

more
than
money



NAB Australian Wellbeing Survey Q3-2024



NAB Australian Wellbeing Survey

Q3-2024

Wellbeing lifts as anxiety eases for the first time in six quarterly surveys. Financial stress also fell after being at its highest level in 8 years. Adding further to this improved financial psyche, fewer Australians report feeling worse off financially compared to the same time last year. Not having enough to finance retirement is still the biggest contributor to overall household financial stress. Despite eating further into their savings in Q3, Australians also reported lower savings stress having also previously risen to a survey high. Debt stress also fell. Lower concern was reported for all types of debt, particularly payday loans, personal loans, loans from family or friends and investment loans. Overall, Australians are showing enormous resilience, and many are coping better than expected amid sustained cost of living pressures and financial strain. But while anxiety is down, life worth, life satisfaction and happiness are still to rebound.

The NAB Wellbeing Survey provides a pulse check on the vibe 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 work of psychologist and winner of the Nobel Prize in Economics, Daniel Kahneman. It is derived from self-reported levels of happiness, life satisfaction, life worth and anxiety. Kahneman argues 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 now showing signs of improvement, with anxiety falling and many report coping better with a range of financial pressures. Any lift in wellbeing is welcomed after recently having fallen to decade-low levels.

In the September quarter 2024, the **NAB Australian Wellbeing Index** inched up for the second straight quarter to 63.4 pts (63.0 pts in Q2) but was still lower than at the same time last year (64.2 pts) and below the survey average (64.4 pts). Australians reported moderately lower levels of wellbeing for all index components in Q3, except anxiety which improved noticeably. Australians’ sense of life worth, happiness and life satisfaction all fell slightly to below decade average levels. In contrast, anxiety eased to be below average for the first time since early-2023.

By state, wellbeing was highest in QLD (66.5 pts) and lowest in WA in Q3 where it also fell quite steeply (down 4.9 pts to 61.2 pts). Wellbeing lifted in all other states bar NSW/ACT. Wellbeing improved in regional and rural areas but fell in capital cities where it was lowest overall. Wellbeing scored higher in all income groups, ranging from 65.3 pts in the \$100,000+ group to 59.2 in the \$35,000 group. Older Australians still to report much higher wellbeing than other age groups, and with retirees the highest of all groups. Interestingly, women over 65 scored wellbeing higher than men over 65 for the first time since late-2019. Wellbeing is lowest for the unemployed, those who rent and singles.

The improvement in wellbeing in the September quarter was mirrored in a modest uplift in optimism about the future, with the share of Australians feeling more optimistic inching up to 29% (from 28% in Q2), though still down from 31% at the same time last year. Income is an important factor with optimism typically rising as income grows. Interestingly, it ranged from just 23% in QLD (despite scoring wellbeing highest of all states) to 39% in WA (where wellbeing scored lowest of all states).

To better understand the drivers of wellbeing Australians were asked to assess how satisfied they were with key aspects of their daily lives. Though scored a little higher, satisfaction remained lowest for Australia’s economy, the way Federal Government is running the country, and the way state Government is running their state - with satisfaction with all these aspects noticeably lower in VIC, TAS and QLD (for completeness, this survey was conducted prior to the recent change of government in QLD). Finances also featured poorly with Australians scoring relatively low for their ability to fund retirement, overall financial position and standard of living (though these also lifted slightly).

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.

After reaching an 8-year high, Australians perceptions of their finances now appear to be improving. In the September quarter, NAB's Household Financial Stress Index fell noticeably to 47.0 pts. Though still well above the long-term survey average (44.8 pts), household stress moderated for almost all index components (except children's education). That said, many households are still being challenged with overall stress levels still above average across all areas except being able to raise \$2,000 for an emergency. Not having enough to finance retirement remains the biggest contributor to overall household financial stress (and by a large margin) but concerns have eased.

Stress remains highest in the 30-49 age group for all index components and lowest for the 65s. Overall financial stress also moderated for Australians for both lower and higher income earners in Q3, though there was a sharper fall among those on higher incomes which saw the stress gap widen to the biggest margin since Q4 2023. Stress levels rose in the lower income group for all index components. And most telling was the heightened sense of stress in the lower income group over their ability to raise \$2,000 for an emergency.

Adding to Australia's improved financial psyche, a lower number on balance reported feeling worse off financially in Q3 (-25%) than the same time last year (vs. -33% in Q2). This followed 3 straight quarters where the those feeling worse off rose. 18-29 year olds remain most optimistic about their financial position in the next year (+22%) and over 50s much less so (around -25%). Fewer men than women are pessimistic about the future (-4% vs. -9%), while more on higher incomes expect to be better off (+9%) and more on lower incomes worse off (-23%).

Against this backdrop, the share of Australians who said their incomes or pay had increased in Q3 outweighed those who said it fell (+1%), reversing the situation in Q2 where more said incomes had fallen (-3%). On balance, more men (+4%), 30-49 year olds (+4%), over 65s (+8%) and in the higher income group (+11%) said their incomes rose in the last 3 months, whereas more said it fell in all other groups. Looking forward, an unchanged +24% expect their incomes to rise in the next 12 months. Australians who expect their incomes to increase also expect to receive more, with average expectations increasing to \$188 per week (\$168 in Q2).

With more Australians indicating their income had risen in the past 3 months, income stress fell to 57.6 pts in Q3 (59.8 pts in Q2 and 58.4 pts in Q3 2023) - its lowest level since Q1 2023. Of concern however, income stress increased further for people on lower incomes (64.6 pts up from 63.9 pts in Q2), while falling in the higher income group (54.5 pts vs. 57.4 pts).

Savings aspirations among Australians remain very high and inched up in Q3, with 77% indicating they tried to save (76% in Q2). Aspirations were highest for men 18-29 (91%) and lowest for men over 65 (61%). Despite this, savings remained under pressure with an unchanged -26% on balance indicating their savings fell in the last 3 months. A higher number on lower incomes ran down their savings (-45% vs. -31%), compared to a lower number in the higher income group (-14% vs. -20%). But Australians are more optimistic about their future savings, with the share expecting their savings to fall easing (-3% vs. -6% in Q2). A basically unchanged -19% in the lower income group believe their savings will fall, but noticeably more in the higher income group rise (+13% vs. +4%). Despite eating further into their savings in Q3, Australians reported lower savings stress after rising to a survey high in Q2 to stand at its lowest level since Q1 2023. Stress over savings fell in all age groups. Concern was also lower for Australians in lower and higher income groups.

On balance, the share of Australians who reduced household debt levels in Q3 was unchanged (-3% said it fell). But more see debt levels falling in the next 12 months (-17%). Credit card debt remains the most widely held debt (40% of the adult population), followed by home loans (32%), BNPL (21%), personal loans (17%), loans from family or friends (16%), investment loans (7%) and pay day loans (6%). Credit card debt was held by noticeably more men (43%), people over 30 and in the higher income group (44%). Home loans were more prevalent among 30-49 year olds (47%) and in the higher income group (49%). More women (26%) and 18-29 and 30-49 year olds (28%) had BNPL debt, while personal loans (27%), loans from family or friends (27%) and pay day loans (10%) were more common among 18-29 year olds. Investment loan debt was highest in the 30-49 (11%) and higher income (12%) groups.

Australians holding with these debts in Q3 were asked to estimate how much was outstanding on each of them. It was highest for home loans (\$306,833), followed by investment loans - though investment loan holdings were revised down sharply to \$243,494 (\$326,247) in the previous quarter. Outstanding balances on personal loans fell somewhat to \$11,143 from \$13,688 in Q2, but loans to family or friends increased to \$9,631 (\$6,384 in Q2). Loan balances did not change materially for credit cards (\$2,775 vs. \$3,061) but holdings were higher for payday loans (\$1,059 vs. \$996) and lower for BNPL (\$608 vs. \$750). Outstanding loan balances were much higher in the 30-49 age group for most types of debt, except loans from family or friends (over 65s) and payday loans (50-64 year olds). Women also estimated higher outstanding loan balances on all types of debt than men except for credit cards.

Australians holding debt were asked to score the level of concern they had for their overall debt. In Q3, it fell to 43.9 pts after rising to a survey high 47.6 pts in Q2. It was also much lower than concern over savings (58.9 pts) and income (57.6 pts). Lower concern was reported for all types of debt, particularly payday loans (60.9 pts vs. 68.5 pts in Q2), personal loans (55.9 pts vs. 62.3 pts), loans from family or friends (60.9 pts vs. 66.4 pts) and investment loans (54.2 pts vs. 59.3 pts). Concern fell for women (46.5 pts vs. 52.3 pts) and men (41.4 pts vs. 42.8 pts). They also reported lower concern for all debt types, except home loans (men). Concern fell sharply in all age groups, led by 18-29 year olds (43.0 pts vs. 51.3 pts), with lower concern for all types of debt except payday and BNPL (50-64 group) loans and loans from family or friends (over 65s). Overall concern also fell in higher and lower income groups and for all types of debt, except home loans (lower income).

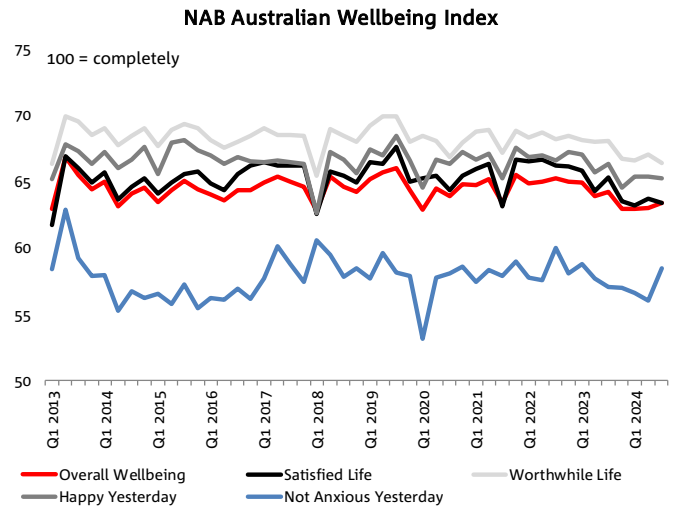
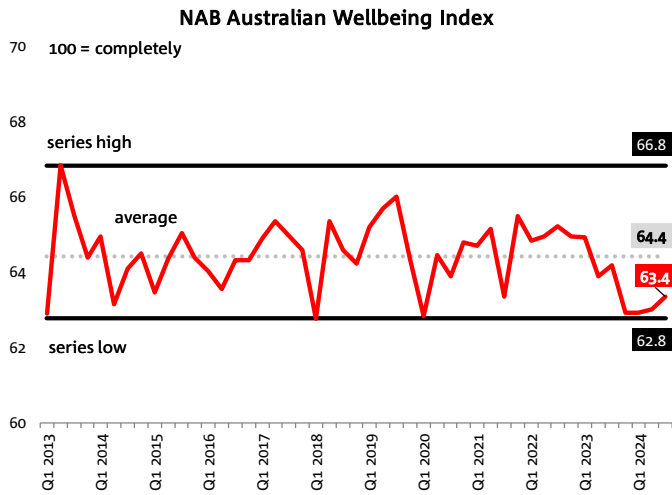
Australians also report feeling a little more comfortable about their relationship with money. Fewer felt that money was a source of stress in their lives, more felt in greater control of their daily finances, were better equipped to manage a major unexpected expense, while also feeling a little more confident about have enough money to provide for their financial needs in the future.

Any lift in wellbeing is welcomed after recently having fallen to decade-low levels. But while anxiety is down, life worth, life satisfaction and happiness are still to rebound. 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 it has 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. And averages continue to mask those pockets of the community who are feeling under significantly greater pressure.

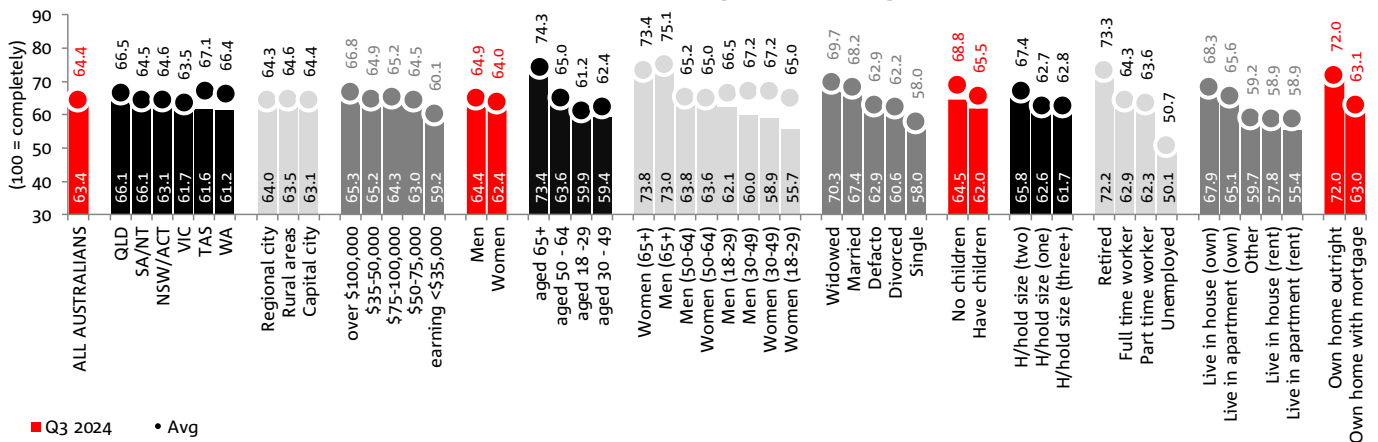
Part 1: NAB Australian Wellbeing Index

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 September quarter 2024, the NAB Australian Wellbeing Index inched up for the second straight quarter to 63.4 pts (63.0 pts in Q2) but was still lower than at the same time last year (64.2 pts) and below the survey average (64.4 pts). Australians also reported moderately lower wellbeing for all index components in Q3, except anxiety which improved noticeably.

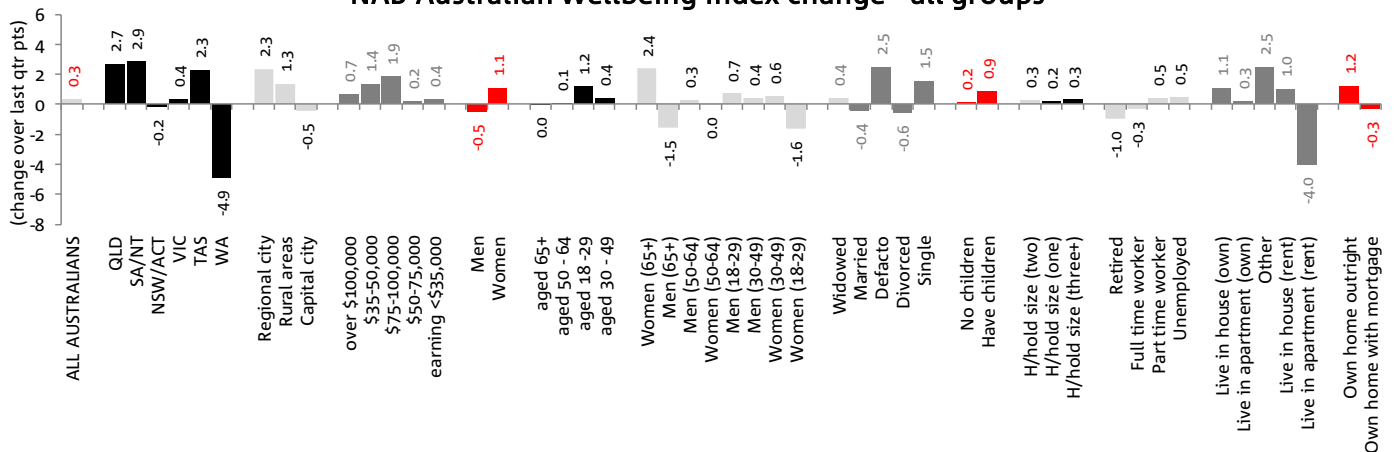
Australians' collective sense of life worth fell slightly to a below average 66.4 pts in the September quarter (67.0 pts in Q2). They were less happy (65.2 pts down from 65.4 pts in Q2), and less satisfied with their lives (63.3 pts down from 63.7 pts), with both measures also printing below average. Australians however reported much lower levels of anxiety, with the "not anxious yesterday" question rising sharply to 58.5 pts (56.0 pts in Q2) after having fallen for five straight quarters to print above average for the first time since early-2023.



NAB Australian Wellbeing Index - all groups

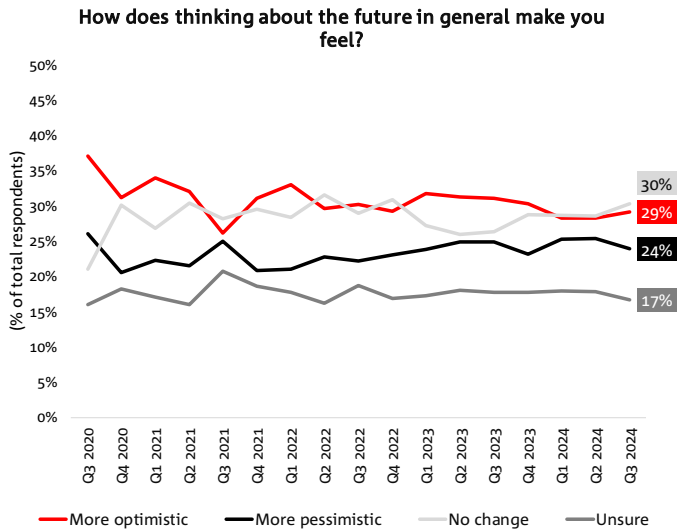


NAB Australian Wellbeing Index change - all groups



Wellbeing diverged across demographic groups. Australians in 35 of 49 groups reported higher wellbeing in the September quarter. It was lower in 12 groups and unchanged in 2. Most groups are also still reporting below average levels of wellbeing with few exceptions - SA/NT, the \$35-50,000 income group, women over 65, widows, people with “other” living arrangements or own their homes outright.

By state, it was highest in QLD (66.5 pts) and lowest in WA in Q3 where it also fell quite steeply (down 4.9 pts to 61.2 pts). Wellbeing lifted in all other states bar NSW/ACT. Wellbeing improved in regional cities and rural areas but fell in capital cities and was lowest overall. It was scored higher in all income groups and ranged from 65.3 pts in the \$100,000+ group to 59.2 pts in the \$35,000 group. Men scored wellbeing a little lower in Q3 (down 0.5 to 64.4 pts) and women higher (up 1.1 pts to 62.4 pts), causing the gender wellbeing gap to narrow to its lowest level since Q3 2023. Older Australians reported much higher wellbeing than did other age groups, and with retirees also the highest wellbeing of all groups. Interestingly, women over 65 scored wellbeing higher than men over 65 for the first time since late-2019. Wellbeing was lowest for unemployed people (50.1 pts), those who live in a rented apartment (55.4 pts) or house (57.8 pts) and singles (58.0 pts).

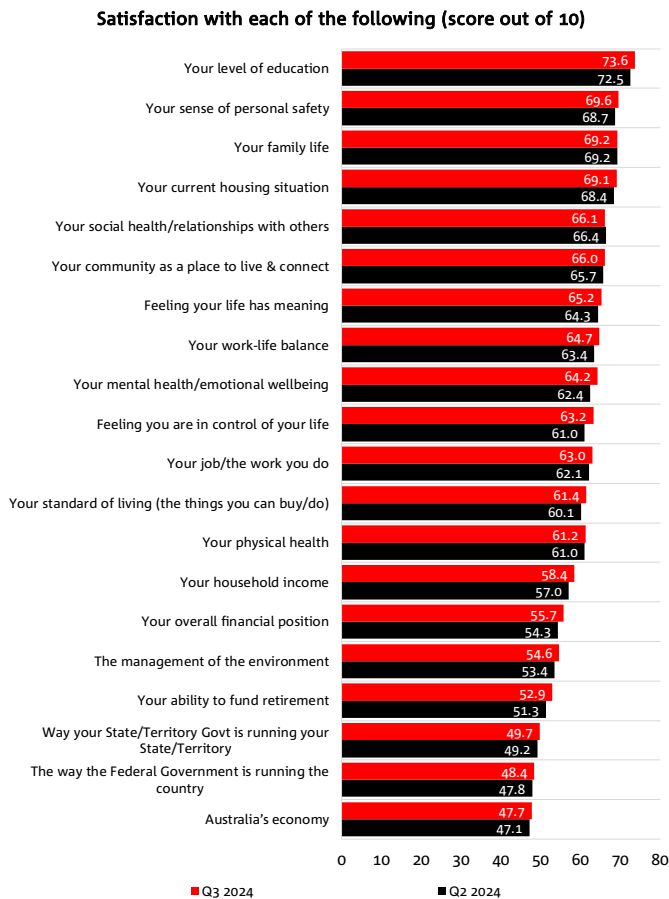


The modest improvement in wellbeing in the September quarter may partly have reflected a growing sense of optimism about the future.

When Australians were asked how thinking about the future made them feel, the number who said it made them feel more optimistic inched up to 29% from 28% in the previous quarter, though still down from 31% at the same time last year.

The number who more pessimistic also fell slightly to 24%, from 25% in Q2. Around 3 in 10 Australians (29%) saw no change while and nearly 1 in 5 (17%) remained unsure about how thinking about the future made them feel.

The number of optimists declined with age, and more men in all age groups were optimistic than women, except in the over 65 group. Income was also important with optimism typically increasing as income grew. Interestingly, it ranged from just 23% in QLD (despite scoring wellbeing highest of all states) to 39% in WA (where wellbeing scored lowest of all states).



To assess how satisfied Australians are with 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). The survey results suggest they were more satisfied in nearly all aspect of their daily lives.

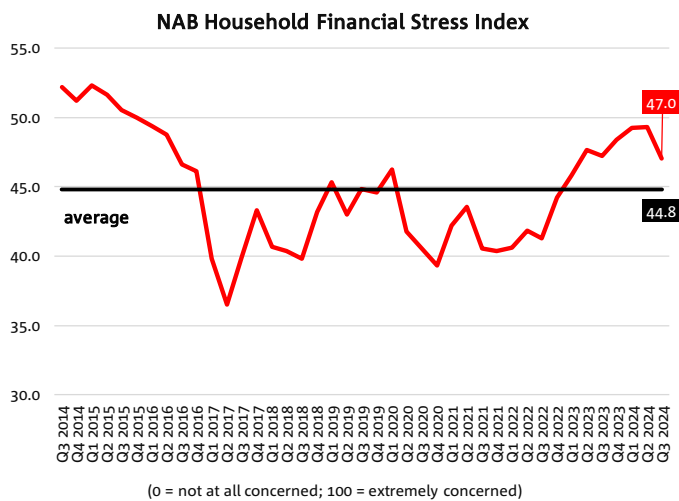
Satisfaction was highest for level of education (73.6 pts vs. 72.5 pts in Q2), followed by sense of personal safety (69.6 pts vs. 68.7 pts), family life (unchanged at 69.2 pts) and current housing situation (69.1 pts vs. 68.4 pts). Satisfaction scored relatively high for intrinsic things such as social health & relationships with others (66.1 pts vs. 66.4 pts), community as a place to live & connect (66.0 pts vs. 65.7 pts) and feeling life had meaning (65.2 pts vs. 64.3 pts).

Australians also scored quite high for work-life balance (64.7 pts vs. 63.4 pts), mental health & emotional wellbeing (64.2 vs. 62.4 pts), feeling in control of their life (63.2 pts vs. 61.0 pts), their jobs or work they do (63.0 vs. 62.4 pts), standard of living (61.4 pts vs. 60.1 pts) and their physical health (61.2 pts vs. 61.0 pts).

Satisfaction was lowest for factors they could not control - Australia’s economy (47.7 pts vs. 47.1 pts), the way Federal Government is running the country (48.4 pts vs. 47.8 pts), and the way state Government is running their state (49.7 pts vs. 49.2 pts).

Finances were also problematic with Australians scoring relatively low for satisfaction for their ability to fund retirement (52.9 pts vs. 51.3 pts), overall financial position (55.7 vs. 54.3), household income (57.0 pts vs. 56.7 pts) and standard of living (60.1 pts vs. 60.0 pts). They also scored satisfaction with management of the environment relatively low (54.6 pts vs. 53.4 pts), especially in VIC and the 50-64 age group.

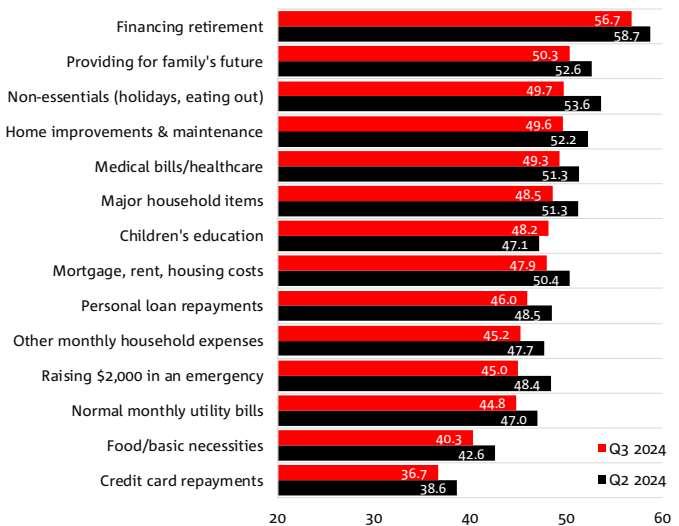
Part 2: Household Financial Stress



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.

Australians have been showing enormous resilience in the face of rising cost of living pressures and a range of other financial challenges. But after levelling out at an 8-year high 49.3 pts in the June quarter, things now appear to be improving. In the September quarter, NAB's Household Financial Stress Index fell noticeably to 47.0 pts. Though still well above the long-term survey average (44.8 pts), the improvement was in line other NAB consumer research for Q3 showing a continued improvement in overall consumer stress levels, particularly stress associated with cost of living (**NAB Consumer Sentiment Survey Q3 2024**).

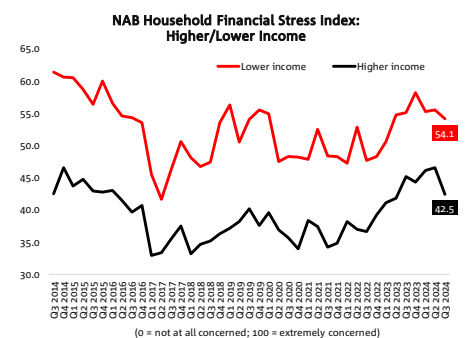
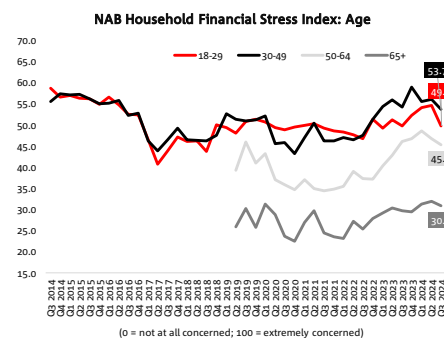
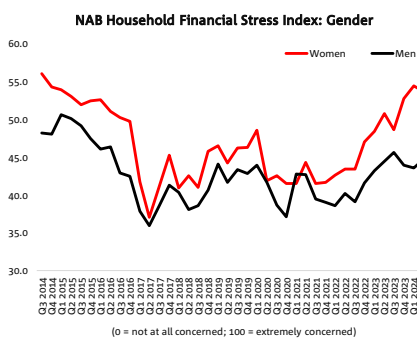
Drivers of Household Financial Stress (100 = extremely stressed)



While pleasing to note that household stress moderated for all index components in the September quarter (except children's education), households are still being challenged with overall stress levels still printing above survey average levels for all index components except being able to raise \$2,000 for an emergency.

Not having enough to finance retirement is still the biggest contributor to overall household financial stress (and by a large margin) but stress levels eased to 56.7 pts (58.7 pts in Q2). The next biggest contributors were providing for the family's future (50.3 vs. 52.6 pts), non-essentials (49.7 pts vs. 53.6 pts), home improvements & maintenance (49.6 pts vs. 52.2 pts), medical bills & healthcare (49.3 pts vs. 51.3 pts), major household items (48.5 pts vs. 51.3 pts), children's education (48.2 pts up from 47.1 pts) and mortgage, rent & housing costs (47.9 pts vs. 50.4 pts).

Being unable to meet minimum credit card repayments caused the least financial stress by a considerable margin in the September quarter (36.7 pts vs. 38.6 pts), followed and food & basic necessities which also eased (40.3 pts vs. 42.6 pts).



Women and men reported lower financial stress in Q3, though it eased more for women though they still reported higher stress for all index components, particularly for non-essentials (53.9 pts vs. 45.5 pts) and home improvements & maintenance (53.6 pts vs. 45.7 pts). Financial stress was lower in all age groups but noticeably higher in 30-49 (53.7 pts), 18-29 (49.8 pts) and 50-64 (45.3 pts) age groups than for over 65s (30.9 pts). Stress was highest in the 30-49 age group for all index components and lowest in the over 65 group. Overall financial stress also moderated for Australians in lower and higher income groups in Q3, though a sharper fall in the higher income group saw the stress gap widen to biggest margin since Q4 2023 (11.7 pts). Stress levels were higher in the lower income group for all index components. And most telling was the heightened sense of stress in the lower income group over their ability to raise \$2,000 for an emergency compared to those in the higher income group (57.5 pts vs. 37.3 pts) - see table below.

NAB Household Financial Stress Index: Key groups (Q3 2024)

	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Financing retirement	56.7	60.3	53.2	53.8	63.3	60.4	44.2	64.2	52.6
Providing for family's future	50.3	53.0	47.7	54.0	57.6	46.9	33.2	54.6	47.9
Non-essentials (holidays, eating out)	49.7	53.9	45.5	51.8	56.7	48.2	36.5	57.7	45.7
Home improvements & maintenance	49.6	53.6	45.7	50.8	56.3	49.6	35.9	55.2	46.8
Medical bills/healthcare	49.3	52.2	46.4	51.6	55.8	49.8	35.1	57.7	44.0
Major household items	48.5	52.0	45.0	50.4	54.8	48.4	35.9	58.4	43.2
Children's education	48.2	49.3	47.1	48.9	55.6	38.6	22.8	49.2	45.4
Mortgage, rent, housing costs	47.9	51.1	44.8	51.0	54.2	43.6	32.1	55.3	43.0
Personal loan repayments	46.0	49.8	42.6	49.4	51.4	43.6	24.2	49.5	41.4
Other monthly household expenses	45.2	48.9	41.6	48.9	51.5	45.8	30.2	54.2	39.6
Raising \$2,000 in an emergency	45.0	48.5	41.5	50.5	52.4	43.5	28.1	57.5	37.3
Normal monthly utility bills	44.8	48.5	41.1	48.4	51.9	44.8	29.0	53.8	39.3
Food/basic necessities	40.3	42.9	37.6	45.7	46.7	39.0	25.1	49.7	34.9
Credit card repayments	36.7	37.8	35.6	42.7	44.2	32.6	19.7	40.9	33.2
NAB Financial Stress Index	47.0	50.1	44.0	49.8	53.7	45.3	30.9	54.1	42.5

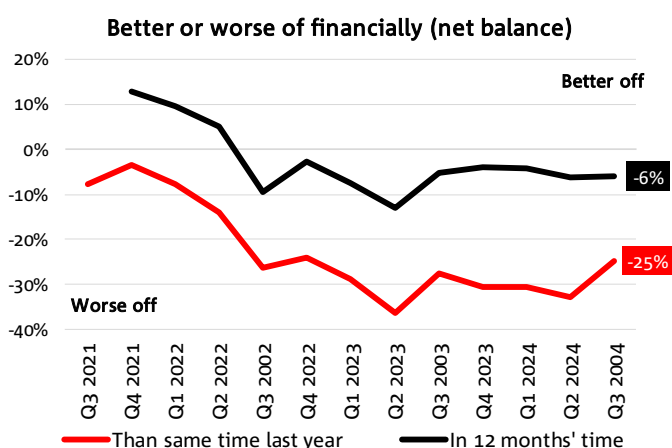
Financial stress levels converged across states - falling in all states except NSW/ACT and WA. It was lowest and fell significantly in SA/NT (down 9.1 pts to 41.9 pts) and highest in TAS (down 4.8 pts to 52.2 pts). SA/NT and QLD were the only states to report below average levels of household financial stress in Q3. Financing retirement remains the biggest cause of stress across the country.

Financial stress levels moderated in all regions, with the biggest falls in regional cities (down 5.5 pts to 46.9 pts) and rural areas (down 3.6 pts to 47.8 pts), and a modest fall in capital cities (down 0.9 pts to 46.9 pts). Stress levels however are still well above survey average levels in all regions. Australians living in rural areas reported the lowest stress all index components except major household items, children's education and credit card repayments - see table below & 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	56.7	58.4	57.4	54.3	56.0	51.5	67.3	56.5	56.5
Providing for family's future	50.3	52.2	51.3	47.0	50.3	45.4	55.7	50.2	49.8
Non-essentials (holidays, eating out)	49.7	51.9	50.3	46.4	51.4	42.9	55.4	49.6	49.5
Home improvements & maintenance	49.6	52.0	48.9	46.9	50.3	46.7	52.3	49.5	49.8
Medical bills/healthcare	49.3	51.9	50.2	45.2	48.2	44.9	56.2	49.0	49.5
Major household items	48.5	50.8	48.4	45.6	48.6	44.0	57.9	48.4	48.8
Children's education	48.2	50.6	48.6	45.5	45.8	45.0	46.6	48.4	47.7
Mortgage, rent, housing costs	47.9	49.7	49.2	44.1	47.4	44.9	51.9	48.1	46.9
Personal loan repayments	46.0	49.4	44.9	42.9	46.6	39.0	50.6	46.0	45.0
Other monthly household expenses	45.2	47.6	46.2	41.2	45.7	39.4	52.2	45.1	45.0
Raising \$2,000 in an emergency	45.0	47.6	45.4	41.2	46.7	38.6	51.8	43.8	47.1
Normal monthly utility bills	44.8	47.4	45.8	40.6	45.0	40.8	44.8	44.8	44.5
Food/basic necessities	40.3	41.5	42.2	36.2	42.2	34.8	47.3	40.2	39.3
Credit card repayments	36.7	39.6	37.0	33.5	37.5	28.9	40.1	36.8	37.0
NAB Financial Stress Index	49.3	47.6	43.6	47.3	41.9	52.2	46.9	46.9	47.8

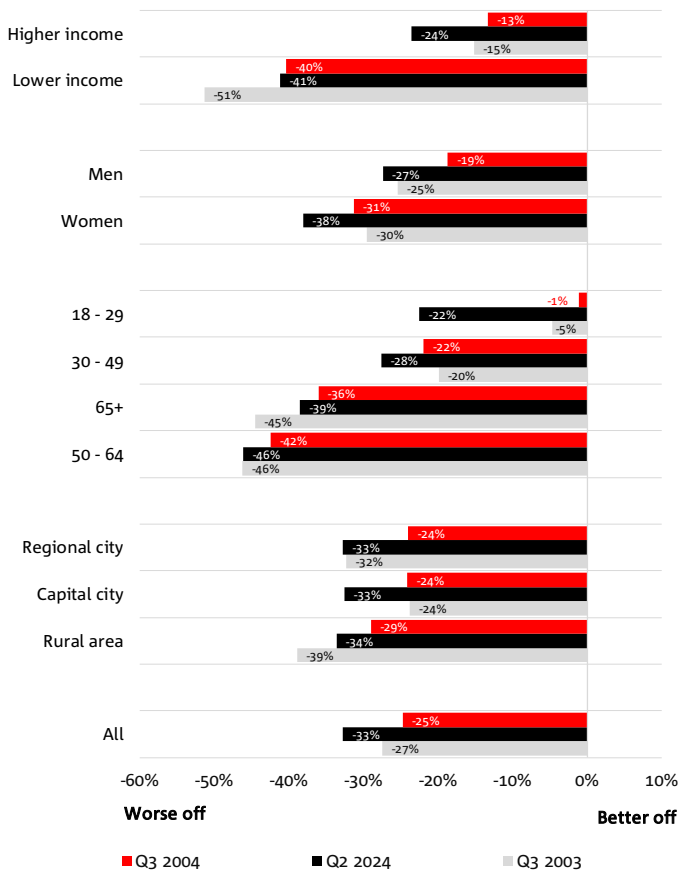
How households feel they are travelling financially



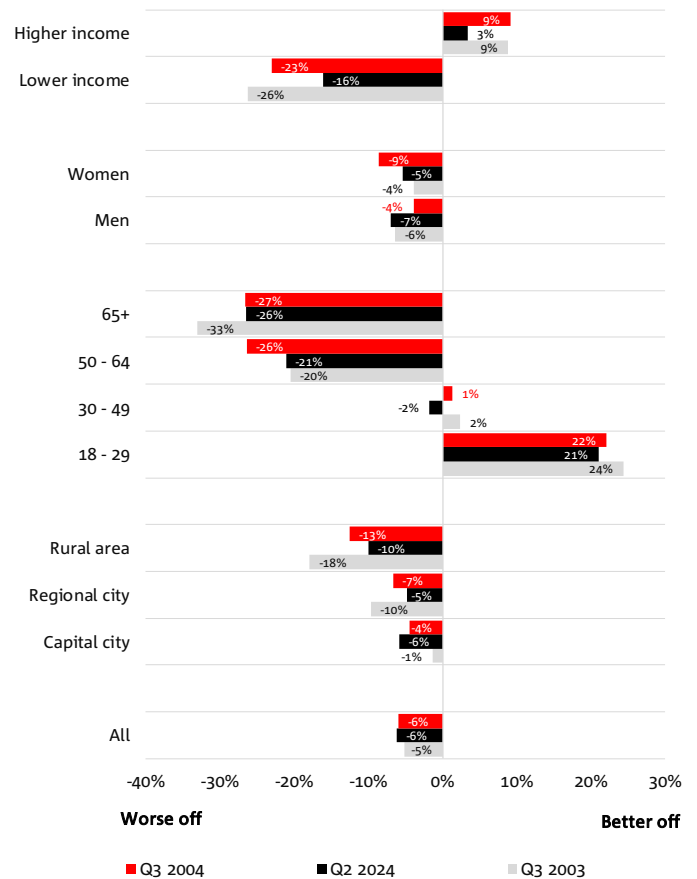
Building further on the theme of an improved consumer psyche, a noticeably lower number of Australians in net terms felt worse off financially in Q3 (-25%) compared to the same time last year (-33% in Q2) and after having increased in the previous 3 quarters. The number who felt worse off outweighed those better off in all key groups. All groups also felt better off financially last year except women, 30-49 year olds and in capital cities (same).

However, an unchanged -6% on balance expect to be worse off in a year from now. Pessimists out-weighed optimists and lifted in all regions except capital cities (slightly lower). 18-29 year olds remain the most optimistic about their financial position in the next year (+22%) and those over 50 much less so (around -25%). Fewer men are pessimistic about the future than women (-4% vs. -9%). More higher incomes also expect to be better off (+9%), but in the lower income group worse off (-23%).

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



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

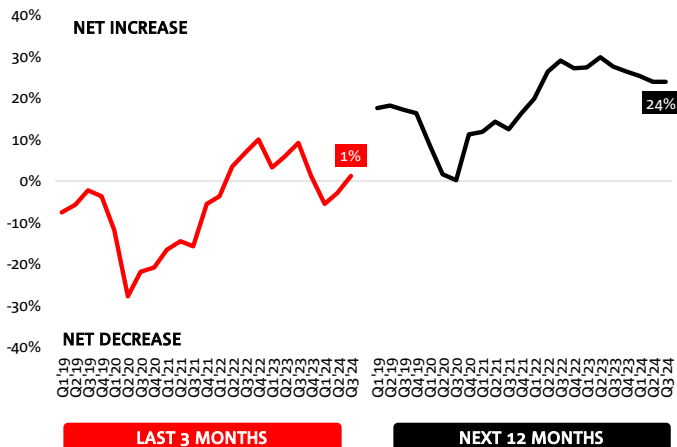


The impact of income, savings and debt

Despite very slow economic growth confirmed in the Q2 National Accounts, employment growth has stayed positive over recent months. Nonetheless, the unemployment rate has gradually risen reflecting the strength of population growth and record participation. Against this backdrop, the net number of Australians who said their incomes or pay increased in the September quarter outweighed those who said it fell (+1%), reversing the situation in the previous quarter where more said their incomes had fallen (-3%). On balance, more men (+4%), 30-49 year olds (+4%), over 65s (+8%) and people in the higher income group (+11%) said their incomes increased in the last 3 months, whereas more said it had fallen in all other groups.

Looking forward, an unchanged +24% on balance expect their incomes to increase in the next 12 months. Expectations were unchanged for women (+22%) and men (+25%). Age groups under 50 were a little more positive, but over 50 a little less so. Expectations however improved among Australians in both the lower (+15% vs. +13%) and higher (+37% vs. +33%) income groups- see table below.

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

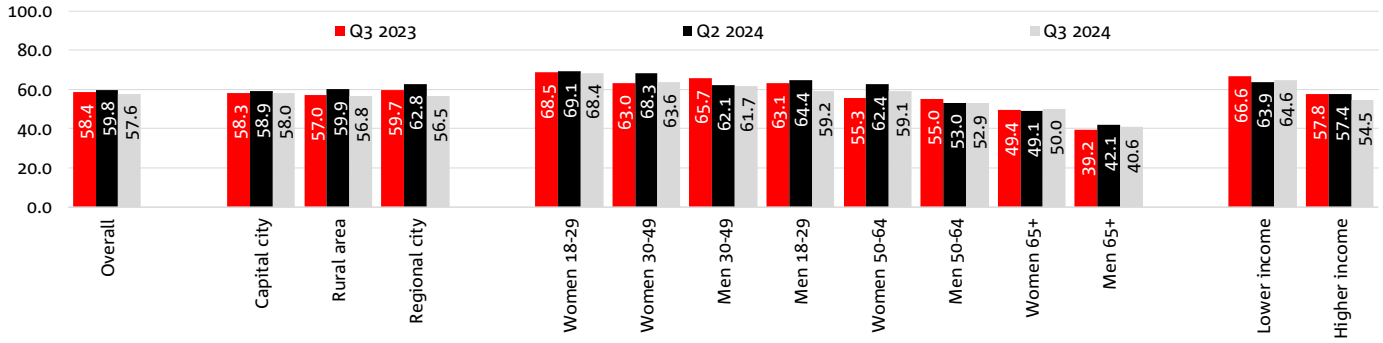


What happened/will happen to your level of household income (net balance)

	Last 3 months	Next 12 months
Women	-2% (-7%)	+22% (+22%)
Men	+4% (+1%)	+25% (+25%)
Age 18-29	-6% (-7%)	+38% (+35%)
Age 30-49	+4% (-4%)	+30% (+28%)
Age 50-64	-4% (-6%)	+14% (+17%)
Age 65+	+8% (+4%)	+10% (+13%)
Lower income	-11% (-10%)	+15% (+13%)
Higher income	+11% (+3%)	+37% (+33%)

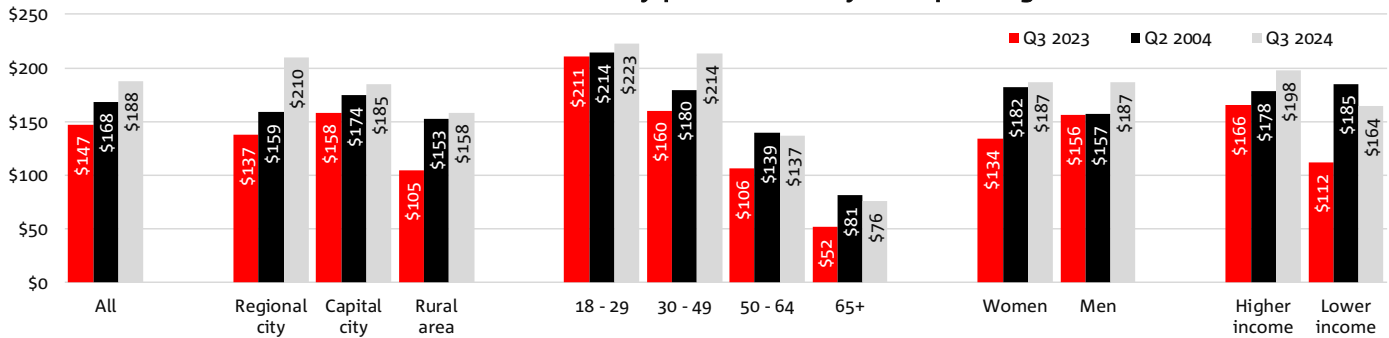
*Figures in parentheses previous quarter

Level of concern over your income (100 = extremely concerned)



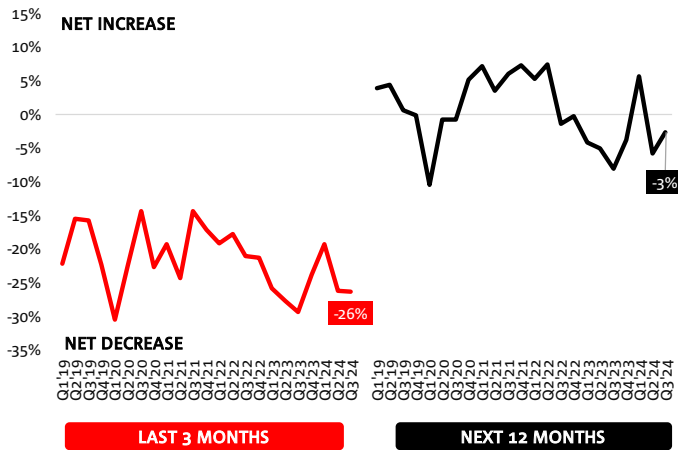
With more Australians indicating their income had risen in the past 3 months, they were also less concerned over their income or pay. When asked to score their concern, they scored 57.6 pts in Q3 (down from 59.8 pts in Q2 and 58.4 pts in Q3 2023) - its lowest level since Q1 2023. Concern fell in all regions ranging from 56.5 pts in rural areas to 58.0 pts in capital cities. Though it also fell in all gender and age groups (except for women over 65), women continue to report higher concern than men in each age group. Income stress increased in the lower income group (64.6 pts up from 63.9 pts in Q2) but fell in the higher income group (54.5 pts vs. 57.4 pts).

How much extra money per week are you expecting?



Australians who expect their incomes to increase also expect to receive more. When asked to estimate by how much they expected their weekly income to rise, average expectations increased to \$188 (\$168 in Q2). Expectations were higher in all regions, led by regional cities (\$210), and in all age groups except the over 65s, with expectations falling in each age group from \$223 among 18-29 year olds to \$76 in the over 65 age group. Women and men expect to receive more (\$187). Whereas expectations increased in the higher income group (\$198 vs. \$178), they were scaled back in the lower income group (\$164 vs. \$185).

What happened/will happen to your 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	-32% (-31%)	-7% (-5%)
Men	-21% (-21%)	+1% (-6%)
Age 18-29	-18% (-22%)	+30% (+20%)
Age 30-49	-24% (-28%)	+2% (-5%)
Age 50-64	-37% (-30%)	-20% (-21%)
Age 65+	-28% (-23%)	-26% (-19%)
Lower income	-45% (-31%)	-19% (-18%)
Higher income	-14% (-20%)	+13% (+4%)

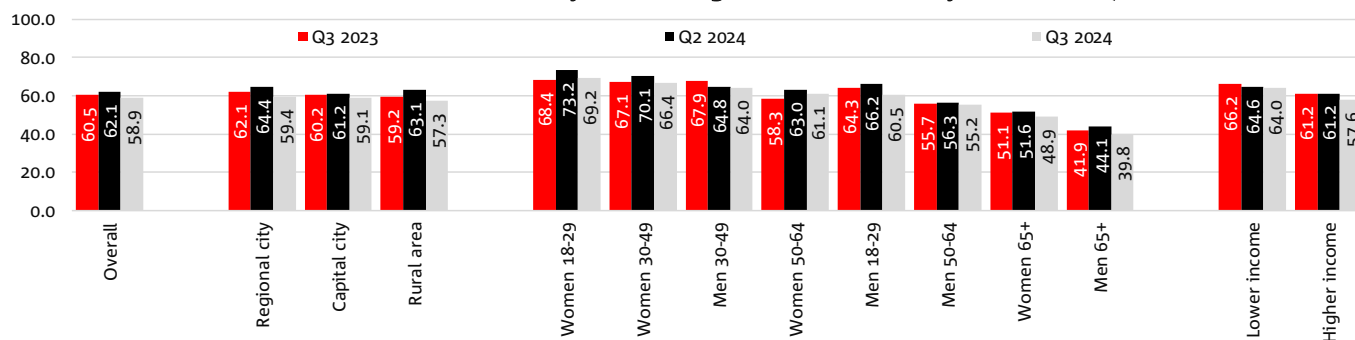
*Figures in parentheses previous quarter

Savings aspirations among Australians were very high and inched up in Q3, with 77% indicating they tried to save (76% in Q2). Aspirations were highest for men 18-29 (91%) and lowest for men over 65 (61%) and fell with age for both men and women. Noticeably more people in the higher income group tried to save in Q3 (85%) than in the lower income group (65%)

Savings remained under pressure in Q3 with an unchanged -26% on balance indicating they fell in the last 3 months. Broadly unchanged numbers of men and women also said they fell. While fewer people under 50 indicated their savings fell compared to the previous quarter, we noted sharp rises in age groups over 50 who said their savings fell. The survey also showed a somewhat higher number in the lower income group who ran down their savings (-45% vs. -31%) but a lower number who did in the higher income group (-14% vs. -20%).

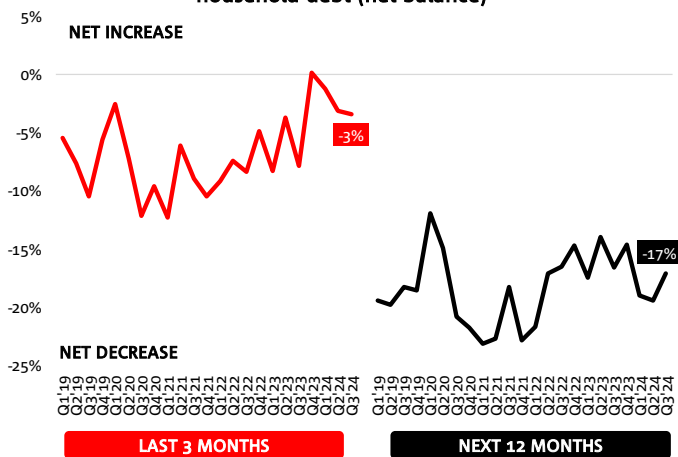
Australians are more optimistic about their future savings, with the net number expecting falling (-3% vs. -6% in Q2). Women were more pessimistic (-7% vs. -5%) but men more optimistic (+1% vs. -6%). More 18-29 (+30% vs. +20%) and 30-49 (+2% vs. -5%) year olds expect savings to rise then fall, whereas more in age groups over 50 expect to run down their savings. A basically unchanged -19% in the lower income group believe their savings will fall, but noticeably more in the higher income group rise (+13% vs. +4%).

Level of concern over your savings 100 = extremely concerned)



Despite still eating into their savings in Q3, Australians were less concern over their savings, easing to 58.9 pts after rising to a survey high 62.1 pts in Q2 to stand at its lowest level since Q1 2023. Savings concern fell in all regions but remained highest in rural areas (59.4 pts). It fell in all gender and age groups and ranged from 69.2 pts for women 18-29 to 39.8 for men over 65. Women however still report higher concern over their savings than men in age groups. Concern was also lower for Australians in lower (64.0 pts) and higher (57.6 pts) income groups. Concern over savings however is still higher than for incomes (58.9 pts vs. 57.6 pts).

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% (+1%)	-17% (-18%)
Men	-6% (-8%)	-17% (-21%)
Age 18-29	-3% (0%)	-14% (-23%)
Age 30-49	-1% (-2%)	-21% (-23%)
Age 50-64	-1% (-5%)	-17% (-15%)
Age 65+	-10% (-7%)	-14% (-14%)
Lower income	+2% (+2%)	-12% (-12%)
Higher income	-7% (-7%)	-22% (-27%)

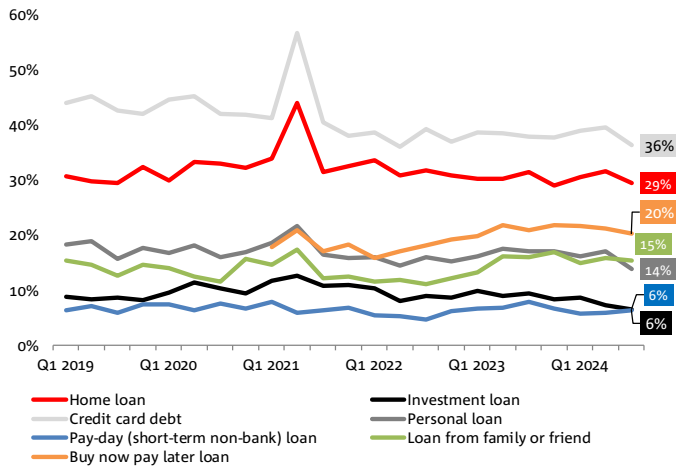
*Figures in parentheses previous quarter

On balance, an unchanged number of Australians reduced their household debt levels in Q3. When asked how they had changed in the past 3 months -3% said it decreased (i.e., the number who said it fell out-weighed those who said it increased). In net terms, outcomes did not vary materially for women (-1% vs. +1%) or men (-6% vs. -8%). Debt levels fell in all age groups, with the over 65s leading the way (-10%). There was no change in lower (+2%) or higher (-7%) income groups.

When asked what they expect to happen to debt levels in the next 12 months, the net number who said it will decrease fell to -17% (-19% in Q2). Fewer women (-17% vs. -18%) and men (-17% vs. -21%) expect debt levels to fall. Fewer people aged 18-29 (-14% vs. -23%) and in the higher income group (-22% vs. -27%) also anticipate lower household debt levels over the next year.

Credit card debt is the most commonly debt held debt by Australians (40%), followed by home loans (32%), BNPL (21%), personal loans (17%), loans from family or friends (16%), investment loans (7%) and pay day loans (6%). Credit card debt was held by noticeably more men (43%), in age groups over 30 and in the higher income group (44%). Home loans were much more prevalent among 30-49 year olds (47%) and the higher income group (49%). Noticeably more women (26%) and 18-29 and 30-49 year olds (28%) had BNPL debt in Q3, while personal loans (27%), loans from family or friends (27%) and pay day loans (10%) were much more common among 18-29 year olds. The highest number with investment loan debt were in the 30-49 (11%) and higher income group (12%) - see chart and table below.

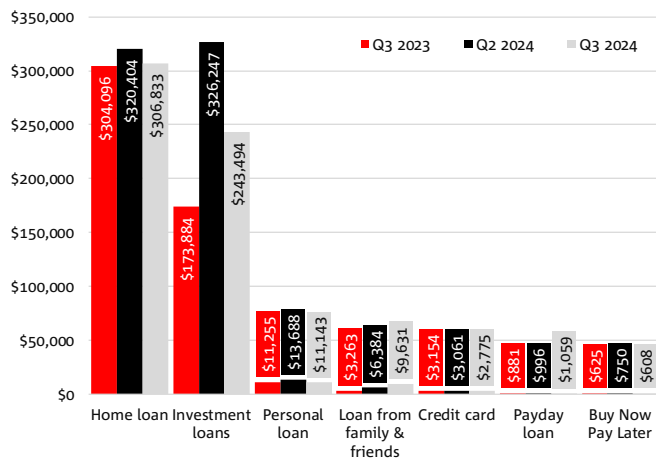
Types of debt currently held



Type of debts held (Q3 2024)

	Credit card	Home loan	BNPL	Pers. loan	Family /friend	Invest loan	Pay-day
All	40%	32%	21%	17%	16%	7%	6%
Women	37%	31%	26%	18%	17%	7%	7%
Men	43%	32%	16%	16%	14%	7%	5%
18-29	23%	26%	28%	27%	27%	6%	10%
30-49	42%	47%	28%	22%	19%	11%	7%
50-64	45%	33%	19%	14%	9%	6%	4%
65+	47%	11%	6%	2%	6%	4%	1%
Low Inc	28%	13%	19%	10%	19%	4%	7%
High Inc	44%	49%	22%	20%	14%	12%	5%

Loan amounts outstanding



Australians holding with these debts in Q3 were asked to estimate how much was outstanding on each of them. It was highest for home loans (\$306,833), followed by investment loans - though investment loan holdings were revised down sharply to \$243,494 (\$326,247) in the previous quarter.

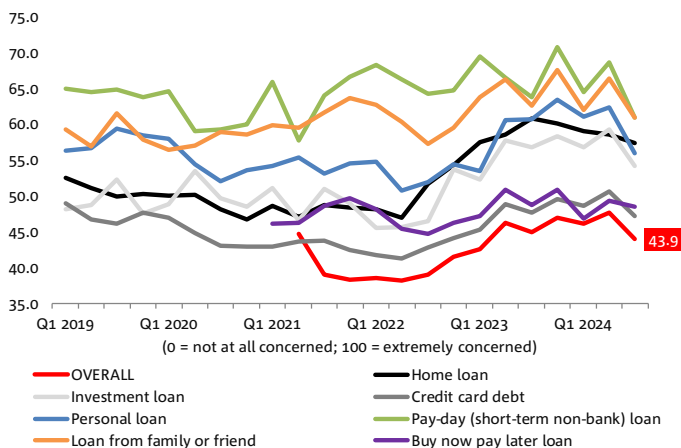
Outstanding balances on personal loans fell somewhat to \$11,143 from \$13,688 in Q2, but loans to family or friends increased to \$9,631 (\$6,384 in Q2). Loan balances did not change materially for credit cards (\$2,775 vs. \$3,061) but holdings were higher for payday loans (\$1,059 vs. \$996) and lower for BNPL (\$608 vs. \$750).

Outstanding loan balances were much higher in the 30-49 age group for most types of debt, except loans from family or friends (over 65s) and payday loans (50-64 year olds). Women also estimated higher outstanding loan balances on all types of debt except for credit cards.

Current outstanding balances on loans: Q3 2024

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Home loan	\$306,833	\$311,887	\$385,686	\$205,383	\$113,146	\$296,362	\$318,151	\$134,294	\$380,340
Investment loan	\$243,494	\$31,745	\$361,713	\$239,093	\$115,870	\$173,850	\$328,419	\$29,045	\$318,647
Personal loan	\$11,143	\$10,771	\$14,402	\$7,719	\$4,048	\$10,888	\$11,632	\$2,567	\$15,902
Loan from family & friends	\$9,631	\$2,570	\$7,115	\$5,724	\$18,882	\$4,546	\$5,667	\$3,142	\$6,433
Credit card	\$2,775	\$1,563	\$3,023	\$3,371	\$2,582	\$2,834	\$2,710	\$2,578	\$3,083
Payday loan	\$1,059	\$829	\$858	\$1,695	\$514	\$747	\$1,061	\$817	\$815
Buy now pay later (BNPL)	\$608	\$470	\$815	\$583	\$372	\$677	\$566	\$392	\$667

Level of concern over debts held



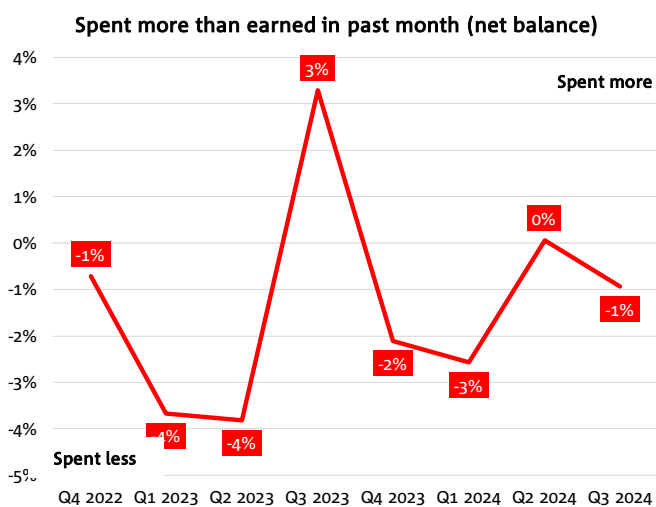
Australians holding debt were asked to score the level of concern they had for their overall debt. In Q3, it fell to 43.9 pts after rising to a survey high 47.6 pts in Q2. It was also much lower than concern over their savings (58.9 pts) and income (57.6 pts). Lower concern was reported for all debt types, particularly payday loans (60.9 pts vs. 68.5 pts in Q2), personal loans (55.9 pts vs. 62.3 pts), loans from family or friends (60.9 pts vs. 66.4 pts) and investment loans (54.2 pts vs. 59.3 pts)

Overall concern fell for women (46.5 pts vs. 52.3 pts) and men (41.4 pts vs. 42.8 pts). They also reported lower concern for all debt types, bar home loans (men). Concern fell sharply in all age groups, led by 18-29 year olds (43.0 pts vs. 51.3 pts), with lower concern for all types of debt except payday loans and BNPL (50-64 group) and loans from family or friends (over 65s). Overall concern also fell in higher and lower income groups and for all debts, except home loans (lower income).

Concern over debts held Q3 2024: gender, age & higher/lower income

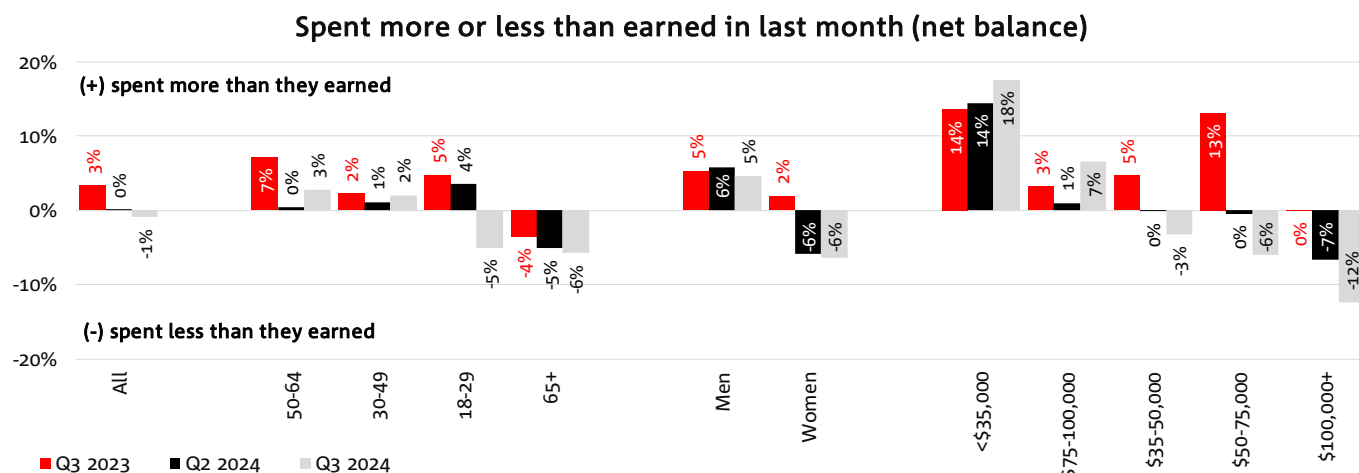
	All	Women	Men	18-29	30-49	50-64	65+	Lower income	Higher income
Loan from family or friend	60.9	65.1	56.3	51.4	62.4	75.4	74.2	64.4	57.1
Pay-day (short-term non-bank) loan	60.9	66.3	55.1	55.0	62.0	71.3	75.7	51.7	51.9
Home loan	57.3	57.7	56.7	56.3	60.8	54.2	45.2	71.5	54.4
Personal loan	55.9	61.8	50.5	55.8	60.1	49.2	42.3	49.9	48.6
Investment loan	54.2	55.7	52.6	53.7	61.5	46.8	24.8	30.9	51.3
Buy now pay later loan	48.4	49.2	48.0	50.5	52.5	43.4	32.0	49.4	43.6
Credit card debt	47.1	49.8	44.6	50.6	53.0	47.0	35.0	48.5	45.2
Overall debts	43.9	46.5	41.4	43.0	54.0	42.9	26.9	45.0	44.7

Spending more than earning?



To better understand financial stresses Australian’s face, we also asked 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 than they earned slightly exceeded those that spent more in Q3 (-1%) after offsetting each other in Q2 (0%).

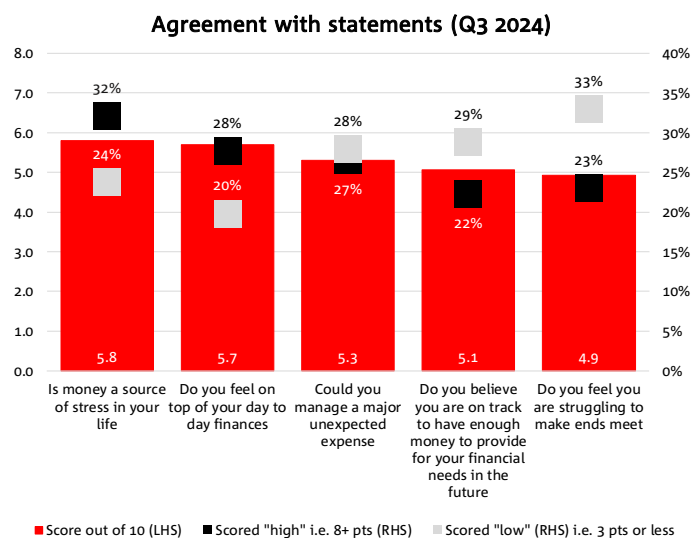
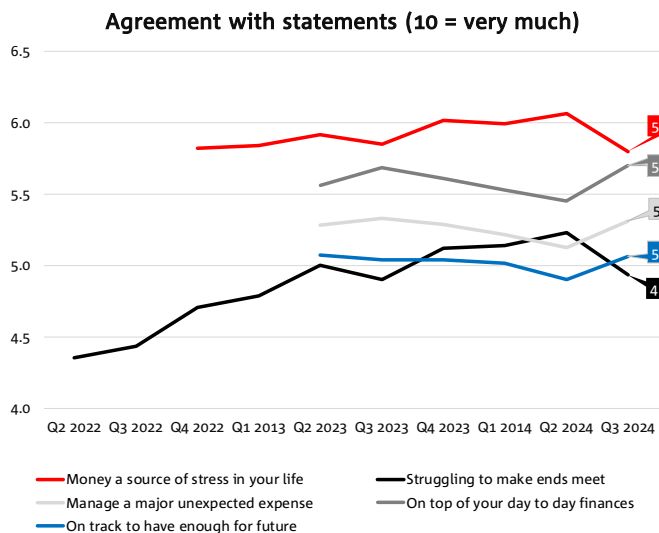
The number who spent more than they earned exceeded those who spent less in most age groups (ranging from +2% in the 30-49 group to +4% in the 18-29 group), except the over 65s (-6%). More men spent more than they earned (+5%) and women less (-6%). Trends varied widely across income groups. Those who spent more outweighed those who spent less in the lowest (+18%) and \$75-100,000 (+7%), groups, but those who spent less outweighed those who spent more in \$100,000+ (-12%), \$50-75,000 (-6%) and \$35-50,000 (-3%) income groups.



How Australians feel about money & their finances

In this section, we explore how Australians feel about key aspects of their finances by asking them to rate 5 statements: To what extent “is money a source of stress in your life”, “do you feel you’re struggling to make ends meet”; “could you manage a major household expense”; “feel on top of your day to day finances” and, “believe you’re on track to have enough money to provide for your future financial needs.” Responses are scored from 0-10 pts where 0 is not at all and 10 very much.

The Q3 survey suggest Australians are feeling a little more comfortable about their relationships with money. Money caused less stress in their daily lives, with Australians scoring the extent they agreed with the statement “money is a source of stress in your life” 5.8 pts out of 10 (down from 6.1 pts in Q3). They also felt in greater control of their daily finances, scoring a higher 5.7 pts (5.5 pts in Q3), and felt better equipped to manage a major unexpected expense (5.3 pts up from 5.1 pts). They were also a little more confident about have enough money to provide for their financial needs in the future (5.1 pts up from 4.9 pts) and felt less like they were struggling to make ends meet (4.9 pts down from 5.2 pts).



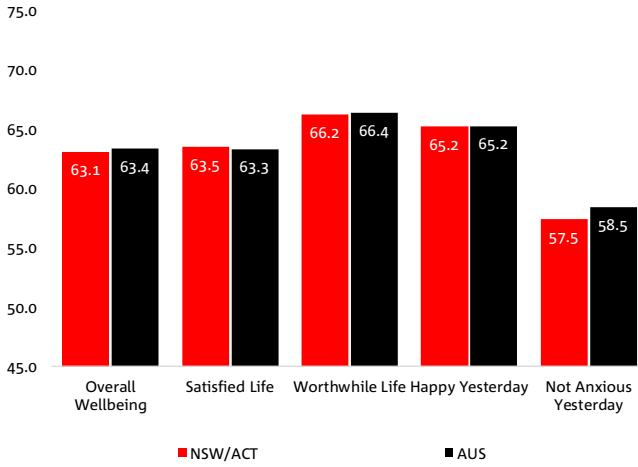
They were also a little more confident about have enough money to provide for their financial needs in the future (5.1 pts up from 4.9 pts) and felt less like they were struggling to make ends meet (4.9 pts down from 5.2 pts). But average still hide large numbers of Australians severely challenged by these aspects of their finances. In Q3, around 1 in 3 (32%) scored money as a source of stress in their lives “very high” though this fell from 37% in Q3. While still impacting many Australians, it was also pleasing to find lower numbers struggling “very much” to make ends meet (23% vs. 29% in Q2), who scored “very low” about feeling on top of their finances (20% vs. 25%), scored “very low” for being able to manage a major unexpected expense (28% vs. 31%) or “very low” about being on track to have enough in the future (29% vs. 32%).

Percentage of Australians who scored statements “very low” & “very high” (Q2 2024)

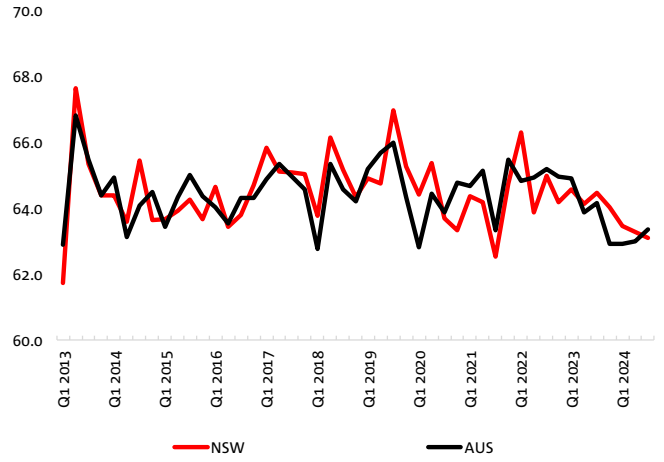
	Money a source of stress in your life		Feel you’re struggling to make ends meet		Extent you manage major unexpected expense		Feel on top of your day to day finances		On track to have enough money for your future	
	Very Low	Very High	Very Low	Very High	Very Low	Very High	Very Low	Very High	Very Low	Very High
All Australians	24%	32%	33%	23%	28%	27%	20%	28%	29%	22%
18-29	15%	31%	26%	18%	28%	27%	18%	17%	23%	16%
30-49	15%	41%	25%	29%	28%	18%	21%	25%	30%	20%
50-64	27%	33%	35%	26%	28%	25%	22%	32%	35%	24%
65+	43%	19%	52%	15%	30%	34%	18%	38%	27%	30%
Men	26%	27%	34%	20%	26%	27%	19%	28%	27%	22%
Women	22%	16%	31%	27%	30%	26%	21%	27%	31%	22%
Lower income	16%	43%	22%	36%	42%	19%	29%	21%	43%	13%
Higher income	25%	27%	38%	18%	20%	31%	14%	31%	20%	26%

Appendix 1: NAB Wellbeing Index: States

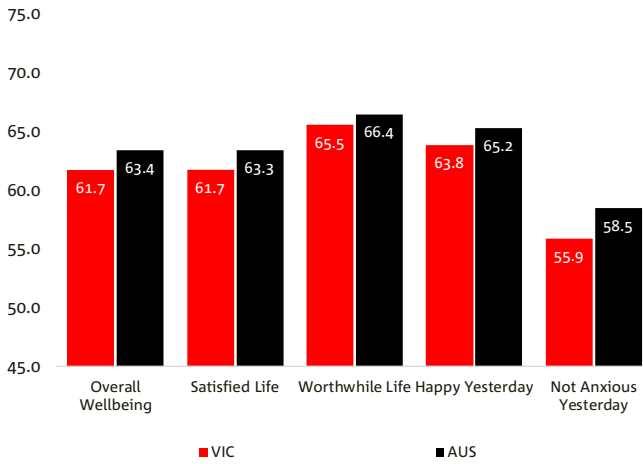
Wellbeing: NSW/ACT Q3 2024



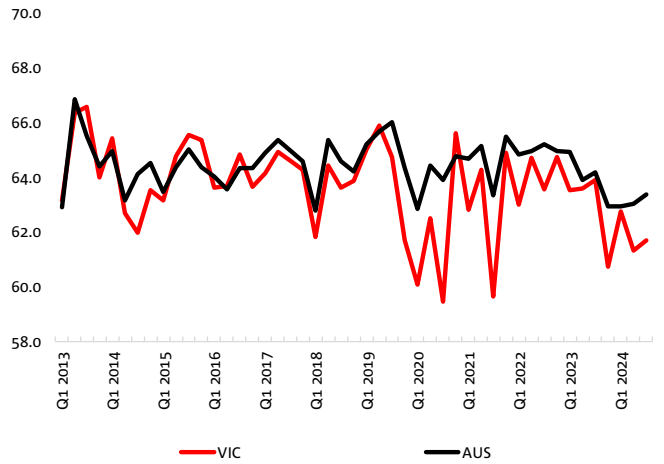
Wellbeing: NSW/ACT



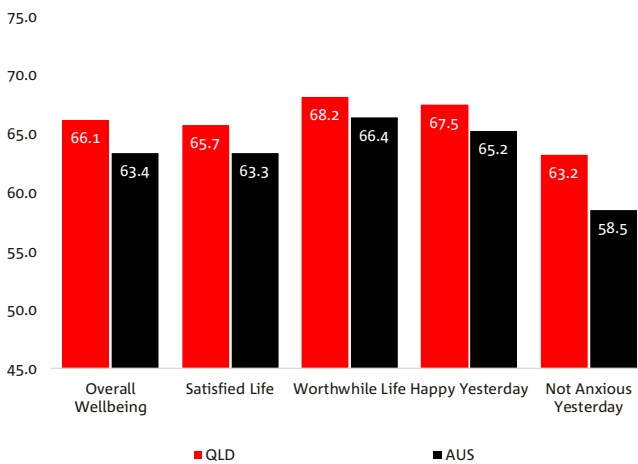
Wellbeing: VIC Q3 2024



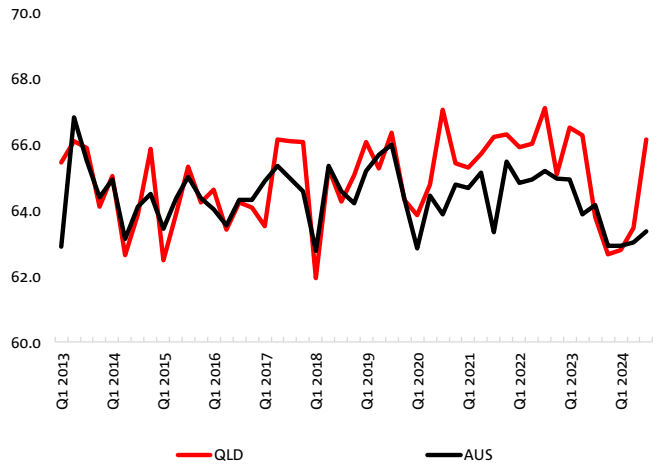
Wellbeing: VIC



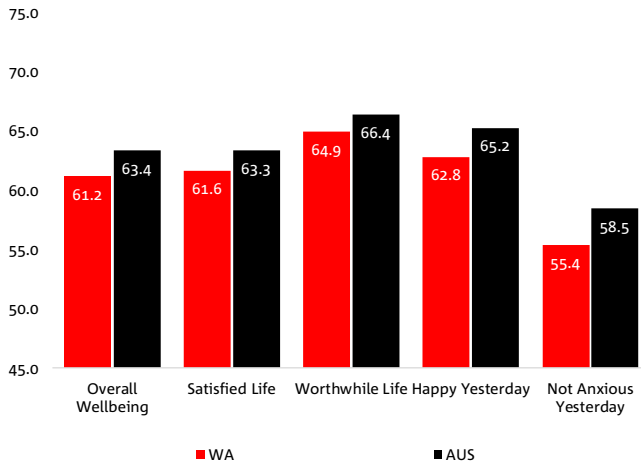
Wellbeing: QLD Q3 2024



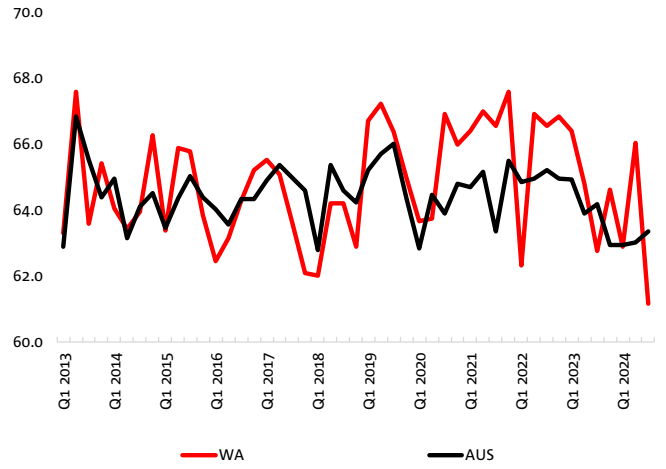
Wellbeing: QLD



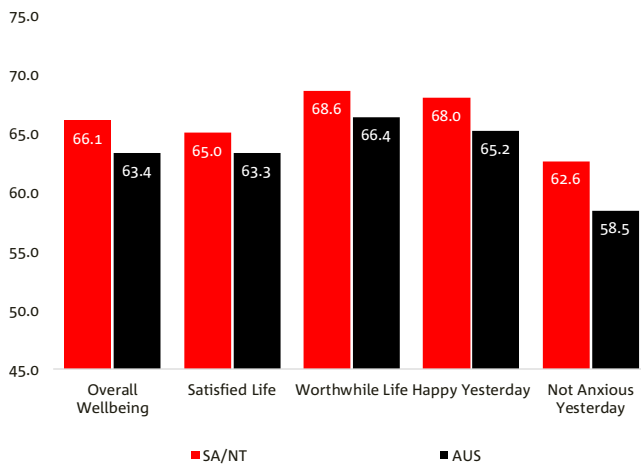
Wellbeing: WA Q3 2024



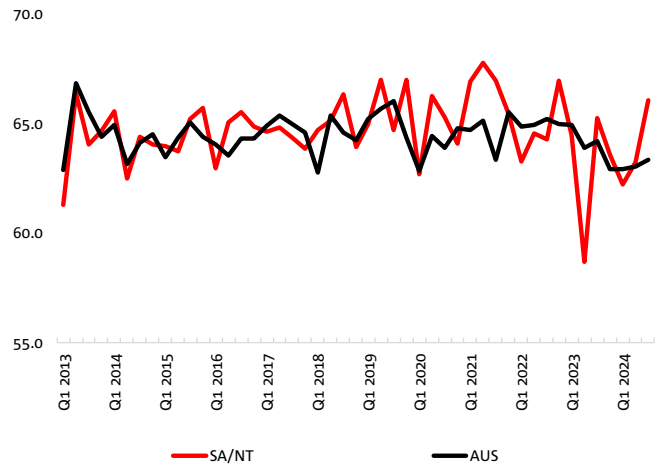
Wellbeing: WA



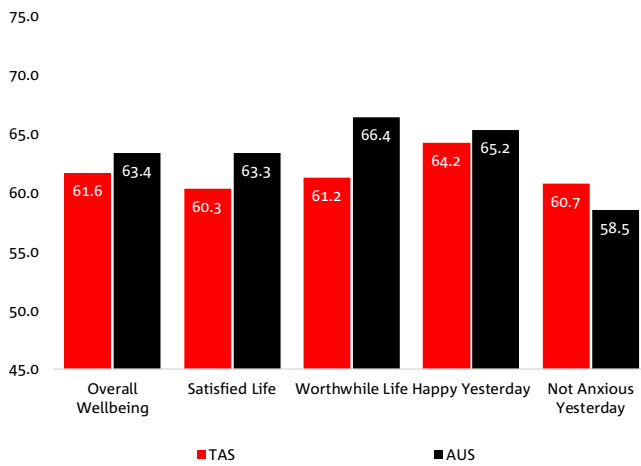
Wellbeing: SA/NT Q3 2024



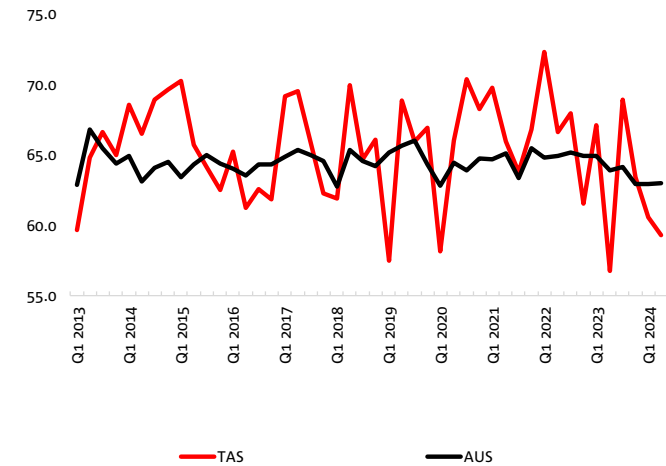
Wellbeing: SA/NT



Wellbeing: TAS Q3 2024

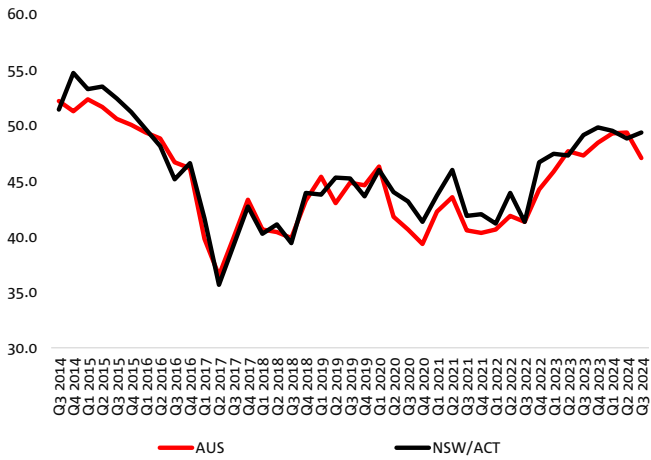


Wellbeing: TAS

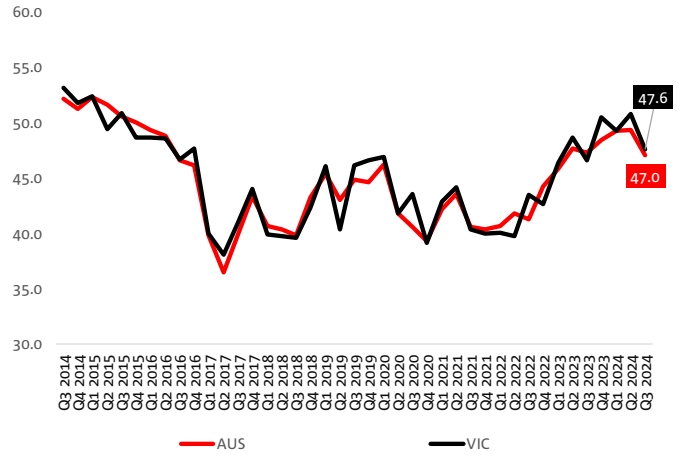


Appendix 2: Financial Stress Index: States

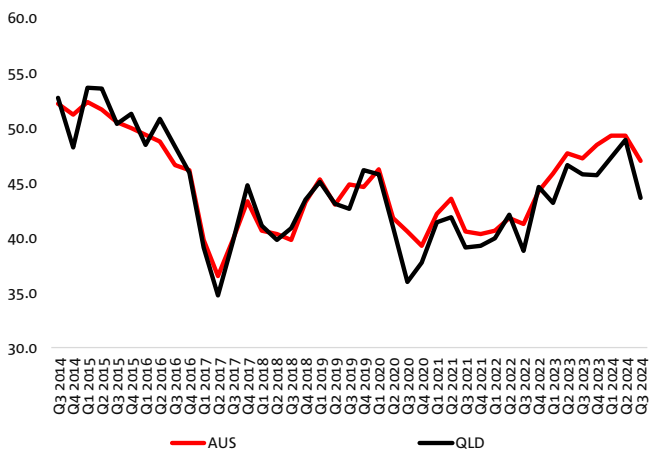
NAB Financial Stress Index: NSW/ACT



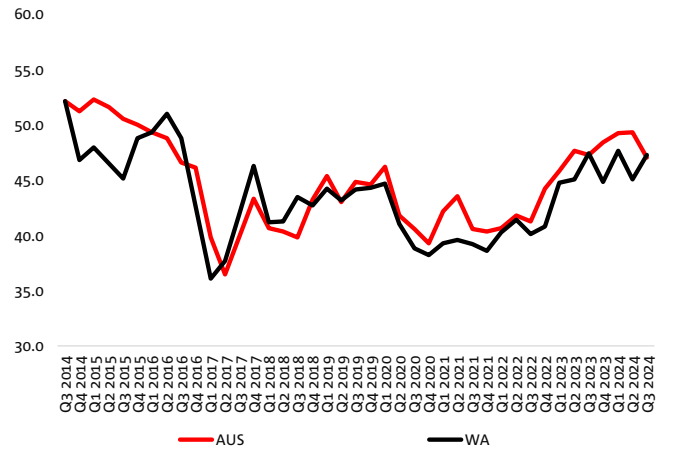
NAB Financial Stress Index: VIC



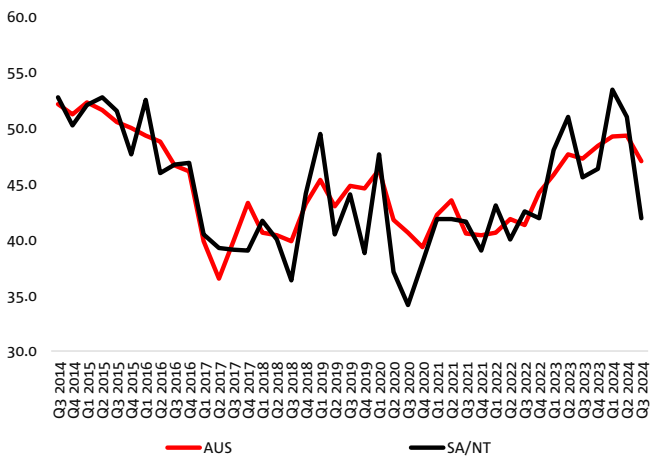
NAB Financial Stress Index: QLD



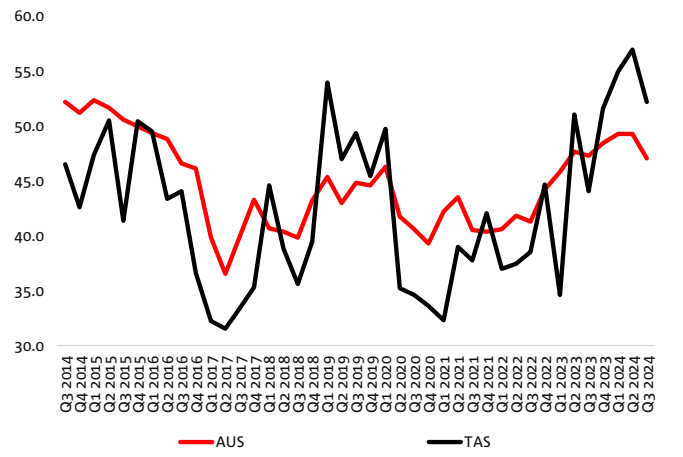
NAB Financial Stress Index: WA



NAB Financial Stress Index: SA/NT



NAB Financial Stress Index: TAS



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