

NAB AUSTRALIAN WELLBEING REPORT Q4 2018



Australian wellbeing fell for the second consecutive quarter in Q4 driven by lower levels of life worth, happiness & life satisfaction. In this report we take a look at the drivers of wellbeing over time which reveals some worrying trends. While the factors that contribute most positively to wellbeing have been consistent, their contribution has been declining. And, the things that have had a negative impact appear to be worsening, and some new concerns have emerged. For the first time we also explore how owning or running a small business impacts wellbeing. This group scored their wellbeing much higher than the average - with their happiness, sense of life worth and life satisfaction all significantly greater, but anxiety levels only slightly better.

WELLBEING TRENDS

How is Australia's wellbeing tracking?

The NAB Australian Wellbeing Index fell for the second consecutive quarter to 64.2 points in Q4. It was down from 64.6 in Q3 and 64.6 at the same time last year and also slightly below its long-term average level (64.4).

What's driving this change?

Australians reported lower levels of life worth, happiness and life satisfaction but were less anxious.

In which groups did wellbeing improve most?

High school leavers, people living in 'other' arrangements than their own homes or renting, labourers, people in a defacto relationship, divorced people, TAS, earning between \$50-75,000 p.a., men aged 18-29 and part time workers.

And for whom did it fall most?

Self-employed workers, SA/NT, widows, people living in a one person household, Australians with a diploma, people earning less than \$35,000 p.a. and for those not employed.

Who reported the highest wellbeing?

Widows, people over 50 - both men and women - married people, live in their own house, in 2 person households, earn over \$100,000 p.a., have no children, professional workers and in TAS.

Who had the lowest wellbeing?

Single people, live in a rented house, earn less than \$35,000 p.a., 18-29 year olds - especially women but also young men - live in a rented apartment, single person households or have 'other' living arrangements.

What are the main positive influences on wellbeing?

Our homes, personal safety, family & personal relationships, standard of living of living and feeling part of our local community.

What's detracting most from wellbeing?

Events like abuse and victimisation, lack of time, substance use and abuse, ability to fund retirement, buying, selling or finding a home and our physical appearance.

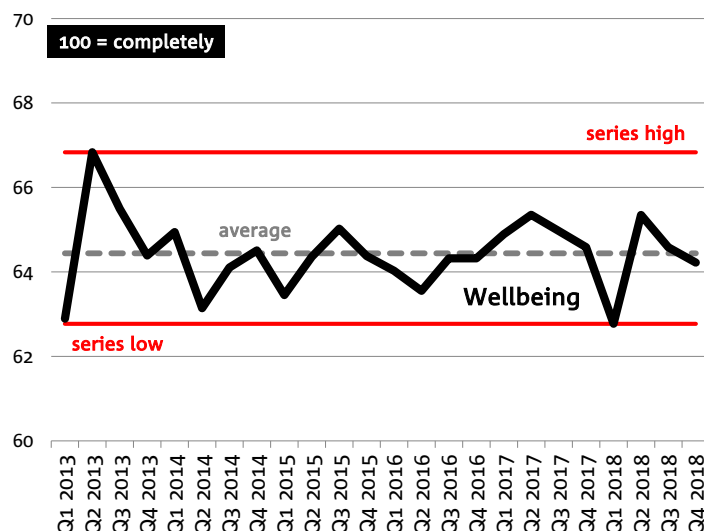
Does owning a small business improve wellbeing?

Business owners scored wellbeing (72.3) much higher than the average Australian (64.2). Importantly, they scored their happiness, sense of life worth and life satisfaction well above the Australian average. But when it came to anxiety, they scored only slightly better.

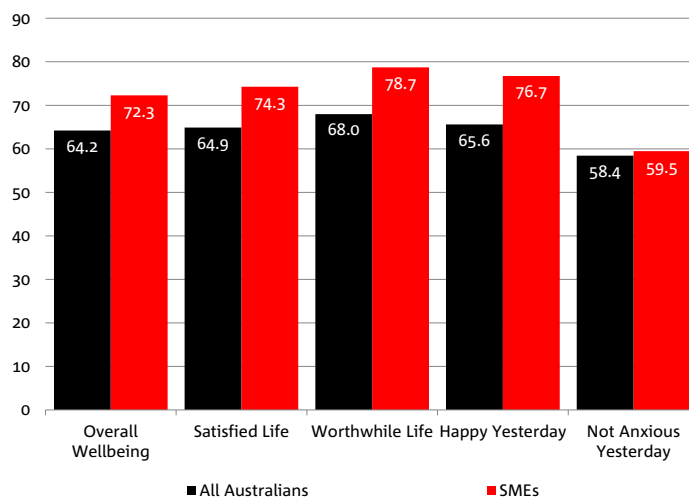
How does owning a business improve wellbeing?

Some of the most common reasons cited include: "work/life balance"; "a sense of achievement"; "independence"; "control"; "responsibility"; "community"; "job satisfaction"; "influence"; "supporting family"; "giving back"; and "supporting employees".

NAB AUSTRALIAN WELLBEING INDEX

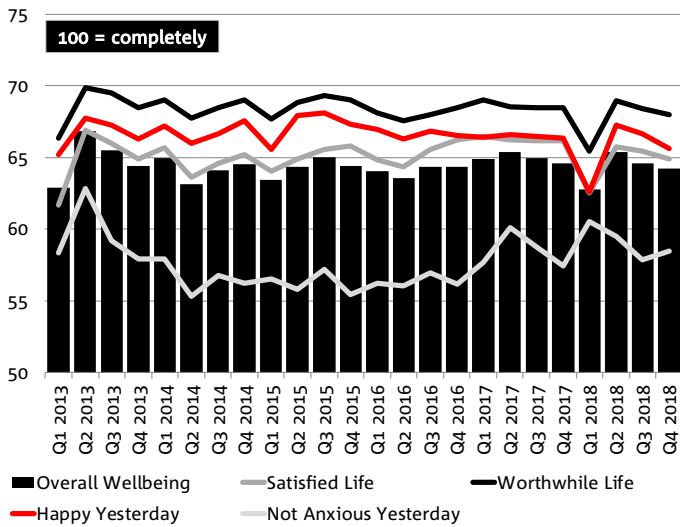


WELLBEING ALL AUSTRALIANS & SME BUSINESS OWNERS



MAIN REPORT

NAB AUSTRALIAN WELLBEING INDEX

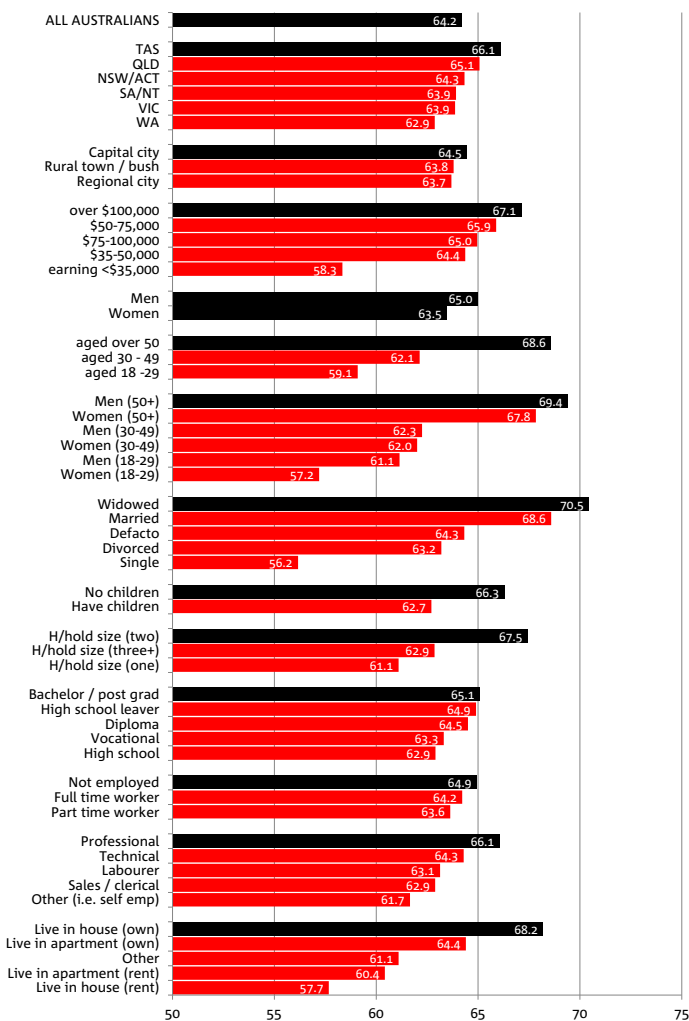


The NAB Australian Wellbeing Index fell for the second consecutive quarter to 64.2 points in Q4. This was down from 64.6 in Q3 and 64.6 at the same time last year and also slightly below its long-term average level (64.4).

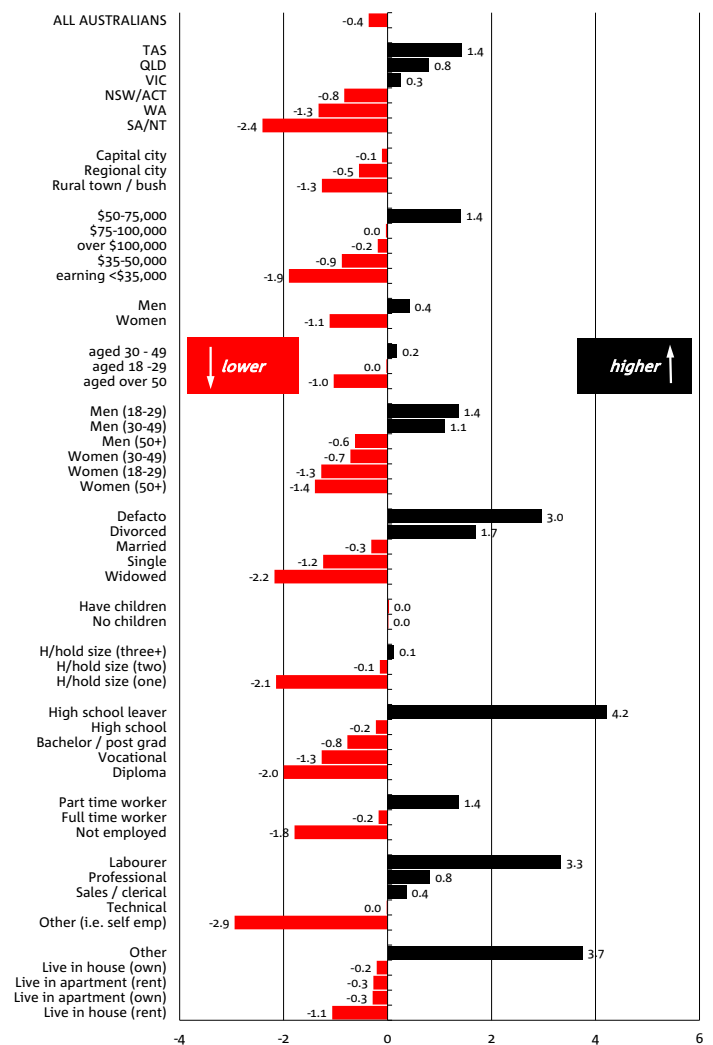
Australians reported lower wellbeing for most components of the Index. Anxiety was the exception, with Australians scoring 'not anxious' yesterday higher at 58.4 (57.8 in Q3) and above average (57.7). But anxiety still detracts the most from overall wellbeing (by a large margin) with over 1 in 3 people (35%) indicating they experienced 'high' levels of anxiety in Q4.

Wellbeing fell most for happiness (down 1.1 to 66.6) and below the survey average (66.6). Life satisfaction (64.9) and worthwhile life (68.0) were both 0.5 points lower and have also fallen below average levels of 66.6 and 68.4 respectively.

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



AUSTRALIAN WELLBEING INDEX (QUARTERLY CHANGE)



Wellbeing outcomes were however mixed across key groups in Q4 - it was lower in 31 of 53 groups monitored by NAB, improved for 17 groups and was unchanged in 5.

Wellbeing improved most for high school leavers (+4.2), people in living in ‘other’ arrangements than their own homes or renting (+3.7), labourers (+3.3), people in a defacto relationship (+3.0), divorced people (+1.7), Australians living in TAS (+1.4), earning between \$50-75,000 p.a. (+1.4), men aged 18-29 (+1.4) and part time workers.

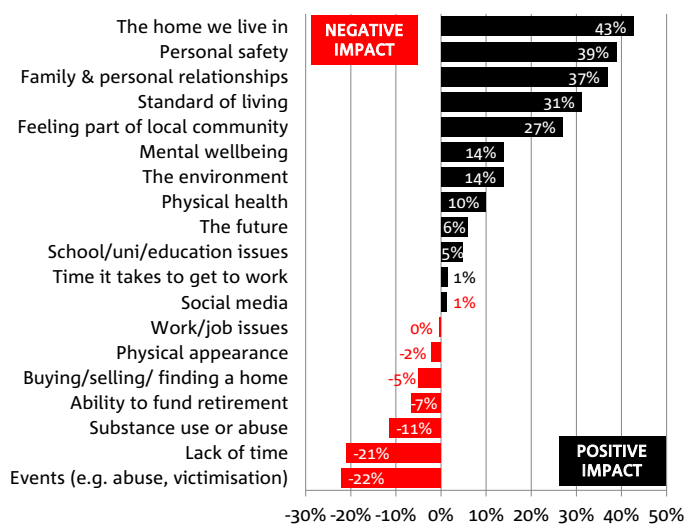
It fell most for self-employed workers (-2.9), people living in SA/NT (-2.4), widows (-2.2), people living in a one person household (-2.1), Australians with a diploma (-2.0) and people earning less than \$35,000 p.a. (-1.9) and for those not employed (-1.8).

Overall wellbeing in Q4 was highest for widows (70.5), people over the age of 50 (69.4) - both men (69.4) and women (67.8) - married people (68.6), people who live in their own house (68.2), people living in a 2 person household (67.5), Australians earning over \$100,000 p.a. (67.1), people who have no children (66.3), professional workers (66.1) and live in TAS (66.1).

Wellbeing was lowest for single people (56.2), those living in a rented house (57.7), earning less than \$35,000 p.a. (58.3), young Australians aged 18-29 (59.1) - especially young women (57.2) but also young men (61.1) - people living in a rented apartment (60.4), in a one person household (61.1) or have ‘other’ living arrangements (61.1).

FACTORS THAT IMPACT OUR WELLBEING

WELLBEING DRIVERS (NET)

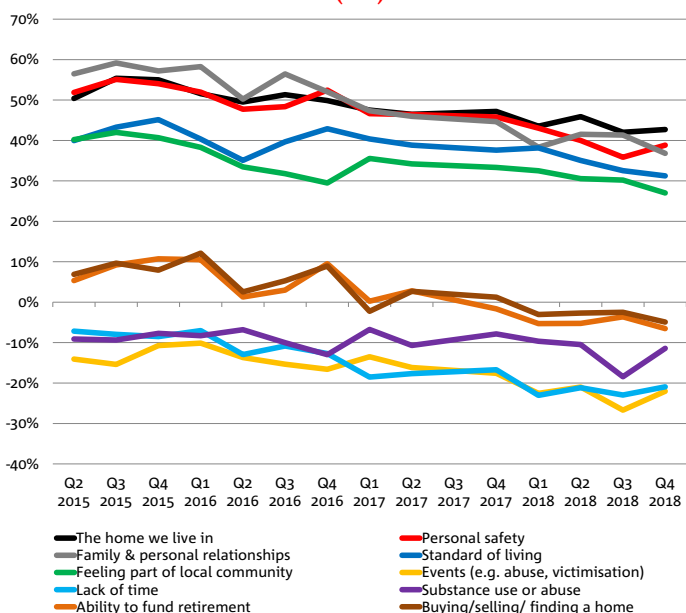


The home we live in (net 43%), personal safety (39%) family and personal relationships (37%), standard of living of living (31%) and feeling part of our local community (27%) contributed positively to the personal wellbeing of most Australians in Q4 2018.

The key detractors from their wellbeing were events like abuse and victimisation (-22%), a lack of time (-21%), substance use and abuse (-11%) and the ability to fund retirement (-7%).

Other net detractors from wellbeing in Q3 included buying, selling or finding a home (-5%) and our physical appearance (-2%).

WELLBEING DRIVERS (NET): TOP & BOTTOM 5

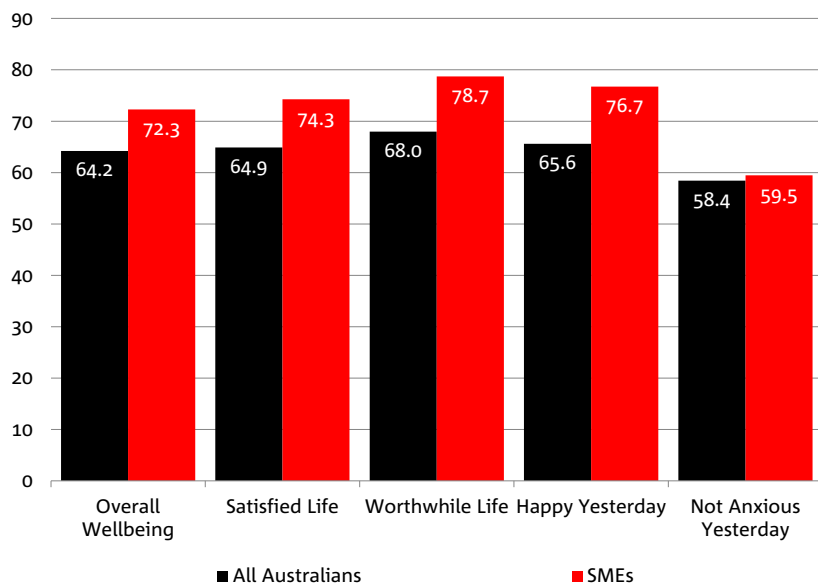


A longer-term look at the key drivers of wellbeing reveals some concerning patterns. Our homes, family & personal relationships, personal safety, standard of living and feeling part of the local community, have typically contributed positively to the personal wellbeing of the greatest net number of Australians since we started compiling this data each quarter in mid-2015. But, we have also noted a trend decline in the net number of people who said these factors are contributing positively to their personal wellbeing. This is clearly apparent in the chart on the left.

An even more worrying trend is evident when it came to the things that had a negative impact on the personal wellbeing of most Australians. Since mid-2015, they also appear to be having a greater negative impact for more Australians, particularly when it comes to events and a lack of time. It is also noticeable that buying/selling/finding a home and our ability to fund retirement have become regular detractors of wellbeing since late 2017 and are trending down.

INSIGHT - SME BUSINESS OWNER WELLBEING

WELLBEING ALL AUSTRALIANS & SME BUSINESS OWNERS



In this report we also explore whether owning or managing a small business impacts their wellbeing.

In order to do so, we asked a separate panel of over 700 small business owners/managers whether they believed owning and managing a small business increased their sense of personal wellbeing. This large sample is representative of businesses of this size.

We also asked them to self-assess their wellbeing using the same methodology used to assess the wellbeing of the wider Australian population.

When asked whether owning and managing a small business increased their sense of wellbeing, overall they scored a relatively high 66.8 points out of a possible 100.

When measured against the wellbeing framework, small business owners and managers also score highly.

Overall, business owners and managers scored their wellbeing 72.3 points, higher than the average Australian (64.2).

Moreover, business owners and managers scored their happiness (76.7) well above the average Australian (65.6), as well as their sense of life worth (78.7 vs. 68.0) and life satisfaction (74.3 vs. 64.9). But when it came to anxiety, business owners and managers (59.5) scored only slightly better than the average Australian (58.4).

So why might this be the case?

In order to better understand the impact of owning or running a small business on wellbeing, we asked the panel why they believed their exposure to small business might help or detract from their sense of personal wellbeing. Some of the most common reasons cited as positives for wellbeing included “work/life balance”, “sense of achievement”, “independence”, “control”, “responsibility”, “community”, “job satisfaction”, “influence”, “supporting family”, “giving back”, and “supporting employees”.

On the negative side, they spoke of “cash flow uncertainty”, never getting a break”, “80-90 hours per week”, “staff paid more than me”, “too much compliance paperwork”, rising customer expectations”, and a “lack of time”.

A sample of the comments provided are shown below.

HOW DOES OWNING OR MANAGING A SMALL BUSINESS IMPROVE YOUR WELLBEING?

"It increases my sense of wellbeing as I earn sufficient income to support my family and maintain a healthy work/life balance."

"Currently, I'm seeing some positive results in our business which is a tremendous feeling."

"I find a sense of achievement producing good outcomes for the business & supporting efforts of those around me."

"Being an owner and being able to influence and make change provides a sense of purpose and satisfaction with life. It also provides a level of comfort in that you can support your family and provide for them."

"Being able to give back and provide to people and to assist them in being successful."

"You get back what you put in. That's the difference between working for yourself and for someone else."

"The fact that I employ people and pay their wages and help families."

"It makes you independent. You work when you want. The business can get as big as you want to get it."

"As owner of your own business you are ultimately responsible for your performance and you can focus on what matters. I earned more in a corporate job but my satisfaction was much lower than working for myself."

"There's a sense of community with small business that you don't get with larger business."

"Life is a three legged stool and the three legs have to be in balance. They are your family, your past time and your work. Owning a business, it keeps my life in balance."

"A sense of some control, of building something that continues to fruit, of living only under one set of expectations (mine). Enjoying seeing the positive outcomes for staff."

"I've worked for other people and it's better to be in control of your own destiny."

"Being able to assist clients is what drives me to be in business. Helping and growing employees also provides satisfaction (sometimes!!)."

"You're assisting the community in employment."

HOW DOES OWNING OR MANAGING A SMALL BUSINESS DETRACT FROM YOUR WELLBEING?

"Uncertainty with cash flow and ongoing work, worry about the future viability of the company and therefore my position causes a great deal of anxiety."

"The continual pressure to maintain a profitable business impacts significantly on my wellbeing. You never get a break or a chance to enjoy life."

"All I know is it's hard work!"

"The amount of hours worked (80-90 hours per week). My staff get paid more than me. The stress of finding work, managing cash flow, getting customers to pay on time."

"You feel proud to run our own successful business. But running a small business is getting harder and more stressful. There's too much compliance paperwork which is time consuming and impacts on the business. Clients are getting a lot more difficult to satisfy & are more demanding, it seems everyone wants something for nothing."

"When money is good, time is poor, when money is not good, time is poor. You're either working on your business to source new work, then you have to do the work, or work on your business to maintain it. There's never an in between or respite."

"Increases stress as we're totally responsible for everything - our staff, customers, money, buildings, the lot. Government red tape and policies are making it nearly impossible. We are seriously thinking of chucking it in. This is a family business that has been going for over 90 years."

"Things are tough at the moment with lots of international business coming to our shores, both online and bricks and mortar, I believe in what we do, I love it, it's just really hard to turn a profit in the current market, However I'm always an optimist and believe that things will improve with hard work and a vision to make the world a better place."

"The stress of meeting all the financial costs and working more hours than anyone else makes it difficult to have a personal life. You're on call all the time and have to be able to respond whenever called."

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 Q4 2018 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population.

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