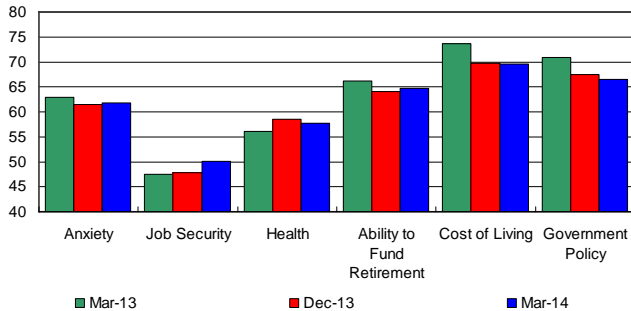


## NAB Quarterly Australian Consumer Anxiety Index: Q1 2014

**Consumer anxiety rises as fears over job security continue to grow.** The NAB Consumer Anxiety Index rose to 61.7 points in Q1 2014 (61.5 in Q4 2013). This was largely driven by heightened concerns over job security (mainly NSW/ACT). Although job security still rates as the lowest concern overall, job anxiety has risen more than 5 points since mid-2013. Consumers were also slightly more anxious about their ability to fund retirement. The level of anxiety related to government policy and health fell slightly and was broadly unchanged for cost of living. Among the key findings: consumers in NSW/ACT are the most anxious; anxiety is highest for women aged 30-39 and for divorced people and lowest for widows, men aged 18-29 and retirees. Our Special Report ("**Factors Impacting Cost of Living**") also released today reveals that the most important influences impacting cost of living include utility bills, housing and transport costs, while costs related to entertainment, travel/holidays, keeping up with the Jones' and durable goods were not considered to have a negative impact on the cost of living.

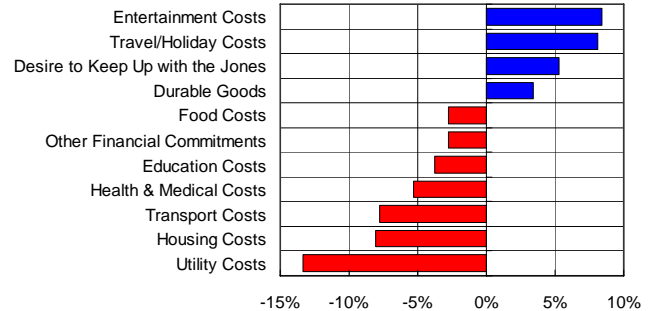
**Overall Consumer Anxiety Index**

(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



**Factors Influencing "Cost of Living"**

(net balance)



### Consumer anxiety typically highest for those who...

- lived in NSW/ACT
- resided in a rural town or the bush
- earned between \$35-50k
- were female
- aged between 30-49 (women and men)
- were divorced
- had children
- lived in a single person household
- educational attainment was diploma
- were not employed or not retired
- worked part time or were sales/clerical workers

### What are the big changes since our last survey...

- ✓ cost of living concern falls but still biggest worry overall
- ✗ anxiety highest in NSW/ACT as job insecurity rises
- ✓ regional cities report lowest anxiety (highest in Q4'13)
- ✗ job security up sharply in \$75-100k & \$35-50k groups
- ✗ males more worried about job security
- ✗ women aged 30-39 most anxious across all categories
- ✓ 18-29 year olds report lower anxiety overall
- ✗ job security concerns up sharply for divorced people
- ✗ job security fears much higher in single households
- ✓ part timers less worried about jobs and cost of living
- ✗ sales/clerical staff worry much more about retirement

### A deeper look at the data reveals some interesting developments...

- Consumers still rate cost of living as their main source of anxiety, although marginally less so than in Q4 2013. However, nearly one-third still rate "high" anxiety with regards cost of living and only 1 in 7 rate it "very low".
- Anxiety over job security continues to grow. Almost 37% rated their anxiety over job security "medium" or "high" (up from 33% in Q4 2013), while 36.5% rated it "very low" down from almost 40% in the last survey.
- Australians appear to be slightly less worried about their health, with the number of consumers reporting "medium" or "high" anxiety over their health falling to around 42% (43.5% in Q4 2013).
- There was a small decline in the number of Australians reporting "very low" anxiety over their ability to fund their retirement to 20.1% (20.2% in Q4 2013)
- Concern over government policy reduced slightly this quarter, mostly among those reporting "high" anxiety.

### Consumer Anxiety Indicator Categories (%)

	Very Low (0-4)	Low (5-6)	Medium (7-8)	High (9-10)	Average (mean)
<b>Job Security</b>					
Q4 2013	39.8	27.2	17.1	15.9	47.8
Q1 2014	36.5	26.8	19.3	17.4	50.1
<b>Health</b>					
Q4 2013	26.7	29.8	24.7	18.8	58.5
Q1 2014	27.0	31.0	24.6	17.5	57.7
<b>Ability to Fund Retirement</b>					
Q4 2013	22.2	25.0	24.0	28.8	64.1
Q1 2014	20.1	26.7	25.6	27.6	64.7
<b>Cost of Living</b>					
Q4 2013	14.6	23.7	27.8	33.9	69.7
Q1 2014	15.0	21.4	31.7	31.9	69.6
<b>Government Policy</b>					
Q4 2013	15.1	29.9	24.4	30.6	67.5
Q1 2014	16.4	28.4	27.4	27.7	66.4

### For more information contact:

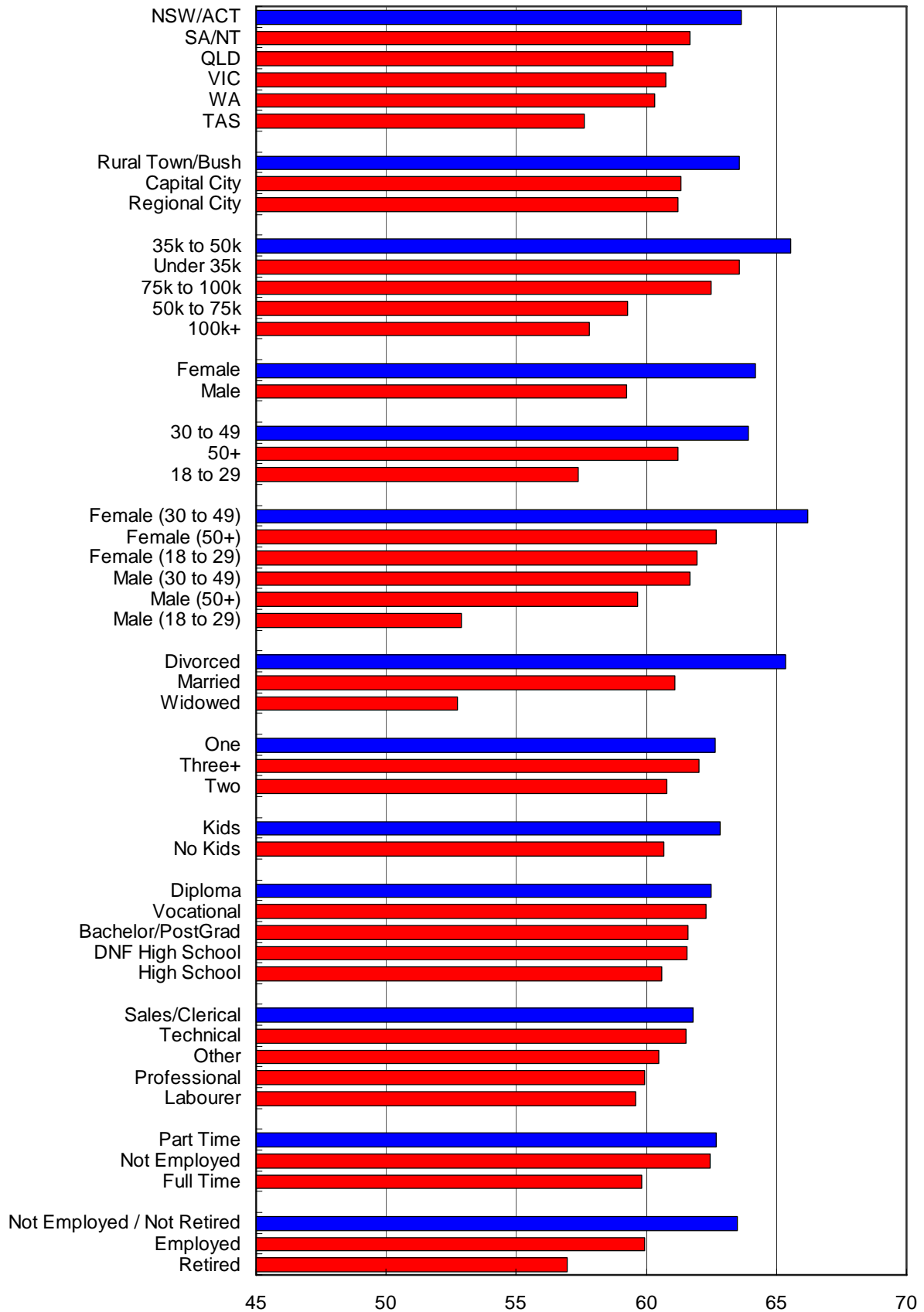
Alan Oster, Chief Economist  
(03) 8634 2927 0414 444 652

Dean Pearson, Head of Industry  
(03) 8634 2331

Robert De Iure, Senior Economist -  
Industry Analysis (03) 8634 4611

Brien McDonald, Economist -  
Industry Analysis (03) 8634 2331

# Consumer Anxiety Indicators Ranked by Category (score out of 100)



0 = nil anxiety; 100 = extremely anxious

# Anxiety Indicators: directional change since last quarter

Overall Consumer Anxiety		☹️
Job Security		☹️
Health		😊
Ability to Fund Retirement		☹️
Cost of Living		😊
Government Policy		😊

	Overall Consumer Anxiety	Job Security	Health	Ability to Fund Retirement	Cost of Living	Govt Policy
<b>State &amp; Location</b>						
NSW/ACT	☹️	☹️	☹️	☹️	😊	😊
Victoria	😊	😊	😊	😊	😊	😊
Queensland	☹️	☹️	😊	☹️	☹️	☹️
WA	😊	😊	😊	😊	☹️	😊
SA/NT	☹️	☹️	😊	☹️	☹️	☹️
Tasmania	☹️	☹️	☹️	☹️	☹️	😊
Capital City	😊	☹️	😊	😊	😊	😊
Regional City	😊	😊	😊	☹️	😊	😊
Rural Town/Bush	☹️	☹️	☹️	☹️	☹️	☹️
<b>Income</b>						
Over \$100k	😊	😊	😊	☹️	☹️	😊
\$75-100k	☹️	☹️	😊	😊	☹️	☹️
\$50-75k	😊	☹️	😊	☹️	😊	☹️
\$35-50k	☹️	☹️	☹️	☹️	☹️	😐
Under \$35k	😊	☹️	😊	☹️	😊	😊
<b>Gender</b>						
Female	☹️	☹️	😊	☹️	☹️	😊
Male	☹️	☹️	😊	☹️	😊	😊
<b>Age</b>						
18-29	😊	😊	😊	😊	😊	😊
30-49	☹️	☹️	😊	☹️	☹️	☹️
50+	☹️	☹️	☹️	☹️	😊	😊
<b>Gender &amp; Age</b>						
Female (18 to 29)	😊	😊	😊	☹️	☹️	😊
Male (18 to 29)	😊	😊	☹️	😊	😊	😊
Female (30 to 49)	☹️	☹️	😊	☹️	☹️	☹️
Male (30 to 49)	☹️	☹️	😊	☹️	😊	😊
Female (50+)	😊	☹️	☹️	😊	😊	😊
Male (50+)	☹️	☹️	😊	☹️	☹️	😊
<b>Marital Status</b>						
Single	☹️	☹️	☹️	☹️	☹️	☹️
Defacto	😊	😊	😊	😊	😊	☹️
Married	😊	☹️	😊	☹️	😊	😊
Divorced	😊	☹️	☹️	😊	😊	😊
Widowed	😊	☹️	☹️	😊	😊	😊
<b>Household Status/Size</b>						
Children	☹️	☹️	😊	☹️	😊	☹️
No Children	😊	😊	😊	😊	😊	😊
One	☹️	☹️	☹️	😊	😊	😊
Two	😊	😊	😊	☹️	😊	😊
Three +	☹️	☹️	😊	☹️	😊	☹️

...continued on next page

LEGEND: 😊 = up ☹️ = down 😐 = unchanged

# Anxiety Indicators: directional change since last quarter

	Overall Consumer Anxiety	Job Security	Health	Ability to Fund Retirement	Cost of Living	Govt Policy
<b>Education</b>						
Bachelor/Post Grad	☹	☹	☹	☹	☹	☹
Diploma	😊	☹	😊	☹	😊	😊
Vocational	☹	☹	😊	☹	😊	☹
High School	😊	☹	😊	😊	😊	☹
DNF High School	😊	☹	☹	😊	😊	😊
<b>Employment Status</b>						
Full Time	☹	☹	😊	☹	😐	😐
Part Time	😊	😊	☹	☹	😊	☹
Not Employed	😊	☹	😊	😊	😊	😊
Employed	😊	😊	😊	☹	😊	😊
Retired	☹	☹	😊	☹	😊	😊
Not Employed/Retired	😊	☹	😊	😊	😊	😊
<b>Employment Type</b>						
Professional	😊	☹	☹	☹	😊	😊
Technical	☹	😊	☹	☹	😊	☹
Labourer	😊	😊	😊	😊	😊	😊
Sales/Clerical	☹	😊	☹	☹	☹	😊
Other	😊	☹	😊	😊	😊	😊

**LEGEND:** 😊 = up ☹ = down 😐 = unchanged

## NAB Quarterly Australian Consumer Anxiety Index - Main Findings

### Main Findings

- The NAB Consumer Anxiety Index rose to 61.7 points in Q1 2014 (61.5 points in Q4 2013) driven by heightened concerns over job security and the ability to fund retirement. The level of consumer anxiety related to government policy and health fell slightly. Consumer anxiety arising from cost of living was broadly unchanged, but it is still the biggest concern for Australian consumers.
- The most important influences impacting cost of living include utility bills, housing and transport costs, while costs related to entertainment, travel/holidays, keeping up with the Jones' and durable goods were not considered to have a negative impact on the cost of living (see **Special Report - Factors Impacting Cost of Living also released today**).
- Consumer anxiety fell in Victoria and WA, but increased in all other states. Consumer anxiety is now rated highest in NSW/ACT (replacing Victoria). Consumer anxiety fell in capital and regional cities, but rose in rural towns/bush, mainly due to heightened job security concerns.
- Consumer anxiety increased for those earning between \$35-50k and \$75-100k, with both these groups reporting a significant increase in anxiety over their job security.
- Women remain much more anxious than men overall and for all survey questions, especially retirement funding, cost of living and health. However, men reported a big jump in concern over their job security. Anxiety among women was higher than for men in all age groups, with women aged 30-49 now the most anxious group across all our demographic categories. In contrast, anxiety fell most for 18-29 males with this group now the least anxious of all demographic groups except widows.
- By marital status, singles were the only group to report higher overall anxiety. Widows remain the least anxious group overall, while the divorced group remains most anxious overall.
- Consumers with kids report higher anxiety than those without kids for all survey questions except their health. Consumer anxiety was also marginally higher for both single and 3+ households.
- Consumers with bachelor/post grad and vocational qualifications were the only groups to rate anxiety higher.
- Full time workers were slightly more anxious due to higher concerns over their jobs and ability to fund retirement. In contrast, consumer anxiety fell for part time workers because of lower job security concerns.
- Those not employed or not retired rated their anxiety lower on the back of reduced concerns over their health and government policy. Overall anxiety also rated lower among those in employment and was broadly unchanged for retirees.
- Anxiety increased most for sales/clerical workers. In contrast, overall anxiety fell most for labourers, who rated all survey questions lower. Labourers are now the least anxious group of workers.

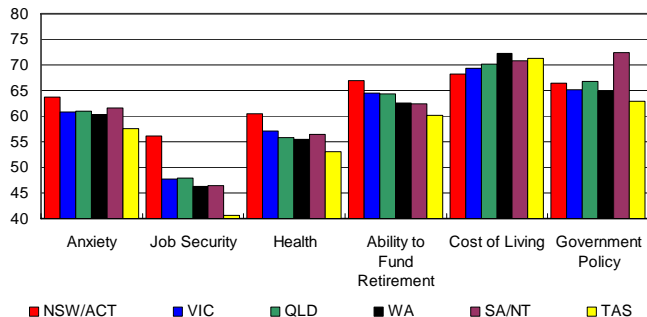
# NAB Quarterly Australian Consumer Anxiety Index - Main Charts

Consumer anxiety fell in Victoria and WA, but increased in all other states. Consumer anxiety is now rated highest in NSW/ACT (replacing Victoria), with higher anxiety mainly reflecting a sharp increase in the level of concern over job security.

Consumer anxiety fell in both capital and regional cities. Regional cities report the lowest anxiety (marginally lower than in capital cities). In contrast, anxiety rose in rural towns/bush, with higher scores for all survey questions, especially job security.

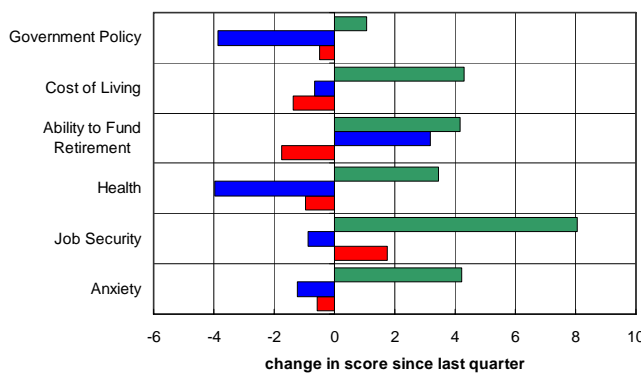
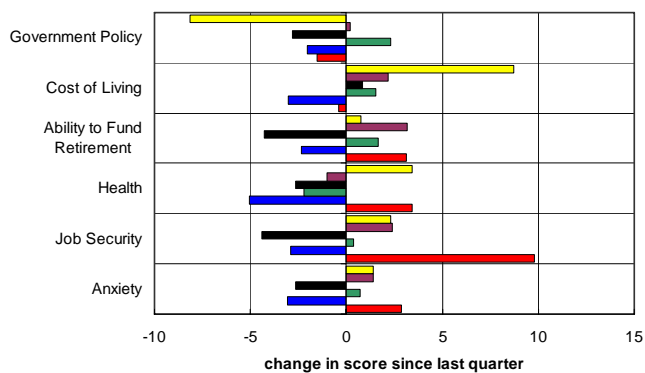
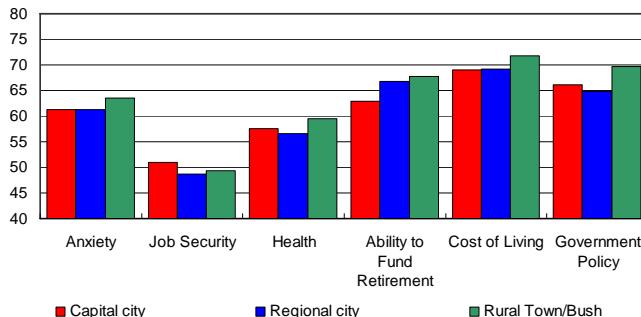
**Overall Consumer Anxiety Index by State**

(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



**Overall Consumer Anxiety Index by Location**

(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)

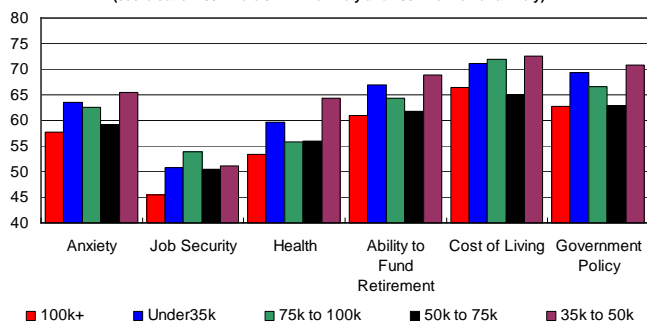


Consumer anxiety increased for those earning between \$35-50k and \$75-100k, with both these groups reporting a significant increase in anxiety over their job security.

Women remain much more anxious than men and for all survey questions, especially retirement funding, cost of living and health. However, men reported a big jump in concern over job security.

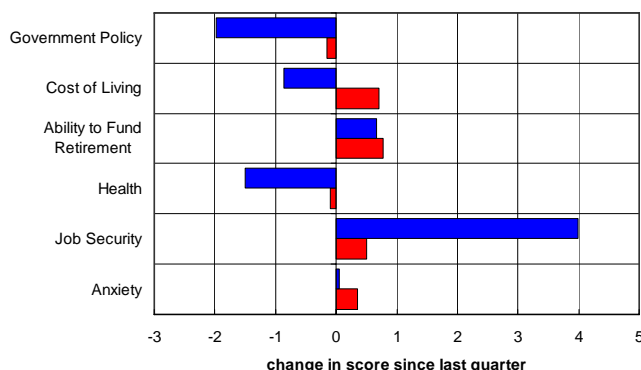
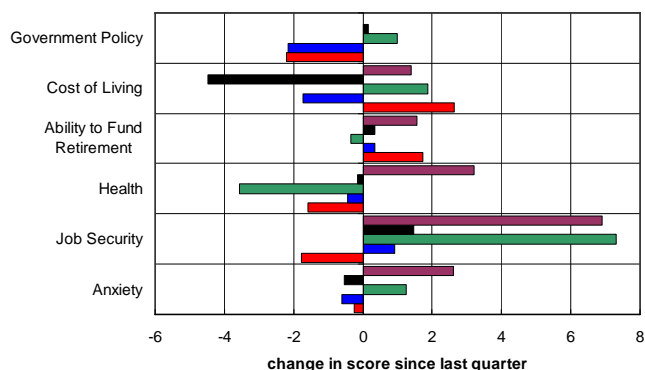
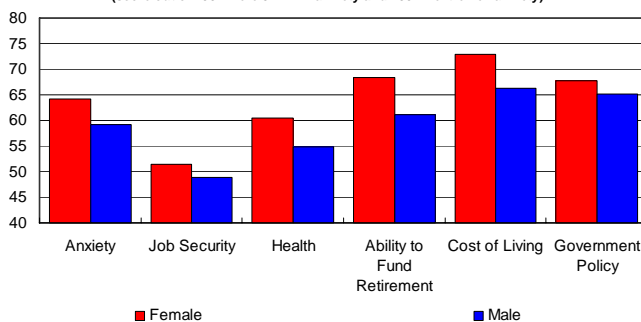
**Overall Consumer Anxiety Index by Income**

(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



**Overall Consumer Anxiety Index by Gender**

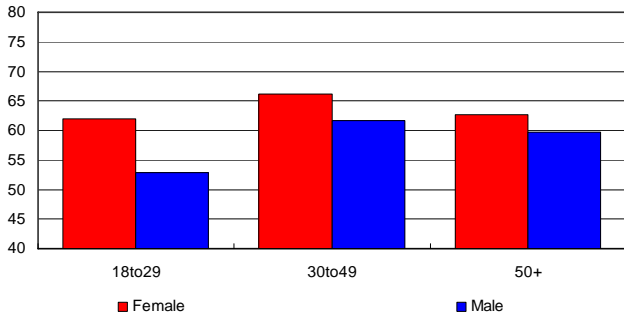
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



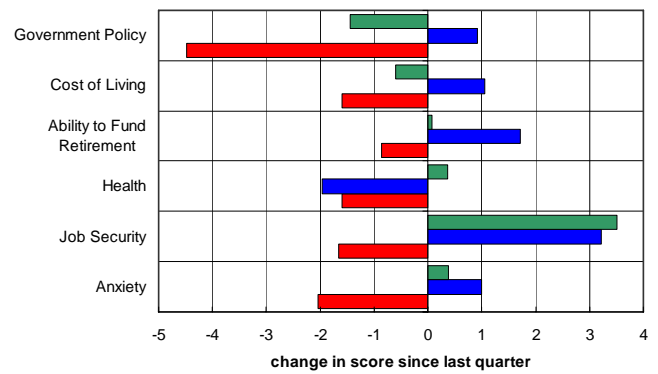
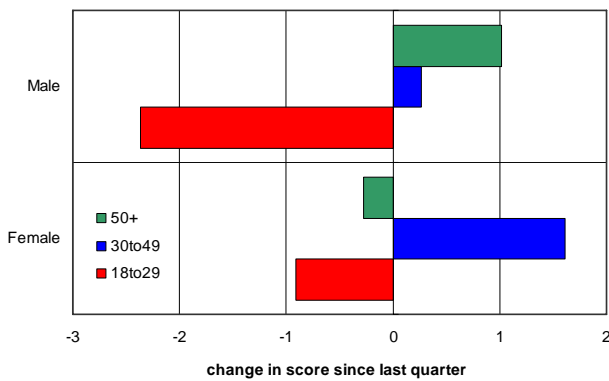
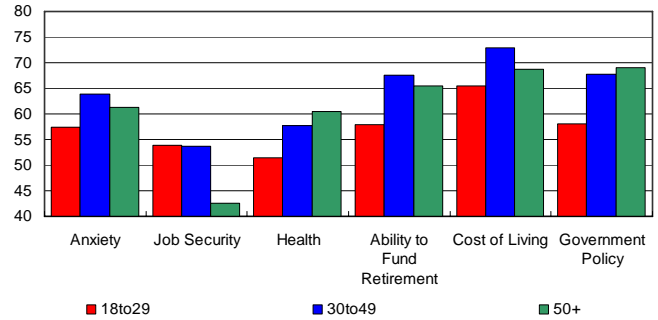
Anxiety among women was higher than for men in all age groups. Women aged 30-49 are now the most anxious group across all demographic categories. Anxiety fell most for males aged 18-29 and this group is now the least anxious of all demographic groups except widows.

Consumer anxiety fell for those aged 18-29, with all survey questions rated lower, especially government policy. In contrast, consumer anxiety in the 30-49 and 50+ age groups increased slightly, mainly on heightened concerns over job security and ability to fund retirement in the 30-49 age group.

**Overall Consumer Anxiety by Gender & Age**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



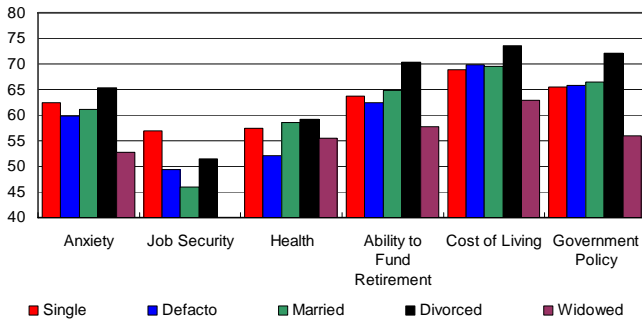
**Overall Consumer Anxiety Index by Age**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



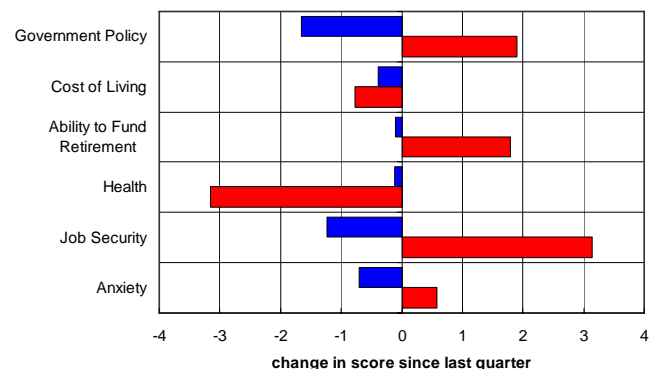
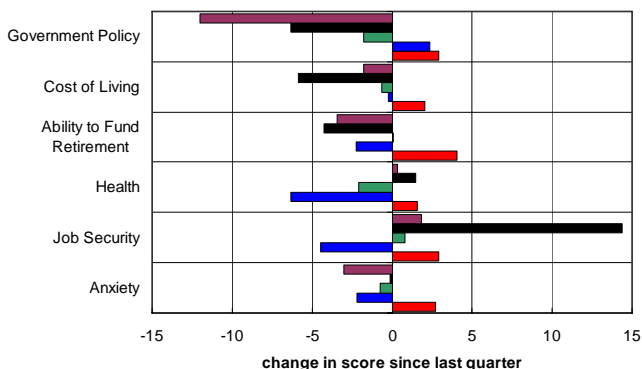
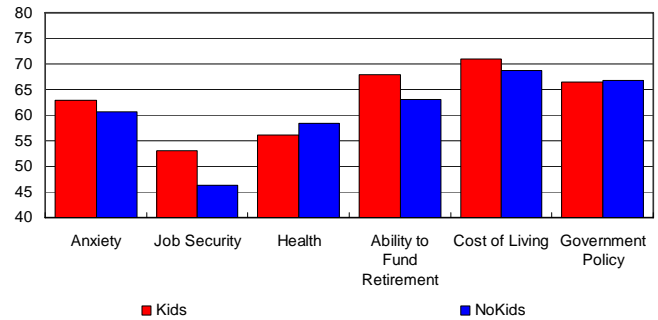
Singles were the only group to report higher overall anxiety and also rated all survey questions higher. Widows remain the least anxious group overall, with lower anxiety influenced by significantly lower concern over government policy. The divorced group remains most anxious overall and reported a significant increase in anxiety over job security.

Consumers with kids report higher anxiety than those without kids for all survey questions except their health. Whereas those with kids were more worried about job security, government policy and their ability to fund their retirement, those without children rated their anxiety lower for all five survey questions.

**Overall Consumer Anxiety Index by Marital Status**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



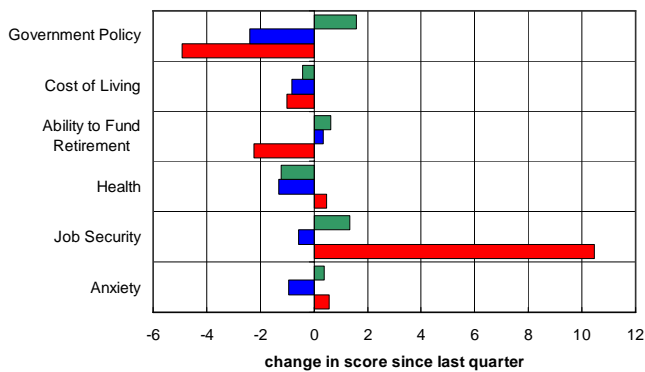
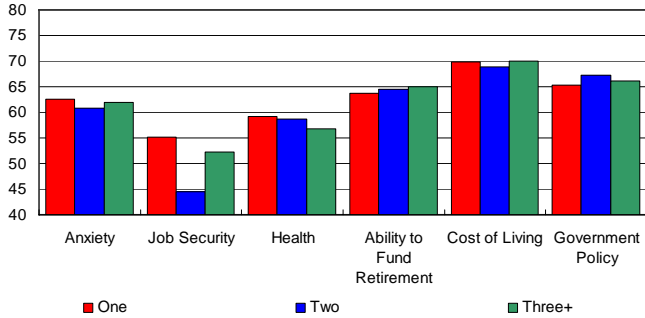
**Overall Consumer Anxiety Index by Household - Kids**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



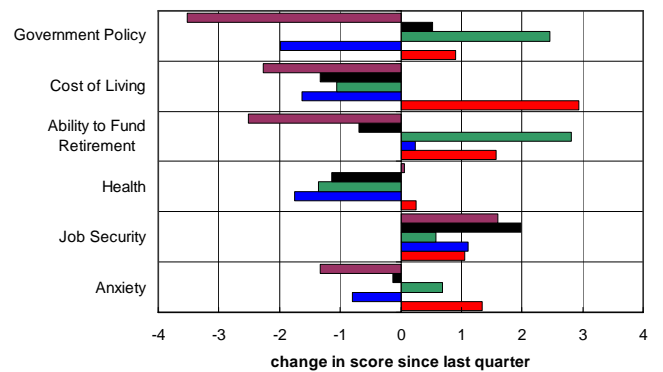
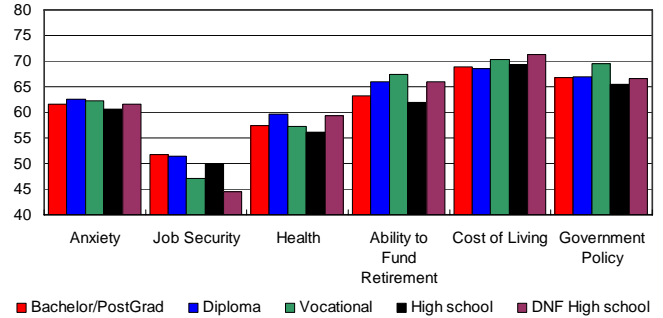
Consumer anxiety increased slightly in both single and 3+ households. Whereas single person households rated government policy lower, they were significantly more anxious about their job security. In contrast, 2 person households rated all survey questions lower.

Consumers with bachelor/post grad and vocational qualifications were the only groups to rate anxiety higher. Whereas the bachelor/post grad group were more concerned about cost of living, the vocational group were more worried about their ability to fund their retirement and government policy.

**Overall Consumer Anxiety Index by Household Size**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



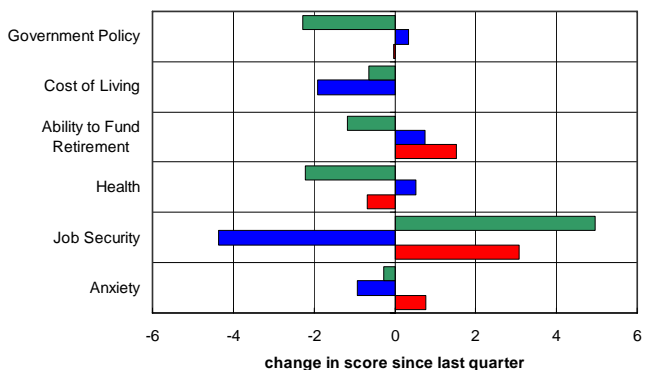
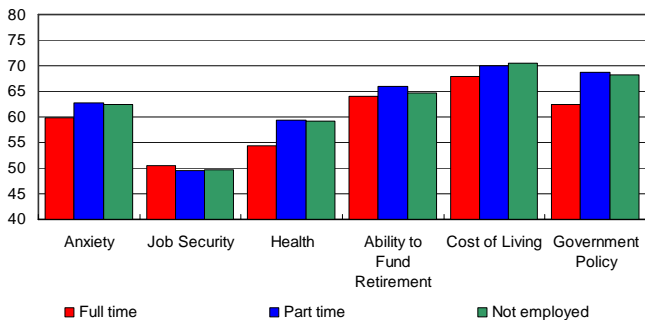
**Overall Consumer Anxiety Index by Education**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



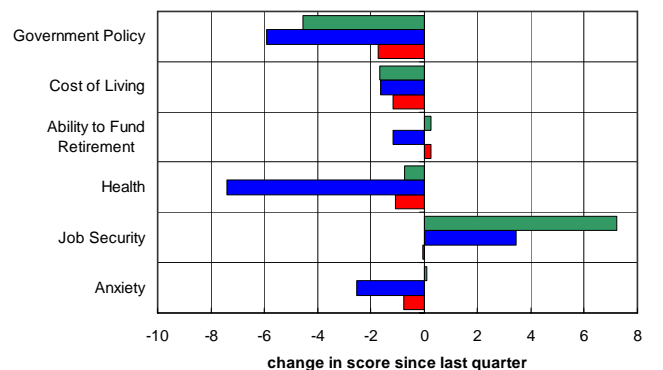
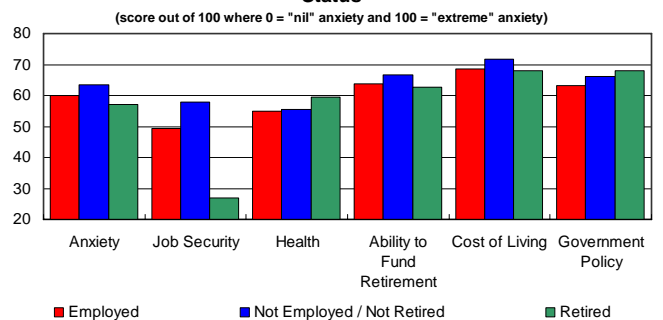
Full time workers were slightly more anxious, underpinned by higher concern over their job security and ability to fund their retirement, but are still the least anxious group. In contrast, overall consumer anxiety fell for part time workers due to lower job security and cost of living concerns.

Those not employed or not retired rated their anxiety lower on the back of reduced concerns over their health and government policy. Overall anxiety was also rated lower among those employed, but broadly unchanged for retired persons, although they continue to report the lowest anxiety overall.

**Overall Consumer Anxiety Index by Employment**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)

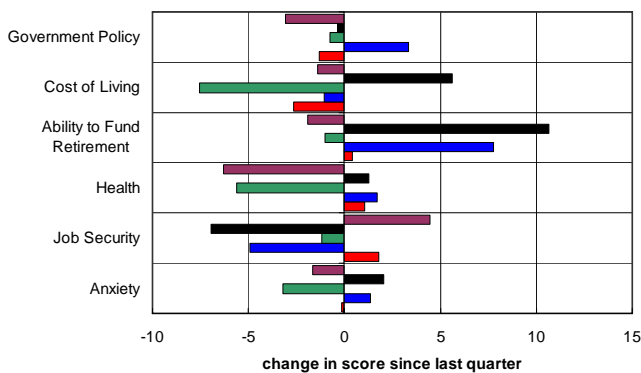
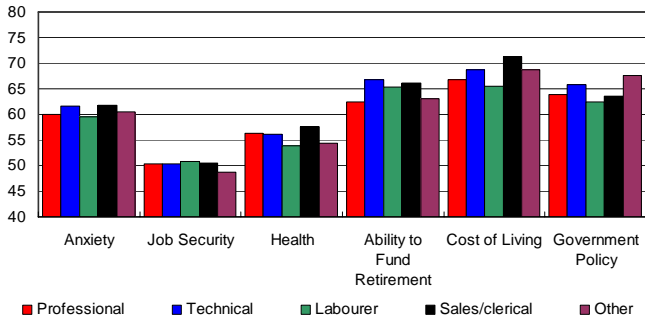


**Overall Consumer Anxiety Index by Employment Status**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



**Anxiety increased most for sales/clerical workers due to higher concerns over their ability to fund retirement and cost of living. In contrast, overall anxiety fell most for labourers, who rated all survey questions lower. Labourers are now the least anxious group of workers.**

**Overall Consumer Anxiety Index by Employment Type**  
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



## Appendix 1: About the Survey

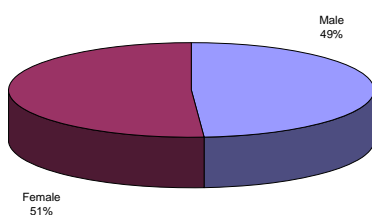
The NAB Australian Consumer Anxiety Index was launched in April 2013 in conjunction with the NAB Australian Wellbeing Index with the aim of assessing perceptions of consumer stress and wellbeing.

The NAB Australian Consumer Anxiety Index was developed by NAB Group Economics and is based on survey participants' responses to five questions related to their own concerns about their future spending/savings plans arising from:

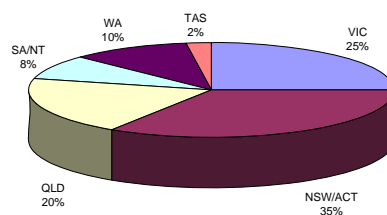
- Your job security.
- Your health.
- Your financial security for retirement.
- Your cost of living.
- Government policies.

All questions were answered on a scale of 0-10 where 0 is "not at all concerned" and 10 is "extremely concerned". Around 2,050 respondents participated in the March 2014 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population. The breakdown of our survey respondents - by age, location, and gender - is shown in the charts below.

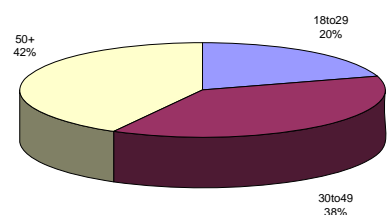
**Respondents by Gender**



**Respondents by State**



**Respondents by Age**





# Group Economics

Alan Oster	Group Chief Economist	+(61 3) 8634 2927
Jacqui Brand	Personal Assistant	+(61 3) 8634 2181
Rob Brooker	Head of Australian Economics & Commodities	+(61 3) 8634 1663
James Glenn	Senior Economist - Australia	+(61 3) 9208 8129
Vyanne Lai	Economist - Agribusiness	+(61 3) 8634 0198
Karla Bulauan	Economist - Australia	+(61 3) 8641 4028
Dean Pearson	Head of Industry Analysis	+(61 3) 8634 2331
Robert De lure	Senior Economist - Industry Analysis	+(61 3) 8634 4611
Brien McDonald	Economist - Industry Analysis & Risk Metrics	+(61 3) 8634 3837
Amy Li	Economist - Industry Analysis	+(61 3) 8634 1563
Tom Taylor	Head of International Economics	+(61 3) 8634 1883
Tony Kelly	Senior Economist - International	+(61 3) 9208 5049
Gerard Burg	Economist - Asia	+(61 3) 8634 2788
John Sharma	Economist - Sovereign Risk	+(61 3) 8634 4514

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