

NAB AUSTRALIAN WELLBEING REPORT Q1 2018



Australian wellbeing has fallen to survey low levels, with a marked improvement in anxiety offset by lower happiness, life worth and life satisfaction. In this update, we take a closer look at the most anxious Australians and how they are coping. We found that having higher levels of anxiety doesn't always mean we aren't coping as well. In fact, some highly anxious groups (such as young women) appear to be coping better than many less anxious groups. We also take a look at whether Australians who live and own their homes have higher wellbeing than those who rent. It appears they do!

WELLBEING TRENDS

How is our wellbeing tracking?

Overall wellbeing among Australians fell noticeably in Q1 2018, down 1.8 points to 62.8 - a new survey low.

What is driving this change?

Our sense of life worth, satisfaction and happiness was lower, but we were less anxious (lowest level in 5 years). But anxiety still added least to our overall wellbeing. Moreover, 1 in 4 people are still reporting 'high' levels of anxiety.

In which groups did wellbeing improve most?

For very few. Small gains were reported in only 3 groups - in SA/NT and for self-employed and professional workers.

And for whom did it fall most?

Big falls reported by labourers, in single person households, high school graduates, single people and in QLD.

Who reported the highest wellbeing?

Over 50s, those who live in and own their houses, married people, earning over \$100,000 p.a., professionals, 2 person households, self-employed workers and in SA/NT.

Who had the lowest wellbeing?

Labourers, singles, earning less than \$35,000, those who don't own/rent an apartment or house and young women.

Who are the most anxious Australians?

Young women, young men, labourers, singles and those living in a rented apartment.

Are we coping with anxiety?

Overall we're coping 'moderately'. But some groups not as well as others, notably house renters, those earning \$35-50,000 p.a., high school graduates and technical workers.

Is there a link between high anxiety and coping?

Having high anxiety doesn't always mean we aren't coping. For example, young women have the highest anxiety, but believe they are coping better than some groups with lower anxiety.

What are the main positive influences on wellbeing?

Our homes, personal safety and family & personal relationships and standard of living are most important.

What is detracting most from wellbeing?

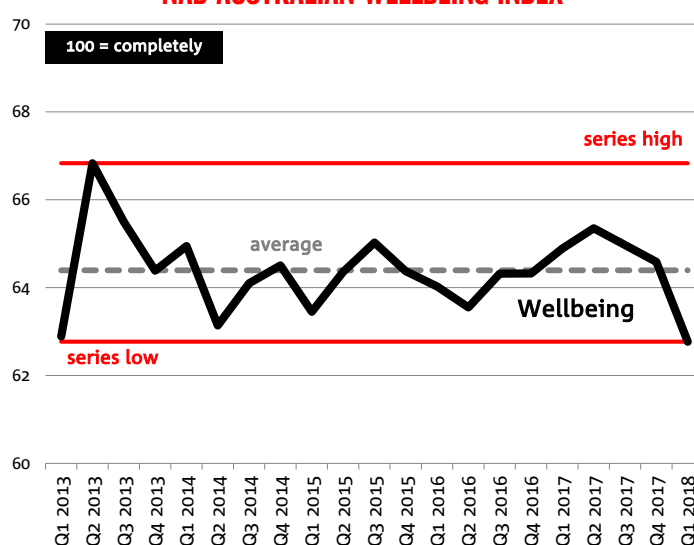
Lack of time, events, lack of time, substance use/abuse, retirement funding and buying, selling or finding a home.

Do our living arrangements matter?

It appears so. People living in and owning a house or apartment report much higher wellbeing than do renters. Although house owners have the highest overall wellbeing, apartment owners derive more positive benefits from almost all key wellbeing drivers than house owners - albeit, both groups derive greater benefits than renters.

Australian wellbeing fell to a new survey low in Q1 2018, with lower wellbeing reported across all key measures except anxiety...

NAB AUSTRALIAN WELLBEING INDEX



Our homes are the most important positive driver of wellbeing. But, those that own a house or apartment report higher wellbeing than those that rent.

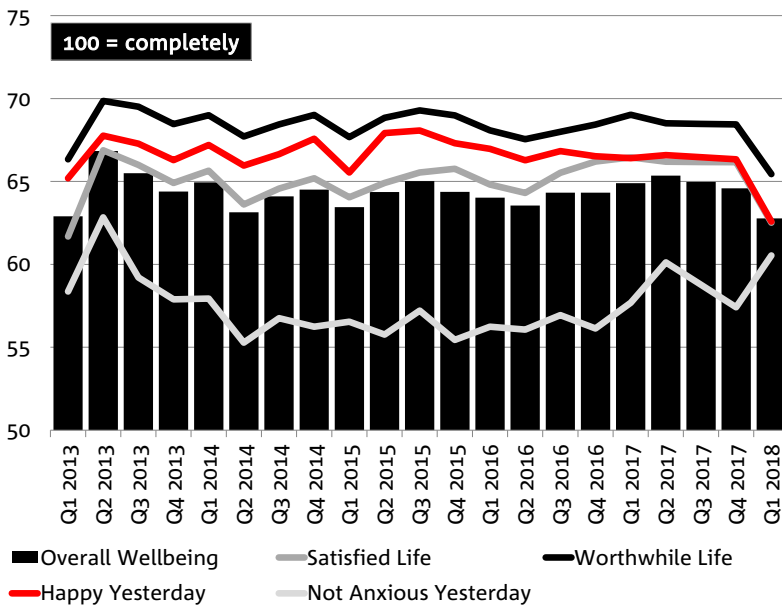
OVERALL WELLBEING BY LIVING STATUS

(0 = not at all; 100 = completely)



MAIN REPORT

NAB AUSTRALIAN WELLBEING INDEX



The NAB Australian Wellbeing Index fell to a new survey low 62.8 points in Q1 2018. This was down from 64.6 points in Q4 2017 and now sits well below its long-term average level (64.4 points).

Lower wellbeing was driven by lower levels of happiness (down 3.7 points to 62.6), life satisfaction (down 3.6 points to 62.5) and sense of life worth (down 3.0 to 65.4 points).

This offset an encouraging improvement in anxiety, with Australians scoring “not anxious yesterday” 60.5 points (57.4 in Q4).

It is however still of some concern that over 1 in 4 Australians continued to report ‘high’ levels of anxiety during the quarter.

Lower wellbeing was evident in nearly all monitored demographic groups - it was lower in 46 of the usual 48 groups in Q1 2018 (we have added a new demographic category relating to people’s living arrangements and home ownership position).

Wellbeing fell most for labourers, in single households, high school graduates, single people and in QLD. It rose in SA/NT and for professional workers, but only modestly.

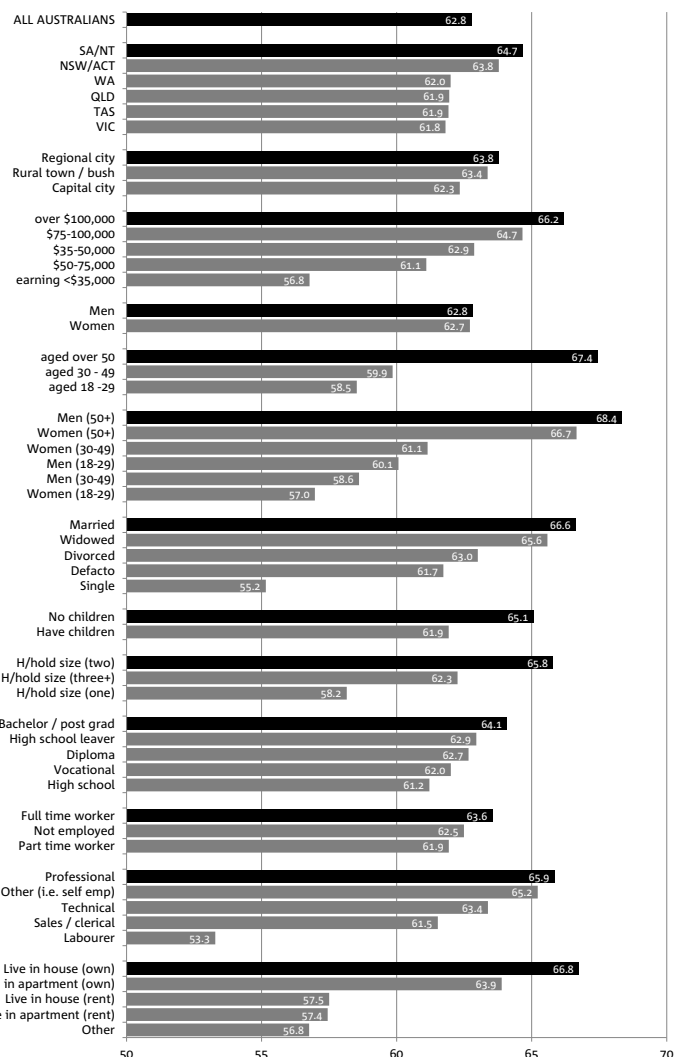
Overall wellbeing was highest for over 50s (67.4 points) - both men (68.4 points) and women (66.7 points), for those who live in and own a house (66.8 points), married people (66.6 points), those earning over \$100,000 p.a. (66.2 points), professional workers (65.9 points) and 2 person households (65.8 points).

Labourers had the lowest wellbeing (53.3 points), followed by single people (55.2 points), those earning less than \$35,000 p.a. (56.8 points), whose living arrangement don’t include owning or renting an apartment or house (56.8 points) and young women (57.0 points).

Among some other key findings, wellbeing was lowest in VIC (61.8 points) just ahead of TAS (61.9 points), QLD (61.9 points) and WA (62.0 points). It also remains lower in capital cities (where anxiety levels are also highest).

Men (62.8 points) and women (62.7 points) reported broadly similar levels of wellbeing and across all index components. But young women had the lowest wellbeing by gender and age by some margin, and reported much lower wellbeing in regards to ‘not anxious yesterday’ and happiness.

NAB AUSTRALIAN WELLBEING INDEX - ALL CATEGORIES (100 = completely)



A CLOSER LOOK AT ANXIETY

Anxiety is consistently identified as the biggest detractor of our overall wellbeing and there are number of factors than can cause our anxieties - some not so obvious and some much more complex (see thought bubbles on the following page for some examples).

NAB's research also shows that some demographic groups are more anxious than others.

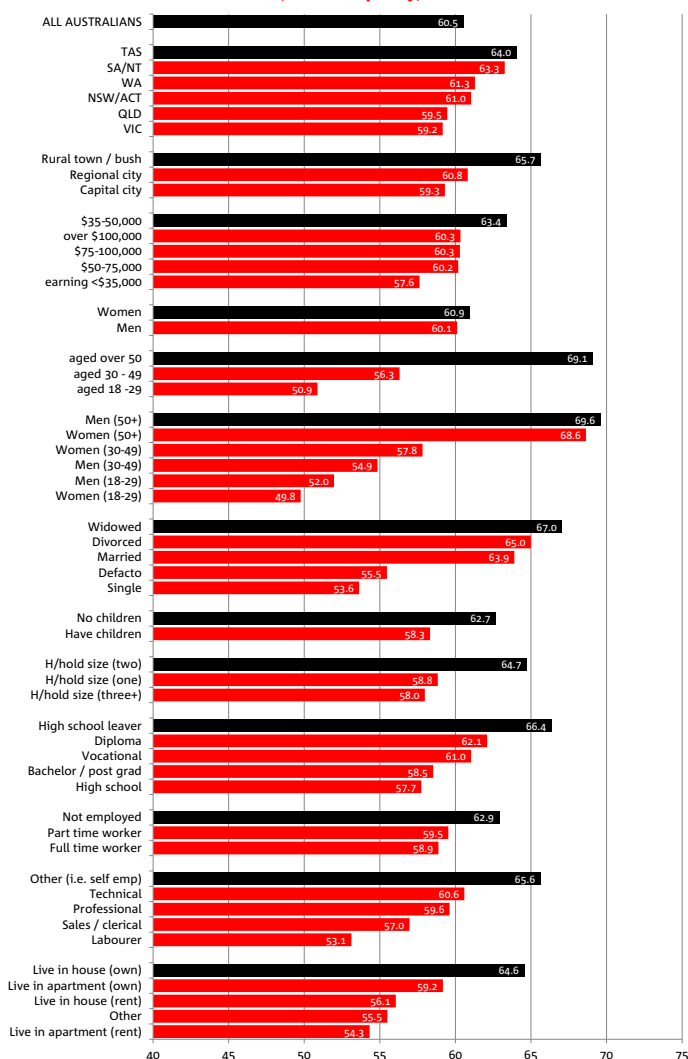
Young women (18-29 years old) are the most anxious across all demographic groups, scoring just 49.8 points out of 100 for 'not anxious yesterday', well below men over 50 who are the least anxious group (69.6 points).

Other groups that reported higher levels of anxiety in Q1 2018 included 18-29 year olds (50.9 points), young men (52.0 points), labourers (53.1 points), single people (53.6 points), people who rent an apartment (54.3 points), men aged 30-49 (54.9 points), people whose living arrangements are other than renting or owning a house or apartment (55.5 points) and people in a defacto relationship (55.5 points).

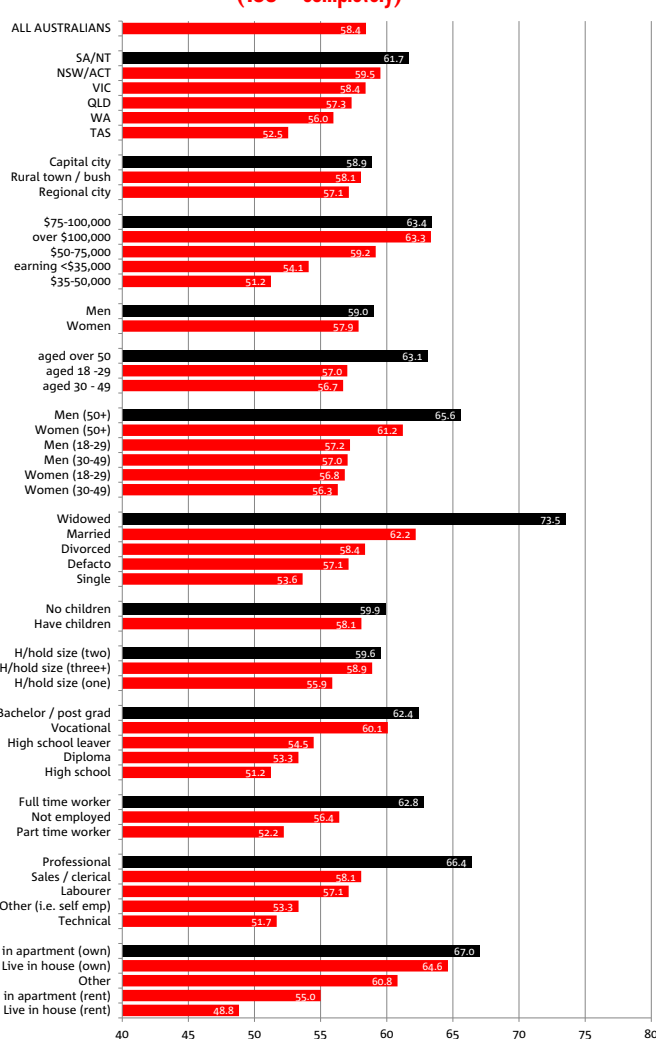
But having high levels of anxiety doesn't always mean we aren't coping with it. In fact, the chart on the right (which measures how we are coping with anxiety based on a score out of 100 where 100 is 'completely' coping) shows that while young women have the highest anxiety, they are coping with it better than many other groups with lower anxiety including middle-aged women, self-employed workers, those renting a house, low income earners, high school graduates, technical and part time workers.

At the same time, Australians living in TAS have the lowest anxiety of all states, but they are also coping with their anxiety less well than Australians living in all other states. Australians earning \$35-50,000 p.a. had the lowest anxiety by income, but also scored lowest for coping with anxiety.

NAB AUSTRALIAN WELLBEING INDEX - 'NOT ANXIOUS YESTERDAY'
(100 = completely)



COPING WITH ANXIETY - ALL GROUPS
(100 = completely)



THE MAIN FACTOR CAUSING MY ANXIETY IS.....

"As a university student, my grades are one of the major factors that cause my anxiety as it makes me think about the near future, Will I have a job" Or will I end up homeless? Or would I end up doing something I don't like?"

"Being unemployed and not having enough to live on"

"Continuing stresses of general life and the cost of living pressures that keep increasing every week."

"Feeling trapped into a life I feel I didn't have much choice over and have little or no support for. Feeling like that and having kids who are the only reason I'm still alive is the main cause of my anxiety."

"Feeling like an outsider, low confidence, worried I'm always doing something wrong."

"Being a first time mum"

"Health of my wife, which is causing significant expenditure and drawings on my SMSF, thus reducing funds available for our future needs."

"I'm stressed about money. I can't work anymore and I worry about my daughter's future."

"I have too much to do and not enough time."

"It's the fear of not knowing what's outside my home environment. I'm worried about seeing trauma or being threatened."

"My access to transport and buildings as I am a paraplegic."

"Lack of jobs available and when a job is available, lack of security around the job. Most are now contract or casual."

"That I just cannot completely come to terms with retirement and my current life."

"A grumpy husband who is negative about most things."

"Concern about financial matters in retirement and future government changes to rules about self-funded retirees."

"How busy life is. I try to calm life down, but it doesn't seem to be."

"I moved to a rural location 6 months ago and I have had anxiety about the distances I have to travel for shopping etc. I was looking forward to the move, but it unsettled me more than I expected."

"I'm overweight."

"My future involving what will happen when I finish studying and whether I'm intelligent enough to get the job that I want."

THE IMPACT OF GENERAL FINANCES & MONEY ON OVERALL WELLBEING

IMPACT OF GENERAL FINANCES & MONEY ON WELLBEING (positive/negative, net balance)

Australians were asked to tell us what impact their general finances and money had on their overall wellbeing in the last 3 months.

Overall, the impact in net balance terms was negative (-5).

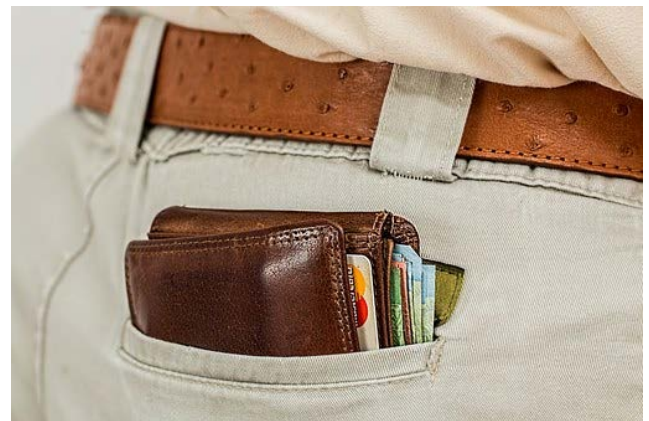
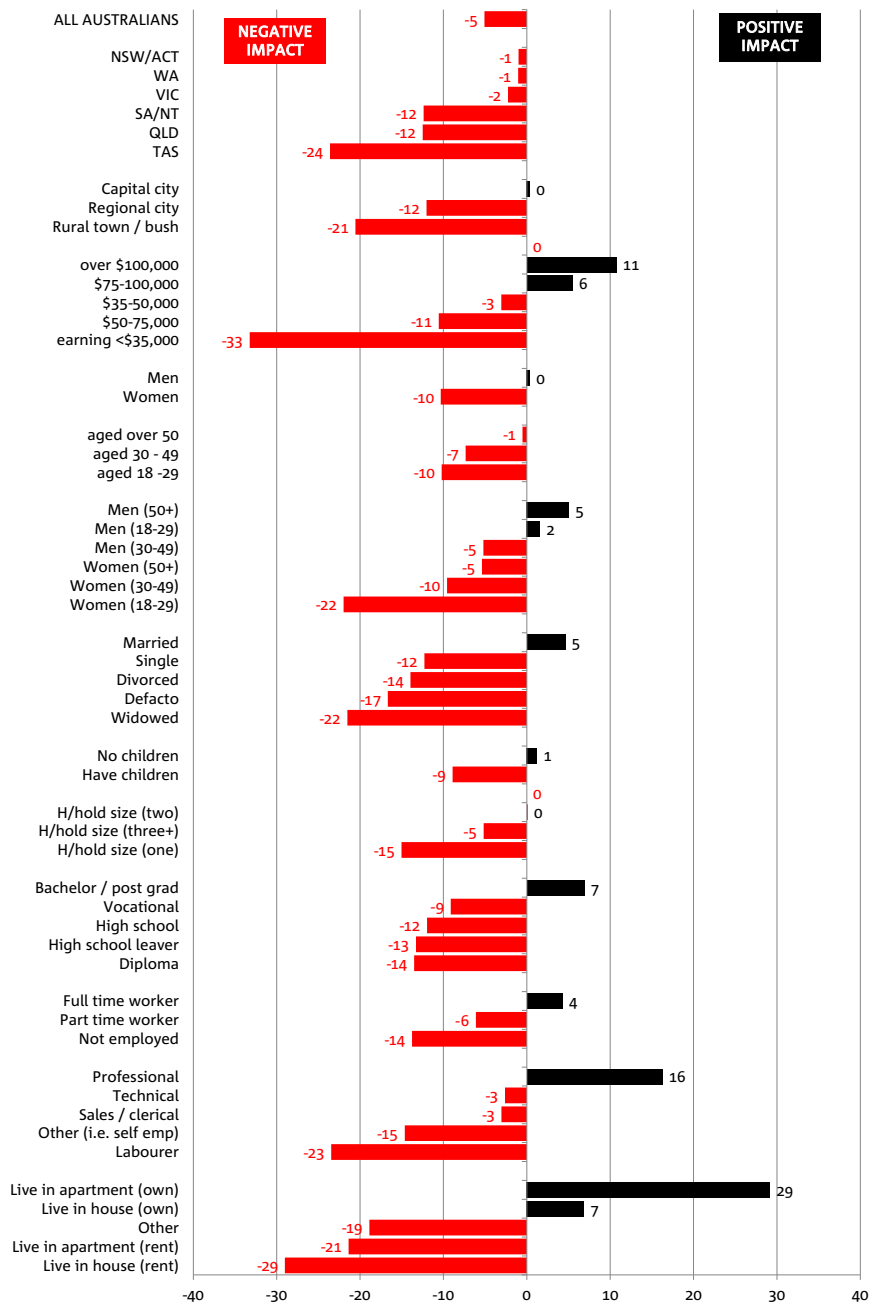
However, for some groups, the impact was far worse.

Not surprisingly, the lowest income earning Australians (earning less than \$35,000 p.a.) were the most negatively impacted (-33).

Other groups that also experienced a big negative impact on their wellbeing from the finances included people who lived in a rented house (-29), Tasmanians (-24), labourers (-23), widows (-22), young women aged 18-29 (-22) and Australians living in rural towns or in the bush (-21).

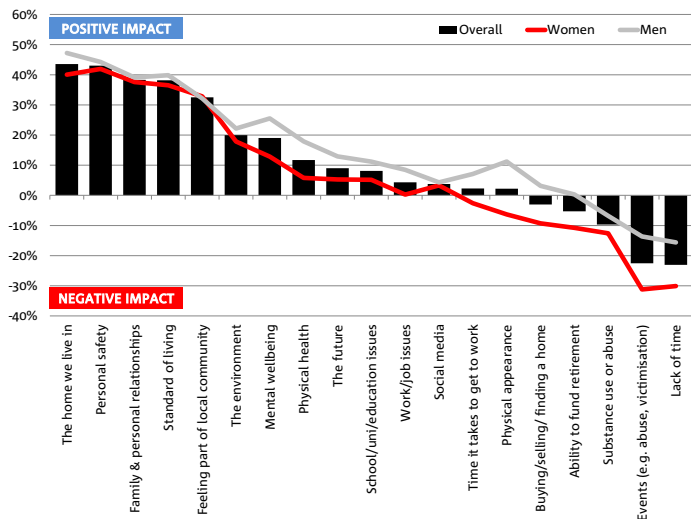
In contrast, general finances and money contributed most positively to the wellbeing Australians who lived in and owned their own apartments (+29), professional workers (+16), earned more than \$100,000 p.a. (+11), owned their house (+7) and have a bachelor degree or post graduate qualification (+7).

Typically, people in these categories also tend to be at the higher end of the income spectrum, or are in a stronger wealth position because of their home ownership position.



FACTORS THAT IMPACT OUR WELLBEING

WELLBEING DRIVERS - BY GENDER



For the average Australian, the home they live in, their personal safety and family and personal relationships and their standard of living contributed the most to their overall sense of personal wellbeing in Q1 2018.

The key detractors were lack of time, events (such as abuse, victimisation), substance use and abuse, ability to fund retirement and buying, selling and finding a home.

But there were some big differences in the contribution these wellbeing drivers made across key groups.

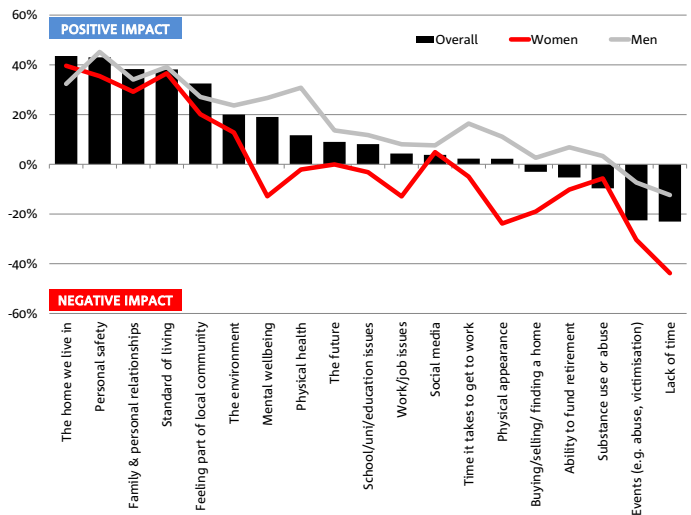
By gender, there was little difference in opinion across the main contributors, although they impacted men a little more positively than women.

For all other drivers, more men enjoyed a positive (or less negative) impact than did women, except for social media (the same).

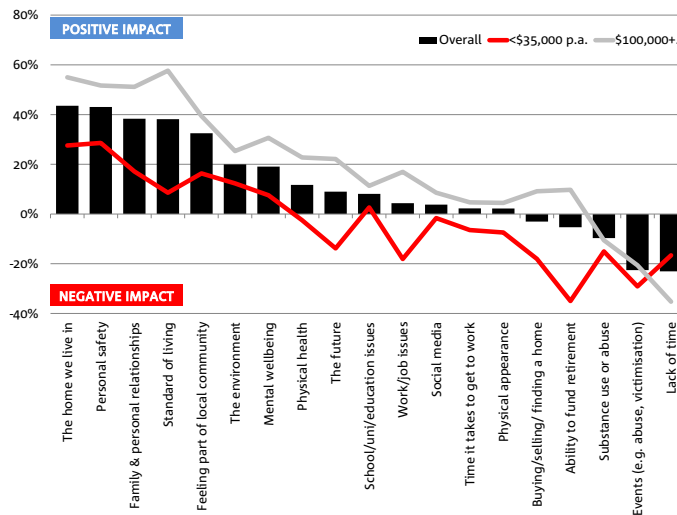
Some drivers also contributed positively to the wellbeing of men, but detracted from the wellbeing of women - most notably physical appearance, buying, selling and finding a home and time to get to work.

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 DRIVERS - 18-29 YEAR OLDS



WELLBEING DRIVERS - LOW VS. HIGH INCOME

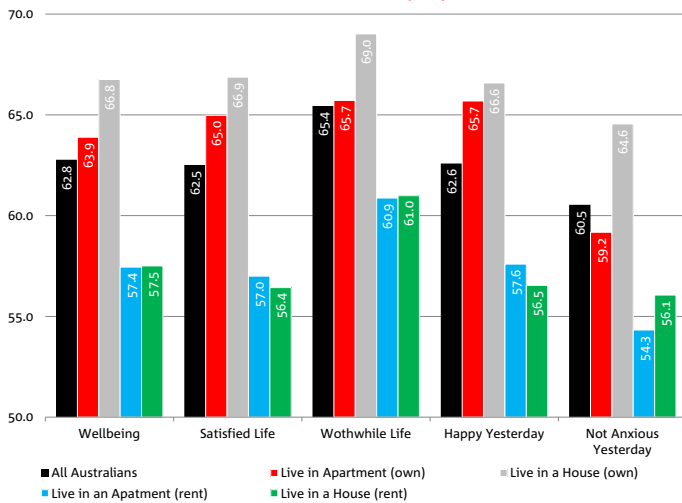


The opinions of men and women over the age of 50 were broadly aligned. But the opinions of middle-aged men and women (30-49 years old) and young men and women (18-29 year old) differed considerably, and significantly more so among young people.

More young women derived wellbeing benefits from their homes than young men, but young men were more positive (or less negative) for all other drivers - and in many cases the difference was very large. This was particularly evident in regards to the wellbeing impact from their mental wellbeing, physical appearance, physical health and lack of time.

There were also very big differences between low and high income earners. Significantly more high income earners enjoyed higher wellbeing benefits from all drivers (except lack of time), than the lowest income group, especially when it came to their standard of living, ability to fund retirement, the future and work and job issues.

OVERALL WELLBEING BY LIVING STATUS
(0 = not at all; 100 = completely)



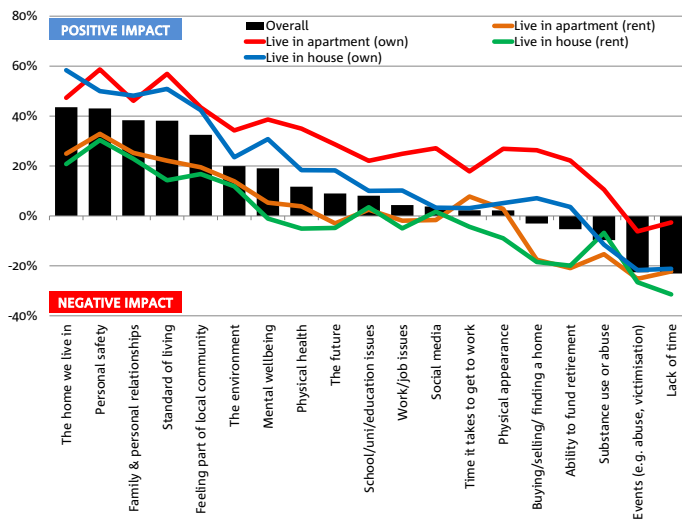
In order to better understand how our current living arrangements impact our wellbeing, we have added a new demographic category which we will continue to monitor going forward.

The survey results suggest our current living status is a significant factor influencing our overall wellbeing.

In fact, Australians who live in and own their house or apartment report much higher levels of overall wellbeing than those who rent - and significantly higher across all key measures of wellbeing.

Interestingly, house and apartment renters have broadly similar levels of wellbeing. But house owners reported noticeably higher levels of wellbeing than apartment owners - and across all measures, especially when it came to 'not anxious yesterday'.

WELLBEING DRIVERS - LIVING STATUS



Although house owners had the highest levels of overall wellbeing, people living in and owning an apartment appear to derive more positive (and less negative) benefits from nearly all key wellbeing drivers than do house owners.

That said, both groups derived greater wellbeing benefits across nearly all drivers than did renters.

This may be suggesting that the stability provided by home ownership outweighs the often large financial responsibility (e.g. mortgage and home loan payments) for many home owners.



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".

Over 2,000 Australians participated in the Q1 2018 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population.

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