

NAB WELLBEING REPORT Q1 2017



Wellbeing rises to its highest level in over a year, but the gap between the wellbeing of older & younger Australians continues to widen, due to anxiety. On balance, more Australians said their relationship with their bank had a positive impact on their personal wellbeing, but lower incomes earners much less positive.

NAB Behavioural & Industry Economics

July 2017

WELLBEING TRENDS

How is our wellbeing tracking?

It has risen to its highest level since Q3 2015.

What is driving this improvement?

Lower anxiety (lowest level in 3 years), but it still detracts the most from our wellbeing.

Where did wellbeing improve most?

In Tasmania, for technical workers, in single households and for young men.

And for who did it fall most?

Labourers, those not employed and young women.

Who reported the highest wellbeing?

Over 50s (women and men), Tasmanians and those earning more than \$100,000 p.a.

Who had the lowest wellbeing?

Young women, labourers and singles.

Does age matter?

Trend wellbeing for over 50s has been improving since early-2013, but falling for 18-29 year olds, mostly because of higher anxiety.

What are the biggest positive influences on our wellbeing?

Our homes, family and personal relationships, personal safety and our standard of living.

What detracts the most from our wellbeing?

A lack of time, events (such as abuse or victimisation), substance use or abuse and buying, selling or finding a home.

Would having more money improve personal wellbeing?

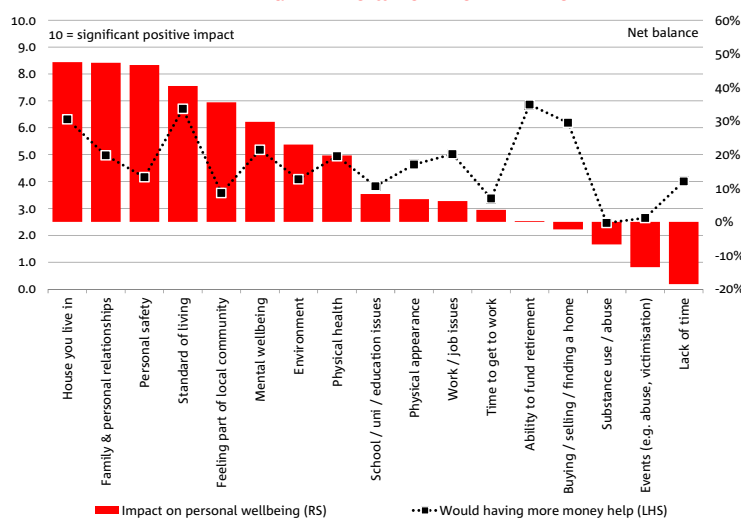
Yes when it comes to our ability to fund our retirement, buying selling or finding a home or our standard of living, but it helps very little in the areas that most detract from our wellbeing.

Can banks' influence out wellbeing?

More Australians on balance said their relationship with their bank had a positive impact on their personal wellbeing in the last 3 months.

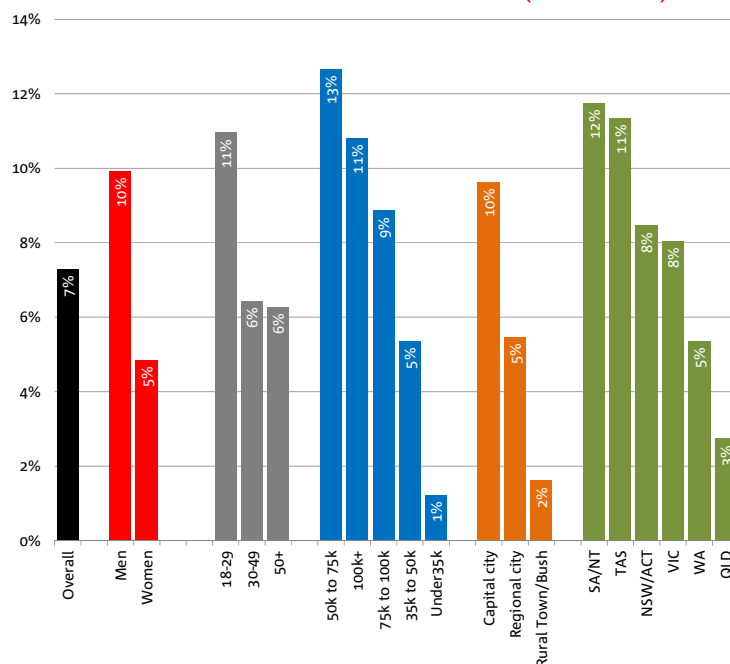
Our homes, relationships and standard of living contribute most to our sense of wellbeing. Having more money to improve our wellbeing would help most for retirement, buying a home and our standard of living.

WELLBEING DRIVERS & HOW MONEY HELPS



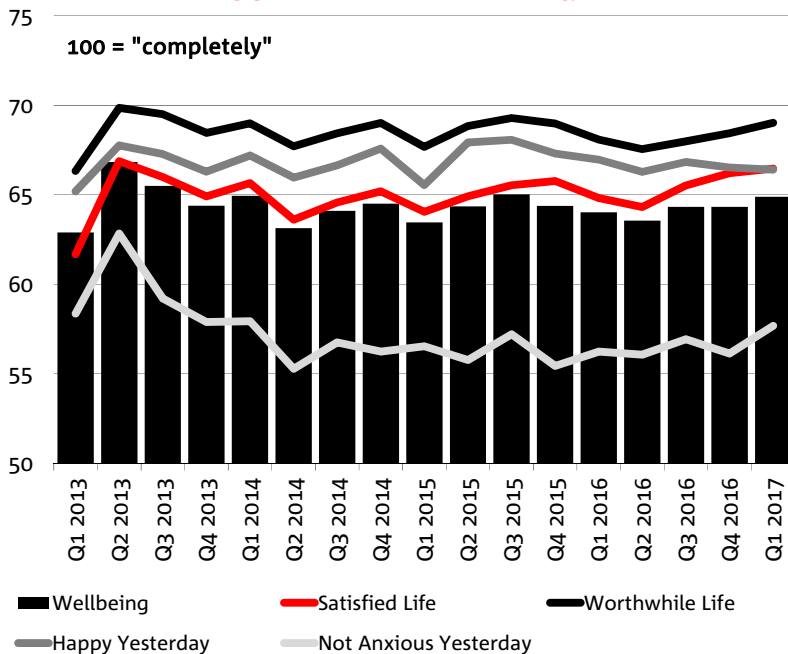
On balance, more Australians said their relationship with their bank had a positive impact on their personal wellbeing in the last 3 months

HAS YOUR RELATIONSHIP WITH YOUR BANK IMPACTED YOUR PERSONAL WELLBEING IN THE PAST 3 MTHS? (NET BALANCE)



MAIN REPORT

NAB AUSTRALIAN WELLBEING INDEX



Australians reported a further improvement in the quality of their lives in the March quarter.

The NAB Australian Wellbeing Index rose to 64.9 points (64.3 in Q4 2016). NAB's measure of wellbeing has now been steadily rising since mid-2016 and currently stands at its highest level since Q3 2015.

Encouragingly, lower anxiety was the key driver of behind this improvement, with anxiety falling to its lowest level in 3 years - although it still continues to detract the most from our overall wellbeing.

Australians also rated their life worth and life satisfaction marginally higher in Q1 2017, but their happiness was slightly lower.

An improvement in wellbeing was reported in 30 of our 48 monitored groups. Overall, it improved most in TAS, for technical workers, in single households and young men. Labourers, those not employed and young women saw the biggest falls in wellbeing.

Overall wellbeing levels vary widely across key groups. It was highest for over 50s - both women (70.5) and men (70.3), in TAS (69.2), for the highest income earners (68.6) and in two person households (67.3).

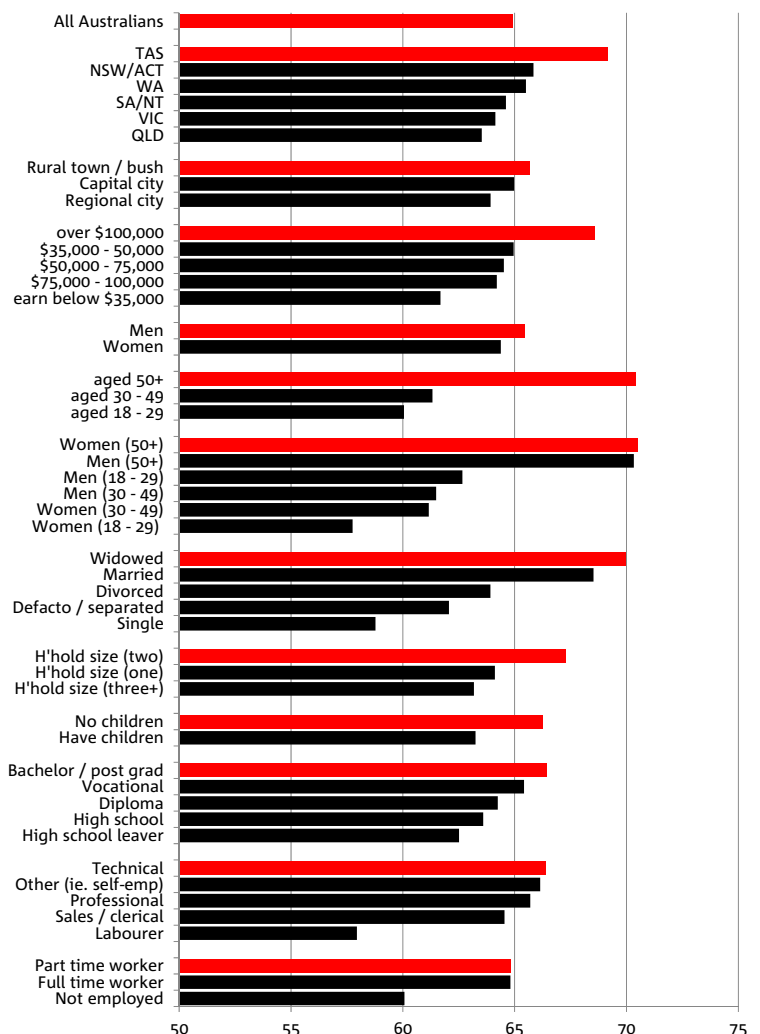
Young women had the lowest wellbeing (57.8) of all groups, particularly in regards to anxiety (almost 1 in 2 report "high" anxiety). Labourers (57.9) and singles (58.8) also reported relatively low levels of wellbeing.

Among other key findings, TAS (69.2) led the country for wellbeing (worst in Q4 2016), with big improvements across all measures. Overall wellbeing was lowest in QLD (63.5), with lower wellbeing for all measures bar anxiety.

Men (65.4) reported higher wellbeing than women (64.4). Women also reported a drop in their wellbeing in regards to life satisfaction and happiness during the quarter.

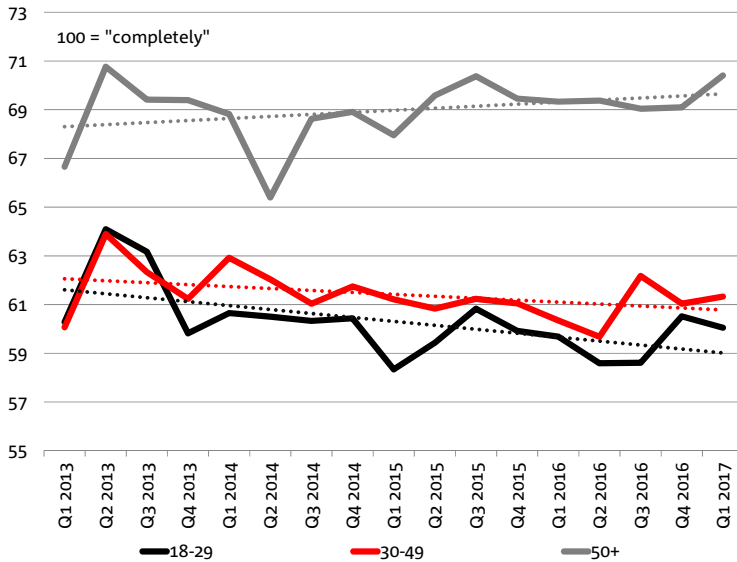
By income, the highest income group (68.6) continued to report much higher wellbeing than the lowest income group (61.7).

NAB WELLBEING INDEX BY GROUP



The wellbeing of over 50s has been improving over time, but it's getting worse for younger and middle-aged Australians

NAB AUSTRALIAN WELLBEING INDEX: AGE



In this report, we take a closer look at wellbeing by age group.

Over 50s have consistently reported the highest levels of wellbeing since NAB began this survey in early-2013.

Over time, their wellbeing has also been climbing in trend terms. Over 50s have rated all aspects of their wellbeing better, especially in regards to anxiety.

In contrast, young people have been reporting the lowest levels of wellbeing since late-2013. Moreover, their wellbeing has been falling in trend trends, resulting in a widening "wellbeing gap" against over 50s.

A similar trend is evident among 30-49 year olds, although the long-term rate of decline in their wellbeing has been slower than for 18-29 year olds.

The key driver here has been the bigger negative impact of anxiety for our youth. While young and middle aged people on average have rated their life satisfaction, life worth and happiness about the same, young people are noticeably more anxious.

Personal wellbeing was most positively influenced by our homes, family and personal relationships, personal safety and our standard of living.

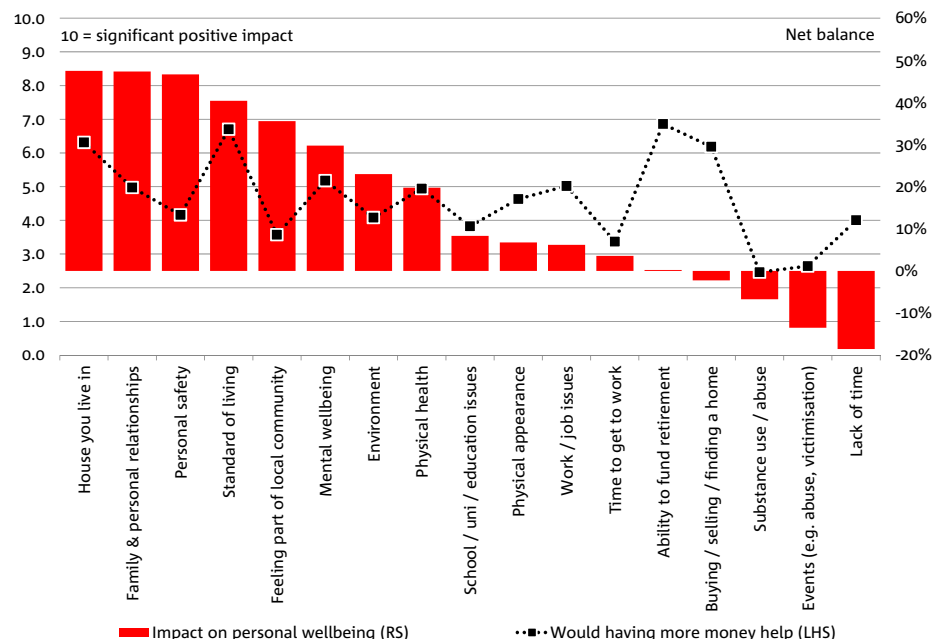
A lack of time, events (such as abuse or victimisation), substance use or abuse and buying, selling or finding a home detracted the most.

But when asked to what extent having more money would help improve our wellbeing in relation to these issues, having more money was most important for our ability to fund retirement, buying selling or finding a home or our standard of living.

Significantly having more money would help very little in the areas that most detract from our wellbeing - events, substance use or abuse and lack of time.

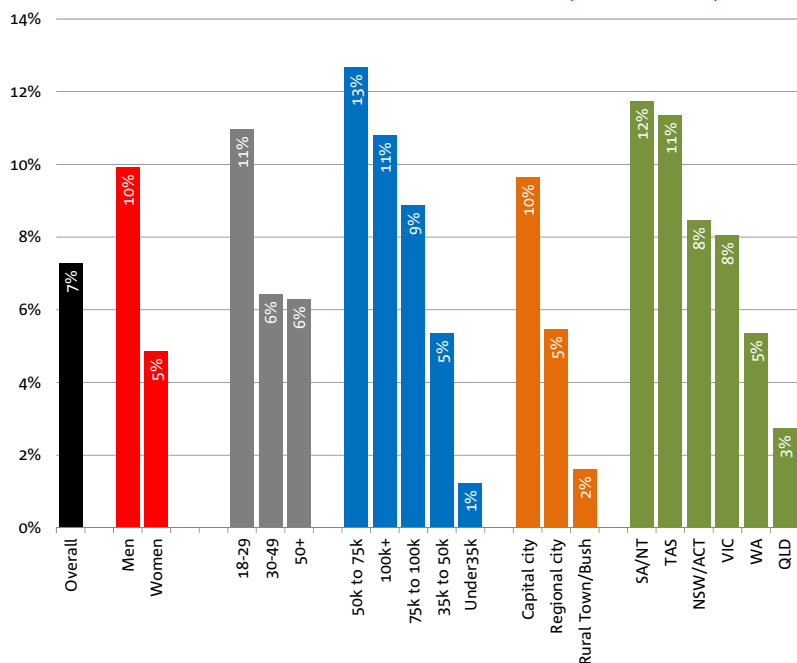
Our homes, family / personal relationships and standard of living contribute most to our sense of wellbeing. Having more money to improve our wellbeing would help most for our retirement, buying a home and our standard of living.

WELLBEING DRIVERS & HOW MONEY HELPS



On balance, most Australians said their relationship with their bank had a positive impact on their personal wellbeing in the last 3 months

HAS YOUR RELATIONSHIP WITH YOUR BANK IMPACTED YOUR PERSONAL WELLBEING IN THE PAST 3 MTHS? (NET BALANCE)



Given the important role that money can play in helping to improve some aspects of wellbeing and banks’ role as a key source of financing for many people, in this report we asked Australians to tell us what impact (positive or negative) did their relationship with their bank have on their personal wellbeing in the past 3 months.

On balance, the impact was positive in net terms, with more Australians rating the relationship positive than negative (+7%).

More men (+10%) said the relationship was positive than women (+5%), as did young people (+11%), compared to 30-49 year olds (+6%) and over 50s (+6%).

By income, those earning \$50-75,000 were the most positive (+13%) and the lowest income group the least positive (+1%).

More Australians living in capital cities (+10%) reported a positive impact than those in rural towns and the bush.

By state, banks’ impact on wellbeing was most positive in SA/NT (+12%) and TAS (+11%) and least positive in QLD (+3%) and WA (+5%).

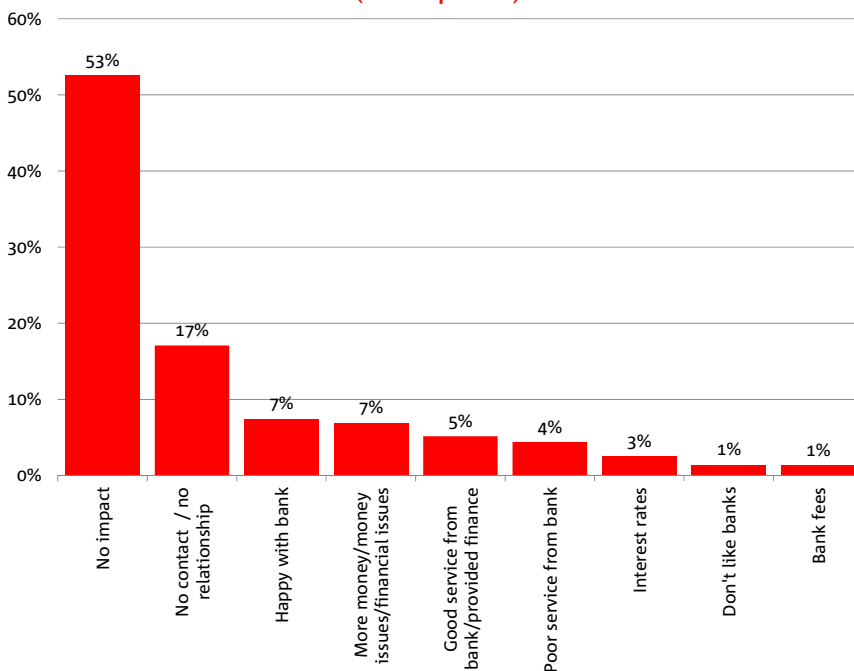
Just over 1 in 2 Australians (53%), indicated that banks’ had “no impact” on their personal wellbeing in the past 3 months, and a further 17% said they had “no contact” or “no relationship” with their bank.

Where banks did have an impact, around 7% said they were “happy with their bank” and a further 7% said banks impacted their wellbeing because of words like “more money” or “money and financial issues”.

Around 1 in 20 (5%) enjoyed said it impacted their wellbeing because of “good service” or because they “provided finance”, but 4% also said they provided “poor service”.

Only 1% said the relationship impacted their wellbeing because they “don’t like banks” and a further 1% because of “bank fees”.

HOW/WHY DID BANKS’ IMPACT YOUR WELLBEING? (% of respondents)



THE ONE THING MY BANK COULD DO TO IMPROVE MY PERSONAL WELLBEING IS...

Actually take some time and look after me. Tend to my needs, do a health check on my finances and activities.

Have happy, smiling staff to greet me and who sound as if they mean what they say. I also need them to listen to what I say!

Be more proactive in keeping in touch with products that could help me live better and cheaper.

Create more open and transparent information outlets in regards to interest rates, loans and account conditions.

Make dealing with the bank less stressful - such as answering the phone more quickly and easy to understand staff.

Stop charging me when I accidentally overdraw my savings account.

Care more and offer more bonuses for being a long-time customer, instead of only offering perks to new members.

Free withdrawals from non-bank ATMs.

Check in from time to time to make sure I'm happy and if I have any concerns - i.e. after recent rate increase it would be nice to hear from our manager to assure us of our affairs as I'm uncertain where we stand.

Be readily accessible online for any queries and perhaps provide a basic retirement Q & A service online.

Provide customers with rewards for loyalty, small things like promotional gifts that are useful.

Bring back the ticketing system at my branch so I can sit down while I wait up to 25 minutes to get served!

Be more involved in practically helping or getting involved in the community through community programs or offering little rewards or gifts at times like Christmas and Easter.

Assist us in getting to the stage where we can afford a house - strategies etc. We are currently trying to save for a house but have no idea what we need to do or how we can get the amount of money we need for the house we want.

Have a genuine appreciation for my business (mortgage, personal loans and cards). More personalised non-banking rewards i.e. frequent flyer points on birthdays or anniversaries, etc.

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 2,020 respondents participated in the Q1 2017 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

Steven Wu
Economist - Behavioural & Industry Economics
Steven.A.Wu@nab.com.au
+(613) 9208 2929

Important Notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.