

NAB Australian Wellbeing Survey

Beyond GDP: Insights into wellbeing, and the role money & finances play in our lives



NAB Behavioural & Industry Economics

Q1 2022

Australia's wellbeing falls, but the gap by income now at its narrowest in almost 3 years. Wellbeing diverging across the country, highest in TAS & lowest in WA. Home ownership a significant differentiator. Household financial stress up slightly but falling for low income earners & rising sharply for those on higher incomes. The share of Australians experiencing some form of financial hardship now at a survey low.

The **NAB Australian Wellbeing Index** dipped in Q1 2022 to 64.8 pts (65.5 pts in Q4 2021), after rising sharply in the final quarter of 2021 as VIC, NSW and the ACT emerged from extended COVID lockdowns. But the national result masks notable differences by state/territory. Wellbeing climbed steeply in TAS (up 5.5 pts to 72.3), with much higher scores for all measures. Wellbeing also lifted in NSW (up 1.6 pts to 66.3). Conversely, wellbeing fell heavily in WA (down 5.3 pts to 62.3) to become the lowest in the country (replacing VIC) as anxiety levels climbed sharply. Higher anxiety was also the main driver of lower wellbeing in SA/NT (down 2.2 pts to 63.3) and VIC (down 1.9 pts to 63.0). In QLD, wellbeing fell slightly (down 0.4 pts to 65.9), with lower life satisfaction, life worth and life satisfaction scores offsetting lower anxiety.

By income, Australians earning \$35-50,000 p.a. rated their wellbeing highest (68.1) usurping the highest income group where wellbeing fell noticeably to 65.6 (68.1 in Q4) as anxiety levels picked up sharply. Wellbeing remains lowest for people earning under \$35,000 but also improved (to 61.7 vs. 59.8 in Q4). Consequently, the wellbeing gap between the highest and lowest income groups narrowed to just 3.9 pts (8.3 pts in Q4) - the lowest spread in almost 3 years. Home ownership is also a significant differentiator, with people who own and live in their house (68.3) or apartment (65.1) rating their personal wellbeing much higher than those who rent a house (60.1) or apartment (60.0) or have "other" living arrangements (55.2). While house and apartment owners enjoy broadly similar levels of life satisfaction, life worth and happiness, house owners are far less anxious.

Anxiety is the biggest detractor from overall emotional wellbeing and financial stress can be a key contributing cause. The **NAB Household Financial Stress Index** is derived from a number of key potential household stressors. In Q1 2022, Household Financial Stress crept up slightly to 40.6 from 40.3 in Q4 (but still down from 42.2 at the same time last year). The index continues to trend well below the survey average (44.4). Not having enough to finance retirement remains the biggest driver of financial stress, and was up marginally in Q1 (by 0.3 pts to 51.3). The next biggest drivers include providing for our family's future (down 0.1 to 44.6), medical bills & healthcare (up 1.0 to 43.2), home improvements and maintenance (up 1.0 to 43.1) and non-essentials (up 0.1 to 42.6). Having enough money to meet minimum credit card payments again caused the least stress (down 1.4 to 30.6), followed by having enough for food and basic necessities (up 0.6 to 34.5).

Financial stress levels continue to be lower for men compared to women, but the gap has widened. Men reported slightly lower financial stress in Q1 (down 0.4 to 38.6), but it increased for women (up 1.0 to 42.6). Women reported higher stress for all measures except credit card repayments. Relative to men, women reported much higher stress levels over home improvements & maintenance, raising \$2,000 for an emergency, non-essentials, major household items, financing retirement, providing for their family's future, and medical bills & healthcare. Financial stress remains highest in the 18-29 age group for all drivers, except being able to finance retirement and medical bills & healthcare, which caused the most stress in the 30-49 age group. At the other end of the spectrum, the over 65 group reported the lowest stress in all categories. Financial stress fell for low income earners (down 1.0 to 47.3), but rose sharply for high income earners (up 3.4 to 38.2). This caused the financial "stress gap" to narrow to 9.1 pts (13.4 in Q4). By state, financial stress fell most in TAS (down 5.0 pts to 37.0) and is the lowest of all states. It also fell in NSW/ACT (down 0.9 to 41.2) and was basically unchanged in VIC (up 0.1 to 40.1). Financial stress increased most in SA/NT (up 4.1 to 43.1) and was highest in the country.

The Australian labour market continues to out-perform, with an unemployment rate of less than 4% imminent and forthcoming wages prints expected to show a pick up. Against this backdrop, on balance the share of **Australians who reported a decrease in their incomes** in the past 3 months improved further (to -4% vs. -6% in Q4). Looking forward, more Australians on balance expect their incomes to rise in the next 12 months (+20% vs. +16% in Q4). Men (+22%) were more optimistic than women (though optimism lifted sharply among women to +18% vs. +12% in Q4).

People aged 18-29 (+36%) were the most optimistic by age. Significantly more people in the highest income group (+31%) still expect their incomes to rise than in the lowest income group (+12%), though both groups were more optimistic.

Australians who indicated they expected their incomes to increase over the next year (around 30% of the total sample group) were asked to estimate by how much their weekly income would rise, on average, the expectation was \$185 (or around \$9,620 annually), though down from \$198 per week (around \$10,300 annually) expected in the previous quarter. More specifically, around 4 in 10 anticipate an increase of less than \$100, around 23% less than \$50 and 17% between \$50-100. Men still (\$191) expect expected bigger gains than women (\$176), though their expectations were revised down (from \$215 in Q4), while those of women increased slightly (from \$173 to \$176). People in the highest income groups also revised down their expectations (\$195 vs. \$216 in Q4), while those in the lowest income group had higher expectations (\$145 vs. \$131 in Q4).

Savings aspirations among Australians remain high, with 3 in 4 (76%) people trying to save in Q1 (unchanged since Q3). Aspirations are strongest in the 18-29 age group, particularly among women (93%). Savings aspirations in the lowest (66%) and highest (82%) income groups were basically unchanged. Despite this, actual household savings came under more pressure in Q1, with on balance the share of Australians reporting a decrease reaching -19% (vs. -17% in Q4). By gender, the number reporting a decrease rose to -28% (-25% in Q4) for women, and to -10% (-9% in Q4) for men. Household savings also fell for marginally for more people in the lowest (-43% vs. -41% in Q4) and highest (-3% vs. -1% in Q4) income groups relative to the previous quarter. The outlook for savings remains mixed. While slightly more women (+4% vs. +3% in Q4) on balance expect their household savings levels to rise, fewer men do (+7% vs. +12% in Q4). Fewer low income earners also expect their savings to fall (-7% vs. -12% in Q4), with expectations in the highest income group also revised up slightly (+24% vs. +22% in Q4).

Slightly fewer **Australians also made inroads into reducing household debt levels** in Q1. On balance, more people said their debt levels had decreased (-9% vs. -10% in Q4). Fewer high income earners also reduced debt levels in Q1 (-19% vs. -21% in Q4), but the net number of low income earners who said debt levels rose exceeded those who said it fell (+3%) - reversing the trend seen in Q4 (-9%). When asked what they expect to happen to household debt levels in the next 12 months, on balance views were basically unchanged at -22% (-23% in Q4). By income, far fewer in the lowest income group see debt levels falling compared to Q4 (-8% vs. -18%), with expectations largely unchanged in the highest income group (-30% vs. -32% in Q4).

Credit card debt is still the most widely held form of debt, though the overall number of Australians holding credit card debt fell in Q1 to 39%. The number of men (43%) holding credit card debt was much higher than for women (34%). It was also much more common among high income earners (42%) than in the lowest income group (31%). The number with home loans rose slightly to 34% (32% in Q4), and it was the most common type of debt held in the 30-49 age group (52%) and high income group (53%). Around 16% of Australians said they had a personal loan (unchanged from Q4), with this number doubling in the 18-29 age group (32%), but far less common for people over 50 and lower income earners. Around 16% also had buy now pay later (BNPL) debt, and it was somewhat more common among women (19%) than men (13%), and much more common in the 18-29 (25%) and 30-49 (21%) age groups. Overall, an unchanged 12% of all Australians had a loan from family or friends, but this almost doubled in the 18-29 group (22%). Around 1 in 10 (10%) had an investment loan, though was relatively more common for men (12%) than women (8%), in the 30-49 age group (15%) and the highest income group (19%). Only 1 in 20 (5%) Australians were holding loans from a pay day lender in Q1, but this number was nearly twice as high (9%) among the 18-29 age group.

Overall debt stress among Australians increased slightly to 38.6 pts in Q1 (38.3 in Q4), and was well below the level of stress associated with savings (54.2) or income (52.9). Women (40.5) reported higher debt stress than men (36.7). By age, the 18-29 and 30-49 groups shared the highest debt stress (47.1), and the over 65 group (19.3) by far the lowest. Interestingly, overall debt stress in the highest income group (39.3) exceeded that in the lowest income group (38.0) for the first time since Q2 2021.

But when people who held each type of debt were specifically asked how much stress that debt type caused them, pay day loans caused the most (and higher) in Q1 (68.2 pts vs. 66.0 in Q4). It was also the biggest cause of stress in all groups except the over 65 age group and low income group. Stress arising from pay day loans was highest in the 50-64 group (77.0).

Overall, loans from family and friends were the next biggest cause of debt stress, though the level of stress fell slightly to 62.7 pts (63.7 in Q4). This debt caused the most stress and was highest in the over 65 group (72.9) and lowest income groups (70.0). Personal loans were the next biggest driver of debt stress and largely unchanged at 54.8 pts. Stress arising from personal loans was however noticeably higher in the 18-29 age group (60.1) and lowest income group (64.1). Home loans (48.1) and BNPL stress (48.1) caused the next most stress. Home loan stress was significantly higher for low income earners (64.6), while BNPL stress weighed most heavily in the 30-49 age group (53.0).

People can feel financial stress without experiencing financial hardship. The **share of Australians who experienced some form of financial hardship** fell to a survey low 29% in Q1 (33% in Q4). Encouragingly, hardship fell in most groups.

Slightly fewer women (31%) and men (28%) reported hardship in Q1 (down from 33% and 32% respectively in Q4). Fewer Australians in most age groups faced hardship, except the 50-64 group where it rose slightly to 28% (27% in Q4). Hardship was again most prevalent and by some margin in the 18-29 group (43% vs. just 16% in the over 65 group). Financial hardship fell steeply for low income earners to 40% (50% in Q4), but was still almost twice as high than in the highest income group (where it rose to 24% vs. 22% in Q4). Hardship remained most widespread among those who lost their main income due to COVID, though fell to 65% (71% in Q4) and the unemployed, also down sharply to 48% (60% in Q4).

Most people (16%) who experienced some form of financial hardship said not having enough for an emergency was the most common cause, but was more common among women (18%) than men (13%), for people aged 18-29 (25%), low income earners (23%), people who lost their main income because of COVID (29%) and the unemployed (27%). Not having enough for food or basic necessities (12%) or being unable to pay a bill (12%) were other key causes of hardship. Other areas where some struggled more included paying off personal loans in the 18-29 age group, medical bills for unemployed people and those who lost their main source of income due to COVID, and paying rent and meeting credit card or mortgage repayments among people who lost their main income due to COVID.

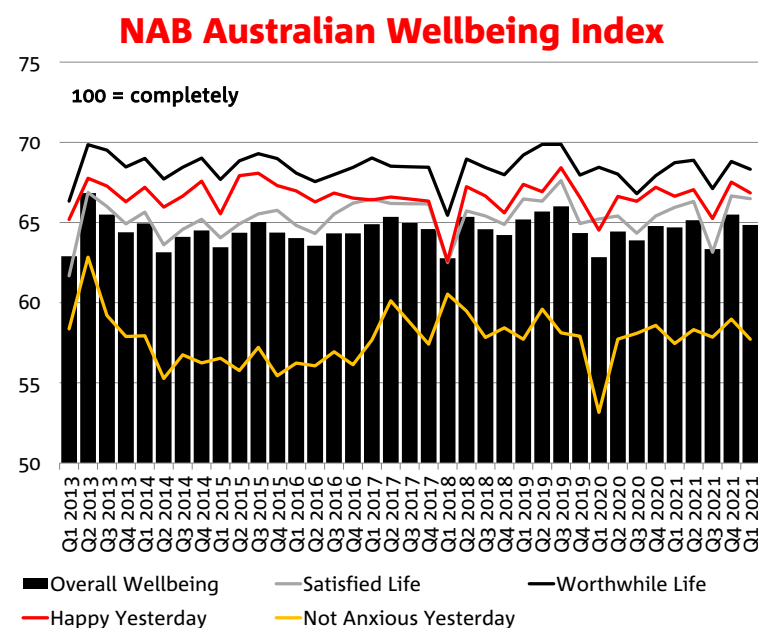
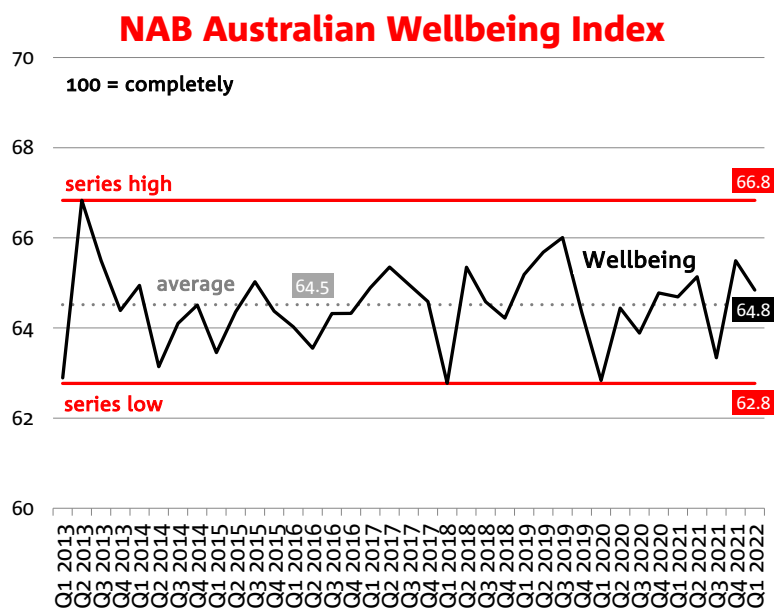
The number of Australians who missed a bill or loan payment fell slightly in Q1 to 18% (vs. 21% in Q4 2021). However, this varied by state. It was again highest in the NT, though fell sharply (to 31% from 46% in Q4). It was next highest in WA (27%), which was also the only state where the number increased (22% in Q4). It was unchanged in VIC (18%) and fell in all other states and was lowest in SA (13%). There was also a very clear relationship with age, with missed payments highest in the 18-29 group (unchanged at 31% vs. just 4% among the over 65s). More women (25% up from 19% in Q4) also missed a payment than men (19% down from 22% in Q4), reversing the trend in the previous quarter.

The most common areas where payments were missed according to 8% of all Australian was household utility bills for gas electricity (down from 10% in Q4), phone and internet (8% vs. 9% in Q4), credit cards (unchanged at 7%), insurances (6% vs. 7% in Q4), and BNPL (unchanged at 6%). The number of people who missed payment on a loan from family or friends fell noticeably (to 5% vs. 8% in Q4). Around 1 in 20 people missed a rent payment (5%), personal loan payment (5%), home loan or mortgage payment (4%) or payday loan payment (4%). Typically, the likelihood of missing a bill or loan payment falls as people age. By gender, however, men were a little more likely to have missed a payment in most areas, particularly credit cards (8% men; 5% women). The exception was electricity, gas or water (9% women; 7% men).

Loans from family and friends were used by 1 in 3 (33%) Australians to help them manage the financial hardship they had experienced. Credit cards was next most popular option and used by 30% of people in hardship (29% in Q4). Next was payday lenders, used by 15% of all Australians (unchanged from Q4). Around 10% resorted to bank loans (down from 13% in Q4) and 10% to overdrafts to help them manage their stress. Around 1 in 20 (5%) people resorted to "other" measures.

Noticeably more men than women turned to credit cards (35% men; 25% women), payday lenders (21% men; 10% women), bank loans (13% men; 7% women) and overdrafts (13% men; 7% women), but more women borrowed from family and friends (40% women; 26% men). By age, somewhat more Australians in the 18-29 group borrowed from family and friends (40%) to manage their stress, those in the over 65 (35%) and 30-49 (33%) groups credit cards, and in the 50-64 age group "other" debt (13%). People under the age of 50 were also much more likely to have used a payday lender, bank loan or overdraft to manage their financial stress than those over the age of 50. Considerably more people in the highest income group used credit cards (36%), payday lenders (20%), bank loans (14%) or overdrafts (14%) than people in the lowest income group. Almost 4 in 10 (36%) who lost their main source of income due to COVID borrowed from family and friends or used a credit card, and 1 in 5 a payday lender (21%), bank loan (20%) or overdraft (20%). Almost 1 in 5 (17%) unemployed people however used "other" types of debt to manage.

NAB Australian Wellbeing Index



The NAB Australian Wellbeing Index dipped to 64.8 pts in Q1 2022 (65.5 pts in Q4 2021), after rising sharply in the final quarter of 2021 as VIC, NSW and the ACT emerged from extended COVID lockdowns.

Wellbeing fell for all measures. Australians were more anxious, with the “not anxious yesterday” question down 1.3 pts to 57.7 pts (with almost 4 in 10 people reporting “high” anxiety). Australians were not as happy (down 0.7 pts to 66.8 pts), had a lower sense of life worth (down 0.5 pts to 68.3 pts) and were a little less satisfied with their lives (down 0.2 pts to 66.5 pts).

The average however masked significant differences across the country. Wellbeing climbed steeply in TAS (up 5.5 pts to 72.3 pts), with much higher scores for all measures. Wellbeing also lifted in NSW (up 1.6 pts to 66.3 pts), with all measures also rated higher.

But wellbeing fell heavily in WA (down 5.3 pts to 62.3 pts) and was lowest in the country (replacing VIC) as anxiety levels climbed sharply. Higher anxiety was also the main driver of lower wellbeing in SA/NT (down 2.2 pts to 63.3 pts) and VIC (down 1.9 pts to 63.0 pts). In QLD, wellbeing fell slightly (down 0.4 pts to 65.9 pts), with lower life satisfaction, life worth and life satisfaction scores offsetting lower anxiety - see Appendix 1 for state charts.

Overall, wellbeing was highest in the over 65 age group (76.1 pts) - and somewhat higher for men (77.2 pts) in this age group than women (74.7 pts) - and retirees (75.0 pts). Other high wellbeing groups included widows (69.6 pts), married people (69.2 pts), people in 2-person households (68.5 pts), who lived in a house they own (68.3 pts) and, surprisingly people earning between \$35-50,000 p.a. (68.1 pts). It was lowest for unemployed people (50.6 pts), those who lost their main income due to COVID (55.1 pts), had “other” living arrangements (55.2 pts), women aged 18-29 (58.2 pts) and single people (58.5 pts).

Australians living in rural areas (67.3 pts) and in regional cities (65.8 pts) reported higher wellbeing than in capital cities (64.1 pts), with those in rural areas also scoring highest for all measures and in capital cities lowest, particularly in relation to “not anxious yesterday” (64.2 pts rural areas; 55.5 pts capital cities).

NAB’s survey results continue to show a very strong relationship between wellbeing and age - it improves as we grow older, particularly over the age of 65 (with this relationship also holding true by gender and age). In Q1, the wellbeing gap between older Australians (76.1 pts) and young Australians (59.2 pts) increased to 16.9 pts (14.8 pts in Q4), with the gap particularly significant for anxiety (74.5 pts vs. 45.3 pts).

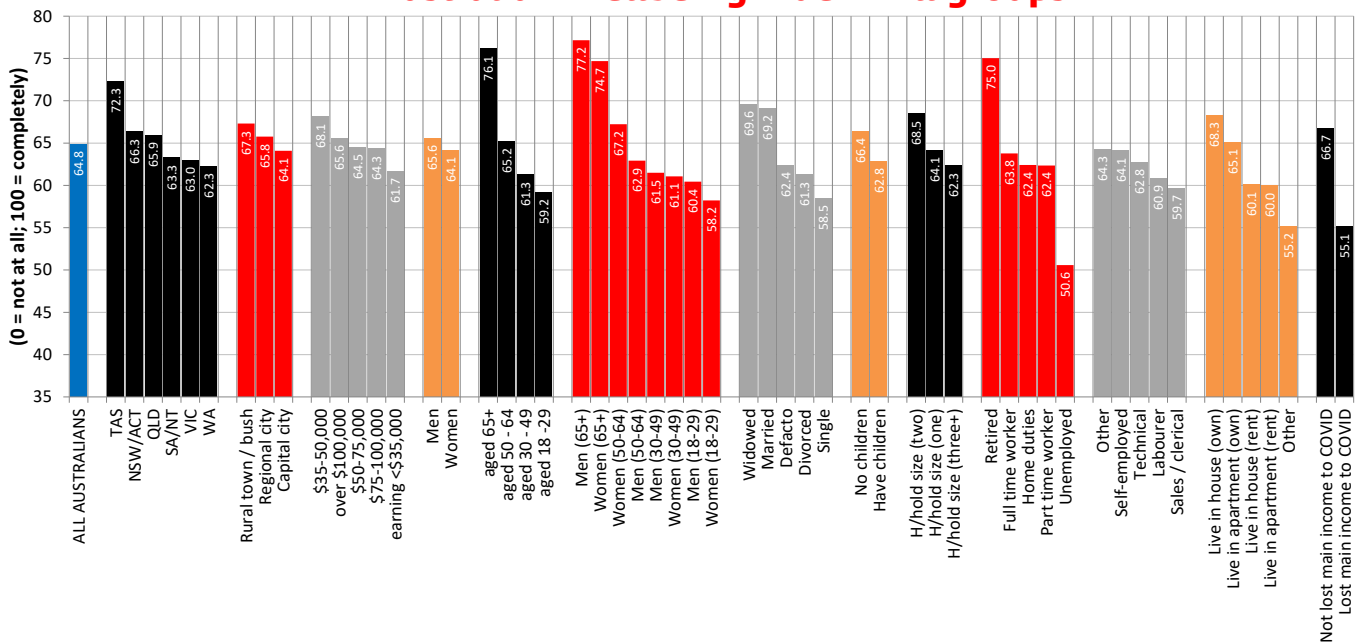
Men (65.6 pts) reported higher overall wellbeing levels than women (64.1 pts) in Q1, with higher life satisfaction and happiness scores. Men were also less anxious, but life satisfaction was rated the same. Men also reported higher levels of wellbeing than women in all age groups, except the 50-64 group (women 67.2 pts; men 62.9 pts), where men scored their life worth, life satisfaction and happiness significantly below women.

By income, Australians earning \$35-50,000 p.a. rated their wellbeing highest (68.1 pts), usurping the highest income group where wellbeing fell noticeably to 65.6 pts (68.1 pts in Q4) as anxiety levels picked up sharply. Wellbeing however remained lowest for people in the lowest income group but improved to 61.7 pts (59.8 pts in Q4). Consequently, the wellbeing gap between the highest and lowest income groups narrowed to just 3.9 pts (8.3 pts in Q4) - the lowest spread in almost 3 years.

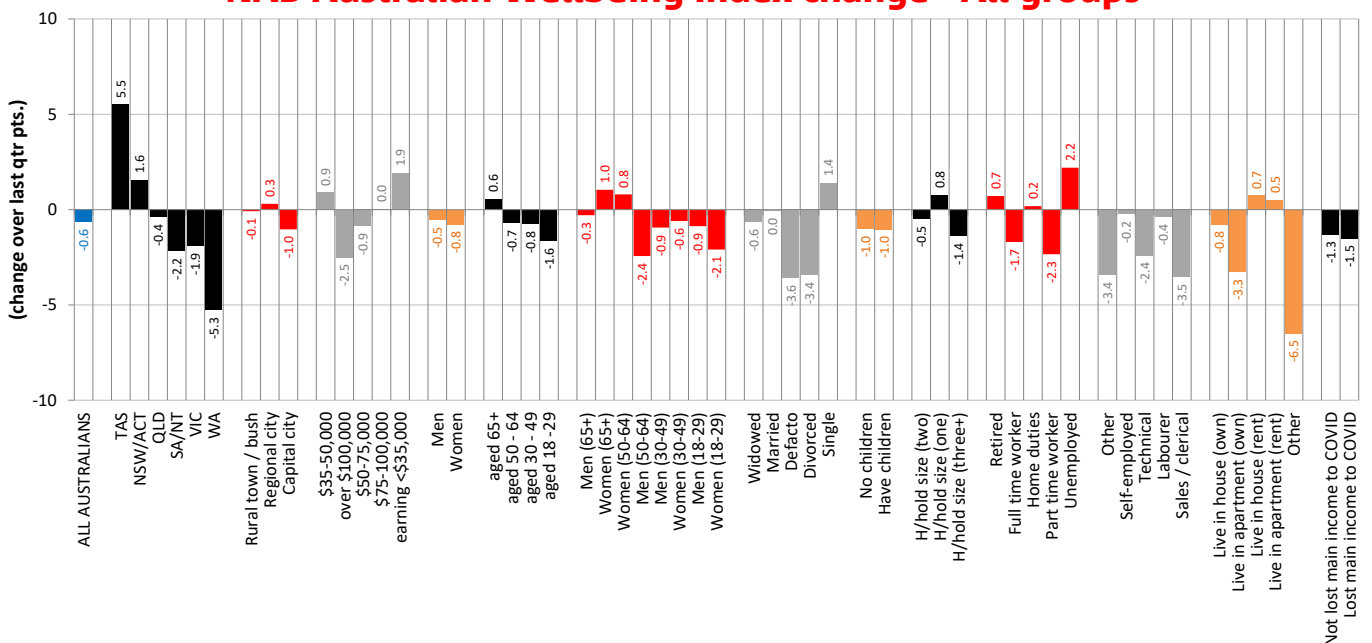
In other findings, wellbeing remains much higher for people without children (66.4 pts) than for those with children (62.8 pts), with anxiety levels much higher for people with children than for those without.

Home ownership is also a significant differentiator, with people who own and live in their house (68.3 pts) or apartment (65.1 pts) rating their personal wellbeing much higher than those who rent a house (60.1 pts) or apartment (60.0 pts) or have "other" living arrangements (55.2 pts). Interestingly, while house and apartment owners enjoy broadly similar levels of life satisfaction, life worth and happiness, house owners are far less anxious.

NAB Australian Wellbeing Index - All groups



NAB Australian Wellbeing Index change - All groups



What is driving wellbeing?

Since 2015, NAB has been asking Australians what impact (positive or negative) several key factors have on their ratings of personal wellbeing.

Pets again contributed positively to the emotional wellbeing of most Australians - and in Q1 the net number who said it contributed positively was unchanged at +58%.

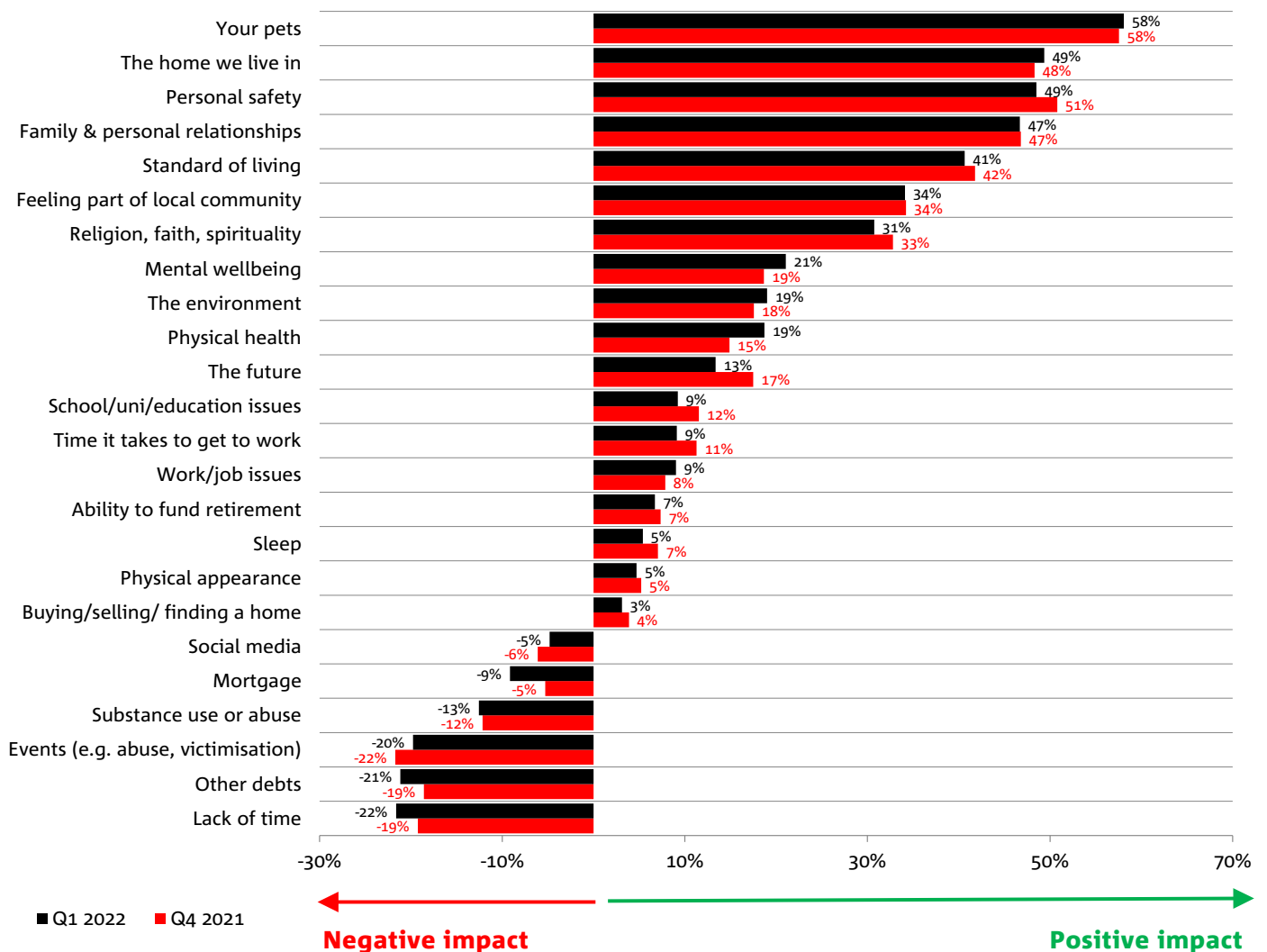
Other areas that made a positive difference for most people included their homes (+49% vs. +48% in Q4), personal safety (+49% vs. +51% in Q4), family & personal relationships (unchanged at +47%), standard of living (+41% vs. +42% in Q4), feeling part of their local community (unchanged at +34%) and religion, faith, or spirituality (+31% vs. +33% in Q4).

We also noted somewhat larger increases in the net number of Australians who reported positive wellbeing benefits driven by their physical health (+19% vs. +15% in in Q4).

However, some factors that typically detracted from wellbeing also had negative impact for somewhat more Australians in Q1. These included mortgages (-9% vs. -5% in Q4) and lack of time (-22% vs. -19% in Q4).

Other factors that took away from wellbeing for more people in net terms included other debts (-21% vs. -19% in Q4), events such as abuse or victimisation (-20% vs. -22% in Q4), substance use or abuse (-13% vs. -12% in Q4) and social media (-5% vs. -6% in Q4).

Wellbeing drivers (net balance)



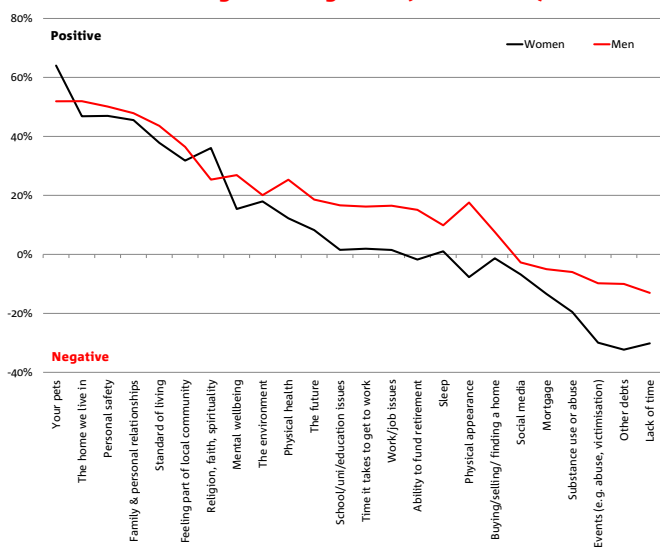
But perceptions of how these things impact wellbeing did vary widely across key groups.

By gender, more (or less) men on balance reported a positive (or negative) contribution from most factors with a few exceptions - particularly their pets which made a positive contribution for noticeably more women (+64%) than men (52%), and religion, faith, or spirituality (+36% women; +25% men). Also apparent was the much higher number of women who singled out their physical appearance (-8% women; +18% men), other debts (-32% women; -10% men); events (-30% women; -10% men); and ability to fund retirement (-2% women; +15% men) as adding or detracting from their overall wellbeing than did men.

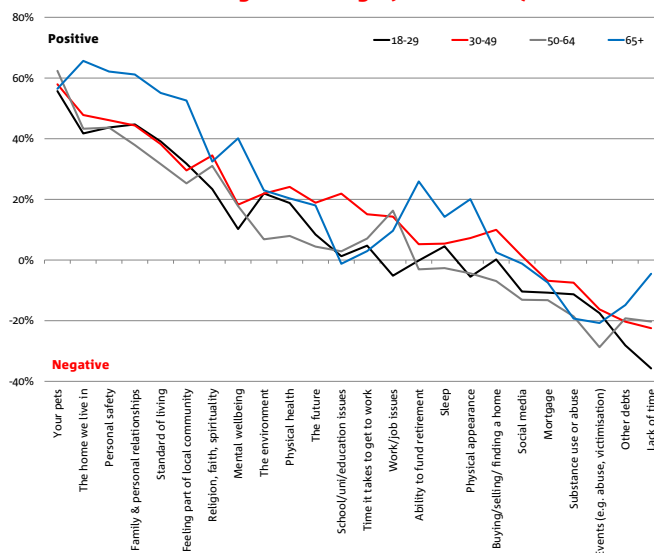
By age, noticeably more people in the over 65 group associated positive wellbeing benefits with their homes (+66%), personal safety (+62%), family & personal relationships (+61%), standard of living (+55%), feeling part of their local community (+53%), mental wellbeing (+40%), ability to fund retirement (+26%), physical appearance (+20%) and sleep (+14%). Pets (+62%) added noticeably more in the 50-64 age group, and school or education issues in the 30-49 group (+22%).

In contrast, a lot more people in the 50-64 age group said that events (-29%) detracted from their overall wellbeing, and a lot more in the 18-29 group highlighted lack of time (-36%) and other debts (-28%). Also interesting was the much lower number of people in the 50-64 age group who said the environment (+7%) and their physical health (+8%) contributed positively to their overall wellbeing.

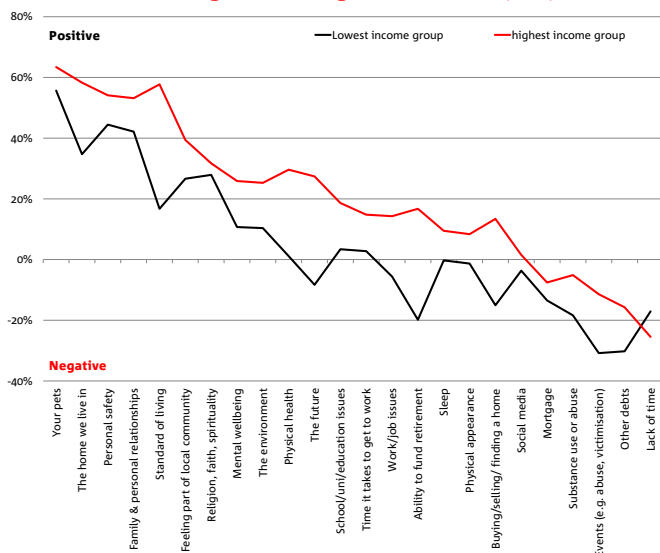
Wellbeing drivers: gender (net balance)



Wellbeing drivers: age (net balance)



Wellbeing drivers: high/low income (net)

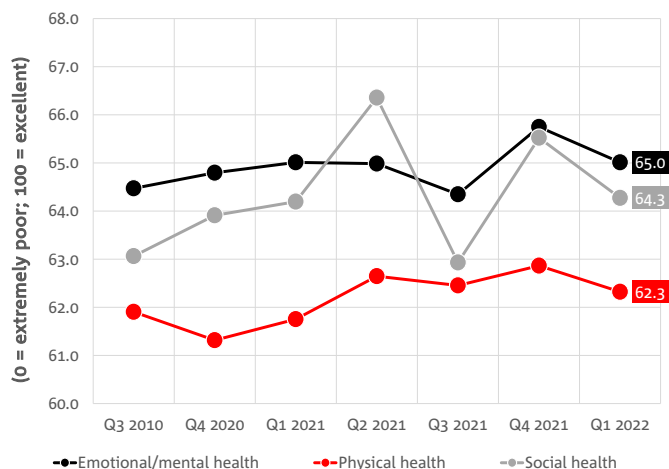


Income levels also played a key role, with more Australians in net terms in the highest income group deriving positive (or less negative) benefits from all wellbeing drivers except a lack of time where it detracted somewhat more (-25% high income; -17% low income).

Areas where the divide was greatest between the highest and lowest income groups in Q1 included: standard of living (+58% high income; +17% low income), ability to fund retirement (+17% high income -17% low income); the future (+36% high income; -8% low income); physical health (+30% high income; +1% low income); buying, selling & finding a home (+13% high income; -15% low income), their homes (+58% high income; +35% low income); and work or job issues (+14% high income; -6% low income).

Our emotional/mental, physical & social health

Rating our health today: overall



On average, Australians consider themselves to be ‘moderately’ healthy across all aspects of their health - emotional or mental (the ability to cope with normal stresses of life and take pleasure and satisfaction from life), physical (soundness of the body and freedom from disease and abnormality) and social (quality of interactions and meaningful relationships with others).

In Q1, self-reported health outcomes deteriorated in all areas. Australians rated their emotional or mental health lower at 65.0 pts (65.7 pts in Q4) and their social health moderately lower at 64.3 pts (65.5 pts in Q4). They rated their physical health mildly lower at 62.3 pts (62.9 pts in Q4), and it continues to be seen as the weakest aspect of their overall health.

Health outcomes varied widely by gender and age. In Q1, men reported higher health outcomes than women in all areas. The gap was biggest for emotional/mental health (67.3 pts men; 62.8 pts women). It was smallest for social health (65.7 pts men; 62.9 pts women). Both men and women rated all aspects of their health lower relative to the relative to the last quarter.

People over the age of 65 again reported much higher emotional/mental health (76.9 pts) and social health (74.6 pts) outcomes than any other age group. They also rated their physical health highest (64.6 pts) just ahead of the 18-29 age group (62.6 pts). Older Australians however rated their physical health lower relative to Q4, but all other aspects were broadly unchanged. Health was rated lower across all aspects in the 18-29 and 30-49 age groups, but the 50-64 group reported better outcomes for their emotional/mental and physical health, and unchanged social health. Emotional/mental health rated lowest in the 18-29 age group (59.1 pts), physical health in the 50-64 group (60.1 pts), and social health in the 30-49 age group (60.8 pts).

Rating our health today: gender & age

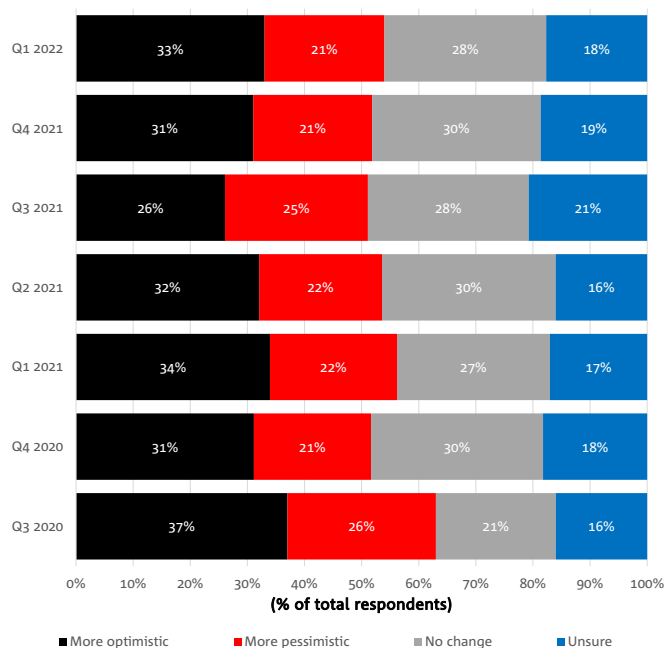
	All	Women	Men	18-29	30-49	50-64	65+
Emotional/mental health							
- Q1 2022	65.0	62.8	67.3	59.1	61.6	64.7	76.9
- Q4 2021	65.7	63.8	67.8	60.6	63.4	63.9	76.7
- Q3 2021	64.5	63.1	65.8	60.8	60.2	61.9	77.8
- Q2 2021	64.8	62.1	67.6	62.2	60.4	64.3	75.3
- Q1 2021	65.0	62.7	67.4	60.0	62.2	62.6	77.4
Physical Health							
- Q1 2022	62.3	60.6	64.1	62.6	62.1	60.1	64.6
- Q4 2021	62.9	60.8	65.0	64.3	63.4	57.8	65.6
- Q3 2021	61.9	60.8	63.0	65.4	60.3	56.8	66.1
- Q2 2021	61.3	58.9	63.8	64.3	59.9	57.1	64.8
- Q1 2021	61.8	59.4	64.1	64.0	61.7	56.8	64.7
Social Health							
- Q1 2022	64.3	62.9	65.7	61.4	60.8	62.5	74.6
- Q4 2021	65.5	64.9	66.2	62.3	63.6	62.6	74.7
- Q3 2021	63.1	63.4	62.7	61.5	59.1	60.9	73.4
- Q2 2021	63.9	62.6	65.3	61.7	60.8	61.8	73.4
- Q1 2021	64.2	63.0	65.4	62.6	61.6	60.0	74.6

Are we optimistic about the future?

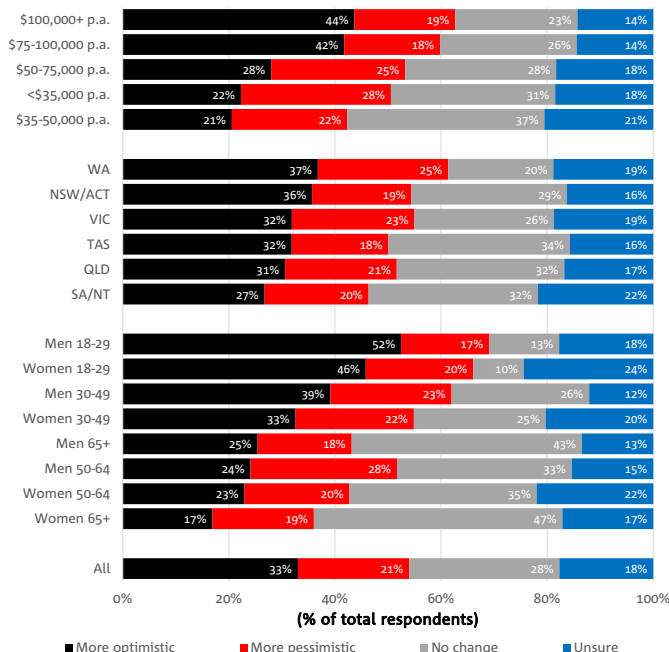
Psychologists believe optimism helps us cope with stressors in the present, because it helps us expect a better future at some point. Even if the future does not take place as planned, it helps us bounce back from disappointments as there is an ongoing expectation things will get better eventually.

When asked how Australians felt when thinking about the future, optimism increased for the second straight quarter in Q1, with the number of optimists rising slightly to 33% from 31% in the previous quarter and a low of 26% Q3 2021. Around 2 in 10 (21%) people were more pessimistic (unchanged from the previous quarter), and just under 3 in 10 (28%) saw no change (down slightly from 30% in Q4). Around 2 in 10 (18%) were unsure (19% in Q4).

How does thinking about the future in general make you feel?



How does thinking about the future in general make you feel?

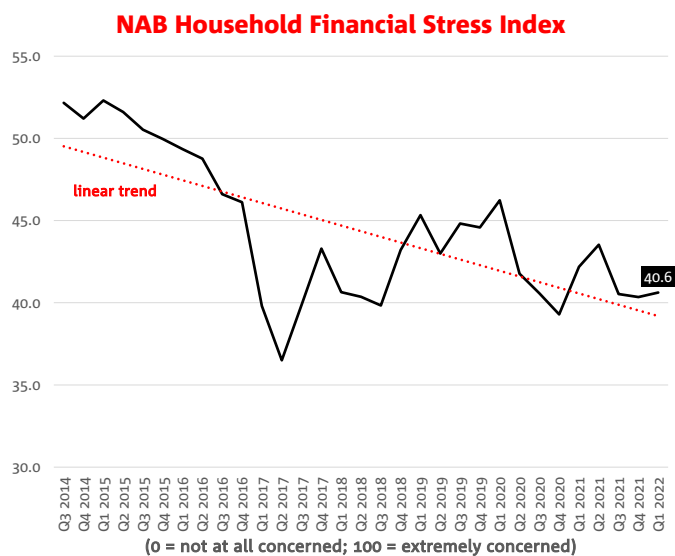


Optimism varied quite widely by gender and age. Young men remain by far the most optimistic about the future, with over 1 in 2 (52%) more optimistic (54% in Q4). Women in the 18-29 age group were the next most optimistic (46%) and more so than in Q4 (39%), followed by men aged 30-49 (37%) though down from 41% in Q4. The number of optimists remained lowest among women over 65 and broadly unchanged at 17% (16% in Q4) and women 50-64 (23%) but up somewhat from 19% in Q4. Men in the 50-64 age group (28%) replaced women in the 50-64 group as the most pessimistic group, followed by men in the 30-49 group (23%). Pessimism was lowest among men aged 18-29 (17%) and over 65 (18%), and for women over 65 (19%). However, almost 1 in 2 (47%) women over 65 saw no change in the future, compared to only 1 in 10 (10%) women in the 18-29 group, where uncertainty was also highest (24%).

WA (37%) was the most optimistic state in the country, after having scored lowest in Q4 (25%). NSW/ACT (36%) was next, followed by VIC (32%) and TAS (32%), though the number of optimists climbed steeply from 23% in VIC but fell from 40% in TAS in the previous quarter. The number of pessimists was also highest in WA (25%), followed by VIC (23%), and lowest in TAS (18%) and NSW/ACT (19%). Around 1 in 3 Australians living in TAS (34%) and QLD (32%) saw no change, compared to just in 1 in 5 (20%) in WA. Uncertainty remained highest in SA/NT and largely unchanged at 22% (23% in Q4).

Income was again important, with the number of optimists biggest in higher income group (over 4 in 10 among people earning over \$75,000 p.a.) and smallest in lower income groups (around 2 in 10 among those earning less than \$50,000 p.a.). The lowest income group earning less than \$35,000 p.a. was the most pessimistic (28%), with the highest number who saw no change in the \$35-50,000 p.a. group (37%). Uncertainty was highest in the lowest income group (21%) and lowest among those earning over \$75,000 p.a.

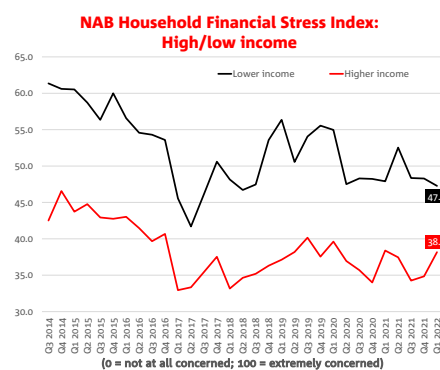
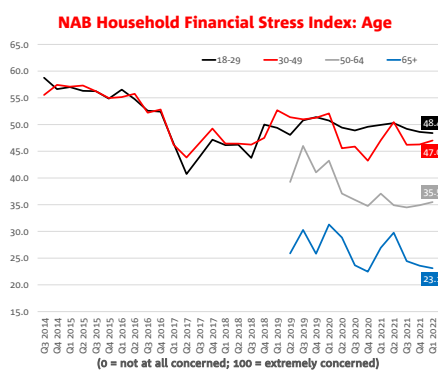
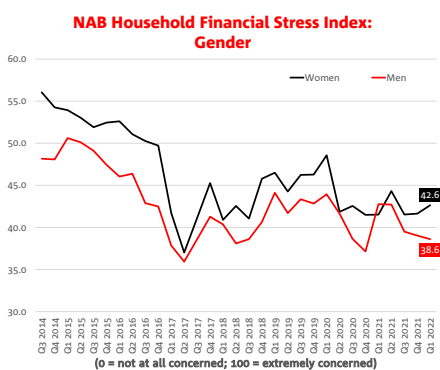
Household financial stress & hardship



Anxiety is the biggest detractor from overall emotional wellbeing and financial stress can be a key contributing cause. The **NAB Household Financial Stress Index** looks at the role our finances have on our wellbeing. This comprehensive measure of financial anxiety is derived from a number of key potential household pressures (including meeting the costs of healthcare, mortgage repayments, rent, credit cards, education, food & basic necessities, utility bills, insurances, holidays, entertainment, unexpected expenses, financing retirement, major household items, home improvements & maintenance).

In Q1 2022, the NAB Household Financial Stress Index crept up slightly to 40.6 pts from 40.3 pts in Q4, but was down from 42.2 pts at the same time last year. The index however continued to trend well below the survey average (44.4 pts).

Not having enough to finance retirement remains the biggest driver of financial stress, and the level of stress rose marginally in Q1 (up 0.3 pts to 51.3 pts). However, it continues to cause more stress by some margin than the next biggest drivers - providing for our family’s future (down 0.1 pts to 44.6 pts), medical bills & healthcare (up 1.0 pts to 43.2 pts), home improvements and maintenance (up 1.0 pts to 43.1 pts) and non-essentials (up 0.1 pts to 42.6 pts). Having enough money to meet minimum credit card payments again caused the least stress (down 1.4 pts to 30.6 pts), followed by having enough for food and basic necessities (up 0.6 pts to 34.5 pts).



Men reported slightly lower financial stress in Q1 (down 0.4 pts to 38.6 pts), but it increased for women (up 1.0 pts to 42.6 pts). Women reported higher stress for all measures except credit card repayments (30.6 pts women; 30.7 pts men). Relative to men, women reported much higher stress levels over home improvements & maintenance (46.6 pts women; 39.6 pts men), raising \$2,000 for an emergency (42.3 pts women; 35.7 pts men), non-essentials (45.3 pts women; 39.9 pts men), major household items (44.4 pts women; 39.0 pts men), financing retirement (53.9 pts women; 48.6 pts men), providing for their family’s future (47.3 pts women; 42.2 pts men), and medical bills & healthcare (45.7 pts women; 40.6 pts men) - see table below.

By age, stress fell in the 18-29 group (down 0.2 pts to 48.4 pts) and the over 65 group (down 0.5 pts to 23.1 pts), but increased in the 30-49 group (up 0.7 pts to 47.0 pts) and 50-64 group (up 0.6 pts to 35.5 pts). Financial stress was highest in the 18-29 age group for all drivers, except being able to finance retirement and medical bills & healthcare, which caused the most stress in the 30-49 age group. At the other end of the spectrum, the over 65 group reported the lowest stress in all categories.

Financial stress fell for low income earners (down 1.0 pts to 47.3 pts), but rose sharply for high income earners (up 3.4 pts to 38.2 pts). This caused the “stress gap” to narrow to 9.1 pts (13.4 pts in Q4). Lower income earners reported higher stress for all metrics, especially raising \$2,000 for an emergency (50.6 pts low income; 34.5 pts high income), food & basic necessities (45.0 pts low income; 30.3 pts high income) and other monthly household expenses (48.7 pts low income; 38.2 pts high income).

NAB household financial stress index: key groups (Q1 2022)

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Financing retirement	51.3	53.9	48.6	52.1	57.7	54.3	35.9	58.0	49.7
Providing for family's future	44.6	47.3	42.2	53.0	52.3	38.2	25.4	50.1	43.4
Medical bills/healthcare	43.2	45.7	40.6	48.5	48.7	40.8	30.8	50.3	40.5
Home improvements & maintenance	43.1	46.6	39.6	49.9	49.6	39.1	28.4	48.1	41.2
Non-essentials (holidays, eating out)	42.6	45.3	39.9	50.4	48.7	39.3	27.1	50.0	41.1
Major household items	41.7	44.4	39.0	48.6	48.2	38.4	26.9	50.0	38.1
Children's education	40.9	41.2	40.7	47.7	47.5	27.2	10.8	38.9	40.3
Mortgage, rent, housing costs	40.5	42.2	38.9	47.1	47.0	33.6	20.1	46.1	38.0
Personal loan repayments	39.2	39.6	38.8	48.5	44.3	31.5	16.8	43.2	36.6
Raising \$2,000 in an emergency	39.0	42.3	35.7	52.1	43.9	34.7	21.1	50.6	34.5
Other monthly household expenses	38.9	40.9	36.8	48.0	45.3	33.8	23.8	48.7	35.3
Normal monthly utility bills	38.6	40.9	36.3	48.7	45.0	33.0	23.0	47.8	35.4
Food/basic necessities	34.5	36.0	32.9	42.7	41.5	29.4	19.2	45.0	30.3
Credit card repayments	30.6	30.6	30.7	40.2	38.3	23.7	14.3	35.0	30.0
NAB Household Financial Stress Index	40.6	42.6	38.6	48.4	47.0	35.5	23.1	47.3	38.2

By state, financial stress fell most in TAS (down 5.0 pts to 37.0 pts) and was lowest of all states. It also fell in NSW/ACT (down 0.9 pts to 41.2 pts) and was basically unchanged in VIC (up 0.1 pts to 40.1 pts). Financial stress increased most in SA/NT (up 4.1 pts to 43.1 pts) and was highest in the country - see table below.

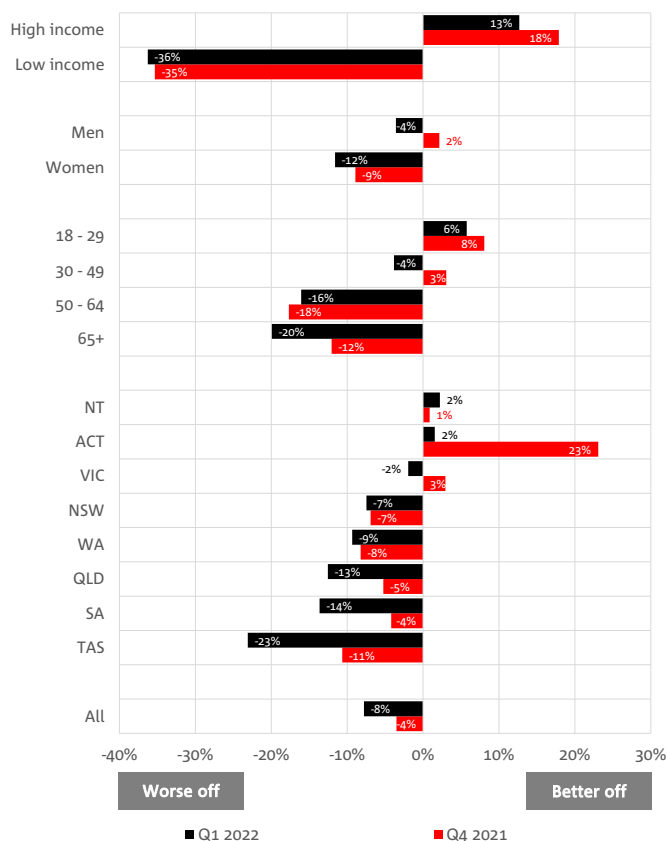
Financing retirement was the biggest driver of stress in all states, with the level of stress ranging from 56.6 pts in SA/NT to 49.8 pts in TAS. Credit card repayments caused the least stress in all states but ranged from 32.1 pts in NSW/ACT to 27.6 pts in TAS - see Appendix 2 for historical data.

NAB household financial stress index: states (Q1 2022)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Financing retirement	51.3	50.7	51.2	52.1	48.1	56.6	49.8
Providing for family's future	44.6	45.4	43.7	44.3	44.5	48.0	33.1
Medical bills/healthcare	43.2	43.7	43.1	41.9	43.4	45.2	40.3
Home improvements & maintenance	43.1	43.2	43.7	41.9	42.1	46.0	37.8
Non-essentials (holidays, eating out)	42.6	42.7	42.8	43.1	40.0	45.3	38.2
Major household items	41.7	41.2	41.3	43.4	40.1	43.0	43.0
Children's education	40.9	43.8	39.7	36.4	38.7	46.1	43.5
Mortgage, rent, housing costs	40.5	42.0	38.2	40.4	41.3	42.1	36.8
Personal loan repayments	39.2	41.0	36.9	37.6	42.4	39.6	33.2
Raising \$2,000 in an emergency	39.0	37.9	38.0	40.1	40.5	41.9	38.5
Other monthly household expenses	38.9	39.2	39.2	38.4	38.9	39.9	30.7
Normal monthly utility bills	38.6	38.4	39.2	38.1	37.7	41.1	32.9
Food/basic necessities	34.5	35.0	34.0	33.1	34.3	37.6	32.7
Credit card repayments	30.6	32.1	29.8	29.0	31.4	30.6	27.6
NAB Household Financial Stress Index	40.6	41.2	40.1	40.0	40.2	43.1	37.0

How do households feel they are travelling financially?

Better or worse off financially than this time last year (net balance)



On average the number of Australians who felt they were worse off financially in Q1 exceeded the number who thought they were better off. Moreover, the net number of people in this position rose slightly to -8%, compared to -4% in the previous quarter.

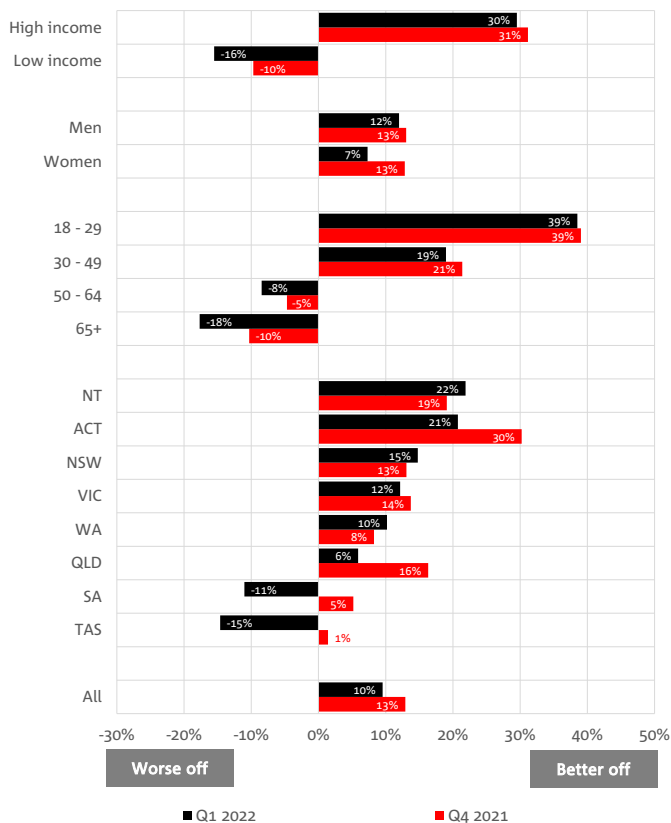
By state, the number of pessimists out-weighted optimists by a big margin in TAS (-23% from -11% in Q4), and was also much higher in SA (-14% vs. -4% in Q4) and QLD (-13% vs. -5% in Q4). Results from both NSW (-7%) and WA (-9%) were largely unchanged, while the net number in VIC fell to -2% after reporting a net positive result in Q4 (+3%). The NT (+2%) and ACT (+2%) were the only areas where the number of optimists out-weighted pessimists, though it fell sharply from +23% in the ACT in the previous quarter.

Australians in the 18-29 age group were on balance positive (+6%), with number of pessimists out-weighting optimists in all other age groups, led by the over 65 (-20%) and 50-64 (-16%) age groups.

There was also a large gap between men and women, with the net number indicating they were worse off financially than at the same time last year much lower for men (-4%) than women (-12%).

More high income earners (+13%) on balance believe they are better off, while a much higher net number in the lowest income group were worse off (-36%).

Better or worse off financially in a year from now (net balance)



Australians were also asked if they thought they would be better or worse off financially in a year from now. Overall, a net +10% expect to be better off, down slightly from +13% in the previous quarter.

The number of optimists out-weighted pessimists in most states, led by the NT (+22% vs. +19% in Q4) and the ACT (+21% vs. 30% in Q4). Results were largely unchanged in NSW (+15%), VIC (+12%) and WA (+10%), but somewhat lower in QLD (+6% vs. +16% in Q4). TAS (-15%) and SA (-11%) were the only states where the number of pessimists exceeded optimists, after having recorded positive results in Q4 (+1% in TAS; +5% in SA).

Australians in the 18-29 age group (unchanged at +39%) were again the most optimistic about their financial position in the next year, with the number of optimists also exceeding pessimists in the 30-49 group (+19% vs. +21% in Q4). But more Australians in the over 65 (-18% vs. -10% in Q4) and 50-64 (-8% vs. -5%) age groups expect their situation to worsen.

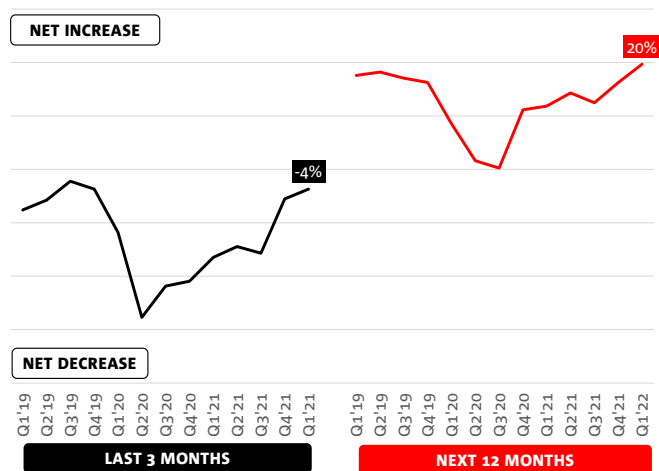
Men (+12% vs. +13% in Q4) were more optimistic about their financial position in the next 12 months than women (+7% vs. +13% in Q4). A broadly unchanged number of high income earners (+30%) also believe they will be better off, but more people in the low income group anticipate being worse off financially (-16% vs. -10% in Q4).

The impact of income, savings & debt

The Australian labour market continues to out-perform, with an unemployment rate of less than 4% imminent and forthcoming wages prints expected to show a pick up. Indeed, NAB expects the unemployment rate to reach 3.5% by mid-2022, and remain there through 2023. Consequently, wage growth is expected to pick up rising to over 3% year-on-year in 2023. Against this backdrop, the net number of surveyed Australians who reported a decrease in their incomes in the last 3 months improved further in Q1 to -4% (-6% in Q4). Improvement was recorded for women (-5% vs. -8% in Q4) but was unchanged for men (-3%). Incomes improved for more people in most age groups. It was strongest in the 30-49 (+1% vs. +1% in Q4) and 18-29 (0% vs. -3% in Q4) age groups, and though improving was still relatively weak in the 50-64 age group (-9% vs. -16% in Q4). The over 65s were the only age group where the net number who said their incomes fell increased (-10% vs. -5% in Q4). Lower income groups (unchanged at -18%) were again hit harder, while more people in the highest income group on balance said their incomes improved (+7% vs. +6% in Q4).

Looking forward, more Australians on balance expect their incomes to rise than fall in the next 12 months (+20% vs. +16% in Q4). Men (+22%) were more optimistic than women (though optimism lifted sharply +18% vs. +12% in Q4). People aged 18-29 (+36%) were the most optimistic by age, with optimists also exceeding pessimists in all other age groups. Significantly more people in the highest income group (+31%) still expect their incomes to rise than in the lowest income group (+12%), though both groups were more optimistic.

What happened/will happen to your level of household income (net balance)

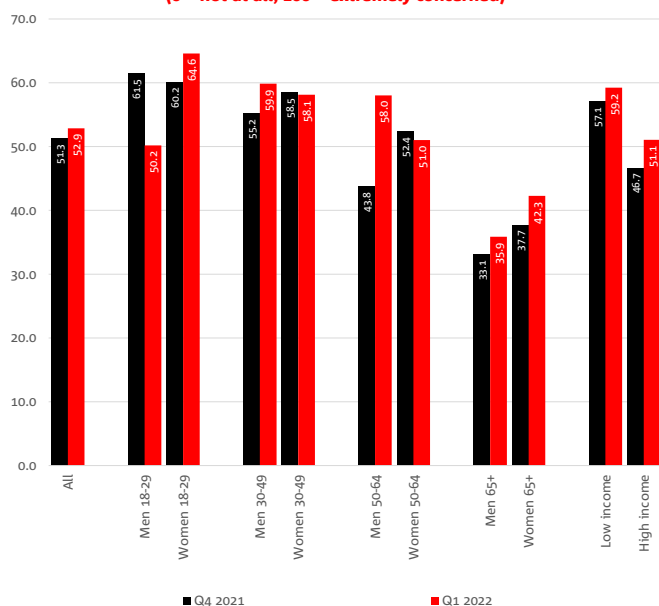


What happened/will happen to your level of household income (net balance)

	Last 3 months	Next 12 months
Women	-5% (-8%)	+18% (+12%)
Men	-3% (-3%)	+22% (+21%)
Age 18-29	0% (-3%)	+36% (+34%)
Age 30-49	+1% (-1%)	+23% (+21%)
Age 50-64	-9% (-16%)	+10% (+3%)
Age 65+	-10% (-5%)	+6% (+4%)
Low income	-18% (-18%)	+12% (+6%)
High income	+7% (+6%)	+31% (+27%)

**figures in parentheses previous quarter*

Level of concern over your income
(0 = not at all; 100 = extremely concerned)



Despite a fall in the net number of people who said their incomes fell in Q1, Australians on average reported slightly higher levels of concern or stress over their income, rating it 52.9 pts out of 100 pts (51.3 pts in Q4).

Though stress levels typically fell with age, there were differences in perceived stress levels within age groups. In particular, stress fell sharply for men in the 18-29 age group (50.2 pts vs. 61.5 pts in Q4), and was much lower than for women for whom stress rose (64.6 pts vs. 60.2 pts). Stress also increased sharply for men aged 50-64 (58.0 pts vs. 43.8 pts), but was much lower for women though it inched up (51.0 pts vs. 52.4 pts). Men aged 18-29 and over 65 also reported lower stress than women, but higher stress in the 30-49 and 50-64 age groups.

Both low (59.2 pts vs. 57.1 pts in Q4) and high (51.1 pts vs. 46.7 pts in Q4) income groups reported higher income stress in Q1, but stress levels remained substantially higher in the lowest income group.

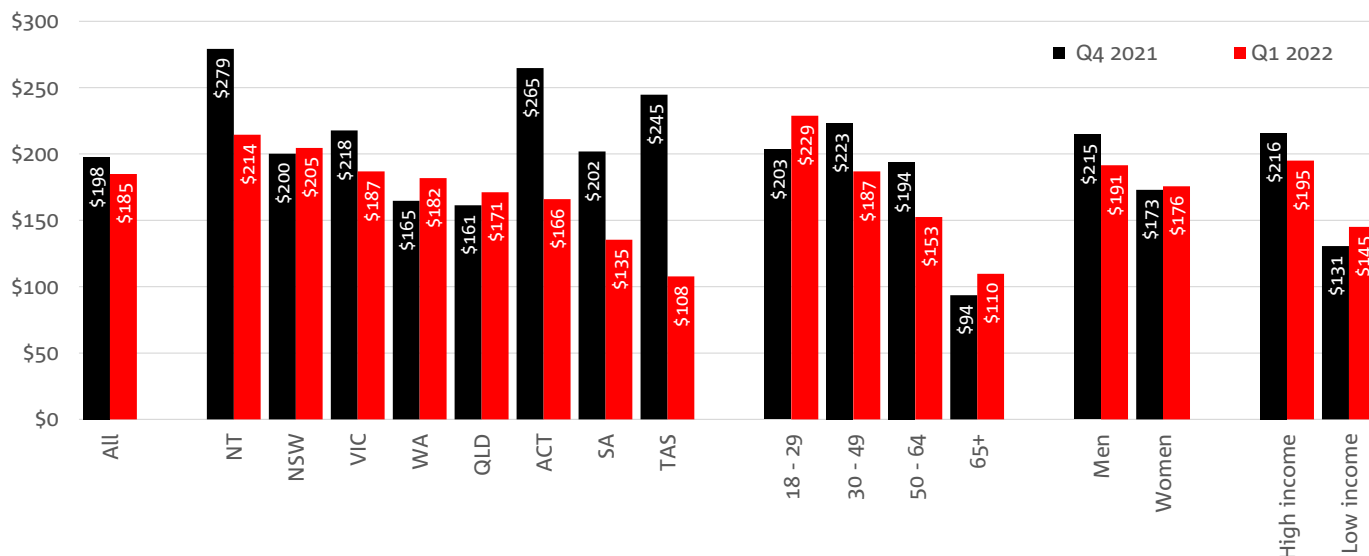
Australians who indicated they expected their incomes to increase over the next year (around 30% of the total sample group) were also asked to estimate by how much their weekly income would rise. On average, the expectation was \$185 (or around \$9,620 annually), though this was down from \$198 per week (around \$10,300 annually) estimated in the previous quarter. More specifically, around 4 in 10 expected an increase of less than \$100 - around 23% less than \$50 and 17% between \$50-100

By state, average income expectations were again highest in the NT though scaled back considerably to \$214 (\$279 in Q4). Expectations were next highest and broadly unchanged in NSW (\$205) and VIC though also scaled back to \$187 (\$218 in Q4). Expectations were lowest in TAS and cut back substantially to \$108 (\$245 in Q4), with large downward revisions also noted in the ACT to \$166 (\$265 in Q3) and SA to \$135 (\$202). They were however a little higher in WA (\$182 vs. \$165 in Q4) and QLD (\$171 vs. \$161 in Q4)

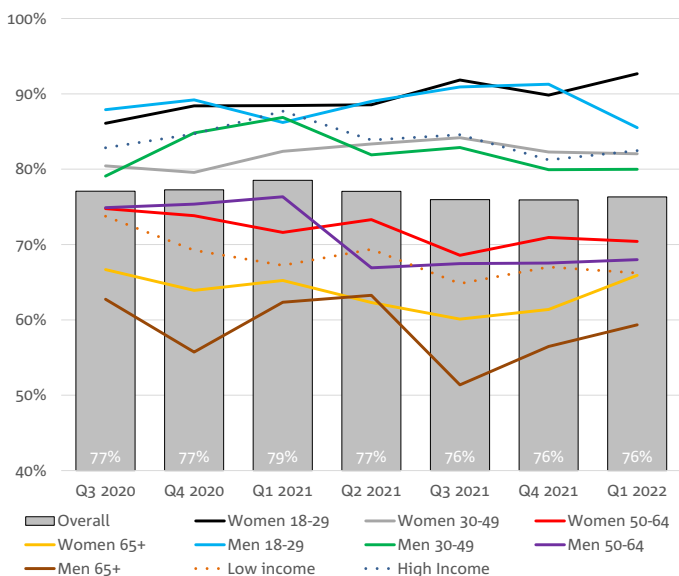
By age, the 18-29 group were the most optimistic and expected incomes to increase \$229 (\$203 in Q4). People over 65 also expected a better outcome (\$110 vs. \$94 in Q4) though lowest overall. Expectations in the 30-49 (\$187 vs. \$223 in Q4) and 50-64 (\$153 vs. \$194 in Q4) groups were however revised down.

Men still (\$191) expect bigger gains than women (\$176), though their expectations were revised down from \$215 in Q4, while those of women increased slightly from \$173 to \$176. People in the highest income groups also revised down their expectations (\$195 vs. \$216 in Q4), while those in the lowest income group had higher expectations (\$145 vs. \$131 in Q4).

How much extra money per week are you expecting?



Percentage of Australians trying to save



Savings aspirations among Australians remain very high, with around 3 in 4 (76%) people trying to save in Q1 (unchanged since Q3).

Savings aspirations remain strongest in the 18-29 age group, particularly women (93%).

Aspirations were broadly similar in the 30-49 group (82% women; 80% men).

Savings intentions were lower in the 50-64 age group but broadly similar (70% women; 68% men).

In the over 65 group, the number of trying to save rose for both women (66% vs. 61% in Q4) and men (59% vs. 56% in Q4).

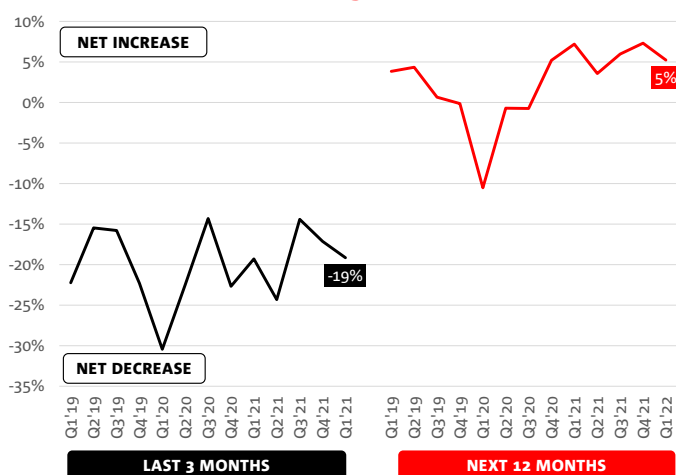
Savings aspirations in the lowest (66%) and highest (82%) income groups were basically unchanged.

Savings came under more pressure in Q1. In net terms, the number of Australians whose level of savings fell in the last 3 months continued to outweigh those who indicated they had increased. Moreover, the net number reporting a decrease reached -19% (-17% in Q4).

By gender, the net number who reported a decrease in savings increased to -28% (-25% in Q4) for women and to -10% (-9% in Q4) for men. By age, we noted an improvement (though still negative) in the 50-64 (-24% vs. -30% in Q4) and over 65 (-18% vs. -21%) groups in the net number who said their level of household savings decreased, but a deterioration in the 18-29 (-20% vs. -10% in Q4) and 30-49 (-17% vs. -12% in Q4) groups. Household savings also fell for marginally for more people in the lowest (-43% vs. -41% in Q4) and highest (-3% vs. -1% in Q4) income groups relative to the previous quarter.

The outlook for savings remains mixed. While slightly more women (+4% vs. +3% in Q4) on balance expect household income levels to rise, fewer men do (+7% vs. +12% in Q4). Expectations were weaker in the 30-49 age group (+6% vs. +14% in Q4) and for the over 65s (-21% vs. -12% in Q4), but improved in the 18-29 (+37% vs. +34% in Q4) and 50-64 (-1% vs. -13% in Q4) groups. Fewer low income earners also expect their savings to fall than increase (-7% vs. -12% in Q4), with expectations in the highest income group also revised up slightly (+24% vs. +22% in Q4).

What happened/will happen to you level of household savings (net balance)

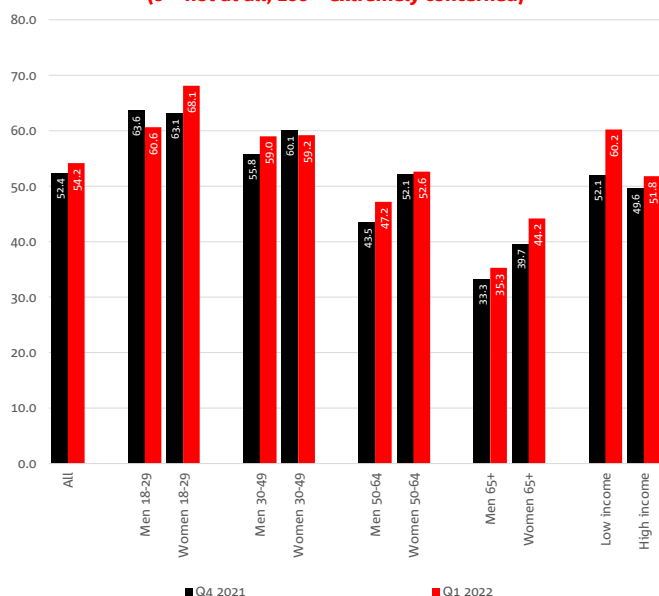


What happened/will happen to your level of household savings (net balance)

	Last 3 months	Next 12 months
Women	-28% (-25%)	+4% (+3%)
Men	-10% (-9%)	+7% (+12%)
Age 18-29	-20% (-10%)	+37% (+34%)
Age 30-49	-17% (-12%)	+6% (+14%)
Age 50-64	-24% (-30%)	-1% (-13%)
Age 65+	-18% (-21%)	-21% (-12%)
Low income	-43% (-41%)	-7% (-12%)
High income	-3% (-1%)	+24% (+22%)

**figures in parentheses previous quarter*

Level of concern over your savings (0 = not at all; 100 = extremely concerned)



Australians on average rated their concern over their level of savings slightly higher in Q1 at 54.2 pts (52.4 pts in Q4), and above income stress (52.9 pts).

Stress levels varied by gender and age. In the 18-29 group, it was lower for men (60.6 pts) than women (68.1 pts), with men reporting lower stress relative to the last quarter and women higher stress. In the 30-49 group, stress levels were broadly similar - men 59.0 pts; women 59.2 pts - though it increased for men and fell a little for women.

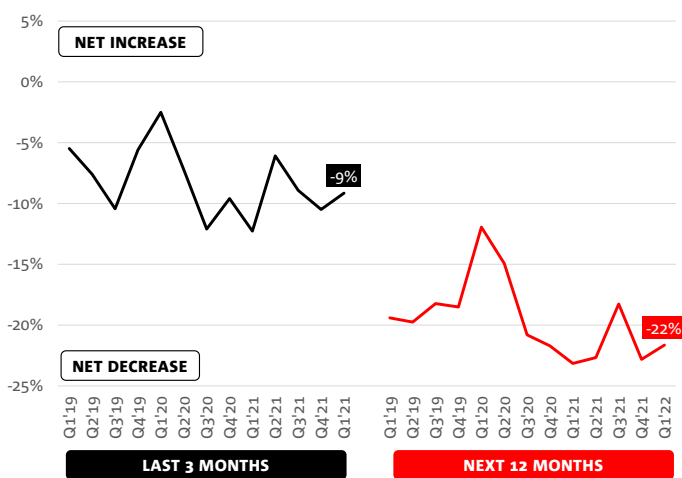
Bigger gaps were again apparent in the 50-64 age group, where stress rose slightly for women (52.6 pts vs. 52.1 pts in Q4) and more sharply for men (47.2 pts vs. 43.5 pts in Q4). Stress was lowest in the over 65 group, though women (44.2 pts vs. 39.7 pts in Q4) still report much higher stress than men (35.3 pts vs. 33.3 pts in Q4).

Savings stress jumped sharply for low income earners (60.2 pts vs. 52.1 pts in Q4), and more modestly in the high income group (51.8 pts vs. 49.6 pts in Q4).

Slightly fewer Australians also made inroads into reducing household debt levels in Q1. When asked how it had changed over the past 3 months, in net terms more people said it decreased than increased (-9%) - i.e. the number who said it decreased out-weighed the number who said it increased - down from -10% in the previous quarter. Slightly fewer men (-11%) and women (-7%) said they made inroads into reducing their household debt levels. By age, more Australians aged 30-49 in net terms reduced household debt levels (-12% vs. -9% in Q4), but fewer Australians in all other age groups were able to do so compared to the previous quarter. Fewer high income earners also reduced debt levels in Q1 (-19% vs. -21% in Q4), but the net number of low income earners who said their debt levels rose exceeded those who said it fell (+3%) - reversing the trend seen in Q4 (-9%).

When asked what they expect to happen to household debt levels in the next 12 months, the net number who expect it to fall was basically unchanged at -22% (-23% in Q4). Expectations did not change for men (-21%), but were a little weaker for women (-22% vs. -24% in Q4). Fewer people aged 18-29 (-25%) and over 65 (-8%) now expect to reduce household debt levels relative to Q4, but more people aged 30-49 (-27%) and 50-64 (-23%) expect to do so. By income, far fewer in the lowest income group see debt levels falling compared to Q4 (-8% vs. -18%), with expectations largely unchanged in the highest income group (-30% vs. -32% in Q4).

What happened/will happen to your level of household debt (net balance)

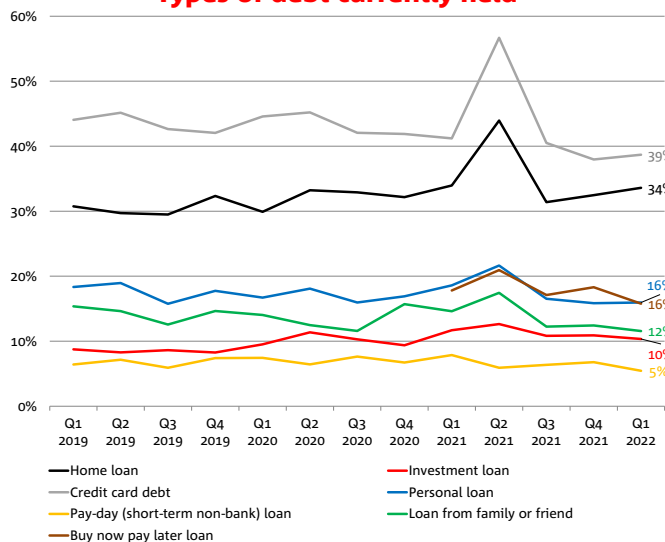


What happened/will happen to your level of household debt (net balance)

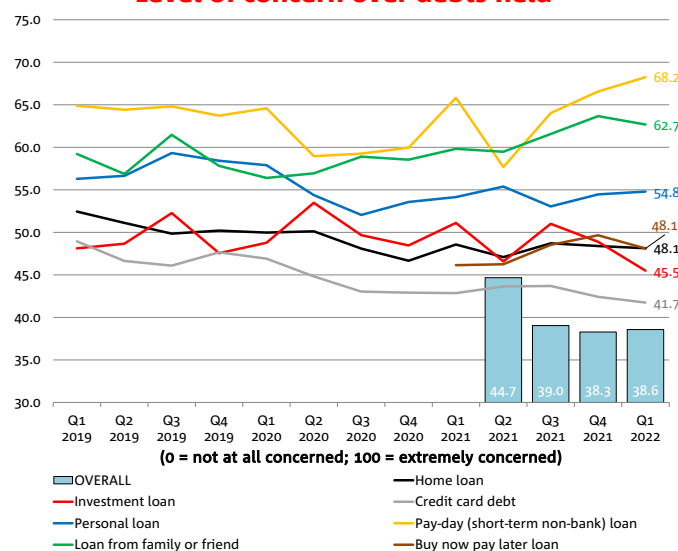
	Last 3 months	Next 12 months
Women	-7% (-9%)	-22% (-24%)
Men	-11% (-12%)	-21% (-21%)
Age 18-29	-3% (-6%)	-25% (-29%)
Age 30-49	-12% (-9%)	-27% (-24%)
Age 50-64	-13% (-14%)	-23% (-22%)
Age 65+	-6% (-13%)	-8% (-16%)
Low income	+3% (-9%)	-8% (-18%)
High income	-19% (-21%)	-30% (-32%)

*figures in parentheses previous quarter

Types of debt currently held



Level of concern over debts held



In this section, we look at the types of debt currently held by Australians, and the level of stress each of these debts cause them. Credit card debt is still the most widely held form of debt, though the overall number of Australians holding this debt fell in Q1 to 39%. The number of men (43%) holding credit card debt was much higher than for women (34%). It was much lower in the 18-29 age group (26%) than in other groups where it ranged from 40% in the 30-49 group to 45% in the over 65 group. Credit card debt was also much more common among high income earners (42%) than in the lowest income group (31%).

The number with home loans rose slightly to 34% (32% in Q4), and it was the most common type of debt held in the 30-49 age group (52%) and high income group (53%). Around 16% of Australians said they had a personal loan (unchanged from Q4), with this number doubling in the 18-29 age group (32%), but far less common for people over 50 and the lowest income earners. Around 16% also had buy now pay later (BNPL) debt, and it was somewhat more common among women (19%) than men (13%), and also much more common in the 18-29 (25%) and 30-49 (21%) age groups.

Overall, an unchanged 12% of all Australians had a loan from family or friends, but this almost doubled in the 18-29 group (22%). Around 1 in 10 (10%) had an investment loan, though relatively more common for men (12%) than women (8%), in the 30-49 age group (15%) and the highest income group (19%). Only 1 in 20 (5%) Australians were holding loans from a pay day lender in Q1, but this number was nearly twice as high (9%) in the 18-29 age group.

Type of debts held: gender, age & high/low income

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Credit card debt	39%	34%	43%	26%	40%	44%	45%	31%	42%
Home loan	34%	31%	36%	30%	52%	33%	9%	10%	53%
Personal loan	16%	14%	18%	32%	19%	8%	3%	8%	23%
Buy now pay later loan	16%	19%	13%	25%	21%	11%	3%	12%	16%
Loan from family or friend	12%	12%	11%	22%	14%	6%	3%	10%	12%
Investment loan	10%	8%	12%	10%	15%	10%	2%	2%	19%
Pay-day (short-term non-bank) loan	5%	4%	6%	9%	8%	2%	1%	4%	6%

Overall debt stress among Australians increased slightly to 38.6 pts in Q1 (38.3 pts in Q4), and was well below the level of stress associated with savings (54.2 pts) or income (52.9 pts). Women (40.5 pts) reported higher debt stress than men (36.7 pts). By age, the 18-29 and 30-49 groups shared the highest debt stress (47.1 pts), and the over 65 group (19.3 pts) by far the lowest. Interestingly, overall debt stress in the highest income group (39.3 pts) exceeded that in the lowest income group (38.0 pts) for the first time since Q2 2021.

But when people who held each type of debt were specifically asked how much stress that debt type caused them, pay day loans caused the most (and higher) in Q1 (68.2 pts vs. 66.0 pts in Q4). It was also the biggest cause of stress in all groups except the over 65 age group and low income group. Stress arising from pay day loans was highest in the 50-64 group (77.0 pts). Overall, loans from family and friends were the next biggest cause of debt stress, though the level of stress fell slightly to 62.7 pts (63.7 pts in Q4). This debt caused the most stress and was highest in the over 65 group (72.9 pts) and lowest income groups (70.0 pts).

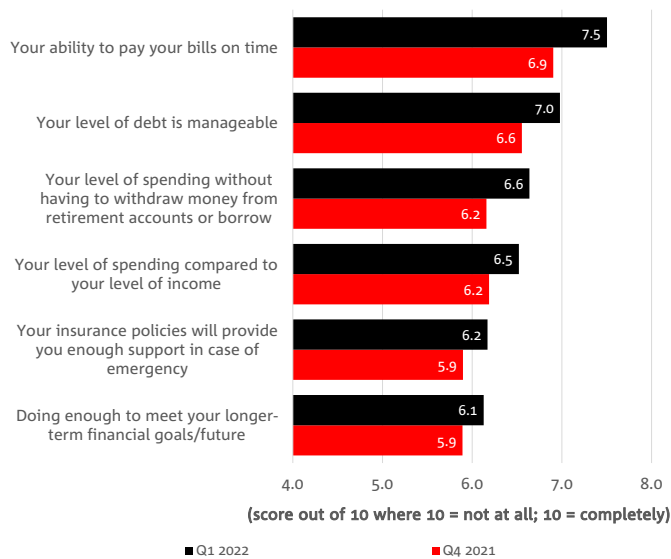
Personal loans were the next biggest driver of debt stress and largely unchanged at 54.8 pts. Stress arising from personal loans was however noticeably higher in the in the 18-29 age group (60.1 pts) and lowest income group (64.1 pts). Home loans (48.1 pts) and BNPL stress (48.1 pts) caused the next most stress. Home loan stress was significantly higher for low income earners (64.6 pts), while BNPL stress weighed most heavily in the 30-49 age group (53.0 pts). In other findings, investment loan stress was particularly high in the 18-29 group (56.5 pts) and in the lowest income group (58.3 pts). Young Australians also reported much higher stress over credit card debt (55.8 pts).

Level of concern over debts held: gender, age & high/low income

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Pay-day (short-term non-bank) loan	68.2	66.4	69.5	62.0	73.3	77.0	44.1	63.9	70.2
Loan from family or friend	62.7	63.3	62.0	59.7	64.2	64.3	72.9	70.0	63.3
Personal loan	54.8	54.9	54.8	60.1	55.8	33.6	45.6	64.1	49.2
Home loan	48.1	48.5	47.8	51.7	49.4	44.6	36.3	64.6	44.6
Buy now pay later loan	48.1	47.3	49.4	49.6	53.0	32.4	33.5	47.2	45.3
Investment loan	45.5	45.8	45.3	56.5	48.4	31.3	27.0	53.3	42.7
Credit card debt	41.7	45.8	38.5	55.8	50.9	36.2	25.3	43.5	42.1
OVERALL	38.6	40.5	36.7	47.1	47.1	32.8	19.3	38.0	39.3

Financial comfort levels

Comfort levels in regard to ...



Australians were asked to rate their comfort levels around some key things that influence financial wellbeing.

On average, they were still most comfortable about their ability to pay their bills on time (7.5 pts) and somewhat more so than in Q4 (6.9 pts). This was followed by having a level of debt that was manageable, also higher at 7.0 pts (6.6 pts in Q4), their level of spending without having to withdraw money from retirement accounts or borrow at 6.6 pts (6.2 pts in Q4), and their level of spending relative to their level of income (6.5 pts up from 6.2 pts in Q4).

Their comfort levels were lowest for doing enough to meet their longer terms financial goals and future (but which also improved slightly to 6.1 pts from 5.9 pts in Q4) and having insurance policies that will provide them with enough support in case of an emergency (stronger at 6.2 pts from 5.9 pts in Q4).

Financial comfort levels: gender, age & high/low income

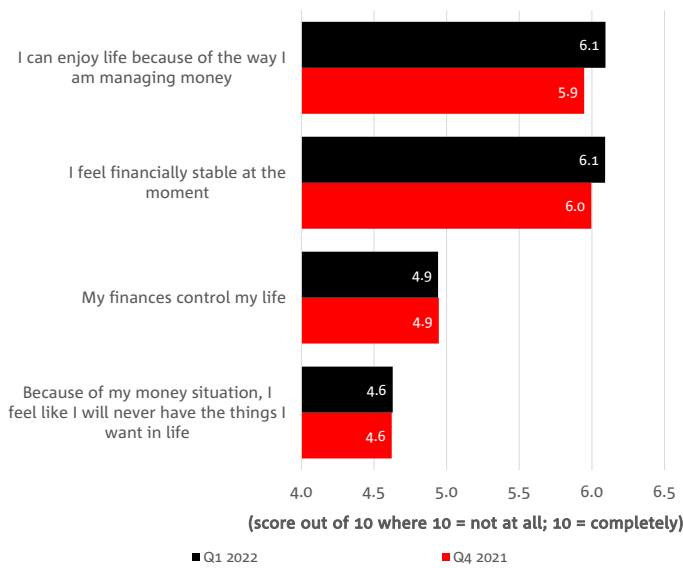
	Overall	Men	Women	18-29	30-49	50-64	65+	Low income	High income
Your ability to pay your bills on time	7.5	7.6	7.4	6.7	7.2	7.7	8.6	7.1	7.6
Your level of debt is manageable	7.0	7.2	6.8	6.2	6.7	7.3	8.1	6.5	7.1
Your level of spending without having to withdraw money from retirement accounts or borrow	6.6	6.7	6.5	6.1	6.5	6.7	7.5	5.8	6.9
Your level of spending compared to your level of income	6.5	6.7	6.3	5.6	6.3	6.7	7.6	5.9	6.7
Your insurance policies will provide you enough support in case of emergency	6.2	6.4	5.9	5.5	6.1	6.3	7.0	5.6	6.5
Doing enough to meet your longer-term financial goals/future	6.1	6.4	5.8	6.1	6.1	6.0	7.5	5.3	6.5

The table above shows comfort levels across key groups. By gender, men were more comfortable than women in all areas, especially doing enough to meet longer-terms financial goals (6.4 pts men; 5.8 pts women) and having adequate insurance coverage (6.4 pts men; 5.9 pts women).

Comfort levels improved with age in most areas and was noticeably higher in the over 65 age group in all areas. The exception was doing enough to meet longer-term financial goals and insurance coverage, which was rated similarly in all age groups under 65.

Not surprisingly, high income earners were much more comfortable than low income earners in all areas, especially doing enough to meet longer-term financial goals/future (6.5 pts high income; 5.3 pts low income) and their level of spending without drawing down savings (6.9 pts high income; 5.8 pts low income).

Extent of agreement with statements



Our relationship with money can influence our state of mind and how we view the present and the future.

When asked to rate the extent they agreed with 4 key statements, Australians on average most agreed (and slightly more so than in Q4) with the statements “I can enjoy life because of the way I am managing money (6.1 pts vs. 5.9 pts in Q4), and “I feel financially stable at the moment (6.1 pts vs. 5.9 pts in Q4).

They were in lowest agreement about the statements “Because of my money situation, I feel like I will never have the things I want in life” (unchanged at 4.6 pts) and “My finances control my life” (also unchanged at 4.9 pts).

Men were in somewhat higher agreement than women about enjoying life (6.3 pts men; 5.9 pts women) and feeling financially stable (6.3 pts men; 5.9 pts women), but in broad agreement with women around finances controlling their lives (5.0 pts men; 4.9 pts women) and never feeling they will have what they want in life because of their money situation (4.6 pts men; 4.7 pts women).

By age, over 65s reported much higher agreement about life enjoyment (7.2 pts) and feeling financially stable (7.3 pts), particularly when compared to the youngest age group (5.5 pts and 5.4 pts respectively). However, those under 50 were in much higher agreement about their finances controlling their lives and never having the things they want because of their money situation.

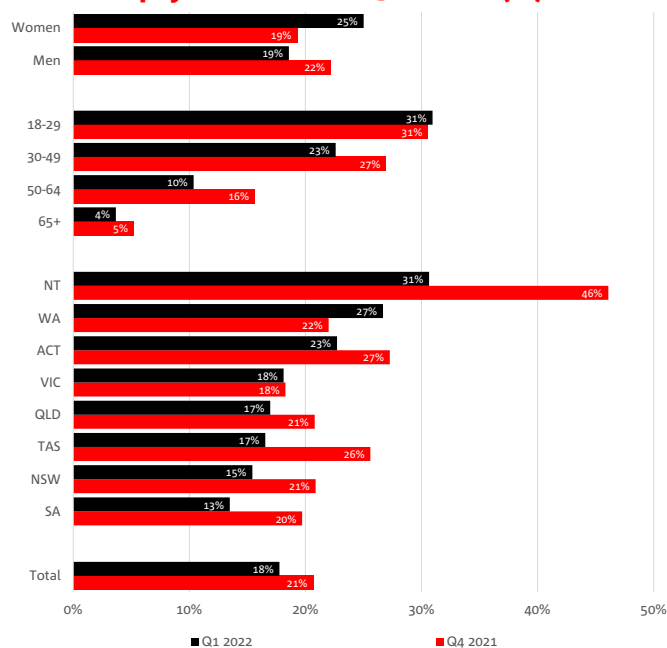
Though the highest income group agreed more strongly with the statements relating to enjoying life (6.4 pts high income; 5.2 pts low income) and feeling financially stable (6.6 pts high income; 4.9 pts low income), low income earners were in much higher agreement about never having the things they want because of their money situation (5.3 pts low income; 4.4 pts high income). Interestingly, both income groups were in similar agreement around the statement relating to finances controlling their lives (5.1 pts high income; 5.0 pts low income).

Extent of agreement with these statements: gender, age & high/low income

	Overall	Men	Women	18-29	30-49	50-64	65+	Low income	High income
I can enjoy life because of the way I am managing money	6.1	6.3	5.9	5.5	5.9	6.0	7.2	5.2	6.4
I feel financially stable at the moment	6.1	6.3	5.9	5.4	5.9	6.0	7.3	4.9	6.6
My finances control my life	4.9	5.0	4.9	5.7	5.6	4.7	3.3	5.0	5.1
Because of my money situation, I feel like I will never have the things I want in life	4.6	4.6	4.7	5.1	5.3	4.5	3.2	5.3	4.4

Household financial hardship

Number of people who have missed a payment over last 3 months (%)

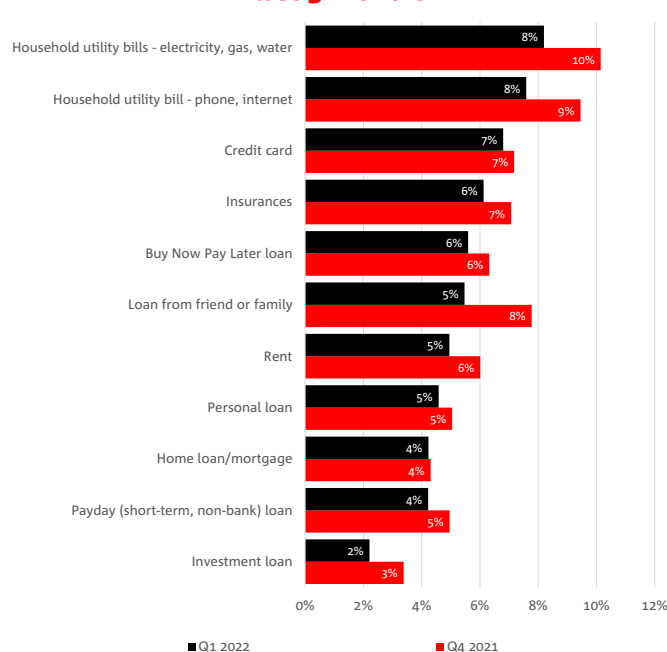


People are experiencing financial hardship when they are having difficulty paying their bills or repayments on their loans or debts when they are due. Financial hardship can happen at any time, and is often the result of sickness, job loss or over-commitment. In this survey, Australians were asked for the second time if they had missed a bill or loan payment in a number of areas over the last 3 months. On average, the number that did miss a payment fell slightly to 18%, from 21% in the previous quarter.

However, this number varied by state. It was again highest in the NT, though the number of people that missed a payment fell sharply to 31% from 46% in Q4. It was next highest in WA at 27%, which was also the only state where the number increased (22% in Q4). It was unchanged in VIC at 18%, fell in all other states and was lowest in SA (13%).

There was also a very clear relationship with age, with missed payments highest in the 18-29 group (unchanged at 31%) and stepped down in each age group to just 4% in the over 65 group. More women (25% up from 19% in Q4) also missed a payment than men (19% down from 22% in Q4), reversing the trend in the previous quarter.

Type of payment missed in the last 3 months



The most common areas where payments were missed according to 8% of all Australian was on household utility bills for gas electricity (down from 10% in Q4), household utility bills for phone and internet (8% but down slightly from 9% in Q4), credit cards (unchanged at 7%), insurances (6% but down slightly from 7%), and BNPL (unchanged at 6%).

The number of people who missed payment on a loan from family or friends fell noticeably to 5% (8% in Q4). Around 1 in 20 people also said they missed a rent payment (5%), personal loan payment (5%), home loan or mortgage payment (4%) or payday loan payment (4%). They were least likely to have missed an investment loan payment (2%).

But the tables on the following page show that types of payments missed varied quite noticeably among and between key demographic groups and by state. Typically, the likelihood of missing a bill or loan payment fell in all areas as people aged. By gender, however, men were a little more likely to have missed a payment in most areas, particularly on their credit card (8% men; 5% women). The exception was missing a payment on a household utility bill related to electricity, gas or water, where women were more likely to have missed a payment (9% women; 7% men).

By state key observations included the higher number in NSW, WA and TAS that missed a credit card payment, ACT and WA a BNPL or payday loan payment and ACT payment on a loan repayment from family or friends (NT excluded due to small sample size).

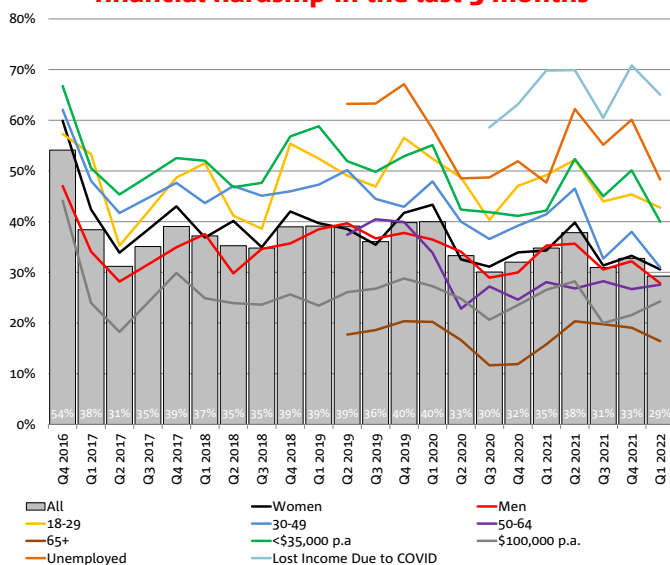
Missed a payment in the last 3 months: age & gender

	All	18-29	30-49	50-64	65+	Men	Women
Household utility bills - electricity, gas, water	8%	11%	11%	6%	2%	7%	9%
Household utility bill - phone, internet	8%	13%	9%	5%	1%	8%	7%
Credit card	7%	11%	9%	4%	1%	8%	5%
Insurances	6%	11%	7%	4%	2%	7%	6%
Buy Now Pay Later loan	6%	12%	8%	2%	0%	6%	5%
Loan from friend or family	5%	10%	8%	3%	0%	6%	5%
Rent	5%	10%	6%	2%	1%	6%	4%
Personal loan	5%	10%	6%	1%	0%	6%	3%
Home loan/mortgage	4%	8%	5%	2%	0%	6%	3%
Payday (short-term, non-bank) loan	4%	9%	6%	1%	0%	6%	3%
Investment loan	2%	4%	4%	0%	0%	3%	1%

Missed a payment in the last 3 months: states

	All	NSW	VIC	QLD	SA	ACT	WA	TAS	NT*
Household utility bills - electricity, gas, water	8%	7%	9%	8%	9%	5%	9%	11%	31%
Household utility bill - phone, internet	8%	6%	8%	8%	9%	10%	7%	7%	16%
Credit card	7%	8%	5%	7%	5%	5%	8%	9%	5%
Insurances	6%	5%	6%	6%	7%	2%	8%	5%	10%
Buy Now Pay Later loan	6%	5%	4%	7%	5%	10%	9%	2%	5%
Loan from friend or family	5%	5%	6%	6%	3%	10%	6%	9%	15%
Rent	5%	4%	5%	6%	7%	3%	6%	3%	10%
Personal loan	5%	5%	3%	4%	4%	0%	5%	6%	15%
Home loan/mortgage	4%	4%	4%	4%	4%	5%	7%	0%	0%
Payday (short-term, non-bank) loan	4%	4%	4%	4%	2%	5%	7%	3%	5%
Investment loan	2%	3%	2%	2%	1%	2%	1%	7%	5%

Number of Australians that experienced financial hardship in the last 3 months



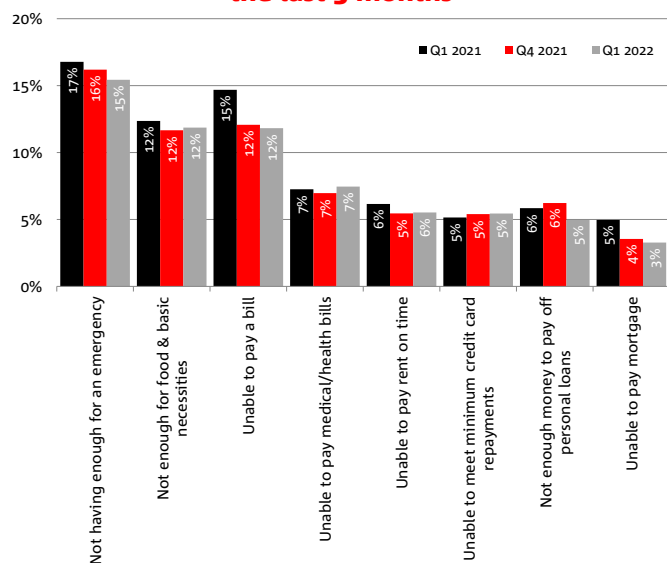
Not only did fewer Australians miss bill or loan repayments in Q1, the number who experienced actual financial hardship in the past 3 months also fell to a survey low 29% in Q1 (33% in Q4). Encouragingly, hardship fell in most groups

Slightly fewer women (31%) and men (28%) reported hardship in Q1, down from 33% and 32% respectively in Q4. Fewer Australians in most age groups faced hardship, except the 50-64 group where it rose slightly to 28% (27% in Q4). Hardship was again however most prevalent by some margin in the 18-29 group (43%), compared to just 16% in the over 65 group.

Financial hardship fell steeply for low income earners to 40% (50% in Q4), but was still almost twice as high than in the highest income group where the number it rose to 24% (22% in Q4).

Hardship remained most widespread among those who lost their main income due to COVID, though fell to 65% (71% in Q4) and the unemployed, also down sharply to 48% (60% in Q4).

Type of financial hardship experienced in the last 3 months



Most people (16%) who experienced some form of financial hardship said not having enough for an emergency was the most common cause of hardship. It was however more common among women (18%) than men (13%), for people aged 18-29 (25%), low income earners (23%), people who lost their main income because of COVID (29%) or were unemployed (27%).

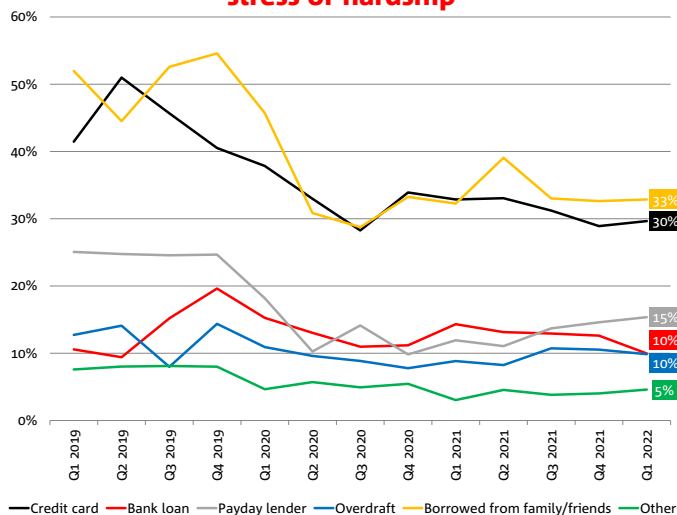
Not having enough for food or basic necessities (12%) or being unable to pay a bill (12%) were the key causes of hardship, particularly for young people, low income earners, unemployed people, and those that lost their main income because of COVID - see table below.

Other areas where some struggled more included paying off personal loans in the 18-29 age group, medical bills for unemployed people and those who lost their main source of income due to COVID and paying rent and meeting credit card or mortgage repayments among people who lost their main income due to COVID.

Type of financial hardship experienced in the last 3 months: key groups

	Women	Men	18-29	30-49	50-64	65+	Low income	High income	Unemp	Income lost to COVID
Not enough for an emergency	18%	13%	25%	16%	14%	7%	23%	12%	27%	29%
Not enough for food & basics	13%	11%	21%	14%	10%	3%	20%	8%	28%	28%
Unable to pay a bill	14%	10%	22%	13%	9%	3%	15%	11%	27%	25%
Unable to pay medical bills	9%	6%	12%	9%	7%	2%	10%	6%	18%	20%
Unable to pay rent on time	5%	6%	11%	8%	2%	1%	5%	7%	5%	18%
Min. credit card repayments	4%	7%	11%	7%	3%	1%	4%	7%	8%	19%
Not enough to pay pers. loans	5%	5%	12%	5%	3%	1%	4%	6%	5%	11%
Unable to pay mortgage	2%	4%	5%	5%	3%	0%	3%	4%	6%	11%

Type of debt used to manage financial stress or hardship



Loans from family and friends were used by 1 in 3 (33%) Australians to help them manage the financial hardship they had experienced. Credit cards was next most popular option and used by 30% of people in hardship (29% in Q4).

Next was payday lenders, used by 15% of all Australians (unchanged from Q4). Around 10% resorted to bank loans (down from 13% in Q4) and 10% to overdrafts to help them manage their stress. Around 1 in 20 (5%) people resorted to "other" measures.

The table below shows that noticeably more men than women turned to credit cards (35% men; 25% women), payday lenders (21% men; 10% women), bank loans (13% men; 7% women) and overdrafts (13% men; 7% women), but more women borrowed from family and friends (40% women; 26% men).

By age, somewhat more Australians in the 18-29 group borrowed from family and friends (40%) to manage their stress, those in the over 65 (35%) and 30-49 (33%) groups credit cards, and in the 50-64 age group “other” debt (13%). People under the age of 50 were also much more likely to have used a payday lender, bank loan or overdraft to manage their financial stress than those over the age of 50.

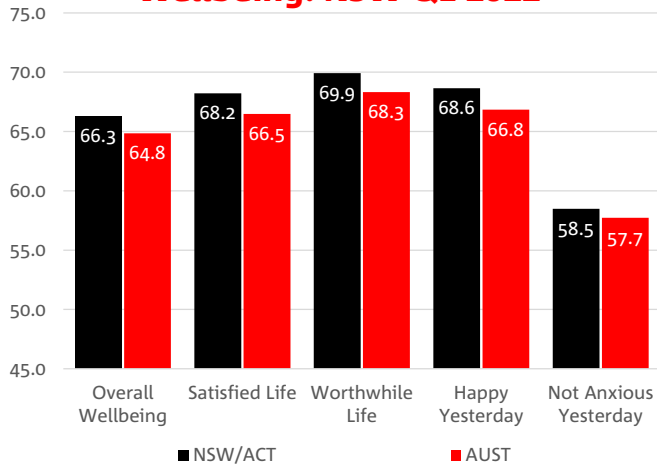
Considerably more people in the highest income group used credit cards (36%), payday lenders (20%), bank loans (14%) or overdrafts (14%) than people in the lowest income group. Almost 4 in 10 (36%) who lost their main source of income due to COVID borrowed from family and friends or used a credit card, and 1 in 5 a payday lender (21%), bank loan (20%) or overdraft (20%). Almost 1 in 5 (17%) unemployed people however used “other” types of debt to manage.

Type of debt used to manage financial hardship in past 3 months: key groups

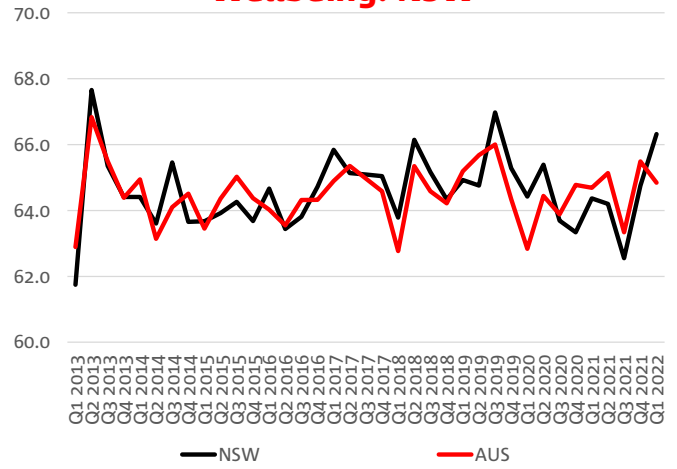
	Women	Men	18-29	30-49	50-64	65+	Low income	High income	Unemp	Income lost to COVID
Borrowed from family/friends	40%	26%	40%	34%	21%	15%	30%	31%	22%	36%
Credit card	25%	35%	25%	33%	29%	35%	22%	36%	19%	36%
Payday lender	10%	21%	16%	18%	12%	3%	8%	20%	12%	21%
Bank loan	7%	13%	12%	13%	3%	0%	1%	14%	3%	20%
Overdraft	7%	13%	12%	12%	5%	4%	3%	14%	7%	20%
Other	6%	3%	2%	3%	13%	10%	8%	3%	17%	3%

Appendix 1: NAB Wellbeing Index: States

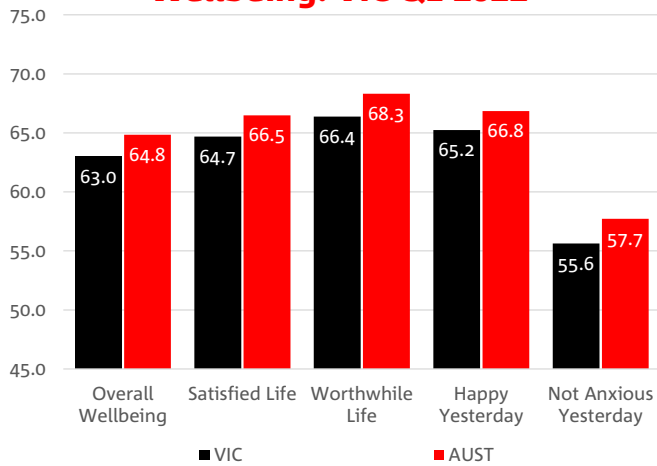
Wellbeing: NSW Q1 2022



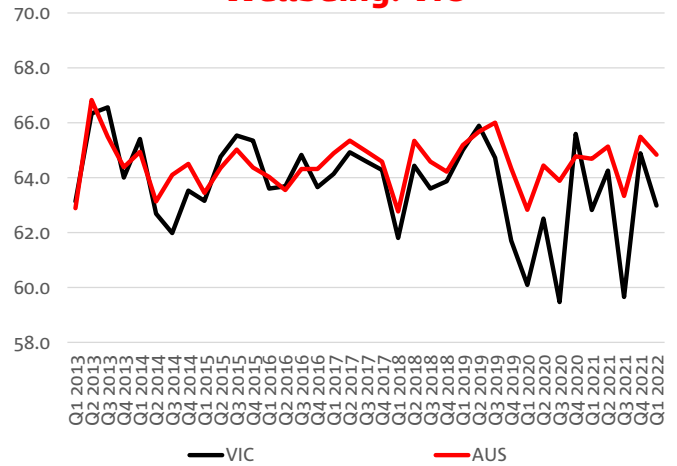
Wellbeing: NSW



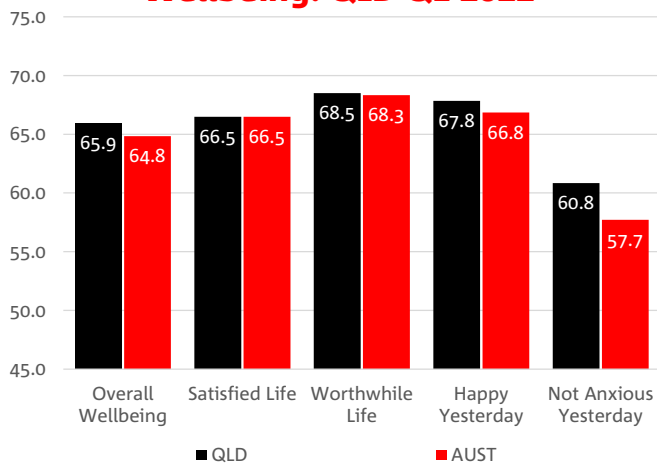
Wellbeing: VIC Q1 2022



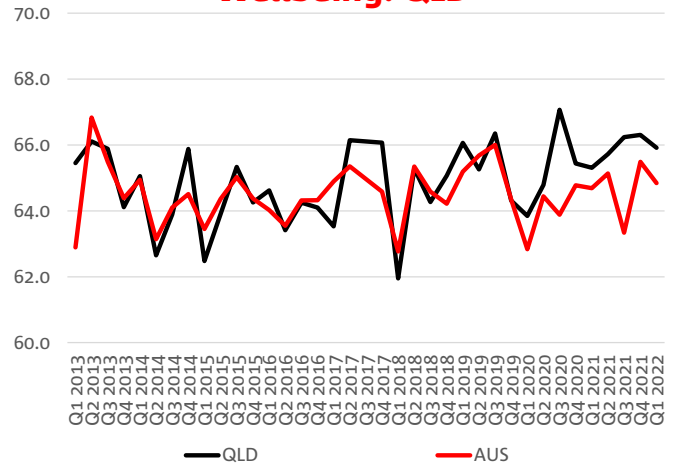
Wellbeing: VIC



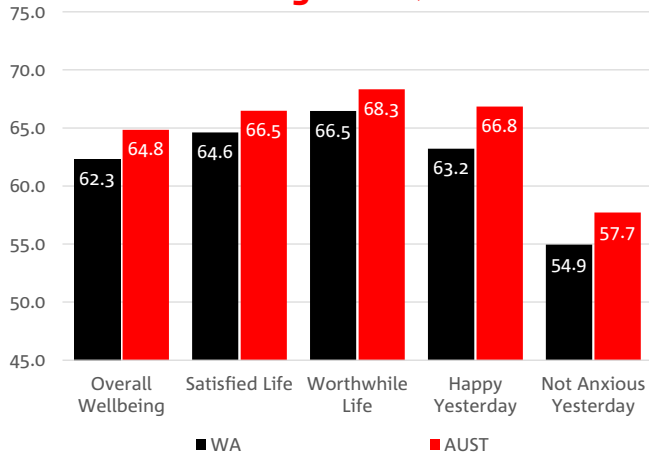
Wellbeing: QLD Q1 2022



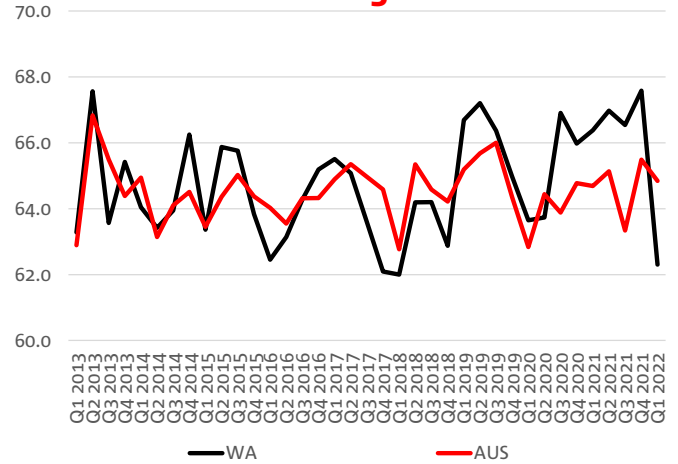
Wellbeing: QLD



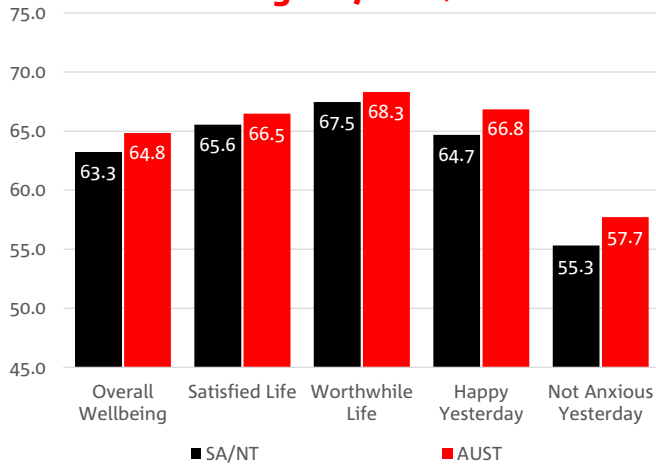
Wellbeing: WA Q1 2022



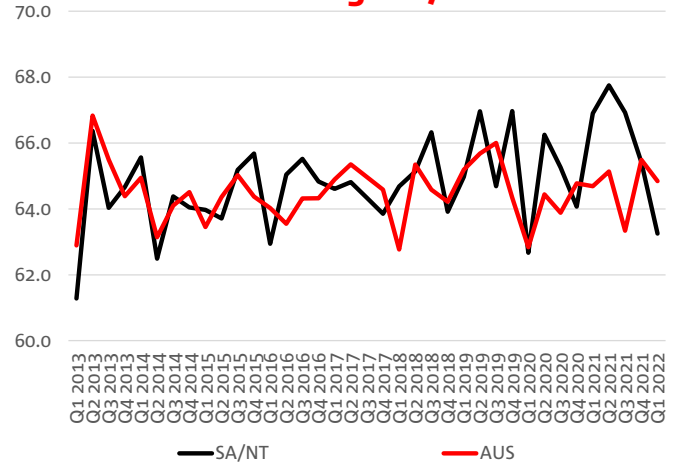
Wellbeing: WA



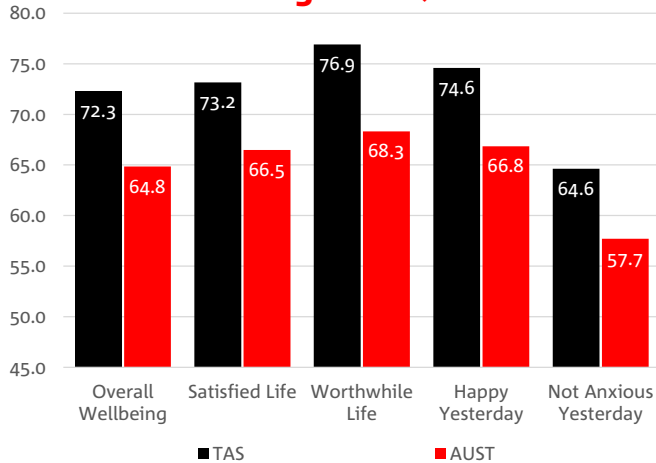
Wellbeing: SA/NT Q1 2022



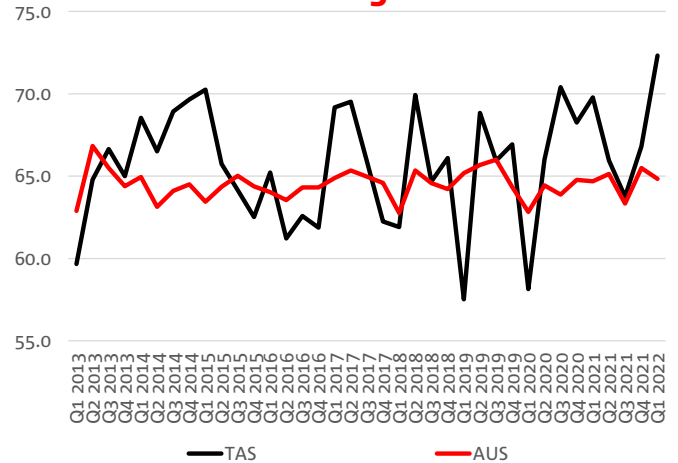
Wellbeing: SA/NT



Wellbeing: TAS Q1 2022

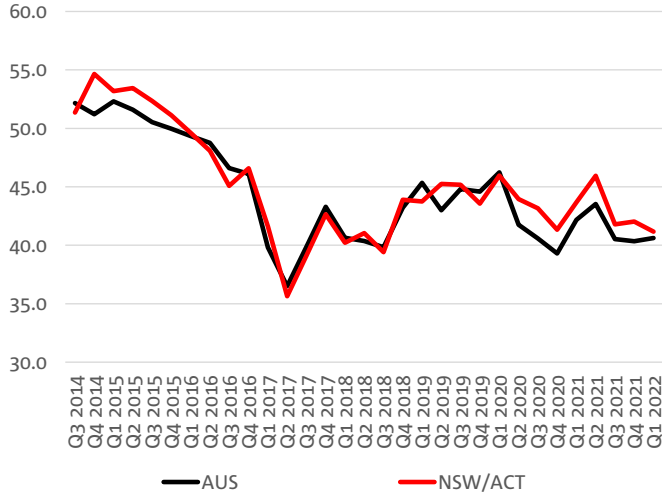


Wellbeing: TAS

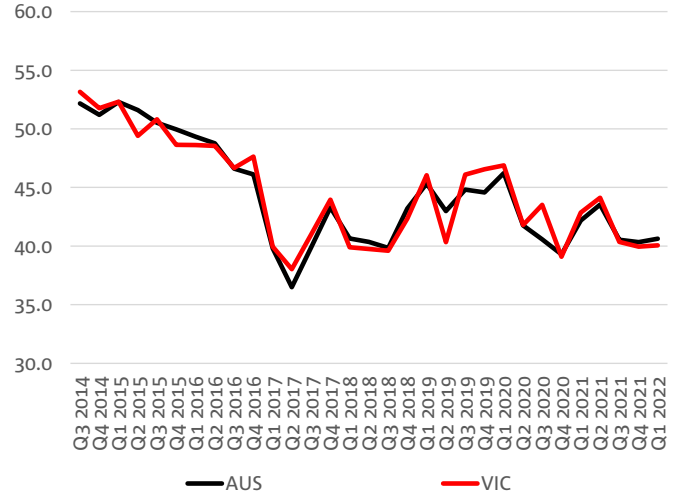


Appendix 2: Financial Stress Index: States

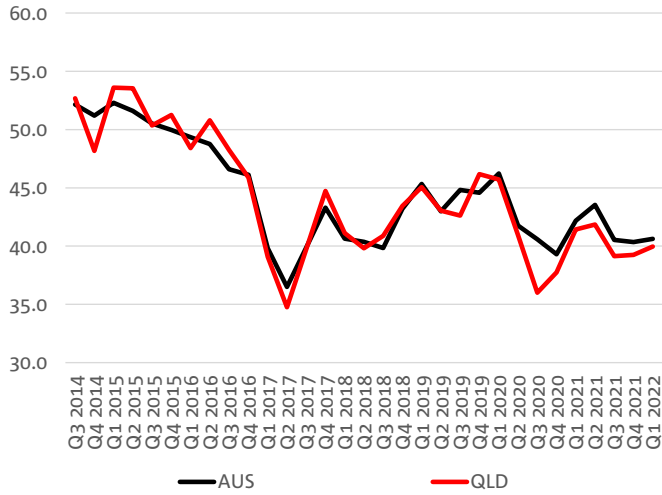
NAB Financial Stress Index: NSW/ACT



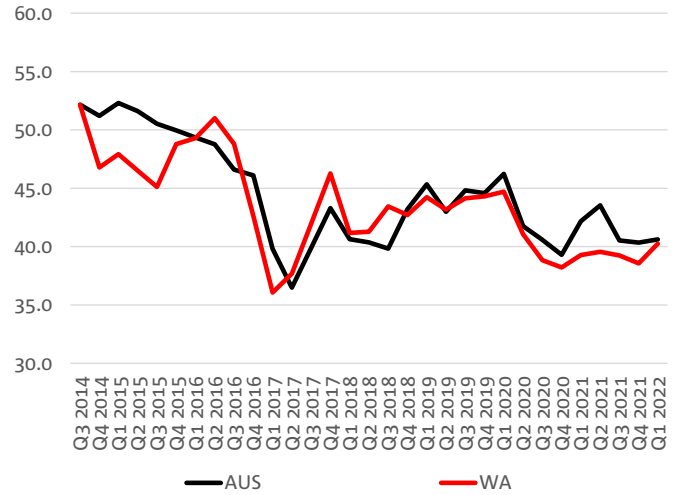
NAB Financial Stress Index: VIC



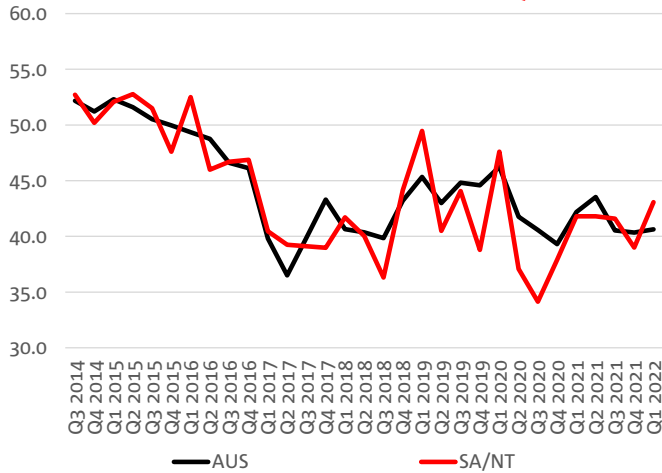
NAB Financial Stress Index: QLD



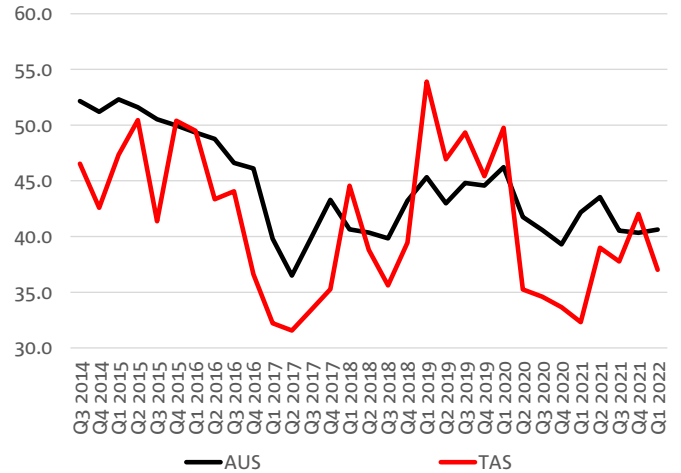
NAB Financial Stress Index: WA



NAB Financial Stress Index: SA/NT

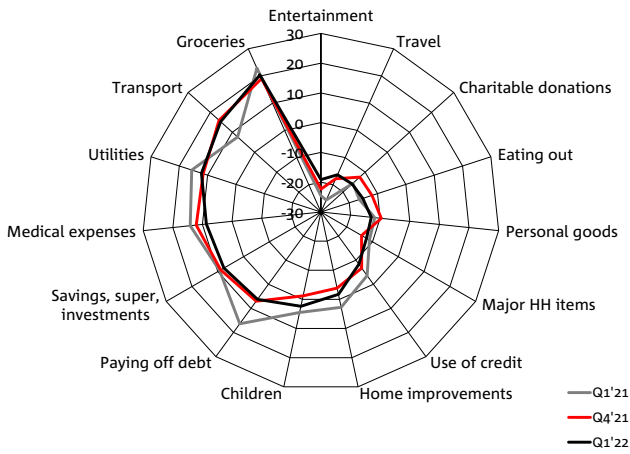


NAB Financial Stress Index: TAS

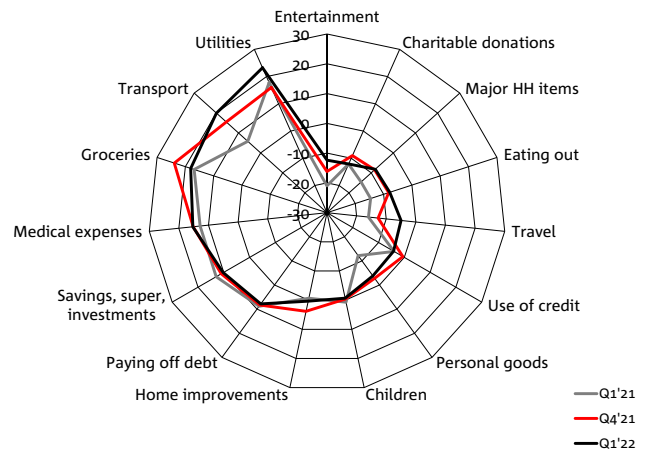


Appendix 3: Spending Behaviours: States

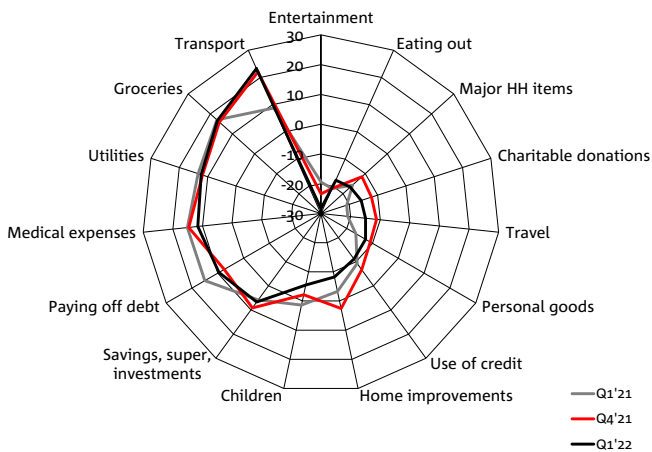
NSW/ACT: Changes in Spending Patterns (net balance)



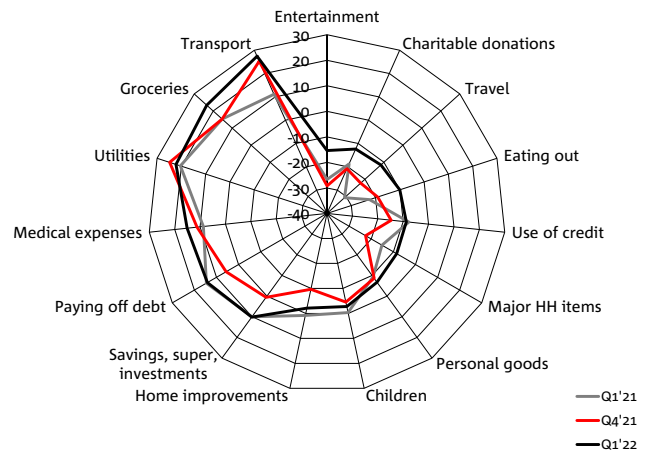
VIC: Changes in Spending Patterns (net balance)



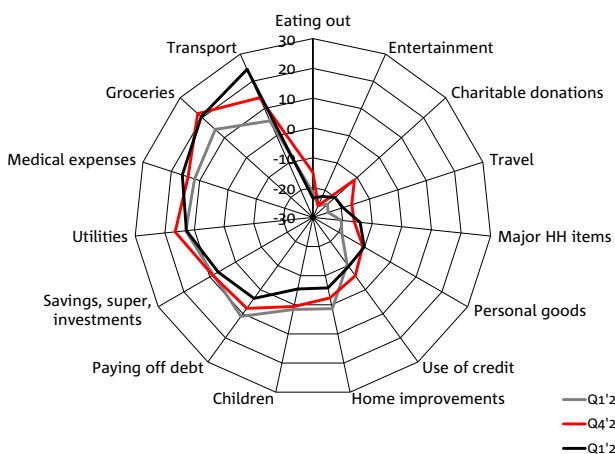
QLD: Changes in Spending Patterns (net balance)



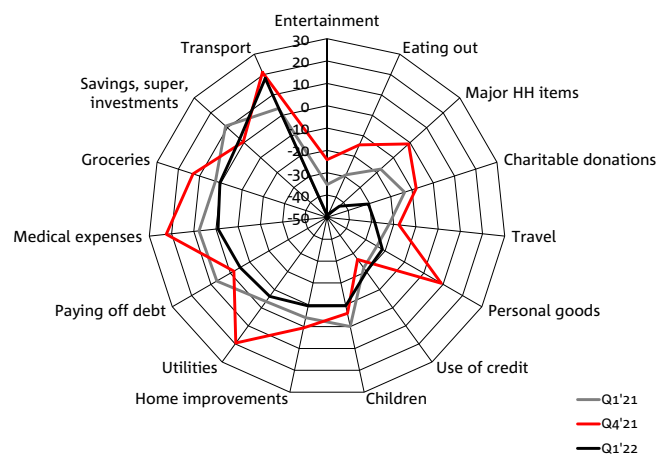
WA: Changes in Spending Patterns (net balance)



SA/NT: Changes in Spending Patterns (net balance)



TAS: Changes in Spending Patterns (net balance)



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