

# NAB Consumer Anxiety Index: Q4 2014

by NAB Group Economics

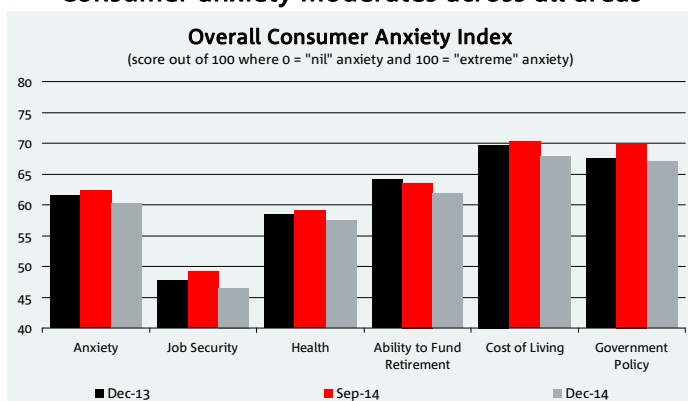
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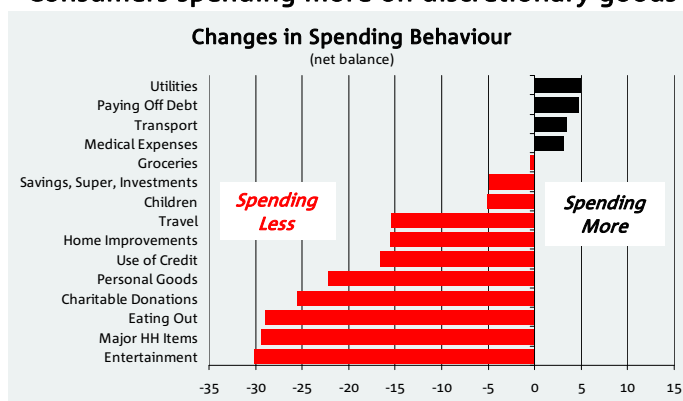
**Consumer anxiety falls to its lowest level since mid-2013, but concerns over the cost of living and government policy remain elevated. Consumers are still spending more of the household budget on “essentials”, but have loosened their spending on some “non essentials”.**

The NAB Consumer Anxiety Index fell for the second straight quarter to 60.1 points in Q4 (62.3 in Q3), with lower levels of concern reported across all categories. The cost of living and government policy continue to be the single biggest causes of anxiety for Australians - and by some margin - with job security causing the least stress. Changes in spending behaviour are still being dominated by “essentials” such as utilities, paying off debt, transport and medical services, but with the holiday season approaching it appears that Australian consumers have also shifted some of their spending preferences towards “non-essentials”, particularly home improvements, travel and entertainment.

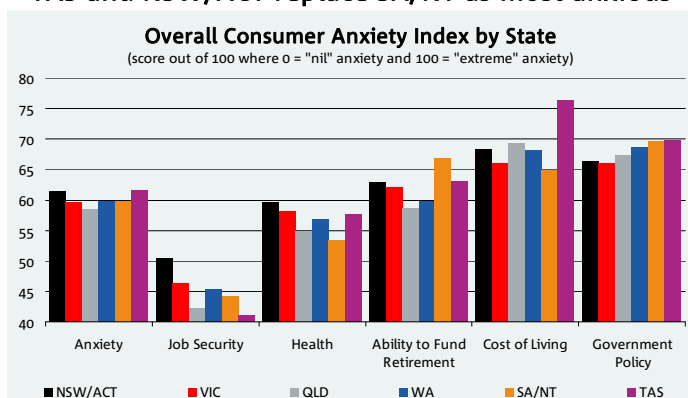
## Consumer anxiety moderates across all areas



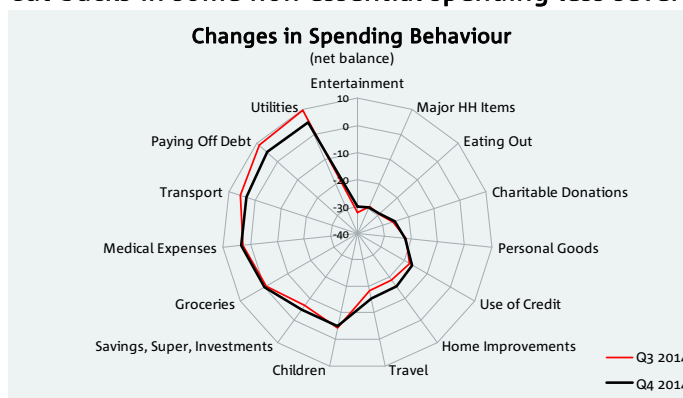
## Consumers spending more on discretionary goods



## TAS and NSW/ACT replace SA/NT as most anxious



## Cut-backs in some non-essential spending less severe

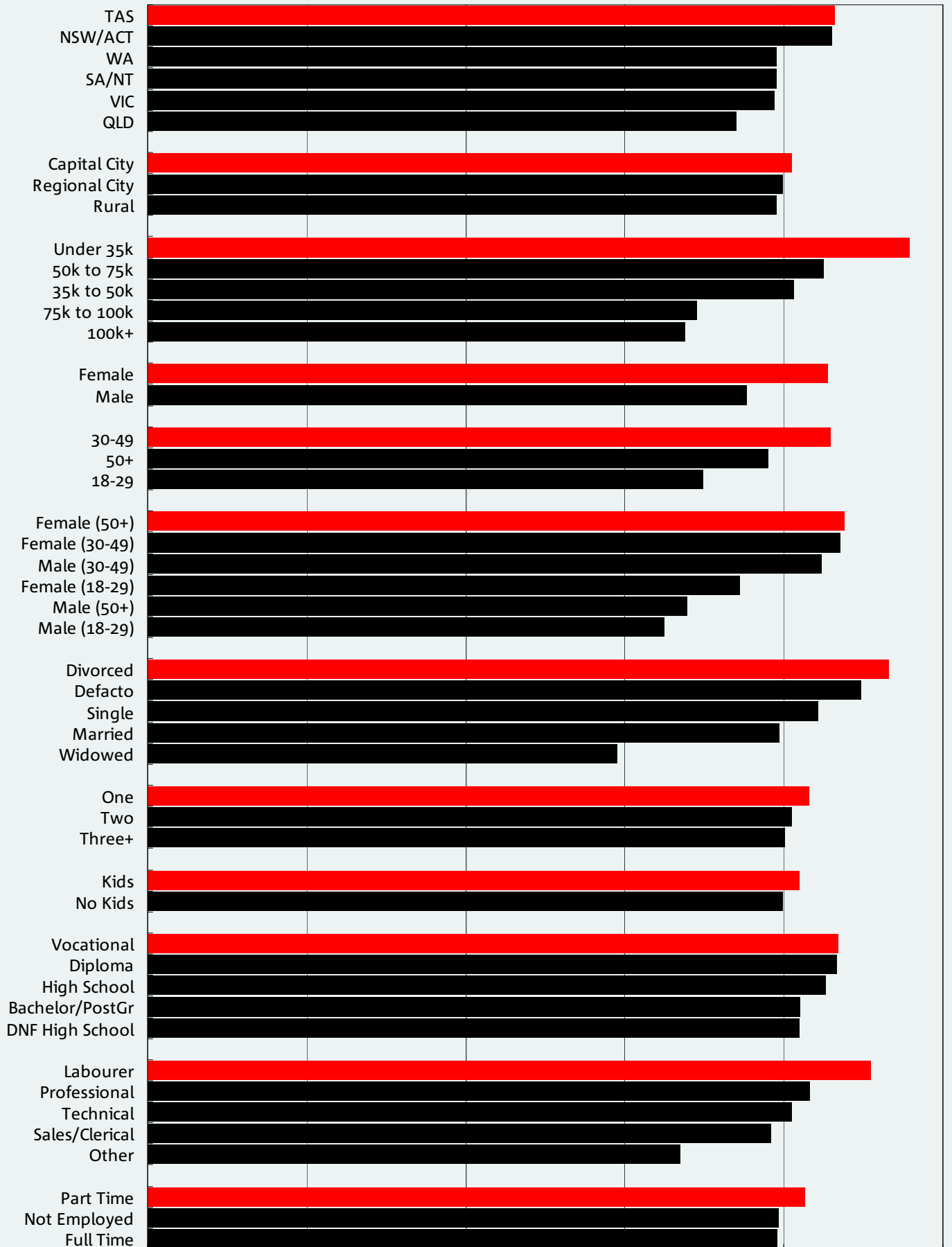


## Consumer Anxiety by Category (%)

	Q2 2014	Q3 2014	Q4 2014
Job Security	51.6	49.2	46.5
Health	59.4	59.0	57.4
Retirement	67.4	63.5	61.8
Cost of Living	73.5	70.2	67.8
Govt Policy	70.6	69.8	67.1
<b>Consumer Anxiety</b>	<b>64.5</b>	<b>62.3</b>	<b>60.1</b>



## Consumer Anxiety by Key Categories



## Anxiety Indicators: directional change since last quarter

<b>Overall Consumer Anxiety</b>	😊
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>						
Under \$35k	😊	😊	😊	😊	😊	😊
\$35-50k	😊	😊	😊	😊	😊	😊
\$50-75k	😊	😊	😊	😊	😊	😊
\$75-100k	😊	😞	😊	😊	😊	😊
Over \$100k	😞	😊	😞	😞	😞	😊
<b>Gender</b>						
Female	😊	😊	😊	😊	😊	😊
Male	😊	😊	😊	😊	😊	😊
<b>Age</b>						
18-29	😊	😊	😊	😊	😊	😊
30-49	😊	😊	😊	😊	😊	😊
50+	😊	😊	😊	😊	😊	😊
<b>Age &amp; Gender</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</b>						
Children	😊	😊	😊	😊	😊	😊
No Children	😊	😊	😊	😊	😊	😊
One	😞	😊	😞	😞	😊	😞
Two	😊	😊	😞	😊	😊	😊
Three +	😊	😊	😊	😊	😊	😊

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LEGEND: 😊 = up 😞 = down 😐 = unchanged

## Anxiety Indicators: directional change since last quarter (continued)

	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	😊	😊	😊	😊	😊	😊
<b>Employment Type</b>						
Professional	😞	😞	😞	😞	😞	😞
Technical	😊	😊	😞	😊	😊	😊
Labourer	😞	😞	😞	😞	😊	😊
Sales/Clerical	😊	😊	😊	😞	😞	😊
Other	😊	😊	😊	😊	😊	😊

LEGEND: 😊 = up 😞 = down 😐 = unchanged

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

- Lived in TAS and NSW/ACT
- Resided in a capital city
- Earned less than \$35,000
- Were female
- Aged 30-49 (overall) and female aged 50+
- Were divorced
- Lived in a single person household
- Had children
- Had a vocational qualification or a diploma
- Were employed as labourers
- Worked on a "part time" basis

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

- TAS & NSW/ACT replace SA/NT as most anxious states
- QLD the least anxious state (replaces TAS)
- Anxiety lowest in rural towns/bush (replaces regional cities)
- Those earning <\$35k most anxious across all demographics
- Anxiety gap between women and men narrows slightly
- Women aged 50+ most anxious by gender and age
- Divorced people among most anxious across all categories
- Single households replace 3+ households as most anxious
- Anxiety gap for those with and without kids narrows further
- Labourers replace "other" workers as most anxious
- Anxiety up for full time workers, but highest for part timers

### A deeper look at the data also shows...

- Notwithstanding ongoing labour market weakness, rising unemployment and a marked slowing in the domestic economy, almost 41% of Australian consumers expressed only "very low" levels of anxiety over their job security in Q4 (38.7% in Q3). At the same time, around 31% rated their anxiety as "medium" or "high", down from more than 36% in the previous survey.
- Despite reporting lower levels of anxiety over the ability to fund their retirement, it remains of some concern that over 24% of Australians (or nearly 1 in 4) continued to rate their anxiety levels "high", while the proportion reporting "very low" levels of anxiety over the ability to fund their retirement fell to 21.9% in Q4 (23.3% in Q3).
- Australians worried less about the cost of living, with 28.3% rating "high" levels of anxiety in Q4, down from 33.1% in Q3. The number who rated it "very low" was broadly unchanged at 13.6%, or just over 1 in 7 Australians.
- Consumer anxiety related to government policy continues to be a significant concern for a large number of Australians, with those rating their anxiety "medium" or "high" at 58.6% in Q4, although this was down slightly from 59.7% in Q3.
- On a more positive note, around 1 in 4 Australian consumers rated "very low" levels of anxiety over their health. That said 14.2% (or around 1 in 7) still rated "high" levels of anxiety (16.4% in Q3).

### Consumer Anxiety Indicator Categories (%)

		Very Low (0-4)	Low (5-6)	Medium (7-8)	High (9-10)	Average (mean)
Job Security	Q3 2014	38.7	25.0	20.5	15.7	49.2
	<b>Q4 2014</b>	<b>40.9</b>	<b>28.1</b>	<b>18.0</b>	<b>13.1</b>	<b>46.5</b>
Health	Q3 2014	24.6	31.5	27.5	16.4	59.0
	<b>Q4 2014</b>	<b>25.0</b>	<b>32.2</b>	<b>28.6</b>	<b>14.2</b>	<b>57.4</b>
Ability to Fund Retirement	Q3 2014	23.3	23.7	25.3	27.7	63.5
	<b>Q4 2014</b>	<b>21.9</b>	<b>28.7</b>	<b>25.2</b>	<b>24.2</b>	<b>61.8</b>
Cost of Living	Q3 2014	13.7	24.5	28.7	33.1	70.2
	<b>Q4 2014</b>	<b>13.6</b>	<b>27.8</b>	<b>30.3</b>	<b>28.3</b>	<b>67.8</b>
Government Policy	Q3 2014	13.5	26.9	26.5	33.2	69.8
	<b>Q4 2014</b>	<b>13.6</b>	<b>30.6</b>	<b>27.4</b>	<b>28.5</b>	<b>67.1</b>

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