

more
than
money



NAB Australian Wellbeing Survey Q2-2023



NAB Australian Wellbeing Survey

Q2-2023

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

Overall wellbeing falls to a 2-year low in Q2, with cost of living pressures weighing more heavily. Household financial stress levels are also building, and household savings under more pressure. The number of Australians that felt worse off financially in the June quarter has now doubled compared to the same time last year.

NAB Behavioural and Industry Economics

The **NAB Australian Wellbeing Index** fell to a 2-year low 63.9 pts in Q2 2023, with weaker outcomes reported for all measures - life worth, life satisfaction, happiness and anxiety. Wellbeing was lower across most of the country (except Victoria) and in most demographic groups - just 9 of 48 monitored groups reported higher wellbeing in Q2.

As concern around cost of living builds, 46% of Australians on balance said it detracted from their overall wellbeing (40% in Q1). With interest rates also rising, a higher number said other debts (30%) and mortgages (16%) were detractors. Over 6 in 10 Australians now identify cost of living as the key source of stress in their life, 3 in 10 personal financial issues and 1 in 4 housing costs. With “life” pressures mounting, 4 in 10 people felt they needed professional help for their emotions, stress or mental health in the past year, rising to 6 in 10 for young Australians.

Household financial stress is building. The **NAB Household Financial Stress Index** rose for the sixth straight quarter to a 7-year high in Q2, with higher stress reported for all index components. Not having enough to finance retirement is still the biggest contributor to overall stress, followed by not being able to provide for our family’s future, meeting the costs of non-essential spending, not having enough money for home improvements & maintenance, or mortgage repayments, rent & other housing costs. Having enough for minimum credit card payments continued to cause least stress, though also increased in Q2.

Financials stress levels rose for both women and men, but women still report higher stress than men - and for all index components, particularly raising \$2,000 for an emergency, other monthly household expenses, medical bills & healthcare and normal

monthly utility bills. Financial stress rose in all age groups and remains highest in the 30-49 group by a big margin, and particularly elevated for their children’s education and retirement financing

With financial stress rising, a growing number of Australians on balance felt worse off financially in Q2 (more than doubling over the year to 36%). More women felt worse off than men (42% vs. 31%). A growing number felt worse off in all age groups - from 48% in the 50-64 group to 28% in the 18-29 group. More people on balance also expect to be worse off in the next year (13%), rising to 37% in the over 65 age group and 25% in lower income groups.

Though slightly more Australians on balance said their **household incomes** increased in Q2, the level of concern over their income or pay lifted to a new survey high, suggesting they still see their costs rising faster than their incomes. **Household savings** came under more pressure in Q2, with a 3-year high 28% indicating their savings had fallen, with lower savings reported by men, women and in all age groups. As a result, the level of concern over their current savings also touched a new survey high.

Fewer Australians on balance made inroads into reducing **household debt** levels in Q2 (4%), and fewer expect to do so in the next 12 months (14%). With interest rates continuing to increase in Q2, the level of concern Australians have over their total debts increased for the sixth straight quarter. Concern over rising rates is particularly apparent for mortgage holders, with 6 in 10 signalling now “very high” levels of concern over their home loan debt should interest rates keep rising in the next year.

Alan Oster, Chief Economist

Part 1: NAB Australian Wellbeing Index

The NAB Australian Wellbeing Index fell to a 2-year low 63.9 pts in Q2'23 (64.9 pts in the previous quarter and at the same time last year). Australians reported lower wellbeing across all measures over the quarter - life satisfaction (64.2 pts down from 65.8 pts), worthwhile life (67.9 pts vs. 68.1 pts), happiness (65.7 pts vs. 67.0 pts), and were more anxious with the 'not anxious yesterday' question falling to 57.7 pts from 58.8 pts in Q1 (a lower score signals higher anxiety). All measures also printed below their survey average levels in Q2.

By state, overall wellbeing fell heavily in TAS (down 10.3 pts to 56.8 pts) and SA/NT (down 5.8 pts to 58.7 pts), with both states reporting sharply higher anxiety, and in TAS also much lower life satisfaction. Overall wellbeing was highest in QLD at 66.3 pts (66.5 pts in Q1), with VIC the only state to report higher wellbeing, though only marginally higher to 63.6 pts (63.5 pts in Q1). WA led the country for life satisfaction (66.5 pts) and life worth (70.7 pts), but QLD was the happiest state (68.1 pts), and the least anxious (61.1 pts).

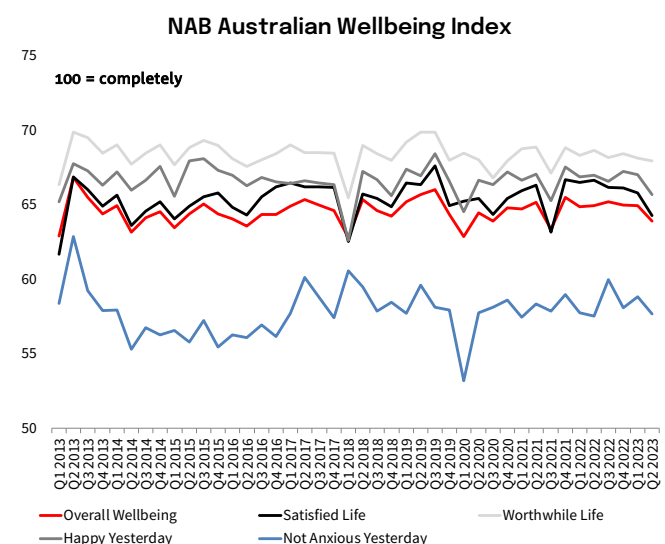
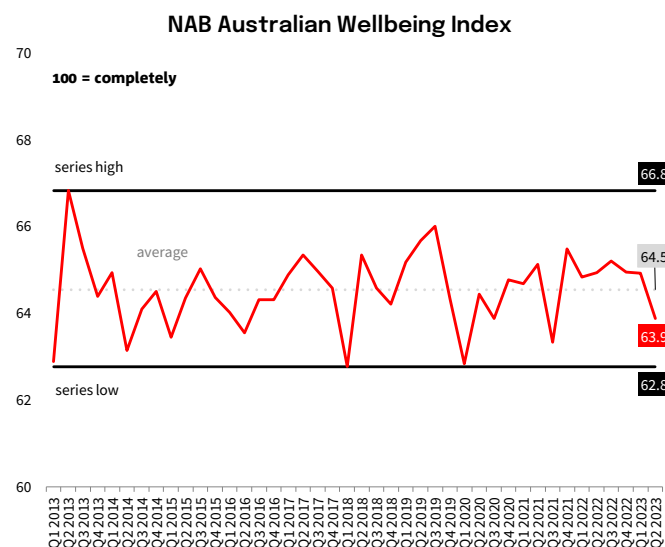
Wellbeing fell in all regions. Australians living in capital cities again reported the highest wellbeing in Q2 (64.0 pts down from 64.9 pts in Q1), and in regional cities the lowest (63.7 pts down from 65.7 pts). Australians living in capital cities were happiest (66.0 pts), had the highest life satisfaction (64.6 pts), and with Australians in regional cities enjoyed the highest sense of life worth (68.2 pts). Australians living in rural areas were much less anxious (61.3 pts), than in capital (57.0 pts) and regional (57.5 pts) cities.

Wellbeing improves as we get older. In Q2, overall wellbeing fell in all age groups apart from the 30-49 group. It was highest in the over 65 group (73.9 pts), with outcomes broadly aligned for women (73.9 pts) and men (73.8 pts). Though women over 65 reported a much higher sense of life worth, men in this group were much less anxious. Overall wellbeing was lowest in the 18-29 age group (58.6 pts) - but somewhat lower for men (57.7 pts) than women (59.0 pts), with young women having a much higher sense of life worth. Overall wellbeing in the 30-49 age group was lower for women (59.4 pts) than men (62.0 pts), particularly in regard to happiness and life satisfaction.

There was a stronger link between incomes and wellbeing in Q2. Overall wellbeing was lowest for Australians in the lower income group (59.8 pts), broadly similar in income groups between \$35-75,000 and stepped up to 66.1 pts for Australians in the higher group earning over \$100,000. The Lower income group continued to score wellbeing lowest for all survey measures except anxiety, which was highest for Australians in the \$75-100,000 income bracket.

In other key findings, the 'highest' wellbeing groups included people over 65 (73.9 pts) - both women (73.9 pts) and men (73.8 pts), retirees (73.4 pts), widows (70.3 pts), married people (68.5 pts), people who live in a house (67.9 pts) or apartment (67.4 pts) they own or live in a 2-person household (67.3 pts). Wellbeing remains lowest among the unemployed (54.5 pts - though one of few groups to report higher wellbeing in Q2), for people with 'other' living arrangements (56.5 pts), live in a rented house (56.6 pts), in TAS (56.8 pts), single people (57.0 pts), and men aged 18-29 (57.7 pts) - see charts below.

Since 2015, NAB has asked Australians what impact (positive or negative) several factors have on their personal wellbeing. In Q2, we noted smaller positive contributions to wellbeing from the 3 biggest drivers - pets (+51% from +58% in Q1), family & personal relationships (+34% vs. +44%) and their homes (+43% vs. +46%). We also recorded a noticeable decline in the number of people who said their personal safety (+34% vs. 41%), physical health (+17% vs. +25%), and time it takes to get to work (+9% vs. +15%) made positive contributions to their overall wellbeing.

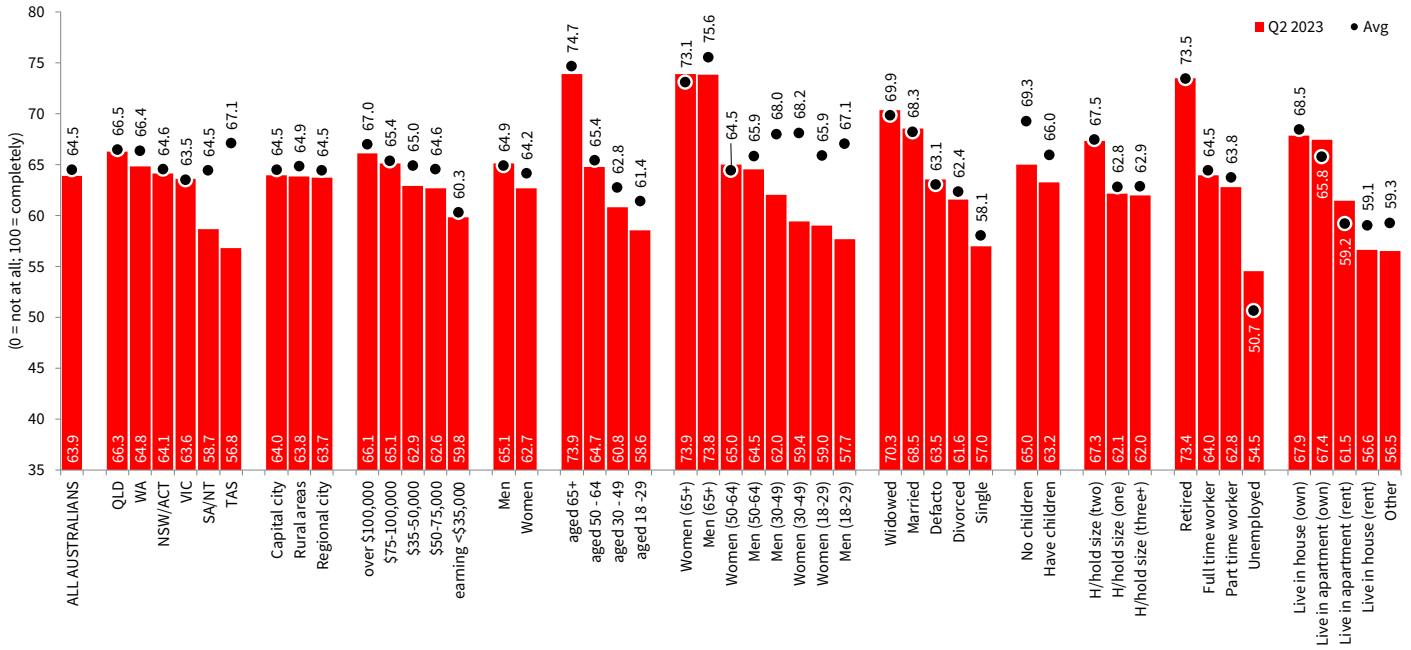


Wellbeing fell across most of the country and most demographic groups - with only 9 of 48 monitored groups reporting an uplift in their wellbeing in Q2. Wellbeing also fell below survey average levels in most groups - see charts below.

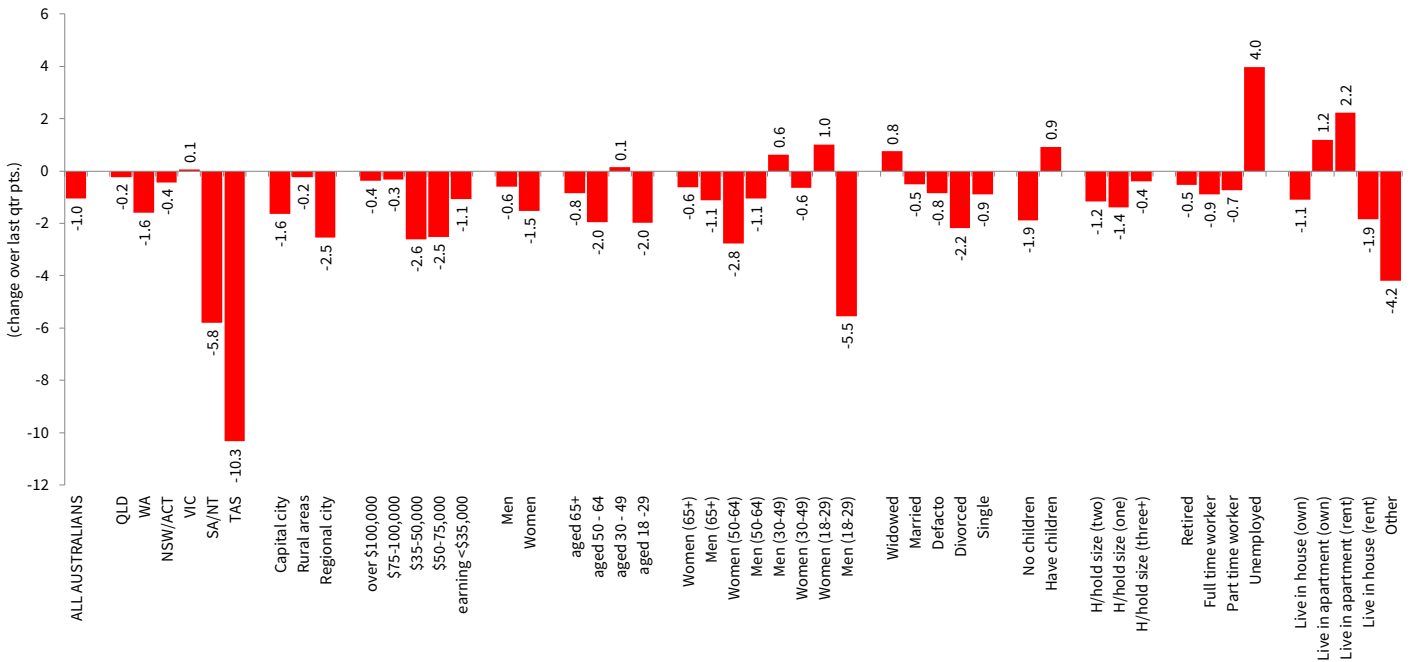
With concern and stress around cost of living continuing to grow, the net number of people who said it detracted from their overall wellbeing climbed to -46% in Q2 (-40% in Q1). Cost of living continued to detract from wellbeing for a lot more women (-50%) than men (-41%) and in the 18-29 age group (-59%). particularly when compared to the 65+ group (-29%). Interestingly, cost of living continues to detract from wellbeing for a broadly similar number in lower (-45%) and higher (46%) income groups.

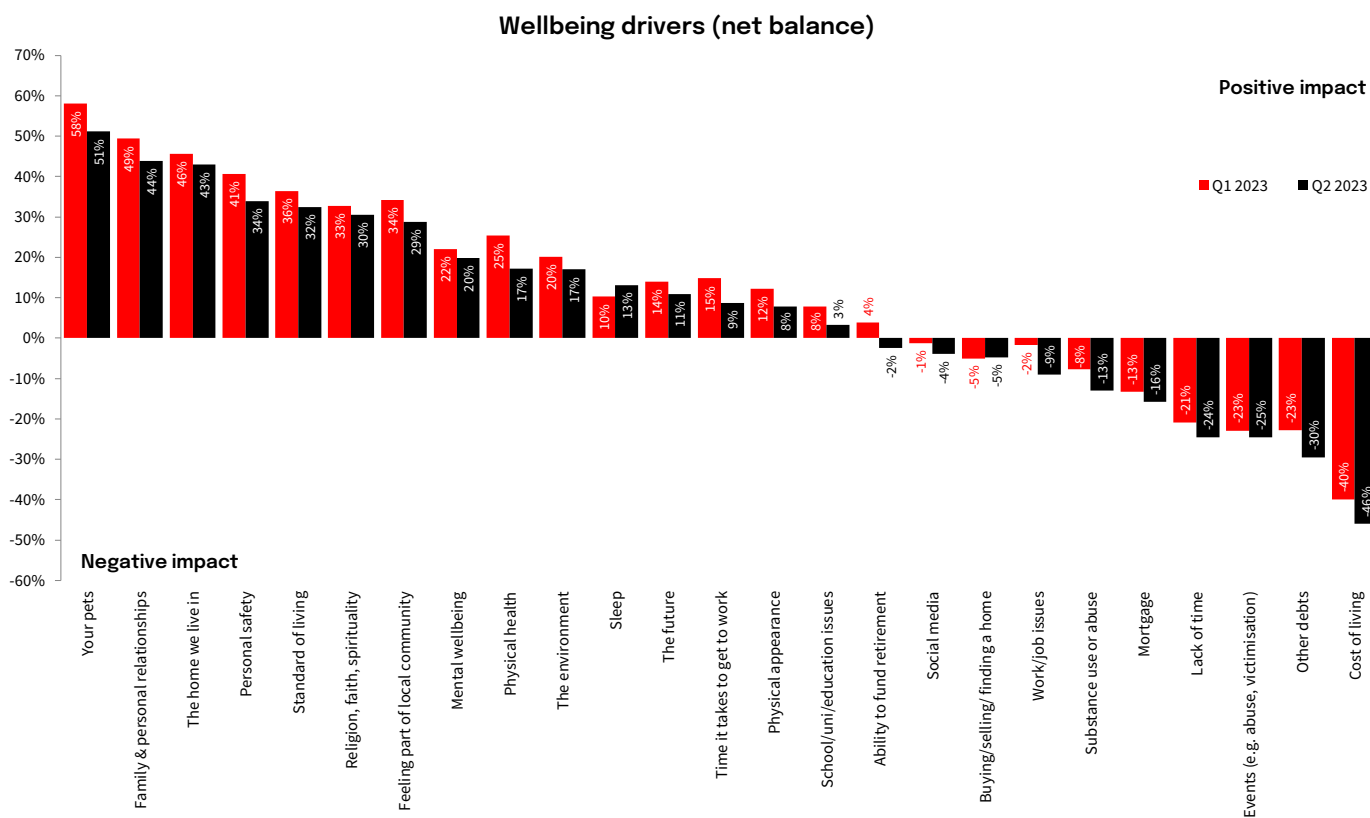
With interest rates also climbing further during Q2, the survey highlighted a much higher number of Australians that said other debts (-30% vs. -23%) and mortgages (-16% vs. -13%) detracted from their overall wellbeing. Other factors that detracted in Q2 included events such as victimisation, abuse (-25% vs. -23%), lack of time (-24% vs. -21%), substance use or abuse (-13% vs. -8%) and work and job issues (-9% vs. -2%) - see third chart below.

NAB Australian Wellbeing Index - all groups



NAB Australian Wellbeing Index change - all groups





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 - and the Q2 survey recorded a noticeable uplift in anxiety levels in Q2 (see above). Stress or anxiety can be triggered by many different things and can change with time. In the Q2 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 (now over 6 in 10 or 61%) was the cost of living. This was up from 54% in Q1 and has been rising steadily since we first started to track this data in Q3'22 (48%). This is not surprising, given the growing number of Australians in Q2 who also said cost of living detracted from their personal wellbeing.

Further building on the theme that money is weighing more heavily on wellbeing for many Australians, 3 in 10 (30%) overall highlighted personal financial issues as the next biggest cause of their stress (up from 28% in Q1). With interest rates continuing to rise, almost 1 in 4 (23%) cited housing costs as the next key cause of stress, and 1 in 4 (25%) the state of the economy.

The number of people who pointed to general health or mental health issues was largely unchanged at 26% and 25% respectively.

Other key drivers of stress for around 1 in 5 Australians included maintaining a healthy lifestyle (18%), the health of loved ones (18%), and relationships (15%). Fewer than 1 in 10 (9%) people overall said they had no stress.

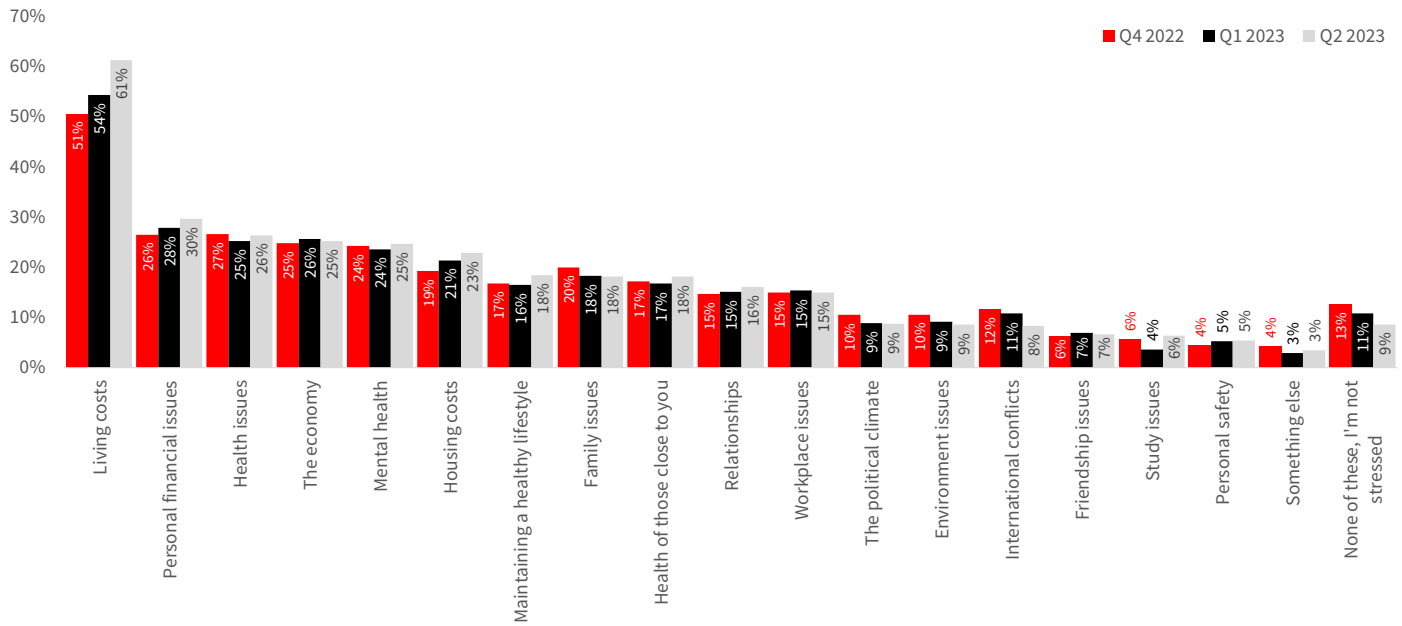
Cost of living caused most stress in all age groups but varied from 67% in the 18-29 and 30-49 group to 48% in the over 65 group. Slightly more women (63%) identified cost of living as a cause of their stress than men (59%), as did somewhat more people in lower than higher income groups (65% vs. 60%).

Among other key findings by age included a much higher number in the 18-29 group stressed by the economy (44%), health (42%), workplace (29%), friendship (12%) and study (19%) issues. Mental health was a much bigger cause of stress in the 30-49 (27%) and over 65 (29%) groups, housing costs and personal financial issues for people over 50, and the political climate in the over 65 group (19%). Far fewer people under 50 had no stress than over 50.

By gender, we noted a much higher number of women than men stressed by health issues (35% vs. 24%), the economy (29% vs. 20%) and family issues (22% vs. 14%), but significantly more men by mental health (30% vs. 21%), the political climate (12% vs. 5%) and international conflicts (13% vs. 4%).

Significantly more Australians in the lower income group were stressed by personal financial (37% vs. 21%) and health (37% vs. 28%) issues than in the higher income group, but more people in the higher income group by mental health (26% vs. 20%) and relationships (22% vs. 4%).

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



Biggest causes of stress: Q2 2023

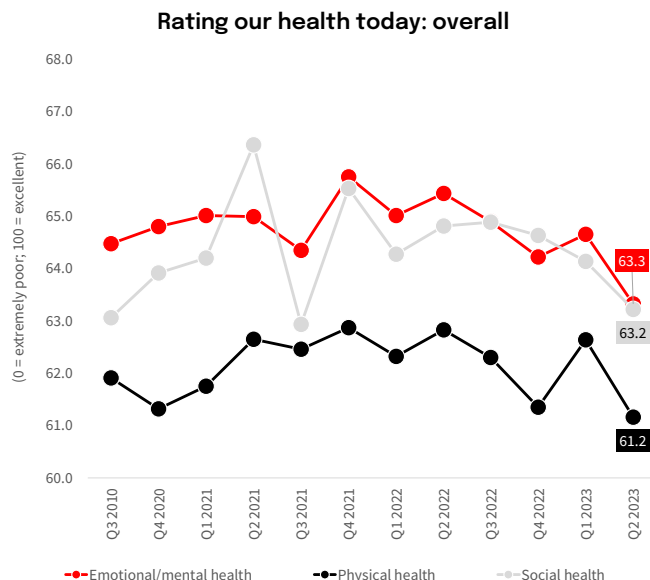
	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Living costs	61%	67%	67%	59%	48%	59%	63%	65%	60%
Personal financial issues	30%	16%	23%	30%	37%	27%	26%	37%	21%
Health issues	26%	42%	32%	25%	19%	24%	35%	37%	28%
The economy	25%	44%	26%	18%	9%	20%	29%	27%	26%
Mental health	25%	22%	27%	21%	29%	30%	21%	20%	26%
Housing costs	23%	12%	15%	22%	25%	16%	20%	17%	18%
Maintaining a healthy lifestyle	18%	28%	30%	20%	8%	22%	24%	21%	25%
Family issues	18%	20%	18%	20%	15%	14%	22%	17%	17%
Health of those close to you	18%	23%	18%	16%	16%	17%	20%	17%	21%
Relationships	16%	24%	18%	14%	1%	14%	16%	4%	22%
Workplace issues	15%	29%	15%	13%	8%	15%	17%	12%	17%
The political climate	9%	4%	6%	6%	19%	12%	5%	9%	7%
Environment issues	9%	7%	7%	9%	12%	9%	8%	9%	8%
International conflicts	8%	4%	7%	7%	19%	13%	4%	7%	8%
Friendship issues	7%	12%	6%	4%	4%	5%	8%	7%	6%
Study issues	6%	19%	6%	1%	0%	5%	7%	6%	8%
Personal safety	5%	3%	3%	6%	2%	3%	4%	5%	3%
Something else	3%	5%	7%	3%	5%	6%	5%	8%	4%
None of these, I'm not stressed	9%	2%	4%	11%	21%	10%	7%	11%	7%

Our emotional/mental, physical & social health

Self-reported health outcomes also deteriorated in Q2 and continue to show that Australians view themselves as “moderately” healthy across all health aspects - emotional or mental (ability to cope with normal stresses of life and take pleasure and satisfaction from life), physical (soundness of body and freedom from disease and abnormality) and social (quality of interactions and meaningful relationships with others).

On average, Australians rated emotional & mental health highest in Q2, but lower at 63.3 pts (64.6 pts in Q1). Perceptions of their social health also fell (63.2 pts vs. 64.1 pts). Physical health continued rate lowest in Q2 (61.2 pts vs. 62.6 pts).

Men still report better health outcomes than women in all areas, especially emotional & mental health. Australians over 65 also self-report much better outcomes for all measures, as do people higher income groups relative lower income groups - see below.



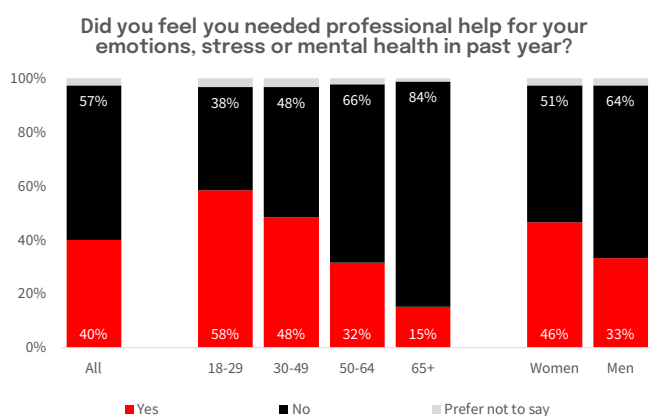
Rating our health today: gender and age

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Emotional/mental health									
- Q2 2023	63.3	60.6	66.1	56.7	60.4	63.3	75.4	60.0	64.6
- Q1 2023	64.6	63.1	66.2	59.7	60.4	64.4	77.1	62.5	66.0
- Q2 2022	65.4	64.6	66.3	60.7	63.0	63.3	76.2	58.7	67.1
Physical Health									
- Q2 2023	61.2	60.3	62.0	62.1	61.2	58.3	63.3	54.3	65.1
- Q1 2023	62.6	61.0	64.3	64.2	61.6	60.4	65.0	56.8	66.8
- Q2 2022	62.8	62.3	63.4	64.8	63.4	57.4	65.0	53.3	67.9
Social Health									
- Q2 2023	63.2	62.3	64.1	58.9	60.2	61.8	74.6	59.9	65.6
- Q1 2023	64.1	63.9	64.4	62.0	60.5	63.0	73.6	59.5	66.8
- Q2 2022	62.8	62.3	63.4	64.8	63.4	57.4	65.0	58.1	66.8

With stresses growing, Australians were asked if they ever felt they needed professional help for their emotions, stress or mental health over the past year. Overall, 4 in 10 (40%) said they did.

We found a very strong correlation between the overall number of people who felt they needed help and age - it fell as people in general get older (apart from 30-49 year old men where more felt they needed help). Overall, 6 in 10 (58%) in the 18-29 group needed help, falling to 1 in 2 (48%) in the 30-49 group, 1 in 3 (32%) in the 50-64 group and just 15% in the overall 65 group.

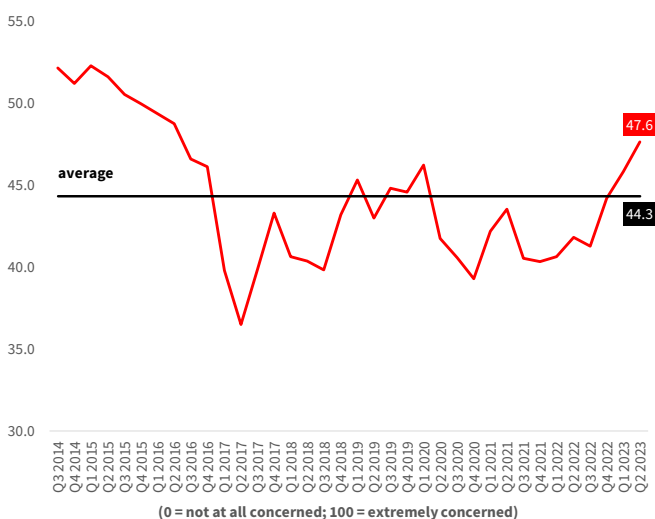
By gender, noticeably more women overall (46%) felt they needed professional help than men (33%). This relationship held true in all age groups, except the 50-64 group where a similar number of men and women felt they needed help.



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, and home improvements & maintenance.

NAB Household Financial Stress Index



The NAB Household Financial Stress Index rose for the sixth consecutive quarter in Q2, reaching a 7-year high 47.6 pts, and continues to trend well above the survey average (44.3 pts).

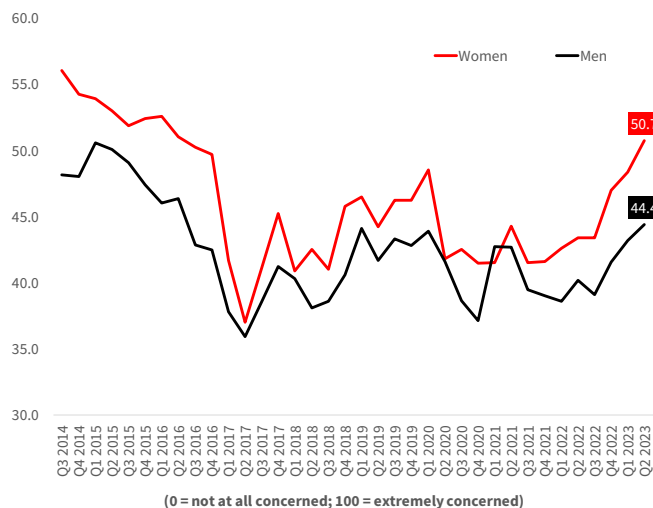
Household financial stress increased for all index components in Q2 without exception. Stress levels for all index components also printed above average survey levels in Q2 - particularly personal loan repayments, other monthly household expenses, mortgage, rent & other housing costs, and the cost of non-essential expenses (such as holidays, entertainment, eating out etc.).

Not having enough to finance retirement remains the biggest contributor to overall financial stress, and it increased to 56.4 pts in Q2 (54.3 pts in Q1). The next biggest causes were not being able to provide for our family's future (51.4 pts vs. 50.1 pts), not being able to meet the costs of non-essential spending (50.6 pts vs. 48.0 pts), not having enough money for home improvements & maintenance (49.6 pts vs. 47.6 pts), and to meet mortgage repayments, rent & other housing costs (49.5 pts vs. 48.5 pts).

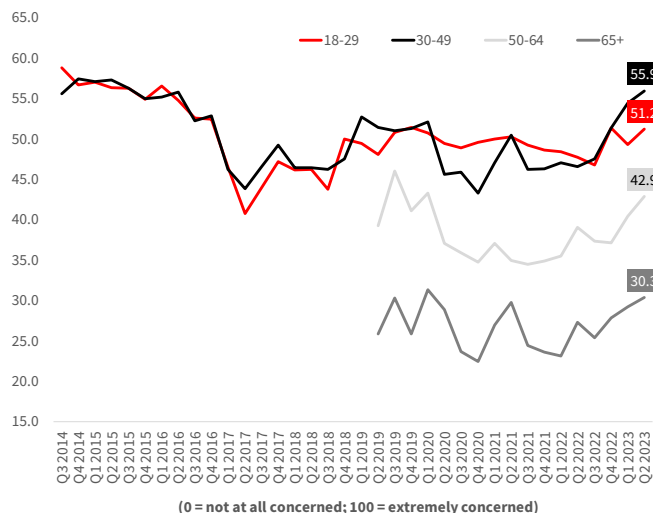
Having enough money to meet minimum credit card payments again caused the least stress (by some margin), though stress levels increased to 37.1 pts in Q2 (35.4 pts in Q1) in Q4'22). This was followed by not having enough money for food & basic necessities (42.3 pts up from 40.6 pts), our children's education (45.7 pts up from 43.9 pts), and normal monthly utility bills (46.2 pts up from 43.9 pts).

The accompanying charts below show the Financial Stress Index has risen in all key groups in Q2.

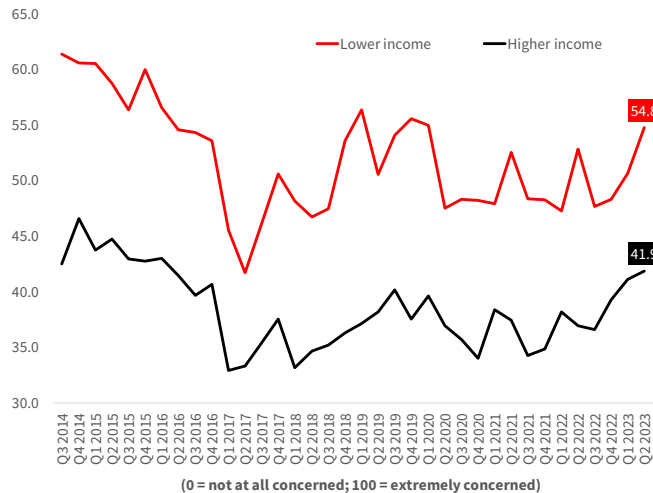
NAB Household Financial Stress Index: Gender



NAB Household Financial Stress Index: Age



NAB Household Financial Stress Index: High/Low Income



Women (50.7 pts) continue to report much higher levels of financial stress than men (44.4 pts). Women also report higher stress levels than men for all index components, particularly raising \$2,000 for an emergency (51.8 pts vs. 41.9 pts), other monthly household expenses (51.0 pts vs. 42.9 pts), medical bills & healthcare (53.3 pts vs. 45.5 pts) and normal monthly utility bills (49.7 pts vs. 42.6 pts). Stress levels rose for all index components for women and men in Q2, except for credit card repayments for men where stress levels moderated a little.

Household financial stress increased in all age groups in Q2 and remains highest in the 30-49 group by some margin (55.9 pts up from 54.4 pts in Q1), ahead of the 18-29 group (51.2 pts vs. 49.3 pts). It was lowest in the over 65 group (30.3 vs. 29.2 pts) and increased most in the 50-64 group (42.9 pts vs. 40.4 pts). Financial

stress was highest in the 30-49 group for all index components, except spending on non-essentials (highest in the 18-29 group). Financial stress in the 30-49 group was particularly elevated relative to other age groups for children's education and financing retirement. Stress was lowest for all measures in the 65+ group.

Household financial stress levels rose in all states bar NSW/ACT (down 0.2 pts to 47.2 pts). It was highest in SA/NT (51.0 pts vs. 48.0 pts in Q1) and TAS where it lifted sharply to 51.0 pts (34.6 pts in Q1). Household stress was lowest in WA (45.0 pts). Financing retirement is the biggest cause of stress all states, and highest in SA/NT (59.1 pts). Credit card repayments caused least stress, ranging from 39.0 pts in TAS to 32.6 pts in QLD - see table below for detail & Appendix 2 for historical state data.

NAB household financial stress index: key groups (Q2 2023)

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Financing retirement	56.4	59.6	53.2	53.1	64.2	58.4	43.3	61.7	52.5
Providing for family's future	51.4	54.6	48.3	54.6	60.6	45.9	33.4	58.4	46.6
Non-essentials (holidays, eating out)	50.6	53.8	47.2	59.0	58.5	43.4	34.0	52.9	46.8
Home improvements & maintenance	49.6	53.0	46.3	52.1	57.4	45.5	37.0	56.2	44.9
Mortgage, rent, housing costs	49.5	52.2	46.4	52.9	57.5	42.7	30.9	56.0	43.1
Medical bills/healthcare	49.4	53.3	45.5	52.6	56.4	48.0	35.1	58.2	42.7
Major household items	48.0	50.8	45.2	51.2	56.2	44.3	33.8	54.2	42.5
Other monthly household expenses	47.0	51.0	42.9	52.9	54.9	42.9	31.1	56.6	39.6
Raising \$2,000 in an emergency	46.9	51.5	41.9	54.4	54.9	42.1	29.8	57.6	39.3
Personal loan repayments	46.8	49.1	44.4	50.1	53.4	41.1	25.4	52.4	40.5
Normal monthly utility bills	46.2	49.7	42.6	51.7	54.2	42.7	30.1	54.0	39.1
Children's education	45.7	45.9	45.5	45.1	55.9	33.0	16.0	51.4	40.9
Food/basic necessities	42.3	45.7	38.7	47.8	50.9	38.0	26.0	50.7	34.3
Credit card repayments	37.1	40.3	33.9	38.8	47.9	32.5	18.8	46.7	33.3
NAB Financial Stress Index	47.6	50.7	44.4	51.2	55.9	42.9	30.3	54.8	41.9

NAB household financial stress index: states (Q2 2023)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Financing retirement	56.4	54.6	55.1	53.2	51.3	59.1	58.6
Providing for family's future	51.4	53.0	50.8	45.5	48.7	52.3	52.0
Non-essentials (holidays, eating out)	50.6	49.5	47.0	45.3	49.0	54.2	48.6
Home improvements & maintenance	49.6	49.0	47.8	45.0	46.9	53.2	53.4
Mortgage, rent, housing costs	49.5	50.1	48.6	46.2	48.8	49.7	52.7
Medical bills/healthcare	49.4	49.6	47.7	45.4	46.5	49.1	54.9
Major household items	48.0	48.2	47.2	43.6	46.4	50.5	52.0
Other monthly household expenses	47.0	45.6	45.0	41.8	43.3	46.0	55.7
Raising \$2,000 in an emergency	46.9	47.2	44.4	42.0	42.5	50.0	57.2
Personal loan repayments	46.8	45.9	48.2	43.7	43.9	41.3	44.8
Normal monthly utility bills	46.2	45.8	44.1	40.5	42.6	46.9	53.3
Children's education	45.7	46.1	44.5	41.4	43.7	44.4	46.7
Food/basic necessities	42.3	41.9	41.7	37.9	39.2	42.5	45.5
Credit card repayments	37.1	37.5	37.0	32.6	33.7	32.9	39.0
NAB Financial Stress Index	47.6	47.2	48.7	46.6	45.0	51.0	51.0

How households feel they are travelling financially

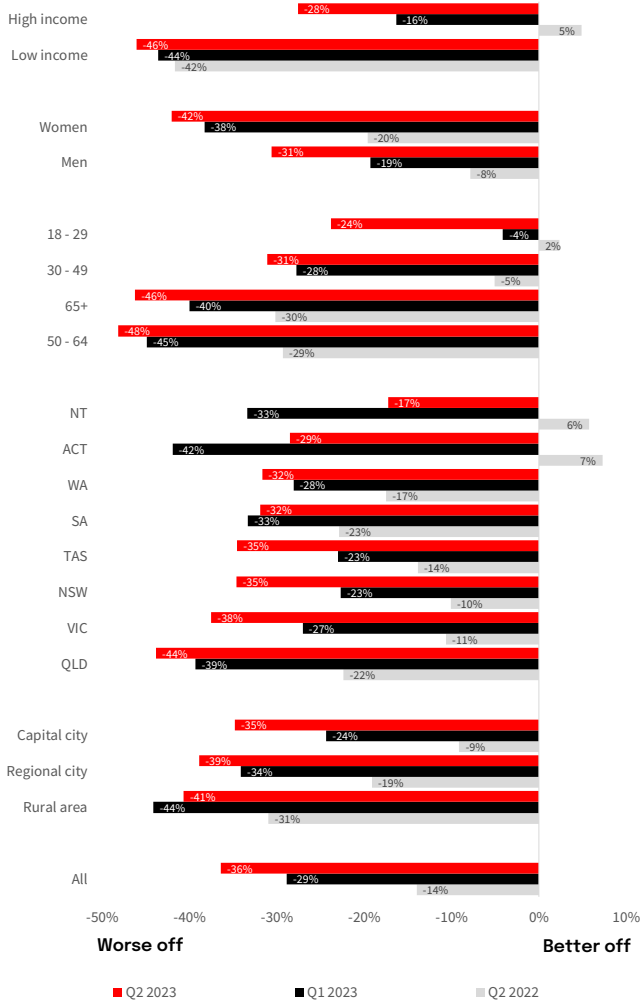
As household financial stress continues rising, a growing number of Australians also feel worse off financially. In Q2, the overall number who felt they were worse off exceeded those who thought they were better off, with this number rising to -36% (-24% in Q1 and -14% at the same time last year).

The net number who felt they were worse off heavily out-weighted those who said they were better off across the country. It was highest in QLD (-38%), with substantial increases in VIC (-38%), NSW (-35%) and TAS (-35%) reporting an uplift from the previous quarter. The net number who were worse off was lowest (and fell) in the NT (-17%) and the ACT (-29%). In the regions, it ranged from -44% in rural areas to -35% in capital cities.

be more pessimistic than men, though the gap narrowed. In Q2, the net number of women worse off rose to -42% (-38% in Q1), with a much larger increase reported by men (-31% up from -19% in Q1).

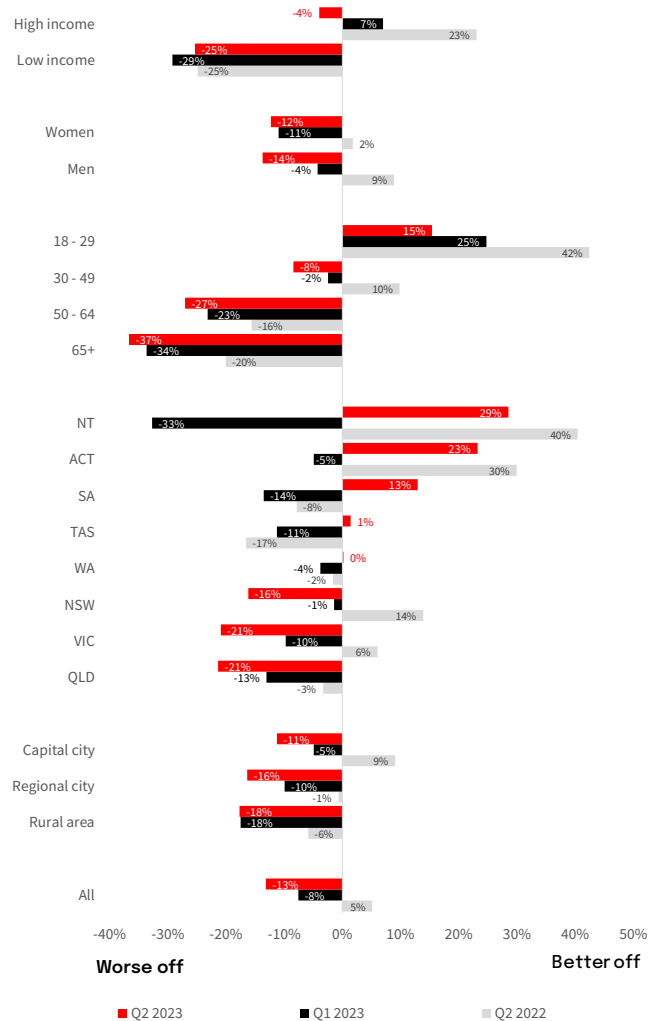
The net number of higher income earners worse off also rose sharply to -28% in Q2(-16% in Q1), while the net number of lower income earners off inched up only slightly to -46%, from -44% in the previous quarter.

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



The net number of pessimists increased in all age groups in Q2. It was highest in the 50-64 group (-48%), and lowest in the 18-29 group, but rose very sharply to -24% (-4% in Q1). Pessimists also out-weighted optimists for both genders, but women continue to

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



More Australians also expect to be worse off in a year from now. In Q2, the net number expecting to be worse off increased to -13%, from -8% in Q1 and turned from +5% at the same time last year when more people expected to be better off.

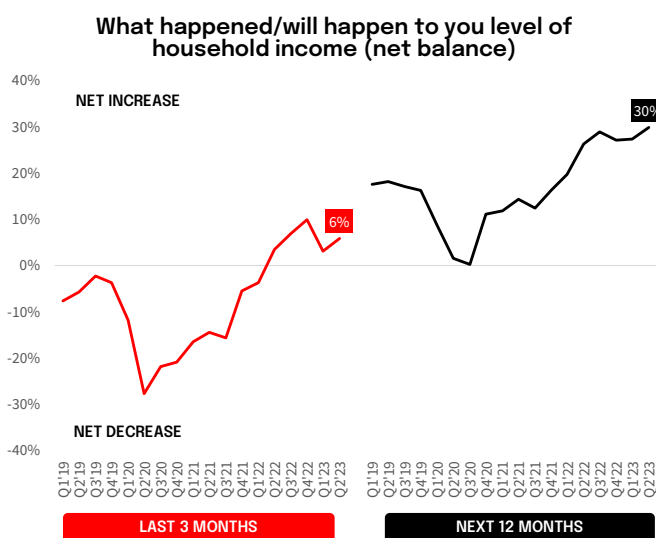
Expectations however ranged widely across the country. The number of pessimists out-weighted optimists (and increased sharply) in QLD (-21%), VIC (-21%) and NSW (-19%). Optimists and pessimist cancelled each other out in WA (0%) and TAS (+1%). However, more people in net terms expect to be better off in the NT (+29%), ACT (+23%) and SA (+13%), reversing the trend in Q1 when more people expected to be worse off.

Australians in the 18-29 age group continue to be most optimistic about their financial position in the next year, though the net number of optimists retracted to +15% (+25% in Q1). Pessimists out-weighted optimists (and increased) in all other age groups, ranging from -37% in the over 65 group to -8% in the 30-49 group.

More men (-14%) are now pessimistic about their future financial position than women (-12%). More high income earners now also believe they will be worse off in the next 12 months (-4% from +7% in Q1), but slightly fewer in the lower income group expect to be worse off (-25% down from -29%).

The impact of income, savings and debt

Against a background of rising cost of living pressures, when asked what happened to their income in the last 3 months, the number of Australians who said it increased out-weighted those who said it decreased, with this rising to +6% (+3% in Q1).



A positive (and higher) net number of women (+3%) and men (+9%) said their incomes improved. It was positive but fell in the 18-29 group (+1%) but increased in all other age groups led by the over 65s (+13%). We also noted a positive result in the lower income group (+2%), with a smaller number in the higher income group who said it increased (+11%).

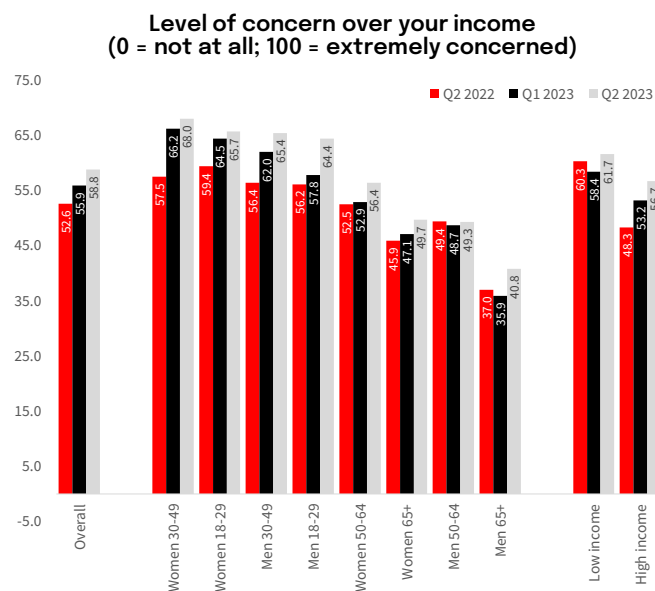
Looking forward, more Australians on balance expect their incomes to rise than fall in the next 12 months (+30% from 27% in Q1). Expectations lifted somewhat for women (+30%) and were broadly unchanged for men (+30%). Slightly less people in the 18-29 group expect incomes to rise (+45%), slightly more in the 30-49 group (+28%) and significantly more in the 50-64 (+28%) and over 65 (+20%) age groups.

Expectations in the lower income group improved (+17 from +13%) but were a little less positive in the higher income group (+41% down from +49%).

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

	Last 3 months	Next 12 months
Women	+3% (+1%)	+30% (+24%)
Men	+9% (+6%)	+30% (+31%)
Age 18-29	+1% (+12%)	+45% (+48%)
Age 30-49	+5% (+2%)	+28% (+25%)
Age 50-64	+4% (-2%)	+28% (+20%)
Age 65+	+13% (+2%)	+20% (0%)
Lower income	+2% (-4%)	+17% (+13%)
Higher income	+11% (+18%)	+41% (+49%)

*Figures in parentheses previous quarter



Despite a somewhat higher net number of Australians indicating their incomes increased in Q2, Australians were more concerned over their income or pay, suggesting they still see their costs rising more than their incomes. When asked to rate their level of concern, scored a survey high 58.8 pts (55.9 pts in Q1 and 52.6 pts at the same time last year).

Income stress in Q2 increased in all groups by gender and age. Women continue to report higher levels of income stress than men in all age groups. Income stress in Q2 remained highest overall for women 30-49 (68.0 pts) and 18-29 (65.7 pts), and lowest for men over 65 (40.8 pts).

Income stress rose in Q2 in both the lower (61.7 pts up from 58.4 pts) and higher (56.7 pts up from 53.2 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 at \$143 (\$146 in Q1).

Expectations however varied widely by state. They were highest and increased significantly in the NT (\$275 from \$97 but from a

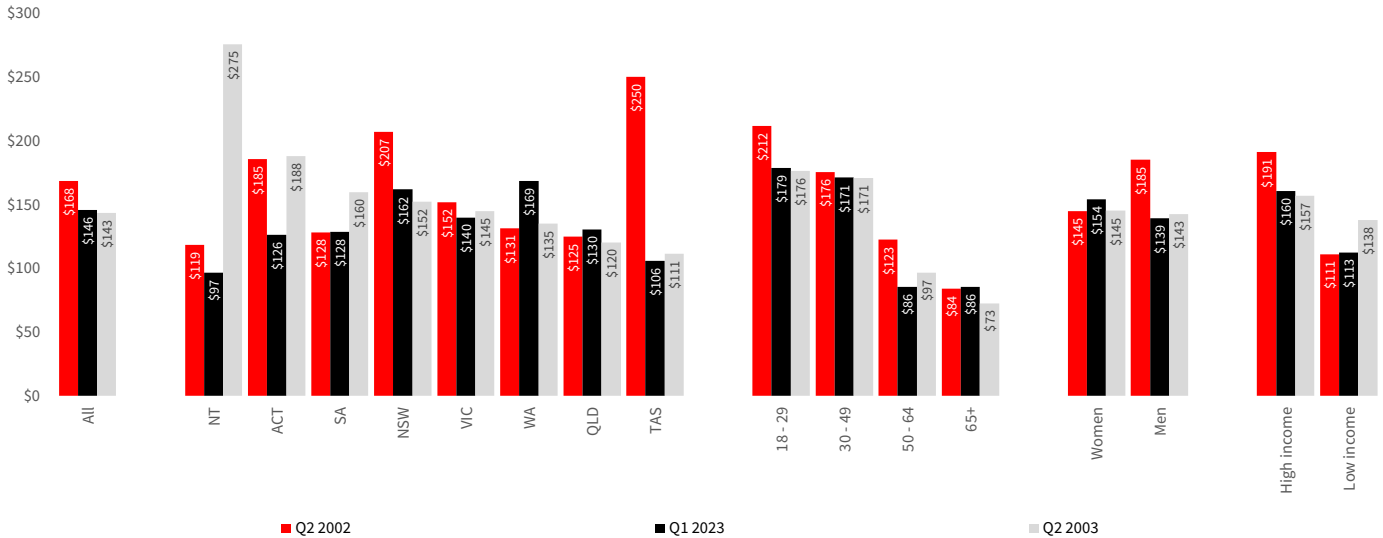
smaller sample size) and in the ACT (\$188 from \$166). Expectations also lifted in SA to \$160 (\$128 in Q1). They were largely unchanged in all other states, apart from WA where expectations fell to \$135 (\$160 in Q1) Expectations were lowest in TAS (\$111).

Weekly income expectations were highest and largely unchanged in the 18-29 age group (\$176 from \$179) and the 30-49 group

(unchanged at \$171). They rose slightly in the 50-64 group to \$97 (\$88 in Q1) but fell among the over 65s to \$73 (\$86 in Q1)

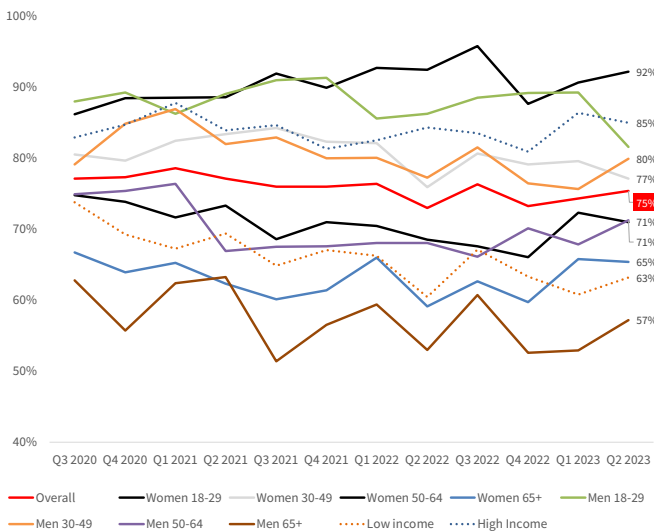
Women still expect to receive more than men (though expectations were cut to \$145 from \$154 in Q1). Men however expect a little more (\$143 up from \$139). Expectations were largely unchanged in the higher income group (\$157 from \$160, but somewhat higher in the lower income group (\$138 from \$113).

How much extra money per week are you expecting?



Savings aspirations among Australians remain high, with the overall number trying to save steady at 75% in Q1 (74% in Q1 and 73% at the same time last year).

Percentage of Australians trying to save



Savings aspirations in Q2 remained strongest in the 18-29 age group, particularly for young women (92%). Though still relatively high, the number of men in the 18-29 group trying to save fell

noticeably to a survey low 82% (89% in Q1). The number of people in the 30-49 age group trying to save fell for women (77% from 80% in Q1) but increased for men (80% up from 76%). The number trying to save in the 50-64 group was largely unchanged for women (71%) but increased for men (71% from 68%). Savings aspirations remain lowest by some margin in the over 65 age group, particularly men (though rose to 57% from 53% in Q1), but still well below women over 65 (65%).

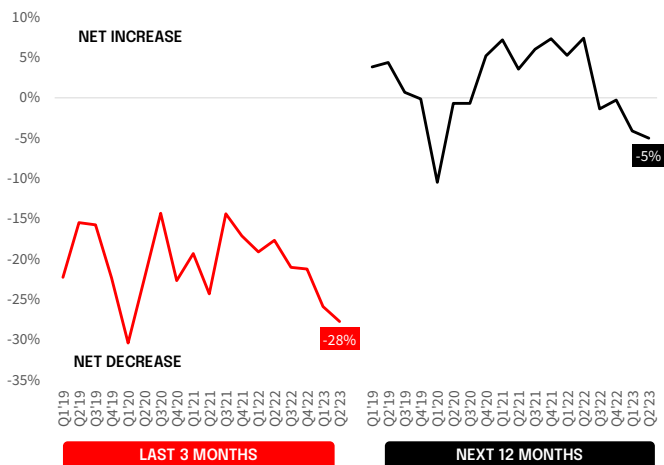
The number of people trying to save in the lower income group increased a little to 63% in Q2 (61% in Q1) but remained largely stable in the higher income group at 85%.

Household savings came under further pressure in Q2. In net terms, the number of Australians whose level of savings fell in the last 3 months continued to outweigh those who said they had increased. Moreover, the net number that reported lower savings rose for the fourth consecutive quarter to a 3½-year high -28% in Q2 (-26% in Q1) - see chart on following page.

By gender, the net number of women who reported a fall in their savings improved a little to -29% (-34% in Q1). Noticeably more men on balance however said their savings had fallen in the last 3 month, with the net number reporting lower incomes savings rising to -26% (-18% in Q1).

More Australians in all age groups said their savings fell in the past 3 months, ranging from a broadly unchanged -21% in the 18-29 group to a broadly unchanged -32% in the over 65 group. People aged 30-49 were the only age group where significantly more people ran down their savings (-30% up from -22% in Q1).

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



More Australians still expect their savings to fall than rise in the next 12 months (-5%). Expectations were less negative for women (-4% from -6%), but slightly more men now expect their savings to fall (-5% from -2%). Broadly unchanged numbers expect their savings to fall in all age groups next year, except the 18-29 group (+22% down from +28%). By income, significantly more people in the higher income group expect to grow their savings (+41% from +15%), and slightly less in the lower income group expect their savings to fall (-14% vs. -19%).

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

	Last 3 months	Next 12 months
Women	-29% (-34%)	-4% (-6%)
Men	-26% (-18%)	-5% (-2%)
Age 18-29	-21% (-20%)	+22% (+28%)
Age 30-49	-30% (-22%)	-3% (-1%)
Age 50-64	-28% (-29%)	-14% (-14%)
Age 65+	-32% (-34%)	-28% (-28%)
Lower income	-36% (-34%)	-14% (-19%)
Higher income	-17% (-14%)	+41% (+15%)

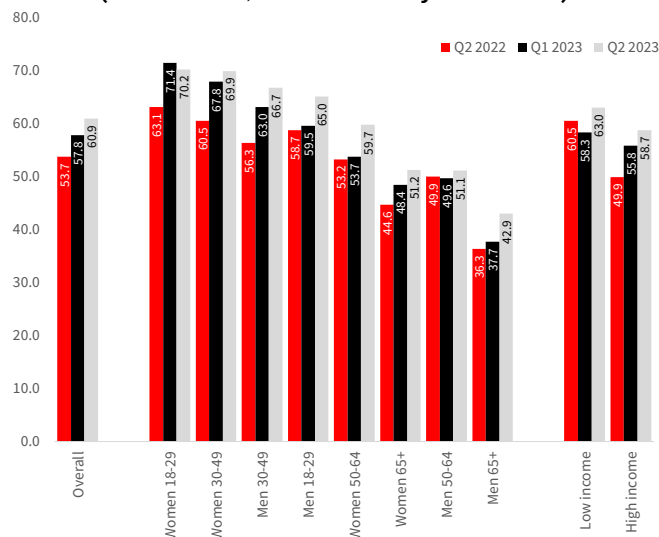
*Figures in parentheses previous quarter

With more Australians seeing a reduction in their household savings levels in Q2, their level of concern over their savings also increased. When asked to rate their level of concern, on average they scored a survey high 60.9 pts (57.8 pts in Q1). Stress related to savings remains higher than income stress (58.8 pts).

Savings stress remains highest for women in all age groups. Overall, it was highest for women 18-29 - though also the only group to report lower savings stress (70.2 pts down from 71.4 pts in Q1). It was lowest for men over 65 (52.9 pts). Savings stress increased most for women 50-64 in Q2 (up 6.0 pts to 59.7 pts) and for men 18-29 (up 5.5 pts to 65.0 pts).

Lower income earners reported a large increase in savings stress in Q2 (63.0 pts from 58.3 pts). Higher income earners also reported higher stress (58.7 pts from 55.8 pts in Q1 and 49.9 pts a year ago).

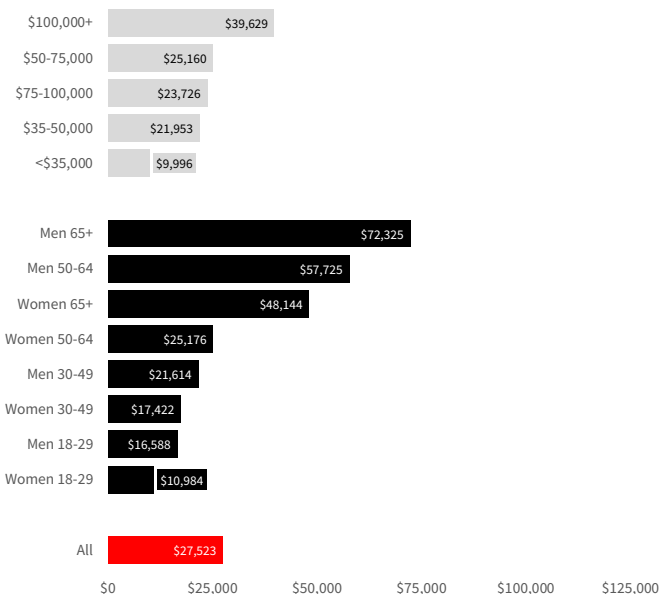
Level of concern over your savings (0 = not at all; 100 = extremely concerned)



But how much savings do Australians have? When asked to estimate the amount they had in total savings (i.e. savings accounts or term deposits - money that is idle), the average amount was around \$27,500 in Q2.

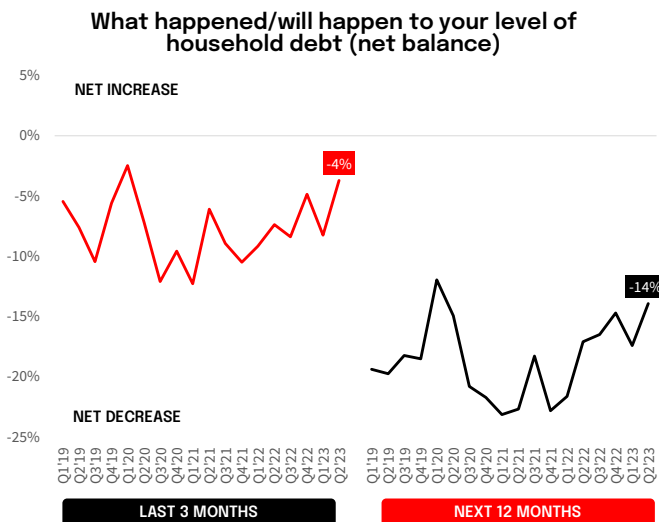
The level of savings increased with age - irrespective of gender. Men in all age groups however said they had more savings than women in all age groups. Overall savings was lowest for women in the 18-29 age group (\$10,984) and highest for men over 65 (\$72,325). Savings also increased with income, from \$9,996 in the lower income group to \$39,629 in the higher income group.

How much do you currently have in savings?



Fewer Australians made inroads into reducing household debt levels in Q2. When asked how their debt levels had changed over the 3 months, in net terms more people said it decreased than increased (i.e. the number who said it decreased out-weighted the number who said it increased) though the net number that did so moderated to -4% from -8% in the previous quarter.

Expectations were broadly unchanged for women (-14%), but the net number of men who expected to reduce debt levels fell noticeably to -14% (-21% in Q1). Fewer people in all age groups expect to reduce levels, particularly in the 18-29 (-19% from -24%) and over 65 (-3% vs. -12%) groups. By income, more people in the lower income group expected to reduce debt levels in the next 12 months (-6% vs. -2%), but fewer in the higher income group expect to (-23% vs. -28%).



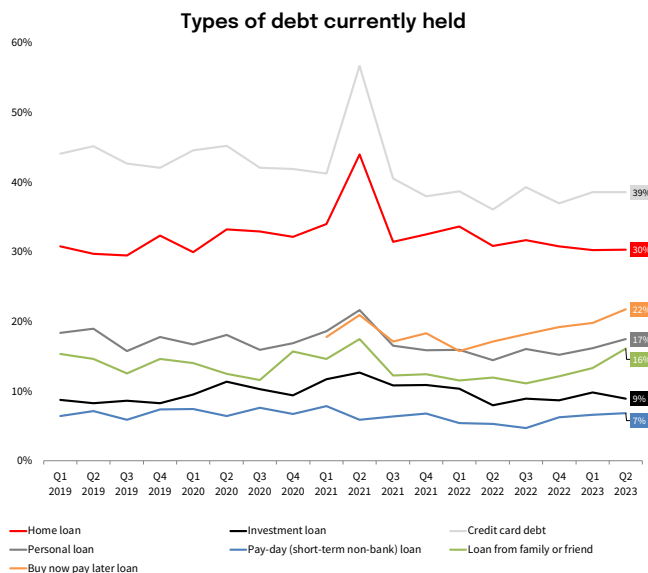
In net terms, more men (-7%) than women (-1%) made inroads into reducing debt in Q2, but less so than in Q1. By age, we also noted lower numbers of people in all groups that reduced their debt levels compared to Q1, particularly the 30-49 age group (-2% from -9%). The net number in the lower income group that increased debt levels rose to +6% (+2% in Q1), signalling debt levels grew for more people in this income group. Fewer people in the higher income group reduced their debt levels in Q2 (-13% from -18% in Q1).

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

	Last 3 months	Next 12 months
Women	-1% (-4%)	-14% (-14%)
Men	-7% (-14%)	-14% (-21%)
Age 18-29	-4% (-9%)	-19% (-24%)
Age 30-49	-2% (-9%)	-16% (-17%)
Age 50-64	-6% (-8%)	-15% (-18%)
Age 65+	-4% (-7%)	-3% (-12%)
Lower income	+6% (+2%)	-6% (-2%)
Higher income	-13% (-18%)	-23% (-28%)

*Figures in parentheses previous quarter

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 shrank to -14% (-17% in Q1).



Credit card debt is still the most widely held debt by Australians and held by an unchanged 4 in 10 (39%) people in Q2. It was also the most common type of debt held by gender, but by somewhat more men (41% vs. 36%), in the 50-64 (47%) and over 65 (43%) age groups, and in the higher income group (43%).

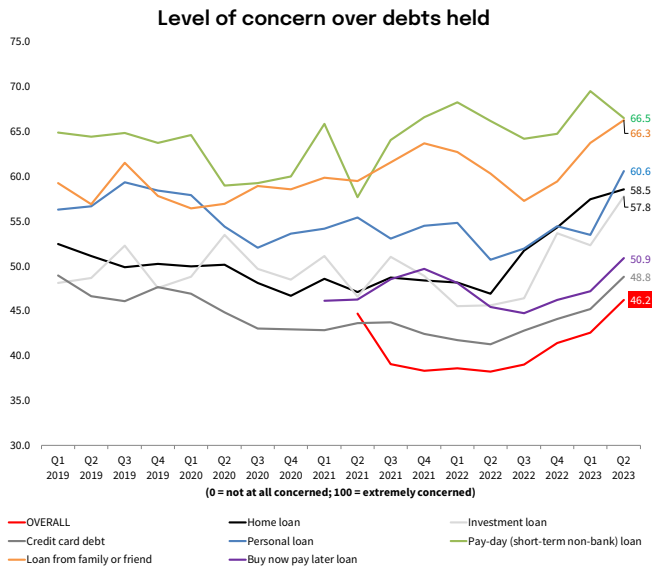
Home loan debt was the next most common form of debt held, and by an unchanged 3 in 10 (30%) Australians. It was however the most common type of for people 30-49 (44%) and in the higher income group (48%).

Buy Now Pay Later (BNPL) was next and held by over 1 in 5 (22%) Australians overall, but by significantly more people under 50 (31% in the 30-49 group and 29% in the 18-29 group).

Personal loan debt ranked next highest and was held by 17% of all Australians in Q2. It was also the most commonly type of debt held in the 18-29 age group (30%), and much more widely held in the higher income (21%) group.

Around 16% had a loan from family or friends, but this was noticeably higher in the 18-29 age group (26%) and lower income group (19%). Around 1 in 10 (9%) Australians said they had investment loan debt in Q2, rising to 16% for higher income earners, and much more common among men than women (11% vs. 7%), and in the 30-49 age group (13%).

An unchanged 7% of all Australians said they had payday loan debt in Q2, but twice higher as more in the 30-49 group (13%) - see table below for more detail.



Australians who holding debt in Q2 were asked to rate their concern for all debts they held and for each type of debt. With higher interest rates impacting repayment amounts, concern over total debts rose for the sixth straight quarter to 46.2 pts, and now sits at its highest level since this data was tracked in Q2 2021. Overall debt stress however was lower than savings (60.9 pts) and income (58.8 pts) stress. It was noticeably higher for women than men (49.3 pts vs. 43.1 pts) and in the 30-49 age group (57.7 pts).

When people who held each type of debt were asked how much concern it caused, pay day loans was highest but fell to 66.5 pts (69.5 pts in Q1). Loans from family or friends followed (66.3 pts up from 63.7 pts). Home loan stress continued to climb along with higher mortgage rates, reaching 58.5 pts in Q2. Credit card stress was lowest (48.8 pts), followed by BNPL debt (50.9 pts).

In Q2, we noted much higher stress among men and over 65s for pay day loans, and in the 30-49 age group for most other loans (especially personal, home and investment loans), and the lower income group for all debt holdings except pay day loans.

Type of debts held Q2'23: gender, age & higher/lower income

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Credit card debt	39%	36%	41%	21%	42%	47%	43%	29%	43%
Home loan	30%	29%	31%	22%	44%	33%	13%	11%	48%
Buy now pay later loan	22%	24%	20%	29%	31%	15%	7%	20%	22%
Personal loan	17%	18%	17%	30%	23%	9%	3%	13%	21%
Loan from family or friend	16%	18%	14%	26%	20%	11%	4%	19%	14%
Investment loan	9%	7%	11%	7%	13%	9%	4%	2%	16%
Pay-day loan	7%	6%	7%	8%	12%	2%	1%	6%	6%

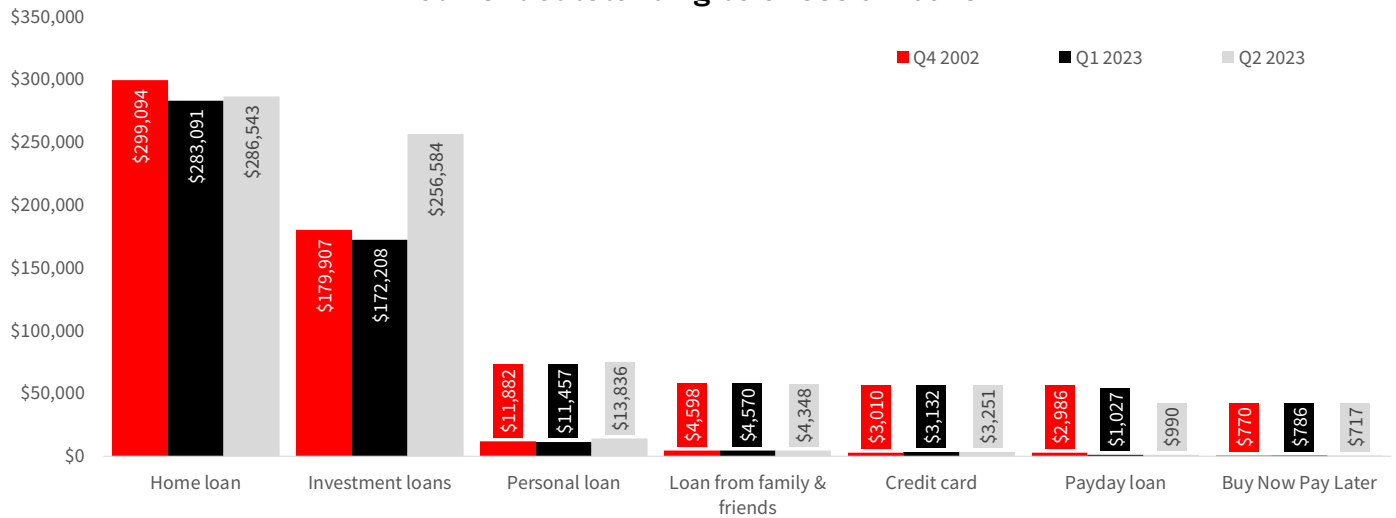
Concern over debts held Q2'23: gender, age & higher/lower income

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Pay-day loan	66.5	59.4	72.6	57.2	69.5	69.4	83.9	53.5	66.1
Loan from family or friend	66.3	68.8	63.5	60.6	69.1	75.3	55.1	67.9	62.6
Personal loan	60.6	59.9	61.4	57.5	65.2	53.5	53.6	69.7	54.7
Home loan	58.5	60.8	56.4	53.0	65.6	51.2	47.8	66.3	55.2
Investment loan	57.8	53.7	60.5	48.3	67.1	45.6	49.2	64.7	57.6
Buy now pay later loan	50.9	49.9	52.2	50.1	55.4	44.0	33.9	55.3	44.3
Credit card debt	48.8	51.9	46.0	49.1	60.6	44.8	33.8	55.5	44.2
Overall debt stress	46.2	49.3	43.1	48.2	57.7	40.3	28.4	49.9	45.1

Australians who indicated they currently have any of these debts were asked to estimate approximately how much was outstanding on each of them. The amount outstanding was highest for home loans (\$286,543), followed by investment loans (\$256,584). The next biggest debt holdings in Q2 were personal loans (\$13,836), loans from family or friends (\$4,248), credit cards (\$3,251), payday loans (\$990) and BNPL debt (\$717).

Women had more outstanding debt for all types of loans in Q2 except from family or friends and BNPL. By age, the 30-49 group had the highest outstanding balances on their home loans, credit cards and pay day loans, the over 65 age group for investment and personal loans (though from a smaller sample size), and the 50-64 age group payday loans and loans from family or friends - see table below.

Current outstanding balances on loans



Current outstanding balances on loans Q2'23

	All	Men	Women	18-29	30-49	50-64	65+
Home loan	\$286,543	\$322,053	\$342,230	\$211,974	\$154,535	\$266,402	\$308,139
Investment loans	\$256,584	\$97,423	\$230,859	\$333,341	\$646,350	\$212,128	\$327,120
Credit card	\$3,251	\$2,272	\$3,667	\$3,364	\$3,035	\$3,007	\$3,519
Personal loan	\$13,836	\$10,414	\$12,033	\$8,875	\$12,393	\$9,920	\$11,952
Payday loan	\$990	\$911	\$999	\$1,604	\$505	\$916	\$1,124
Loan from family & friends	\$4,348	\$3,661	\$4,228	\$6,942	\$2,526	\$4,799	\$4,135
Buy Now Pay Later	\$717	\$633	\$823	\$795	\$467	\$769	\$688

Home loan stress due to rising interest rates

Policy rates have now risen from 0.1% in April 2022 to 4.1% in June 2023, and subsequently higher mortgage rates have impacted Australians 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 in the next 12 months, it increased to 7.4 pts (7.1 pts in Q1 and 5.7 pts at the same time last year).

Concern grew in all states bar SA and WA in Q2. It was highest in VIC (7.6 pts), closely followed by NSW (7.5 pts), QLD (7.3 pts) and ACT, TAS & NT combined (7.3 pts), and it rose in all these states. Concerns moderated a little in SA (7.0 pts) and WA (6.7 pts) where it was lowest overall. By region, the level of concern was highest for mortgage holders in capital cities (7.5% up from 7.1 pts) and lowest in rural areas (7.0 pts up from 6.8 pts).

The level of concern was higher for women than men in all age groups. In Q2, it was highest overall for women in the 30-49 group (8.2 pts up from 7.6pts), followed by men 30-49 (7.6 pts from 7.2 pts), women 50-64 (7.5 pts from 7.0 pts) and women 18-29 (7.4 pts but down from 8.0 pts in Q1). Stress was lowest for men over 65, but also increased most (up 0.7 pts to 5.8 pts), followed by men 50-64 (6.4 pts from 6.0 pts).

Income did not matter, with concern highest in the lower income group (7.8 pts), and lowest in the \$35-50,000 group (7.1 pts).

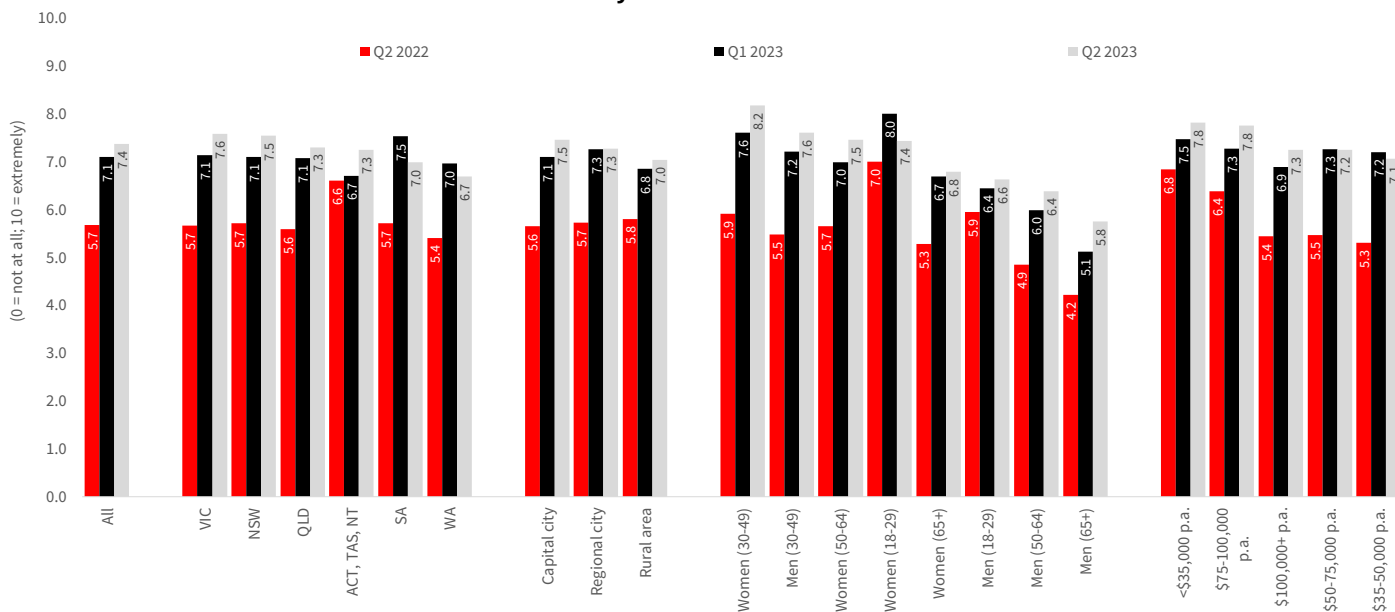
The average score continues to mask a significant number of people with “very high” levels of concern over future rate rises. In Q2, the number of mortgage holders with very high concern (i.e. scored 8 pts or more) increased to nearly 6 in 10 (58%), up from 53% in Q1 and nearly double one year ago (3 in 10 or 30%).

The number of people with “very high” concern rose in most states and was highest in NSW (61%), SA (60%) and QLD (60%), and lowest in the ACT, NT & TAS combined (37%). By region, it was highest in regional cities (59%) and equal lowest in rural areas and capital cities (53%).

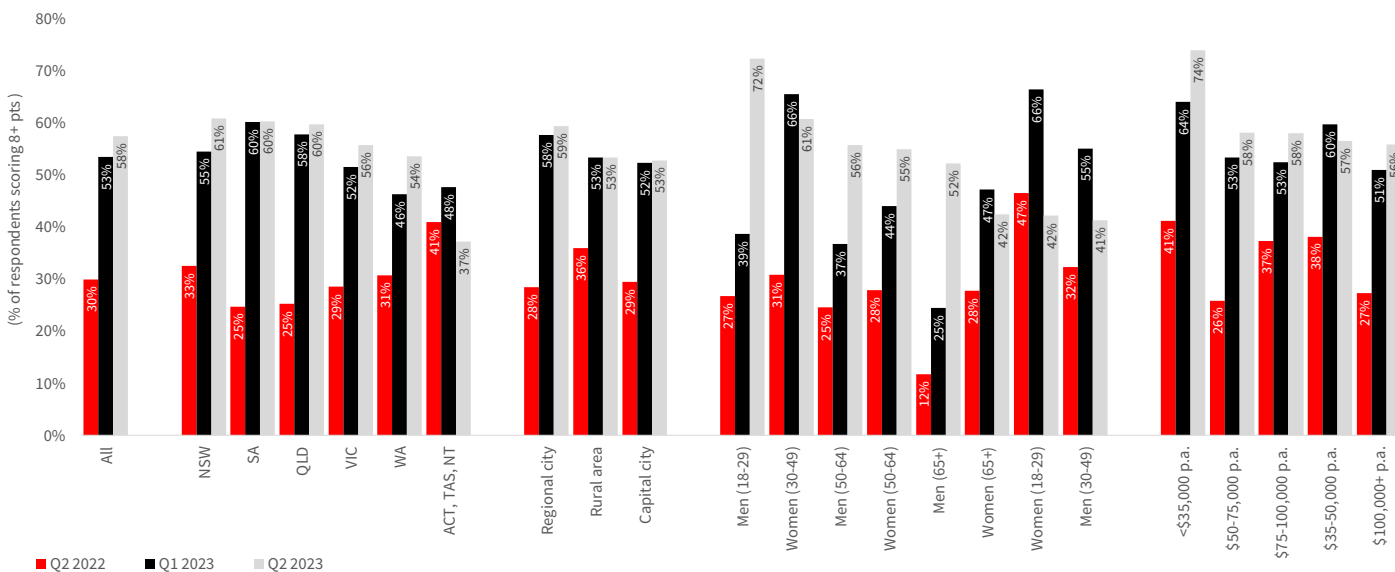
Over 7 in 10 (72%) in the 18-29 age group rated their stress very high, with women 30-49 next highest (61%). A similar number of women and men in the 50-64 group had very high levels of concern (55-56%), but the number with very high concern was larger among men than women in the over 65 group (52% vs. 42%). The gap was greatest in the 18-29 (72% men; 42% women) and 30-49 (61% women; 41% men and lowest overall) groups.

The number of people very worried about rising rates was highest in the lowest income group (74%), but broadly similar in all other income groups (around 6 in 10) - see charts on 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 Australian’s face, we ask whether they spent more or less than they earned (either through income or investments or pensions) in the last month. Results are shown in net balance terms below - i.e. a positive number means number who spent more than they earned exceeded those that spent less than they earned, and a negative number means people who spent less outweighed those that spent more.

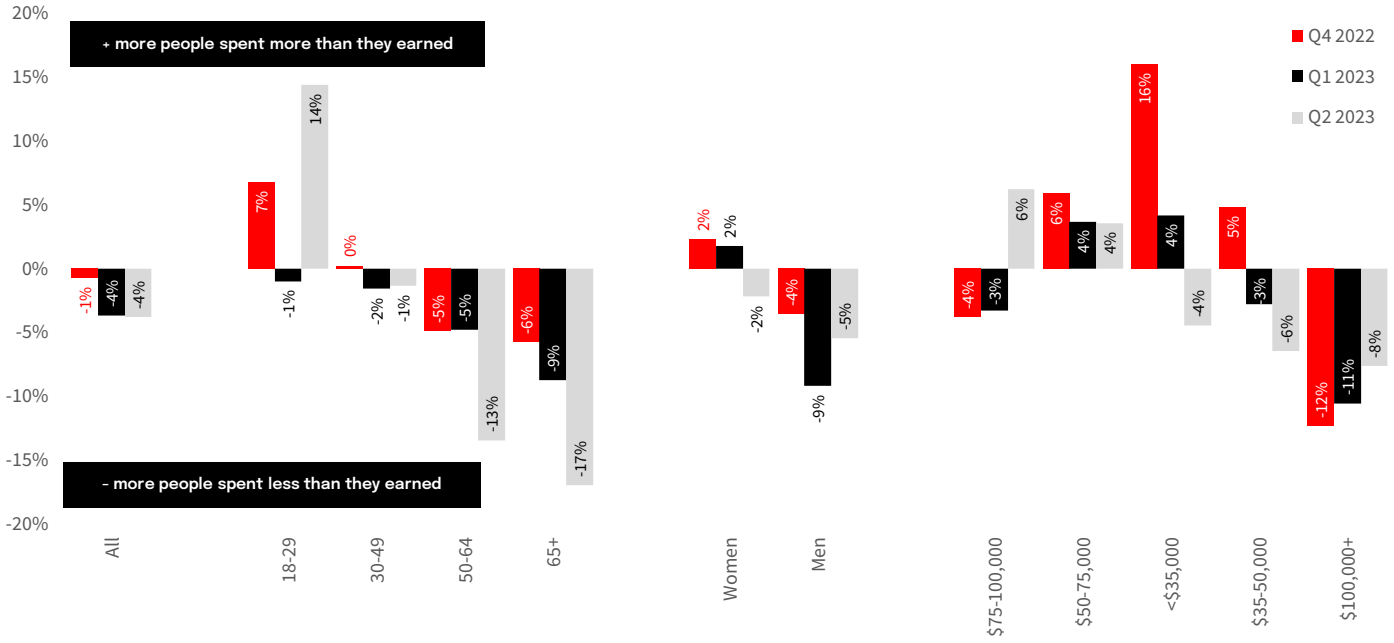
Overall, the number that spent less outweighed those that spent more and was unchanged at -4% in Q2. More people spent less

than they earned in all age groups apart from the 18-29 group who spent more (+14%). The net number that spent less than they earned in Q2 increased most noticeably in the 50-64 (-13%) and over 65 (-17%) age groups.

More women also said they spent less than they earned in Q2 (-2% from +2% in Q1), but the net number of men who said they spent less fell to -5% (-9% in Q1).

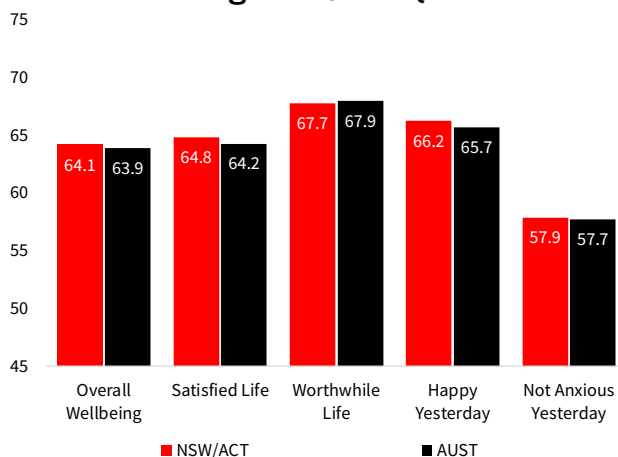
By income, people spent more than they earned in the \$75-100,000 group (+6%) and \$50-75,000 group (+4%). The net number that spent less than they earned exceeded those that spent more in all other income groups, led by high income earners (-8% though down from -11% in Q1) - see chart below

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

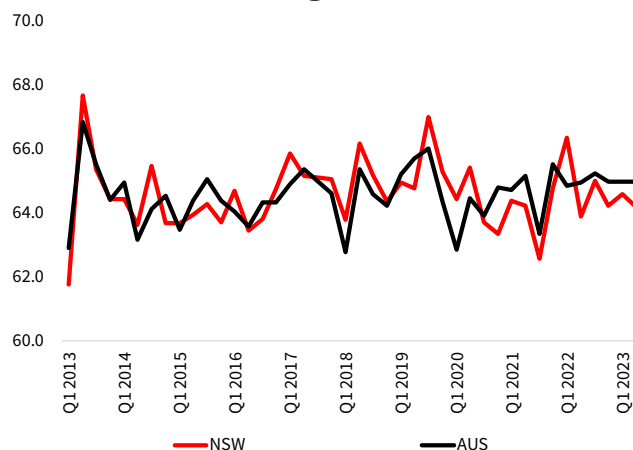


Appendix 1: NAB Wellbeing Index: States

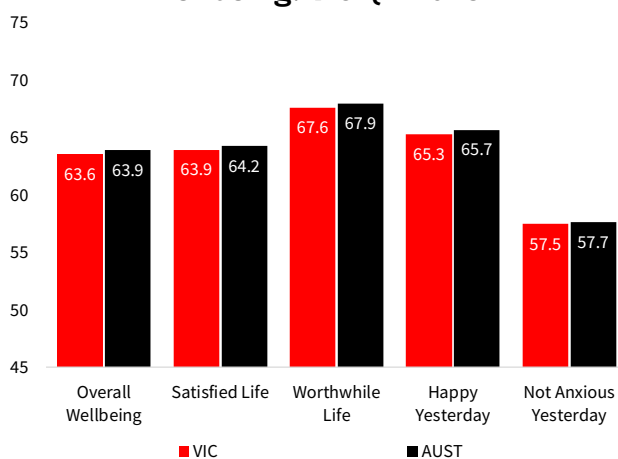
Wellbeing: NSW/ACT Q2 2023



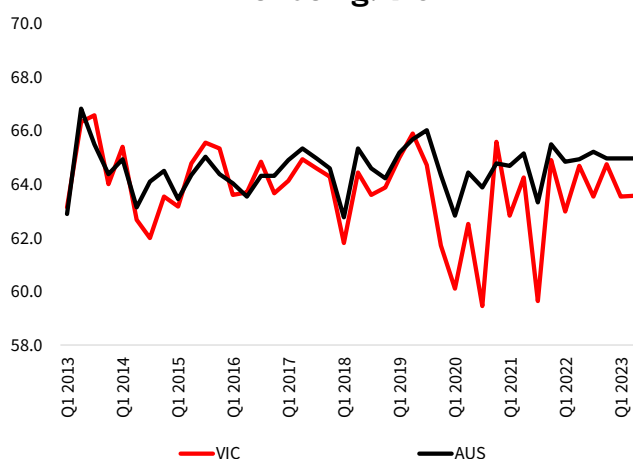
Wellbeing: NSW/ACT



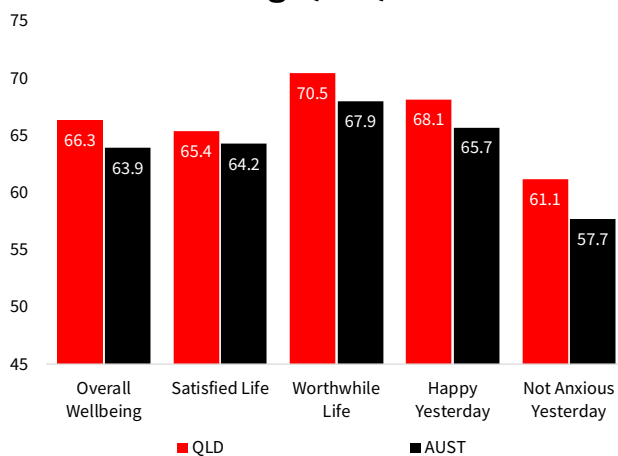
Wellbeing: VIC Q2 2023



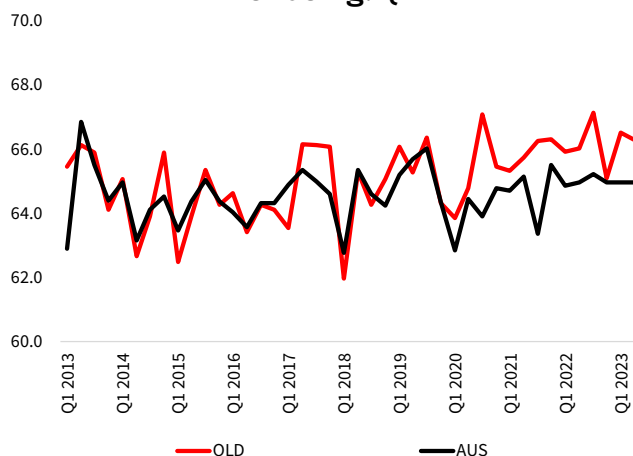
Wellbeing: VIC



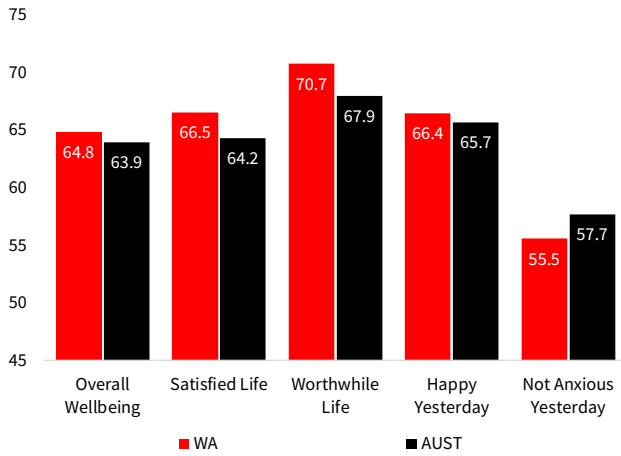
Wellbeing: QLD Q2 2023



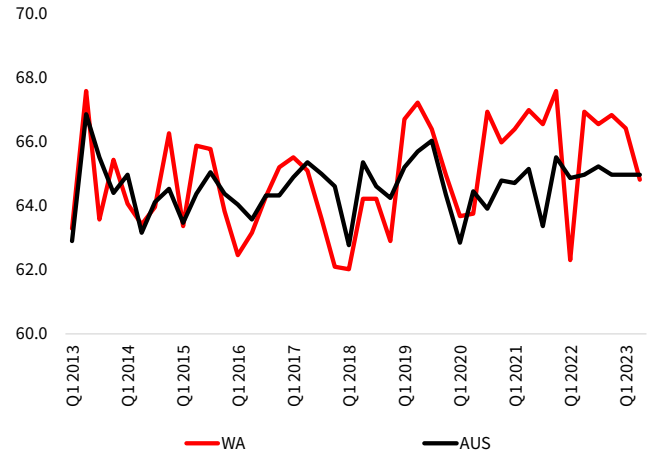
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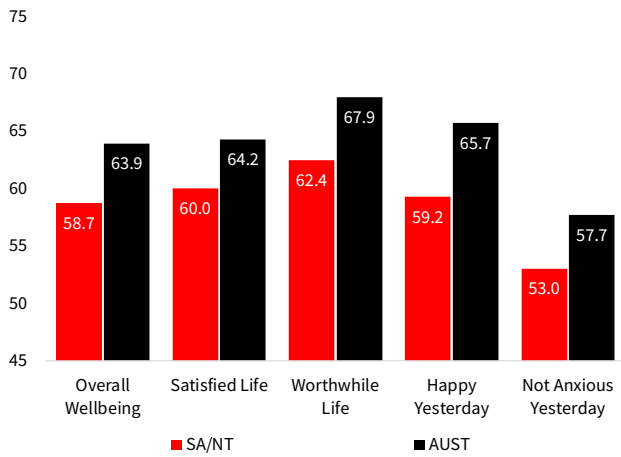
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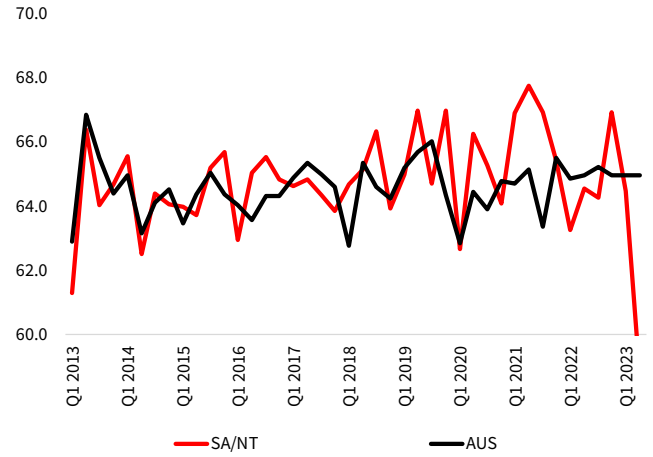
Wellbeing: WA



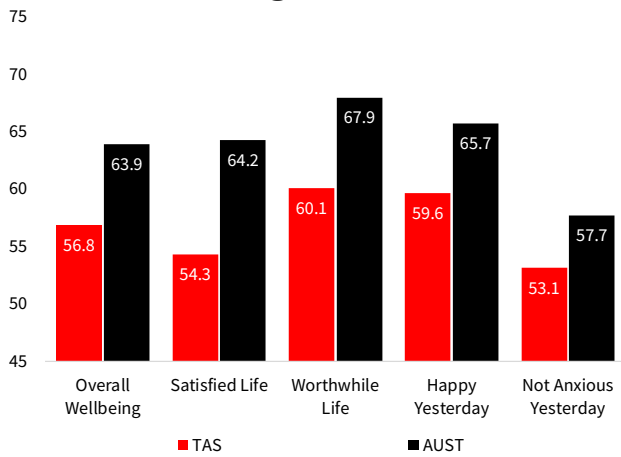
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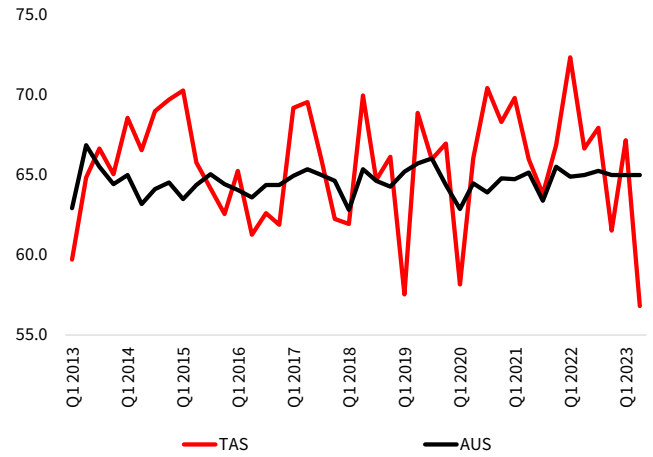
Wellbeing: SA/NT



Wellbeing: TAS Q2 2023

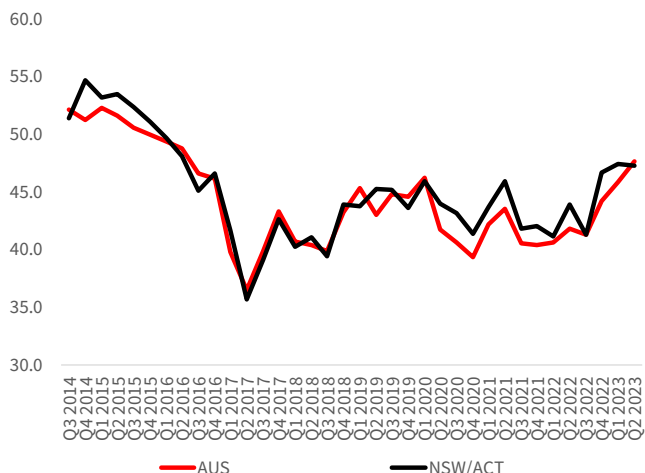


Wellbeing: TAS

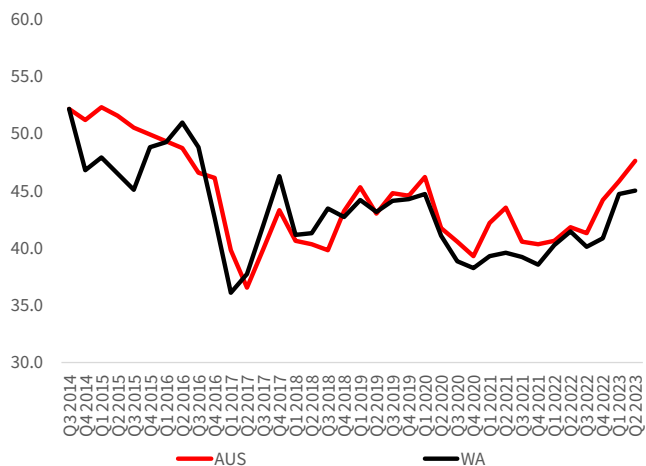


Appendix 2: Financial Stress Index: States

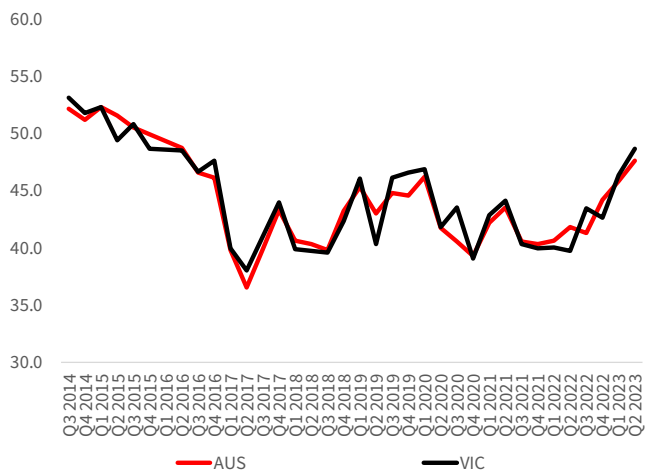
NAB Financial Stress Index: NSW/ACT



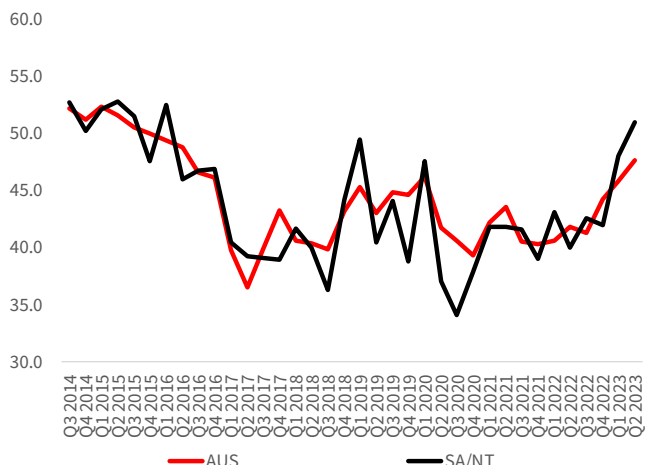
NAB Financial Stress Index: WA



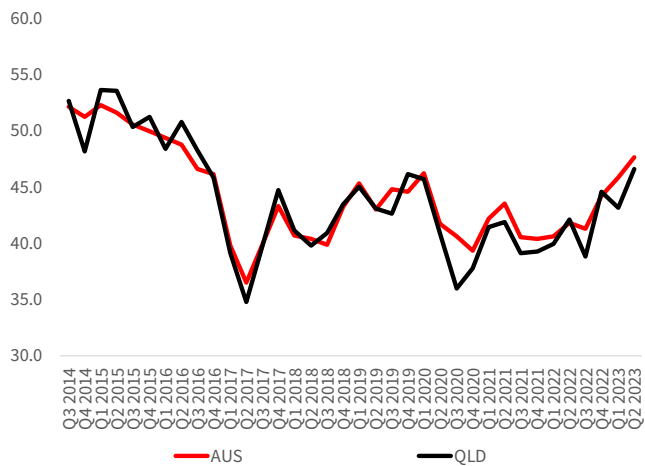
NAB Financial Stress Index: VIC



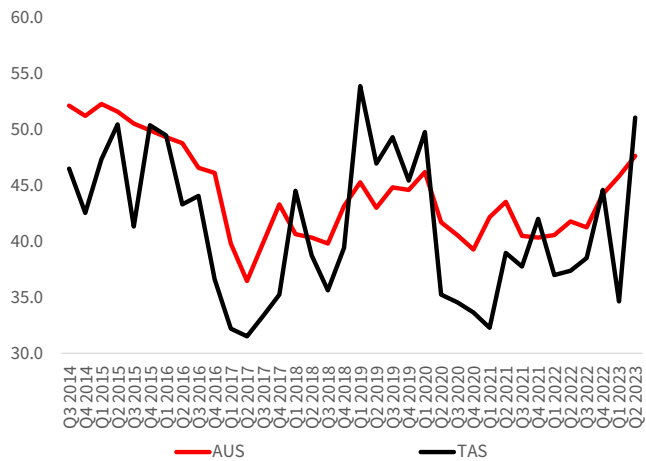
NAB Financial Stress Index: SA/NT



NAB Financial Stress Index: QLD



NAB Financial Stress Index: TAS



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