pet>

Additional source: <https://www.rspcapetinsurance.org.au/why-pet-insurance-important>

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