

more
than
money



NAB Australian Wellbeing Survey Q1-2023



NAB Australian Wellbeing Survey

Q1-2023

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

4 in 10 Australians believe the cost of living is a key detractor from their wellbeing, as financial stress continues to rise. Household savings coming under pressure. Over 1 in 2 Australians extremely concerned over their mortgage debt should interest rates rise further.

NAB Behavioural and Industry Economics

The **NAB Australian Wellbeing Index** was basically unchanged in Q1'23 and continues to trend slightly above average. Though Australians reported lower life satisfaction, life worth & happiness, they were less anxious. Overall wellbeing scores did not differ materially by income, except in the lowest income group where it was much lower.

With concern and stress around **cost of living** rising sharply in recent quarters, NAB for the first time asked Australians about the impact on their wellbeing. It was overwhelmingly negative. On balance, 40% of Australians indicated it as a detractor - a record high negative result for any wellbeing driver since this data was first compiled in 2018). The survey also highlighted a much higher number that said their mortgage (13% up from 7%) and other debts (23% up from 18%) were detractors of wellbeing.

Household financial stress continued to climb in Q1, now at its highest level since Q1 2020, and trending above the long-term average. Not having enough to finance retirement remains the biggest driver of financial stress, followed by providing for the family's future, mortgage, rent & housing costs, non-essentials, medical bills & healthcare, and home improvements & maintenance. Having enough money to meet minimum credit card payments continues to cause the least stress, followed by having enough for food and necessities and normal monthly utility bills (but all these concerns are rising).

Both women and men reported higher levels of financial stress in Q1, though women continue to have much higher levels by comparison. Women reported higher stress levels than men for all index components, particularly other monthly household expenses, mortgage, rent & housing costs, raising \$2,000 for an

emergency, medical bills & healthcare and major household items. By age, stress was highest (by a large margin), among those in the 30-49 group and also rose sharply.

With household financial stress rising, on balance 29% of Australians believe they are **worse off financially compared to the same time last year** (24% in Q4'22 and only 8% in Q1'22). Women much more so than men (38% worse off vs 28% in Q4'22, while largely unchanged for men, 19% vs. 20% in Q4'22). Interestingly, on balance, the share of high income earners who believe they are worse off also rose sharply - to 16% vs. 5% in Q4'22 and a sharp turnaround from the same time last year, when on balance 13% said they were better off. By comparison, the number of lower income earners who were worse off is much higher, but unchanged, at 44%.

Household savings came under more pressure in Q1. On balance, 26% of Australians said their level of savings had fallen in the last 3 months - rising to 34% of women (vs. 16% in Q4'22), compared to just 18% of men (vs. 16% in Q4'22).

With rising interest rates impacting repayment schedules, the **level of concern over debts** also rose (now for the fourth straight quarter). Pay day loans continue to cause the greatest concern, followed by loans from family or friends. With mortgage rates rising, home loan stress rose significantly. Over 1 in 2 (53%) Australians believe further rate hikes would cause them "high" stress, up from fewer than 1 in 3 (29%) at the start of 2022.

Alan Oster, Chief Economist

Part 1: NAB Australian Wellbeing Index

The NAB Australian Wellbeing Index was basically unchanged at 64.9 pts in Q1'23 (65.0 pts in Q4'22), with the index trending slightly above average (64.6 pts). Though Australians reported lower wellbeing for life satisfaction (65.8 pts down from 66.1 pts), worthwhile life (68.1 pts down from 68.4 pts) and happiness (67.0 pts down from 67.2 pts) in Q1, they were less anxious with the 'not anxious yesterday' question rising to 58.8 pts from 58.1 pts in Q4'22 (a lower score signals higher anxiety).

in SA/NT (64.5 pts) - see charts on following page. WA led the country for life satisfaction (67.3 pts), TAS had the highest sense of life worth (69.9 pts), QLD was the happiest state (68.5 pts) and TAS the least anxious state (65.4 pts).

Australians living in regional cities reported the highest wellbeing in Q1 (65.7 pts) and those in rural areas the lowest (64.1 pts). Regional cities scored life satisfaction (66.4 pts) and life worth (68.8 pts) highest. Australians living in capital cities were happiest (67.5 pts) and in rural areas the least anxious (63.9 pts), and considerably more so than in capital cities (57.3 pts).

Overall, wellbeing remains highest in the over 65 age group (74.7 pts), with outcomes broadly aligned for men (74.9 pts) and women (74.7 pts). Wellbeing was much lower in the 18-29 (60.5 pts) and 30-49 (60.7 pts) age group. Men in all age groups report higher wellbeing than women, except in the 50-64 age group.

In Q1, the 'highest' wellbeing groups included retirees (74.0 pts), widows (69.6 pts), married people (69.0 pts), people who live in a house they own (69.0 pts) 8.8 pts, are married (68.8 pts), or live in a 2-person household (67.9 pts). Wellbeing was lowest among the unemployed (50.6 pts), single people (57.8 pts), women aged 18-29 (57.8 pts), and people who live in a rented house (58.5 pts) or apartment (59.2 pts).

Interestingly, overall wellbeing scores did not differ materially by income, except in the lowest income group where it was much lower (60.9 pts). In other income groups, it ranged narrowly from 66.5 pts in the \$100,000+ group to 65.2 pts in the \$50-75,000 group. The lowest income group scored wellbeing lowest for all survey measures except anxiety, which was highest for Australians earning more than \$75,000.

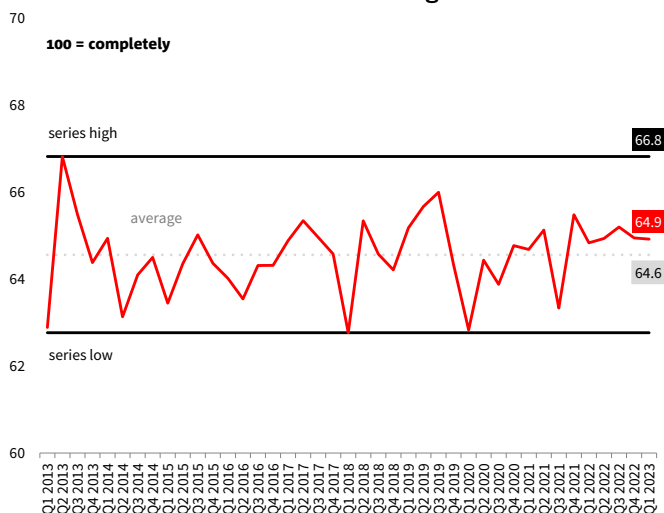
Since 2015, NAB has been asking Australians what impact (positive or negative) several key factors have on their personal wellbeing. In Q1, we noted a bigger positive contribution to overall wellbeing from the 3 biggest drivers - pets (+58% up from +55% in the previous quarter), family & personal relationships (+49% up from +46%) and our homes (+46% up from +44%).

We also noted a spike in the number of people who said that their personal safety made a positive wellbeing contribution in Q1 (+41% up from +35%), as did physical health (+25% up from +19%), but also a relatively large fall in the number reporting a positive wellbeing contribution from their standard of living (+36% down from +41%).

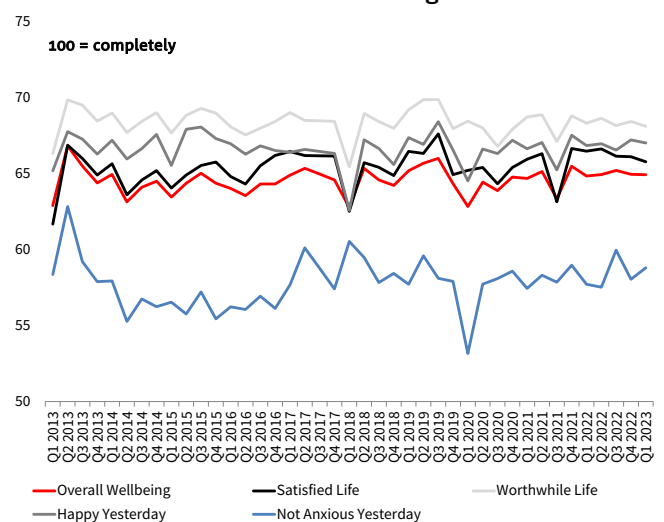
With concern and stress around cost of living rising in recent quarters, NAB asked for the first time what impact cost of living was having on wellbeing. It was overwhelmingly negative, with a net -40% indicating it detracted from wellbeing (also a record high negative result reported for any wellbeing driver since this data was first compiled Q1 2018). Cost of living detracted from wellbeing for noticeably more women (-49%) than men (-31%), and the 18-29 and 50-64 (-49%) age groups than 65+ group (-27%). Interestingly, it impacted more people in the highest (-42%) than the lowest income group (-40%).

The survey also highlighted a much higher number that said their mortgage (-13% up from -7%), other debts (-23% up from -18%) and events (-23% up from -20%) detracted from their wellbeing in Q1- see third chart below.

NAB Australian Wellbeing Index

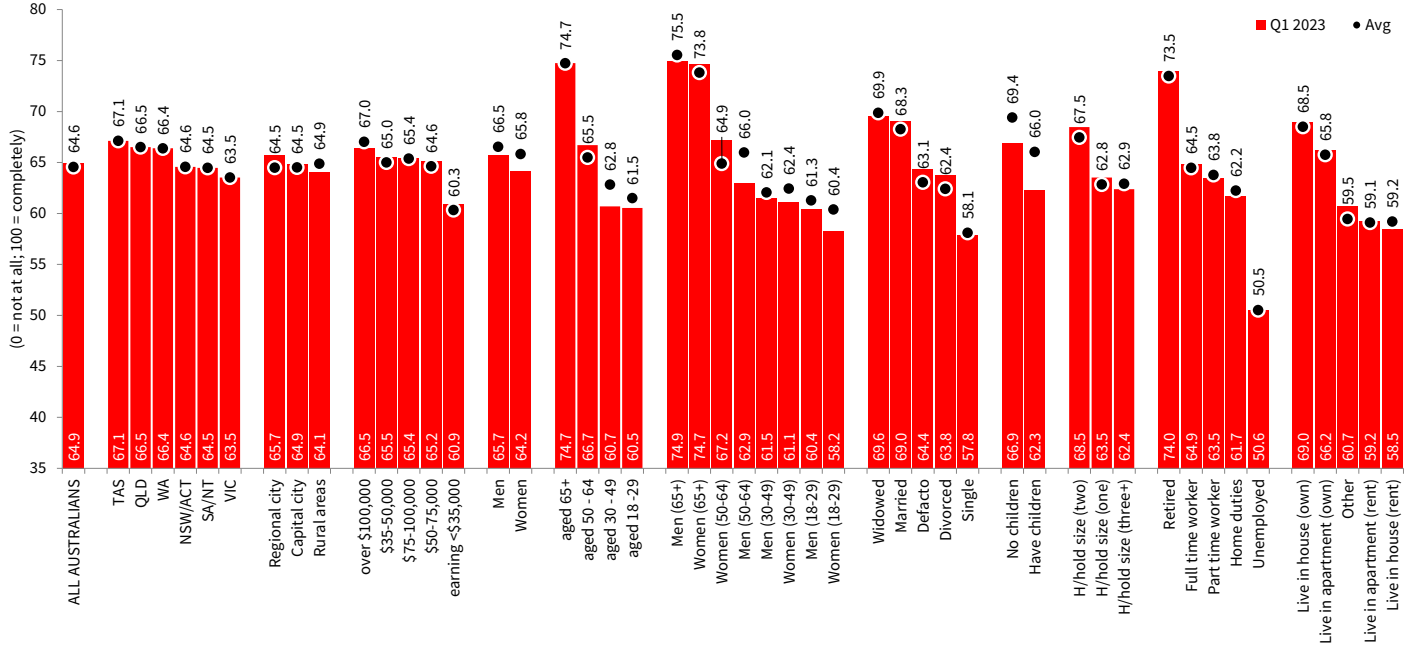


NAB Australian Wellbeing Index

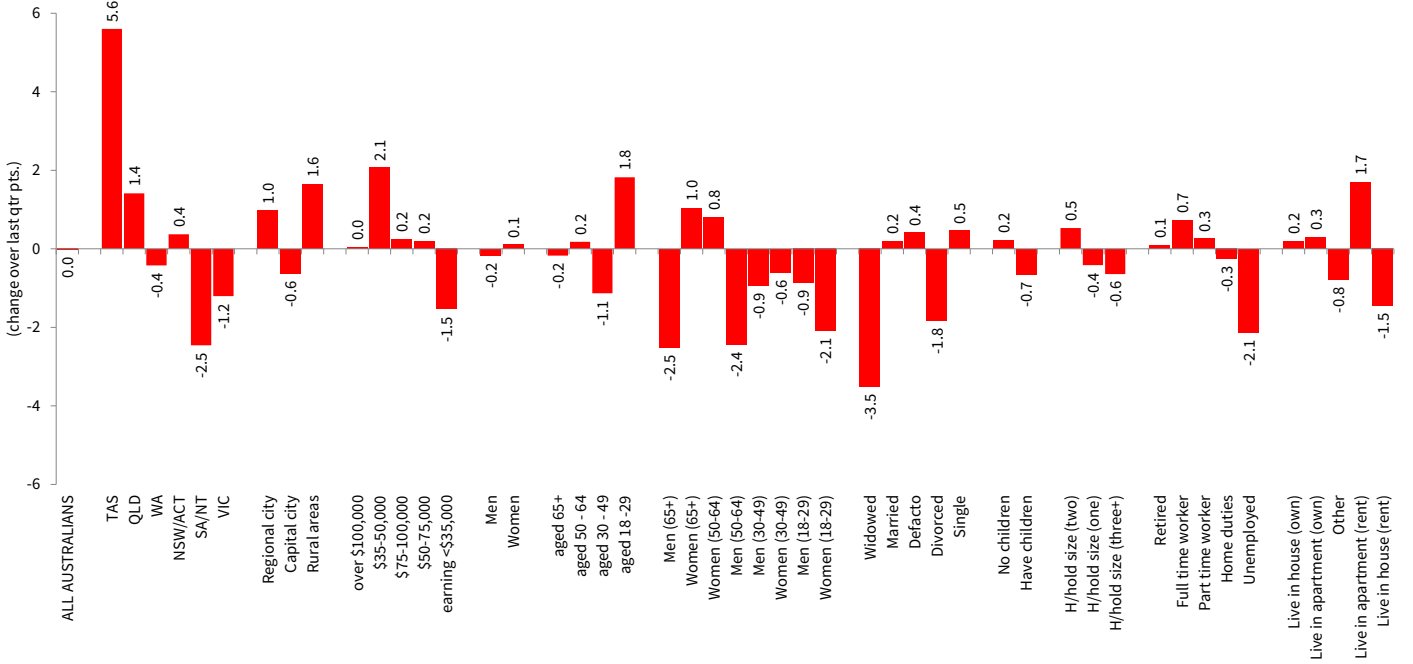


The average did however mask significant differences in wellbeing outcomes across the country. Wellbeing was highest and improved most in TAS (67.1 pts), followed by QLD (66.5 pts) and WA (66.4 pts). It was lowest (and fell) in VIC (63.5 pts), but fell most

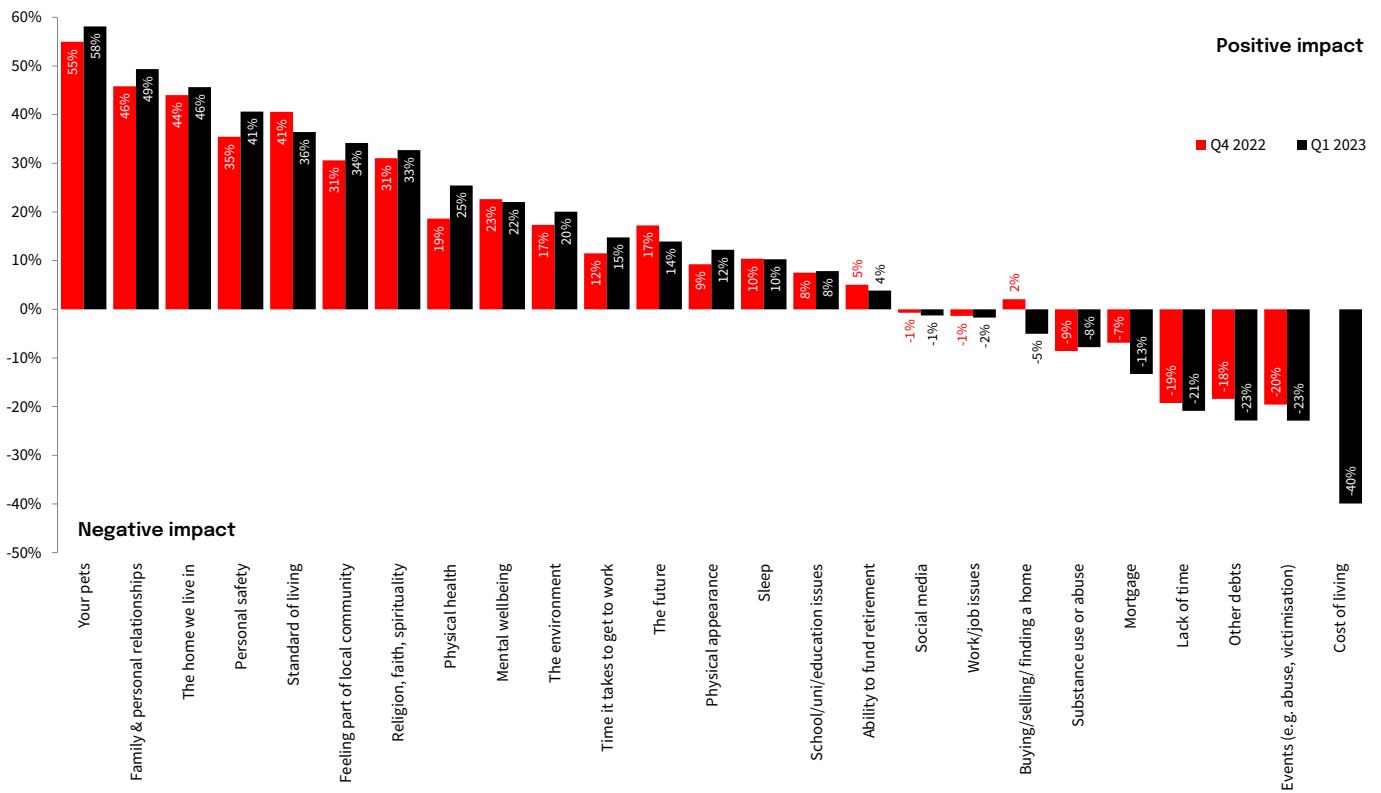
NAB Australian Wellbeing Index - all groups



NAB Australian Wellbeing Index change - all groups



Wellbeing drivers (net balance)



Biggest causes of stress for Australians

Australians consistently identify stress or anxiety as the biggest detractor from their overall wellbeing, with around 1 in 3 typically scoring high levels of anxiety.

Stress or anxiety can be triggered by many different things, and can change with time. In the Q1 survey, Australians were again asked to think back over the past 3 months and identify the top 5 causes of their stress during that time.

The most common cause by some margin and identified by a growing number of Australians (over 1 in 2 or 54%) was the cost of living. This was up from 51% in Q4'22 and 48% in Q3'22 when we first started tracking this data. This is not surprising, with new research also finding that the net number of Australians who said that the cost of living detracted from their personal wellbeing significantly out-weighted those who said it had a positive impact (-40%) - see above.

Further building on the theme that money is weighing heavily on wellbeing for many Australians, around 3 in 10 (28%) people overall highlighted personal financial issues as the second biggest cause of their stress during Q1. This has also been climbing steadily from 26% since Q3'22. The number of people who cited housing costs as a key cause of stress climbed to 24% (19% in Q4'22), with the state of the economy also causing more concern,

with around 1 in 4 (26%) Australians indicating it was a cause of stress in Q1.

Health issues caused a little less stress (25% down 27% in Q4'22), but mental health continues to be a big cause of stress for an unchanged 1 in 4 people (24%). Around 1 in 10 (11%) people overall indicated they had no stress (down from 13% in Q4'22).

The cost of living caused the most stress in all age groups, though it varied from 59% in the 30-49 age group to 46% in the over 65 group. More women identified cost of living as a cause of stress than men (58% women; 51% men), with a broadly similar number of low (58%) and high (54%) income earners pointing to cost of living as a stress point in Q1.

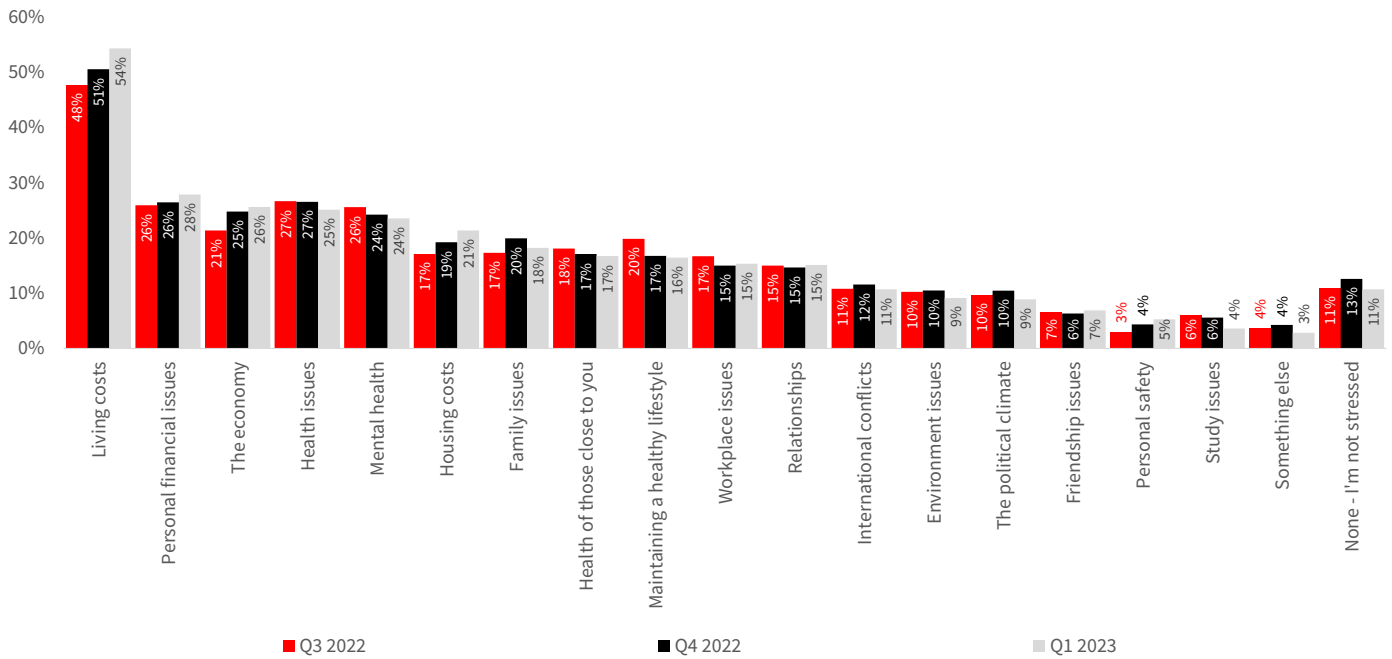
Among other key survey findings by age were the noticeably higher number of people under 50 struggling with personal financial issues and housing costs, in over 50 groups health issues, and in the 18-29 group mental health (38%), healthy lifestyle (24%), workplace issues (26%), relationships (23%) and study issues (10%). Noticeably more Australians over 50 were worried about the health of those around them, and the over 65s by international conflicts (21%) and political climate (15%). Over 1 in 5 (22%) over 65s had no stress, compared to 2% in the 18-29 and 7% in 30-49 age groups.

By gender, we also noted a much higher number of women than men stressed by personal financial issues (31% vs. 25%), health issues (28% vs. 22%), family issues (21% vs. 15%), and health of

those close to them (20% vs. 13%), and more men by the economy (29% vs. 22%), international conflicts (14% vs. 8%) and the political climate (12% vs. 6%). Almost twice as many men than women also indicated they were not stressed (13% vs. 8%).

By income, noticeably more Australians in the lowest income group cited health issues (32% vs. 21%), and family issues (21% vs. 15%) as a key cause of stress in Q1, and in the highest group workplace issues (23% vs. 2%).

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



Biggest causes of stress: Q1 2023

	All	18-29	30-49	50-64	Men	Women	Low income	High income
Living costs	54%	57%	59%	52%	46%	51%	58%	58%
Personal financial issues	28%	35%	31%	25%	19%	25%	31%	32%
The economy	26%	26%	25%	25%	28%	29%	22%	21%
Health issues	25%	16%	23%	30%	33%	22%	28%	32%
Mental health	24%	38%	26%	21%	8%	21%	26%	27%
Housing costs	21%	32%	28%	15%	5%	21%	22%	17%
Family issues	18%	21%	18%	19%	15%	15%	21%	21%
Health of those close to you	17%	12%	14%	21%	22%	13%	20%	17%
Maintaining a healthy lifestyle	16%	24%	17%	12%	12%	14%	19%	18%
Workplace issues	15%	26%	18%	12%	2%	14%	16%	2%
Relationships	15%	23%	15%	13%	8%	13%	17%	11%
International conflicts	11%	6%	8%	10%	21%	14%	8%	10%
Environment issues	9%	8%	9%	9%	11%	11%	8%	10%
The political climate	9%	7%	5%	10%	15%	12%	6%	8%
Friendship issues	7%	13%	6%	6%	3%	6%	7%	10%
Personal safety	5%	4%	8%	4%	3%	5%	5%	7%
Study issues	4%	10%	3%	1%	0%	4%	3%	5%
Something else	3%	3%	2%	3%	3%	2%	4%	5%
None of the above, I am not stressed	11%	2%	7%	14%	22%	13%	8%	12%

Our emotional/mental, physical & social health

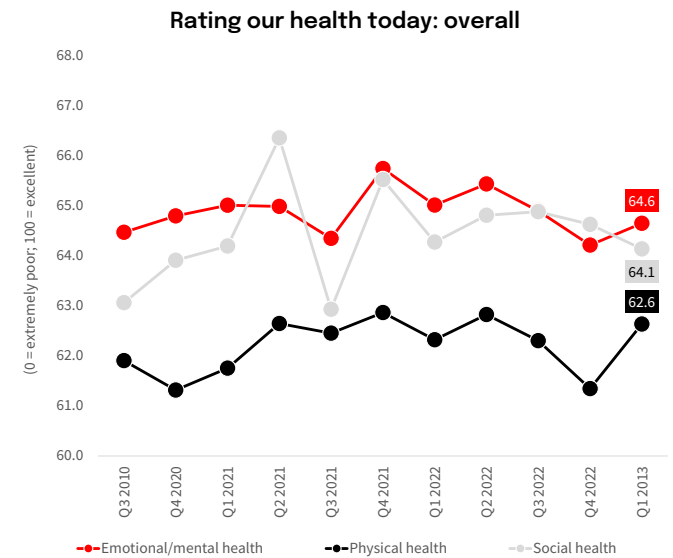
Self-reported health outcomes continue to suggest that Australians still consider themselves only “moderately” healthy across all aspects of their health - emotional or mental (the ability to cope with normal stresses of life and take pleasure and satisfaction from life), physical (soundness of the body and freedom from disease and abnormality) and social (quality of interactions and meaningful relationships with others).

On average, Australians rated their emotional & mental health highest (64.6 pts up from 64.2 in Q4'22). Perceptions of their social health however fell slightly (64.1 pts down from 64.6 pts). Physical health continues to be rated lowest, but improved noticeably in Q1 (62.6 pts up from 61.3 pts).

Men still continue to report better health outcomes than women in all areas, with the gap biggest for emotional & mental health and physical health - see table below.

By age, Australians over 65 reported significantly higher health outcomes for emotional & mental health (77.1 pts) and social health (73.6 pts). Emotional & mental health was lowest in the 18-

29 group (59.7 pts), physical health in the 50-64 age group (60.4 pts), and social health in the 30-49 group (60.5 pts).



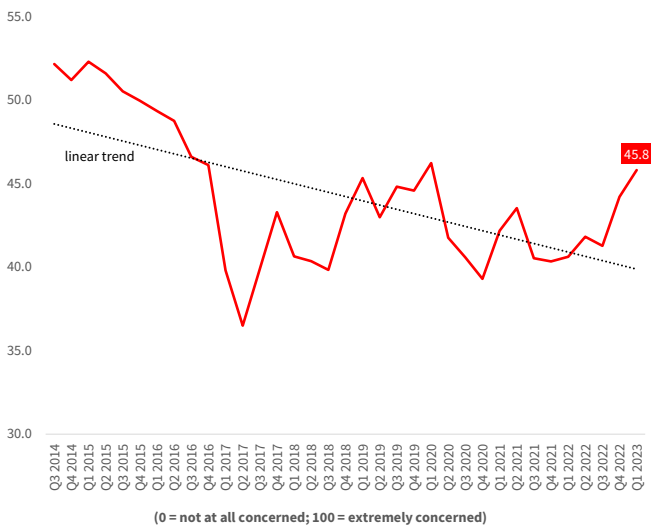
Rating our health today: gender and age

	All	Women	Men	18-29	30-49	50-64	65+
Emotional/mental health							
- Q1 2023	64.6	63.1	66.2	59.7	60.4	64.4	77.1
- 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
Physical Health							
- Q1 2023	62.6	61.0	64.3	64.2	61.6	60.4	65.0
- 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
Social Health							
- Q1 2023	64.1	63.9	64.4	62.0	60.5	63.0	73.6
- Q4 2022	61.3	64.3	65.0	60.5	61.5	64.4	74.4
- 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

Part 2: Household financial stress

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 continued to climb in Q1 (reaching 45.8 pts in Q1'23 – and standing at its highest level since Q1 2020). The index has risen sharply from 43.1 pts at the same time last year, and is now also trending above the long-term survey average (44.2 pts).

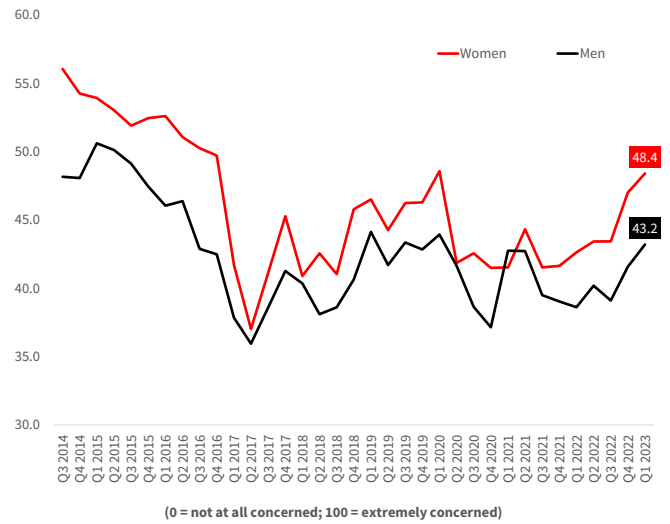
The Household Financial Stress Index increased for all index components in Q1, except for children’s education where it fell slightly. Not having enough to finance retirement is still the biggest driver of financial stress, with stress levels increasing to 54.3 pts in Q1 (54.1 pts (Q4'22)).

The next biggest drivers of stress were providing for our family’s future (50.1 pts up from 47.4 pts), mortgage, rent & housing costs (which spiked to 48.5 pts from 45.5 pts), non-essentials (48.0 pts up from 46.2 pts), medical bills & healthcare (47.6 pts up from 46.0 pts), and home improvements & maintenance (47.6 pts up from 45.8 pts).

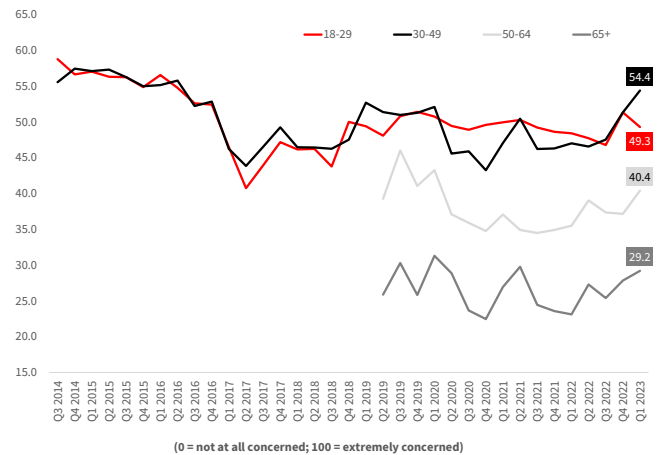
Having enough money to meet minimum credit card payments again caused the least stress (35.4 pts but up from 34.6 pts in Q4'22), followed by having enough for food and basic necessities (40.6 pts also up from 39.3 pts), normal monthly utility bills (43.9 pts up from 42.4 pts), and our children’s education 43.9 pts down from 44.4 pts).

The accompanying charts on the right show that Financial Stress Index has also risen in most key groups, except the 50-64 age group.

NAB Household Financial Stress Index: Gender



NAB Household Financial Stress Index: Age



NAB Household Financial Stress Index: High/Low Income



Women and men reported higher levels of financial stress in Q1, though women (48.4 pts up from 47.0 pts in Q4'22) continue to have much higher levels of stress than men (43.2 pts up from 41.6 pts). Women also reported higher stress levels than men for all index components, particularly other monthly household expenses (47.7 pts vs. 40.9 pts), mortgage, rent & housing costs (51.8 pts vs. 45.1 pts), raising \$2,000 for an emergency (48.2 pts vs. 41.6 pts), medical bills & healthcare (50.9 pts vs. 44.4 pts) and major household items (49.7 pts vs. 43.8 pts).

By age, stress was highest by a large margin in the 30-49 group and also rose sharply to 54.4 pts (51.3 pts in Q4'22). It fell in the 18-29 group (49.3 pts down from 51.3 pts), but rose in the 50-64 (40.4 pts from 37.2 pts) and over 65 group where it was by far the

lowest of all age groups (29.2 vs. 27.8 pts). Financial stress was highest in the 30-49 age group for all measures, except raising \$2,000 for an emergency where it was highest in the 18-29 group. Stress was lowest for all measures in the over 65 group.

By state, overall stress was highest and rose sharply in SA/NT in Q1 (48.0 pts up from 41.9 pts in Q4'22), followed by NSW/ACT (47.4 pts up from 46.6 pts). Financial stress was lowest and fell noticeably in TAS (34.6 pts down from 44.6 pts), followed by QLD (43.1 pts down from 44.6 pts). Financing retirement is the biggest cause of stress in all states, ranging from 55.1 pts in SA/NT to 46.7 pts in TAS. Credit card repayments caused least stress in all states bar TAS, where children's education caused the least - see table below for detail & Appendix 2 for historical state data.

NAB household financial stress index: key groups (Q1 2023)

	All	Women	Men	18-29	30-49	50-64	65+
Financing retirement	54.3	57.2	51.3	52.4	61.9	53.8	43.4
Providing for family's future	50.1	52.6	47.7	55.5	59.1	43.9	30.7
Mortgage, rent, housing costs	48.5	51.8	45.1	52.3	55.7	41.4	30.8
Non-essentials (holidays, eating out)	48.0	50.6	45.4	55.4	55.8	41.2	33.0
Medical bills/healthcare	47.6	50.9	44.4	50.4	55.2	44.6	35.1
Home improvements & maintenance	47.6	50.5	44.6	50.9	55.5	42.1	35.1
Major household items	46.8	49.7	43.8	50.8	54.5	43.2	32.7
Personal loan repayments	45.3	47.2	43.5	46.4	54.0	38.3	26.4
Raising \$2,000 in an emergency	44.9	48.2	41.6	53.3	52.1	40.3	28.7
Other monthly household expenses	44.4	47.7	40.9	49.6	52.8	39.9	29.2
Children's education	43.9	45.0	43.0	43.6	54.7	31.2	11.5
Normal monthly utility bills	43.9	46.5	41.3	48.6	53.1	39.6	28.1
Food/basic necessities	40.6	42.9	38.3	44.4	49.5	36.8	25.3
Credit card repayments	35.4	36.9	34.1	36.6	47.5	29.4	18.6
NAB Financial Stress Index	45.8	48.4	43.2	49.3	54.4	40.4	29.2

NAB household financial stress index: states (Q1 2023)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Financing retirement	54.3	54.6	55.1	53.2	51.3	59.1	46.7
Providing for family's future	50.1	53.0	50.8	45.5	48.7	52.3	36.8
Mortgage, rent, housing costs	48.5	50.1	48.6	46.2	48.8	49.7	37.3
Non-essentials (holidays, eating out)	48.0	49.5	47.0	45.3	49.0	54.2	33.1
Medical bills/healthcare	47.6	49.6	47.7	45.4	46.5	49.1	37.2
Home improvements & maintenance	47.6	49.0	47.8	45.0	46.9	53.2	25.9
Major household items	46.8	48.2	47.2	43.6	46.4	50.5	36.4
Personal loan repayments	45.3	45.9	48.2	43.7	43.9	41.3	37.0
Raising \$2,000 in an emergency	44.9	47.2	44.4	42.0	42.5	50.0	34.4
Other monthly household expenses	44.4	45.6	45.0	41.8	43.3	46.0	39.5
Children's education	43.9	46.1	44.5	41.4	43.7	44.4	20.6
Normal monthly utility bills	43.9	45.8	44.1	40.5	42.6	46.9	39.7
Food/basic necessities	40.6	41.9	41.7	37.9	39.2	42.5	33.7
Credit card repayments	35.4	37.5	37.0	32.6	33.7	32.9	26.6
NAB Financial Stress Index	45.8	47.4	46.4	43.1	44.7	48.0	34.6

How households feel they are travelling financially

With household financial stress rising, more Australians also feel they are worse off financially. In Q1, the overall number who felt they were worse off financially exceeded those who thought they were better off, with this number rising to -29%, from -24% in the previous quarter and over 3 times higher than at the same time last year (-8%).

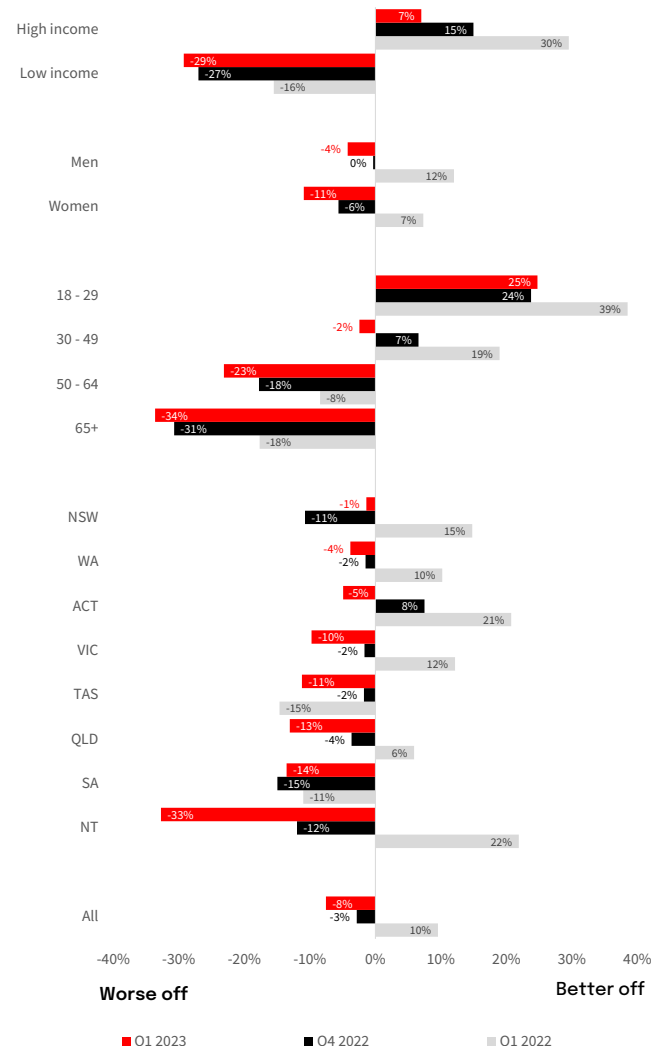
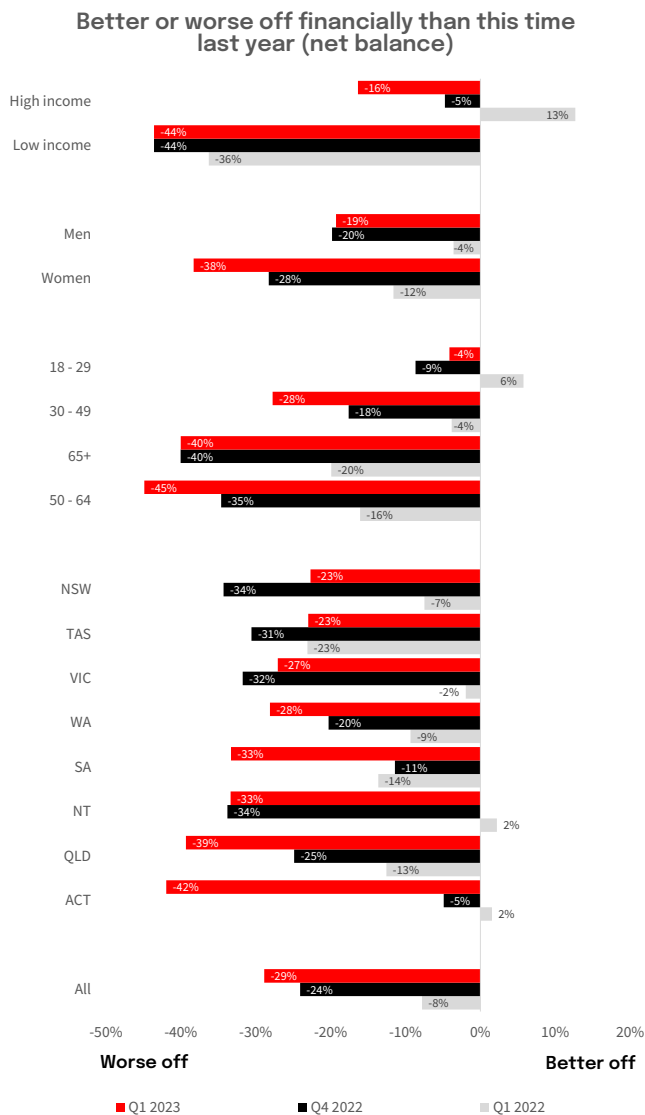
The number of pessimists out-weighted optimists across the country, and was highest in the ACT (-42%) and QLD (-39%), with states both reporting a substantial uplift from the previous quarter. The net number who were worse off was lowest (and fell) in NSW (-23%), TAS (-23%) and VIC (-27%).

4% (-9% in Q4'22). In the 30-49 group, the number of pessimists increased to -28% from -18%.

Pessimists also out-weighted optimists for both genders, but women were much more pessimistic than men. In Q1, the net number of women who were worse off rose to -38% (-28% in Q4'22, but was largely unchanged for men (-19% vs. -20%).

The net number of high income earners who said they were worse off rose sharply in Q1 to -16% (-5% in Q4'22). This was also a sharp turnaround from the same time last year when the net number of high income earners who said they were better off exceeded those who were worse off (+13%). The number of lower income earners who were worse off was unchanged at -44%.

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



By age, the number of pessimists was highest and increased in the 50-64 age group (-45% from -35%), followed by the 65+ group at an unchanged -40%. It was lowest in the 18-29 group and fell to -

Australians were also asked if they thought they would be better or worse off in a year from now. Confidence clearly waned in Q1, with the net number expecting to be worse off increasing to -8%, from -3% in Q4'22, and a big reversal from the same time last year when more people expected to be better off (+10%).

Pessimists out-weighted optimists in all states and territories, but ranged widely from -33% in the NT to -1% in NSW. Whereas the net number of pessimists increased in the NT, QLD, TAS, VIC and the ACT over the previous quarter, it fell in NSW and was broadly unchanged in SA and WA.

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 +25%. In contrast, pessimists out-weighted pessimists in the 30-49 group (-2% from +7% in Q4'22). Australians over the age of 50 are the most pessimistic (and more so than in Q4'22), with the net number of pessimists rising to -34% in the over 65 and -23% in the 50-64 age groups.

More women (-11% up from -6% in Q'22) and men (-4% up from 0%) are pessimistic about their financial position in the next 12 months. More high income earners still believe they will be better off, though this fell to +7% (+15% in Q4'22), but slightly more lower income earners expect to be worse off (-29% up from -27%).

The impact of income, savings and debt

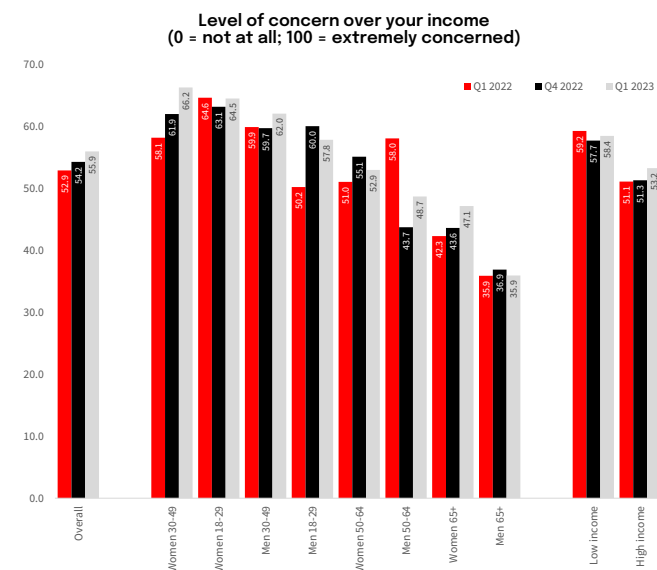
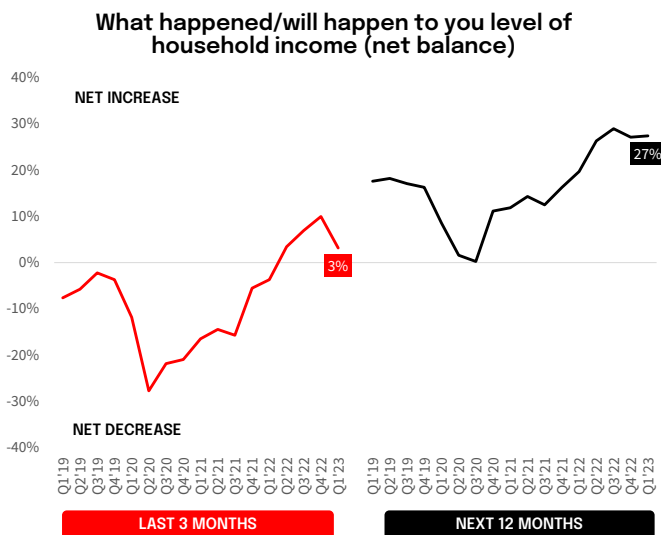
Against this background, when asked what happened to their income in the last 3 months, the number of Australians who said it increased outweighed those who said it decreased, though this fell to +3% (+10% in Q4'22).

Looking forward, an unchanged number of Australians on balance expect their incomes to rise than fall in the next 12 months (+27%). Expectations were broadly unchanged for women (+24%) and men (+31%). More people expect their incomes to rise in the 18-29 age group (+48%), but fewer do in all other age groups – particularly the over 65 group (0%). Expectations in both the lowest (+13% from +10% in Q4'22) and highest income (+49% up from +45%) however were a little more positive.

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

	Last 3 months	Next 12 months
Women	+1% (+6%)	+24% (+24%)
Men	+6% (+14%)	+31% (+30%)
Age 18-29	+12% (+12%)	+48% (+37%)
Age 30-49	+2% (+10%)	+25% (+33%)
Age 50-64	-2% (+6%)	+20% (+24%)
Age 65+	+2% (+11%)	0% (+11%)
Low income	-4% (+4%)	+13% (+10%)
High income	+18% (+21%)	+49% (+45%)

*Figures in parentheses previous quarter



A positive (but lower) net number of women (+1%) and men (+6%) said their incomes improved. It was positive and unchanged in the 18-29 group (+12%), but declined in all other groups, though still positive in the 30-49 (+2%) and over 65 (+2%) groups. The number of people in the 50-64 age group who said their incomes fell however out-weighted those who said it rose (-2%). We also noted a deterioration in the net number who said their income fell in the lowest income group (-4%), and a fall in the highest income group who said it increased (+18%).

With a fewer people indicating their incomes increased in Q1, Australians were more concerned over their income or pay. When asked to rate their level of concern, on average they scored 55.9 pts (54.2 pts in the previous quarter).

Income stress increased in all groups by gender and age, except men 18-29, men over 65 and women 50-64. Women continue to report higher levels of income stress than men in all age groups. It was highest for women 30-49 (66.2 pts) and 18-29 (64.5 pts), and lowest for men over 65 (35.9 pts).

Income stress rose in Q1 in both the lowest (58.4 pts up from 57.7 pts) and highest (53.2 pts from 51.3 pts) income groups.

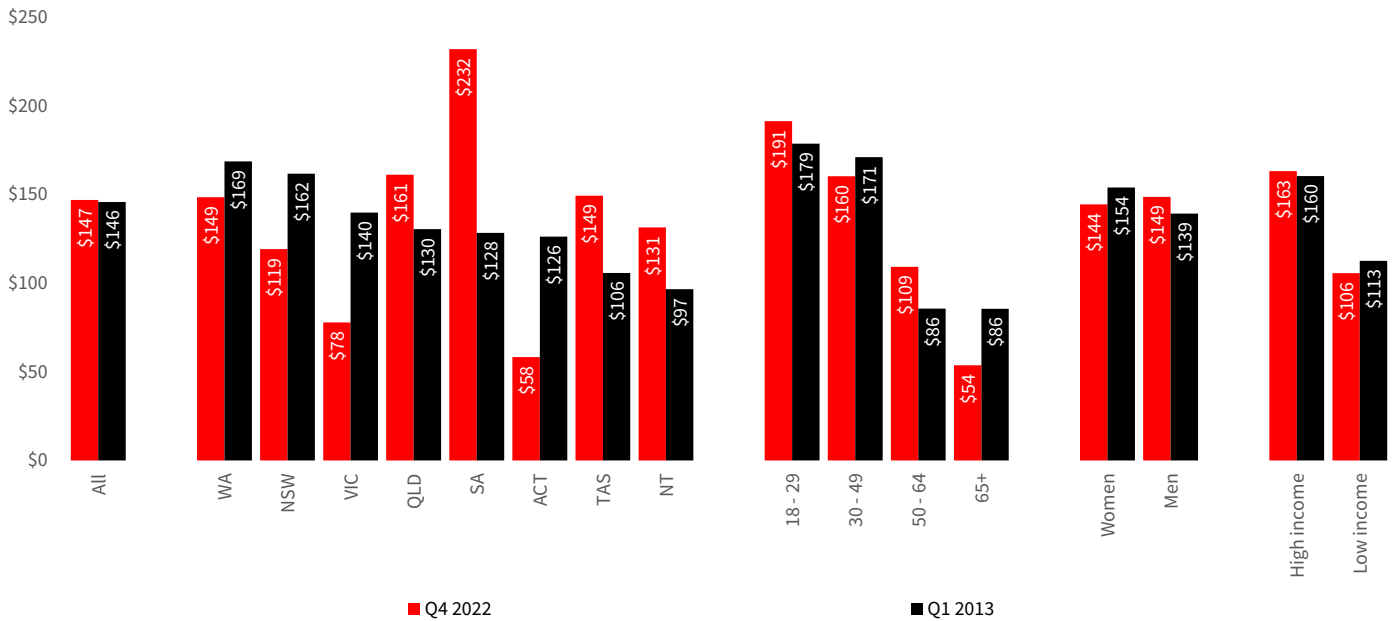
Australians who expected their incomes to increase in the next year were also asked to estimate by how much their weekly income would rise. On average, their expectations were basically unchanged (\$146).

Expectations however varied widely by state. They were highest and increased in WA (\$169), NSW (\$162) and VIC (where it almost doubled to \$140), with a big upward revision also noted in the ACT to \$126 (\$58 in Q4'22). Expectations were lowest in the NT (\$97), and scaled back heavily in SA to \$128 (\$232 in Q4'22).

Weekly income expectations remain highest but fell in the 18-29 age group (\$179 from \$191 in Q4'22). They rose in the 30-49 (\$171 from \$160) and over 65 group (\$86 from \$54), but fell in the 50-64 group (\$86 from \$109). They were basically unchanged in the 30-49 (\$160) and over 65 (\$54) groups.

Women (\$154) expect to receive more than men (\$139). Expectations fell a little in the highest income group (\$160 from \$163), but improved in the lowest income group (\$113 from \$106).

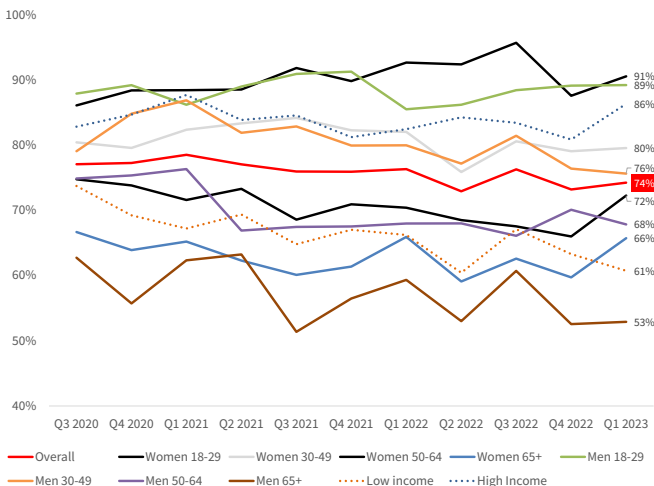
How much extra money per week are you expecting?



Savings aspirations among Australians remain high, with the overall number of people trying to save at 74% in Q1 (73% in Q4'22 and 76% at the same time last year).

Savings aspirations were strongest in the 18-29 age group. In Q1, the number of young women trying to save increased to 91% (88% in the previous quarter), and above the number of young men trying to save (unchanged at 89%).

Percentage of Australians trying to save



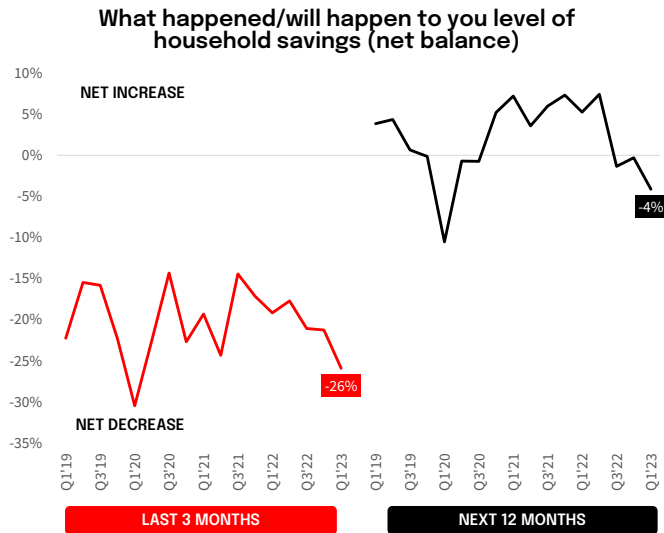
The number of people in the 30-49 age group trying to save increased slightly for women (80% from 79% in the previous quarter but down from 82% one year earlier). It was unchanged for men at 76%, but down from 80% at the same time last year.

In the 50-64 group, the number of women trying to save rose to 72%, up noticeably from 66% in the previous quarter and higher than at the same time last year (70%), However the number men trying to save in this age group dipped to 68%, from 70% in the previous quarter.

Savings aspirations remain lowest by some margin in the over 65 age group, particularly men at an unchanged 53%. The number of women trying to save in this age group was much higher at 66%, and climbed sharply from 60% in Q4'22.

The number of people who were trying to save fell slightly in the lowest income group to 61% (63% in the previous quarter), but rose sharply the highest income group to 86% (81% in Q4'22).

Household savings came under more pressure in Q1. 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 lower savings rising to -26%.



By gender, the net number of women who reported a fall in their savings fell sharply to -34% (-16% in Q4'22), and inched down further to -18% for men (-16% in Q4'22).

Savings was harder in all age groups in Q1, with more people in all groups reporting a fall in their savings. This ranged from -20% in the 18-29 group to -34% in the over 65 group. Noticeably more people in net terms said their savings fell in the highest income group (-14% from -5%), but slightly fewer in the lowest income group (-34% from -37%).

More Australians expect their savings to fall than rise in the next 12 months (-4%). Expectations are more negative for women (-6% from -3%) and men (-2% from +2%). More people in all age groups also see their savings falling, except the 18-29 group (+28% from +19%). By income, more people in the highest group still expect to grow their savings (+15% from +18%), and slightly less in the lowest groups expecting a fall (-19% from -21%).

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

	Last 3 months	Next 12 months
Women	-34% (-26%)	-6% (-3%)
Men	-18% (-16%)	-2% (+2%)
Age 18-29	-20% (-17%)	+28% (+19%)
Age 30-49	-22% (-16%)	-1% (+7%)
Age 50-64	-29% (-25%)	-14% (-8%)
Age 65+	-34% (-31%)	-28% (-24%)
Low income	-34% (-37%)	-19% (-21%)
High income	-14% (-5%)	+15% (+18%)

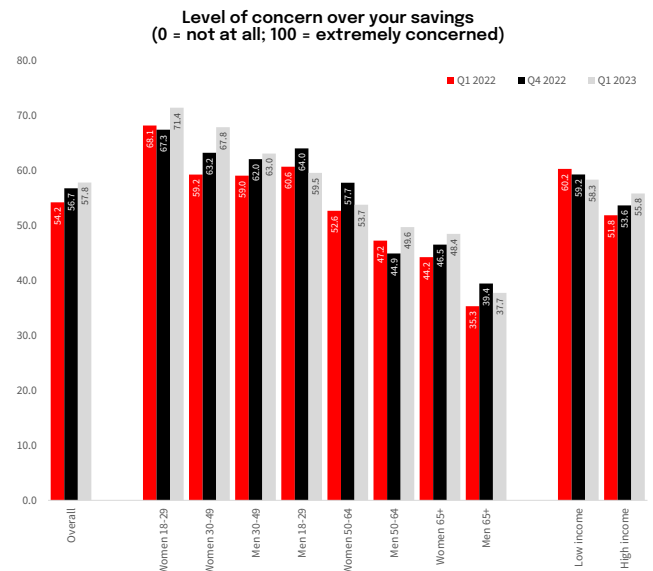
*Figures in parentheses previous quarter

With more Australians still seeing a reduction in their household savings levels in Q1, their level of concern over their savings also increased. When asked to rate their level of concern, on average they scored 57.8 pts (56.7 pts Q4'22). Stress related to savings remains higher than income stress (55.9 pts).

Savings stress increased (and was highest) for women aged 18-29 (71.4 pts up from 67.3 in Q4'22) and women 30-49 (67.8 pts up from 63.2 pts). Savings stress was lowest for men over 65 by some margin and fell to 37.7 pts (39.4 pts). Men 18-29 and women 50-64 were the only other groups to report lower savings stress in Q1.

In other findings, women reported higher savings stress than men in all age groups. Stress levels showed a clear correlation with age for women - it fell as they got older. Among men however, savings stress was highest in the 30-49 age group.

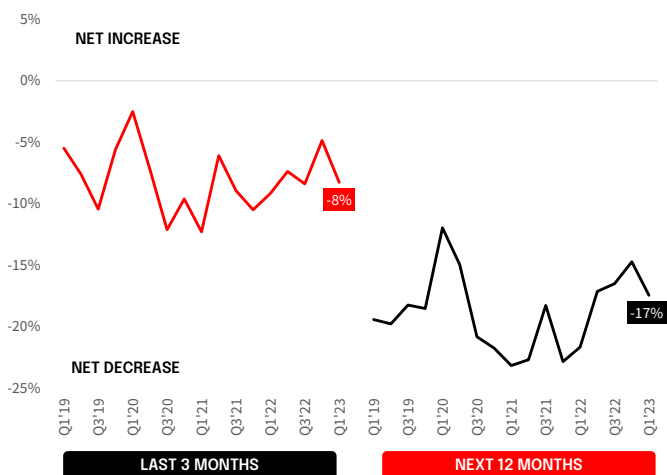
Low income earners reported slightly lower savings stress in Q1 (58.3 pts down from 59.2 pts in the previous quarter), but stress among high income earners increased (55.8 pts up from 53.62 pts).



More Australians made inroads into reducing their household debt levels in Q1. When asked how their debt levels had changed over the 3 months, in net terms more people said it decreased than increased (-8%) - i.e., the number who said it decreased outweighed the number who said it increased. This was up from -5% in the previous quarter - but down from -8% in the previous quarter, and broadly on par than at the same time last year (-9%).

In net terms, significantly more men (-14% from -8%) than women (-4% from -2%) made inroads into reducing debt in Q1. By age, we also noted slightly higher numbers of Australians in all groups that reduced their debt levels compared to Q4'22, particularly in the 30-49 age group (-9% from -4%). The net number of low income earners that reduced their debt levels remained positive at (+2%), signalling debt was increasing for more people in this income group. More people in the highest income group however reduced their debt levels in Q1 (-18% from -12% in Q4'22).

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 of Australians who expect it to fall increased a little over the quarter to -17% - though well down from expectations at the same time last year (-22%).

Expectations were broadly unchanged for women (-14%), but increased for men (-21% from -17%). Noticeably more people in the 18-29 (-24% from -19%), 30-49 (-18% from -14%), and over 65 (-12% from -7%) age groups expect to reduce their household debt levels over the next 12 months, with expectations unchanged in the 30-49 age group (-17%)

By income, fewer people in the lowest group now expect their household debt levels to fall (-2% from -9% in Q4'22), but more in the highest income group expect debt levels to decline (-28% from -24%).

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

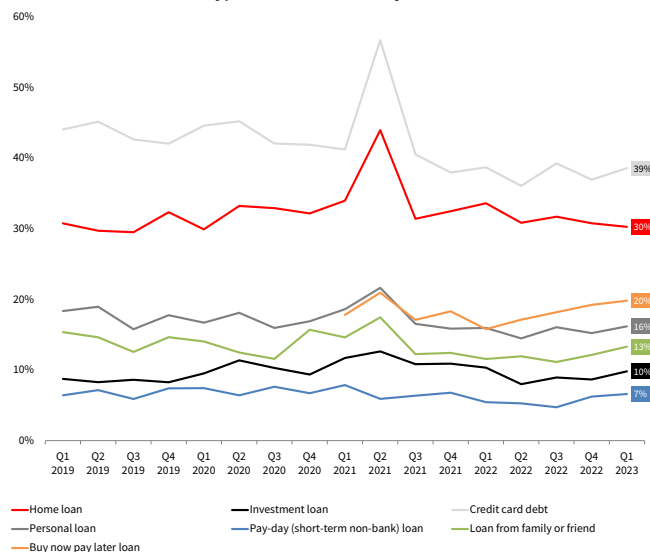
	Last 3 months	Next 12 months
Women	-4% (-2%)	-14% (-13%)
Men	-14% (-8%)	-21% (-17%)
Age 18-29	-9% (-8%)	-24% (-19%)
Age 30-49	-9% (-4%)	-17% (-17%)
Age 50-64	-8% (-5%)	-18% (-14%)
Age 65+	-7% (-4%)	-12% (-7%)
Low income	+2% (+1%)	-2% (-9%)
High income	-18% (-12%)	-28% (-24%)

*Figures in parentheses previous quarter

Credit card debt remains the most widely held debt, and held by 4 in 10 (39%) of all Australians. It was also the most common type of debt held by gender, but by noticeably more men (43%) than women (34%), in the 50-64 (42%) and over 65 (47%) age groups, and by low income earners (28%).

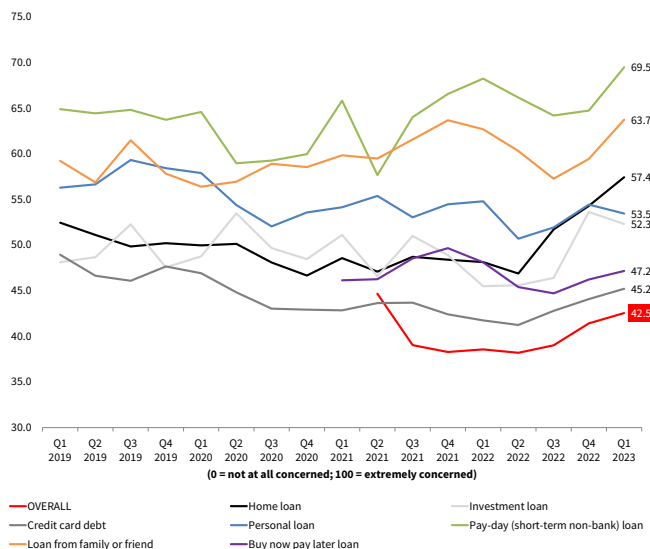
Home loan debt was the next most common form of debt, and held by an unchanged 3 in 10 (30%) Australians. It was however the most common type of debt held by 1 in 2 people in the 30-49 age group (48%) and high income earners (49%). Buy Now Pay Later (BNPL) was next most, and held by 1 in 5 (20%) Australians overall, but by significantly more young people in the 18-29 age group, where it was also the most widely held type of debt (31%) in Q1.

Types of debt currently held



Around 16% of Australians overall had personal loan debt, though this much higher in the 18-29 age group (25%). Around 13% had loans from family or friends, but again much higher in the 18-29 group (28%). Around 1 in 10 (10%) had investment loan debt, rising to 17% for high income earners and 16% in the 30-49 age group. Around 7% had payday loan debt, but higher in age groups under 50 (10%) - see table below for more detail.

Level of concern over debts held



With rising interest rates impacting repayment schedules, the level of concern over total debts rose for the fourth straight quarter to 42.5 pts in Q1 (41.4 pts in Q4'22) - but is still well below savings (57.8 pts) and income (55.9 pts) stress.

When people with each type of debt were asked how much concern it caused, pay day loans was highest and rose to 69.5 pts (64.7 pts in Q4'22). Loans from family or friends followed (63.7 pts up from 59.4 pts in Q4'22). With mortgage rates rising, home loan

stress rose significantly to 57.4 pts (54.3 pts in Q4'22). Credit card stress was lowest (45.2 pts), followed by BNPL debt (47.2 pts).

We noted much higher stress by men, the 30-49 age group and high income earners over pay day loans, for women loans from family or friends, and under 50 and low income earners home loans. Stress was higher among under 50s for personal loans, 30-49 investment loans, 30-49 and low income group BNPL loans, and women, 30-49 year olds and low income group credit cards.

Type of debts held Q1'23: gender, age and high/low income

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Credit card debt	39%	34%	43%	25%	39%	42%	47%	28%	41%
Home loan	30%	31%	30%	25%	48%	29%	10%	9%	49%
Buy now pay later loan	20%	20%	20%	31%	25%	15%	7%	17%	21%
Personal loan	16%	15%	17%	28%	21%	10%	4%	8%	22%
Loan from family or friend	13%	15%	12%	21%	18%	9%	3%	14%	12%
Investment loan	10%	8%	11%	10%	16%	9%	1%	2%	17%
Pay-day loan	7%	6%	7%	10%	10%	3%	1%	5%	8%

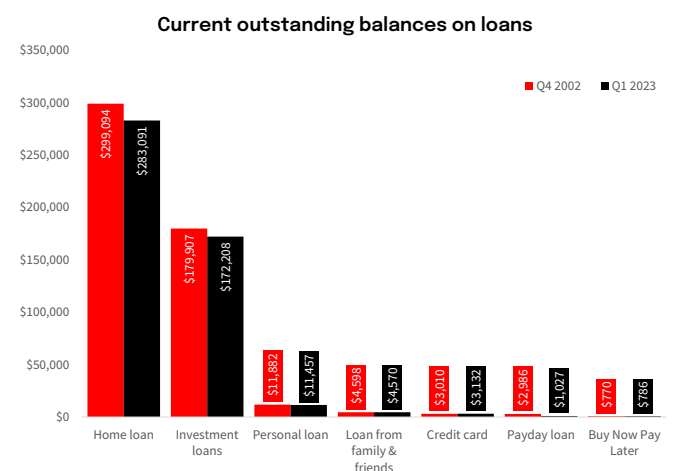
Concern over debts held Q1'23: gender, age and high/low income

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Pay-day loan	69.5	66.9	71.8	65.0	72.5	69.4	63.3	58.8	69.6
Loan from family or friend	63.7	66.5	60.2	56.1	67.6	68.8	61.7	66.2	63.0
Home loan	57.4	61.8	52.9	60.4	61.2	51.7	38.4	63.0	52.9
Personal loan	53.5	55.4	51.5	57.0	56.7	42.7	31.7	55.5	47.9
Investment loan	52.3	53.2	51.4	51.2	59.6	34.9	36.7	47.1	49.8
Buy now pay later loan	47.2	48.2	45.9	47.9	52.3	41.0	28.3	50.5	43.6
Credit card debt	45.2	48.3	42.6	49.1	56.0	42.8	31.3	50.7	42.8
Overall	42.5	45.9	39.3	46.8	54.1	36.7	24.5	40.8	42.6

Australians who indicated they currently have any of these debts were asked to estimate approximately how much was outstanding on each of them.

Not surprisingly, the amount outstanding was highest for home loans (\$283,091), followed by investment loans (\$172,208). The next biggest debt holdings in Q1 were personal loans (\$11,457), loans from family or friends (\$4,570), credit cards (\$3,132), payday loans (\$1,027 or around one-third the \$2,986 reported in Q4'22) and BNPL debt (\$786).

Women had more outstanding debt for all types of debt except credit cards and BNPL where men held slightly more. By age, the 18-29 group had the highest outstanding balances on home loans, the 30-49 group credit cards and BNPL, the 50-64 group personal and payday loans, and the over 65 group investment loans and loans from family or friends- see table below.



Current outstanding balances on loans Q1'23

	All	Men	Women	18-29	30-49	50-64	65+
Home loan	\$283,091	\$274,463	\$291,993	\$355,813	\$317,555	\$196,450	\$89,371
Investment loans	\$172,208	\$151,015	\$202,672	\$82,991	\$175,943	\$271,316	\$492,881
Credit card	\$3,132	\$3,275	\$3,025	\$3,234	\$3,500	\$3,513	\$2,400
Personal loan	\$11,457	\$9,335	\$11,850	\$10,244	\$10,884	\$18,222	\$12,695
Payday loan	\$1,027	\$995	\$1,074	\$1,556	\$782	\$1,754	\$570
Loan family or friends	\$4,570	\$4,211	\$4,894	\$5,100	\$4,658	\$3,289	\$5,721
Buy Now Pay Later	\$786	\$835	\$744	\$696	\$935	\$908	\$236

Home loan stress due to rising interest rates

Despite a pause in interest rates at the RBA’s last meeting in March, policy rates have risen from 0.1% in April 2022 to 3.6% now. Subsequently higher mortgage rates have impacted Australian households with home loan debt. When asked to rate the level of concern they have over their home loan debt if interest rates should rise further, it rose to 7.1 pts in Q1 (6.8 pts in Q4’22 and 5.8 pts at the same time last year).

Concern grew in all states, and ranged from 7.5 pts in SA to 6.7 pts in the ACT, NT & TAS combined. Stress was higher for women than men in all age groups. It remained highest for women aged 18-29 (8.0 pts up from 7.6 pts in Q4’22) and lowest for men over 65 (5.1 pts down from 5.4 pts). By income, concern was highest in the lowest group (7.5 pts) and lowest in the highest group. They were also the only two income groups to report higher stress, with all other groups unchanged.

The average score however hides a significant number of people with “high” levels of concern over future rate rises, with over 1 in 2

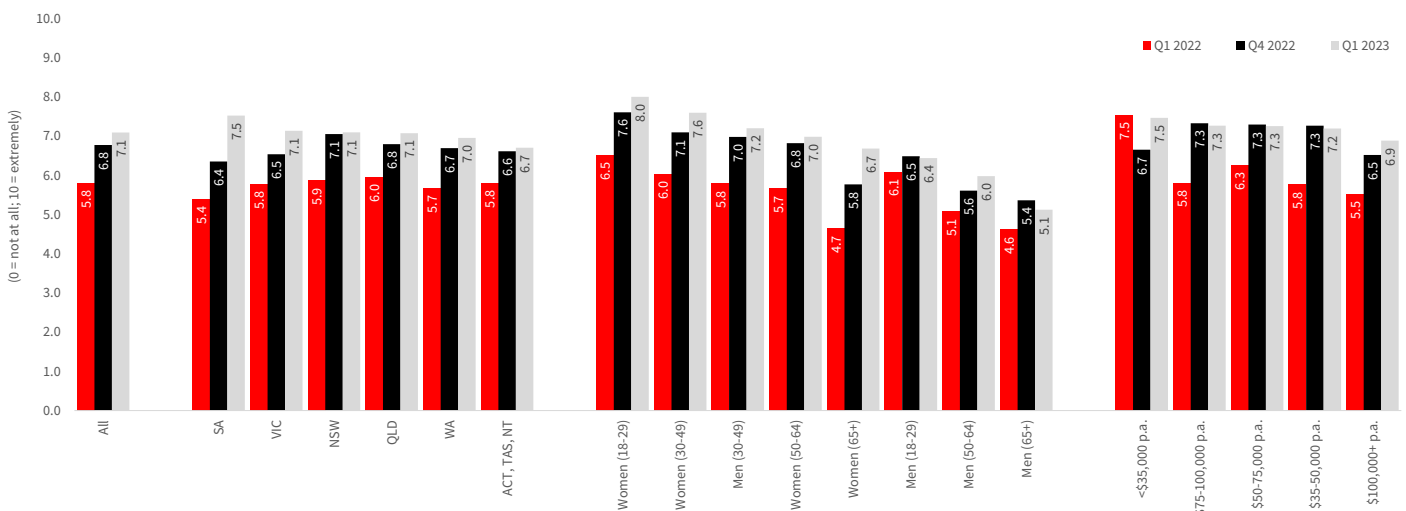
(53%) Australians now indicating that a rate hike would cause “high” stress (i.e. 8+ pts), up from 47% in Q4’22 and 29% at the start of 2022.

The number of people with “high” stress rose in all states and was highest in SA (60%) and QLD (58%). It was lowest in WA (46%) and the ACT, NT & TAS combined (48%), with over 1 in 2 people in VIC (52%) and NSW (55%) also expressing very high stress.

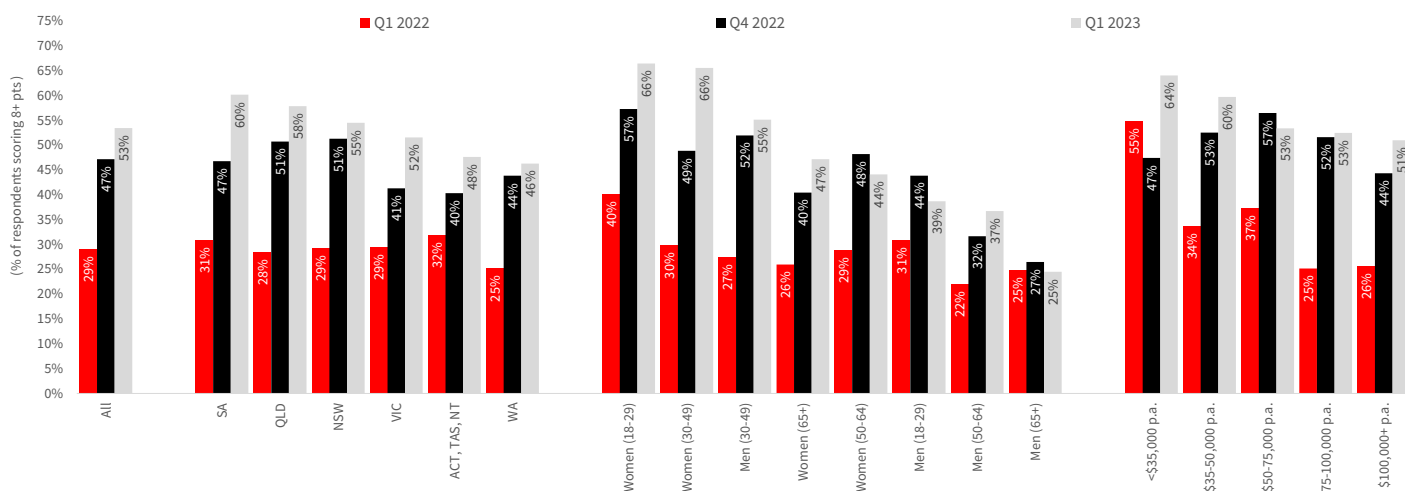
Around 2 in 3 (66%) women in the 18-29 and 30-49 age groups expressed high stress in Q1, up from 57% and 49% respectively in Q4’22. The number of men with high stress was highest and rose in the 30-49 group (55%), followed by the 18-29 group (39% down from 44%). It was lowest for men over 65 (25%), and around half the level of women over 65 with very high stress (47%). More women in all age groups said a rate hike would cause “high” stress than did men.

We also noted strong relationship with income, with the number of highly stressed people rising in all income groups (bar the \$50-75,000 group). It was highest in the lowest income group (64%), and stepped down in each successive income bracket to 51% in the highest income group - see chart on the next page.

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



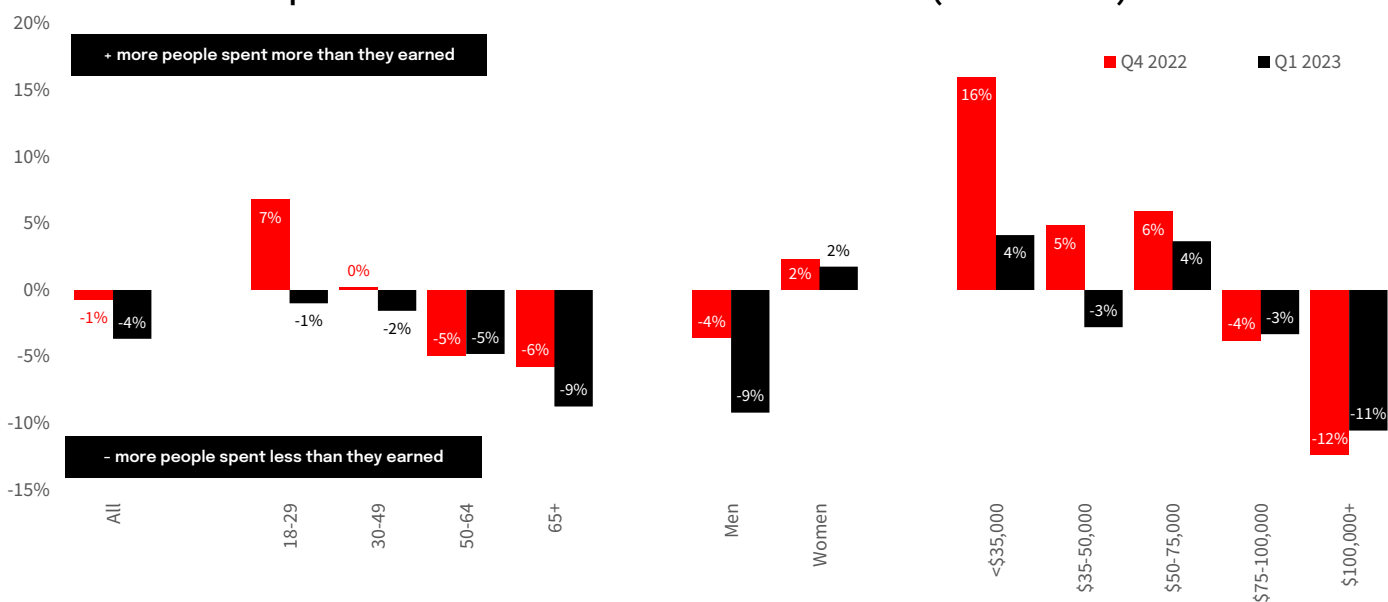
Spending more than earning

To better understand financial stresses Australians are facing, we ask whether in the last month they spent more or less than they earned (either through income or investments or pensions). The results are presented in net balance terms below i.e. a positive result indicates the number of people who spent more than they earned exceeded those that spent less than they earned, and a negative result means the number of people who spent less outweighed those that spent more.

Overall, the number that spent less outweighed those that spent more and rose to -4% in Q1 (-1% in Q4'22). More people spent less than they earned in all age groups. It was highest in the over 65 group (-9% up from -6%) and lowest in the 18-29 group (-1% from +7% in Q4'22). Whereas the number of men that spent less than earned rose to -9%, an unchanged +2% of women spent more.

More people spent more in the lowest income group (+4% but down from +16%), and the \$50-75,000 group (+4% from +6%). The number that spent less exceeded those that spent more in all other groups, led by high income earners (-11%).

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



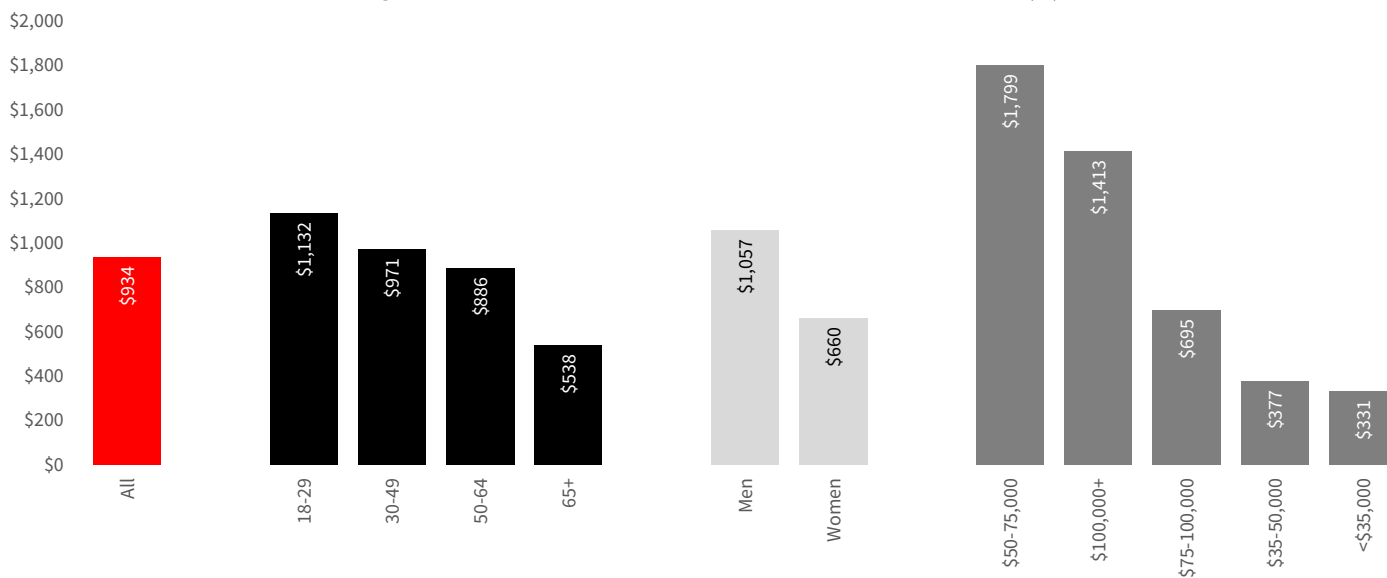
Australians that spent more than they earned in the last month were also asked to estimate how much more they spent. On average, they estimate around \$934 more. However, this varied by age, gender and income.

By age, the amount spent was highest in the 18-29 age group (\$1,132), and stepped down in each age group to around half that in the over 65 age group (\$538).

Men (\$1,057) spent almost twice more than did women (\$660) in Q1.

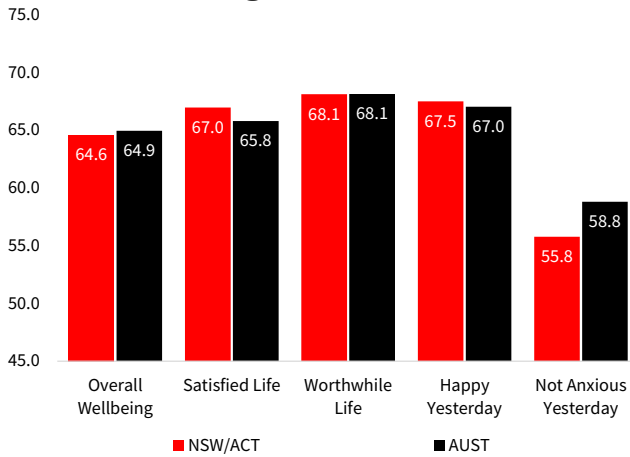
By income, Australians in the \$75-100,000 group spent the most (\$1,799), followed by the \$100,000+ group (\$1,413). It was lowest by a large margin in the under \$35,000 (\$331) and \$35-50,000 (\$377) income groups.

Spent more or less than earned in last month (\$)

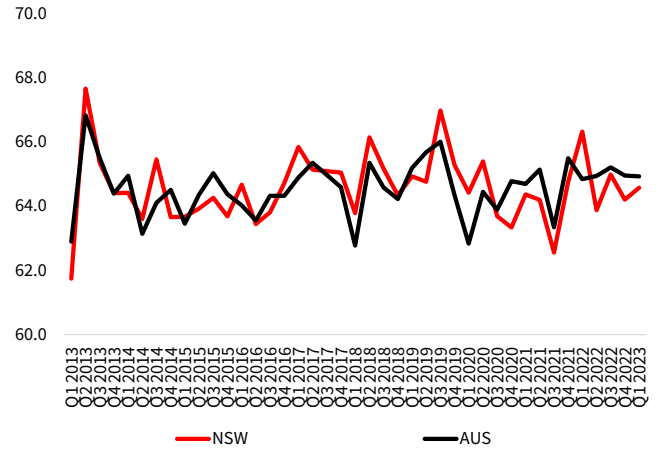


Appendix 1: NAB Wellbeing Index: States

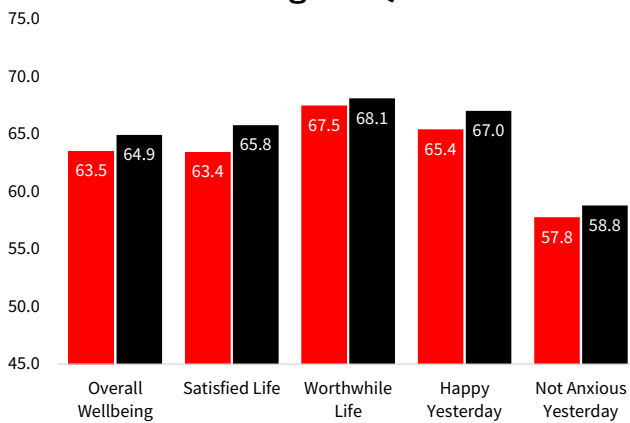
Wellbeing: NSW/ACT Q1 2023



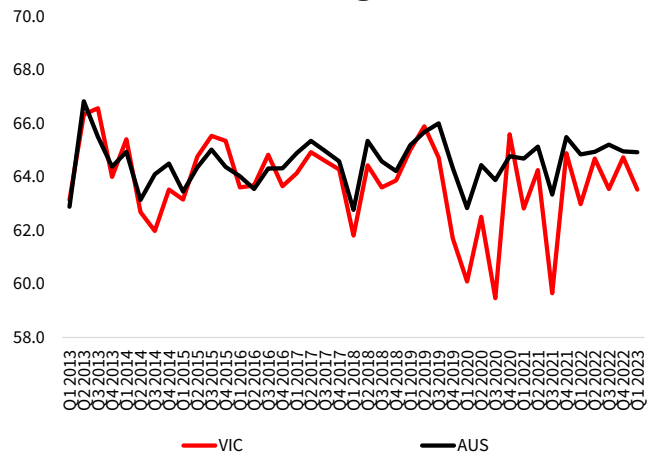
Wellbeing: NSW/ACT



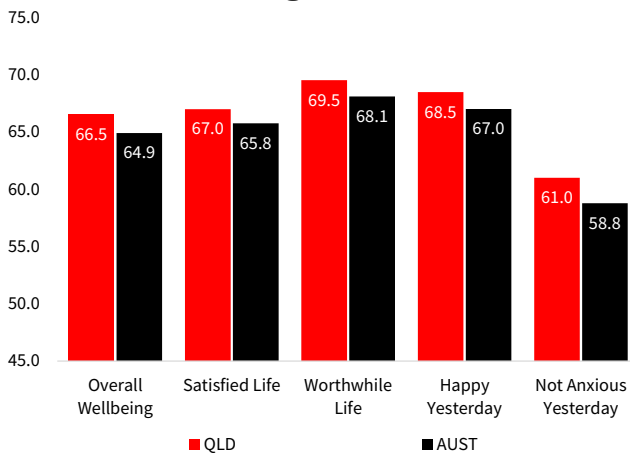
Wellbeing: VIC Q1 2023



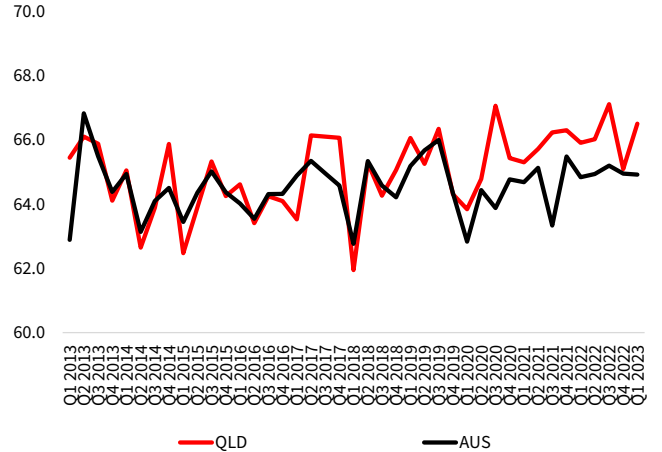
Wellbeing: VIC



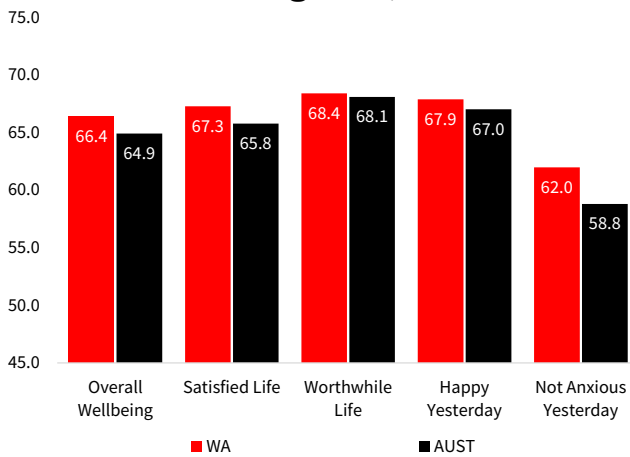
Wellbeing: QLD Q1 2023



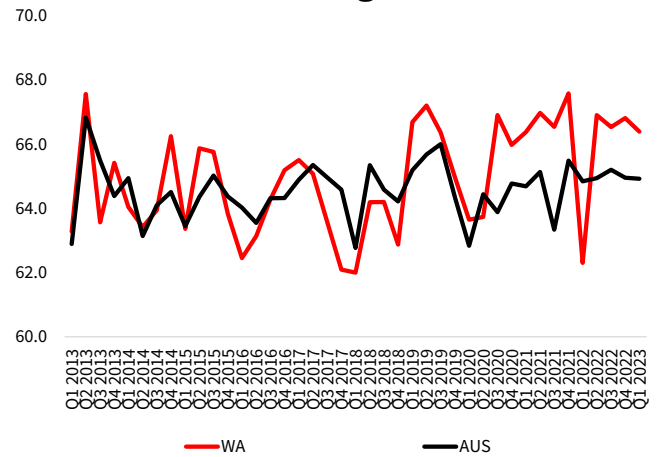
Wellbeing: QLD



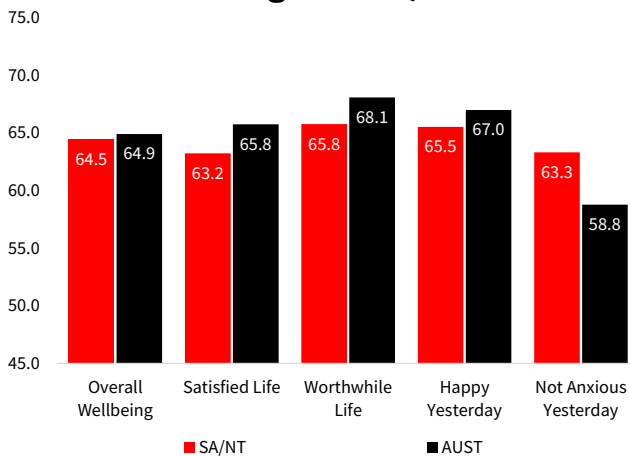
Wellbeing: WA Q1 2023



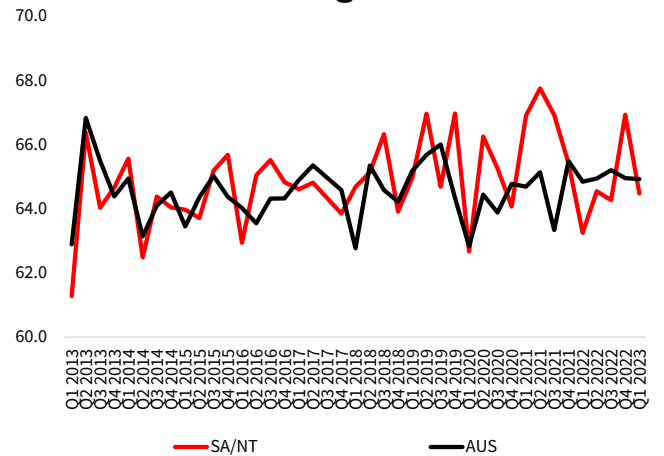
Wellbeing: WA



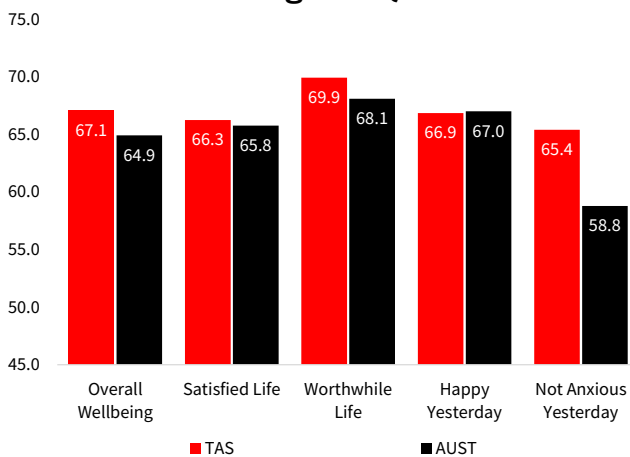
Wellbeing: SA/NT Q1 2023



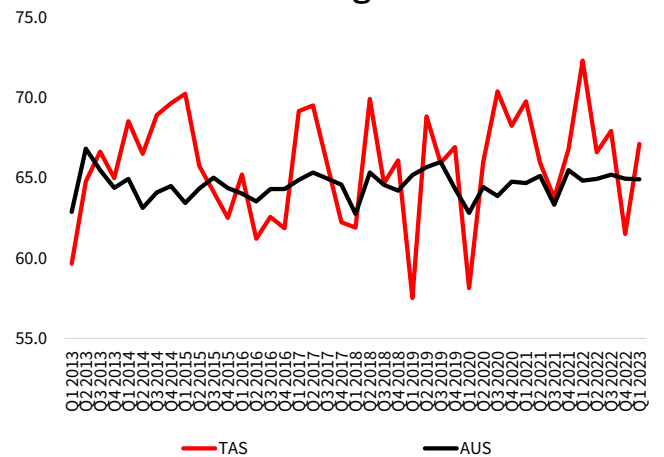
Wellbeing: SA/NT



Wellbeing: TAS Q1 2023

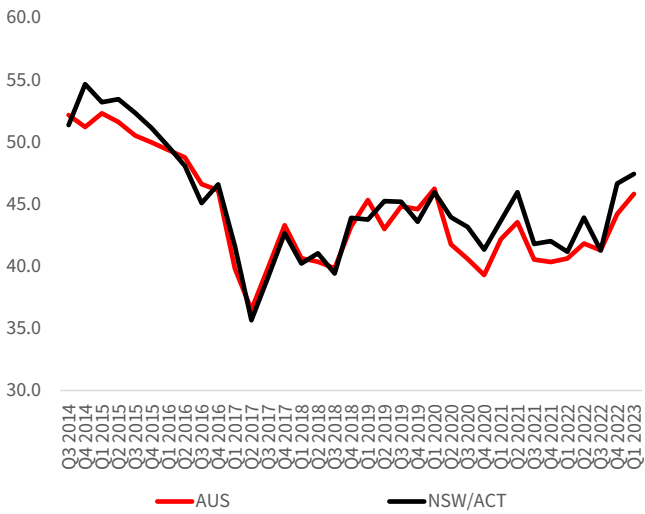


Wellbeing: TAS

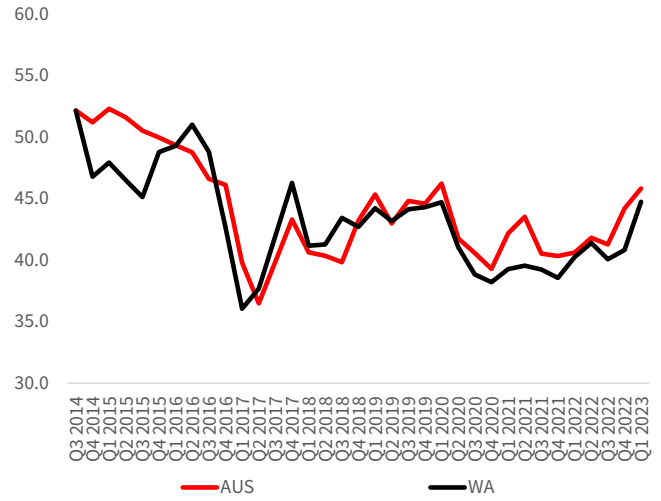


Appendix 2: Financial Stress Index: States

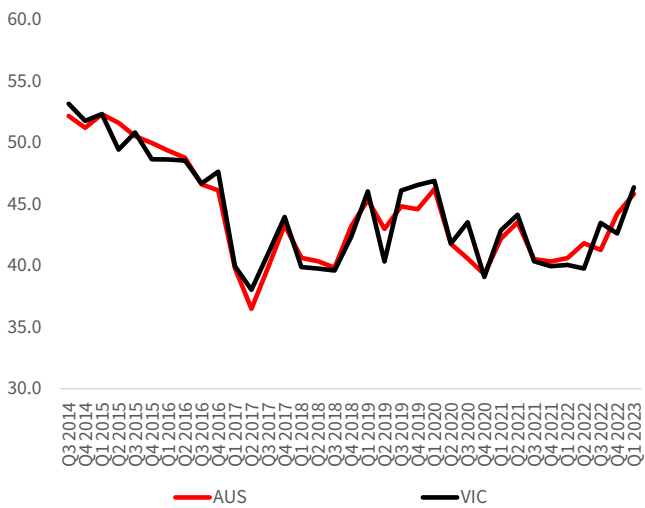
NAB Financial Stress Index: NSW/ACT



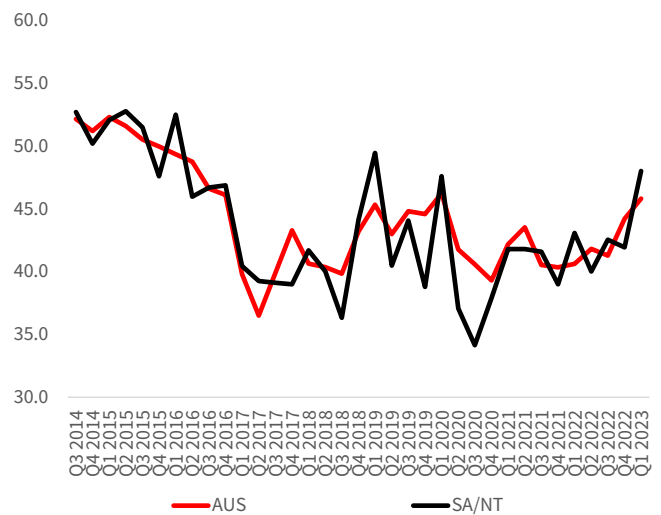
NAB Financial Stress Index: WA



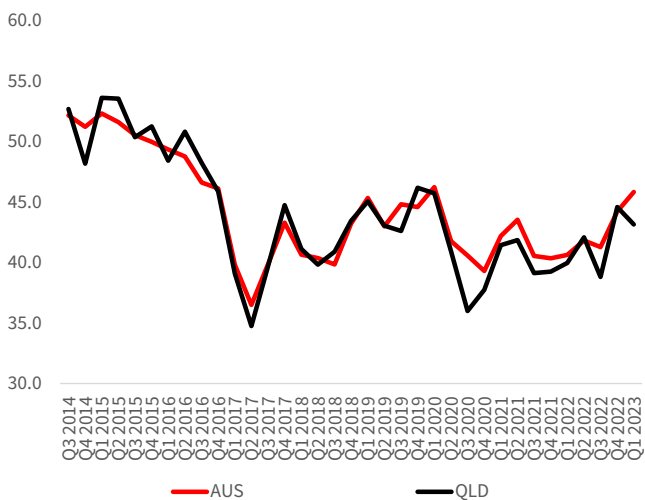
NAB Financial Stress Index: VIC



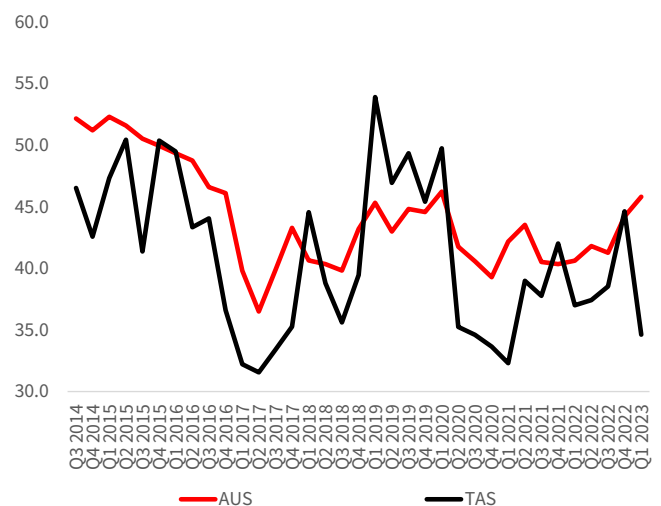
NAB Financial Stress Index: SA/NT



NAB Financial Stress Index: QLD



NAB Financial Stress Index: TAS



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