

NAB WELLBEING REPORT Q4 2016



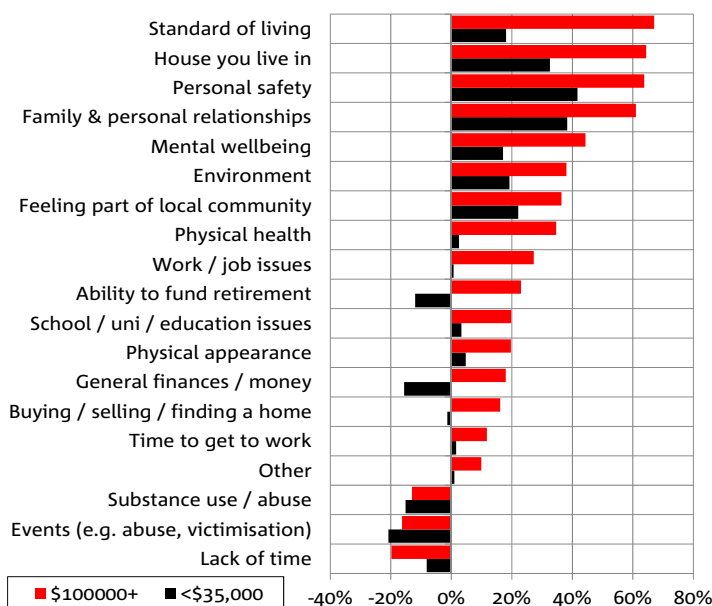
Australians remain highly anxious. While having more money might solve some of our concerns, it would do little to solve some of the biggest detractors of wellbeing. But, it could help close the “wellbeing gap” between high and low income earners.

NAB Behavioural & Industry Economics

A snapshot of how Australians think & feel about their own lives & if money would help

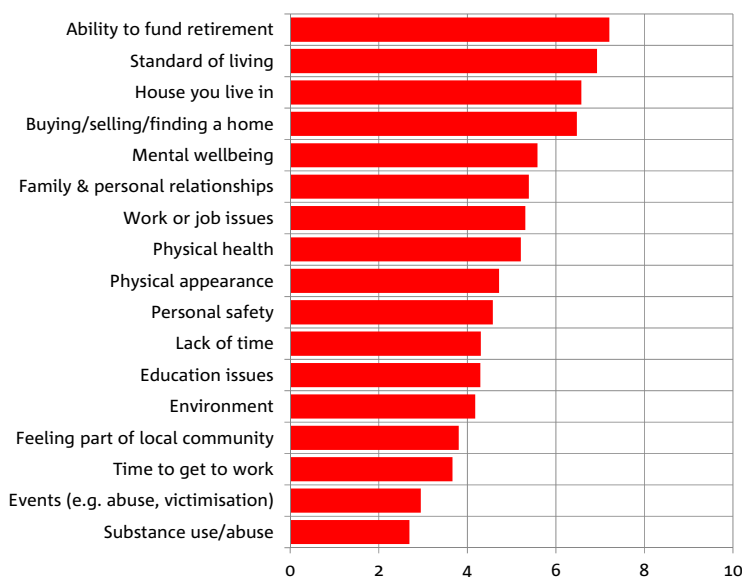
- Little change in overall wellbeing, but anxiety remains the key issue..... and the gulf between anxiety and other wellbeing drivers shows no sign of improving.
- Wellbeing remains low for singles, young people, middle aged men & low income earners..... Wellbeing is highest for over the 50s, widows, married people and high income earners.
- Wellbeing is most positively influenced by our safety, relationships and homes.... In contrast, abuse and victimisation, a lack of time & substance use, detracts most.
- Most drivers of wellbeing have a much bigger positive impact on high income earners than low income earners.... particularly when it comes to standard of living, funding retirement, general finances, homes, physical health and mental wellbeing.
- While money might solve some of our concerns, it would do little to solve the biggest detractors of wellbeing.... Having more money would have the biggest positive effect on our ability to fund retirement, standard of living, and the homes we live in. But, it would have the least impact on substance use, events such as abuse and victimisation, and the time it takes us to get to work - the very factors that detractor the most from our wellbeing.
- Where money would help, how much more would make a difference to our wellbeing?..... On average just over \$1.1 million for retirement funding, \$500,000 for our standard of living and the house we live in, and \$810,000 to buy or find a new home.
- So there’s more to life than money..... but for some drivers of wellbeing having more money would help a lot and also potentially help to narrow the “wellbeing gap” between high and low income earners.
- How can money impact wellbeing?..... for some real life examples - see pages 6 and 7.

Most drivers of wellbeing already have a more positive impact on higher income earners than those on lower incomes.....



Having more money would help in some areas (such as retirement) much more than others.... but it could help close the gap between high and low incomes.

(0 = NO EFFECT AT ALL & 10 = SIGNIFICANT POSITIVE EFFECT)



WELLBEING UNCHANGED IN Q4

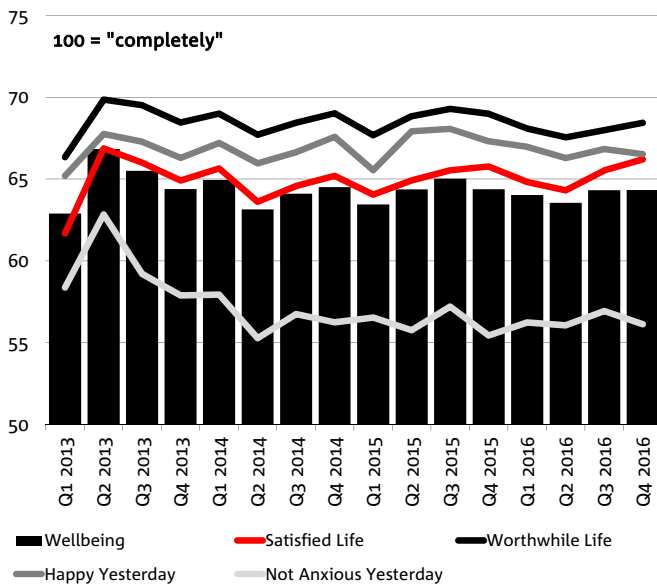
Australians reported little change in the quality of their lives in Q4 2016, with NAB's Wellbeing Index steady at 64.3 points.

While we were more satisfied with our lives and valued it more highly, we fared worse when it came to happiness and anxiety.

Overall, the story remains one where our anxiety levels continue to be the big detractor from our wellbeing. The gap between it and the other wellbeing drivers also remains substantial and shows no sign of getting any better.

NAB AUSTRALIAN WELLBEING INDEX

Australian wellbeing was steady in Q4, but the gap between anxiety and other wellbeing drivers showed no signs of improving...



An improvement in overall wellbeing was reported in 24 of our 48 monitored groups, with the remaining 24 groups reporting lower wellbeing.

Overall, wellbeing improved most for labourers, young women and self-employed people and fell most for technical workers, Australians earning between \$75-100,000 and middle aged men.

Wellbeing levels continue to vary widely across demographic groups. In Q4, it was highest for over 50s - women (69.3 points) and men (68.9 points), widows (68.7 points), married people (68.4 points) and the highest income earners (67.4 points).

It was lowest for singles (58.0 points), young men (60.3 points), young women (60.7 points), middle aged men (60.8 points) and the lowest income earners (60.8 points).

By state, wellbeing improved in WA and NSW/ACT but fell in all other states. WA (65.2 points) also replaced SA/NT (64.8 points) for the highest wellbeing, followed by NSW/ACT (64.7 points), Queensland (64.1 points) and Victoria (63.7 points). Wellbeing was again lowest in Tasmania (61.9 points) - and across all measures of wellbeing.

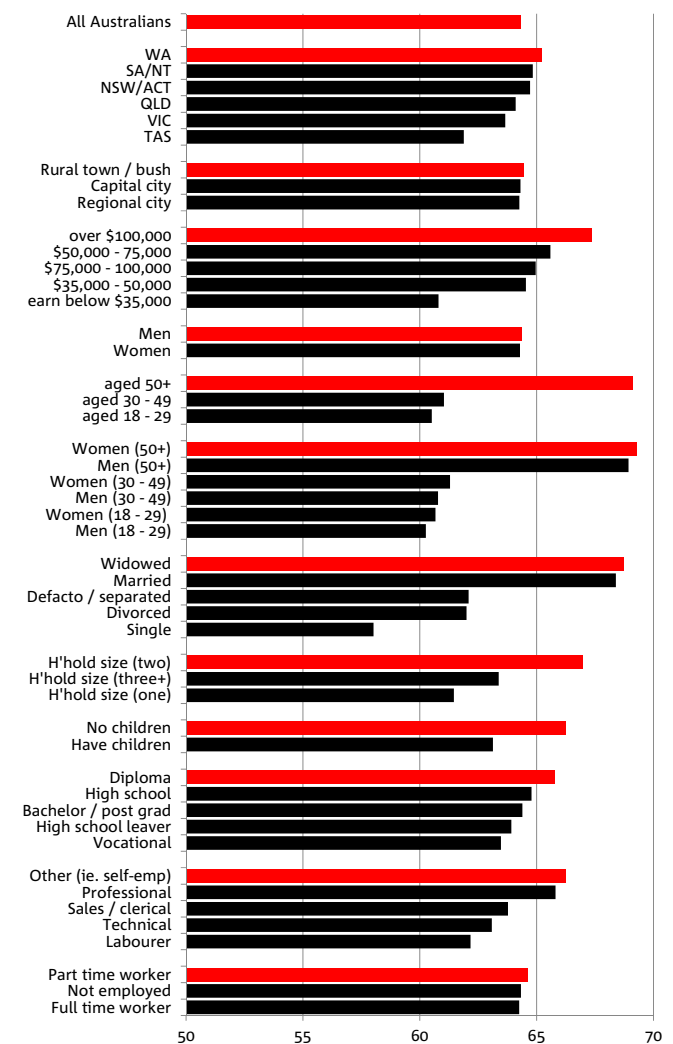
Among some other key findings from the Q4 survey, wellbeing levels were broadly similar between men (64.4 points) and women (64.3 points) and between rural towns and the bush (64.4 points), capital cities (64.3 points) and regional cities (64.3 points).

Wellbeing was much higher for widows (68.7 points) and married people (68.4 points) than it was for singles (58.0 points), divorced or separated people (62.0 points) or in a defacto relationship (62.1 points).

Wellbeing was also much higher for those living in a 2 person households and those without children. But our employment status (full time, part time or not employed) did not unduly impact wellbeing.

WELLBEING BY GROUP

Wellbeing varies widely...



ISSUES THAT DEFINE OUR WELLBEING

Our personal wellbeing continues to be most positively influenced by our personal safety, family and personal relationships and the homes in which we live.

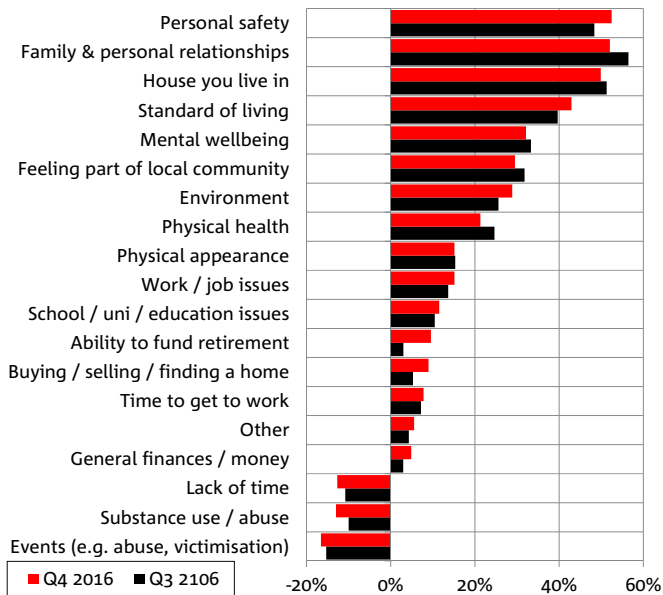
But their influence on our overall wellbeing changed a little in Q4. Personal safety had a bigger positive impact, while personal relationships and standard of living contributed a little less.

Among other key issues that define our personal wellbeing, our standard of living and the environment also had a bigger positive impact in Q4, as did the ability to fund our retirement and buying, selling or finding a home.

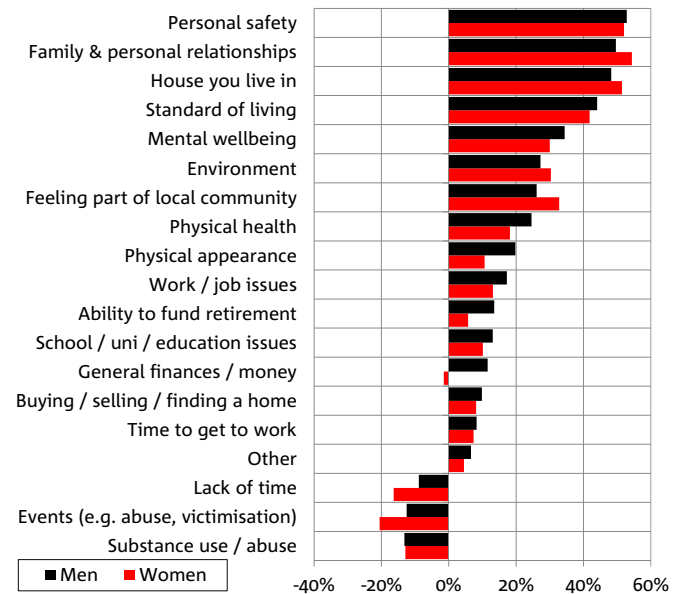
In contrast, the things that have a strong negative impact on our personal wellbeing - events (such as abuse and victimisation), a lack of time and substance use or abuse - detracted more from our wellbeing than in the previous quarter.

WELLBEING DRIVERS (NET) - OVERALL

Safety, family, personal relationships and our homes most important; events, substance use or abuse and lack of time impact negatively...



WELLBEING DRIVERS (NET) - GENDER



What drives wellbeing differs between women and men. For women, family and personal relationships had the biggest positive impact, but for men it was personal safety. Feeling part of our local community and the environment were bigger drivers for women, but more men said their standard of living, mental health, physical health and appearance and ability to fund retirement had a positive impact on their personal wellbeing.

On the negative side, events (e.g. abuse and victimisation) detracted more from wellbeing for women as did their general finances (net positive for men).

The impact that these drivers have on our wellbeing drivers were even more pronounced between the highest and lowest income earners.

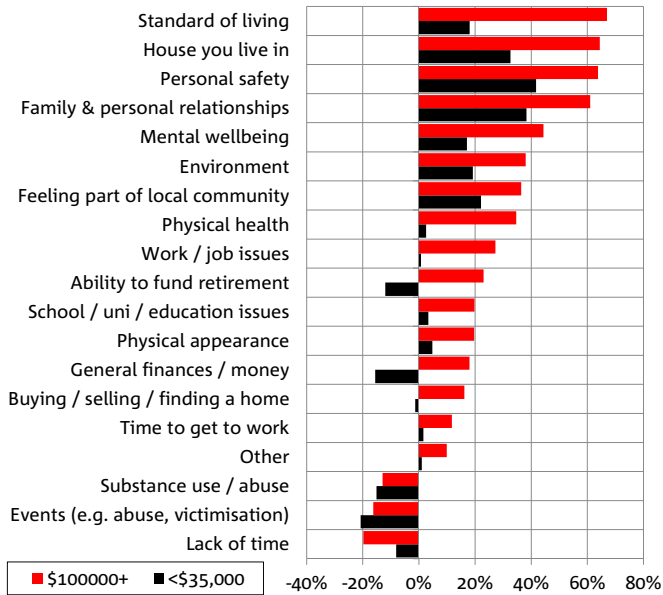
Most drivers had a noticeably bigger positive influence on wellbeing in the highest income group - particularly in regards to standard of living, ability to fund retirement, general finances, their homes, physical health and mental wellbeing.

Lack of time however detracted a lot more from wellbeing in this group, while events and substance use or abuse detracted a little less.

In contrast, low income earners said that their general finances and ability to fund retirement also had a negative impact on their wellbeing.

They also said that their physical health and appearance, work, job and education issues, , buying, selling or finding a home or the time it takes to get to work had a neutral impact in Q4.

WELLBEING DRIVERS - HIGH/LOW INCOME



OUR FINANCIAL WELLBEING

Financial issues can be an important cause of stress and can detract from our personal wellbeing. In Q4 2016, the level of satisfaction with our present financial position was broadly unchanged.

Overall, we scored 53.2 points out of 100 (100 = “completely” satisfied), up from 53.1 points in Q3.

This indicates that we are still only “moderately” satisfied.

The level of satisfaction with our present financial position continues to differ greatly by demographic group. By state, SA/NT (54.9 points) was the most satisfied and TAS (50.0 points) the least satisfied. Among other key groups, Australians living in capital cities (55.3 points) were much more satisfied than those in regional towns (51.3 points) and in rural areas or the bush (49.6).

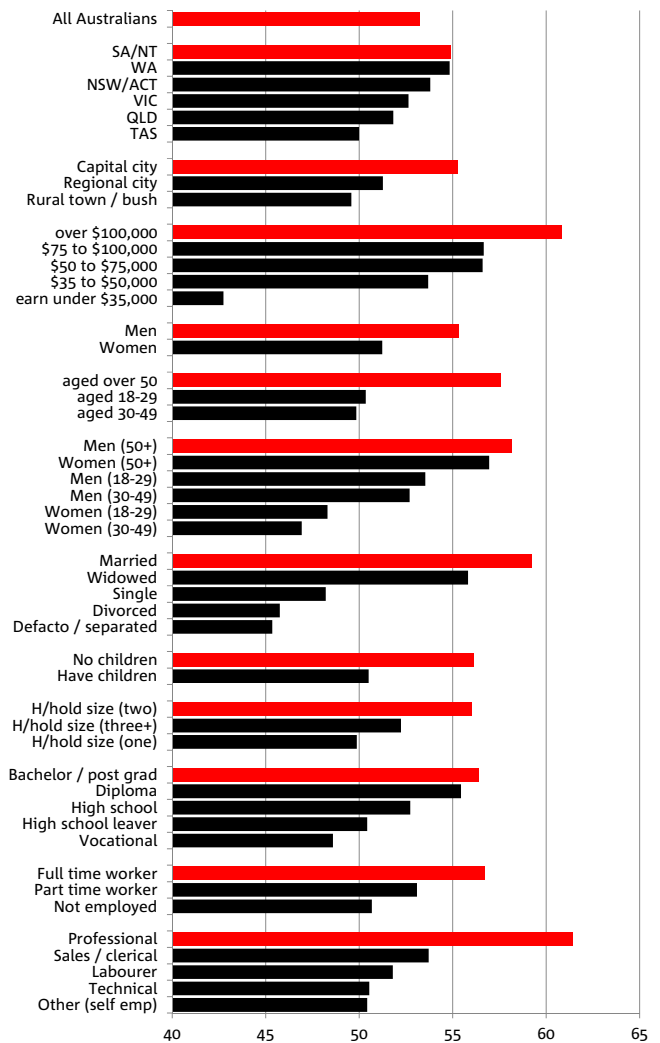
Men (55.3 points) remain were far more satisfied than women (51.2 points), especially men over 50.

Not surprisingly, there is a very strong link with how much we earn. Those earning \$100,000+ (60.8 points) are by far the most satisfied across all groups (along with professional workers), while the lowest income group (42.7 points) are the least satisfied.

Defacto or separated (45.3 points) and divorced people (45.8 points) are among the least satisfied, along with middle-aged women (46.9 points), singles (48.2 points), young women (48.3 points), vocational workers (48.6 points) and people living in a single person household (49.9 points).

SATISFACTION WITH FINANCIAL POSITION

Moderately satisfied, it but varies greatly...



WILL HAVING MORE MONEY SOLVE OUR PROBLEMS?

NAB’s wellbeing research has found that there is more to life than money. Money doesn’t necessarily make us happy, improve our life satisfaction and worth, or reduce our anxieties, but it can be one important factor.

For those on lower incomes, having more money allows us to meet more basic needs, such as buying food and shelter and paying for healthcare. Meeting these needs is essential, and if we don’t have enough money to do so, our personal wellbeing typically suffers.

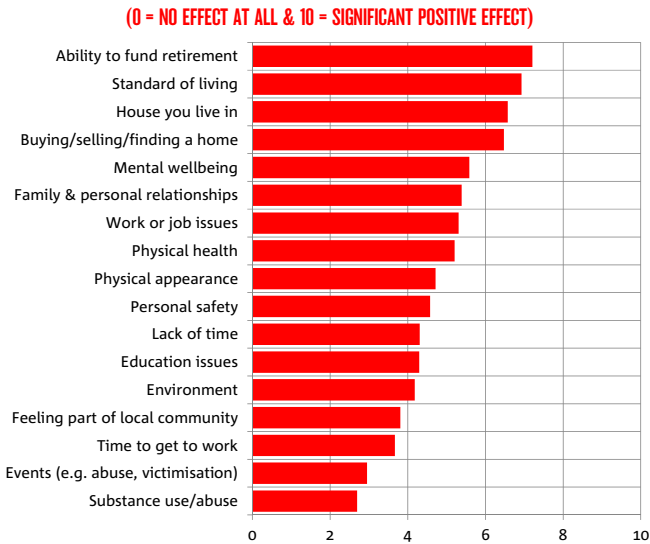
Beyond that there is much debate as to the role money plays in defining our wellbeing. Typically, it’s not just how much money we have, but how we spend it that matters.

When we asked Australians if they felt that having more money could help them achieve higher levels of

wellbeing, they said that it clearly impacted some wellbeing drivers more than others.

EXTENT TO WHICH HAVING MONEY WILL HELP US SOLVE OUR PROBLEMS

Money only helps a lot in some areas, and not very much in most other areas...



Overall, Australians believe that more money will have the biggest positive wellbeing effect when it comes to their ability to fund their retirement, their standard of living, the homes in which they live and buying, selling or finding a home.

In contrast, having more money would have the least positive impact on their wellbeing in regards to substance use or abuse, events and the time it takes to get to work - the 3 factors that also detract the most from our overall wellbeing.

Where we think that having more money matters the most and the least is the same for women and men, across age groups and irrespective of income.

These findings suggest that when it comes to our personal wellbeing, having money helps a lot in areas where it can impact outcomes, but not in areas beyond our control.

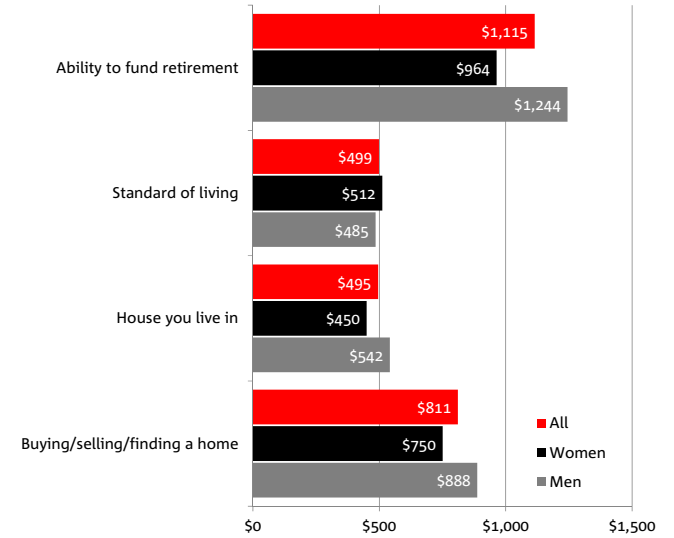
HOW MUCH MORE MONEY WOULD MAKE A DIFFERENCE

Australians who pinpointed wellbeing drivers that impacted negatively on their wellbeing or said that having more money would help them address any of the issues that define wellbeing were also asked how much more money it would take to make a difference.

What they said is that for the things were money impacts most positively, they need on average just

over \$1.1 million to make a difference for retirement funding, around \$500,000 for their standard of living and the house they live in, and \$810,000 for buying, selling or finding a home.

HOW MUCH MORE WOULD MAKE A DIFFERENCE (\$'000)



Men said that they need more money to address these problems than women - except standard of living where women and men said they need the same amount. These results further reinforce previous NAB research which shows that men also believe they need more money than women to significantly improve their lives for ever.

WHEN MONEY IMPACTS WELLBEING...

I can't afford nutritious food, so I buy cheap fatty foods and lots of carbs which are filling but are making me ill.

For the past 10 years we have been living on one income. We were living the Australian dream of a double income and two kids. My wife had to give up work to be a carer for one of our children. Our life is blessed, but financially our wheels are spinning.

Having to decide between things such as not buying as many groceries one week to help justify being able to meet a friend for a drink or meal. It's not something that's easy to admit to others, but you are left feeling guilty for whichever decision you make.

I wanted to start a business but couldn't because I didn't have enough money to start.

Seeing friends and family doing well in life with things falling into place for them - like having their own homes, buying a new car, going on holidays. And then comparing my life where nothing seems to work out lately, my husband and I are renting, our health isn't the best, our car is old and constantly has things wrong with it costing us money, I am overweight and our finances aren't that good. It makes me feel sad and depressed.

I had to go on a public hospital waiting list for surgery as I can't afford private health insurance.

Due to lack of money, we live in a suburb really far away from the CBD, which means the distance to travel between home, work and family is huge and that has a negative impact on my wellbeing.

Difficulty in getting vet treatment for my cats - not enough money.

Being stuck in the rental market.

It's one thing to have a lack of money and not enough to buy a nice moisturiser or the expensive household cleaners, but then there's having so little that you can't afford to eat. It's terrifying.

As a jobseeker on youth allowance, there have been times I've had to go without food or skip meals due to the limited funds being allocated to more important things like rent and utilities.

We spend almost all we have simply eating and have little left for any other purpose. We can't afford to go to the cinema, restaurants, travel (even locally as that takes fuel) and so on. Life is grim trying to survive with two people on one pension.

Inability to afford further education.

There's nothing worse than the feeling of failing your child.

After losing my job due to a mental break down and needing to take time out of the work force to get help, I've struggled to find employment....I've had extreme anxiety and feelings of worthlessness alongside a lack of hope since starting to seek employment 4 months ago.

Every time I go shopping - for essentials, not luxuries - everything in Australia is so expensive. It's ridiculous that I walk out of a grocery store with 4 bags of groceries and the bill was over \$100.

No money to have coffee with people.

I realised I will not have enough money in my super to retire early. I need to keep working until 67. My health is declining due to stress at work and age factors. If I could work less hours or not work at all, my health would improve. My health is not bad enough yet to go on a disability pension. I'm forced to work to make ends meet.

Simply put, money would allow me to move to a safer area which would make me feel safer and ease my own mental health issues of anxiety and depression.

I feel bad about having to spend money on doctors and specialists, medical tests and medications on an ongoing basis because of health problems. This means that we never have money left over for any extras like new clothes, going out, getting air conditioning etc. I wish I didn't have to worry about these bills all the time.

I can't afford haircuts, personal grooming or cosmetics which would make me feel better about my personal appearance.

If I had a lot of money available, I would donate a lot of it to charities. They need it very much and that would make me happy and satisfied.

I wanted to put more money into super but the money that I had went elsewhere.

Anxiety keeping up with the cost of living going up and keeping up with the bills. Getting rid of the debts we have would significantly reduce my stress and anxiety and maybe we could even go on a long needed holiday. Our last one was in 2002.

As my husband's job was cut back, his pay barely covers 1 weeks' rent which makes it a struggle every day. The stress of paying bills, keeping a roof over my kids head and food on the table can be overwhelming sometimes.

If I had more money people will like me.

Most of my income goes on private rent leaving little else.

ABOUT THE SURVEY

The NAB Australian Wellbeing Index is based on survey participants' responses to four questions (developed by the UK Office of National Statistics) related to how people "think and feel about their own lives" - how satisfied are you with your life nowadays; to what extent do you feel the things that you do in your life are worthwhile; how happy did you feel yesterday; and, how anxious did you feel yesterday?

All questions were answered on a scale of 0-10 where 0 is "not at all" and 10 is "completely".

Around 2,050 respondents participated in the Q3 2016 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population

CONTACT THE AUTHORS

Alan Oster

Group Chief Economist

Alan.Oster@nab.com.au

+613 8634 2927

Dean Pearson

Head of Behavioural & Industry Economics

Dean.Pearson@nab.com.au

+613 8634 2331

Robert De lure

Senior Economist - Behavioural & Industry Economics

Robert.De.lure@nab.com.au

+613 8634 4611

Brien McDonald

Senior Economist - Behavioural & Industry Economics

Brien.McDonald@nab.com.au

+613 8634 3837

Group Economics

Alan Oster
Group Chief Economist
+61 3 8634 2927

Jacqui Brand
Personal Assistant
+61 3 8634 2181

Australian Economics and Commodities

Riki Polygenis
Head of Australian Economics
+(61 3) 8697 9534

James Glenn
Senior Economist - Australia
+(61 3) 9208 8129

Vyanne Lai
Economist - Australia
+(61 3) 8634 0198

Phin Ziebell
Economist - Australia
+61 (0) 475 940 662

Amy Li
Economist - Australia
+(61 3) 8634 1563

Behavioural & Industry Economics

Dean Pearson
Head of Behavioural & Industry Economics
+(61 3) 8634 2331

Robert De lure
Senior Economist - Behavioural & Industry Economics
+(61 3) 8634 4611

Brien McDonald
Senior Economist - Behavioural & Industry Economics
+(61 3) 8634 3837

Steven Wu
Economist - Behavioural & Industry Economics
+(613) 9208 2929

International Economics

Tom Taylor
Head of Economics, International
+(61 3) 8634 1883

Tony Kelly
Senior Economist - International
+(61 3) 9208 5049

Gerard Burg
Senior Economist - Asia
+(61 3) 8634 2788

John Sharma
Economist - Sovereign Risk
+(61 3) 8634 4514

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