

NAB AUSTRALIAN WELLBEING REPORT Q4 2017



In this latest update of NAB's Wellbeing Index, we explore a hotly debated topic: does money buy happiness, or more particularly, does it improve wellbeing? NAB's index would suggest the answer is yes - except for one key area. Higher income earners report higher levels of short term happiness, life satisfaction and life worth, than low income earners. But, the relationship between money and anxiety is becoming much less clear. In fact, low income earners reported lower anxiety than high income earners throughout 2017. So, perhaps money does buy happiness, but there might be a cost.

WELLBEING TRENDS

How is our wellbeing tracking?

Wellbeing fell slightly in Q4 (down 0.4 to 64.6), tracking just above long-term average levels (64.5).

What is driving this change?

Our sense of life worth, life satisfaction and happiness was unchanged. But we're more anxious - and anxiety continues detracting most from our wellbeing.

Does money matter for wellbeing?

It can help! High income earners regularly rate their short-term happiness, life satisfaction and life worth well above low income earners. But the relationship between money and anxiety is not clear. In fact, low income earners reported lower levels of anxiety than high income earners throughout 2017.

Where did wellbeing improve most?

Small gains were reported by divorced people, labourers, in one person households and by single people.

And for whom did it fall most?

For people living in Tasmania and WA, widows and young people aged 18-29 (led by young women).

Who reported the highest wellbeing?

Over 50s (particularly men), 2 person households, married people and those earning over \$100,000 p.a.

Who had the lowest wellbeing?

Young women aged 18-29, single people, those earning less than \$35,000, men aged 30-49 and labourers.

What are the main positive influences on wellbeing?

Our homes, personal safety and family & personal relationships are key. Other important drivers were standard of living and feeling part of local community.

What is detracting most from wellbeing?

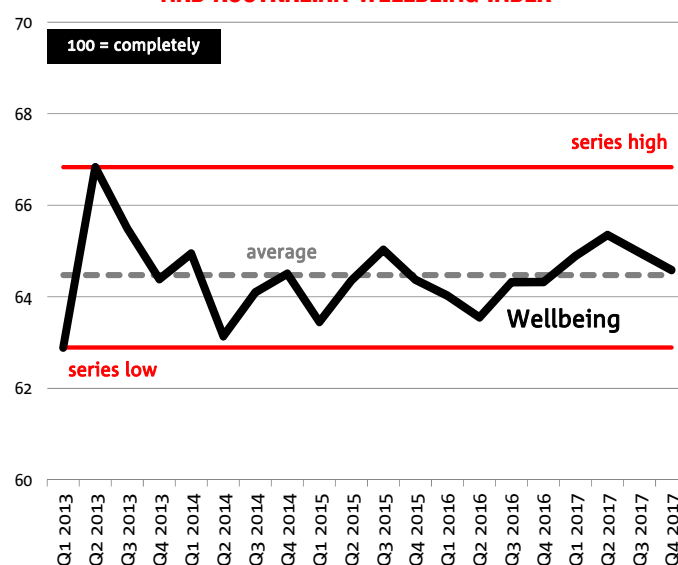
Events (e.g. abuse or victimisation), lack of time, substance use/abuse and retirement funding.

Are wellbeing drivers the same for men and women?

The key drivers have an equal positive influence. But men derive more benefits from all other drivers (particularly work & job issues, mental wellbeing, and their physical health and appearance). Events, lack of time, substance use & abuse detract far more from women's wellbeing.

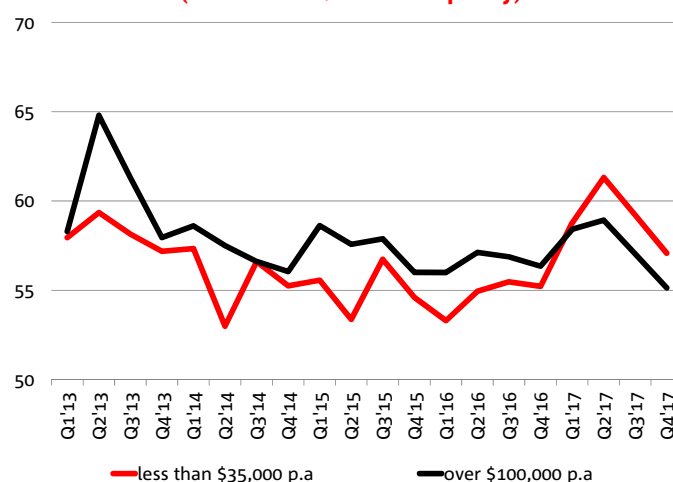
Australian wellbeing fell in Q4 as levels of personal anxiety increased, but it's tracking slightly above long-term average levels...

NAB AUSTRALIAN WELLBEING INDEX



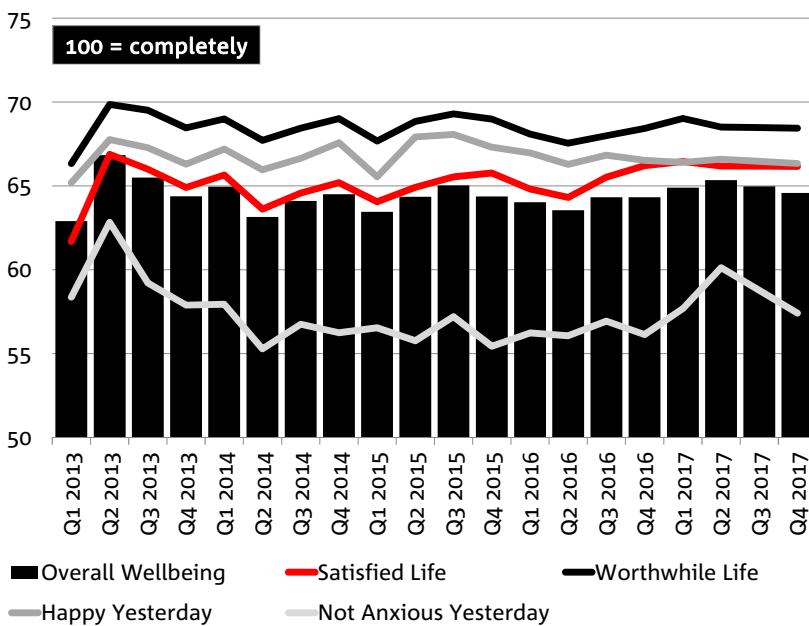
Having money appears to positively impact our short-term happiness and sense of life satisfaction and worth, BUT, it doesn't seem to be helping as much when it comes to our personal anxiety...

NOT ANXIOUS YESTERDAY - HIGH & LOW INCOME (0 = not at all; 100 = completely)



MAIN REPORT

NAB AUSTRALIAN WELLBEING INDEX



The NAB Wellbeing Index fell in Q4 2017 after improving in the previous two quarters, with the index dragged down solely by rising anxiety ...

The NAB Australian Wellbeing Index fell to 64.6 points in Q4 2017. This was down from 65.0 points in Q3 but somewhat higher than at the same time last year (56.1 points). Overall, wellbeing now stands just above its long-term average level (64.5 points).

Lower wellbeing in Q4 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.

In contrast, our levels of life satisfaction (66.2 points), life worth (68.4 points) and happiness (66.3 points) were basically unchanged over the quarter

Wellbeing fell in 38 of 48 monitored demographic groups in Q4 2017.

It fell most in Tasmania and for widows. Modest falls were also reported in WA, by young people aged 18-29 (led by women), in regional cities, by those earning between \$75-100,000 p.a. or less than \$35,000 p.a., married people, Australians employed in technical jobs and in households with more than 3 people.

In contrast, the biggest (albeit modest) gains in wellbeing were reported by divorced people, labourers and in single person households.

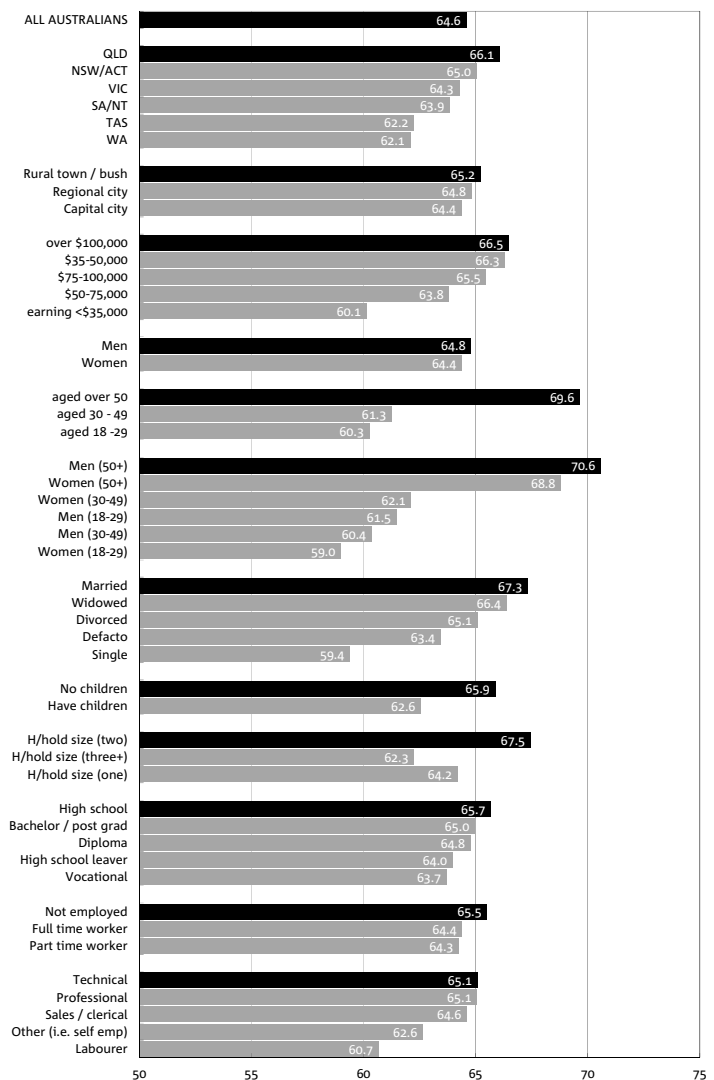
Overall wellbeing levels differ widely across key demographic groups. It was highest for over 50s (69.6 points) - both over 50s men (70.6 points) and women (68.8 points), in 2 person households (67.5 points), for married people (67.3 points), those earning more than \$100,000 p.a. (66.5 points) and for Australians living in Queensland (66.1 points).

Young women had the lowest wellbeing (59.0 points), followed by single people (59.4 points), Australians earning less than \$35,000 p.a. (60.1 points), men aged 30-49 (60.4 points) and labourers (60.7 points).

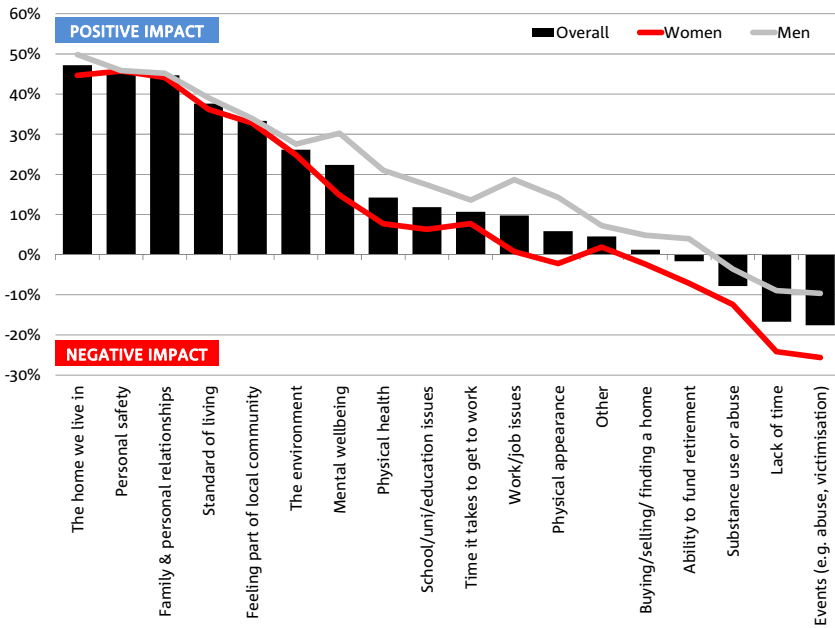
Among some other key findings, wellbeing was lowest in WA (62.1 points) and Tasmania (62.2 points). It was also lower in capital cities (where anxiety levels are also significantly higher). Men (64.8 points) reported slightly higher wellbeing than women (64.4 points).

Not having children also seems to influence wellbeing more positively.

AUSTRALIAN WELLBEING INDEX: ALL GROUPS



WELLBEING DRIVERS - BY GENDER



For the average Australian, the home they live in, their personal safety and family and personal relationships contributed the most to their overall sense of personal wellbeing in Q4 2017.

Other important wellbeing drivers included their standard of living and feeling part of their local community.

The key detractors of their overall wellbeing were events (such as abuse, victimisation) and lack of time.

Other detractors included substance use and their ability to fund retirement.

There were however some big differences in the contribution these wellbeing drivers made across key demographic groups.

In this report, we compare wellbeing drivers for women and men.

For women, personal safety contributed most positively to their 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.

All other wellbeing drivers contributed more positively to men’s overall sense wellbeing men than women. This was particularly evident in areas such as work or job issues, mental wellbeing, physical health and school, university or education issues.

There were also some drivers that 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.

Even in the areas that detracted from wellbeing, the negative impact was far greater for women than for men, especially when it came to events and lack of time.



WELLBEING & MONEY – DOES MONEY MATTER?

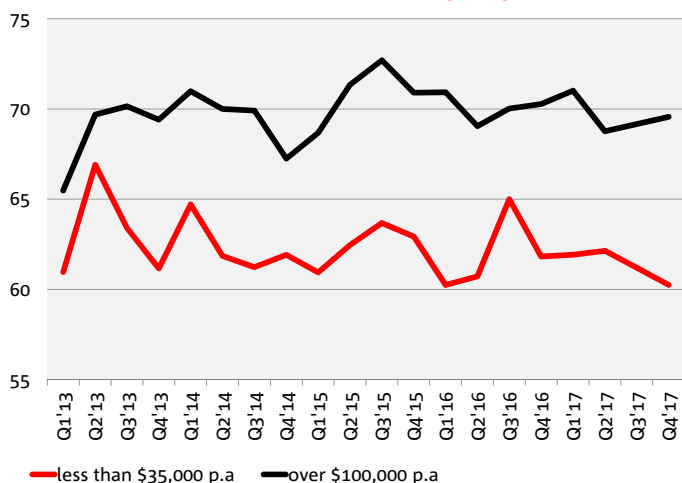
We’re all familiar with the notion that money doesn’t buy happiness.

But NAB’s wellbeing research (a short-term measure based on the concept of “happy yesterday”) shows that money is certainly important. Indeed, happiness has consistently added more to the overall wellbeing of Australians in the highest income earning group (over \$100,000 p.a.) than in the lowest income group (less than \$35,000 p.a.). In Q4 2017, the highest income earners rated their happiness on average 69.6 points, compared to just 60.2 points for low income earners. In addition, the “happiness” gap has been widening recently reaching 9.3 points (well above the long-term average spread (7.5 points).

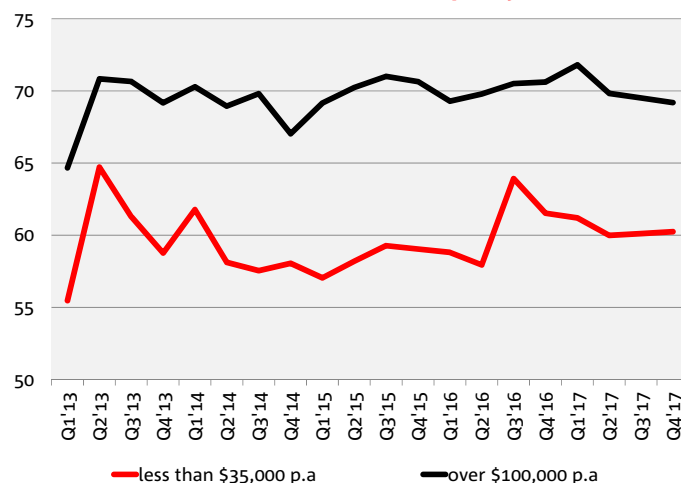
This suggests that while money doesn’t buy happiness, it certainly helps!

In addition, NAB’s wellbeing research also shows that Australians in the highest income earners on average also rate their life satisfaction and life worth substantially higher than the lowest income group - and have done so consistently since the survey started in 2013 (see charts below).

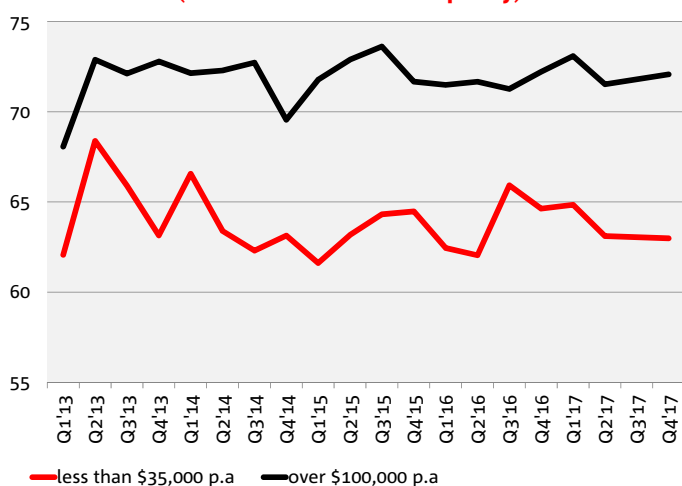
HAPPY YESTERDAY - HIGH & LOW INCOME
(0 = not at all; 100 = completely)



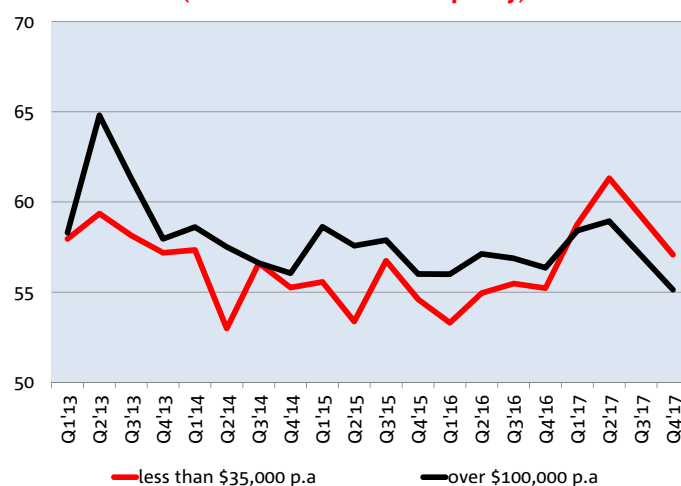
SATISFIED LIFE - HIGH & LOW INCOME
(0 = not at all; 100 = completely)



WORTHWHILE LIFE - HIGH & LOW INCOME
(0 = not at all; 100 = completely)



NOT ANXIOUS YESTERDAY - HIGH & LOW INCOME
(0 = not at all; 100 = completely)



But money is not a clear differentiator when it comes to feeling anxious, with the anxiety gap between high and low income earners much narrower. In fact, the lowest income group scored the “not anxious yesterday” 57.1 points in Q4, while the highest income group scored 55.1 points, signalling lower anxiety in the low income group. Moreover, low income earners have also scored anxiety below that of high income earners since Q1 2017.

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 2,000 Australians participated in the Q4 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

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