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MEDIA RELEASE

New research challenges old adage – can money buy happiness?

They say that money can't buy happiness, but new research released today by NAB suggests that it goes a long way in boosting Australians' wellbeing – albeit with one important caveat.

The latest NAB Australian Wellbeing Report shows that high income earners regularly rate their short-term happiness, life satisfaction and life worth well above low income earners.

However, low income earners reported less anxiety than high income earners throughout 2017.

NAB Chief Economist, Alan Oster, said the findings show that while money is a strong contributor to our happiness and wellbeing, it doesn't solve all our problems.

"Having more money clearly doesn't inoculate you against feeling anxious – in fact it may well increase feelings of anxiety.

"When you have people earning less than \$35,000 reporting lower levels of anxiety than people earning more than \$100,000 p.a. that suggests that, amongst other things, high income earners may feel anxious about keeping up with the Joneses," he said.

Other findings from the survey included that Australians' wellbeing remained above its long-run average in the final quarter of 2017, despite being affected by increased anxiety.

A slightly lower level of wellbeing in the December quarter was due solely to higher anxiety; with Australians scoring "not anxious yesterday" 57.4 points (58.8 points in Q3). Almost 1 in 4 Australians also continue to report "high" levels of anxiety.

Over 50s (particularly men), two-person households, married people and those earning over \$100,000 p.a. all recorded the highest levels of wellbeing, while young women aged 18-29, single people, those earning less than \$35,000, men aged 30-49 and labourers reported the lowest.

Young women still trailing on wellbeing

The level of wellbeing reported by young women between the ages of 18-29 continues to lag behind other groups. They recorded a wellbeing score of 59, dropping below their long-run average of 59.7.

Other findings included:

- Personal safety contributed most positively to women's overall wellbeing, but for men it was their homes.
- Family and personal relationships, living standards, feeling part of their local communities and the environment had a broadly similar positive impact for both women and men.
- Some drivers contributed positively to men's wellbeing but detracted from the wellbeing of women - most notably physical appearance, ability to fund retirement and buying, selling or finding a home.

"It is a concern that we are still seeing young women report the lowest level of wellbeing of any group surveyed.

"This has been a worrying trend since the survey's inception in 2013 and it's important that we continue to highlight the disparity in wellbeing between young women and the rest of Australian society," Mr Oster said.

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About the NAB Australian Wellbeing Index:

The NAB Australian Wellbeing Index is based on survey participants' responses to four questions related to their life satisfaction, life worth, happiness and anxiety.

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