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than
money



NAB Australian Wellbeing Survey Q2-2024



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Wellbeing inches up but anxiety worsens for the fifth consecutive survey. Financial stress at its highest in 8 years. 1 in 3 Australians are feeling worse off financially compared to the same time last year, with 30-49 year olds under the most stress. Concerns around household savings are at a survey high with 3 in 4 Australians trying to save. Debt stress increased to a survey high with loans from family & friends and pay day loans the key concerns. 1 in 5 Australians hold BNPL debt but has the lowest debt stress. While financial pressures are important, the toll of the pandemic also continues to play out. Overall, Australians are showing enormous resilience, many are coping better than expected amid sustained cost of living pressures and financial strain, but averages do not tell the full story. Those hurting most are less likely to own their own home, more likely to rent, are in less stable employment, under 50, on lower incomes, and more likely to be women.

The NAB Wellbeing Survey provides a pulse check on the mood of our nation, exploring how Australians feel about their lives in response to changing economic and social conditions and personal finances. The NAB Wellbeing Index is based on the research of Daniel Kahneman and is derived from self-reported levels of happiness, life satisfaction, life worth and anxiety. Kahneman argued while most people equate happiness with happy feelings, most of us are actually happiest when we are 'succeeding' in life. The NAB Household Financial Stress Index explores a key subset of wellbeing and looks specifically at the role our finances play in our lives. Overall, Australians continue to feel quite despondent but are showing enormous resilience, with many coping better than expected amid the cumulative effects of sustained cost of living pressures and financial strain. Relatively low levels of wellbeing are also being reflected in optimism about the future, which has been trending down since the start of 2023. While ongoing financial pressures on individuals and households is no doubt an important contributor to the overall darkening mood, the story is far more nuanced as the toll of the pandemic continues to play out. Averages do not tell the full story, and understanding the detail is becoming increasingly important for organisations and governments.

The NAB Australian Wellbeing Index inched up in the June quarter (to 63.0 pts from 62.9 pts in Q1) but remains well below the survey average (64.4 pts). Australians were a little more satisfied with their lives and reported a marginally higher sense of their life worth and happiness in the June quarter. They were however somewhat more anxious (the fifth consecutive quarterly rise in self-reported anxiety). NAB's measure of wellbeing has been nearing its lowest point since the onset of COVID. Why might this be the case? Longitudinal data on wellbeing shows how powerful our aspirations seem to be. Crucially, people think about their wellbeing today relative to where they thought it might be. Perhaps some expected more from their post pandemic lives than they have delivered. They showed enormous resilience during the pandemic, most (but certainly not all) coped better than expected and looked forward to much better times. Then came cost of living and a range of additional financial pressures. In this environment stress is elevated and sentiment fragile as many feel flat after years of uncertainty and a lack of clarity over the path ahead. But averages mask those pockets of the community who are feeling under significantly greater pressure.

By state, wellbeing was highest and improved most in WA (66.0 pts). It also lifted in QLD (63.5) and SA/NT (63.2). Wellbeing remained lowest in TAS (59.3) and fell most in VIC (down 1.4 to 61.3 pts). Australians living in WA enjoyed the highest life satisfaction, sense of life worth,

were happiest and least anxious by a considerable margin. People in TAS scored their wellbeing lowest across all measures, except anxiety which was highest in VIC and climbed sharply over the quarter.

Wellbeing is highest and improved most in capital cities (63.6) and is lowest and fell noticeably in regional cities (61.7) driven mainly by a big uplift in anxiety. Australians in capital cities reported the highest sense of life satisfaction, life worth and happiness, but people in rural areas were the least anxious, despite scoring lowest for life satisfaction, life worth and happiness.

Wellbeing remained highest among those in the over \$100,000 income group (64.6) and lowest for people with incomes below \$35,000 (58.8). Life satisfaction, life worth and happiness were scored highest by people with incomes over \$100,000 and lowest among people with incomes below \$35,000. Anxiety however was highest for those on incomes of \$100,000+ and lowest in the \$35-50,000 group. Older Australians continue to enjoy the highest wellbeing, and significantly higher than in all other age groups (73.4), with this also true for older men (74.6) and women (71.5). Other “high” wellbeing groups included retirees (73.3), married people (68.4) and those who own their homes outright (70.8). Unemployed people (49.6), single people (56.2) and those who live in a rented house (56.8) reported the lowest wellbeing.

Australians continue to be least satisfied with Australia’s economy (scoring it 47.1 pts out of a possible 100 vs. 47.7 in Q1), the way the Federal Government is running the country (47.8 vs. 46.9), their state/territory Government (far less positive than in the previous quarter at 49.2 vs. 61.8 in Q1) and their finances, including their ability to fund retirement (51.3 vs. 51.5), overall financial position (54.3 vs. 57.4), household income (57.0 vs. 56.7) and standard of living (60.1 vs. 60.0). The over 65s scored satisfaction highest for all factors (and typically by a big margin when compared to the next highest group), and those under 50 the lowest. By gender, men also scored satisfaction with all factors higher than women, particularly their ability to fund retirement (56.8 men; 46.0 women), overall financial position (58.4 vs. 50.4), household income (60.2 vs. 53.8), management of the environment (56.8 vs. 50.4) and feeling they were in control of their life (64.0 vs. 58.3).

The **NAB Household Financial Stress Index**, which looks specifically at the role our finances play in our wellbeing, was unchanged at 49.3 pts, and remains sharply higher than at the same time last year (45.8). Financial stress levels also continued to hover at its highest level in more than 8-years and trending well above the long-term survey average (44.7). Financial stress first and foremost impacts people’s wellbeing but there can also be spill-overs to the broader economy and financial system. Household stress associated with mortgages, rent & housing costs, personal loan repayments, children’s education, providing for family’s future, major household items and home improvements & maintenance continued to grow in the June quarter. Stress arising from medical bills & healthcare, credit card repayments, food & basic necessities, non-essentials, raising \$2,000 in an emergency and other monthly household expenses however eased. Stress levels were unchanged for normal monthly utility bills and financing retirement. All drivers of household financial stress however remain higher than at the same time last year.

All components of NAB’s Financial Stress Index continued to print well above respective survey averages in the June quarter - particularly for non-essentials such as holidays, eating out etc. (53.6 pts in Q2 vs. 45.9 survey average), personal loan repayments (48.5 vs. 41.7), major household items (51.3 vs. 45.0), home improvements & maintenance (52.2 vs. 46.1), mortgage, rents & housing costs (50.4 vs. 44.6) and children’s education (47.1 vs. 42.4).

Not having enough to finance retirement is still the biggest contributor to overall household financial stress (and by a large margin) but stress levels were unchanged (58.7) in the June quarter. The next biggest contributors were not having enough money for non-essentials (53.6 down from 54.1 in the previous quarter), providing for the family’s future (52.6 vs. 52.0), home improvements & maintenance (52.2 vs. 51.9), medical bills & healthcare (51.3 vs. 52.0), major household items (51.3 vs. 51.1), mortgage, rent & housing costs (50.4 vs. 49.8), personal loan repayments (48.5 vs. 47.3), being able to raise \$2,000 for an emergency (48.4 vs. 48.7), other monthly household expenses (47.7 vs. 48.1), children’s education (47.1 vs. 46.2) and normal monthly utility bills (47.0 vs. 47.0). Being unable to meet minimum credit card repayments is still causing the least financial stress for Australian households by a large margin, and stress levels eased to 38.6 in the June quarter (39.2 in the previous quarter), followed and food & basic necessities which also eased (42.6 vs. 43.3 in Q1).

Financial stress rose in all age groups except the 50-64 group in Q2. It remained highest in the 30-49 age group (56.0) and lowest by a big margin in the over 65 group (32.0) - and for all Index measures. Stress was highest in the 30-49 group for most index components (particularly children’s education) except for raising \$2,000 for an emergency and normal monthly utility bills which caused the highest stress in the 18-29 age group. Financial stress increased in both the lower (55.5 vs. 55.3) and higher (46.6 vs. 46.1) income groups in the June quarter. It also remained substantially higher in the lower income group for all measures, especially raising \$2,000 for an emergency, personal loan repayments, children’s education, medical bills & healthcare and other monthly household expenses.

By state, household financial stress levels remained highest and increased in TAS (56.9 pts vs. 55.0). It was also highest in TAS for all Index components except food & basic necessities (SA/NT). Financial stress also increased VIC (50.8 vs. 49.2) and QLD (48.9 vs. 47.3) in Q2. Stress was lowest and fell in WA (45.1 vs. 47.7), and also eased in SA/NT (51.0 vs. 53.5) and NSW/ACT (48.8 vs. 49.5). Household financial stress levels however remain above average across the country. Financial stress levels moderated in capital cities (47.8 vs. 48.7) and rural areas (51.4 vs. 52.4) in the June quarter but increased noticeably in regional cities (52.7 vs. 49.0) to be highest overall. Stress levels however are still well above survey average levels in all regions. Australians living in regional cities reported the highest stress for all Index components, except home improvements & maintenance, mortgage, rents & housing costs and food & basic necessities where stress was highest in rural areas.

On balance, slightly more Australians in the June quarter (on balance 1 in 3 or 33%) said they felt worse off financially compared to the same time last year than in the March quarter (31%) though down from the same time last year (36%). By age, the net number worse off doubled in the 18-29 age group (22% vs. 11%) but was still lowest overall. It remained highest in the 50-64 age group (46 vs. 48%). Noticeably more women felt worse off during the quarter (38% vs. 31%), but slightly less men (27% vs. 29%) felt worse off. Though improving, the net number in the lower income group worse off (41% vs. 46%) remained well above the higher income group despite rising

(24% vs. 20%). A slightly higher number of Australians on balance also expected to be worse off financially in a year from now (6% vs. 4% in Q1), though it has halved from 13% at the same time last year.

Against this backdrop, the net number of Australians who said their incomes or pay increased in the June quarter eased to -3% (-5% in the previous quarter). More Australians in all age groups said their incomes fell in the June quarter, except in the over 65 group where more said it increased (+4% vs. -3%). The net number of Australians in the higher income group who said their income increased in the June quarter was unchanged at +3%, while a broadly unchanged number in the lower income group said it fell (-10% vs. -11%). Looking forward, slightly fewer Australians on balance expect their incomes to rise than fall in the next 12 months (+24% down from +25% in the previous quarter). Expectations were also lower in both the higher (+33% vs. +35%) and lower (+13% vs. +19%) income groups.

Australians who expected their incomes to increase in the next year were asked to estimate by how much they expected their weekly income to rise. On average, expectations were scaled back to \$168 (around \$8,740 annually), from \$206 (\$10,710 annually) in the previous quarter, but somewhat higher than at the same time last year (\$143 or around \$7,440 annually.)

Savings aspirations among Australians were extremely high in the June quarter, with around 3 in 4 (76%) people overall indicating they tried to save. This was however slightly below the number recorded in the March quarter (77%), but a little higher than at the same time last year (75%) and was in line with the survey average (76%). Savings aspirations were highest in the 18-29 age group but for the first time since late-2022 was higher (and climbed sharply) for young men (90% vs. 83% in Q1 and up from 82% at the same time last year). Though still very elevated, the number of young women who tried to save edged down slightly to 87% (88% in Q1 and 92% one year ago). Savings aspirations in the June quarter were largely unchanged for Australians in both the lower and higher income groups. Noticeably more people in the higher income group (84%) were however, trying to save than in the lower income group (67%).

Household savings came under more pressure in Q2 with the net number who said their savings fell in the last 3 months rising to -26% from -19% in the previous quarter. We also noted a somewhat higher number in the lower income group who ran down their savings (-31% vs. -33%), but a much bigger number who did so in the higher income group (-20% vs. -8%).

Australians were also more pessimistic about their savings in the next 12 months. Overall, a higher number now expect their savings to decrease than increase (-6%), reversing results from the previous quarter which showed the number people who expected their savings to rise exceeded those expecting their savings to fall for the first time in nearly 2-years (+6%). The net number of people in the higher income group expecting their savings to rise in the next 12 months fell sharply to +4% (+23% in the previous quarter), while slightly more in the lower income group expect it to fall (-18% vs. -16%).

The level of concern over savings increased to a survey high 62.1 pts in the June quarter (61.1 in Q1). Savings stress also remained higher than income stress (59.8). By region, savings stress was highest in rural areas and climbed to a survey high 64.4. It was lowest in capital cities but also increased to a survey high 61.2. By age, stress was highest for women 18-29 (73.2) and lowest for men over 65 (44.1). Savings stress fell with age in all age groups for both women and men and was higher for women than men in all age groups. Savings stress in the June quarter touched new survey highs for men and women in both the 18-29 and over 65 age groups. It also climbed back to an equal survey high 61.2 pts in the higher income group but eased in the lower income group (64.6 vs. 67.5 in Q1).

On balance, slightly more Australians made inroads into reducing household debt levels in June. When asked how they had changed in the past 3 months, on balance (-3%) Australians said it decreased (i.e. the number who said it fell out-weighed those who said it increased), compared to -1% in the last quarter. More women said debt levels rose than fell, though this fell slightly to +1% (+3% in Q1), while more men said they fell (-8% vs. -5%). Debt levels fell in all age group except the 18-29 group (0%). Slightly fewer people in the higher income group said it fell (-7% vs. -8%) in the past 3 months, and we also recorded a fall in the lower income group who said they increased (+2% vs. +6%).

When asked what they expect to happen to their household debt levels in the next 12 months, on balance the number who said it will fall was unchanged at -19%. By gender however fewer women expected debt levels to decrease (-18% vs. -21%) but more men expect it to fall (-21% vs. -17%). More people in the 18-29 (-23% vs. -20%) and 30-49 (-23% vs. -21%) age groups see debt levels falling in the next 12 months but fewer in the 50-64 (-15% vs. -19%) and over 65 (-14% vs. -15%) do. More people in both the higher (-27% vs. -25%) and lower (-12% vs. -8%) income groups also expect to reduce their household debt levels in the next year.

Credit card debt is still the most common type of debt held by Australians, with 4 in 10 (40%) holding this debt in June. Home loan debt was next most common and held by 1 in 3 (32%) people overall. It was the most widely held debt in 30-49 (47%) and higher income (49%) groups. Over 1 in 5 (21%) had BNPL debt. It was the most widely held debt in the 18-29 group (28%) and much more common among women than men (26% vs. 16%) and in age groups under 50 (28%). Around 17% of Australians also had personal loans, but this rose to 27% and 22% in the 18-29 and 30-49 age groups respectively. Around 16% had loans from family & friends but this was much higher in the 18-29 (27%) age group. Around 7% had investment loans, rising to 12% in the higher income group and 11% in the 30-49 age group. Only 6% overall had pay day loans, though this was somewhat higher in the 18-29 age group (10%).

Australians who had any of these debts in the June quarter were asked to estimate approximately how much was outstanding on each of them. In the June quarter, debt holdings were highest for investment loans (\$326,247) and somewhat higher than estimated in the previous quarter (\$254,757). It also replaced home loans for highest outstanding balances. Amounts outstanding on home loans were broadly unchanged at \$320,404 (\$316,685 in the previous quarter). Outstanding balances on personal loans fell somewhat to \$13,688 from \$14,239 in the previous quarter but were broadly in line with levels seen at the same time last year (\$13,836). Outstanding loan balances did not change materially compared to the previous quarter when it came to loans from family & friends (\$6,384 vs. \$6,591 but somewhat higher than \$4,348 reported a year ago), credit cards (\$3,061 vs. \$3,543), payday loans (\$996 vs. \$1,063) and BNPL (\$750 vs. \$819).

By age, 50-64 year olds had the highest outstanding balances on home loans in the June quarter by a large margin (\$513,738), and the highest outstanding balances on BNPL (\$882). People in the 30-49 (\$384,633) and 18-29 (\$357,043) had much larger home loan debt than

people over the age of 50. Outstanding balances on loans from family & friends were almost twice as high in the 30-49 (\$8,846) and 50-64 (\$8,402) age groups than for 18-29 year olds and the over 65s. By gender, home loan debt was a little higher for women (\$338,487 vs. \$305,617), as were outstanding balances on credit cards (\$3,291 vs. \$2,847) and payday loans (\$1,286 vs. \$728). Men however had more personal loan (\$14,235 vs. \$13,259) and BNPL (\$850 vs. \$691) debt. Debt holdings were much bigger in higher than lower income groups for all types of debt, particularly investment loans (\$386,049 vs. \$3,903).

Australians holding debt were asked to rate their concern for all types of debt they held. Stress increased most (and was highest) for loans from family & friends (up 4.4 to 66.4 pts) and pay day loans (up 4.1 to 68.5). It was lowest but increased for BNPL (up 2.5 to 49.3) and credit cards (up 2.1 to 50.7). Overall debt stress increased sharply in the 18-29 age group (51.3 vs. 45.3) and was also higher in the 30-49 group (57.4 vs. 56.2) and over 65 group (28.5 vs. 27.5).

Women reported higher stress for all types of debt than men except BNPL (49.1 women; vs. 50.2 men), with stress levels significantly higher for credit card debt (55.8 women; 45.9 men), home loans (63.3 vs. 53.8) and personal loans (66.4 vs. 58.6). By age, debt stress was highest for most types of loans in the 30-49 group, particularly home loan debt (62.4). The exceptions were payday loans where stress was much higher in the over 65 group (83.3) and loans from family & friends which was highest in the 50-64 age group (76.4). Concern over debts held was higher for people in the lower income group for all types of debts with the exception of payday loans (75.2 higher income; 66.1 lower income). The stress gap between lower and higher income groups was widest for investment loans (74.9 lower income; 58.5 higher income) and loans from family & friends (75.7 vs. 63.8).

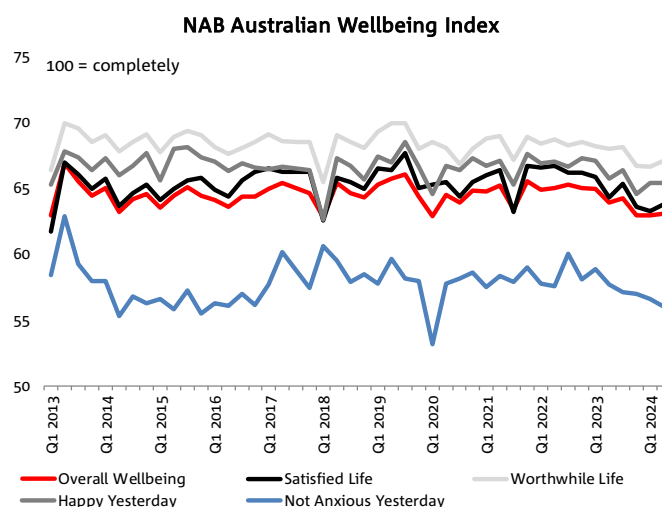
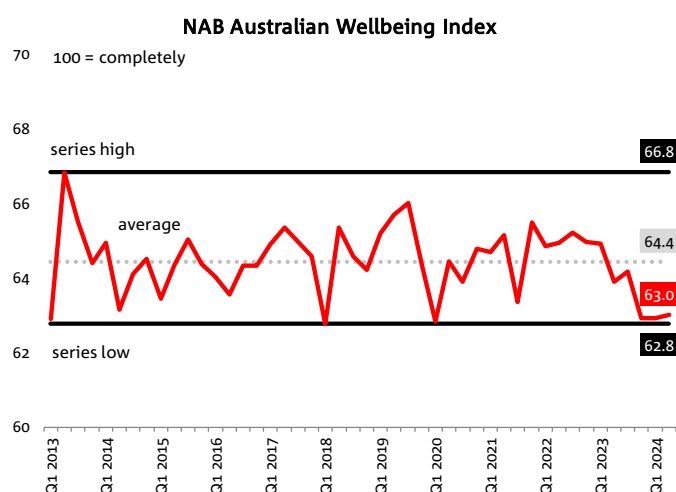
When surveyed Australians who had a home loan were asked to describe their level of concern or stress over their home loan debt if interest rates were to rise, it remained quite elevated at 7.2 pts in the June quarter (7.3 in Q1). But this varied across the country and in key groups. By income, the level of concern over home loan debt if interest rates should rise was again scored in a narrow range - from 7.5 pts in the lower income group to 7.2 in the \$75-100,000, \$35-50,000 and \$100,000+ income groups.

Nearly 6 in 10 (56%) Australians expressed high levels of concern (8+ points). The number of mortgage holders with high stress was highest in the ACT, NT & TAS combined (65%) and WA where it also rose noticeably to 63% (53% in Q1). Women in all age groups worried more about their home loan debt should interest rates rise than similarly aged men. We found no relationship with income. In the June quarter, the number of extremely concerned people was smallest in the \$35-50,000 income group (52%) and highest in the +\$50-75,000 group (60%).

Part 1: NAB Australian Wellbeing Index

For over a decade NAB has been tracking the wellbeing of Australians. Wellbeing is measured according to their own perceptions of happiness, life satisfaction, life worth and anxiety. These subjective factors go to the core of how people feel about their lives as a whole. In the June quarter 2024, the NAB Australian Wellbeing Index inched up to 63.0 pts (62.9 pts in the previous quarter but was down from 63.9 pts at the same time last year). Despite this small improvement, wellbeing levels remain well below the survey average (64.4 pts). Australians were a little more satisfied with their lives and reported a marginally higher sense of their life worth and happiness in the June quarter. They were however somewhat more anxious.

Australians' sense of life worth continued to add most to their overall wellbeing in the June quarter, and it lifted to 67.0 pts from 66.6 pts in the previous quarter but remained somewhat lower than at the same time last year (67.9 pts). Life satisfaction improved to 63.7 pts from 63.2 pts in the previous quarter but was also lower than the same time last year (64.2 pts). Australians were also a little happier, scoring 65.4 pts up from 65.3 pts in the previous quarter though also down from 65.7 pts one year ago. Anxiety levels however continued to climb, with the "not anxious yesterday" question falling for the fifth straight quarter to 56.0 pts and well below the survey average (57.7 pts).



Wellbeing trends did however vary widely across demographic groups in the June quarter. The survey revealed that wellbeing increased in 25 of 49 monitored demographic groups. It fell in 23 and was unchanged in 1 group. Wellbeing levels in the June quarter also trended below survey average levels in all groups with few exceptions - it was above slightly average for married people and Australians who own a home with a mortgage - see charts below.

By state, wellbeing was highest and improved most in WA (up 1.1 to 66.0 pts). It also lifted in QLD (up 0.7 to 63.5 pts) and SA/NT (up 0.2 to 63.2 pts). Wellbeing remained lowest in TAS (down 1.3 to 59.3 pts) and fell most in VIC (down 1.4 to 61.3 pts). Australians living in WA enjoyed the highest life satisfaction (66.3 pts), sense of life worth (68.6 pts), were happiest (67.6 pts) and least anxious (61.6 pts) by a considerable margin. People in TAS scored their wellbeing lowest across all measures, except anxiety which was highest in VIC and climbed sharply over the quarter.

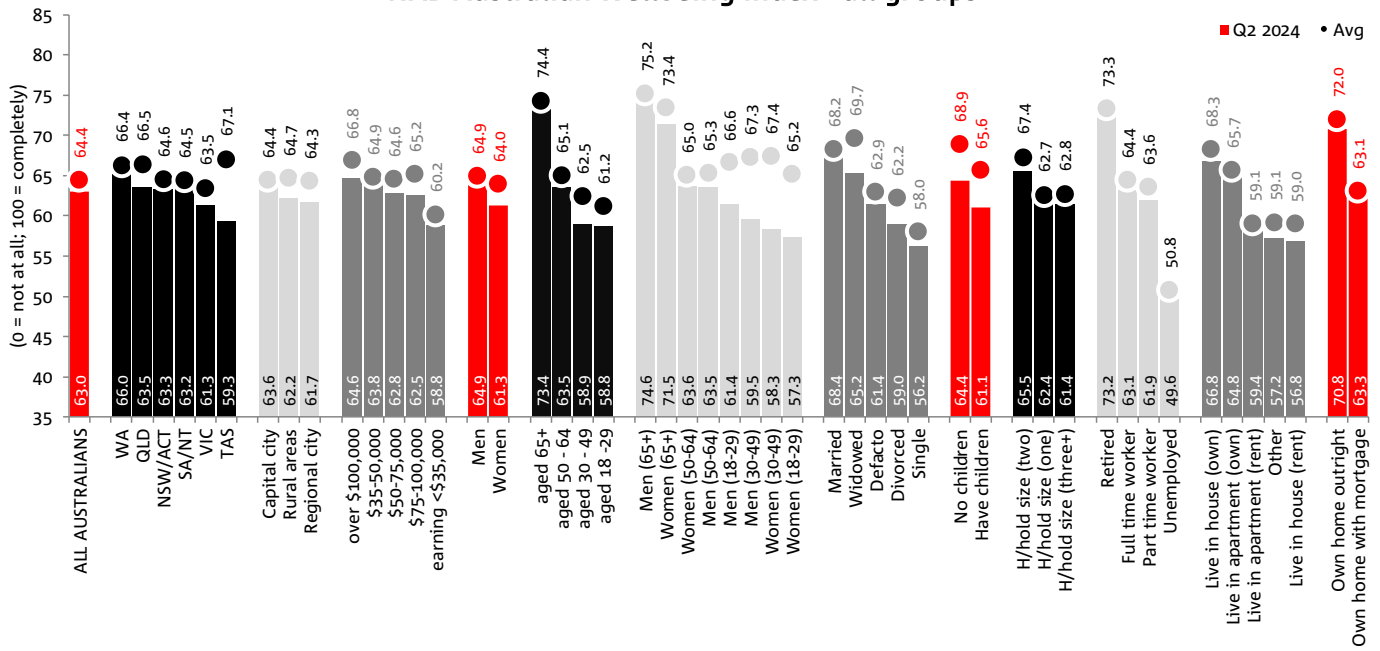
Wellbeing was highest and improved in capital cities in the June quarter (up 0.5 to 63.6 pts). It was lowest and fell noticeably in regional cities (down 1.9 to 61.7 pts) driven mainly by a big uplift in anxiety. Australians in capital cities reported the highest sense of life satisfaction (64.2 pts), life worth (67.8 pts) and happiness (64.6 pts), but people in rural areas were the least anxious (59.6 pts) despite scoring lowest for life satisfaction (61.7 pts), life worth (64.7 pts) and happiness (62.6 pts).

Money is a key driver of financial wellbeing, but the relationship with money and emotional wellbeing is not clear cut. Though wellbeing remained highest in the over \$100,000 income group (64.6 pts) and lowest for people with incomes below \$35,000 (58.8 pts), it ranged from 63.8 pts in the \$35-50,000 group to 62.5 pts in the \$75-100,000 group. Life satisfaction, life worth and happiness were scored highest by people with incomes over \$100,000 and lowest among people with incomes below \$35,000. Anxiety however was highest in the \$100,000+ income group (53.2 pts) and lowest in the \$35-50,000 group (61.1 pts).

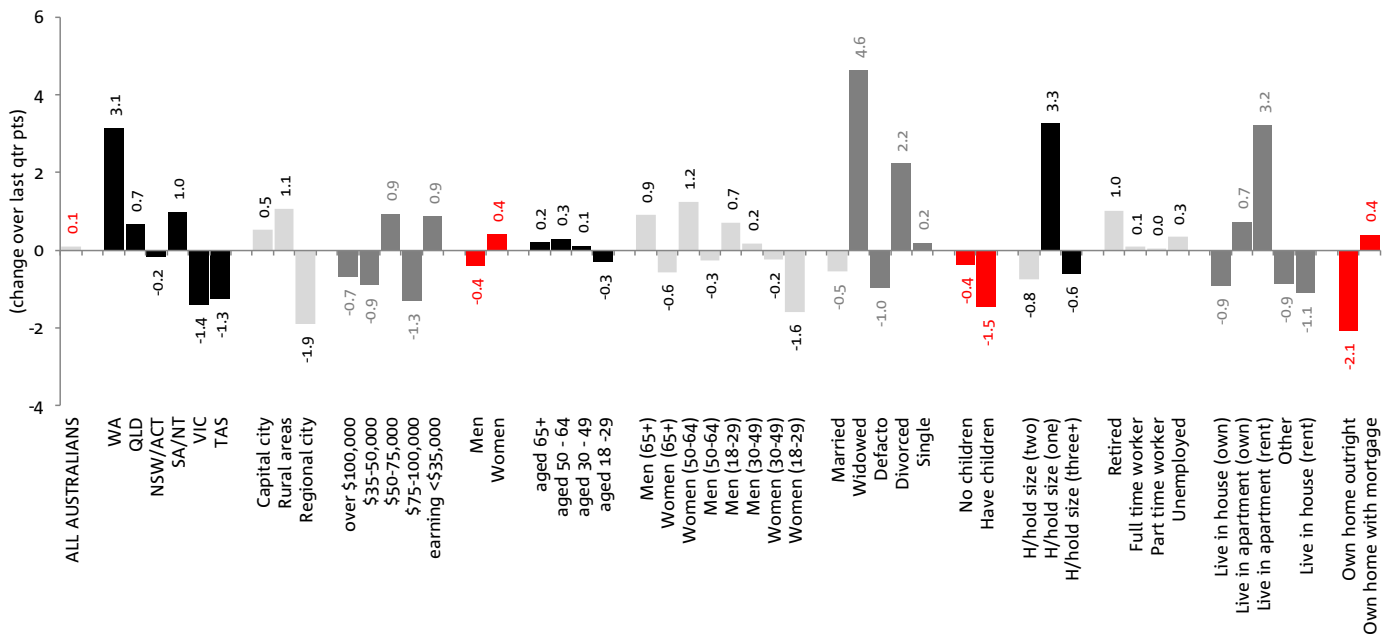
Men scored their wellbeing lower during the June quarter (down 0.4 to 64.9 pts) but women higher (up 0.4 to 61.3 pts). Consequently, the "wellbeing gap" between men and women narrowed to 3.8 pts after widening to a survey high 4.4 pts in the previous quarter. Men reported higher wellbeing outcomes for all measures, particularly anxiety (58.7 pts men; 53.5 pts women). Men in all age groups also scored their wellbeing higher than women, except in the 50-64 age group (63.6 pts women; 63.5 pts men). The gap was biggest in the 18-29 age group (61.4 pts men; 57.3 pts women).

In other key findings, older Australians continue enjoy the highest wellbeing, and significantly higher than in all other age groups (73.4 pts), with this also true for older men (74.6 pts) and women (71.5 pts). Other "high" wellbeing groups in the June quarter included retirees (73.3 pts), married people (68.4 pts) and those who own their homes outright (70.8 pts). Unemployed people (49.6 pts), single people (56.2 pts) and those who live in a rented house (56.8 pts) reported the lowest wellbeing.

NAB Australian Wellbeing Index - all groups

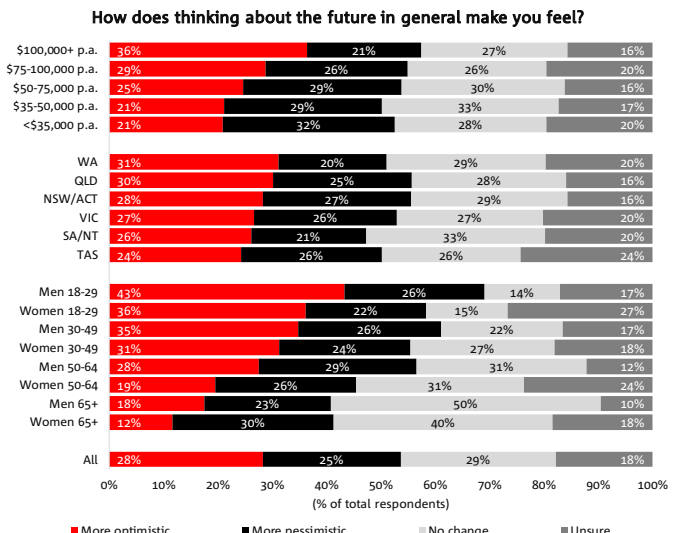
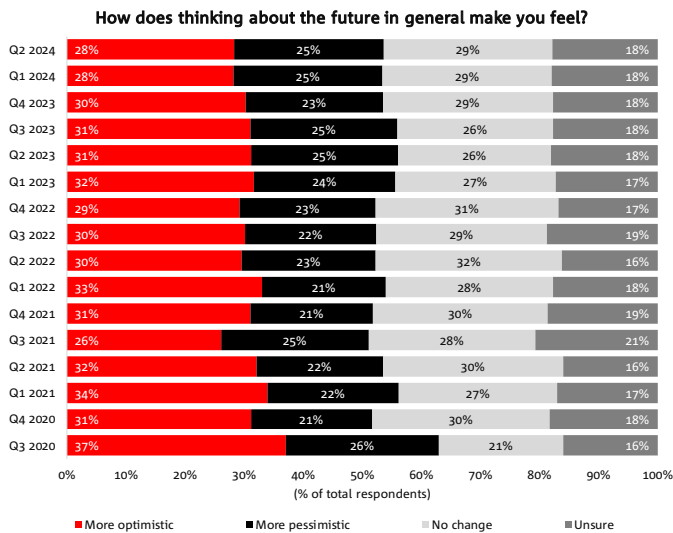


NAB Australian Wellbeing Index change - all groups

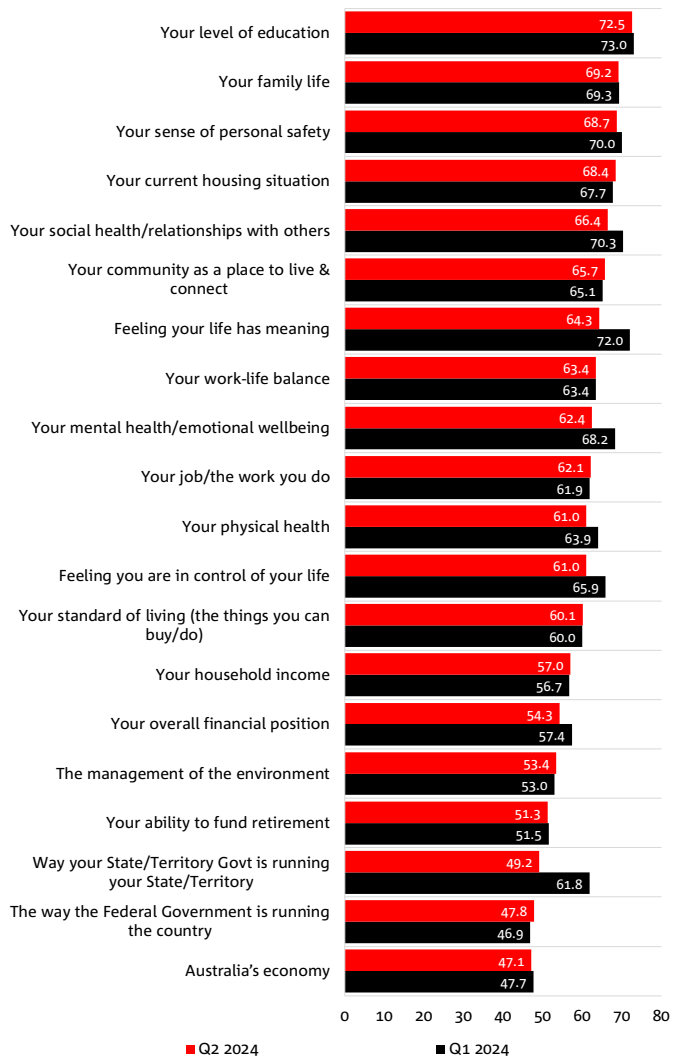


Relatively low levels of wellbeing may also be partly reflecting a decreasing sense of optimism about the future in recent quarters. Indeed, our data shows wellbeing has been trending down in line with a lower sense of optimism about the future since the start of 2023. When Australians were again asked how thinking about the future made them feel, the number who said it made them feel more optimistic in the June quarter was unchanged from the previous quarter at 28%, but down from 31% at the same time last year and the lowest result since Q3 2021. Around 1 in 4 (25%) people remained more pessimistic about the future in the June quarter, and 3 in 10 (29%) saw no change while and nearly 1 in 5 (18%) were unsure about how thinking about the future made them feel.

Looking across key groups, optimism typically falls with age. In the June quarter, the number of optimists was highest for men (44%) and women (36%) aged 18-29. It fell in each consecutive age group and was lowest for women (12%) and men (18%) over the age of 65. More men in all age groups were more optimistic about the future, particularly in the 50-64 group where the number of optimistic men (28%) was significantly higher than women in this age group (19%). By state, the number of optimists was highest in WA (31%) and QLD (30%) and lowest in TAS (24%). We also noted a somewhat lower number of pessimists in WA (20%) compared to all other states. Income was important, with the number of optimists highest in the \$100,000+ group (36%) and stepped down in each income group to just 21% in the lower income group - see charts below.



Satisfaction with each of the following (score out of 10)



To assess how satisfied Australians are with some key elements that impact their daily lives, we ask them to score on a scale of 0 to 100 how satisfied they are with them (0 is “not at all” satisfied) and 100 is “completely” satisfied).

Overall, satisfaction remained highest for their level of education (72.5 pts vs. 73.0 pts in Q2). It scored next highest for intrinsic factors such as family life (69.2 pts vs. 69.3 pts) and sense of personal safety (68.7 pts vs. 70.0 pts). Other intrinsic factors that were also valued highly included social health & relationships with others (66.4 pts vs. 70.3 pts), community as a place to live & connect (65.7 pts vs. 65.1pts) and feeling their life had meaning (though this fell noticeably to 64.3 pts from 72.0 pts in the previous quarter).

Australians also scored satisfaction with their current housing situation relatively high (68.4 pts vs. 67.7 pts), as well as work-life balance (unchanged at 63.4 pts), mental health & emotional wellbeing (62.4 pts but down noticeably from 68.2 pts), their jobs or work they do (62.4 pts vs. 61.9 pts), their physical health (61.0 pts vs. 63.9 pts) and feeling in control of their life (61.0 pts but also down noticeably from 65.9 pts in the previous quarter).

Australians continue to be least satisfied with factors they cannot control, with scores lowest for Australia’s economy (47.1 pts vs. 47.7 pts), the way the Federal Government is running the country (47.8 pts vs. 46.9 pts), Australia’s economy (47.7 pts), and the way their state/territory Government was running their state/territory where survey participants were far less positive than in the previous quarter (49.2 pts vs. 61.8pts).

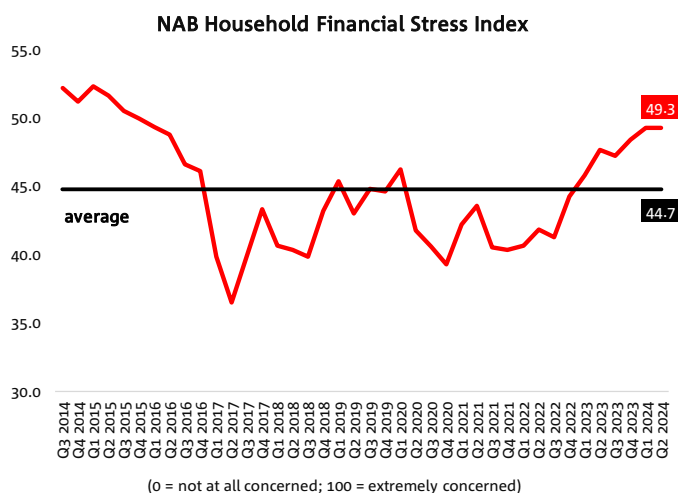
Finances are problematic with Australians scoring satisfaction relatively low for their ability to fund retirement (51.3 pts vs. 51.5 pts), overall financial position (54.3 pts vs. 57.4 pts), household income (57.0 pts vs. 56.7 pts) and standard of living (60.1 pts vs. 60.0 pts).

The average does however mask significant differences in satisfaction by age. Over 65s scored satisfaction highest for all factors (and typically by a big margin when compared to the next highest group), and those under 50 the lowest. By gender, men also scored satisfaction with all factors higher than women, particularly their ability to fund retirement (56.8 pts men; 46.0 pts women), overall financial position (58.4 pts vs. 50.4 pts), household income (60.2 pts vs. 53.8 pts), management of the environment (56.8 pts vs. 50.4 pts) and feeling they were in control of their life (64.0 pts vs. 58.3 pts) - see table below.

Satisfaction with each of the following: age

	All	18 -29	30 - 49	50 -64	65+	Men	Women
Your level of education	72.5	68.5	70.4	72.8	80.3	73.6	71.6
Your family life	69.2	67.3	66.5	67.4	77.6	69.8	68.7
Your sense of personal safety	68.7	66.0	66.5	68.2	75.5	71.6	66.1
Your current housing situation	68.4	63.5	62.7	69.0	82.2	70.3	66.8
Your social health/relationships with others	66.4	63.9	61.9	65.9	76.7	67.1	65.7
Your community as a place to live & connect	65.7	65.7	61.1	61.8	73.3	67.1	64.4
Feeling your life has meaning	64.3	59.8	61.5	64.0	73.9	65.1	63.8
Your work-life balance	63.4	59.4	61.2	65.5	75.1	65.6	61.3
Your mental health/emotional wellbeing	62.4	56.3	57.7	62.7	76.0	65.0	60.1
Your job/the work you do	62.1	59.4	61.9	61.2	71.6	64.6	59.9
Your physical health	61.0	60.7	59.6	59.3	65.3	62.9	59.3
Feeling you are in control of your life	61.0	56.5	56.1	60.4	74.0	64.0	58.3
Your standard of living (the things you can buy/do)	60.1	56.4	57.5	57.9	70.2	62.9	57.5
Your household income	57.0	54.3	55.5	54.6	64.4	60.2	53.8
Your overall financial position	54.3	48.3	51.9	53.3	65.0	58.4	50.4
The management of the environment	53.4	50.7	53.7	52.0	57.4	56.7	50.4
Your ability to fund retirement	51.3	45.3	49.0	48.4	64.1	56.8	46.0
The way State/Territory Govt is running State/Territory	49.2	49.3	49.7	45.5	51.8	50.4	47.9
The way the Federal Government is running the country	47.8	46.4	48.7	45.2	50.3	48.8	46.9
Australia's economy	47.1	44.1	48.1	45.2	50.4	49.6	44.7

Part 2: Household Financial Stress



The **NAB Household Financial Stress Index** looks specifically at the role our finances play in our wellbeing.

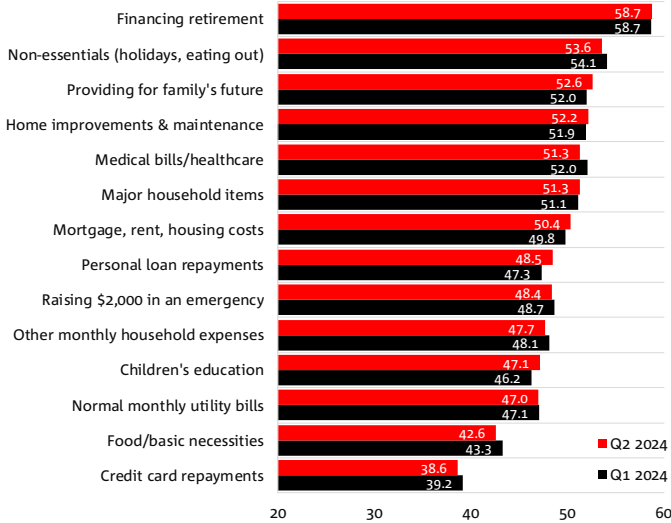
This comprehensive measure of financial anxiety is derived from several key potential household pressures - including meeting the costs of healthcare, mortgage repayments, rent, credit cards, education, food & basic necessities, utility bills, insurances, holidays, entertainment, unexpected expenses, financing retirement, major household items and home improvements & maintenance.

The NAB Household Financial Stress Index levelled out in the June quarter with the Index unchanged at 49.3 pts but was sharply higher than at the same time last year (45.8 pts). Financial stress levels also continued to hover at their highest levels in more than 8-years and are also trending well above the long-term survey average (44.7 pts).

Household stress associated with mortgage, rent & housing costs, personal loan repayments, children's education, providing for family's future, major household items and home improvements & maintenance continued to grow in the June quarter. Stress arising from medical bills & healthcare, credit card repayments, food & basic necessities, non-essentials, raising \$2,000 in an emergency and other monthly household expenses however eased. Stress levels were unchanged for normal monthly utility bills and financing retirement. All drivers of household financial stress however remain higher than at the same time last year.

All components of NAB's Financial Stress Index continued to print well above respective survey averages in the June quarter - particularly for non-essentials such as holidays, eating out etc. (53.6 pts in Q2 vs. 45.9 pts survey average), personal loan repayments (48.5 pts vs. 41.7 pts), major household items (51.3 pts vs. 45.0 pts), home improvements & maintenance (52.2 pts vs. 46.1 pts), mortgage, rents & housing costs (50.4 pts vs. 44.6 pts) and children's education (47.1 pts vs. 42.4 pts).

Drivers of Household Financial Stress
(100 = extremely stressed)

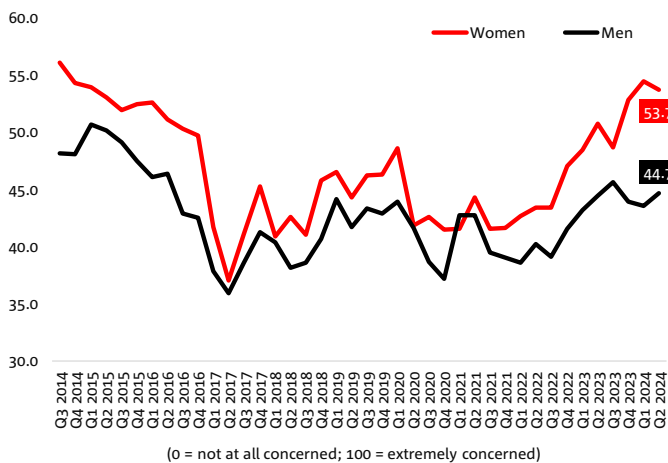


Not having enough to finance retirement is still the biggest contributor to overall household financial stress (and by a large margin) but stress levels were unchanged at 58.7 pts in the June quarter.

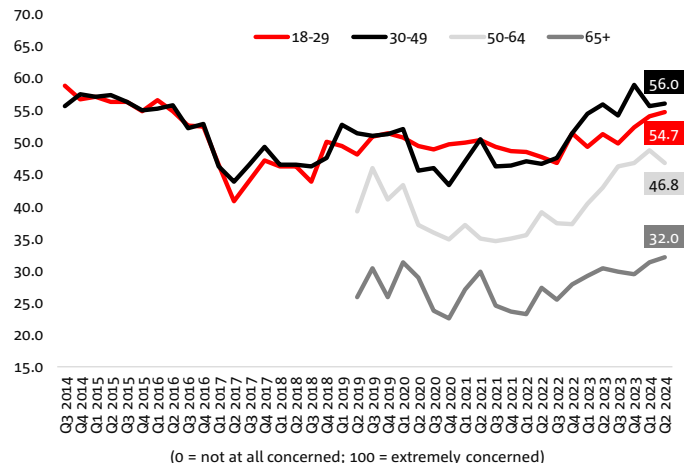
The next biggest contributors were not having enough money for non-essentials (53.6 pts down from 54.1 pts in the previous quarter), providing for the family's future (52.6 pts vs. 52.0 pts), home improvements & maintenance (52.2 vs. 51.9 pts), medical bills & healthcare (51.3 pts vs. 52.0), major household items (51.3 pts vs. 51.1 pts), mortgage, rent & housing costs (50.4 pts vs. 49.8 pts), personal loan repayments (48.5 pts vs. 47.3 pts), being able to raise \$2,000 for an emergency (48.4 pts vs. 48.7 pts), other monthly household expenses (47.7 pts vs. 48.1 pts), children's education (47.1 pts vs. 46.2 pts) and normal monthly utility bills (47.0 pts vs. 47.0 pts).

Being unable to meet minimum credit card repayments is still causing the least financial stress for Australian households by a large margin, and stress levels eased to 38.6 pts in the June quarter (39.2 pts in the previous quarter), followed and food & basic necessities which also eased (42.6 pts vs. 43.3 pts in Q1).

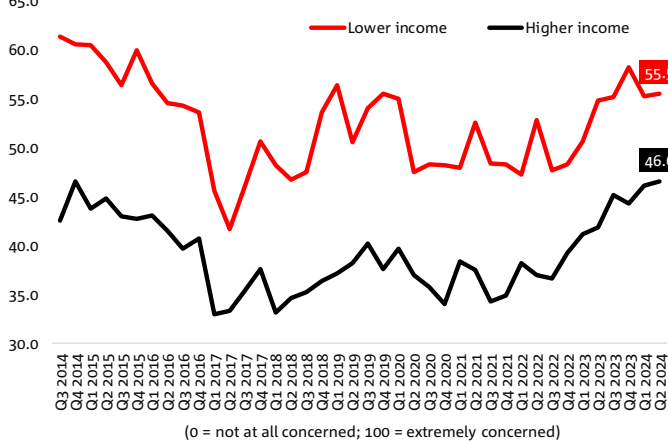
NAB Household Financial Stress Index: Gender



NAB Household Financial Stress Index: Age



NAB Household Financial Stress Index: Higher/Lower Income



Men reported higher financial stress in the June quarter (44.7 pts up from 43.6 pts in Q1). Women however reported lower stress (53.7 pts vs. 54.4 pts). As a result, the gender "stress gap" between women and men narrowed to 9.0 pts after reaching a survey high 10.8 pts in the previous quarter.

Women still report higher stress for all index components, particularly raising \$2,000 for an emergency (53.8 pts vs. 42.6 pts), normal monthly utility bills (51.9 pts vs. 41.7 pts), mortgage, rent & housing costs (55.2 pts vs. 45.0 pts) and major household items (56.2 pts vs. 46.2 pts) - see table below.

Financial stress rose in all age groups except the 50-64 group in Q2. It remained highest in the 30-49 age group (56.0 pts) and lowest by a big margin in the over 65 group (32.0 pts) - and for all Index measures. Stress was highest in the 30-49 group for most index components (particularly children's education) except for raising \$2,000 for an emergency and normal monthly utility bills which caused the highest stress in the 18-29 age group.

Financial stress increased in both the lower (55.5 pts vs. 55.3 pts) and higher (46.6 pts vs. 46.1 pts) income groups in the June quarter. It also remained substantially higher in the lower income group for all measures, especially raising \$2,000 for an emergency (57.5 pts vs. 44.7 pts), personal loan repayments (55.2 pts vs. 44.7 pts), children's education (54.6 vs. 44.1 pts), medical bills & healthcare (58.1 pts vs. 47.9 pts) and other monthly household expenses (54.2 pts vs. 44.1 pts).

NAB Household Financial Stress Index: Key groups (Q2 2024)

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Financing retirement	58.7	63.1	54.3	59.2	65.0	62.0	43.6	64.8	56.3
Non-essentials (holidays, eating out)	53.6	58.3	48.9	59.8	60.4	51.1	38.0	58.2	52.1
Providing for family's future	52.6	56.6	48.6	57.8	60.5	50.1	33.0	58.2	50.9
Home improvements & maintenance	52.2	57.1	47.2	56.7	58.8	50.2	37.6	59.5	51.3
Medical bills/healthcare	51.3	55.9	46.4	56.2	57.7	51.8	35.1	58.1	47.9
Major household items	51.3	56.2	46.2	55.8	58.4	49.5	36.4	57.8	48.6
Mortgage, rent, housing costs	50.4	55.2	45.1	55.3	56.9	46.2	31.9	54.4	47.9
Personal loan repayments	48.5	52.0	44.6	53.7	53.7	42.4	29.3	55.2	44.7
Raising \$2,000 in an emergency	48.4	53.8	42.6	58.4	55.4	45.8	29.3	57.5	44.7
Other monthly household expenses	47.7	52.5	42.6	54.6	54.2	46.3	31.5	54.2	44.1
Children's education	47.1	50.2	43.9	49.9	53.5	38.0	24.0	54.6	44.1
Normal monthly utility bills	47.0	51.9	41.7	54.6	53.7	45.1	30.3	53.1	43.6
Food/basic necessities	42.6	46.8	38.1	49.7	49.9	40.0	26.0	48.2	39.0
Credit card repayments	38.6	41.7	35.4	43.9	46.2	36.1	21.6	43.8	37.1
NAB Financial Stress Index	49.3	53.7	44.7	54.7	56.0	46.8	32.0	55.5	46.6

By state, household financial stress levels remained highest and increased in TAS (56.9 pts vs 55.0 pts). It was also highest in TAS for all Index components except food & basic necessities (SA/NT). Financial stress also increased VIC (50.8 pts vs. 49.2 pts) and QLD (48.9 pts vs. 47.3 pts) in Q2. Stress was lowest and fell in WA (45.1 pts vs. 47.7 pts), and also eased in SA/NT (51.0 pts vs. 53.5 pts) and NSW/ACT (48.8 pts vs. 49.5 pts). Household financial stress levels however remain above average across the country.

Financial stress levels moderated in capital cities (47.8 pts vs. 48.7 pts) and rural areas (51.4 pts vs. 52.4 pts) in the June quarter but increased noticeably in regional cities (52.7 pts vs. 49.0 pts) to be highest overall. Stress levels however are still well above survey average levels in all regions. Australians living in regional cities reported the highest stress for all Index components, except home improvements & maintenance, mortgage, rents & housing costs and food & basic necessities where stress was highest in rural areas - see tables below for state and regional detail & Appendix 2 for historical state data.

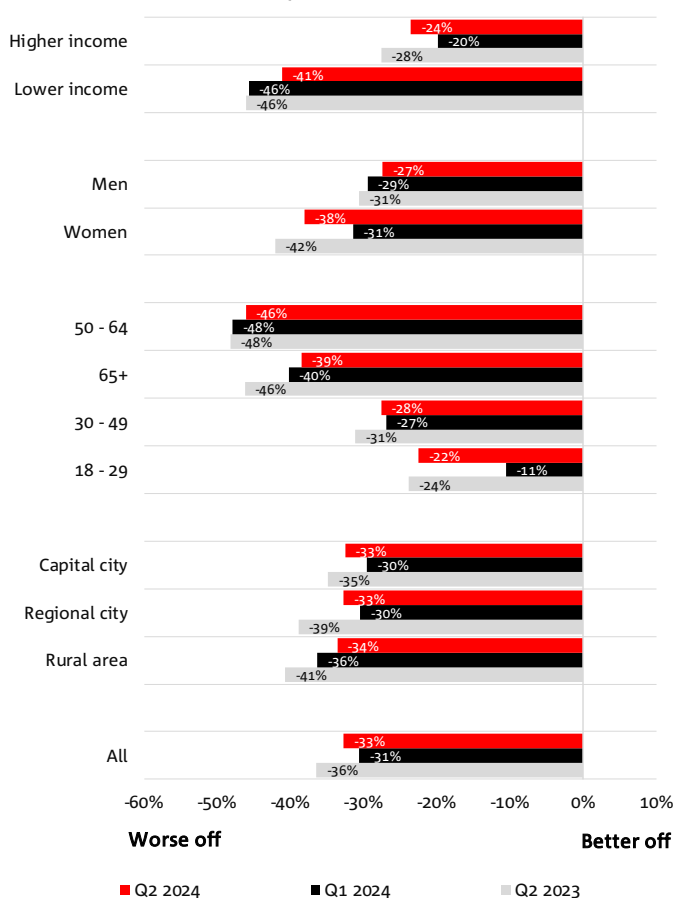
NAB Household Financial Stress Index: States & Regions (Q2 2024)

	NSW/ACT	VIC	QLD	WA	SA/NT	TAS	Capital	Regional	Rural
Financing retirement	58.3	59.8	59.1	52.9	62.4	64.9	57.4	62.2	60.0
Non-essentials (holidays, eating out)	52.6	55.4	52.8	50.7	55.5	60.6	52.5	56.7	54.3
Providing for family's future	54.0	52.4	53.0	46.7	51.7	61.0	51.1	56.9	53.9
Home improvements & maintenance	51.5	53.7	52.2	47.2	55.1	57.6	50.7	54.6	55.7
Medical bills/healthcare	50.6	54.1	50.4	48.2	49.8	57.5	49.8	55.0	53.0
Major household items	50.6	52.2	51.1	48.1	53.0	59.5	49.9	53.9	53.8
Mortgage, rent, housing costs	49.7	52.7	48.9	45.0	52.4	64.1	49.3	52.3	52.6
Personal loan repayments	47.6	49.4	49.7	43.9	49.0	58.4	47.1	51.7	50.4
Raising \$2,000 in an emergency	47.6	50.4	46.4	46.3	50.7	57.7	46.1	53.8	51.9
Other monthly household expenses	46.4	50.5	45.7	45.3	50.3	54.7	46.3	50.6	50.4
Children's education	48.0	45.0	49.4	39.9	50.0	60.1	45.5	51.6	47.9
Normal monthly utility bills	46.1	49.0	45.3	44.5	50.0	54.0	45.5	50.1	49.8
Food/basic necessities	41.3	45.0	41.9	39.4	46.1	42.2	40.6	46.6	46.7
Credit card repayments	38.6	41.2	38.1	33.1	37.5	44.6	37.6	41.7	39.2
NAB Financial Stress Index	48.8	50.8	48.9	45.1	51.0	56.9	47.8	52.7	51.4

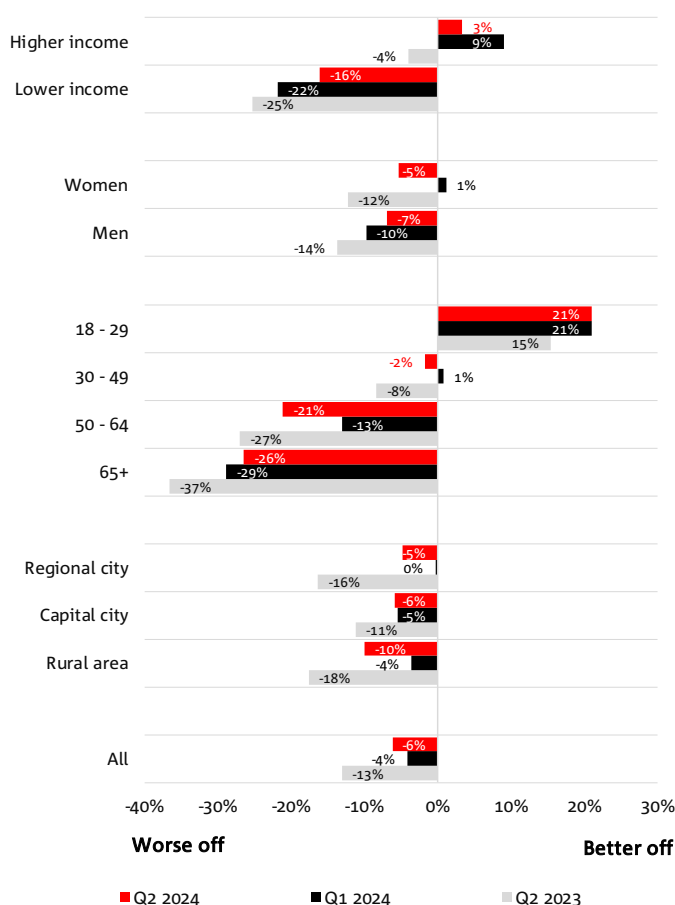
How are households feel they are travelling financially?

In net terms, slightly more Australians in the June quarter (-33%) said they felt worse than better off financially compared to the same time last year than in the March quarter (-31%) though down from -36% at the same time last year. The number who felt worse off outweighed those better off and was basically the same in all regions. However, while it increased in both capital and regional cities (-33% vs. -30%), it fell in rural areas (-34% vs. -36%). By age, the net number worse off doubled in the 18-29 age group (-22% vs. -11%) but was still lowest overall. It remained highest in the 50-64 age group (-46 vs. -48%). Noticeably more women felt worse off during the quarter (-38% vs. -31%), but slightly less men (-27% vs. -29%) felt worse off. Though improving, the net number in the lower income group worse off (-41% vs. -46%) remained well above the higher income group despite rising (-24% vs. -20%).

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



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



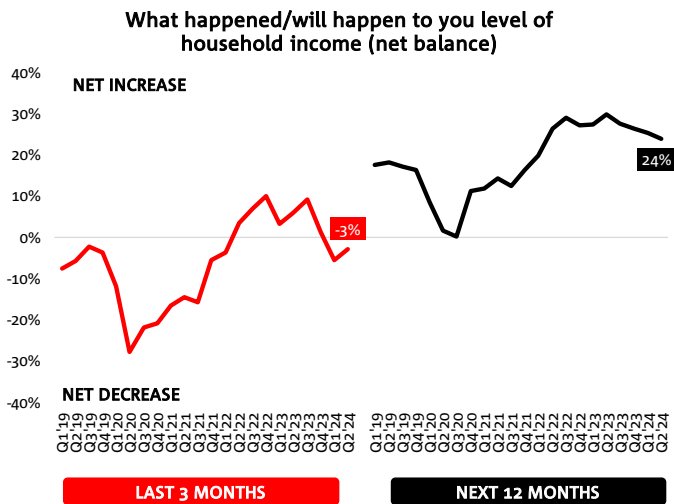
A slightly higher number of Australians on balance also expected to be worse off financially in a year from now (-6% vs. -4% in Q1), though it has halved from -13% at the same time last year. By region, the number of pessimists out-weighed optimists and increased in all regions. It was lowest in regional cities (-5% from 0% in Q1) and highest (and increased) in rural areas (-10% vs. -4%). Australians aged between 18-29 remain the most optimistic about their financial position in the next year, with the net number of optimists expecting to be better off unchanged at +21% and noticeably higher than at the same time last year (+15%). More people in the 30-49 group now expect to be worse off (-2% vs. +1%), with the number expecting to be worse off in the 50-64 group up sharply (-21% from -13% in Q1). The number of pessimists remained highest in the over 65 age group (-26% vs. -29%). Fewer men were pessimistic about the future (-7% vs. -10%, but pessimists outweighed optimists among women (-5% vs. +1%). More high income earners still believe they will be better off in the next 12 months' time though this fell to +3% (+9% in Q1). In the lower income group however the net number expecting to be worse off narrowed sharply (-4% vs. -16% in Q1).

The impact of income, savings and debt

The latest data shows the unemployment rate fell to 4.0% in May (4.1% in April). This was expected as there was an unusually high number of unemployed people waiting to start a new job in April that moved into employment in May, boosting both the change in employment and reduction in unemployment in the month. It does not suggest a labour market that is getting tighter, rather it supports the assessment last month's read overstated the pace of underlying cooling. The labour market remains tight, but the unemployment rate is off its recent lows. Though still consistent with a robust labour market, measures of labour demand (including vacancies and employment intentions) have eased noticeably from their extremes. Labour demand is still elevated, but employment growth is now tracking slightly below population growth. This should see the overall labour market continue to gradually ease over the year ahead to a peak unemployment rate of around 4½% by end-2024. Consistent with an easing labour market, wage growth also appears to have stopped accelerating.

Against this backdrop, the net number of Australians who said their incomes or pay increased in the June quarter eased to -3% (-5% in the previous quarter).

On balance, fewer women said their incomes fell than increased in the June quarter (-7% vs. -10% in the previous quarter), while the net number of men who said it improved slightly outweighed those who said it fell (+1% vs. 0%). More Australians in all age groups said their incomes fell in the June quarter, except in the over 65 group were more said it increased (+4% vs. -3%). The net number of Australians in the higher income group who said their income increased in the June quarter was unchanged at +3%, while a broadly unchanged number in the lower income group said it fell (-10% vs. -11%) - see table below.



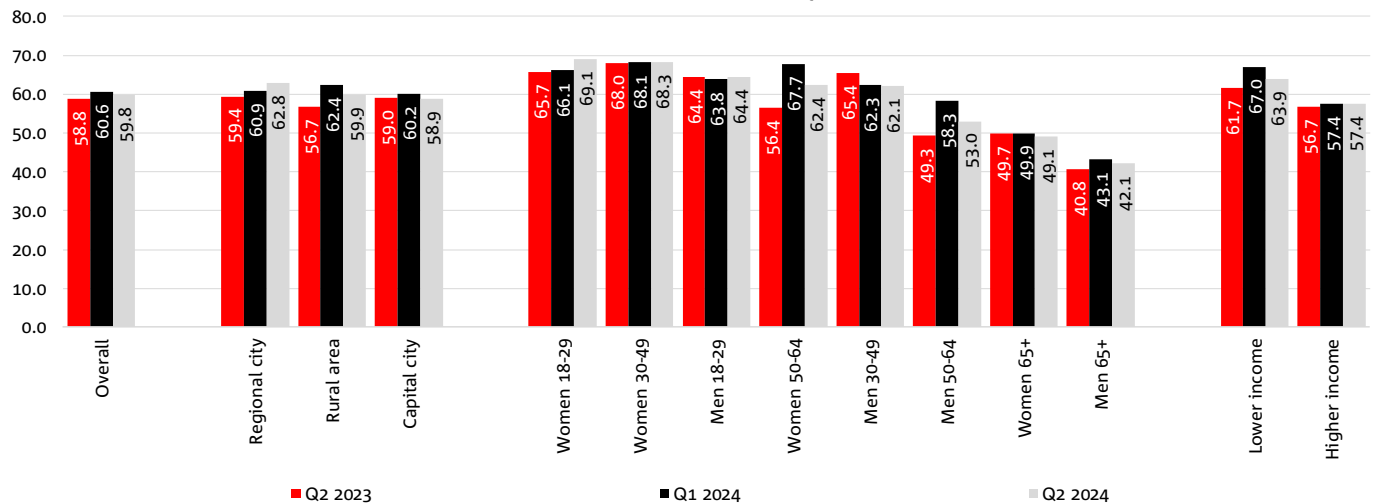
What happened/will happen to your level of household income (net balance)

	Last 3 months	Next 12 months
Women	-7% (-10%)	+22% (+24%)
Men	+1% (0%)	+25% (+27%)
Age 18-29	-7% (-5%)	+35% (+37%)
Age 30-49	-4% (-6%)	+28% (+26%)
Age 50-64	-6% (-8%)	+17% (+21%)
Age 65+	+4% (-3%)	+13% (+17%)
Lower income	-10% (-11%)	+13% (+19%)
Higher income	+3% (+3%)	+33% (+35%)

*Figures in parentheses previous quarter

Looking forward, slightly fewer Australians on balance expect their incomes to rise than fall in the next 12 months (+24% down from +25% in the previous quarter). Expectations were a little softer for women (+22% vs +24%) and men (+25% vs. +27%). By age, fewer people in the 18-29 (+35% vs. 37%), 15-64 (+17% vs. +21%) and over 65 (+13% vs. +17%) groups expect their incomes to rise in the next 12 months, but more expect their income to increase in the 30-49 group (+28% vs. +26%). Expectations were also lower in both the higher (+33% vs. +35%) and lower (+13% vs. +19%) income groups.

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



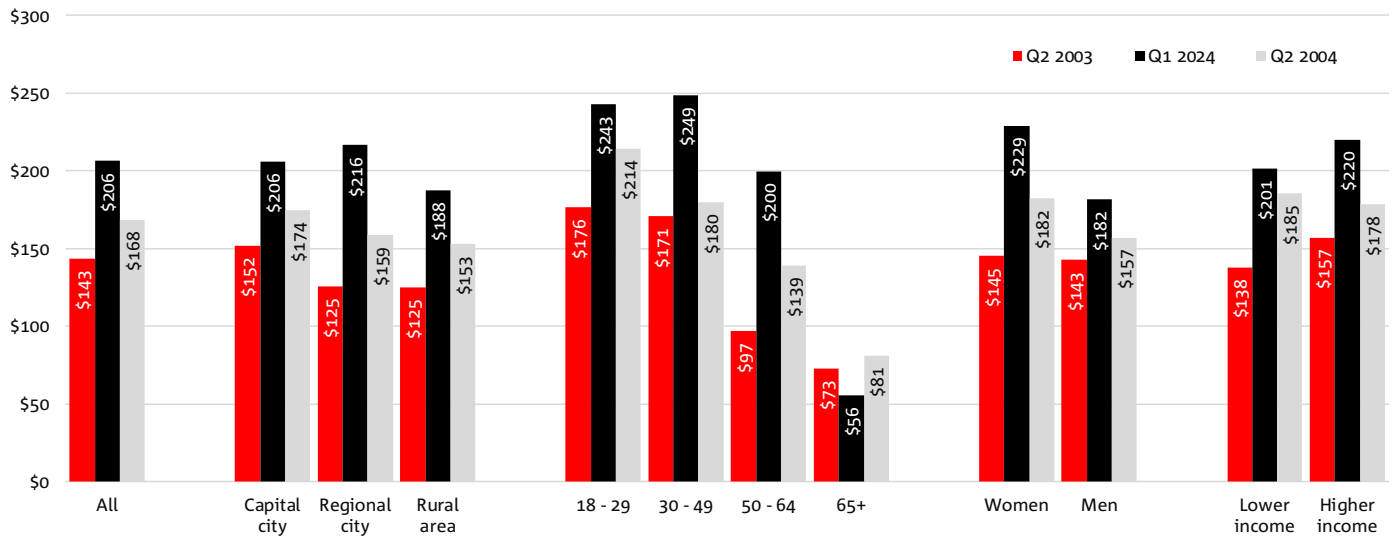
On average, Australians were also slightly less concerned over their income or pay. When asked to rate their overall level of concern or stress over their income or pay, they scored 59.8 pts in the June quarter - down from 60.6 pts in the previous quarter but still higher than at the same time last year (58.8 pts).

Income stress however increased in regional cities (62.8 pts up from 60.9 pts in Q1) and was highest of all regions. It fell in rural areas (59.9 vs. 62.4 pts) but was still somewhat higher than at the same time last year. Income stress was lowest in capital cities and fell to 58.9 pts, from 60.2 pts in the previous quarter. It was also marginally lower than at the same time last year (59.0 pts)

Income stress was highest and increased somewhat for women aged 18-29 (69.1 pts vs. 66.1 pts), followed by women 30-49 for who stress rose moderately (68.3 pts vs. 68.1 pts). It was lowest for men (42.1 pts vs. 43.1 pts in Q1) and women (49.1 pts vs. 49.9 pts) over 65. Income stress also continues to show a strong correlation with age, with stress falling as people age - both for men and women. The survey again also found that income stress was higher for women than men in all age groups.

Income stress eased noticeably in the lower income group in the June quarter (63.9 vs. 67.0 pts) but was unchanged in the higher income group (57.4 pts). Both groups however experienced higher levels of income stress than at the same time last year.

How much extra money per week are you expecting?



Australians who expected their incomes to increase in the next year were asked to estimate by how much they expected their weekly income to rise. On average, expectations were scaled back to \$168 (around \$8,740 annually), from \$206 (\$10,710 annually) in the previous quarter, but somewhat higher than at the same time last year (\$143 or around \$7,440 annually.)

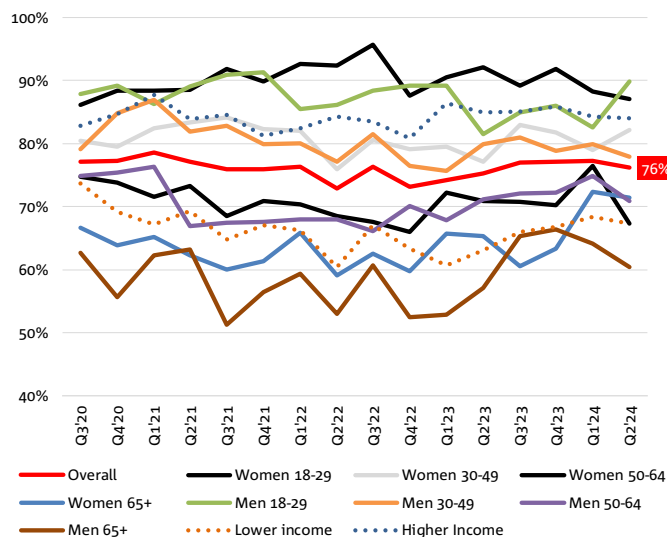
Expectations were lower in all regions compared to the previous quarter. They were highest in capital cities (\$174 down from \$206), followed by regional cities (\$159 vs. \$216) and rural areas (\$153 vs. \$188). Expectations in all regions were however still higher than at the same time last year.

Income expectations by age were mixed. They were highest but fell in the 18-29 age group (\$214 vs. \$243), followed by the 30-49 (\$180 vs. \$249) and 50-64 (\$139 vs. \$200) age groups, but increased in the over 65 group (\$81 vs. \$56). Expectations were also lower than at the same time last year in all age groups except the over 65s.

Both women and men lowered their income expectations in the June quarter, though they were still stronger than when asked one year ago. Women (\$182 vs. \$229) still expect to receive bigger income gains than men (\$157 vs. \$182).

Expectations were also reduced in lower and higher income groups. People in the lower income group however now expect their weekly incomes to increase (\$185 vs. \$201) by more than those in the higher income group (\$178 vs. \$220).

Percentage of Australians trying to save



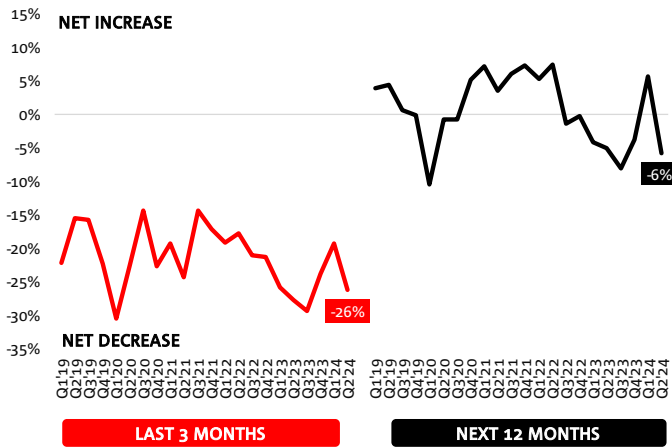
Savings aspirations among Australians were extremely high in the June quarter, with around 3 in 4 (76%) people overall indicating they tried to save. This was however slightly below the number recorded in the March quarter (77%), but a little higher than at the same time last year (75%) and was in line with the survey average (76%).

Savings aspirations were highest in the 18-29 age group but for the first time since late-2022 was higher (and climbed sharply) for young men (90% vs. 83% in Q1 and up from 82% at the same time last year). Though still very elevated, the number of young women who tried to save edged down slightly to 87% (88% in Q1 and 92% one year ago).

In the 30-49 age group, more women (82% vs. 79% in Q1) tried to save than men (78% vs. 80%). The number of men in the 50-64 age group that tried to save fell noticeably to 71% (75% in Q1) but remained higher than the number of women who tried (67% down sharply from 77%). In the over 65 age group, significantly more women (71%) tried to save than men (60%).

Savings aspirations in the June quarter were largely unchanged for Australians in both the lower and higher income groups. Noticeably more people in the higher income group (84%) were however, trying to save than in the lower income group (67%).

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



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

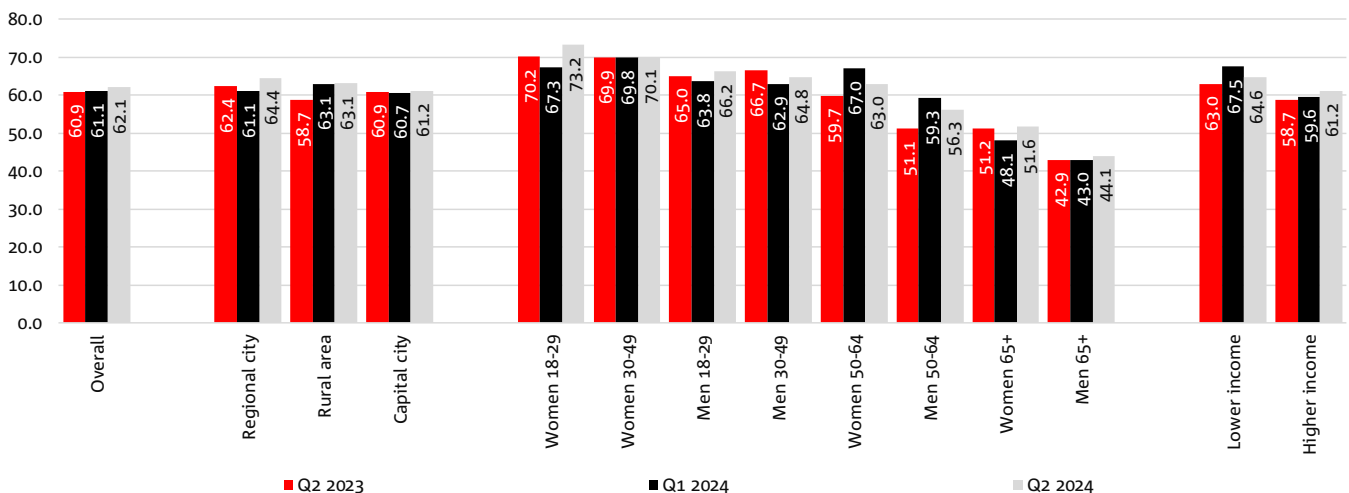
	Last 3 months	Next 12 months
Women	-31% (-23%)	-5% (+9%)
Men	-21% (-15%)	-6% (+3%)
Age 18-29	-22% (-10%)	+20% (+28%)
Age 30-49	-28% (-19%)	-5% (+12%)
Age 50-64	-30% (-34%)	-21% (-6%)
Age 65+	-23% (-15%)	-19% (-15%)
Lower income	-31% (-33%)	-18% (-16%)
Higher income	-20% (-8%)	+4% (+23%)

*Figures in parentheses previous quarter

Household savings came under more pressure in Q2 with the net number who said their savings fell in the last 3 months rising to -26% from -19% in the previous quarter but down from -28% one year ago. By gender, the net number who reported a fall in their savings was higher for women (-31% vs. -23%) and men (-21% vs. -15%). On balance, more people in all age groups also said their savings fell over the past 3 months, except in the 50-64 group where it fell (-30% vs. -34%). We also noted a somewhat higher number in the lower income group who ran down their savings (-31% vs. -33%), but a much bigger number who did so in the higher income group (-20% vs. -8%).

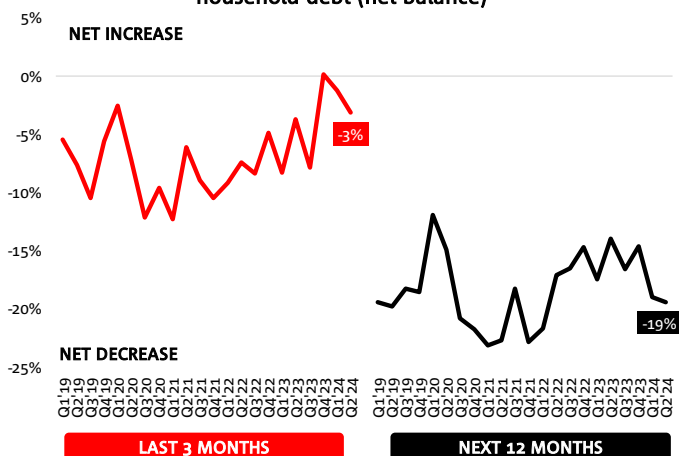
Australians were also more pessimistic about their savings in the next 12 months. Overall, a higher number now expect their savings to decrease than increase (-6%), reversing results from the previous quarter which showed the number people who expected their savings to rise exceeded those expecting their savings to fall for the first time in nearly 2-years (+6%). Women (-5% vs. +9%) and men (-6% vs. +3%) are now on balance pessimistic about their future savings. By age, the number of 18-29 years who expect their savings to rise continued to outweigh those expecting a fall, though this narrowed to +20% (+28% in Q1). More people on balance expect their savings to fall in all other age groups, ranging from -5% in the 30-49 group to -21% in the 50-64 group. The net number of people in the higher income group expecting their savings to rise in the next 12 months fell sharply to +4% (+23% in the previous quarter), while slightly more in the lower income group expect it to fall (-18% vs. -16%).

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



The level of concern over savings increased to a survey high 62.1 pts in the June quarter (61.1 pts in the previous quarter 60.9 pts and higher than at the same time last year). Savings stress also remained higher than income stress (59.8 pts). By region, savings stress was highest in rural areas and climbed to a survey high 64.4 pts. It was lowest in capital cities but also increased to a survey high 61.2 pts. By age, stress was highest for women 18-29 (73.2 pts) and lowest for men over 65 (44.1 pts). Savings stress fell with age in all age groups for both women and men and was higher for women than men in all age groups. Savings stress in the June quarter touched new survey highs for men and women in both the 18-29 and over 65 age groups. It also climbed back to an equal survey high 61.2 pts in the higher income group, but eased in the lower income group (64.6 pts vs. 67.5 pts in Q1)

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



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

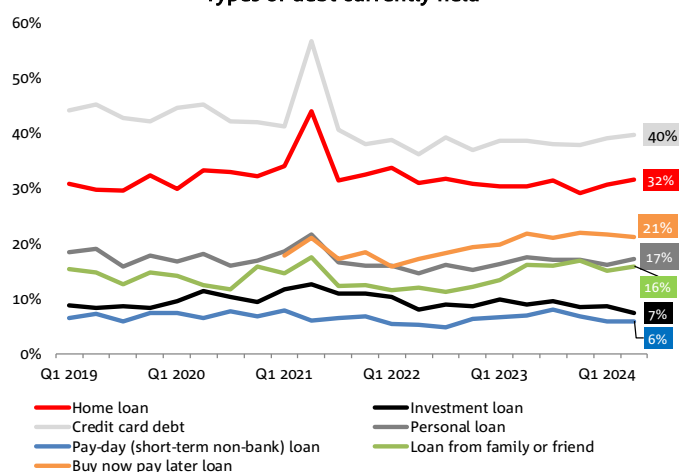
	Last 3 months	Next 12 months
Women	+1% (+3%)	-18% (-21%)
Men	-8% (-5%)	-21% (-17%)
Age 18-29	0% (+1%)	-23% (-20%)
Age 30-49	-2% (0%)	-23% (-21%)
Age 50-64	-5% (+3%)	-15% (-19%)
Age 65+	-7% (-9%)	-14% (-15%)
Lower income	+2% (+6%)	-12% (-8%)
Higher income	-7% (-8%)	-27% (-25%)

*Figures in parentheses previous quarter

On balance, slightly more Australians made inroads into reducing household debt levels in June. When asked how they had changed in the past 3 months, -3% said it decreased (i.e., the number who said it fell out-weighted those who said it increased), compared to -1% in the last quarter. In net terms, more women said debt levels rose than fell, though this fell slightly to +1% (+3% in Q1), while more men said they fell (-8% vs. -5%). Debt levels fell in all age group except the 18-29 group (0%). Slightly fewer people in the higher income group said it fell (-7% vs. -8%) in the past 3 months, and we also recorded a fall in the lower income group who said they increased (+2% vs. +6%).

When asked what they expect to happen to their household debt levels in the next 12 months, the net number who said it will fall was unchanged at -19%. By gender however fewer women expected debt levels to decrease (-18% vs. -21%) but more men expect it to fall (-21% vs. -17%). More people in the 18-29 (-23% vs. -20%) and 30-49 (-23% vs. -21%) age groups see debt levels falling in the next 12 months but fewer in the 50-64 (-15% vs. -19%) and over 65 (-14% vs. -15%) do. More people in both the higher (-27% vs. -25%) and lower (-12% vs. -8%) income groups also expect to reduce their household debt levels in the next year.

Types of debt currently held



Credit card debt is still the most common type of debt held by Australians, with 4 in 10 (40%) holding this debt in June. It was the most common debt held by men (43%) and women (37%), in the 50-64 (45%) and 65+ (47%) age groups and lower income group (28%).

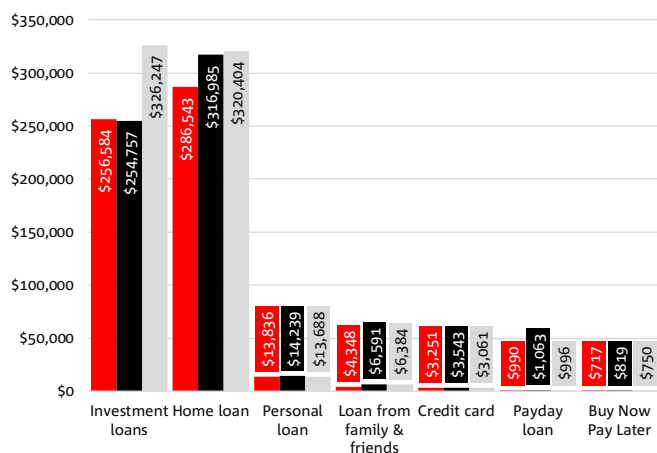
Home loan debt was next most common and held by 1 in 3 (32%) people overall. It was the most widely held debt in 30-49 (47%) and higher income (49%) groups. Over 1 in 5 (21%) had BNPL debt. It was the most widely held debt in the 18-29 group (28%) and much more common among women than men (26% vs. 16%) and in age groups under 50 (28%).

Around 17% of Australians also had personal loans, but this rose to 27% and 22% in the 18-29 and 30-49 age groups respectively. Around 16% had loans from family & friends but this was much higher in the 18-29 (27%) age group. Around 7% had investment loans, rising to 12% in the higher income group and 11% in the 30-49 age group. Only 6% overall had pay day loans, though this was somewhat higher in the 18-29 age group (10%).

Type of debts held Q2 2024: gender, age & higher/lower income

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Credit card debt	40%	37%	43%	23%	42%	45%	47%	28%	44%
Home loan	32%	31%	32%	26%	47%	33%	11%	13%	49%
Buy now pay later loan	21%	26%	16%	28%	28%	19%	6%	19%	22%
Personal loan	17%	18%	16%	27%	22%	14%	2%	10%	20%
Loan from family or friend	16%	17%	14%	27%	19%	9%	6%	19%	14%
Investment loan	7%	7%	7%	6%	11%	6%	4%	4%	12%
Pay-day (short-term non-bank) loan	6%	7%	5%	10%	7%	4%	1%	7%	5%

Loan amounts outstanding



Australians who had any of these debts in the June quarter were asked to estimate approximately how much was outstanding on each of them.

In the June quarter, debt holdings were highest for investment loans (\$326,247) and somewhat higher than estimated in the previous quarter (\$254,757). It also replaced home loans for highest outstanding balances. Amounts outstanding on home loans were broadly unchanged at \$320,404 (\$316,685 in the previous quarter).

Outstanding balances on personal loans fell somewhat to \$13,688 from \$14,239 in the previous quarter but were broadly in line with levels seen at the same time last year (\$13,836).

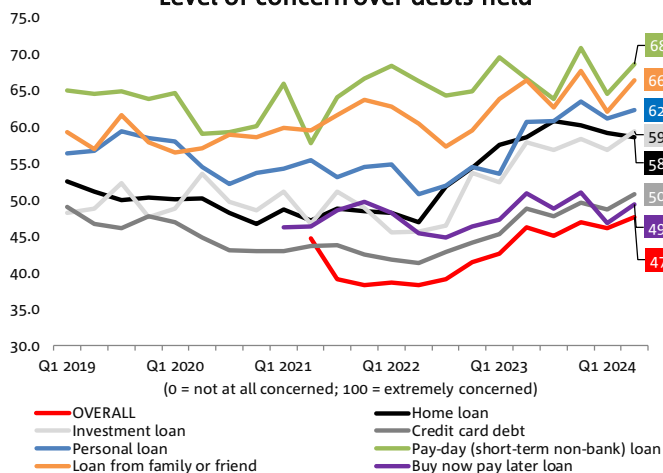
Outstanding loan balances did not change materially compared to the previous quarter when it came to loans from family & friends (\$6,384 vs. \$6,591 but somewhat higher than \$4,348 reported a year ago), credit cards (\$3,061 vs. \$3,543), payday loans (\$996 vs. \$1,063) and buy now pay later (\$750 vs. \$819).

Current outstanding balances on loans: Q2 2024

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Investment loan	\$326,247	\$80,876	\$344,041	\$513,738	\$268,293	\$325,535	\$327,167	\$3,903	\$386,049
Home loan	\$320,404	\$357,043	\$384,633	\$220,647	\$138,156	\$305,617	\$338,487	\$150,520	\$387,730
Personal loan	\$13,688	\$13,765	\$14,136	\$14,964	\$1,462	\$14,235	\$13,259	\$6,209	\$16,464
Loan from family & friends	\$6,384	\$4,668	\$8,846	\$8,402	\$4,639	\$6,300	\$6,513	\$2,981	\$11,055
Credit card	\$3,061	\$2,794	\$3,499	\$3,743	\$2,145	\$2,847	\$3,291	\$1,938	\$4,024
Payday loan	\$996	\$944	\$1,129	\$1,330	\$1,304	\$728	\$1,286	\$1,201	\$899
Buy now pay later (BNPL)	\$750	\$734	\$714	\$882	\$685	\$850	\$691	\$495	\$797

By age, 50-64 year olds had the highest outstanding balances on home loans in the June quarter by a large margin (\$513,738), and the highest outstanding balances on BNPL (\$882). People in the 30-49 (\$384,633) and 18-29 (\$357,043) had much larger home loan debt than people over the age of 50. Outstanding balances on loans from family & friends were almost twice as high in the 30-49 (\$8,846) and 50-64 (\$8,402) age groups than for 18-29 year olds and the over 65s. By gender, home loan debt was a little higher for women (\$338,487 vs. \$305,617), as were outstanding balances on credit cards (\$3,291 vs. \$2,847) and payday loans (\$1,286 vs. \$728). Men however had more personal loan (\$14,235 vs. \$13,259) and BNPL (\$850 vs. \$691) debt. Debt holdings were much bigger in higher than lower income groups for all types of debt, particularly investment loans (\$386,049 vs. \$3,903).

Level of concern over debts held



Australians holding debt were asked to rate their concern for all types of debt they held. In the June quarter, the level of concern over their total debts increased to a survey high 47.6 pts (from 46.1 pts in the previous quarter and 46.2 pts at the same time last year). Though debt stress increased, it is still much lower than savings (62.1 pts) and income (59.8 pts) stress.

Higher overall debt stress in the June quarter reflected higher stress for all types of debt except home loan debt which eased slightly (58.5 pts vs. 59.0 pts). Stress increased most (and was highest) for loans from family & friends (up 4.4 to 66.4 pts) and pay day loans (up 4.1 to 68.5 pts). It was lowest but increased for BNPL (up 2.5 pts to 49.3) and credit cards (up 2.1 pts to 50.7).

Overall debt stress increased for women (52.3 pts vs. 51.4 pts) and remained noticeably higher than for men for whom debt stress also rose (42.8 pts vs. to 40.7 pts). Overall debt stress increased sharply in the 18-29 age group (51.3 pts vs. 45.3 pts) and was also higher in the 30-49 group (57.4 pts vs. 56.2 pts) and over 65 group (28.5 pts vs. 27.5 pts). It fell in the 50-64 group (45.1 pts vs. 47.8 pts). People in the lower income group reported an increase in overall debt stress (47.5 pts vs. 46.0 pts) as did those in the higher income group (48.9 pts vs. 47.7 pts) - see table below.

Concern over debts held Q2 2024: gender, age & higher/lower income

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Pay-day (short-term non-bank) loan	68.5	68.7	68.4	61.0	74.1	66.0	83.3	66.1	75.2
Loan from family or friend	66.4	67.9	64.5	59.9	68.8	76.4	69.1	75.7	63.8
Personal loan	62.3	66.4	57.3	63.3	64.5	55.6	55.3	62.7	57.4
Investment loan	59.3	59.5	58.6	61.4	64.3	56.7	37.6	74.9	58.5
Home loan	58.5	63.3	53.8	57.3	62.4	54.4	46.2	62.6	57.0
Credit card debt	50.7	55.8	45.9	54.1	59.8	50.6	35.8	55.8	51.7
Buy now pay later loan	49.3	49.1	50.2	48.5	53.3	43.1	40.9	50.1	46.1
Overall	47.6	52.3	42.8	51.3	57.4	45.1	28.5	47.5	48.9

Women reported higher stress for all types of debt than men except BNPL (49.1 pts women; vs. 50.2 pts men), with stress levels significantly higher for credit card debt (55.8 pt women; 45.9 pts men), home loans (63.3 pts vs. 53.8 pts) and personal loans (66.4 pts vs. 58.6 pts). By age, debt stress was highest for most types of loans in the 30-49 group, particularly home loan debt (62.4 pts). The exceptions were payday loans where stress was much higher in the over 65 group (83.3 pts) and loans from family & friends which was highest in the 50-64 age group (76.4 pts). Concern over debts held was higher for people in the lower income group for all types of debts with the exception of payday loans (75.2 pts higher income; 66.1 pts lower income). The stress gap between lower and higher income groups was widest for investment loans (74.9 pts lower income; 58.5 pts higher income) and loans from family & friends (75.7 pts vs. 63.8 pts) - see above.

Home loan stress should interest rates rise further?

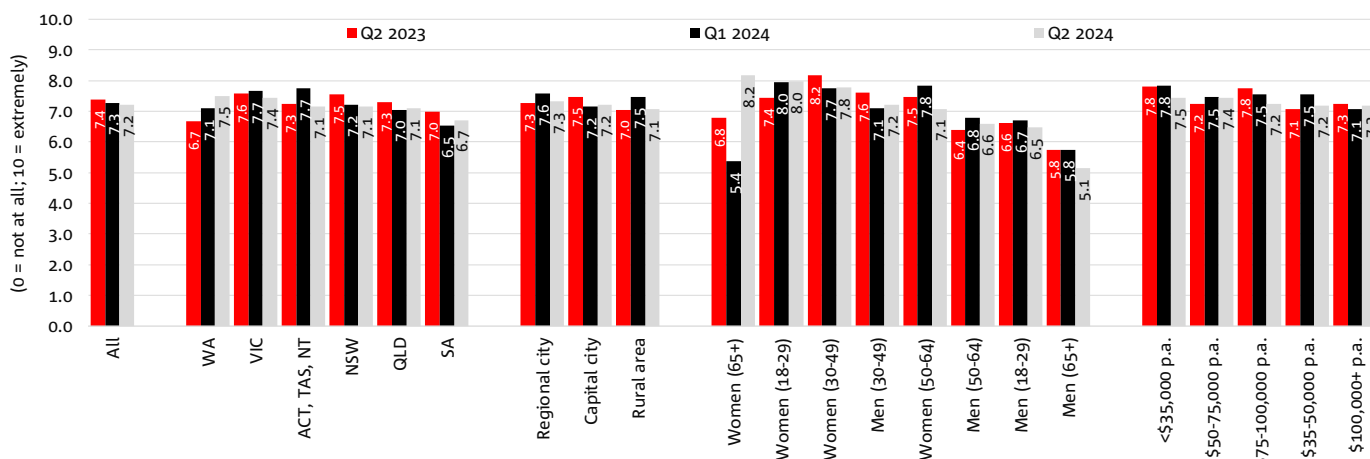
In May, Australia’s monthly inflation rate increased to its highest level in 2024, with consumer prices rising 4% y/y compared to 3.6% y/y in April and was higher than the consensus expectation. The latest inflation data also raised concerns that the RBA is unlikely to cut interest rates soon and might yet even hike them. From NAB’s perspective, we now expect the RBA to remain on hold for longer, with a first rate cut now unlikely until May 2025 (previously November 2024). From there we see a steady profile of one cut per quarter back to 3.10%, now reaching that point in mid-2026.

Where rates go from here will be closely watched by people with home loans, many of whom are already also experiencing high cost of living stress. Indeed, NAB data from our Consumer Sentiment Survey showed that 1 in 2 Australians who owned a home with a mortgage scored their concern related to cost of living “very high” in the June quarter (i.e. they scored 80+ pts out of 100). When surveyed Australians who had a home loan were asked to describe their level of concern or stress over their home loan debt if interest rates were to rise, it remained quite elevated at 7.2 pts in the June quarter (7.3 pts in the previous quarter). But this varied across the country and in key groups.

By state, concern was highest and lifted somewhat in WA (7.5 pts up from 7.1 pts). It also rose a little in QLD (7.1 pts vs 7.0) and SA/NT (6.7 pts vs. 6.5 pts) but was still lowest overall. The level of concern eased in all other states and was noticeably lower in the ACT, NT & TAS combined (7.1 pts vs. 7.7 pts). By region, concern remained highest but eased in regional cities (7.3 pts vs. 7.6 pts). It was unchanged in capital cities (7.2 pts) and fell noticeably in rural areas (7.1 pts vs. 7.5 pts).

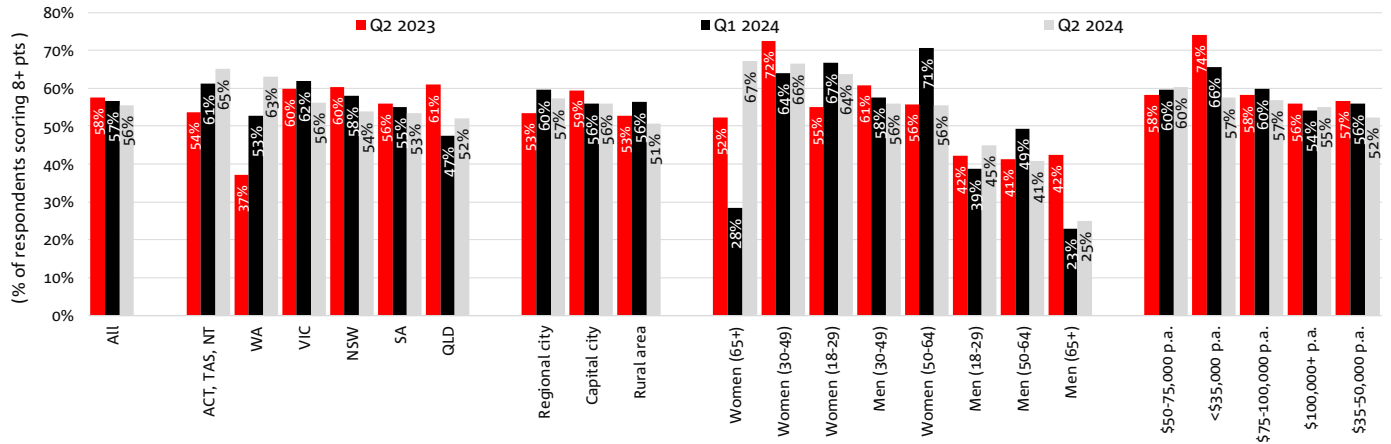
By gender and age, concern was highest and increased sharply among women over 65 (8.2 pts vs. 5.4 pts), followed by women 18-29 (unchanged at 8.0 pts). Concern was lowest for men over 65 and it fell noticeably to 5.1 pts (5.8 pts in Q1). By income, the level of concern over home loan debt if interest rates should rise was again scored in a narrow range - from 7.5 pts in the lower income group to 7.2 pts in the \$75-100,000, \$35-50,000 and \$100,000+ income groups.

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



The average score does however mask large numbers with “very high” levels of concern over future rate rises (i.e. scored 8+ pts). In Q2, nearly 6 in 10 (56%) Australians expressed high levels of concern. The number of mortgage holders with high stress was highest in the ACT, NT & TAS combined (65%) and WA where it also rose noticeably to 63% (53% in Q1). It was lowest in QLD but increased to 52% (47% in Q1). We also noted somewhat lower numbers with high stress in VIC (56% vs. 64%) and NSW (54% vs. 58%). In the regions, stress was highest in regional cities (57%) and lowest in rural areas (51%). Around 2 in 3 women over 65 (67%) and 30-49 (66%) had high levels of concern, with this more than doubling for women over 65 (28% in Q1). It was lowest for men over 65 (25%). The survey also found that women in all age groups worried more about their home loan debt should interest rates rise than similarly aged men. We found no relationship with income. In the June quarter, the number of extremely concerned people was smallest in the \$35-50,000 income group (52%) and highest in the +\$50-75,000 group (60%) - see chart below.

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



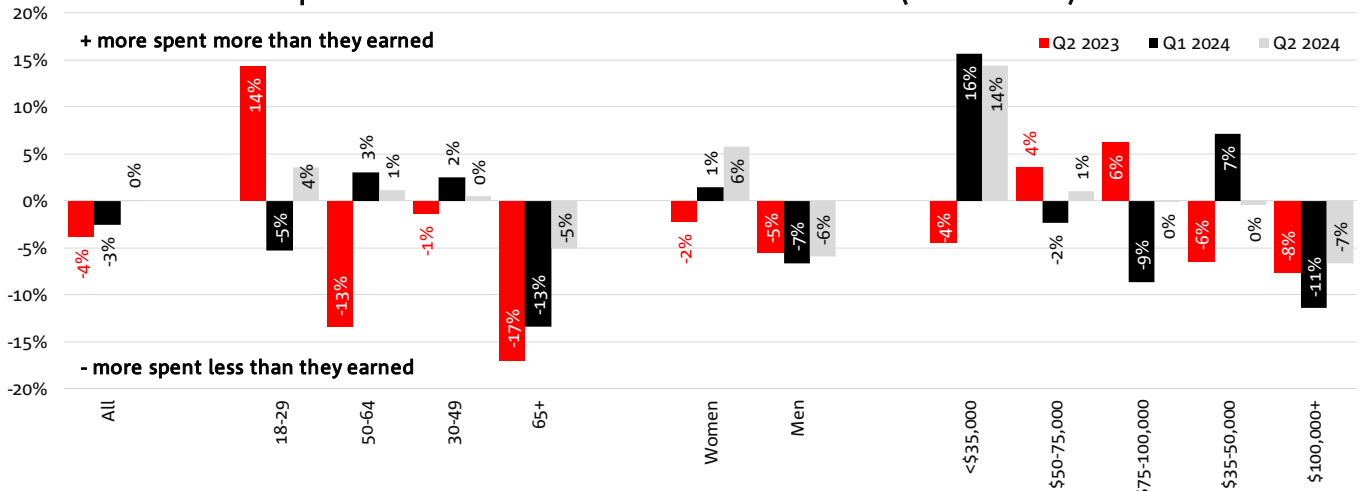
Spending more than earning?

To further help understand financial stresses Australian’s face, we also ask them if they spent more or less than they earned in the last month (either through income or investments or pensions). The results are presented in net balance terms - i.e., a positive number means people who spent more than they earned exceeded the number who spent less than they earned, and a negative number means the number of people who spent less outweighed those who spent more. Overall, the number that spent less or more than they earned balanced out in the June quarter (0%), from -3% in the previous quarter and -4% at the same time last year.

But this varied across age groups. The number that spent more exceeded those that spent less in the 18-29 (+4% vs. -5% in Q1) and 50-64 (+1% vs. +3%) age groups. They balanced out in the 20-49 group (0%), while the number spending less than they earned in the over 65 groups fell quite sharply (-5% vs -13%). By gender the net number of women spending more increased to +6% (+1% in Q1), while the number of men spending less was broadly unchanged (-6% vs. -7%).

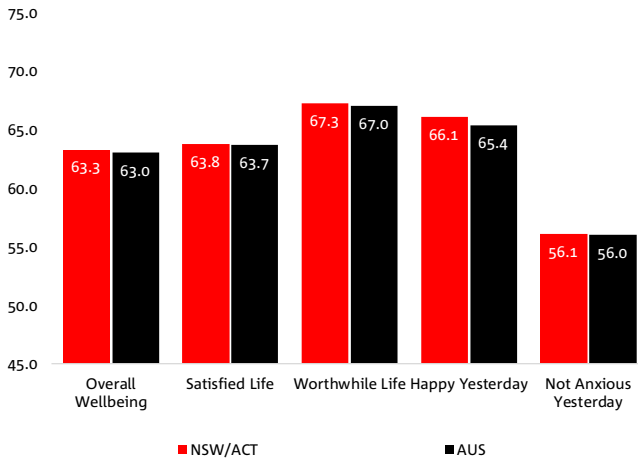
People in the lower (+14% down from +16% in Q1) and \$50-75,000 (+1% vs. +2%) income groups were the only cohorts where more spent more than the earned in Q2. The net number that spent more or less than they earned cancelled each other out in the \$75-100,000 and \$35-50,000 groups (0%), but more people in \$100,000+ group spent less than they earned though it fell to -7% (-11% in Q1).

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

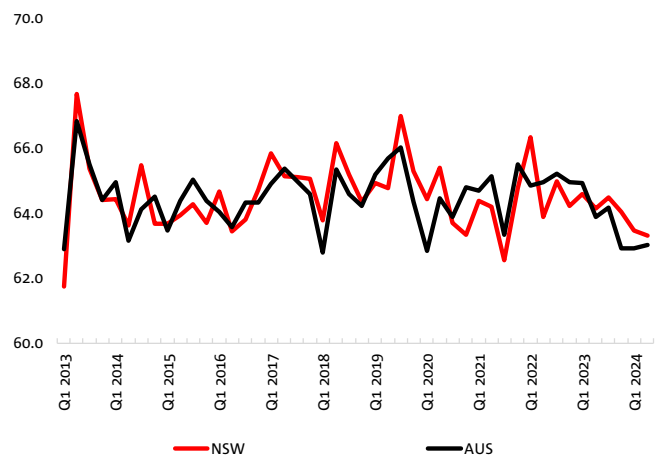


Appendix 1: NAB Wellbeing Index: States

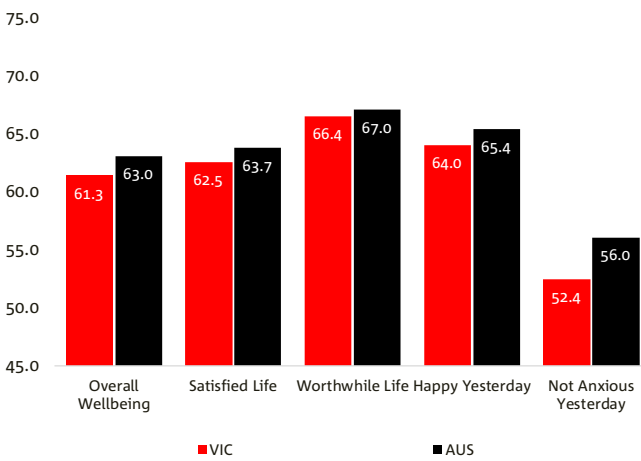
Wellbeing: NSW/ACT Q2 2024



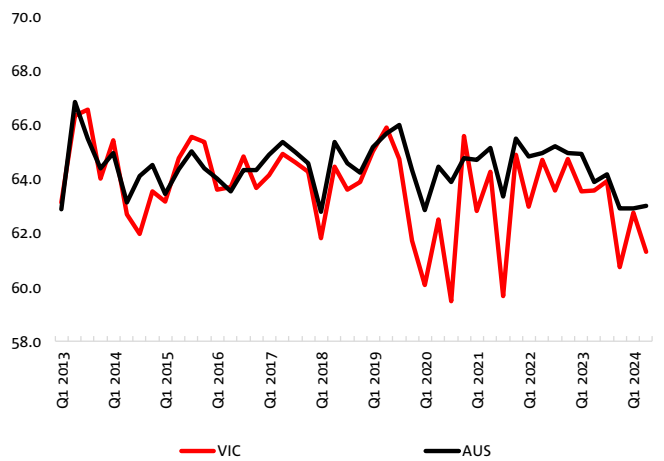
Wellbeing: NSW/ACT



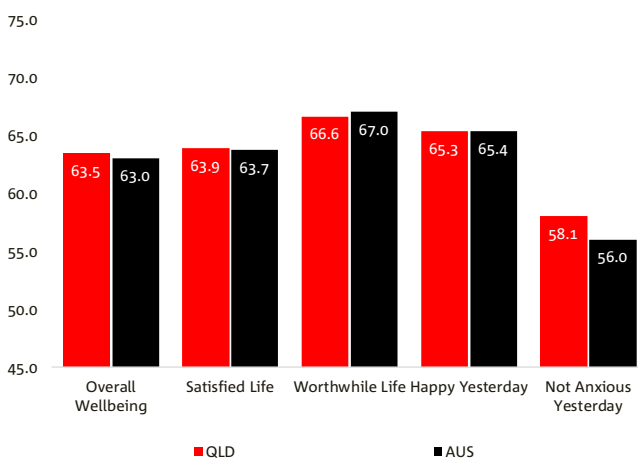
Wellbeing: VIC Q2 2024



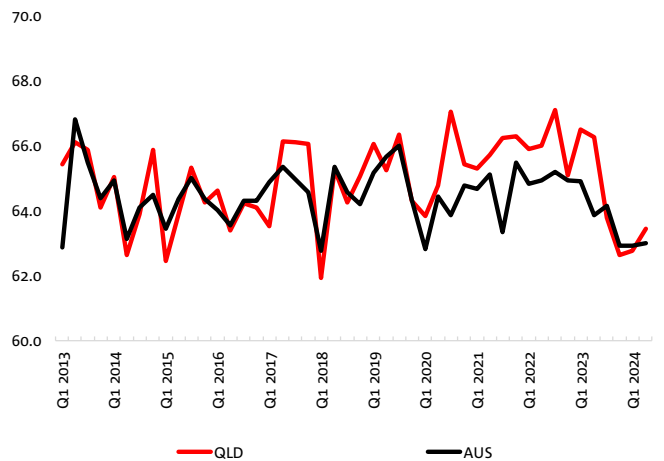
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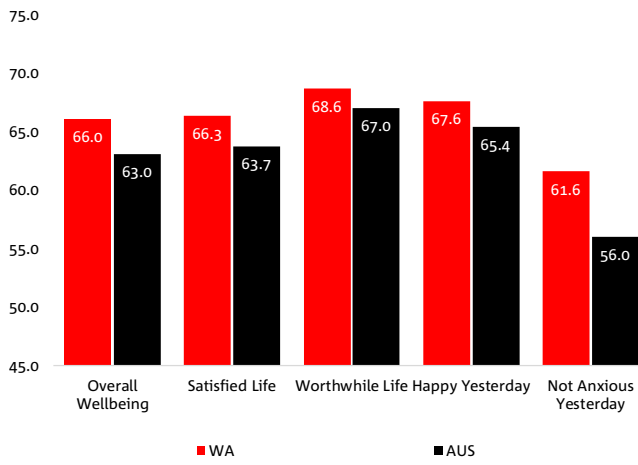
Wellbeing: QLD Q2 2024



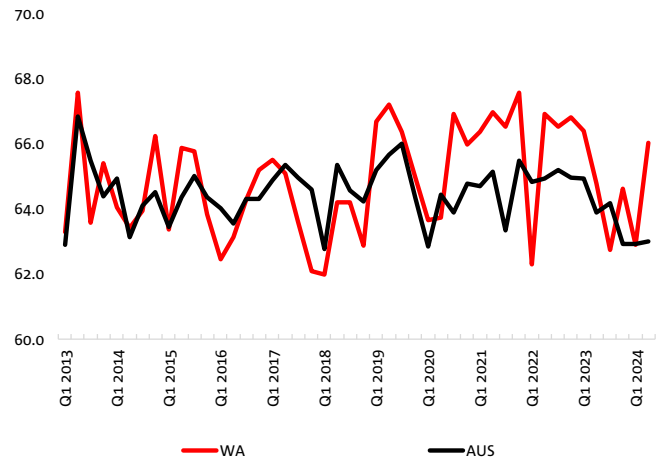
Wellbeing: QLD



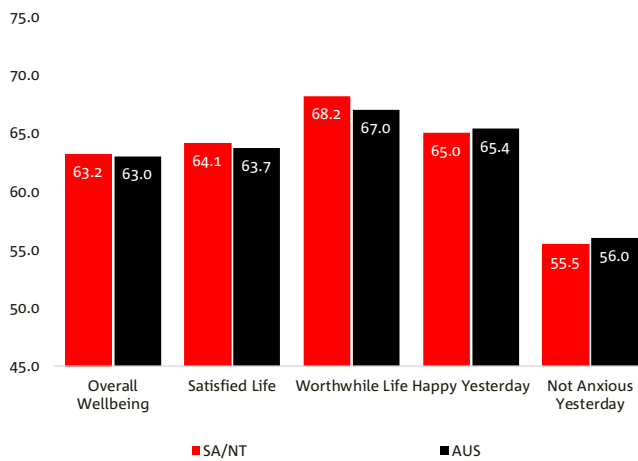
Wellbeing: WA Q2 2024



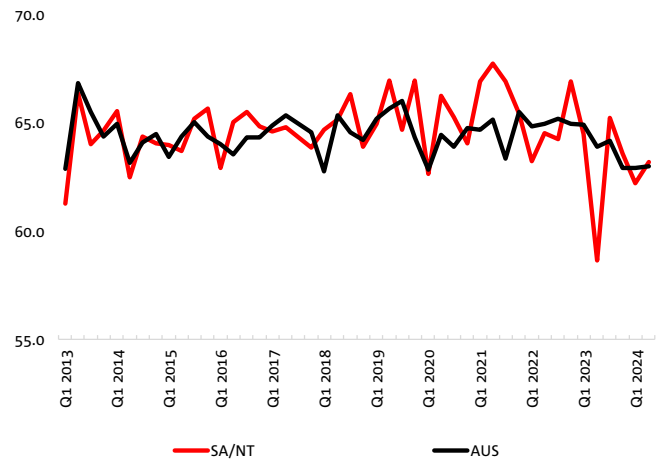
Wellbeing: WA



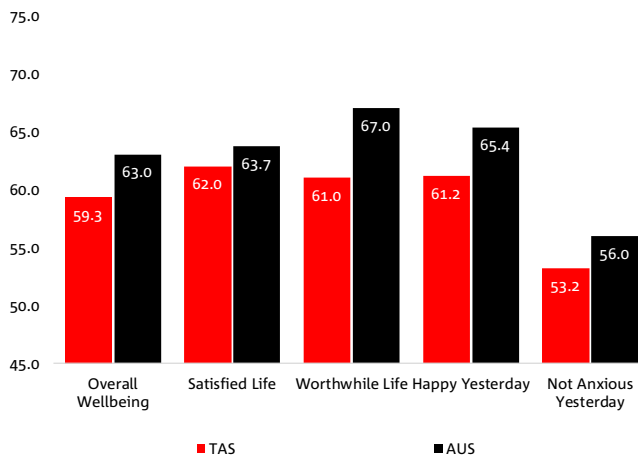
Wellbeing: SA/NT Q2 2024



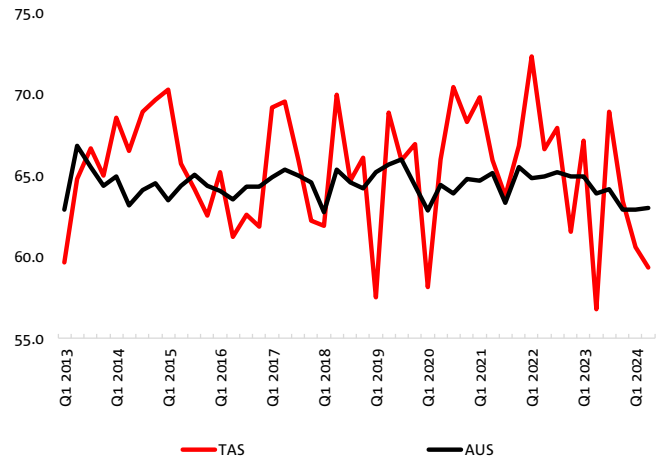
Wellbeing: SA/NT



Wellbeing: TAS Q2 2024

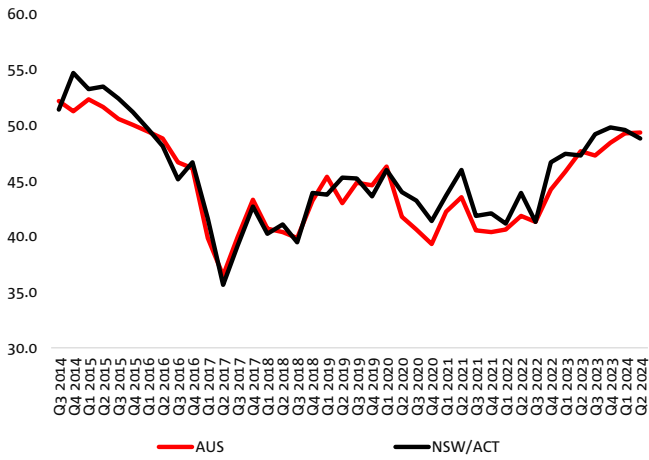


Wellbeing: TAS

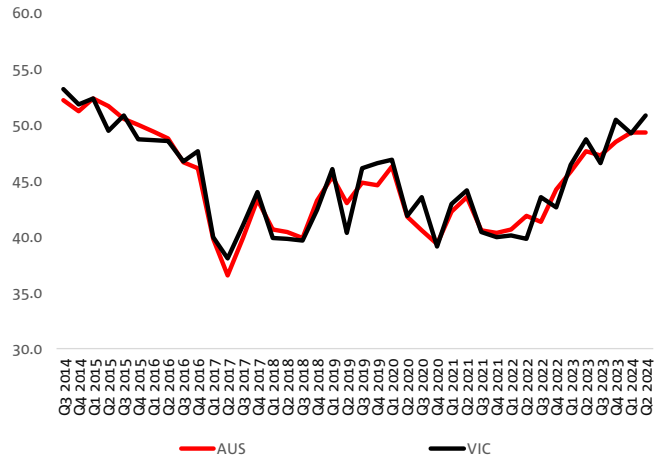


Appendix 2: Financial Stress Index: States

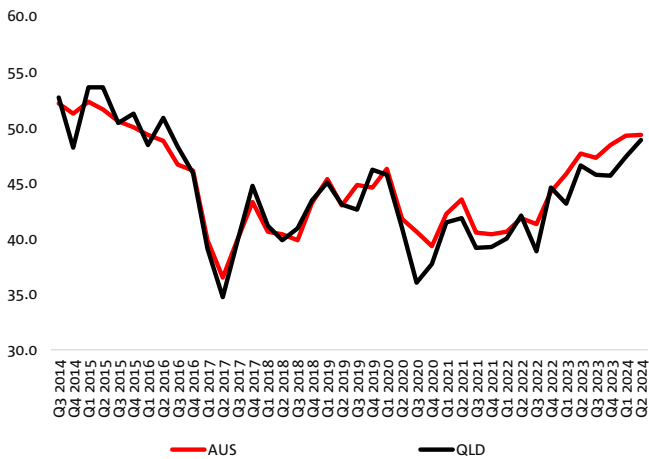
NAB Financial Stress Index: NSW/ACT



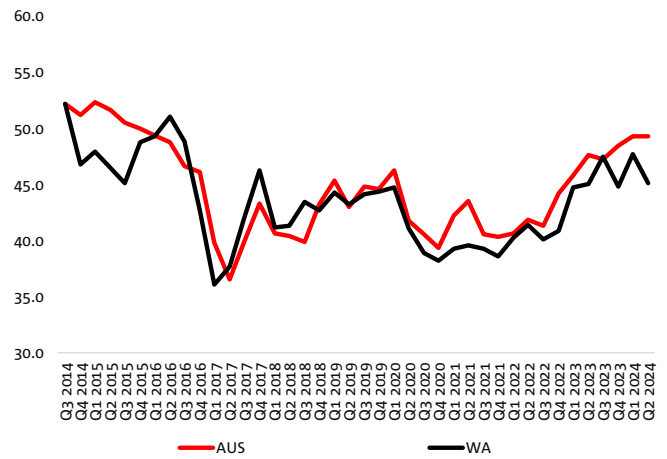
NAB Financial Stress Index: VIC



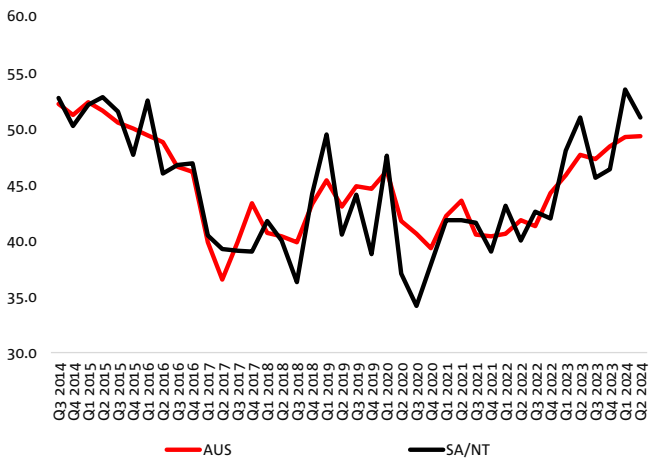
NAB Financial Stress Index: QLD



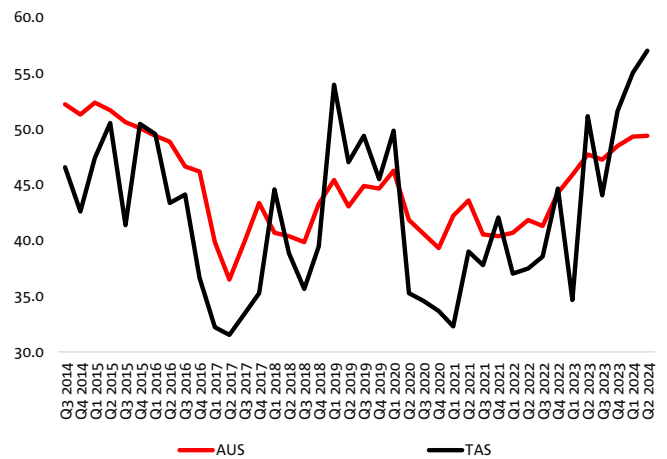
NAB Financial Stress Index: WA



NAB Financial Stress Index: SA/NT



NAB Financial Stress Index: TAS



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