

more
than
money



NAB Australian Wellbeing Survey Q4-2022



NAB Australian Wellbeing Survey

Q4-2022

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

Overall wellbeing falls slightly, but anxiety climbs with concerns increasingly linked to rising living costs. Financial stress is growing. 1 in 4 Australians believe they're worse off financially compared to a year ago.

NAB Behavioural and Industry Economics

The NAB Australian Wellbeing Index inched down in Q4 and is now lower than at the same time last year. Australians were happier and enjoyed a higher sense of life worth, while there was a further small fall in life satisfaction. Lower wellbeing was underpinned by higher anxiety, with concerns increasingly linked to the rising cost of living. Self-reported health outcomes also worsened during the final quarter of 2022, with Australians rating all aspects of their health (social, physical, and mental) lower. Around 1 in 3 Australians identify as having “high” levels of anxiety.

When asked to identify the top causes of their stress over the past 3 months, the most common (for over 1 in 2 people) was the cost of living, ahead of health issues, personal financial issues, the economy and mental health. Australians are particularly worried about increases in costs for energy, food, and transport. Poor mental health can also affect people's ability to manage money.

The rising cost of living is having a greater impact on households with lower incomes, a group that already typically has lower subjective wellbeing compared to higher-income households. Living costs are also causing more concern among 30-49-year-olds.

On balance, 1 in 4 Australians believe they're worse off financially compared to a year ago, rising to almost 1 in 2 among low-income earners. Around 3 in 10 Australians report they are spending more than they earn, rising to over 4 in 10 among 18-29-year-olds. To

make ends meet, many are dipping into their cash reserves. On balance, 1 in 5 Australians report having less in savings compared to three months ago, but 1 in 4 expect their incomes to rise in the next 12 months.

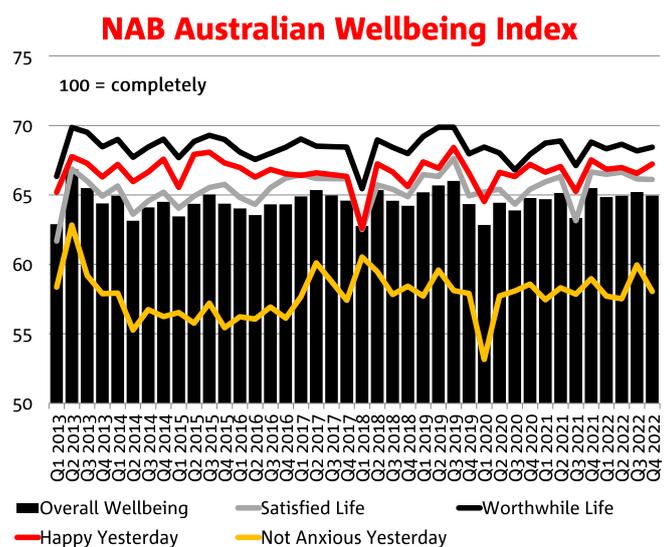
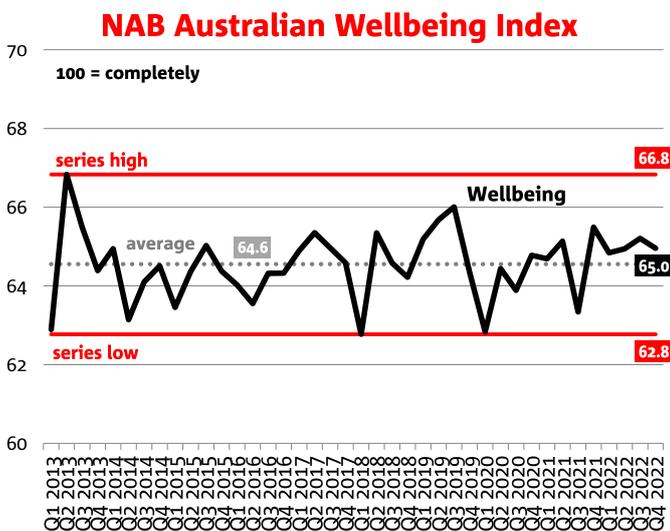
The level of concern over debts also increased (for the third straight quarter), with pay day loans continuing to cause the most stress, followed by loans from family or friends, personal loans, and home loans (which has risen noticeably over the past 6 months). Almost 1 in 2 Australians are highly concerned about interest rate rises. Debt stress relating to credit cards continues to cause the least stress.

Against this background, financial stress is rising sharply. The NAB Household Financial Stress Index jumped in Q4 to a 3-year high. Financial stress increased for all components of the index. Not having enough to finance retirement is the biggest driver of financial stress, followed by providing for our family's future, medical bills & healthcare, home improvements & maintenance and mortgage, rent & housing costs. Having enough money to meet minimum credit card payments continues to cause the least stress, followed by having enough for food and necessities. Women report much higher levels of financial stress than men, particularly for medical bills & healthcare, major household items and raising \$2,000 for an emergency.

Alan Oster, Chief Economist

NAB Australian Wellbeing Index

The NAB Australian Wellbeing Index inched down to 65.0 pts in Q4 (65.2 pts in Q3). The index was also lower than at the same time last year (65.5 pts), but continues to trend slightly above the survey average (64.6 pts). Lower wellbeing was underpinned by higher anxiety, with the ‘not anxious yesterday’ question down 1.9 pts to 58.1 (a lower score signals higher anxiety). Australians also reported a further small fall in life satisfaction (down 0.1 pts to 66.1), but were happier (up 0.7 pts to 67.2) and enjoyed a higher sense of life worth (up 0.2pts to 68.4).



The average did however mask significant differences in wellbeing outcomes across the country. Wellbeing was highest and improved in SA/NT (66.9 pts) and WA (66.8 pts). VIC was the only

other state to report higher wellbeing (up 1.2 pts to 64.7). Wellbeing was lowest and fell steeply in TAS (down 6.4 pts to 61.5), after leading the country in Q3, with all aspects of wellbeing lowest in the country. SA/NT residents scored highest for life satisfaction in Q4 (67.6 pts) and happiness (69.9 pts) and were the least anxious (60.6 pts). WA led for life worth (70.4 pts).

Australians living in capital cities had the highest wellbeing in Q4 (up 0.3 pts to 65.5), and reported higher wellbeing for all measures. Wellbeing fell in regional cities (down 0.4 pts 64.7) and rural areas (down 3.1 pts to 62.4 pts), with rural areas reporting a very large increase in anxiety (down 7.0 pts to 63.8).

Overall, wellbeing remains highest in the over 65 age group (74.9 pts), with outcomes broadly aligned for both men (75.0 pts) and women (74.8 pts) in this group. Other ‘high’ wellbeing groups in Q4 included retirees (73.9 pts), widows (73.1 pts), people who live in a house they own (68.8 pts), are married (68.8 pts), and live in a 2-person household (67.9 pts). Wellbeing was lowest (and by some margin) for unemployed people (52.7 pts), women in the 18-29 age group (56.5 pts), lost their main income due to COVID (56.5 pts), and single people (57.4 pts).

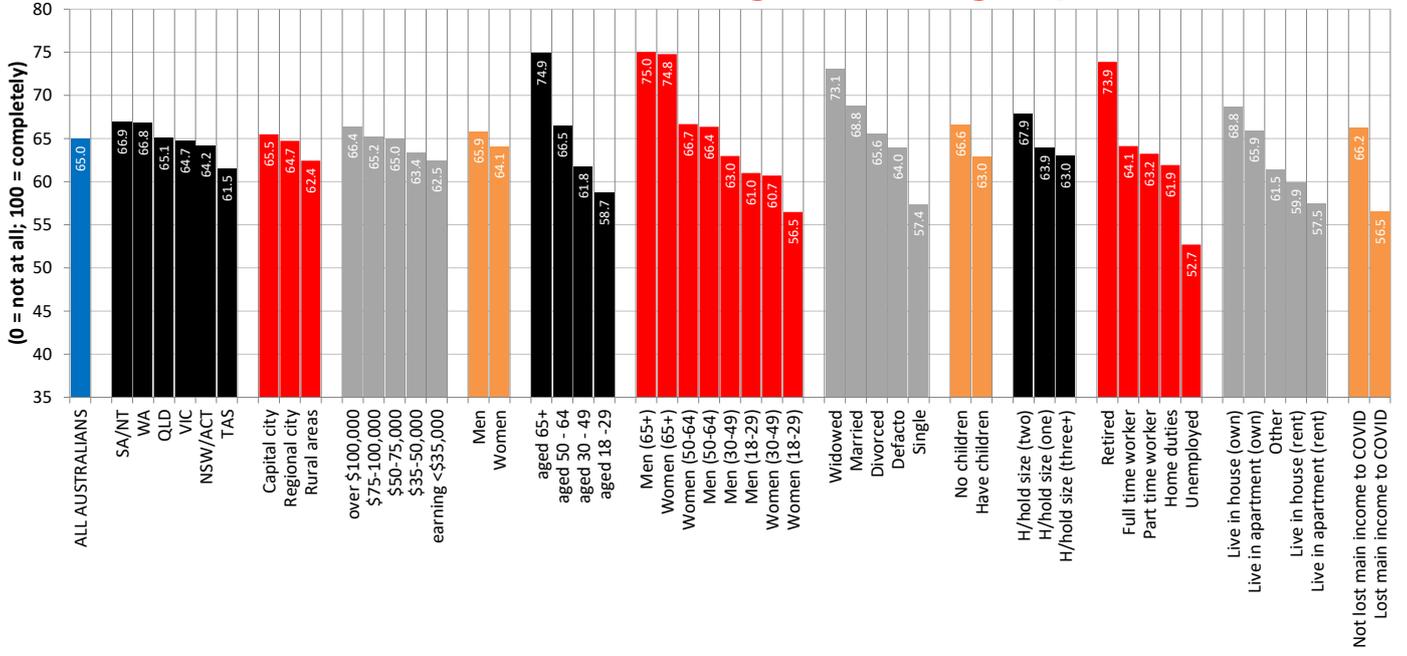
Wellbeing improves as we grow older (and for all measures), particularly when over the age of 65 (with this relationship holding true by gender and age). In Q4, the wellbeing gap between older (74.9 pts) and younger Australians (58.7 pts) widened to 16.2 pts (13.1 pts in Q3). Older Australians continue to report much higher wellbeing for all measures than other age groups. The gap is most pronounced for anxiety, particularly when compared to younger people (74.0 pts over 65; 47.3 pts 18-29 group). Men under the age of 50 report higher wellbeing higher than women for all measures. Women over the age of 50 however scored wellbeing better than men for all measures except anxiety.

The latest survey continues to show a direct correlation between wellbeing and income. Overall, wellbeing was lowest in the lowest income group (62.5 pts), but stepped up in each income group to 66.4 pts in the highest income group. But, with the lowest income group scoring wellbeing higher during the quarter and the highest income group lower, the “wellbeing gap” between the highest and lowest income groups narrowed to 4.0 pts (7.2 pts in Q3). Though the high income group also rated most aspects of wellbeing highest (and significantly more so than in the lowest income group), they were also the most anxious group.

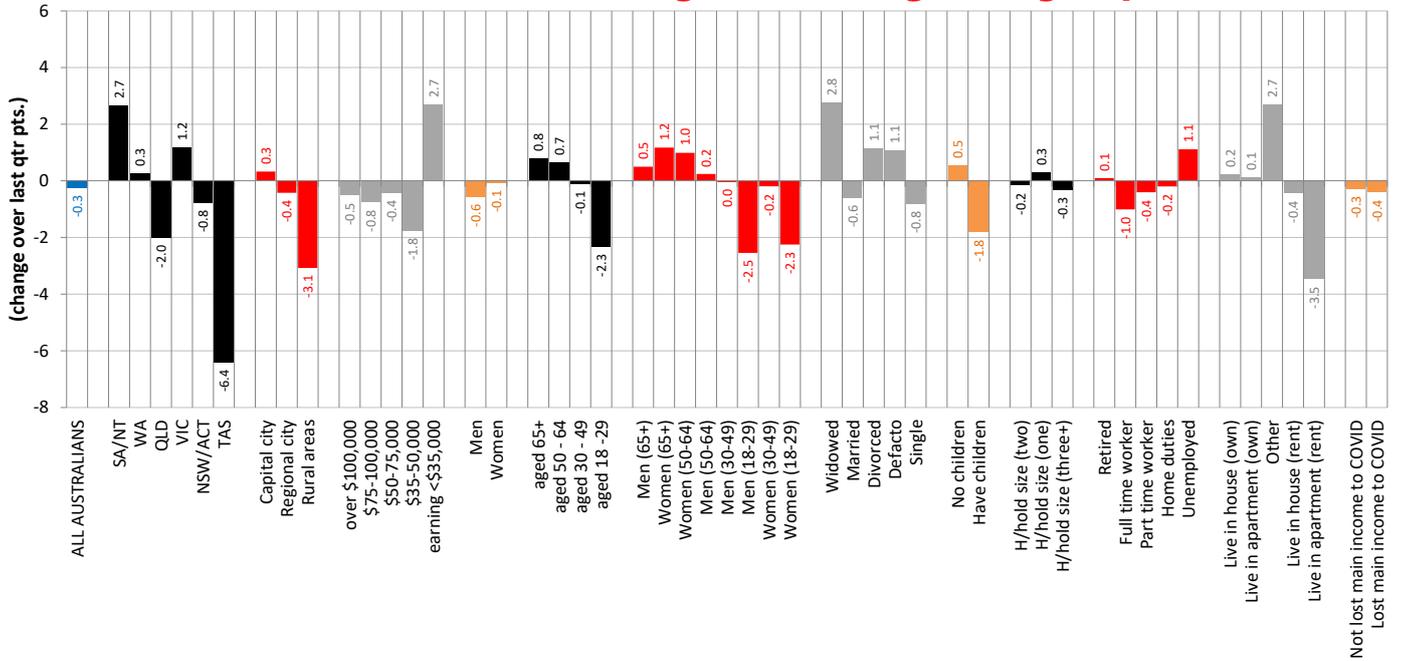
Since 2015, NAB has been asking Australians what impact (positive or negative) several key factors have on their personal wellbeing. In Q4, we noted large falls in the net number of people who said key drivers added positively - particularly pets (+55% vs. +59% in Q3), family & personal relationships (+46% vs. +52%), their homes (+44% vs. +51%), standard of living (+41% vs. +46%), and personal safety (+35% vs. +42%). The environment (+17% vs. +26%) and sleep (+10% vs. +15%) also made a positive contribution to wellbeing for noticeably fewer Australians in Q4.

On a positive note, however we found a lower number who said that events such as victimisation and abuse (-20% vs. -23% in Q3) and a lack of time (-19% vs. -21%) had a negative impact on their wellbeing. But in an environment of rising interest rates, other debts (-18% vs. -15%) and mortgages (-7% vs. -5%) had a negative impact for more people in Q4 - see chart below.

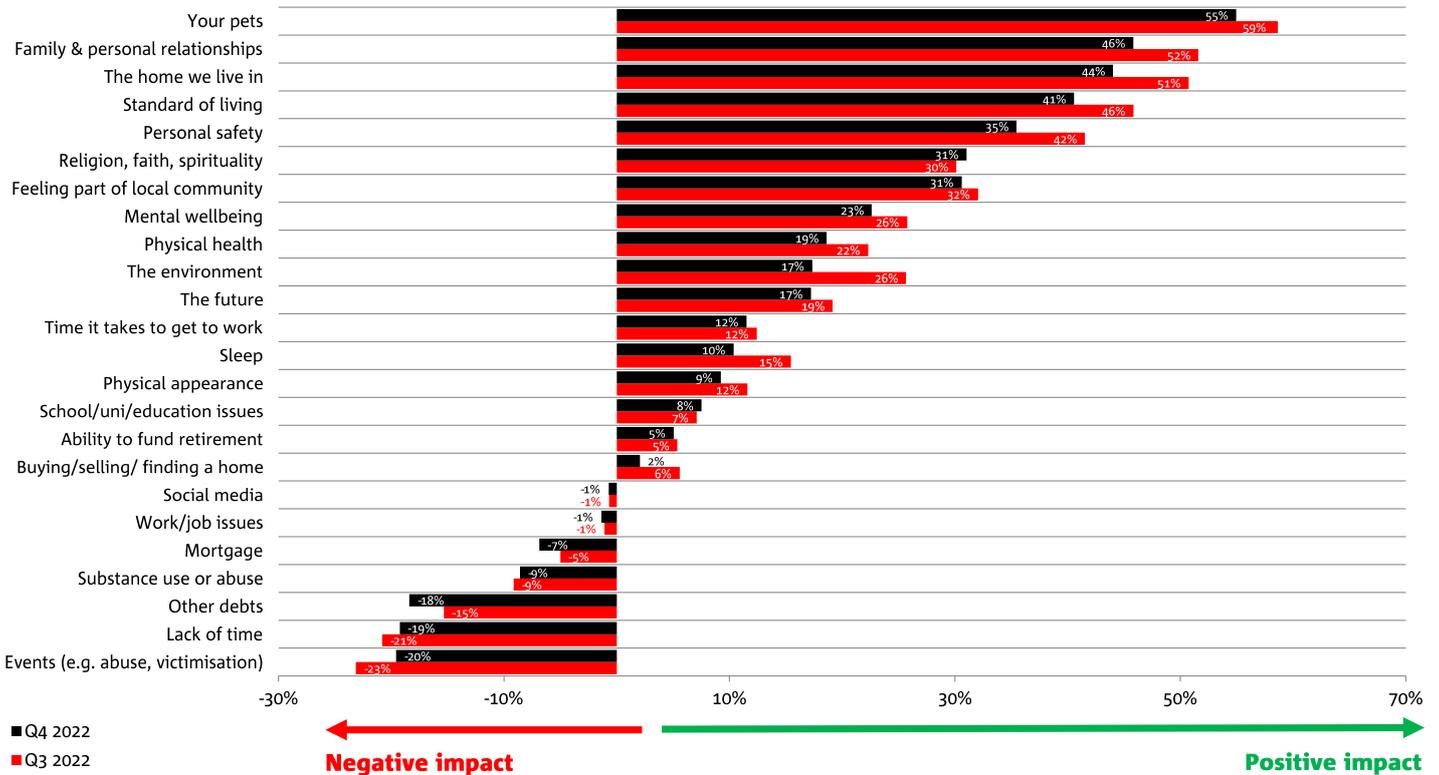
NAB Australian Wellbeing Index - all groups



NAB Australian Wellbeing Index change - all groups



Wellbeing drivers (net balance)



Happiness

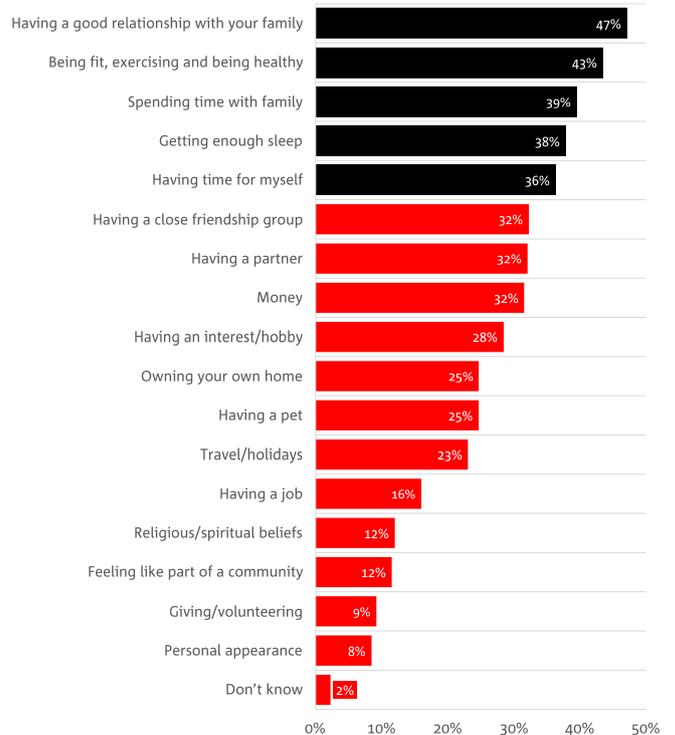
Happiness plays a key role in helping to support overall wellbeing. But what makes people happy can differ widely from one person to the next. In this survey, we asked over 2,000 Australians what they thought were the key secrets to happiness.

Overall, 1 in 2 (47%) believe it is having good relationships with family. Around 4 in 10 believe the secret is being fit, exercising and healthy (43%), spending time with family (37%), and getting enough sleep (38%). Rounding out the top 5 according to just over 1 in 3 (36%) Australians is having time to ourselves (36%).

A significant number - around 1 in 3 - also pointed to having a close friendship group (32%) or a partner (32%). Having money was also key for 1 in 3 people (32%) - and perhaps surprisingly for a similar number of low (32%) and high (34%) income earners. Other factors that resonated with most people were having an interest or hobby (28%), owning a home (25%), having a pet (25%) and travel & holidays (23%).

Only 16% said having a job made them happy (but 1 in 4 in full time work). Just over 1 in 10 (12%) said religious or spiritual beliefs made them happy (but 4 in 10 people who identified as having religious beliefs). Around 12% said being part of a community was key, 9% volunteering and 8% physical appearance. Around 1 in 50 (2%) don't know.

Key secrets to happiness



The table below explores the key secrets across some key demographic groups and highlights some of the key differences in these groups.

The biggest differences noted by region were the somewhat lower number in capital cities who said spending time with family (38%) and having a pet (22%) were keys to happiness, and in rural areas having a close friendship group (25%).

By gender, noticeably more women than men highlighted good relationships with family (50% women; 44% men), and spending time with family (42% women; 37% men) as keys to happiness. Noticeably more men however said having a partner (38% men; 27% women) and money (34% men; 29% women) were key.

By age, a much higher number in the over 65 group said good family relationships were key to happiness (62%), along with giving or volunteering (17%). Noticeably more people in the 18-29 age group said it was time to themselves (42%) and money (41%),

and in the 50-64 group having a pet (32%). Twice as many people under 50 also believe physical appearance is a key secret to happiness than over 50.

By income, perceptions differed most for high income earners in relation to being fit & healthy (48% high income; 41% low income), spending time with family (42% high income; 34% low income), having time to themselves (39% high income; 30% low income) and travel & holidays (30% high income; 13% low income).

More low income earners however thought the secret to happiness was feeling like part of a community (16% low income; 11% high income) and giving or volunteering (14% low income; 6% high income). A very similar number (1 in 3) high and low income earners saw money alone as the secret to happiness.

Secrets to happiness

	All	Capital city	Regional city	Rural area	Men	Women	18-29	30-49	50-64	65+	Low income	High income
Good relationships with your family	47%	46%	49%	51%	44%	50%	39%	43%	48%	62%	49%	44%
Being fit, exercising & healthy	43%	43%	46%	40%	44%	43%	46%	45%	39%	43%	41%	48%
Spending time with family	39%	38%	42%	43%	37%	42%	31%	42%	42%	42%	34%	42%
Getting enough sleep	38%	38%	38%	37%	36%	40%	36%	41%	37%	36%	42%	39%
Having time for myself	36%	37%	34%	37%	34%	38%	42%	37%	35%	30%	30%	39%
Having a close friendship group	32%	33%	33%	25%	30%	34%	39%	28%	33%	32%	30%	31%
Having a partner	32%	31%	34%	35%	38%	27%	30%	25%	37%	41%	26%	31%
Money	32%	33%	30%	28%	34%	29%	41%	34%	29%	21%	32%	34%
Having an interest/hobby	28%	27%	30%	33%	30%	27%	31%	27%	26%	31%	32%	28%
Owning your own home	25%	26%	20%	23%	25%	24%	12%	23%	28%	37%	28%	23%
Having a pet	25%	22%	29%	33%	19%	30%	25%	21%	32%	24%	30%	23%
Travel/holidays	23%	24%	23%	20%	23%	23%	28%	25%	20%	18%	13%	30%
Having a job	16%	17%	15%	11%	17%	15%	17%	20%	20%	5%	10%	19%
Religious/spiritual beliefs	12%	12%	12%	10%	11%	13%	10%	13%	12%	14%	14%	9%
Feeling like part of a community	12%	12%	10%	13%	12%	11%	12%	11%	9%	15%	16%	11%
Giving/volunteering	9%	9%	9%	13%	10%	9%	6%	7%	8%	17%	14%	6%
Personal appearance	8%	9%	8%	9%	9%	8%	12%	10%	5%	5%	9%	9%
Don't know	2%	2%	2%	1%	2%	2%	2%	3%	3%	1%	2%	1%

Biggest causes of stress

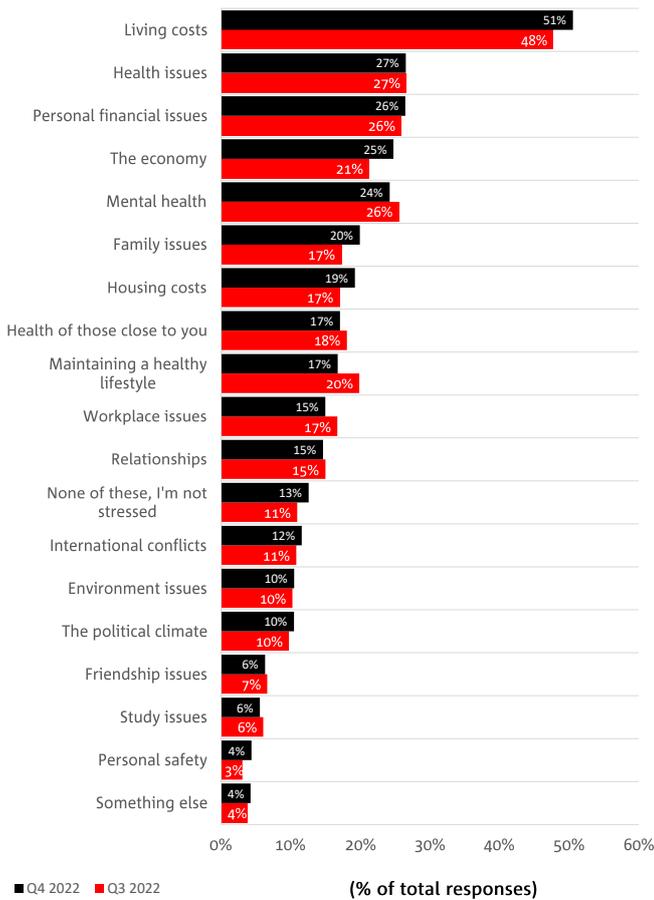
Australians consistently identify stress or anxiety as key detractors from their overall wellbeing, with around 1 in 3 typically scoring “high” levels of anxiety. Stress or anxiety can have many triggers,

and can change with time. In the Q4 survey, Australians were again asked to think back over the past 3 months and identify the top 5 causes of their stress over the past 3 months.

The most common cause - identified by a growing number of Australians - over 1 in 2 (51%) was the cost of living (48% in Q3),

and was highest in the 30-49 age group (57%). The next most common causes were health issues (unchanged at 27%), but much higher among the over 50s (around 1 in 3), personal financial issues (unchanged at 26%), the economy (25% up from 25% in Q3) and mental health (24% down from 26% in Q3). Other common factors weighing on stress levels for many Australians included family issues (20% up from 17%), and housing costs (19% up from 17%).

What have been the biggest causes of your stress in the last 3 months



In key groups, living costs were most problematic in the 30-49 age group (57%), and personal financial issues (37%) and mental health (39%) in the 18-29 group. Around 1 in 4 Australians in the 18-29 and 30-49 age groups were also stressed by housing costs.

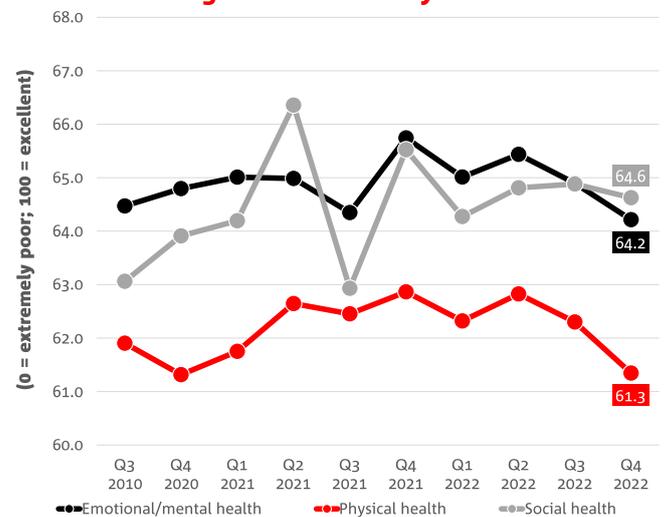
Health (36%) and personal finance (32%) issues caused stress for noticeably more people in the lowest income group, but workplace issues impacted noticeably more in the highest income group (22%).

The survey also found much higher numbers of women stressed because of health issues (30%), mental health (28%) and family issues (24%), and men by international conflicts (14%) and the political climate (12%).

Our emotional/mental, physical and social health

Self-reported health outcomes worsened in Australia during the final quarter of 2022, but on average Australians still consider themselves “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).

Rating our health today: overall



On average, Australians rated all aspects of their health lower in Q4. Social health was rated highest (64.6 pts down from 64.9 pts in Q3), followed by emotional and mental health (64.2 pts down from 64.9 pts in Q3). Physical health was lowest and fell most (61.3 pts from 62.3 pts in Q3).

Health outcomes vary by gender and age. Men still report better outcomes than women in all areas, despite rating all aspects of their health lower in Q4. The gap remains biggest for emotional and mental health, and smallest for social health - see table below.

By age, Australians over 65 reported the highest health outcomes for their emotional and mental health (75.9 pts), social health (74.4 pts), and physical health (63.3 pts). Emotional and mental health (56.3 pts) and social health (60.5 pts) was rated somewhat lower in the 18-29 group, and physical health much lower in the 50-64 group (58.8 pts).

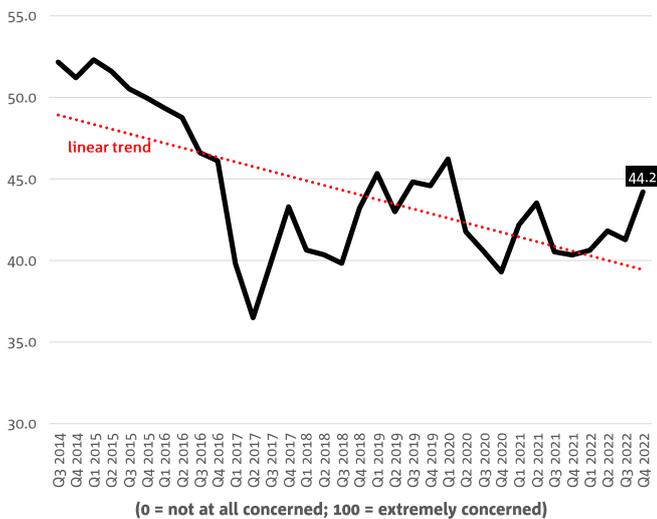
Rating our health today: gender and age

	All	Women	Men	18-29	30-49	50-64	65+
Emotional/mental health							
- Q4 2022	64.2	62.3	66.2	56.3	62.0	64.2	75.9
- Q3 2022	64.9	63.0	66.9	60.1	62.1	63.3	75.9
- Q2 2022	65.4	64.6	66.3	60.7	63.0	63.3	76.2
- 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
Physical Health							
- Q4 2022	61.3	59.5	63.2	61.5	61.6	58.8	63.3
- Q3 2022	62.3	60.7	63.9	65.9	62.1	57.6	63.6
- Q2 2022	62.8	62.3	63.4	64.8	63.4	57.4	65.0
- 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
Social Health							
- Q4 2022	61.3	64.3	65.	60.5	61.5	64.4	74.4
- Q3 2022	64.9	64.6	65.1	63.4	61.6	63.3	73.5
- Q2 2022	64.8	64.7	64.9	62.5	62.6	61.4	73.9
- 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

Household financial stress and hardship

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 several 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.

NAB Household Financial Stress Index



The NAB Household Financial Stress Index jumped sharply in Q4 to a 3-year high 44.2 pts (41.3 pts in the previous quarter and 40.3 pts at the same time last year). It is now also trending in line with the long-term survey average for the first time since Q1 2020.

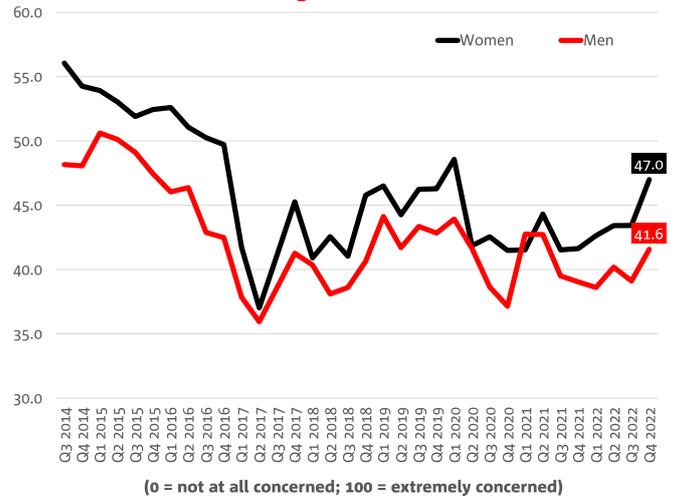
Financial stress increased for all components of the index in Q4. Not having enough to finance retirement is still the biggest driver of financial stress, with stress levels reaching 54.1 pts (52.2 pts in Q3).

The next biggest drivers of stress were providing for our family's future (47.4 pts up from 45.0 pts in Q3), non-essentials (46.2 pts up from 44.9 pts), medical bills & healthcare (46.0 pts up from 44.0 pts), home improvements & maintenance (45.8 pts up from 44.2 pts) and mortgage, rent & housing costs (45.5 pts up sharply from 41.3 pts in Q3).

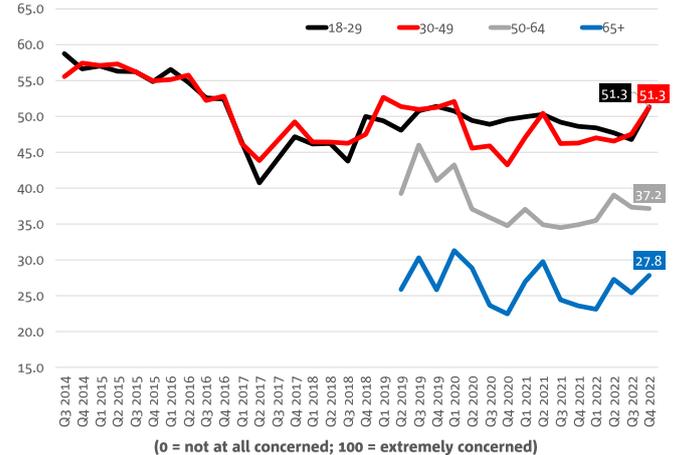
Having enough money to meet minimum credit card payments again caused the least stress (34.6 pts but up from 31.3 pts in Q3), followed by having enough for food and basic necessities (39.3 pts also up sharply from 35.8 pts in Q3).

The accompanying charts on the right show that Financial Stress Index has also risen in most key groups, except the 50-64 age group and in regional cities where it still highest of all regions.

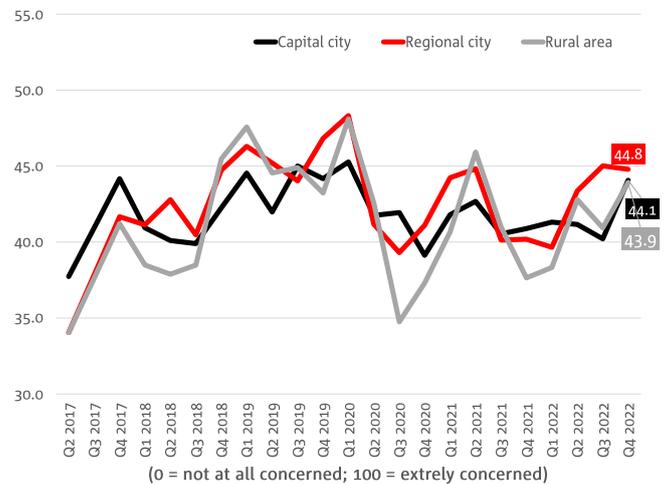
NAB Household Financial Stress Index: gender



NAB Household Financial Stress Index: age



NAB Financial Stress Index: regions



Women (47.0 pts) reported much higher levels of financial stress than men (41.6 pts) in Q4. Women also reported higher stress for all index components, particularly medical bills & healthcare (49.8 pts women; 42.2 pts men), major household items (48.5 pts women; 41.3 pts men) and raising \$2,000 for an emergency (46.1 pts women; 39.0 pts men).

By age, stress was equal highest in the 18-9 and 30-49 age group at 51.3 pts, and significantly higher than in the 50-64 (37.2 pts) and over 65 age groups (27.8 pts). Financial stress was highest in under 50 age groups for all measures, and lowest for all measures in the over 65 group.

By region, stress was lowest in rural areas (43.9 pts) and highest in regional cities (44.8 pts) in Q4. Financing retirement remains the biggest driver of stress in all regions. Credit card stress was noticeably lower in rural areas than elsewhere.

By state, overall stress was highest in NSW/ACT (46.6 pts up from 41.3 pts in Q3), but increased most in TAS (44.6 pts from 38.5 pts in Q3). Financial stress was lowest and fell in SA/NT (41.9 pts from 42.5 pts), with a modest fall also reported in VIC (42.6 pts from 43.5 pts). Financing retirement remains the biggest cause of stress in all states, ranging from 55.9 pts in NSW/ACT to 50.1 pts in WA - see table below for detail & Appendix 2 for historical state data.

NAB household financial stress index: key groups (Q4 2022)

	All	Capital city	Regional city	Rural area	Women	Men	18-29	30-49	50-64	65+
Financing retirement	54.1	54.0	55.0	53.1	56.3	52.1	54.8	60.8	54.6	40.5
Providing for family's future	47.4	47.5	47.3	46.4	49.5	45.4	56.0	54.6	39.6	28.2
Non-essentials	46.2	46.3	46.5	44.9	48.9	43.5	54.5	52.9	38.9	32.5
Medical bills/healthcare	46.0	45.4	47.3	47.5	49.8	42.3	50.3	53.6	41.7	33.0
Home imp. & maintenance	45.8	45.3	46.7	47.6	49.3	42.4	52.5	52.8	40.3	32.1
Mortgage, rent, housing costs	45.5	45.2	45.2	47.7	47.9	43.1	51.7	51.8	36.8	27.2
Major household items	44.9	44.2	45.7	47.3	48.5	41.3	51.9	51.6	40.1	30.6
Children's education	44.1	45.9	42.4	36.6	45.8	42.9	49.5	51.0	28.5	17.6
Personal loan repayments	43.4	44.0	42.2	41.7	47.1	40.3	49.5	50.1	32.0	25.3
Other monthly h/hold exp.	42.8	42.0	44.6	43.9	45.8	39.7	50.3	50.0	37.2	28.2
Raising \$2,000 for emergency	42.6	41.1	45.6	45.1	46.1	39.0	53.7	49.2	36.5	25.7
Normal monthly utility bills	42.4	41.6	44.4	43.9	45.6	39.3	50.2	50.0	36.8	27.5
Food/basic necessities	39.3	39.2	39.5	39.2	41.6	37.1	49.1	46.9	32.0	23.5
Credit card repayments	34.6	35.4	34.8	29.9	35.7	33.7	44.1	43.0	25.2	17.9
NAB Financial Anxiety Index	44.2	44.1	44.8	43.9	47.0	41.6	51.3	51.3	37.2	27.8

NAB household financial stress index: states (Q4 2022)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Financing retirement	54.1	55.9	52.9	55.4	50.1	51.6	55.6
Providing for family's future	47.4	51.2	44.4	47.8	42.9	44.5	46.7
Non-essentials	46.2	48.6	44.5	46.6	42.9	44.5	46.6
Medical bills/healthcare	46.0	48.5	43.9	47.3	42.6	44.4	44.1
Home imp. & maintenance	45.8	48.5	43.8	45.9	42.4	46.4	44.2
Mortgage, rent, housing costs	45.5	48.0	43.3	45.7	43.7	42.0	46.1
Major household items	44.9	47.6	42.3	45.3	41.3	44.8	45.2
Children's education	44.1	46.2	44.8	43.2	35.6	44.4	44.3
Personal loan repayments	43.4	46.3	43.2	43.0	39.1	37.9	37.2
Other monthly h/hold exp.	42.8	44.9	41.3	43.5	40.1	39.8	43.5
Raising \$2,000 for emergency	42.6	44.1	39.8	44.9	40.6	40.6	46.4
Normal monthly utility bills	42.4	44.1	41.1	43.0	40.6	40.3	44.4
Food/basic necessities	39.3	41.8	37.8	38.8	38.1	34.9	43.8
Credit card repayments	34.6	37.3	33.6	33.7	31.7	31.1	36.6
NAB Financial Anxiety Index	44.2	46.6	42.6	44.6	40.8	41.9	44.6

How households feel they are travelling financially

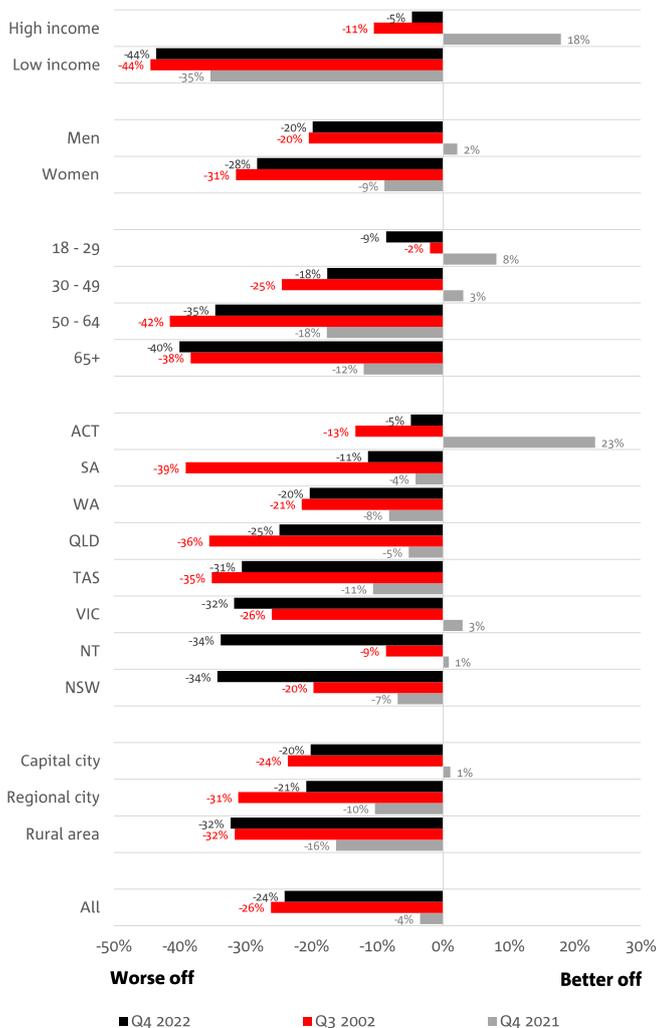
On average, the number of Australians who felt they were worse off financially in Q4 exceeded those who thought they were better off. Though the net number of people in this position narrowed slightly to -24% over the quarter (-26% in Q3), it was sharply higher than at the same time last year (-4%).

Pessimists out-weighted optimists in all regions. The net number of pessimists was unchanged in rural areas (-32%), but fell in capital (-20% from -24%) and regional cities (-21% from -31%). It lifted sharply (and was highest) in both NSW & the NT (-34%), and increased in VIC (-32%). It fell in all other states with a particularly steep fall in SA (-11%), and was lowest in the ACT (-5%).

Pessimists also out-weighted optimists for both genders, but women were much more pessimistic than men. In Q4, the net number of women who were worse off however fell to -28% (-31% in Q3), but was unchanged for men (-20%).

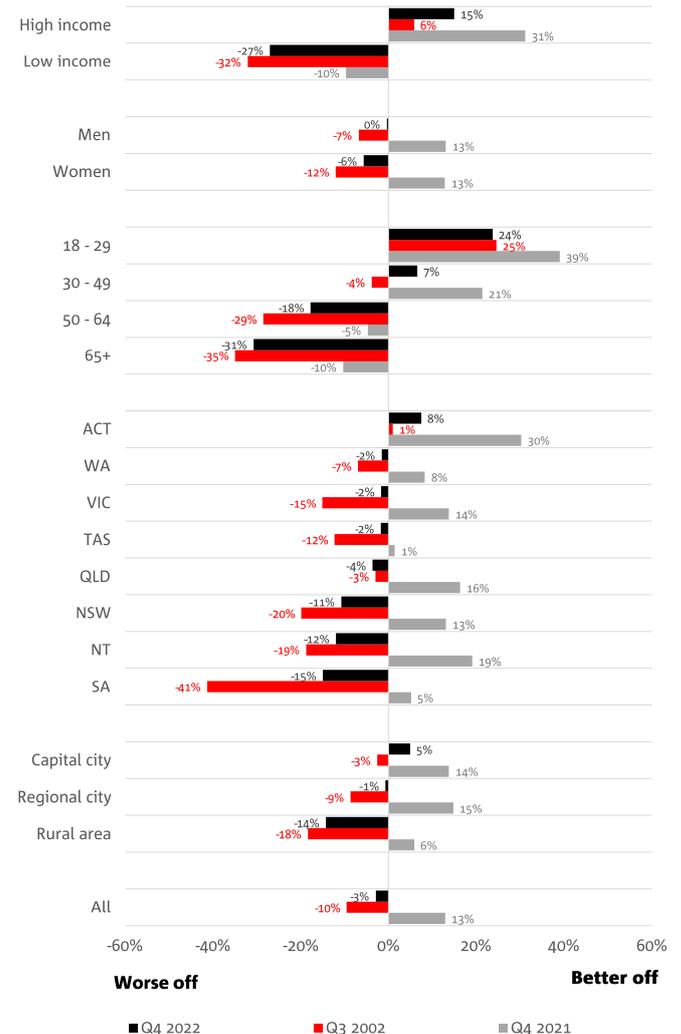
The net number of high income earners who said they were worse off in Q4 fell to -5% (-11% in Q3). It was unchanged in the lowest income group at -44%.

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



The number of pessimists rose the 18-29 group (-9% from -2%) but was lowest overall, and in the 65+ group (-40% from -38%) where it was highest overall. The number of pessimists fell in both the 50-64 (-35% from -42%) and 30-49 age groups (-18% from -25%).

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. Confidence has clearly improved. In Q4, the net number of people expecting to be worse off fell to -3% from -10% in Q3.

Pessimists out-weighted optimists in rural areas (-14%) and capital cities (-1%), but optimists out-weighted pessimists in capital cities (+5%). Pessimists also outweighed optimists in most states led by SA (-15%), the NT (-12%) and NSW (-11%). The ACT was the exception (+8%).

Australians in the 18-29 age group remain by far the most optimistic about their financial position in the next year at a

broadly unchanged +24%. The number of optimists also outweighed pessimists in the 30-49 group (+7 from -4%). Older age groups however remain net pessimistic, but less so than in Q3.

More women in net terms were pessimistic about their financial position in the next 12 months (-6% but down from -12% in Q3). Responses from men were balanced (0% from -7% in Q3). More high income earners believe they will be better off (+15% from +6% in Q3), with fewer low income Australians also expecting to be worse off financially (-27% from -32% in Q3).

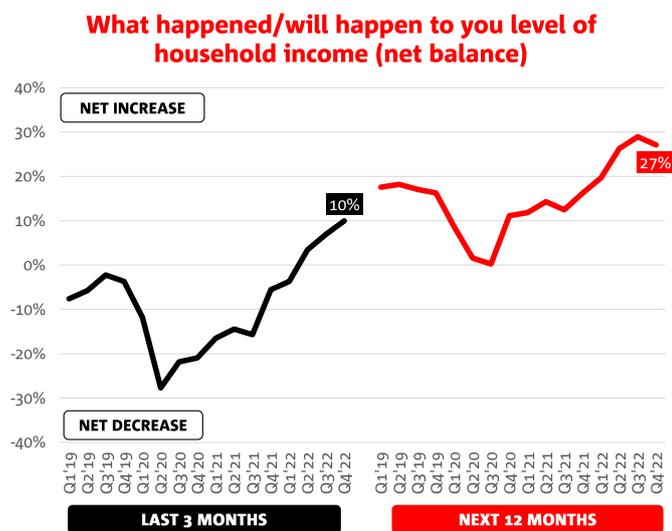
The impact of income, savings and debt

Against this background, when asked what happened to their income in the last 3 months, the number of Australians who said it had increased outweighed those who said it had decreased, with the net result rising to +10% (+7% in Q3).

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

	Last 3 months	Next 12 months
Women	+6% (+4%)	+24% (+26%)
Men	+14% (+10%)	+30% (+32%)
Age 18-29	+12% (+16%)	+37% (+46%)
Age 30-49	+10% (+12%)	+33% (+35%)
Age 50-64	+6% (-2%)	+24% (+16%)
Age 65+	+11% (-2%)	+11% (+15%)
Low income	+4% (-14%)	+10% (+7%)
High income	+21% (+21%)	+45% (+46%)

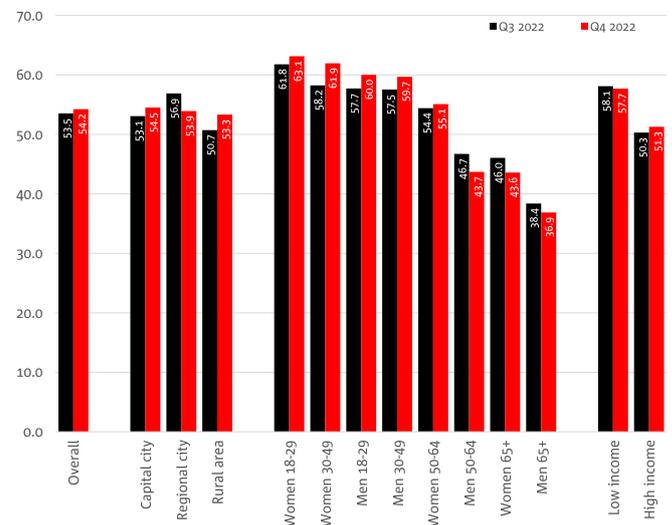
*Figures in parentheses previous quarter



A positive (and higher) net number of women (+6%) and men (+14%) said their incomes improved. It improved for more people under 50 - rising to +6% in 30-49 group and +11% in the over 65 group. Fewer Australians under 50 however said their income rose in the last 3 months. We also noted a large improvement in the net number who said their income increased in the lowest income group (+4%), but was unchanged in the highest income group (+21%).

Looking forward, slightly fewer Australians on balance expect their incomes to rise than fall in the next 12 months (+27% from +29% in Q3). Fewer people in all age groups also expect incomes to rise, except the 50-64 group (+24% from +16%). Expectations in the lowest income group were a little more positive (+10% from +7% in Q3), but basically unchanged in the highest income group (+45%).

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



Despite an increase in the net number of Australians who said their incomes increased in Q4, they were a little more concerned over their income or pay. When asked to rate their level of concern, on average they scored 54.2 pts, up from 53.5 pts in the previous quarter.

People in capital cities (54.5 pts) and rural areas (53.3 pts) reported higher income stress, but it fell in regional cities (53.9 pts).

Income stress also climbed in the highest income group (51.3 pts). It fell in the lowest income group, but was still significantly higher at 57.7 pts.

Income stress increased in all groups by gender and age, except men in the 50-64 age group (43.7 pts), men over 65 (36.9 pts) and women over 65 (43.6 pts). Women continue to report higher levels of income stress than men in all age groups, with stress levels showing a clear correlation with age - they fell as people aged (regardless of gender).

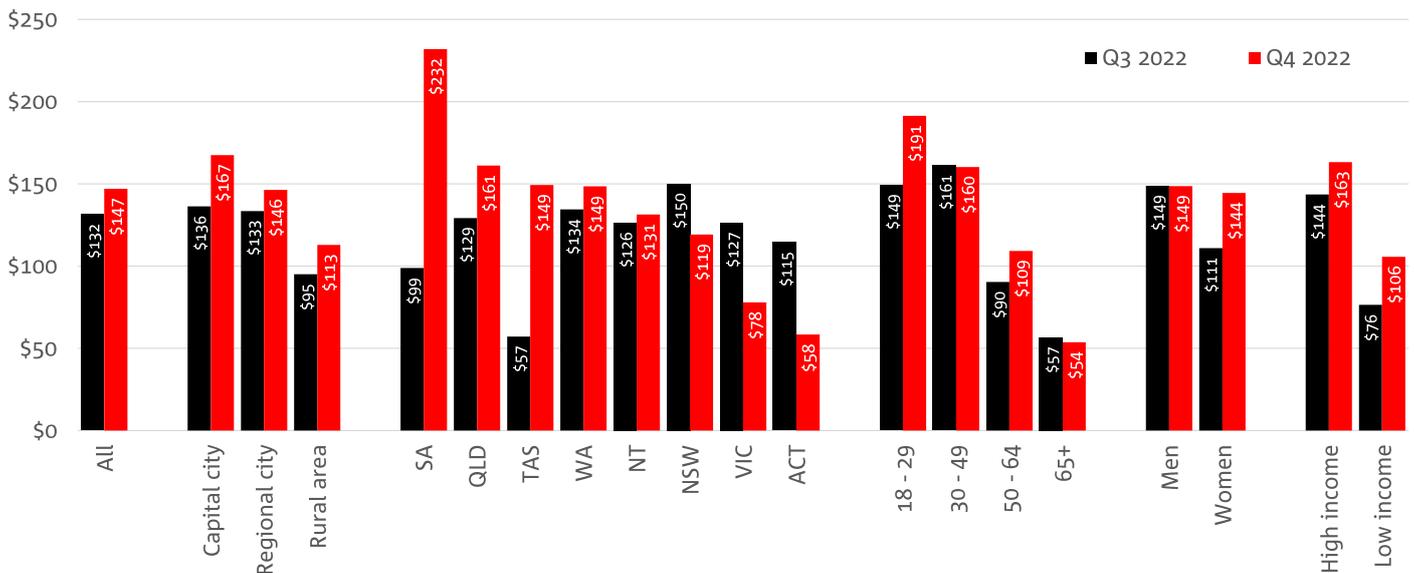
Australians who expected their incomes to increase in the next year were also asked to estimate by how much their weekly income would rise. On average, they were more positive and now expect an increase of \$147 (\$132 in Q3).

Expectations improved in all regions and were highest in capital cities (\$167) and lowest in rural areas (\$113). By state, they were highest (and rose steeply) in SA (\$232) and were lowest and scaled back heavily in the ACT to just \$58. Expectations were also cut in VIC (\$78) and NSW (\$119), but were higher in all other states.

Weekly income expectations improved most and were highest in the 18-29 age group (\$191 from \$149), and also increased in the 50-64 group (\$109 from \$90). They were basically unchanged in the 30-49 (\$160) and over 65 (\$54) age groups.

Men (\$149) and women (\$144) expect to receive basically the same, with expectations among women revised up substantially from the previous quarter. Expectations improved in both the highest (\$163 from \$144) and lowest (\$106 from \$76) income groups relative to Q3.

How much extra money per week are you expecting?

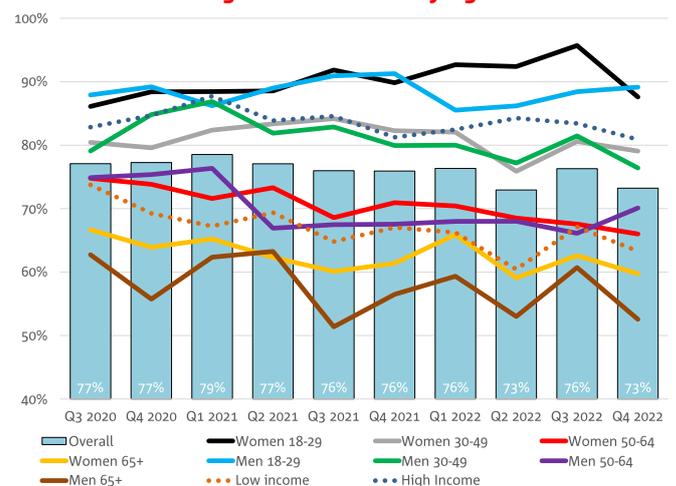


Savings aspirations among Australians remain high, though the overall number of people trying to save fell slightly to 73% in Q4 (76% in Q3).

Savings aspirations were strongest in the 18-29 age group. In Q4 however, the number of young women trying to save fell to 88% (96% in the previous quarter), and they were overtaken by young men, where the number increased to 89% (88% in Q3). The number of people in the 30-49 age group trying to save also fell slightly for women (79% from 81% in Q3) and men (76% from 81%). In the 50-64 group, more men were trying to save (70% from 66%), but it dropped for women (66% from 68%). The number of men trying to save in the 50-64 group fell quite sharply (53% from 61%), but less so for women (60% from 63%).

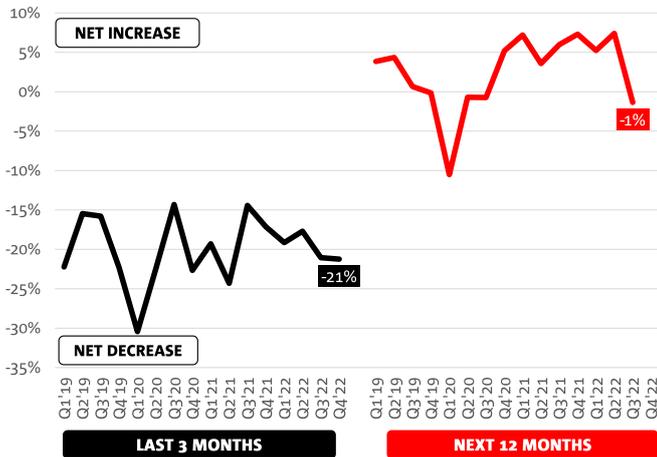
The number of people who were trying to save also declined in the lowest income group to 63% (67% in the previous quarter), and in the highest income group (81% from 83%).

Percentage of Australians trying to save



Household savings remained under pressure in Q4. In net terms, the number whose level of savings fell in the last 3 months continued to outweigh those who said they had increased, with the net number who reported a decrease unchanged at -21%.

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



By gender, the net number who reported a fall in their savings inched up to -26% for women, but fell to -16% for men.

Savings was harder in the 18-29 (-17%) and over 65 group (-31%) age groups. but improved in the 30-49 (-16%) and 50-64 (-25%) groups - though the number whose savings fell still exceeded those who said it increased. Household savings fell for a broadly similar net number of people in the highest income group (-5%), but improved in the lowest income group (-37% from -42%).

Looking forward, the overall number expecting their savings to improve in the next 12 months was offset by a similar number expecting it to fall (net 0%). Expectations were unchanged for men (+2%), in the over 65 age group (-24%) and for low income earners (-21%). It improved for women (-3%) and in the 30-49 age group (+7%). Far fewer people in the 18-29 age group however now expect their savings increase (+19% from +32%), and in the highest income group (+18% from +22%).

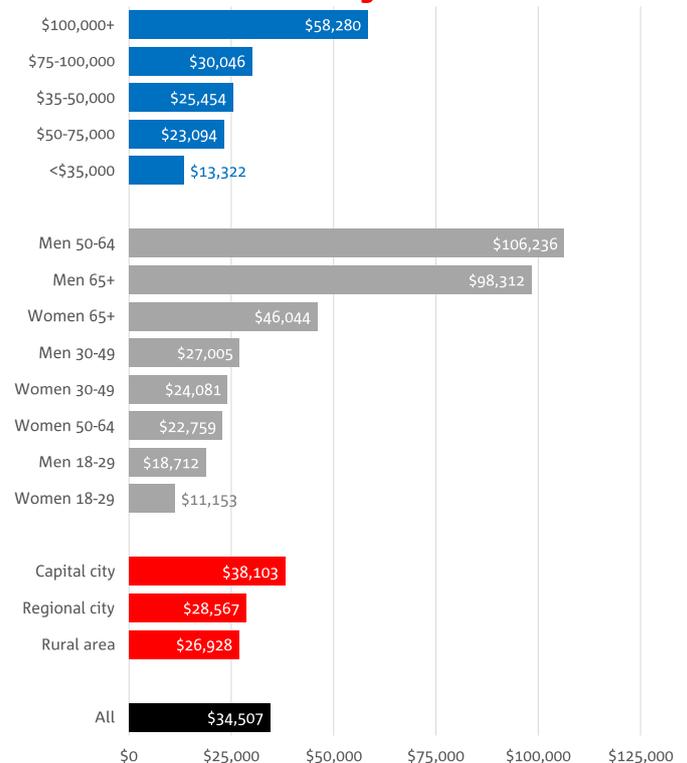
What happened/will happen to your level of household savings (net balance)

	Last 3 months	Next 12 months
Women	-26% (-25%)	-3% (-6%)
Men	-16% (-17%)	+2% (+3%)
Age 18-29	-17% (-12%)	+19% (+32%)
Age 30-49	-16% (-19%)	+7% (0%)
Age 50-64	-25% (-29%)	-8% (-15%)
Age 65+	-31% (-26%)	-24% (-25%)
Low income	-37% (-42%)	-21% (-22%)
High income	-5% (-4%)	+18% (+22%)

*Figures in parentheses previous quarter

For the first time, Australians were also asked how much they had in general savings. On average, they had around \$34,454 in Q4. However, this ranged significantly across key groups. By region, savings was highest in capital cities (\$38,103) and lowest in rural areas (\$26,928). By age and gender, men typically had more savings than women in all age groups. Overall savings was highest among men 50-64 (\$106,236), and much higher than women in the same age group (\$22,759). Savings was lowest for women 18-29 (\$11,153). Savings was lowest in the lowest income group (\$13,322) and highest in the highest income group (\$58,280) - and almost twice as much than in the next income bracket down (\$30,046).

How much do you currently have in savings?

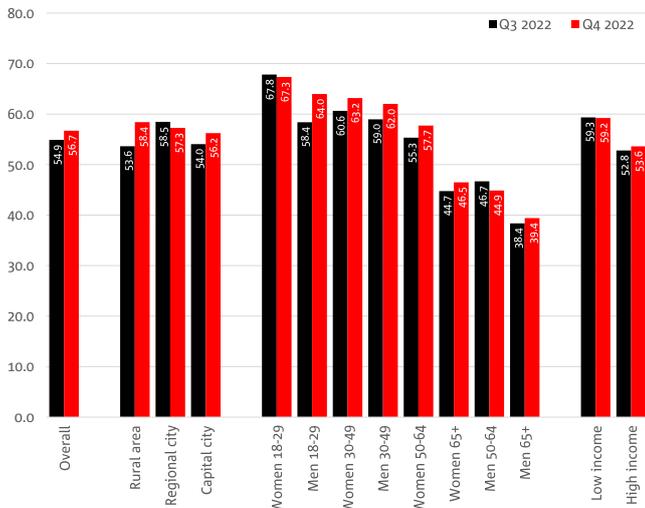


With many Australians still seeing a reduction in their household savings levels in Q4, their level of concern over their savings also increased. When asked to rate their level of concern, on average they scored 56.7 pts (54.9 pts in Q3). Stress related to savings also remains higher than income stress (54.2 pts).

Savings stress increased (and was highest) in rural areas (58.4 pts) and capital cities (56.2 pts but lowest of all regions) in Q4. Stress eased in regional cities (57.3 pts). Savings stress also rose in all groups by gender and age, except women 18-29 (though still highest overall at 67.3 pts) and men 50-64 (44.9 pts). Women reported higher savings stress than men in each age group, with stress levels showing a clear correlation with age - stress fell as people aged (irrespective of gender).

Low income earners reported basically unchanged savings stress (59.2 pts), but it inched up in the highest income group (53.6 pts).

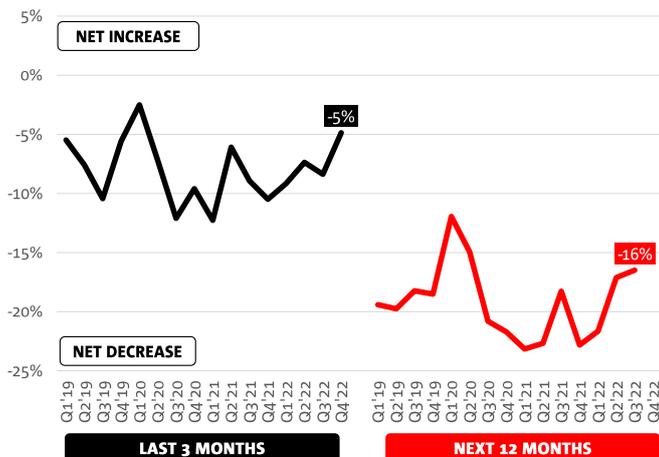
Level of concern over your savings
(0 = not at all; 100 = extremely concerned)



Fewer Australians also made inroads into reducing household debt levels in Q4. When asked how it had changed over the past 3 months, in net terms more people said it decreased than increased (-5%) - i.e., the number who said it decreased outweighed the number who said it increased - but this was down from the previous quarter (-8%).

In net terms, fewer women (-2%) and men (-8%) made inroads into reducing debt levels. By age, more people in the 18-29 (-8%) group reduced their debt levels compared to Q3, but fewer managed to do so in all other age groups. The number of low income earners reducing debt turned positive (+1%), signalling debt was increasing for more people, while more in the highest income group were reducing debt levels (-12% from -17% in Q3).

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



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 unchanged at -16%. Expectations were also broadly unchanged for women (-13%), but fell for men (-17%). Expectations were

broadly unchanged in all age groups, except the 30-49 group (were fewer expect debt levels to fall (-17% from -22% in Q3). Expectations were also broadly unchanged in the highest (-24%) and lowest (-9%) income groups.

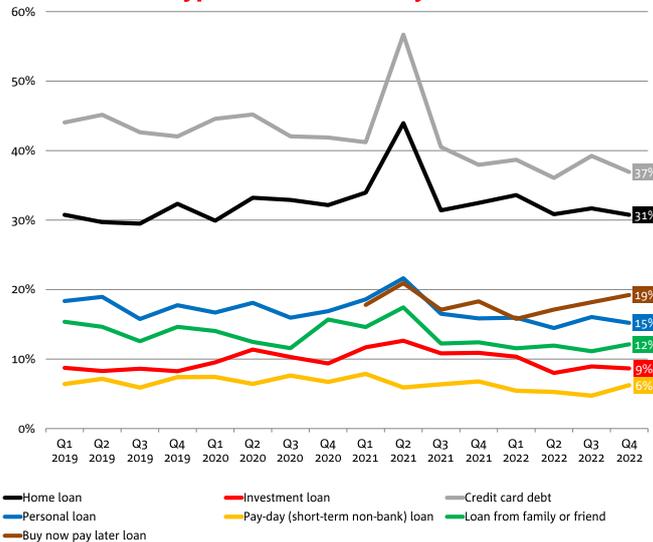
What happened/will happen to your level of household debt (net balance)

	Last 3 months	Next 12 months
Women	-2% (-6%)	-13% (-12%)
Men	-8% (-11%)	-17% (-22%)
Age 18-29	-8% (-6%)	-19% (-20%)
Age 30-49	-4% (-11%)	-17% (-21%)
Age 50-64	-5% (-7%)	-14% (-15%)
Age 65+	-4% (-7%)	-7% (-8%)
Low income	+1% (0%)	-9% (-7%)
High income	-12% (-17%)	-24% (-26%)

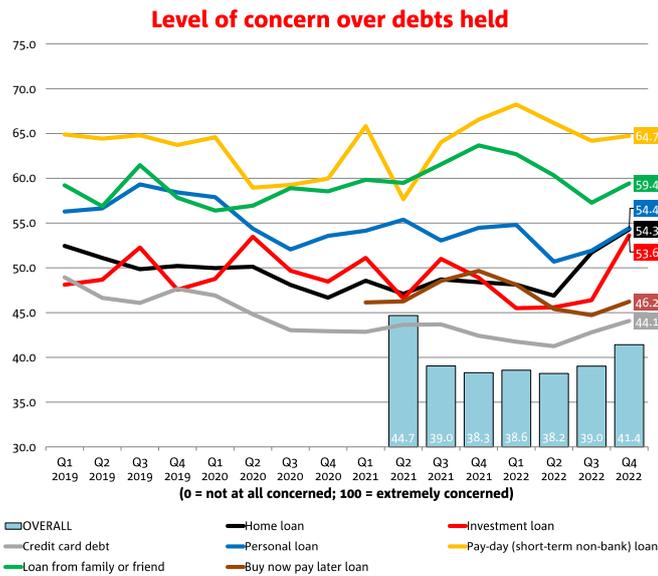
*Figures in parentheses previous quarter

Credit card debt is still the most widely held form of debt among Australians, though it fell slightly to 37% in Q4 (39% in Q3), ahead of home loans (31% from 32% in Q3). Credit card debt was the most commonly held debt in all regions, by gender and age groups over 50. Home loans were most commonly held debt in under 50 age groups and the highest income group.

Types of debt currently held



Around 1 in 5 (19%) Australians had a buy now pay later (BNPL) loan, but this was noticeably higher in the 18-29 age group (28%). Around 18% had personal loan debt, but again noticeably more in the 18-29 age group (27%). Over 1 in 10 (12%) had loans from family or friends, though almost twice as many in the 18-29 group (22%). Around 7% of Australians held investment loan debt, but this climbed to 16% in the highest income group and 14% in the 30-49 age group. Around 7% also had payday loan debt, but almost twice as many did in the 18-29 age group (13%) - see table below for more detail.



The level of concern over total debts held increased for the third straight quarter to 41.4 pts (39.0 pts in Q3) - but remained well below savings (56.7 pts) and income (54.2 pts) stress.

Debt stress increased for each type of debt in Q4.

When people who held each type of debt were asked how much concern that particular debt caused, pay day loans (the least common form of debt held) was highest (64.7 pts), followed by loans from family or friends (57.3 pts), personal loans (51.9 pts) and home loans (51.7 pts). Credit card stress was lowest (42.8 pts), followed by BNPL (debt 44.7 pts).

In key groups, key differences included much higher stress in rural areas (71.2 pts) and 50-64 age group (76.9 pts) over pay day loans, and in low income groups over loans from family or friends (68.1 pts), personal loans (67.2 pts), home (61.7 pts) and investment loans (63.9 pts) - see table below for more detail.

Type of debts held Q4'22: region, gender, age and high/low income

	All	Capital city	Regional city	Rural area	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Credit card debt	37%	37%	38%	33%	34%	40%	27%	39%	42%	40%	28%	42%
Home loan	31%	31%	32%	28%	29%	32%	29%	47%	28%	9%	11%	49%
Buy now pay later loan	19%	17%	23%	23%	21%	18%	28%	24%	16%	6%	18%	20%
Personal loan	15%	15%	15%	18%	14%	16%	27%	19%	10%	2%	9%	20%
Loan from family or friend	12%	12%	13%	12%	12%	13%	22%	14%	7%	3%	13%	11%
Investment loan	9%	10%	7%	5%	8%	10%	8%	14%	8%	1%	2%	16%
Pay-day loan	6%	6%	7%	4%	5%	7%	13%	8%	2%	1%	6%	7%

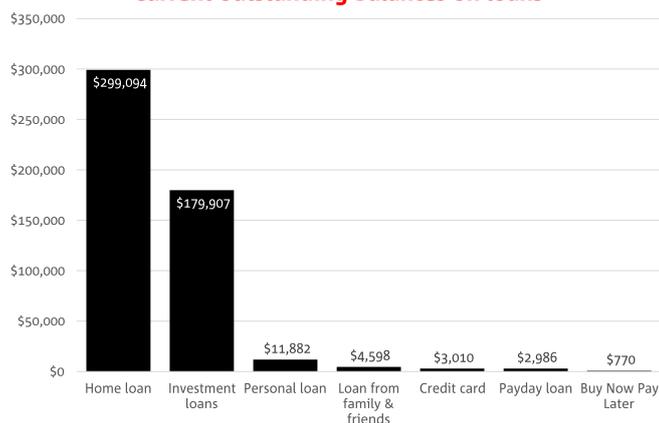
Concern over debts held: region, gender, age and high/low income

	All	Capital city	Regional city	Rural area	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Pay-day loan	64.7	65.6	60.2	71.2	66.1	63.7	61.6	66.9	76.9	34.5	64.3	66.3
Loan from family or friend	59.4	61.2	57.3	53.8	59.7	59.2	53.3	63.8	67.3	53.6	68.1	55.7
Personal loan	54.4	54.9	55.7	50.6	57.3	51.9	56.9	56.5	42.7	43.8	67.2	50.6
Home loan	54.3	55.1	54.1	50.1	56.3	52.6	54.3	57.3	47.7	48.8	61.7	49.9
Investment loan	53.6	53.8	54.3	50.2	52.5	54.6	60.3	58.7	35.4	30.0	63.9	52.4
Buy now pay later loan	46.2	46.7	48.4	40.7	45.9	46.6	51.1	48.2	42.3	18.9	50.7	40.3
Credit card debt	44.1	44.1	43.3	45.3	47.1	41.5	50.3	54.3	38.1	29.8	47.2	42.1
Overall	41.4	40.9	42.7	42.3	43.6	39.4	47.8	51.9	33.9	23.2	42.2	41.2

Australians who indicated they currently have any of these debts were asked to estimate approximately how much is outstanding on each of them. Not surprisingly, the amount outstanding was highest for home loans (\$299,904), followed by investment loans (\$179,907). The next biggest debt holdings in Q4 were personal

loans (\$11,882), loans from family or friends (\$4,598), credit cards (\$3,010), payday loans (\$2,986) and BNPL debt (\$770). However, the amount of outstanding debt varied considerably by age gender, and between the lowest and highest income groups for all these debts.

Current outstanding balances on loans



Capital city dwellers had the highest outstanding balances for home loans (\$311,382) and BNPL loans (\$802), regional cities for credit cards (\$3,063) and payday loans (\$3,655), and rural areas for investment loans (\$237,752), personal loans (\$13,464) and loans from family or friends (\$6,061).

Men held more outstanding debt than women for home loans (\$309,178), credit cards (\$3,303), payday loans (\$4,650) and BNPL (\$884), and women investment loans (\$241,583), personal loans (\$12,517) and loans from family or friends (\$5,202).

By age, debt holdings were lowest in the over 65 group for all debt types, except , except personal loans which were lowest in the 18-29 group. The 30-49 age group held the most debt for all loans, except payday loans which was highest in the 50-64 age group (\$19,754) - see table below.

Current outstanding balances on loans Q4'22

	Capital city	Regional city	Rural area	Men	Women	18-29	30-49	50-64	65+
Home loan	\$311,382	\$295,384	\$244,745	\$309,178	\$288,194	\$307,799	\$343,738	\$230,702	\$117,268
Investment loans	\$186,165	\$122,945	\$237,572	\$138,311	\$241,583	\$74,953	\$227,354	\$190,181	\$124,810
Credit card	\$3,026	\$3,063	\$2,807	\$3,303	\$2,740	\$2,486	\$4,173	\$2,829	\$2,219
Personal loan	\$11,669	\$11,553	\$13,464	\$11,429	\$12,517	\$10,012	\$13,621	\$12,118	\$12,699
Payday loan	\$3,132	\$3,655	\$1,791	\$4,650	\$1,981	\$1,794	\$3,860	\$19,754	\$244
Loan family or friends	\$4,660	\$4,139	\$6,061	\$4,055	\$5,202	\$3,136	\$7,188	\$5,355	\$2,663
Buy Now Pay Later	\$802	\$727	\$732	\$884	\$709	\$743	\$980	\$629	\$269

The RBA increased the cash rate by 25bps in December, taking the cash rate to 3.1%, its highest rate since early 2013. With predictions of further rate rises ahead, higher rates will inevitably impact Australians with home loan debt (the highest amount of debt held by Australians). Against this background, the level of concern for Australians have over their home loan debt if interest rates rise also rose to 6.8 pts in Q4, from 6.5 pts in Q3 and 5.8 pts in Q1 when we first asked this question.

This did however vary by state. It was highest in NSW (7.1 pts) where median house prices are also highest in the country. It was next highest (and increased most) in QLD (6.8 pts) followed by WA (6.7 pts) and the ACT, TAS, NT combined (6.6 pts). Concern was lowest in SA (6.4 pts) , followed by VIC, which was also the only state to report lower concern over higher rates impacting their home loan debt (6.5 pts down from 6.9 pts in Q3).

The level of concern grew in all regions. It was highest in regional cities (7.0 pts), followed by rural areas where it also increased most (6.8 pts), and lowest in capital cities (6.7 pts).

Stress was typically higher for women than men in all age groups except the 30-49 group (same). Overall it was highest for women in the 18-29 age group (7.6 pts) and lowest for men over 65 (5.4 pts). The biggest increase in concern was however reported by men 50-64 (5.6 pts up from 4.3 pts in Q3). Income was not influential, with concern highest in income brackets between \$35-

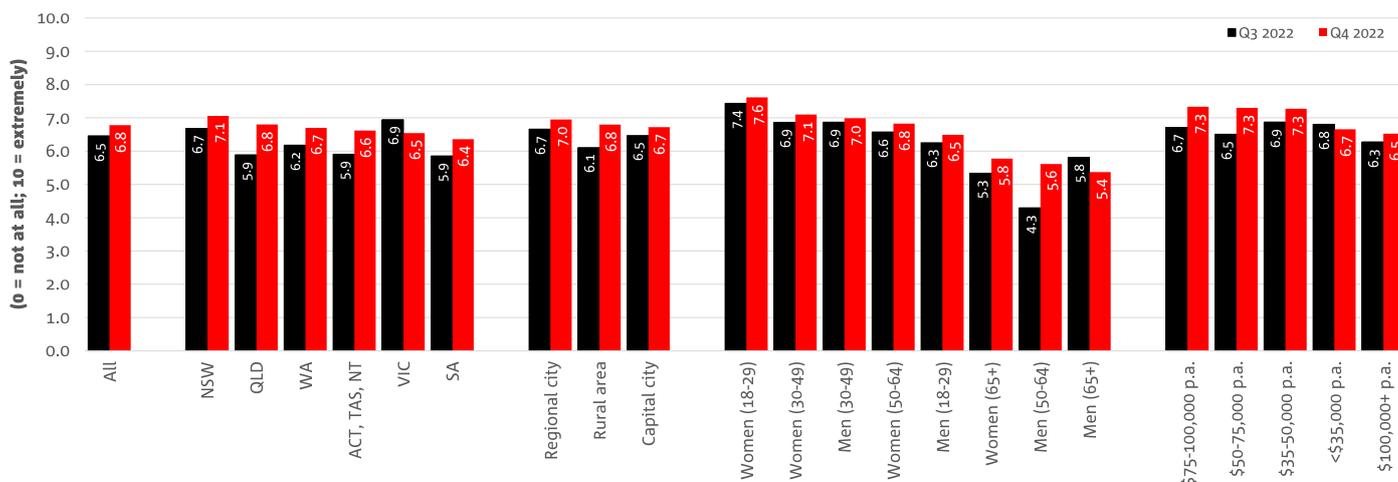
100,000 (7.3pts), and lowest in the highest (6.5 pts) and lowest (6.7 pts) income groups.

But average scores mask a significant number of people with "high" levels of concern about their home loan debt. Almost 1 in 2 (47%) Australians now think a rate hike would cause "high" stress (i.e. 8+ pts), up from 42% in Q3 and 29% at the start of 2022.

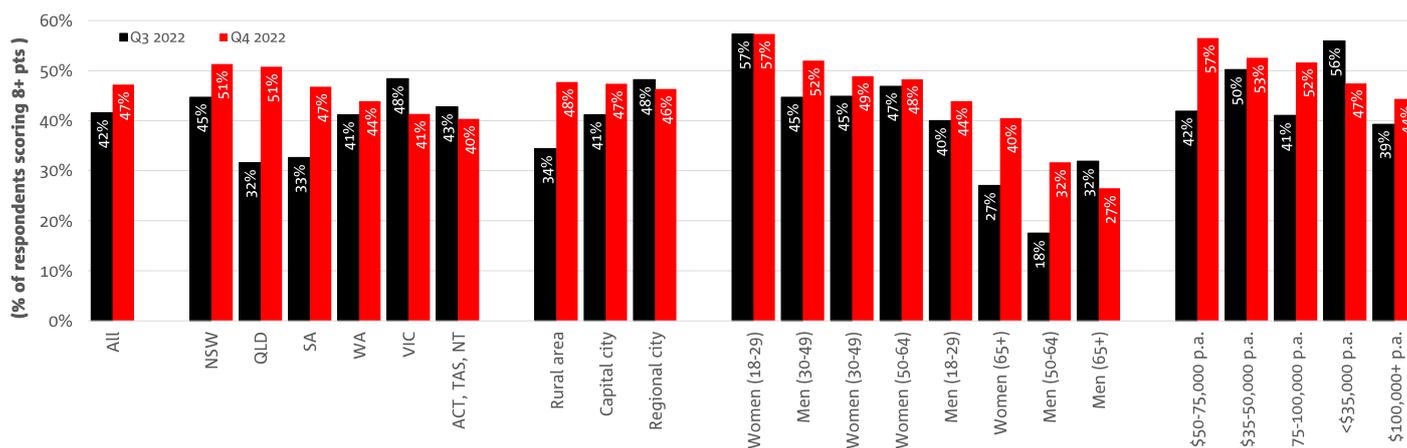
The number with "high" concern was highest (and climbed) in NSW and QLD (51%), with SA also reporting a big increase (47%). It was lowest (and fell) in both in the ACT, TAS, NT combined (40%) and VIC (41%). The number with "high" concern was basically similar across regions, ranging from 46% in regional cities to 48% in rural areas.

Almost 6 in 10 (57%) women in the 18-29 group said it would cause "high" stress, while the number of men in the 50-64 age group said it would almost doubled to 32% (18% in Q3). It was lowest and fell for men over 65 (27%). More women in all age groups said a rate hike would cause "high" concern except in the 30-49 group (49% women; 52% men). By income, the number with "high" stress rose in all groups, except the lowest income group. It was highest (and climbed steeply) in the \$50-75,000 group (57%) and was lowest in the \$100,000+ group (44%).

Level of concern or stress over your home loan debt should interest rates rise



Percentage of Australians with "high" level of concern or stress over their home loan debt should interest rates rise



Spending more than earning

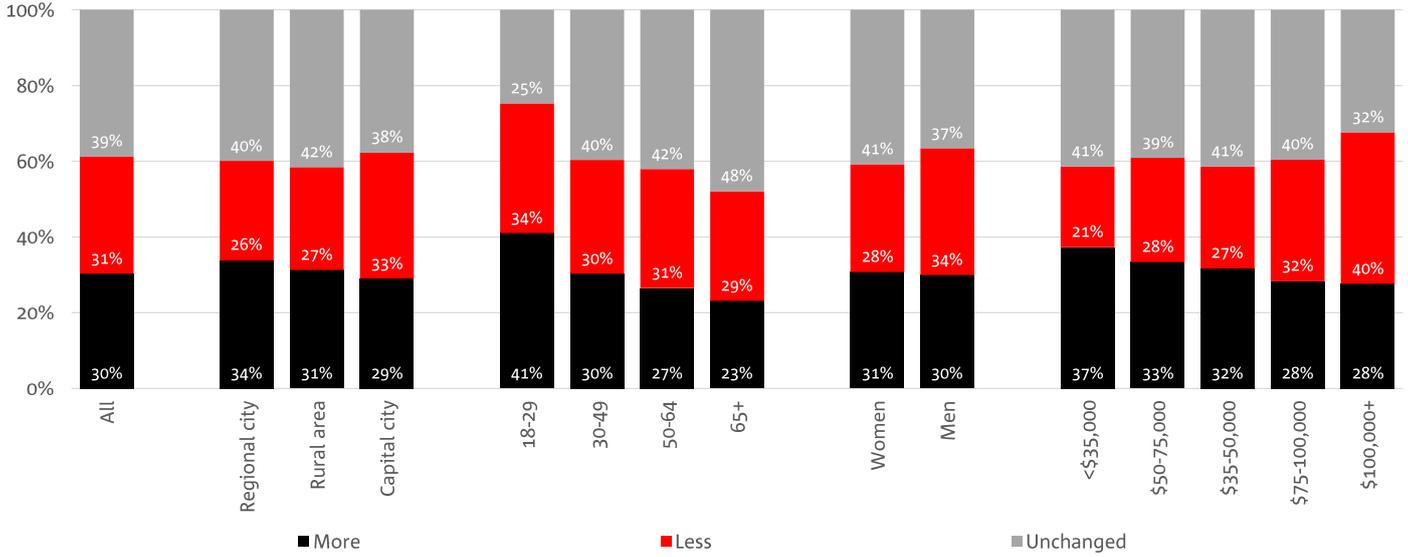
To better understand financial stresses Australians are facing, we asked for the first time whether in the last month they spent more or less than they earned (either through income or investments or pension).

Overall, 3 in 10 (30%) Australians spent more than they earned in the last month. Around 3 in 10 (31%) spent less, and 4 in 10 (39%) about the same. Slightly more people in regional cities (34%) spent more than in rural areas (31%) and capital cities (29%). But 1 in 3 (33%) in capital cities spent less, compared to about 1 in 4 in rural areas and capital cities. The data also showed a direct correlation with age. The number who spent more than they earned was highest in the 18-29 group (41%) and stepped down in each age group to just 23% in the over 65 group. The number of

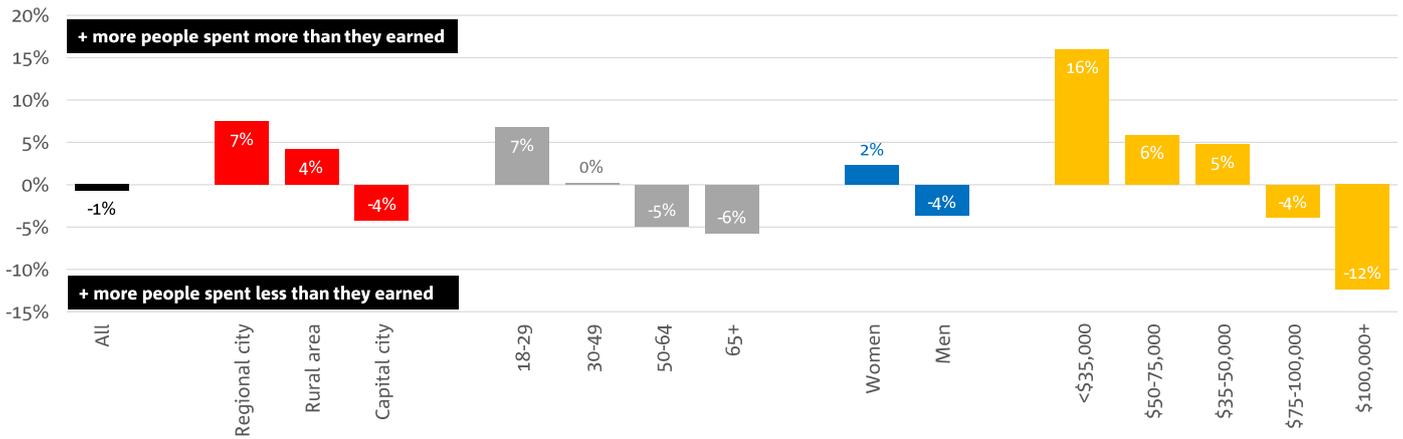
men and women that spent more was broadly similar, but somewhat more men (34%) spent less than women (28%). By income, the number that spent more was highest in the lowest income group (37%) and stepped down to 28% in the \$75-100,000 and \$100,000+ groups. Around twice as many people in the highest income group (40%) spent less than in the lowest group (21%) - see chart 1 below.

The results on chart 2 below are also reported in net balance terms i.e. a positive result indicates that the number who spent more than they earned out-weighted those that spent less, and a negative result the number who spent less out-weighted those that spent more. While a broadly even number spent more or less than they earned across the country (-1%), the net number that spent more exceeded those that spent less in regional cities (+7%) and rural areas (+4%), the 18-29 age group (+7%), women (+2%), and in all income groups below \$75,000.

Spent more or less than earned in the last month

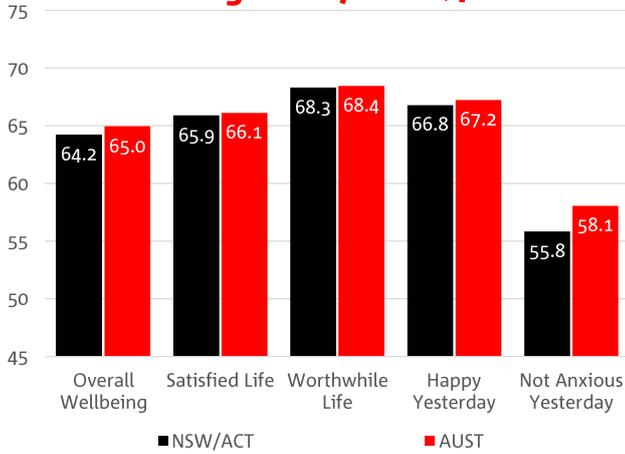


Spent more or less than earned in last month (net balance)

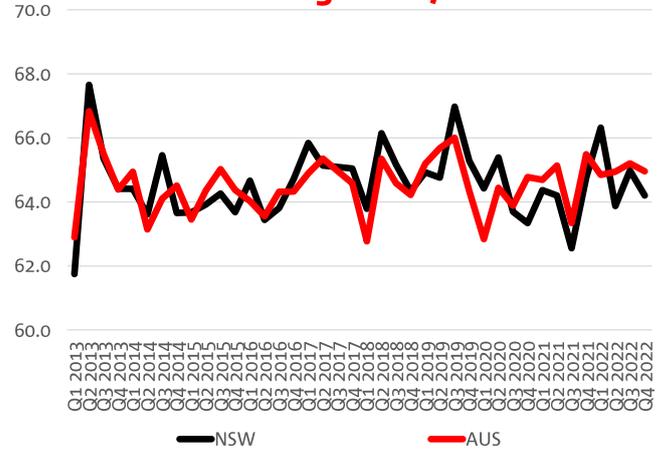


Appendix 1: NAB Wellbeing Index: States

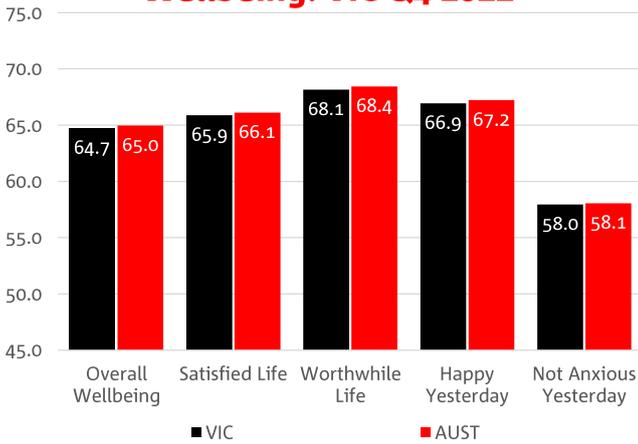
Wellbeing: NSW/ACT Q4 2022



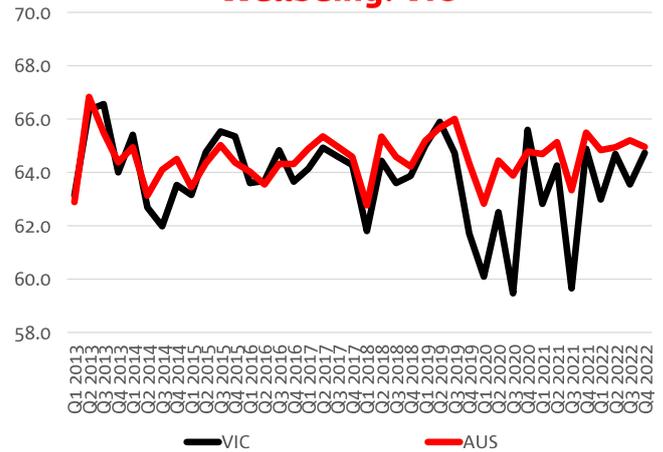
Wellbeing: NSW/ACT



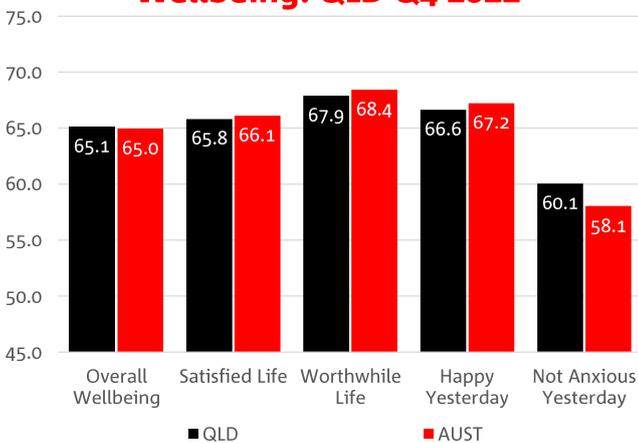
Wellbeing: VIC Q4 2022



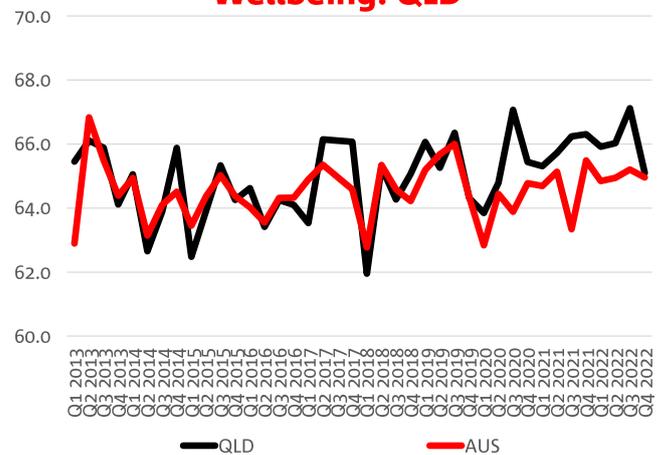
Wellbeing: VIC



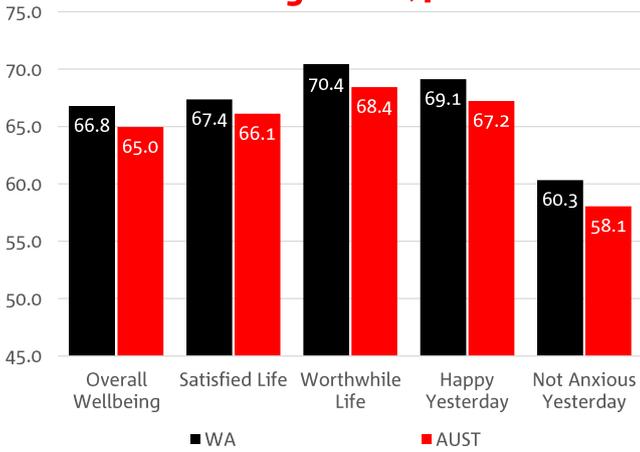
Wellbeing: QLD Q4 2022



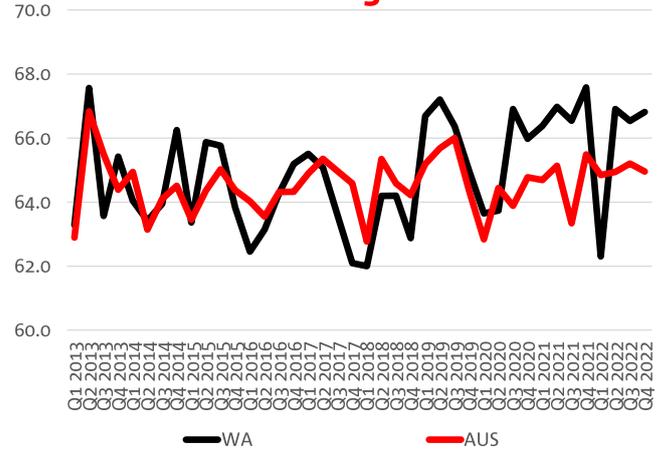
Wellbeing: QLD



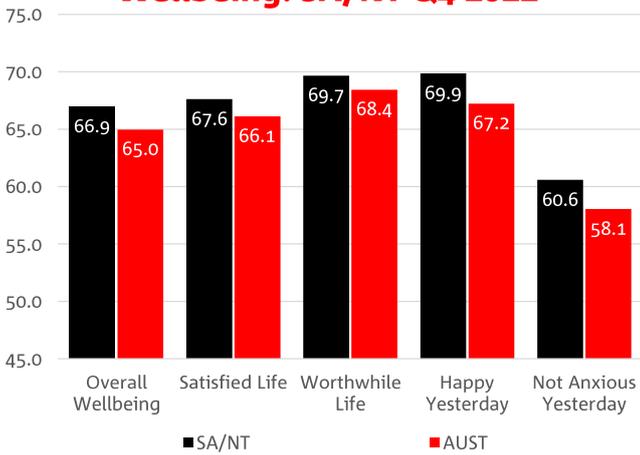
Wellbeing: WA Q4 2022



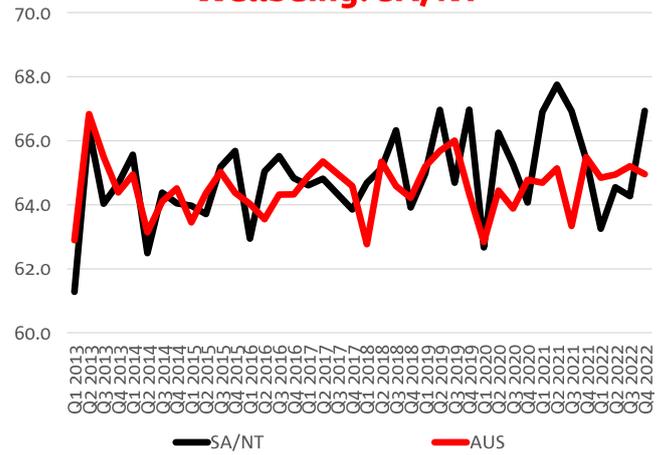
Wellbeing: WA



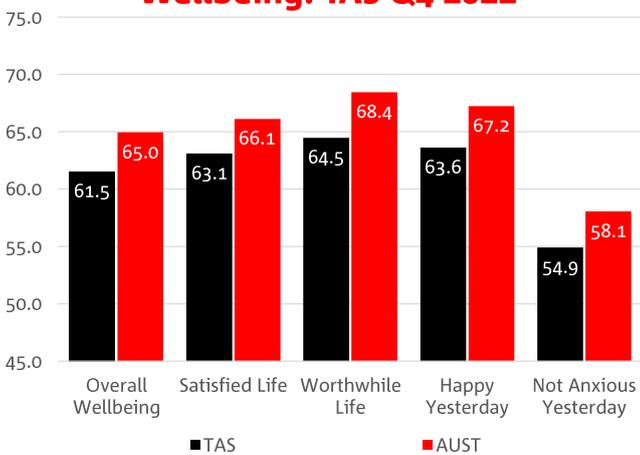
Wellbeing: SA/NT Q4 2022



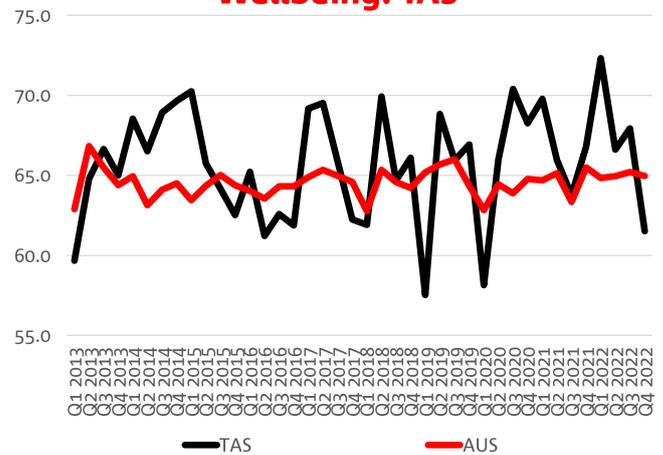
Wellbeing: SA/NT



Wellbeing: TAS Q4 2022

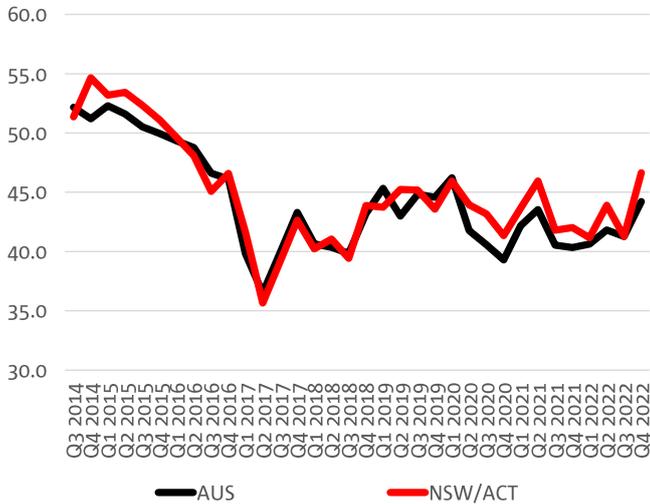


Wellbeing: TAS

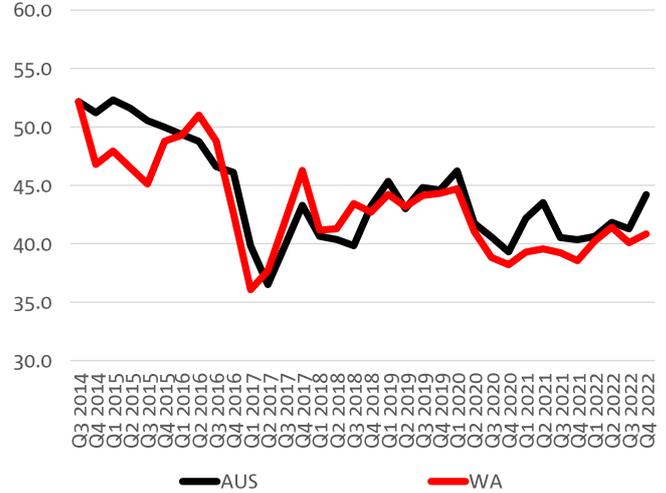


Appendix 2: Financial Stress Index: States

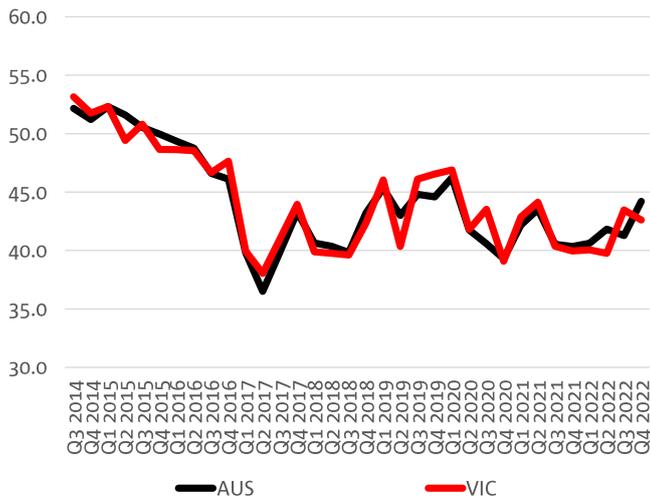
NAB Financial Stress Index: NSW/ACT



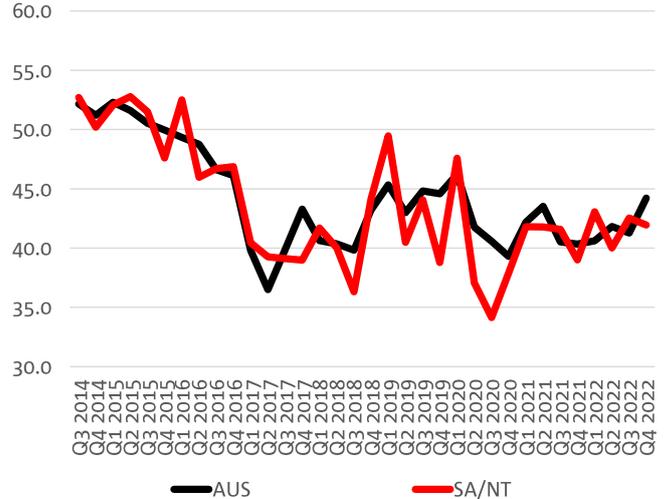
NAB Financial Stress Index: WA



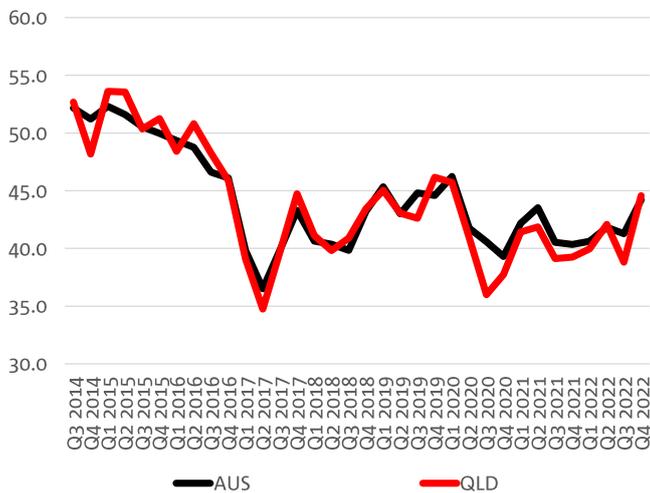
NAB Financial Stress Index: VIC



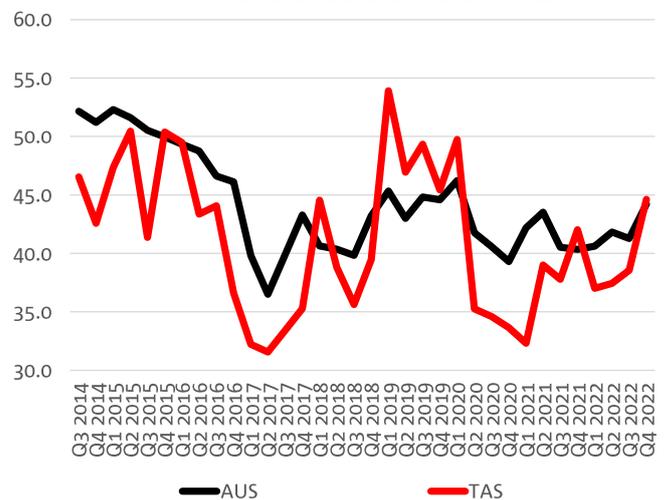
NAB Financial Stress Index: SA/NT



NAB Financial Stress Index: QLD



NAB Financial Stress Index: TAS

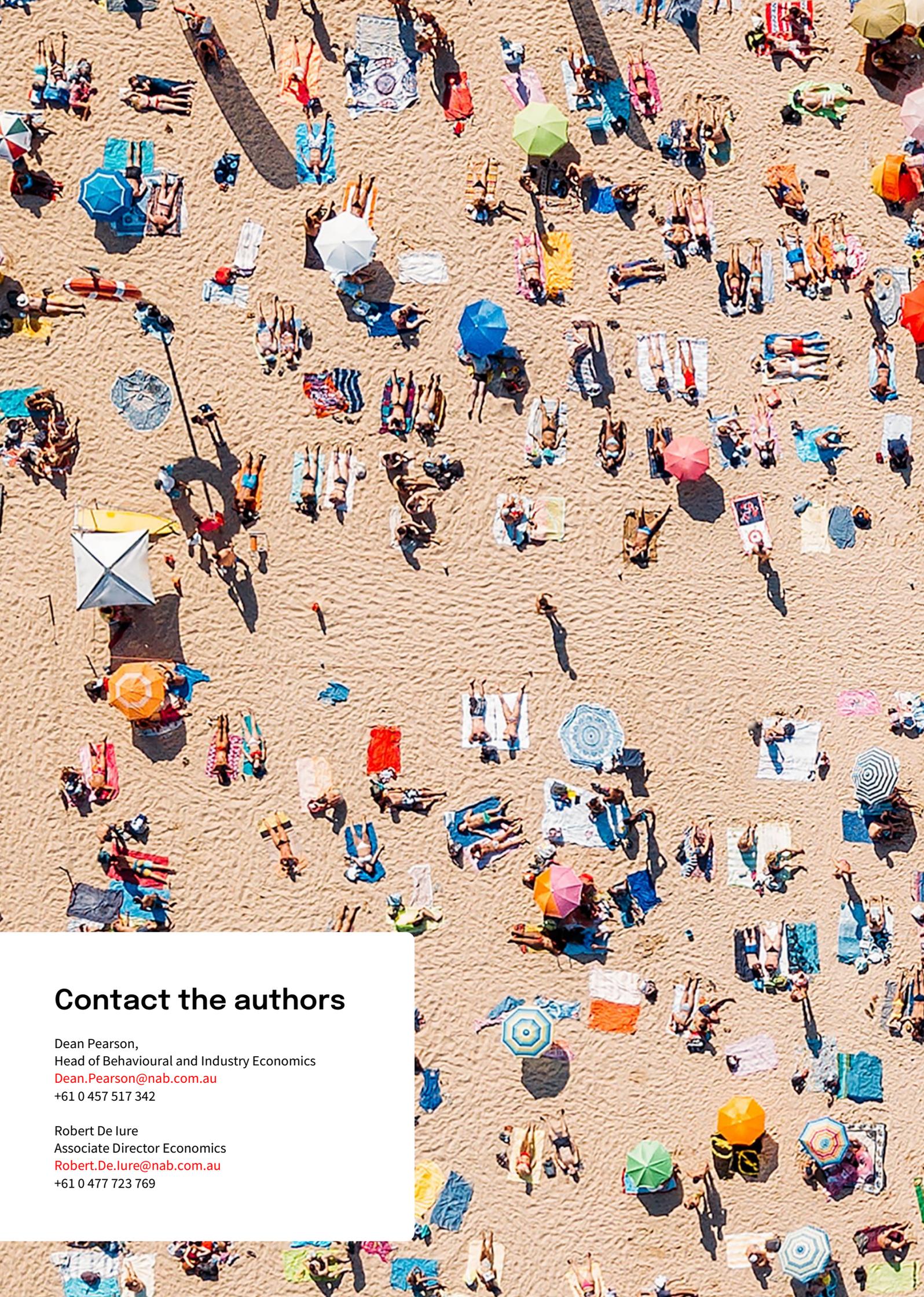


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