

# NAB AUSTRALIAN WELLBEING SURVEY Q1 2020



## Part one: How Australians think and feel about their emotional wellbeing & the impacts of coronavirus.

*NAB Behavioural & Industry Economics*

April 2020

Australian wellbeing levels have fallen to survey low levels as anxiety climbs in response to rapid daily life changes due to coronavirus - 4 in 10 Australians are now “highly anxious”. It’s no surprise that people are struggling given the uncertainty surrounding the virus and that many have also experienced the devastation of the recent bushfires. But, despite our concerns, Australians also reported somewhat higher levels of life worth and life satisfaction, suggesting a more complex picture is emerging. In part 1 of this report, we explore the emotional wellbeing of Australians. Part 2 will take a closer look at levels of financial anxiety and hardship.

The rapid spread of the coronavirus around the world has given rise to a range of public health measures, such as social distancing, to slow the spread of the virus and “flatten the curve”. The psychological impacts of physical isolation along with the uncertainty around contracting the disease and its consequences, are wide-ranging and can be substantial. In worrying signs of what might lie ahead, the survey continues to show the importance of employment in supporting our wellbeing. Apartment dwellers may also be disproportionately impacted. Finally, the report explores the issue of trust - critical in getting people to cooperate towards a common goal of containing the spread of the virus. While trust in Government is low, it is rising.

Australia is increasingly shutting down activity, severely interrupting the flow of goods and people. There is wide acceptance amongst health experts that this is the best way to disrupt transmission of the virus and save lives. It is also the surest way to slow an economy and sharply increase unemployment. As a result, much attention is focussing on economic growth and the severity of recession. But this doesn’t paint the whole picture. Measures such as GDP capture how much companies, individuals and government earn, spend and produce, with an adjustment for exports less imports. However, it tells us little about our levels of inequality, our mental and physical health, the value of informal economic activity such as unpaid work, or the human cost of coronavirus. We need additional measures to sit alongside broad measures of “progress”, such as GDP, to provide a clearer picture of how Australians are coping during this time of crisis and the broader implications for the economy.

Since 2013, NAB has been producing a quarterly Australian Wellbeing Index, to provide such an assessment. The index is based on a survey of over 2,000 Australian’s weighted to be representative of the adult population by state, gender, age and other key demographics. The index is modelled on methodology developed by Nobel Prize winning economist Daniel Kahneman. Wellbeing is assessed across 4 categories - life satisfaction, life worth, anxiety and happiness (yesterday). The index provides a measure of whether people are happy in their life (emotions like joy, affection and peace, as opposed to negative ones) as well as with their life (a sense whether one’s life is good) - both are important for true “happiness”.

The **NAB Australian Wellbeing Index** fell 1.5 points to an equal survey low 62.8 in Q1 2020, well below its long-term average (64.5 points). This decline was driven by heightened anxiety (down 4.7 points to 53.2). Australians were also less happy (down 1.9 points to 64.5). Despite the uncertainty created by the spread of the coronavirus, Australians reported somewhat higher levels of life worth (up 0.4 points to 68.4) and life satisfaction (up 0.3 points to 65.2). Life satisfaction and life worth involve our attitude towards our life rather than an assessment of current feelings so are important as we look towards life beyond the current crisis.

That said, right now, wellbeing is clearly being impacted by coronavirus fears, with already elevated levels of anxiety climbing to survey highs in Q1. And, our anxiety is increasing rapidly, with self-reported anxiety rising very steeply between the first (March 12-16) and second (Mar-17-20) survey waves of 1,000 people each.

### **NAB WELLBEING INDEX (100 = extremely concerned)**

|                                | Q1 2019     | Q4 2019     | Q1 2020     | Mar 12-16   | Mar 17-20   |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Overall Wellbeing Index</b> | <b>65.2</b> | <b>64.3</b> | <b>62.8</b> | <b>63.9</b> | <b>61.7</b> |
| - Satisfied Life               | 66.5        | 64.9        | 65.2        | 65.8        | 64.6        |
| - Worthwhile Life              | 69.2        | 68.0        | 68.4        | 68.4        | 68.5        |
| - Happy Yesterday              | 67.4        | 66.6        | 64.5        | 65.6        | 63.4        |
| - Not Anxious Yesterday        | 57.7        | 57.9        | 53.2        | 56.0        | 50.2        |

Anxiety can have many symptoms, including physical, psychological and behavioural. NAB's survey is not designed to detect or diagnose anxiety disorders or pathological anxiety. Talking to a mental health professional is the best way for people to address their concerns. But, what the survey does show is a growing number of Australians are living with a heightened sense of worry. Many who say they experience high levels of daily anxiety may not meet the criteria for an anxiety disorder, but are still affected and can fly under the radar. Even prior to the outbreak of the virus, more than 1 in 3 Australians in the survey were reporting feelings of high anxiety. This has now climbed to 4 in 10.

While some anxiety is normal, some of us may be more resilient to changes in our routines and the general uncertainty the world is experiencing. But for Australians with already high levels of anxiety, the psychological impacts of coronavirus may be much greater.

The coronavirus is a uniquely stressful event - the entire world is focussed on the most threatening aspects of the virus, the number of confirmed cases continue to rise, are widely reported and amplified on social media, and safety measures are highly visible and extreme. Most people have had their normal routines disrupted, some have lost their jobs or have seen their businesses close, impacting both wellbeing and financial security. Moreover, it is impossible to predict how long it will be until life returns to normal, which can further fuel anxiety as people feel they don't have a sense of control over what is happening.

While the survey shows that coronavirus fears are having an impact on anxiety across nearly all demographic groups, there have been particularly large increases in anxiety among apartment dwellers and Australians over the age of 65. We are also not coping very well with our worries, scoring just 55.1 points out of a possible 100 (coping completely).

While social isolation is impacting all Australians, those living in apartments face some unique challenges. For example, given the number of residents living in one building, contact with high-touch areas such as door handles and elevator buttons is much greater. Similarly, social distancing can be more difficult in common areas such as lifts and shared laundry facilities. Space limitations can also heighten concerns related to living and working from home.

The big rise in anxiety among over 65s is also worth noting. While older Australians still have by far the highest levels of wellbeing and lowest levels of anxiety, historically the survey shows this group as among the happiest and most "resilient" - a phenomenon remarkably consistent across different countries and cultures. There are numerous theories why this might be the case - everything from less stress and responsibility as we get older, having more realistic expectations of life, to having a greater capacity for more complex thinking as we age. We will continue to closely monitor any changes in wellbeing among different age groups.

The economic shock occurring because of the virus is clearly very large both globally and locally. We expect a deep recession with unemployment expected to rise very sharply. It is timely therefore to note the importance of having a job for wellbeing. The survey continues to show wellbeing lowest for unemployed Australians and by a significant margin.

While there are many dimensions of employment that affect wellbeing - including issues of underemployment, work-life balance and technological change - it remains a key focus for policymakers and economists during the current crisis. When people become unemployed, their wellbeing falls sharply. While this reflects the impact on people's income, it also reflects factors such as loss of social status, connection, life structure, purpose and control. Our brains place a lot of value on our job, particularly in regard to our competence. While the quality of work and conditions of employment are of course important, few people choose to be jobless - most of us would prefer to work. And, the benefits to our wellbeing seem to hold whether we work full time or part time. Some research even suggests that even working a few hours a week is enough to boost our wellbeing.

A key element of NAB's survey is that along with capturing levels of wellbeing it also asks Australians what adds to or detracts from their wellbeing. Interestingly the drivers of wellbeing are very similar pre and post the virus - wellbeing remains most positively influenced by our pets, personal safety, family & personal relationships and our homes. That said, drivers such as safety, family & personal relationships and our homes are becoming even more important. Conversely the factors that impact most negatively on our wellbeing are debts, events (such as abuse and victimisation) and interestingly given many people are unable to travel to work or socialise, lack of time.

While there is now almost universal acceptance amongst health experts in regards to the best way to disrupt transmission of the virus (such as social distancing and strict hygiene practices), getting people to cooperate towards a common goal of containment can be harder than it might first appear. As a result, we have seen more government intervention through the closure or restriction of access to public areas such as parks and beaches.

Adherence to the containment measures relies not only upon people having a sense they are part of something greater than themselves, but also their ability to access clear and accurate information, or more importantly, their trust in those that provide the advice. But, in many democracies around the world, there has been a steady decline in trust in public officials and regulatory bodies over the past decade, and in some studies, even in each other.

In this survey we also take a closer look at trust, more particularly, where is trust strongest and weakest. Trust levels in Australia are highest for our neighbours, small business, Australians in general and our employers. It is lowest for social and traditional media, all levels of government and big business. That said, there was a notable increase in trust levels in Federal and State governments between first and second survey wave. This may indicate Australians are placing more trust in the information coming from governments as the coronavirus continues to have a bigger economic and social impact.

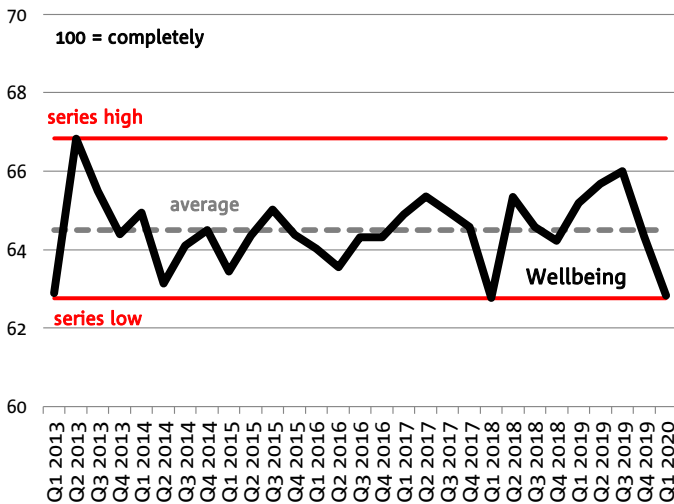
As more Australians go into isolation, trust in neighbours has also risen. TAS is by far the least trusting of federal and state government and their neighbours. The ACT is by far the most trusting of big and small business and their employer. Australians over the age of 50 are far less trusting of social media than Australians aged 18-29. Young Australians are the most trusting of charities, big business and all levels of government, and over 65s of traditional media. 50-64 year olds are the least trusting of all levels of government and big business.

# PART 1: OUR PERSONAL WELLBEING

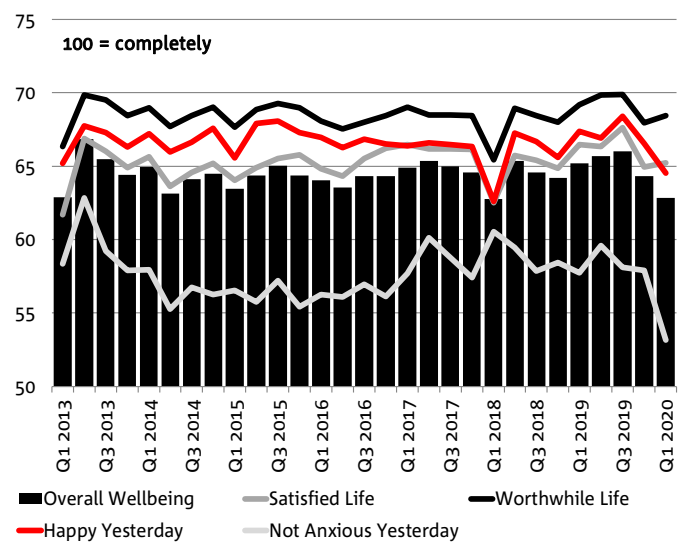
Australian wellbeing fell to survey low levels in Q1 2020 as daily life changes rapidly in response to coronavirus...

Lower wellbeing was mainly driven by a very big increase in anxiety levels, and lower levels of happiness...

## NAB AUSTRALIAN WELLBEING INDEX

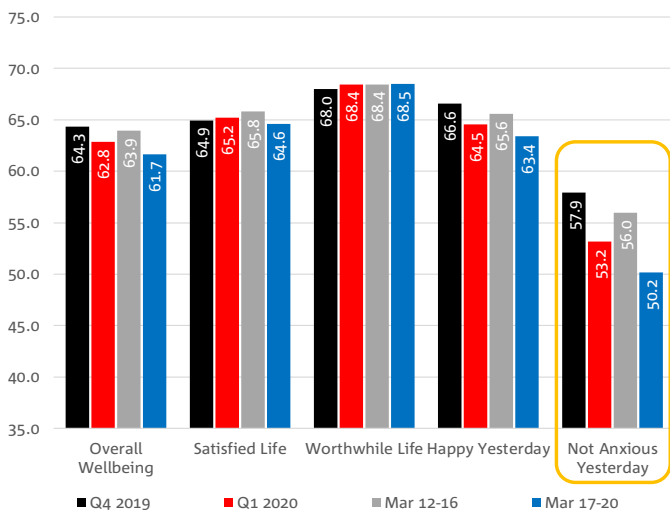


## NAB AUSTRALIAN WELLBEING INDEX

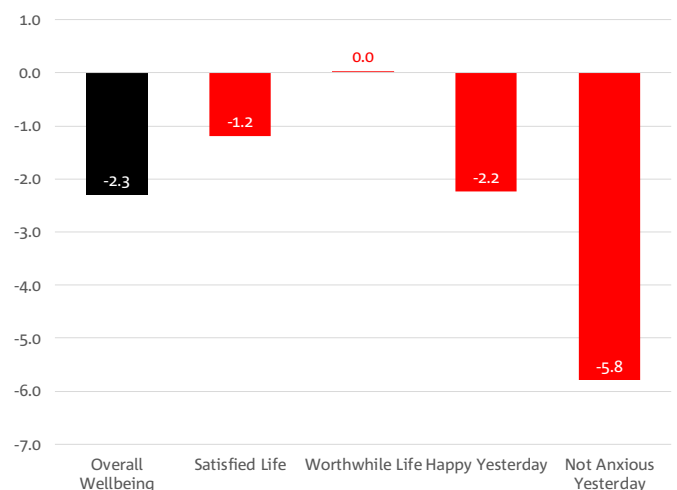


Wellbeing is clearly being impacted by coronavirus fears, with anxiety levels climbing to survey high levels in Q1. Anxiety is also increasing rapidly, with self-reported anxiety rising very steeply between the first (March 12-16) and second (Mar-17-20) survey waves...

## NAB AUSTRALIAN WELLBEING INDEX



## CHANGE IN WELLBEING BETWEEN FIRST & SECOND SURVEY WAVES

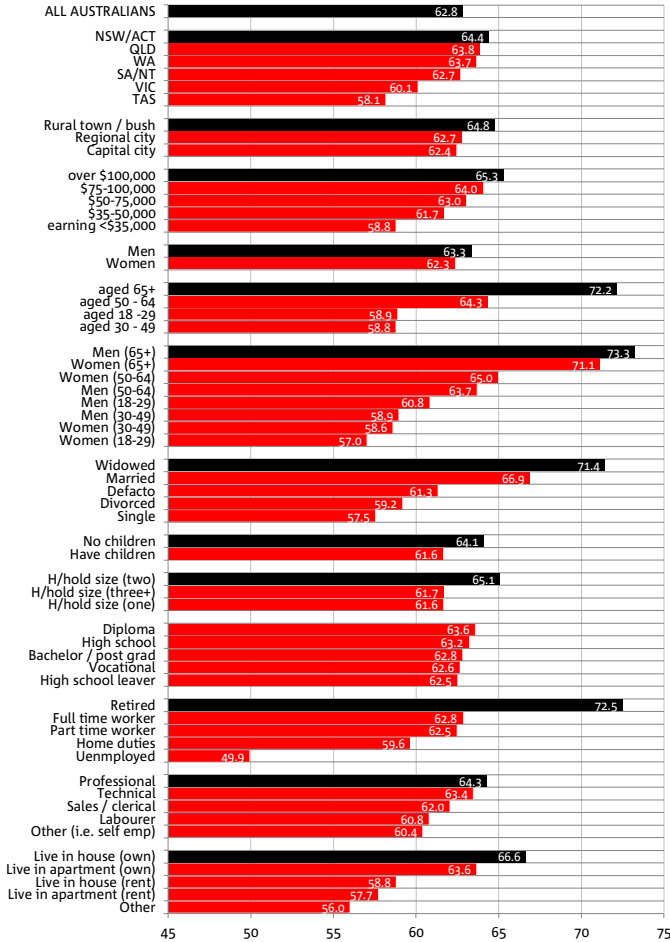


- The NAB Australian Wellbeing Index (a broad measure of personal wellbeing based on life satisfaction, life worth, happiness and anxiety) fell for the second straight quarter in Q1 2020. Overall, the index fell 1.5 points to an equal survey low 62.8, and is now well below average (64.5 points).
- This decline was mainly driven by heightened anxiety (down 4.7 points to 53.2). Australians were also less happy (down 1.9 points to 64.5).
- Despite uncertainty created by the spread of the coronavirus, Australians reported somewhat higher levels of life worth (up 0.4 points to 68.4) and life satisfaction (up 0.3 points to 65.2).

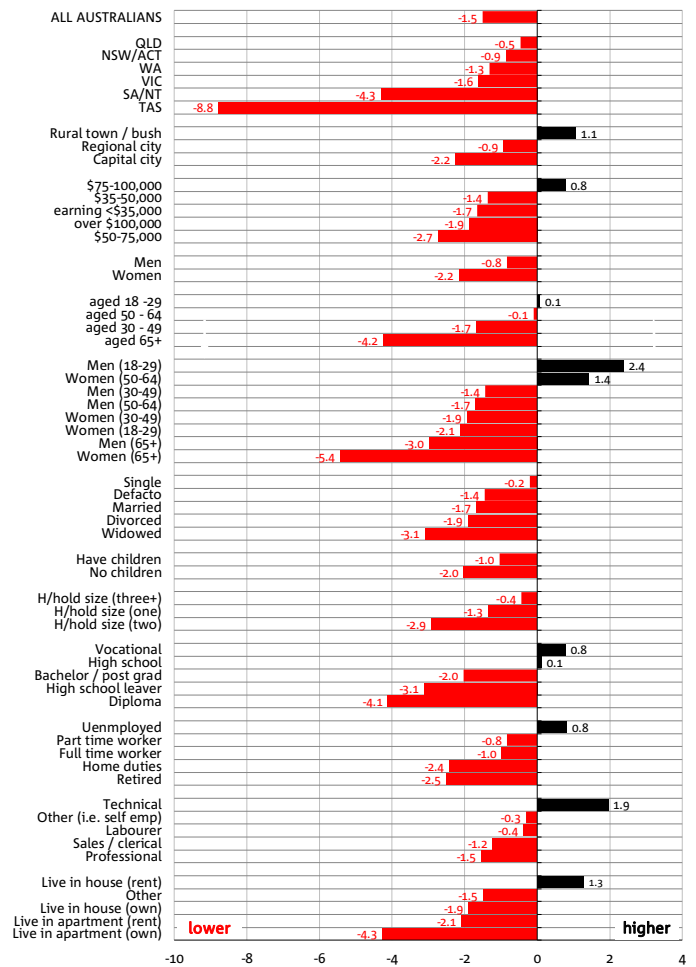
Wellbeing is highest for Australians over 65, retirees and widows. Having a job is key, with wellbeing lowest for unemployed Australians by a significant margin...

Wellbeing has fallen in nearly all demographic groups, with particularly big falls in TAS and for people over 65 (especially women)...

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

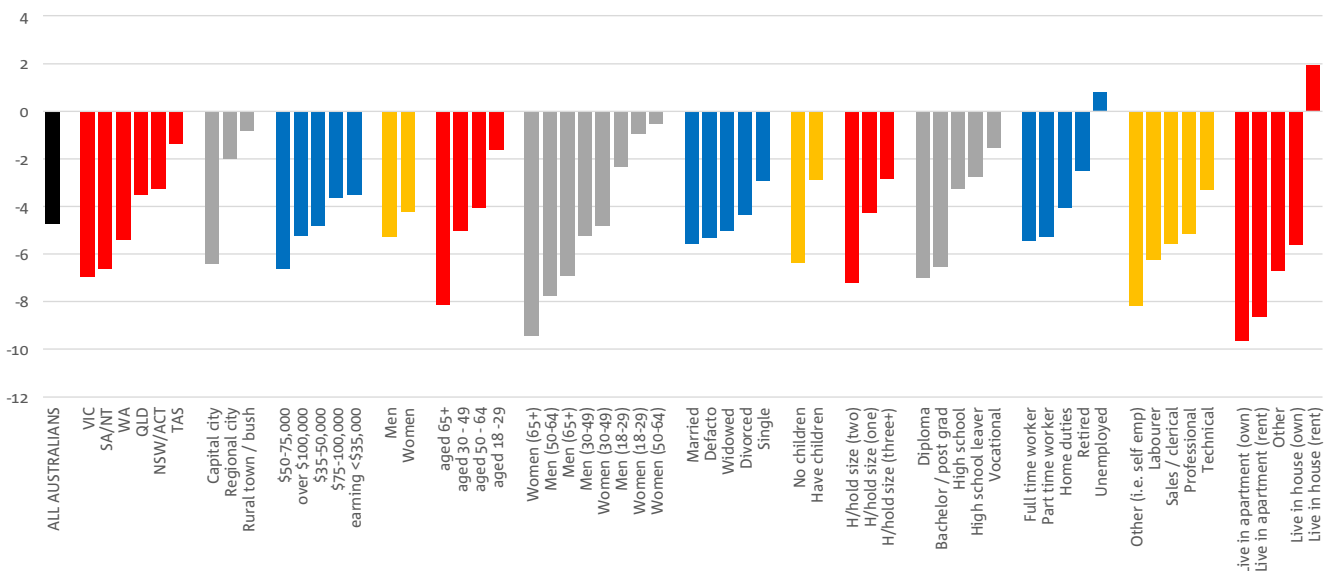


AUSTRALIAN WELLBEING INDEX (QUARTERLY CHANGE)

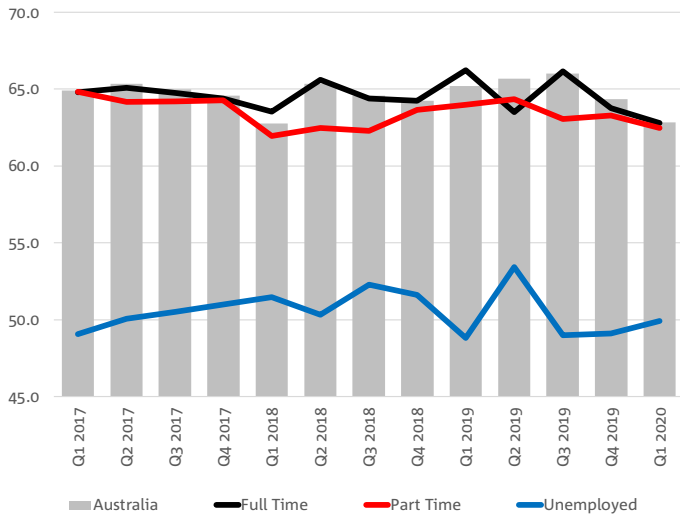


Coronavirus fears are having a big negative impact on anxiety in nearly all demographic groups, particularly among apartment dwellers and for Australians over the age of 65. We're also not coping very well, scoring just 55.1 points out of a possible 100...

NOT ANXIOUS YESTERDAY (CHANGE FROM PREVIOUS QUARTER)



### WELLBEING: EMPLOYMENT STATUS



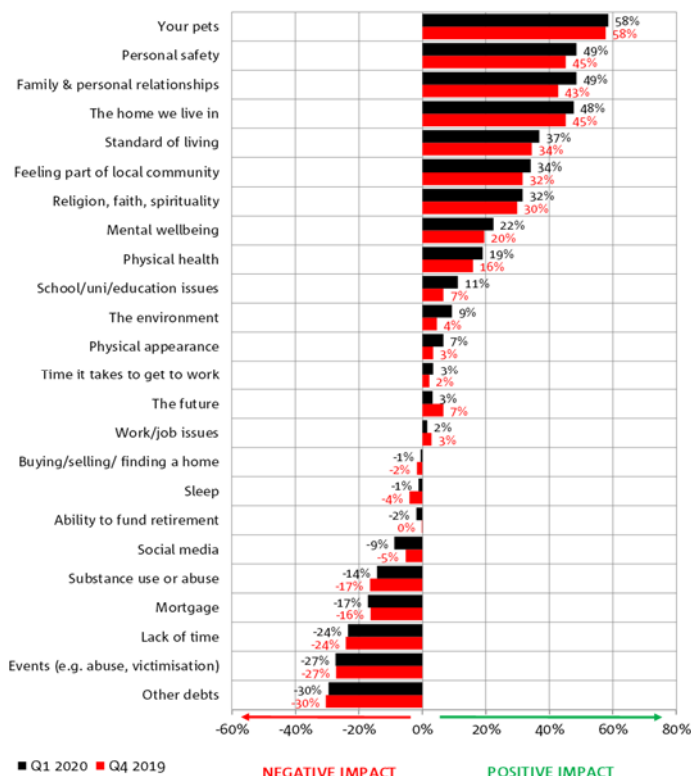
Being employed contributes positively to our wellbeing. This suggests that the recent spike in job losses resulting from coronavirus measures will result in significant falls in wellbeing for many people...

### WHAT ARE THE KEY DRIVERS OF OUR OVERALL WELLBEING?

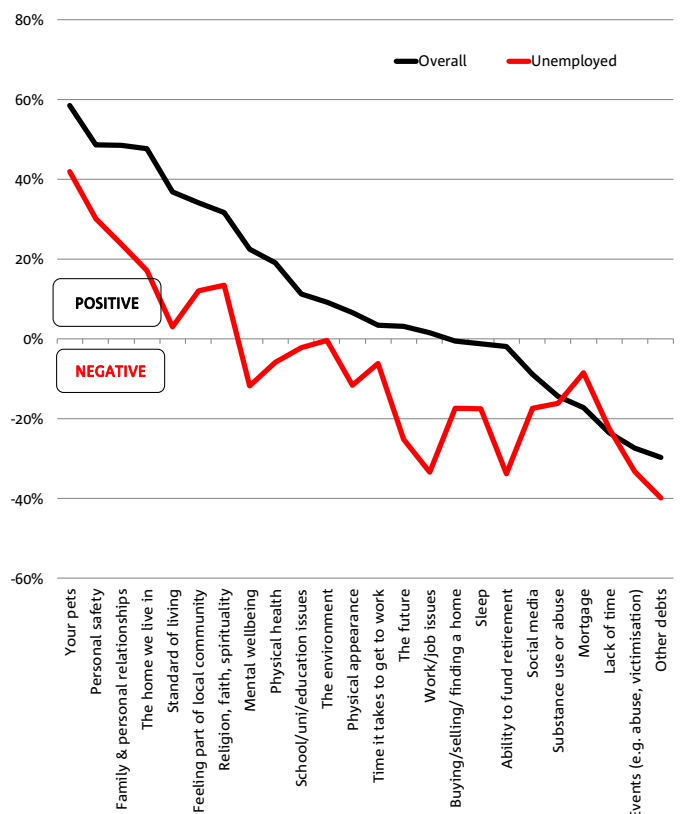
Wellbeing most positively influenced by our pets, personal safety, family & personal relationships and our homes. Other debts, events and lack of time detract the most...

But far fewer unemployed Australians derive wellbeing benefits from these key drivers, except from mortgages and a lack of time...

#### WELLBEING DRIVERS (NET BALANCE)



#### WELLBEING DRIVERS - UNEMPLOYED (NET BALANCE)

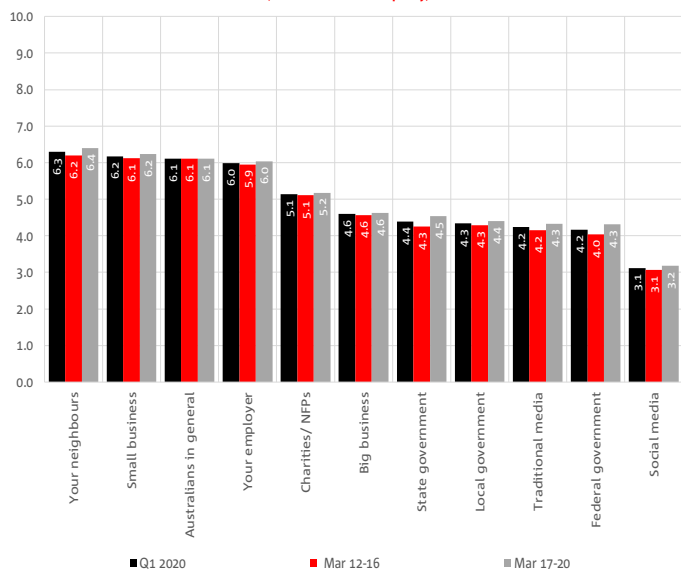


- Drivers of overall wellbeing were basically unchanged over the quarter. But as more Australians are being forced to socially isolate, we noted a relatively large increase in number citing family & personal relationships as a positive driver (49% vs. 43% in Q4).
- Unemployed Australians are deriving far fewer wellbeing benefits almost across the board, especially from their standard of living, mental wellbeing, ability to fund retirement and their homes.

## SPECIAL FEATURE: TRUST

Trust levels in Australia are highest for our neighbours, small business, Australians in general and our employers. It is lowest for social and traditional media, all levels of government and big business...

**TRUST LEVELS**  
(0 = not at all; 10 = completely)



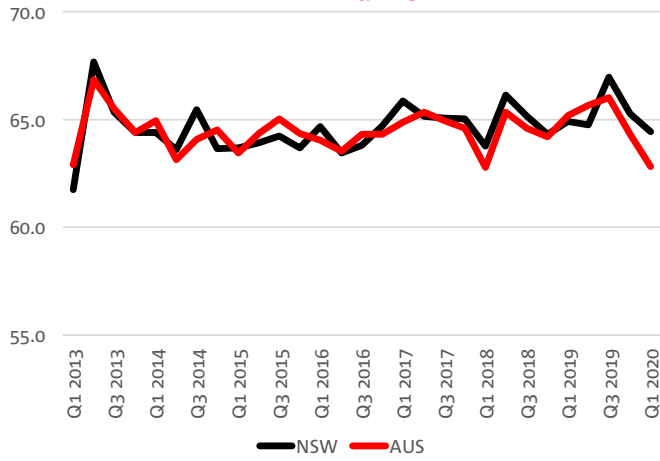
- But there was an increase in trust levels in federal (4.3 vs. 4.0 points) and state (4.5 vs. 4.3 points) governments between first and second survey wave.
- This may indicate Australians are placing more trust in the information coming from governments as the coronavirus continues to have a bigger economic and social impact.
- As more Australians go into isolation, trust in neighbours has also risen (6.4 vs. 6.2 points).
- TAS is by far the least trusting of federal and state government and their neighbours.
- The ACT is by far the most trusting of big and small business and their employer.
- Australians over the age of 50 are far less trusting of social media than Australians aged 18-29.
- Young Australians are the most trusting of charities, big business and all levels of government, and over 65s of traditional media.
- 50-64 year olds are the least trusting of all levels of government and big business.

## LEVEL OF TRUST (0 = completely)

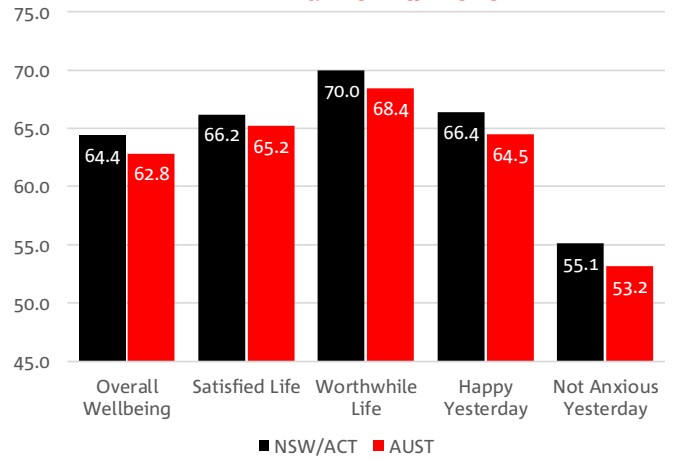
|       | Your neighbours | Small business | Australians in general | Your employer | Charitable organisations / NFPs | Big business | State government | Local government | Traditional media | Federal government | Social media |
|-------|-----------------|----------------|------------------------|---------------|---------------------------------|--------------|------------------|------------------|-------------------|--------------------|--------------|
| All   | 6.3             | 6.2            | 6.1                    | 6.0           | 5.1                             | 4.6          | 4.4              | 4.3              | 4.2               | 4.2                | 3.1          |
| NSW   | 6.4             | 6.3            | 6.2                    | 6.1           | 5.1                             | 4.7          | 4.5              | 4.6              | 4.5               | 4.4                | 3.3          |
| ACT   | 6.2             | 6.6            | 6.0                    | 6.8           | 5.8                             | 5.0          | 4.7              | 4.3              | 4.1               | 4.1                | 3.0          |
| VIC   | 6.2             | 6.1            | 6.0                    | 5.9           | 5.3                             | 4.7          | 4.6              | 4.3              | 4.4               | 4.2                | 3.2          |
| QLD   | 6.3             | 6.1            | 6.1                    | 5.8           | 5.0                             | 4.4          | 4.0              | 4.3              | 4.0               | 4.0                | 3.0          |
| SA    | 6.1             | 5.9            | 6.1                    | 5.7           | 4.9                             | 4.4          | 3.9              | 4.1              | 4.0               | 3.7                | 2.9          |
| NT    | 6.0             | 6.0            | 6.3                    | 5.5           | 4.1                             | 4.4          | 3.6              | 3.6              | 3.8               | 4.5                | 2.1          |
| WA    | 6.5             | 6.3            | 6.2                    | 6.3           | 5.4                             | 4.8          | 4.8              | 4.4              | 4.0               | 4.3                | 3.0          |
| TAS   | 5.7             | 5.9            | 5.6                    | 6.0           | 4.5                             | 3.5          | 2.9              | 3.0              | 3.2               | 2.8                | 2.3          |
| Men   | 6.3             | 6.2            | 6.2                    | 6.1           | 5.2                             | 4.6          | 4.5              | 4.5              | 4.3               | 4.3                | 3.1          |
| Women | 6.3             | 6.2            | 6.0                    | 5.9           | 5.1                             | 4.6          | 4.3              | 4.2              | 4.1               | 4.1                | 3.2          |
| 18-29 | 6.0             | 6.2            | 6.0                    | 6.1           | 5.7                             | 5.1          | 4.8              | 4.9              | 4.4               | 4.5                | 4.1          |
| 30-49 | 6.0             | 6.2            | 5.7                    | 6.0           | 5.1                             | 4.5          | 4.3              | 4.2              | 4.1               | 4.1                | 3.3          |
| 50-64 | 6.2             | 6.0            | 6.0                    | 6.0           | 4.7                             | 4.3          | 4.0              | 3.8              | 3.8               | 3.7                | 2.5          |
| 65+   | 7.2             | 6.3            | 6.9                    | 5.5           | 5.0                             | 4.5          | 4.5              | 4.6              | 4.7               | 4.5                | 2.4          |

# APPENDIX 1: WELLBEING BY STATE

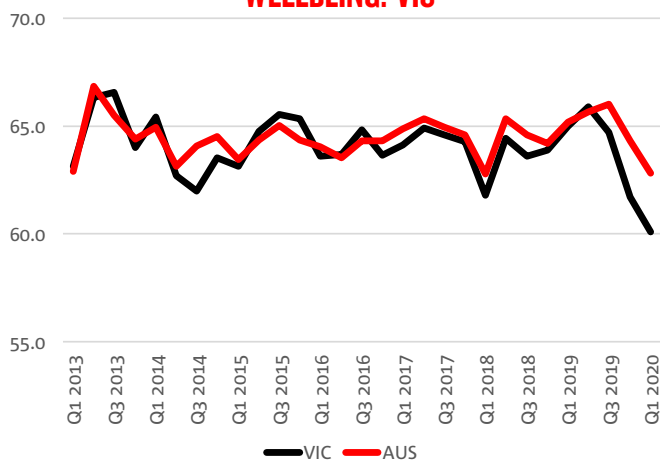
## WELLBEING: NSW



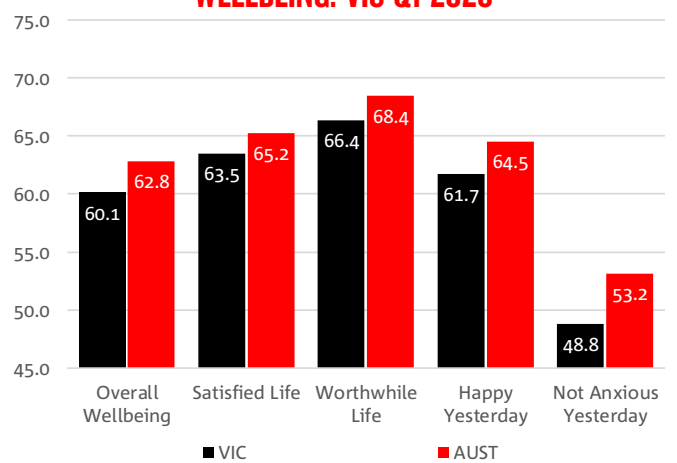
## WELLBEING: NSW Q1 2020



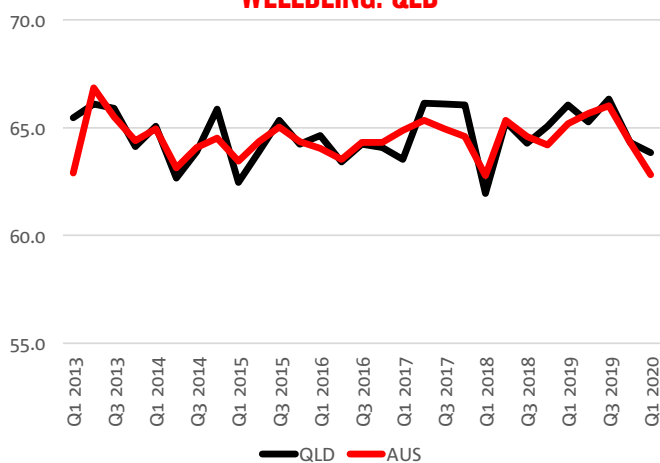
## WELLBEING: VIC



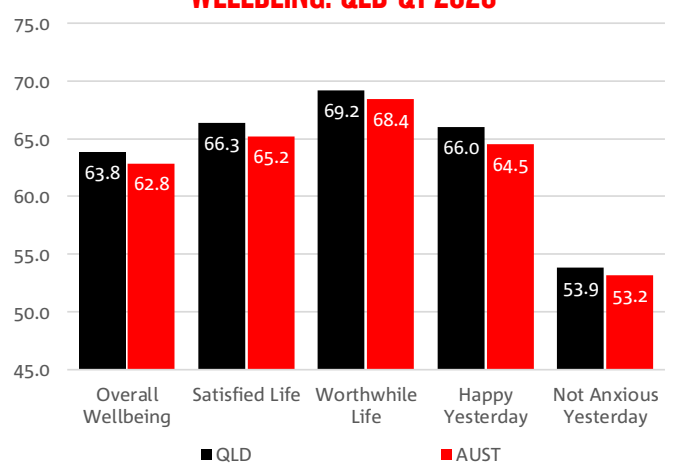
## WELLBEING: VIC Q1 2020



## WELLBEING: QLD

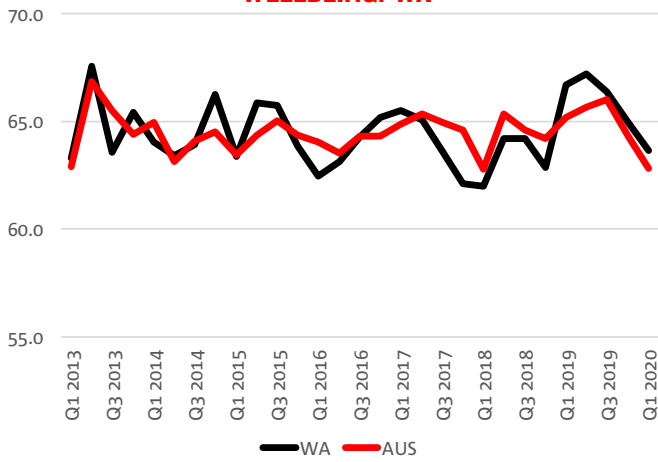


## WELLBEING: QLD Q1 2020

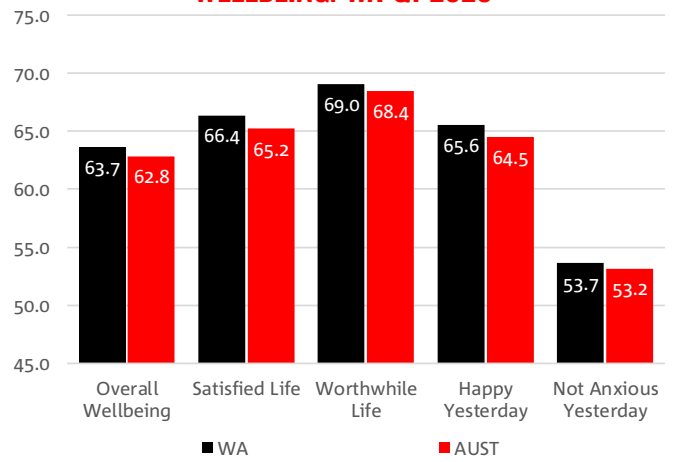




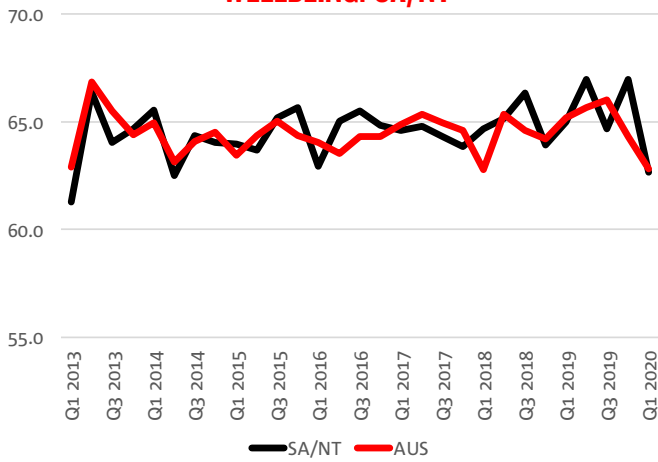
**WELLBEING: WA**



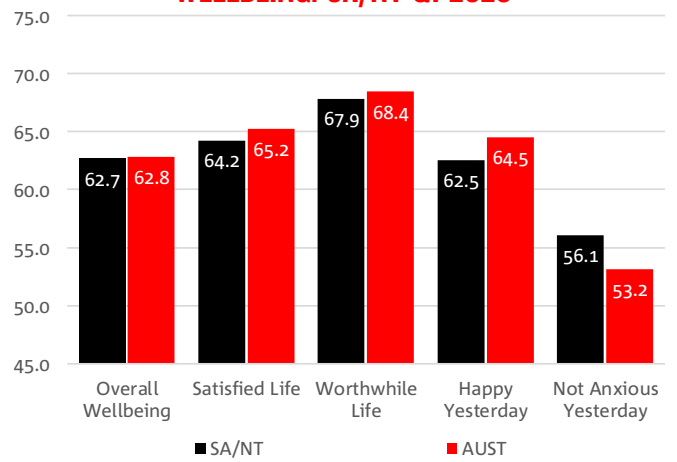
**WELLBEING: WA Q1 2020**



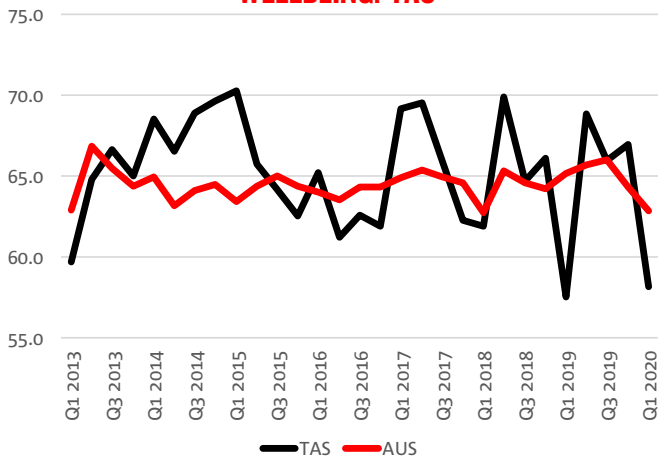
**WELLBEING: SA/NT**



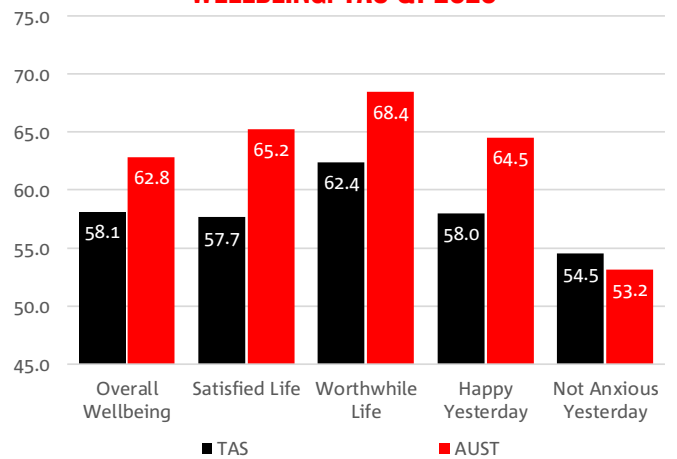
**WELLBEING: SA/NT Q1 2020**



**WELLBEING: TAS**



**WELLBEING: TAS Q1 2020**



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