

more  
than  
money



# **NAB Australian Wellbeing Survey**

## **Summary Q1-2025**



# NAB Australian Wellbeing Survey Q1-2025

**The NAB Wellbeing Index has fallen to a new survey low amid a growing number of Australians feeling less optimistic about the future.** Australians are also clear on the key issues they believe all political parties should focus on during the upcoming election: cost of living, affordable, high quality healthcare and housing, a stable and strong economy, and reliable and reasonably priced energy. Household financial stress rose for the second straight quarter. Funding retirement remains the key concern. Over 1 in 2 of Australian believe they will need to work longer to retire comfortably. On average, Australians think they will have \$705,000 for retirement, but will need \$1.032 million, a shortfall of \$327,000. Over 1 in 3 of us view money as a very significant source of stress in our lives. Most Australians are trying to spend less and save more. As uncertainty rises, labour mobility has slowed. Time spent working from home has also fallen to a survey low. Any significant uplift in wellbeing is likely to increasingly depend on Australians feeling more in control of their lives, particularly their finances.

NAB Behavioural & Industry Economics

April 2025

**The NAB Wellbeing Survey explores how Australians feel about their lives in response to changing economic and social conditions and personal finances. Economists are often focussed on how the economy is measured while paying less regard to how people ‘experience’ the economy. People feel good or bad for very real reasons. You just have to ask. In this update, and ahead of the May federal election, we asked Australians what they believed are the 5 key issues all parties should be focussed on. And with funding retirement such a key source of concern for most people, how much they think they will have for retirement, how much they will need and if as a result they will have to work longer? We also update the average time Australians spend working from home and what are their expectations a year from now. The survey pre-dates recent rapid shifts in US government policies.**

**Wellbeing levels in Australia fell to a new survey low in the March quarter.** This reflected a decline in Australians collective sense of life worth, life satisfaction and happiness. Wellbeing remains lowest in VIC but has fallen most in QLD. It remains lowest by a considerable margin among those on low incomes. Despite falling, men continue to report higher wellbeing than women. Australians over 65 reported the biggest drop in wellbeing but are still highest overall. Wellbeing also fell noticeably for 30-49 year olds, overtaking 18-29 year olds as the lowest wellbeing group by age. These latest results are lower than what we recorded when a large proportion of the population was in lockdown during the pandemic.

**Many are also feeling less optimistic about the future.** The share of the population feeling optimistic about the future fell to a survey low 21%, and the number of pessimists reached a survey high 32%. Being an optimist means much more than simply being positive. The Centre for Optimism defines it as “an expectation that good things will happen and that things will work out in the end” (for more on optimism please see the companion report to this quarters Wellbeing Survey: *NAB Australian Wellbeing Insights April 2025 - Optimism*). Optimistic individuals and communities are more likely to take risks, problem solve, invest in new ideas, build stronger relationships and cope better with adversity. Optimism is also aligned with income - it rises from 14% among those in the lowest income group to 26% among those on high incomes, though this group also saw optimism fall. 4 in 10 Australians also believe their quality of life will fall over the next 12 months and many fear their quality of life is not keeping pace with others. Australians are coming off several tumultuous years so it may simply be it has become harder to believe there will be respite. But it also appears external factors - economic, cultural, environmental, and political - are affecting people more. These factors need to be acknowledged. Perhaps there is also a need for more uplifting stories, both now and about the future.

**Life satisfaction continues to fall in some key areas.** It remains highest for education, followed by personal safety, family and housing. Other more highly rated factors include social health & relationships, community and life meaning. Satisfaction remains lowest for Government and the economy. Money and finances also feature prominently with satisfaction relatively low for our ability to fund retirement, overall financial position and household income. Satisfaction with management of the environment is also lower. Most telling is the substantial decline in satisfaction over the past year in areas such as social health & relationships with others, life having meaning, mental health & emotional wellbeing, feeling in control, overall financial position and state Governments. Significant numbers of Australians are also unsure about the year ahead.

**Australians are clear on the key issues the nation needs to address.** Ahead of the May federal election, we asked Australians what they believed were the 5 key issues all parties should focus on. Living costs are clearly seen as the biggest challenge topping the list for 7 in 10 Australians. Over 4 in 10 also wanted a focus on access to affordable and quality healthcare and

housing affordability, around 1 in 3 on the economy and 1 in 4 access to reliable and affordable energy. About 1 in 5 said taxes and other Government fees and charges, the level of migrant intake, safety and security, the environment, income levels, aged care and law and order. Areas seen as of lowest priority include the quality of telecommunications, childcare, diversity and natural disasters. Priorities did however differ across states & territories, regions, age and gender. For example, people in VIC and QLD elevated safety to their top 5 issues, in the ACT and TAS, the environment, in WA immigration and aged care, and in the NT immigration and the environment.

**Financial stress rose for the second straight quarter and is well above the long-term average.** Not having enough for retirement is still the main contributor (and by a large margin). It also rose sharply. This was followed by providing for our family's future, non-essentials, home improvements & maintenance, medical bills & healthcare, major household items, mortgage, rent & housing costs, children's education, other monthly household expenses, raising \$2,000 for an emergency, normal monthly utility bills and personal loan repayments. Being unable to meet minimum credit card repayments caused the least financial stress by a considerable margin followed by food & necessities.

**Financial stress increased in both the lower and higher income groups.** Stress however remains much higher for all index components among those on lower incomes, particularly being able to raise \$2,000 for an emergency, food & necessities and normal monthly utility bills. Lower income households spend a much larger portion of their income on housing and other essentials. Without a savings buffer, these households can experience more severe financial pain. Household financial stress increased in all states bar WA. It was highest in VIC. On balance, the share of Australians who said they felt worse off was unchanged at -26% (lower than at the same time last year when it was -31%). An unchanged number of Australians expect to be worse off in 12 months' time (-3%).

**Over 1 in 3 of us view money as a very significant source of stress in our lives.** 1 in 4 Australians also believe they are really struggling to make ends meet. In addition, around 3 in 10 believe there is a very low chance they could manage a major unexpected expense, or that they are on track to have enough money in the future. 1 in 4 also strongly believe they're not on top of their finances (25%).

**Australians believe they will need to work longer to retire comfortably.** With retirement funding the key financial stress for most Australians, we asked them if over the past 12 months they had changed their view on how long they would need to work to retire comfortably. Over 1 in 2 (54%) of us said we would need to work longer. Only 3% need to work less. Clearly, easing into retirement has become more problematic for a significant number of Australians over the past year. This is true across all age groups, with just over 4 in 10 (42%) over 65s believing they will now need to work longer to retire comfortably, rising to 60% among 18-29 year olds. Around 6 in 10 (59%) women believe they will need to work longer, compared to around 1 in 2 (49%) men. Very few women (3%) or men (4%) however believe they will need to work less.

**There is a sizeable gap between how much people think they will have in retirement versus how much they believe they will need.** Australians themselves (or with their partner) think they will have \$705,000 for their retirement (excluding the family home), but believe they will need \$1.032 million, leaving a projected shortfall of \$327,000 in retirement. Men believe they will have much more (\$812,000) than women (\$587,000), but projections about how much they will need are much closer (\$1.09 million men; \$968,000 women).

**Australians are trying to spend less.** On balance, the number of Australians reporting that they spent more than they earned increased sharply (to -12% in Q1 vs. -3% in December). It also jumped sharply particularly in the over 65 (-27% vs. -7%) and 50-64 (-17% vs. -3%) age groups. When asked their expectations for their debt levels in the next 12 months, on balance a similar number of Australians expect them to decrease (-19% vs. -18%). Over 1 in 3 people were holding credit card debt (35%) in the March quarter, followed by home loans (28%), BNPL (20%), loans from family or friends (16%), personal loans (14%), investment loans (7%) and pay day loans (6%).

**Savings aspirations increased further.** Overall number of Australians trying to save increased to an above average 78% (vs. 75% in Q4). Though aspirations are high, on balance -25% of people also said their savings had decreased over the past 3 months. Overall, Australians expect their savings to fall in the next 12 months (unchanged at -2%). With many indicating their savings fell, the level of concern over their savings also inched up and remains somewhat higher than worries over their incomes. Women continue to report higher concern over their savings than men in all age groups.

**The level of concern over debt has also increased.** Credit card debt was most widely held in the 30-49 age group (39%) and nearly double the number in the 18-29 group (22%). Noticeably more 30-49 year olds also had BNPL debt (27%), whereas a lot more 18-29 year olds held personal loan debt (25%). Almost 1 in 10 (9%) 18-29 and 30-49 year olds also held pay day loan debt. Overall, outstanding balances on personal loans rose (\$15,329) but were lower for loans from family or friends (\$5,264), credit cards (\$3,153), payday loans (\$966) and BNPL (\$696). Concern for all types of debt increased in the March quarter, but lifted most for credit card debt, personal loans, BNPL and pay day loans. Across debt types, concern remains highest for pay day loans, followed by loans from family or friends and personal loans. It was lowest for BNPL loans and credit cards.

**Labour mobility has slowed over the past year.** Prior to the pandemic, job mobility rates in Australia over the last decade or two had been extraordinarily low compared to historical levels. Job switching remains elevated, however is slowing. The number of Australians reporting they had changed jobs within the past year stood at 21% (7% in the past 3 months and an additional 14% over the balance of the year). This is down from 25% at the same time last year. Job mobility remains much higher among younger workers. Almost 4 times more workers aged 18-29 (37%) have changed jobs in the past year compared to those aged 50-64 (9%). By industry, job change has been most evident in Mining (41%), Agribusiness (40%) and Hospitality (38%), and least common in Wholesale (4%) and Manufacturing (8%). Around 7 in 10 (71%) workers who said they changed jobs moved to a different organisation and 3 in 10 (29%) changed jobs within the same organisation - a trend that has been largely unchanged since we started tracking this data in mid-2023.

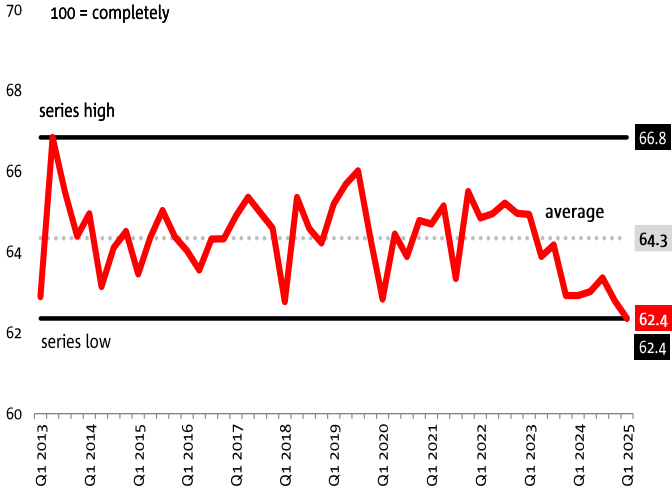
**A growing number of workers who have changed jobs are earning more.** On balance +31% of workers who changed said they earned more (up sharply from +18% in the previous quarter). The number workers considering leaving their current place of employment fell to 18% in the March quarter 2025 (vs. 21% in Q4 and 22% at the same time last year). Over 1 in 10 (13%) Australians report being very dissatisfied with their current job. Money is important but rarely the primary reason people want to leave a job. However if you ask people who have actually left their job why they did so, the number one reason is salary. Will money make an unhappy employee content - probably, but not for long. Anthony Klotz who coined the term Great Resignation notes that people often overlook the social capital in their current job, things like friends and reputation. They assume these things will be easily built up again when they move jobs, but often they're not.

**Working from home fell to a survey low, despite most workers wanting more.** NAB has been tracking the average amount of time Australians work from home since early-2022. Remote and hybrid working patterns have proved far more resilient than many employers predicted. That said, time spent working from home fell in the March quarter to an equal survey low average 29% of the working week, down from 38% in March 2022. When we asked Australians if they had a choice, how much time they would ideally like to spend at home, the figure rises to 47% of the work week (this is largely unchanged since we started compiling this data). The big question is: what happens next? While the prospect of stricter mandates for workplace attendance may increase as the jobs market softens, Australians are not anticipating much change. When asked what proportion of their working week they expected to be working from home in 12 months' time, overall Australians said they expected it to be about one-third (34%) of their work week - slightly more time working from home than they are doing now.

Key Charts

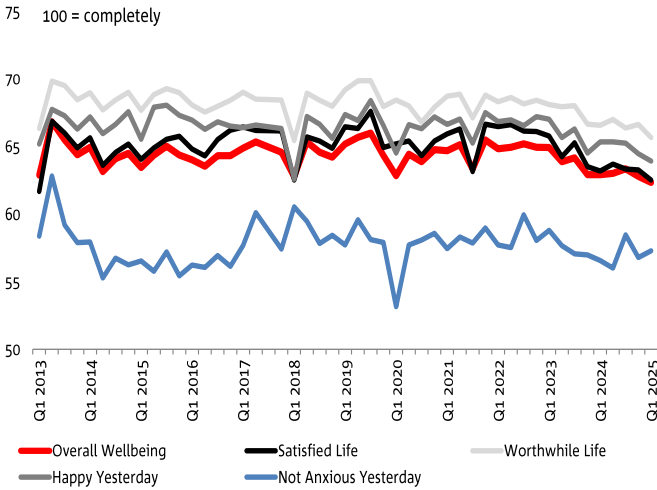
Wellbeing levels in Australia fell to a new survey low in the March quarter.

NAB Australian Wellbeing Index



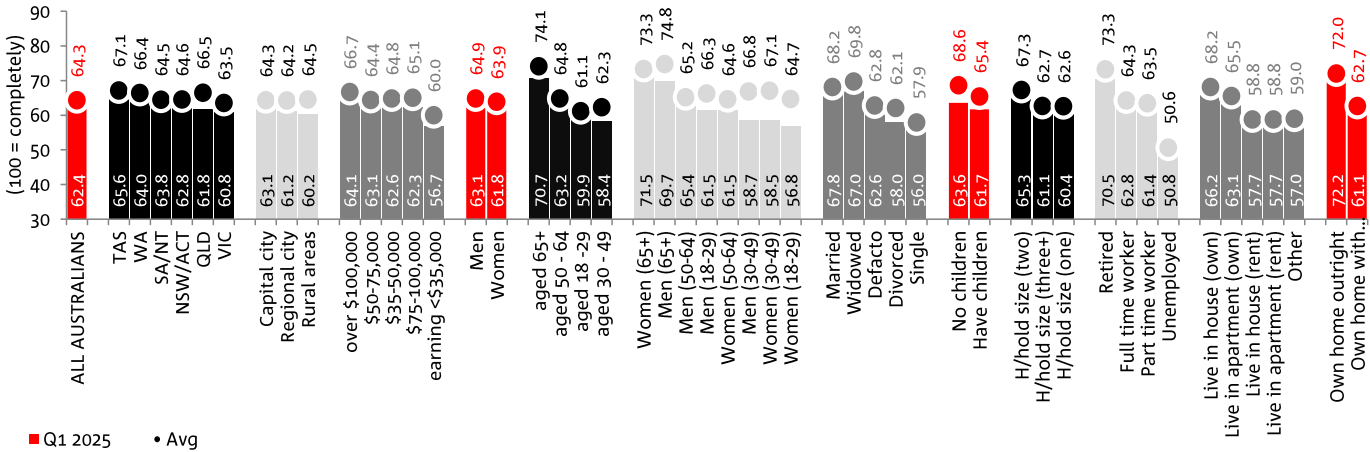
This reflected a decline in Australians collective sense of life worth, life satisfaction and happiness.

NAB Australian Wellbeing Index



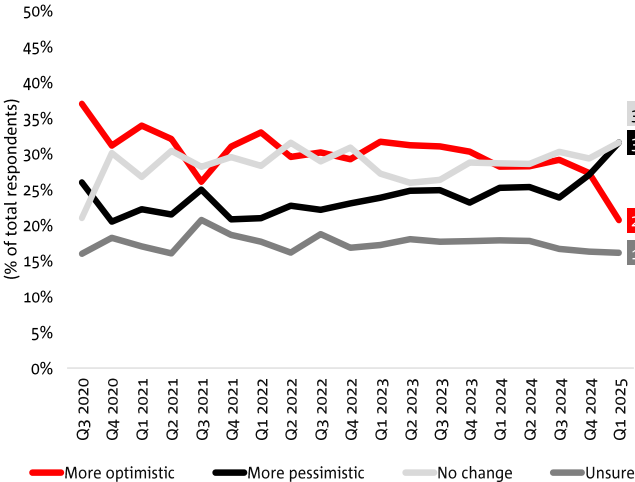
Wellbeing remains lowest in VIC but has fallen most in QLD. It remains lowest for those on low incomes. The over 65s reported the biggest drop in wellbeing but are still highest overall.

NAB Australian Wellbeing Index - all groups



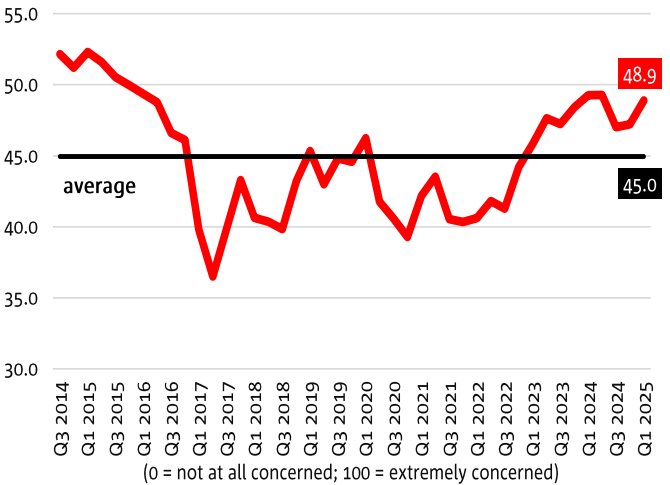
Many are also feeling less optimistic about the future.

How does thinking about the future in general make you feel?



Financial stress rose for the second straight quarter and is well above the long-term average.

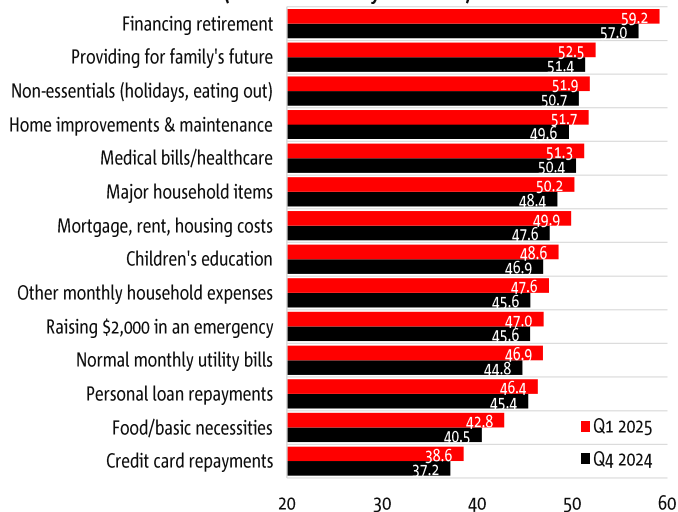
NAB Household Financial Stress Index





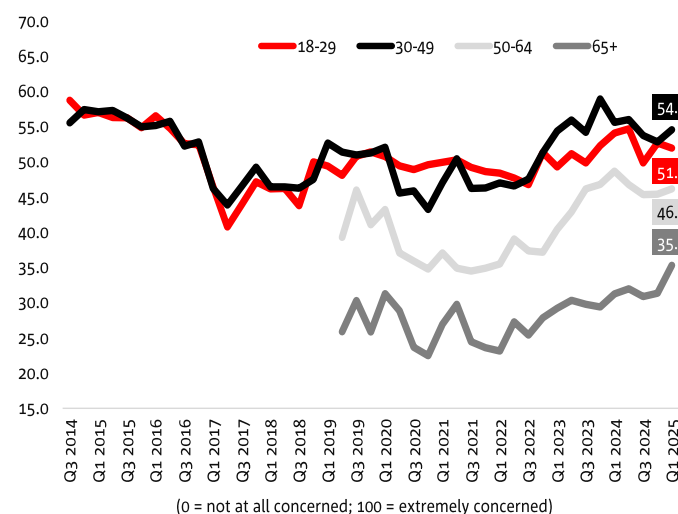
Not having enough for retirement is still the main contributor (and by a large margin). It also rose sharply.

Drivers of Household Financial Stress  
(100 = extremely stressed)



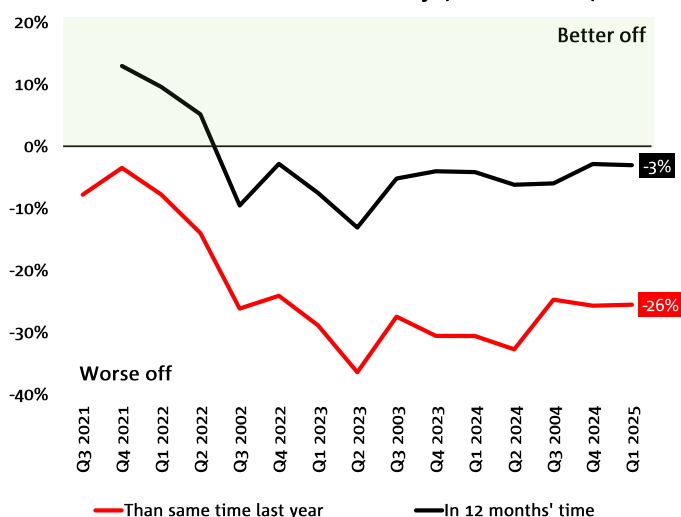
Stress remains highest and increased in the 30-49 group but increased most among the over 65s.

NAB Household Financial Stress Index: Age



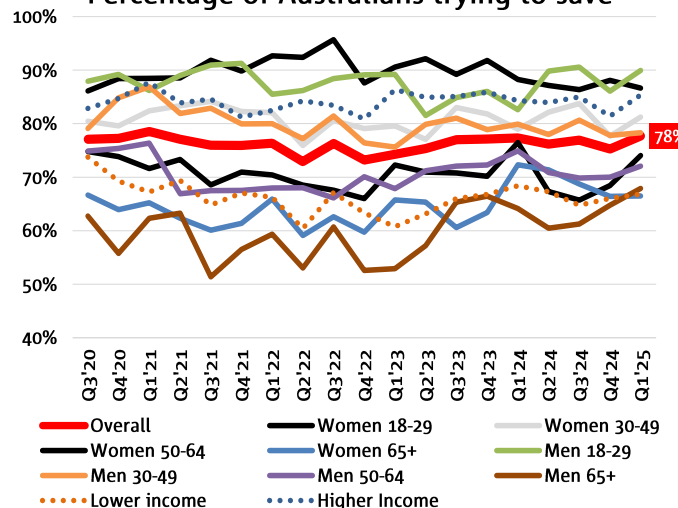
On balance around 1 in 4 Australians continue to feel worse off financially compared to the same time last year.

Better or worse of financially (net balance)



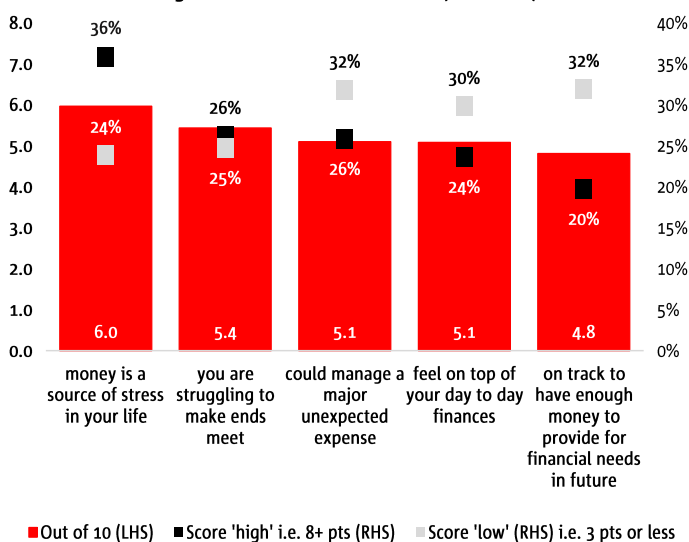
Overall number of Australians trying to save increased to an above average 78%.

Percentage of Australians trying to save



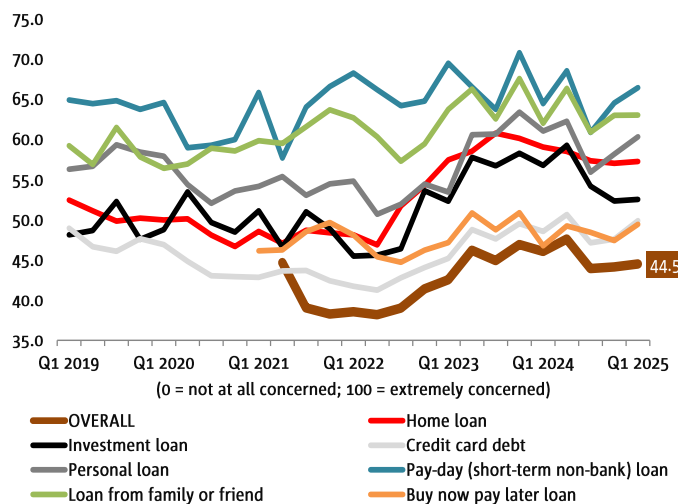
Over 1 in 3 Australians view money as a very significant source of stress in their lives.

Agreement with statements (Q1 2025)



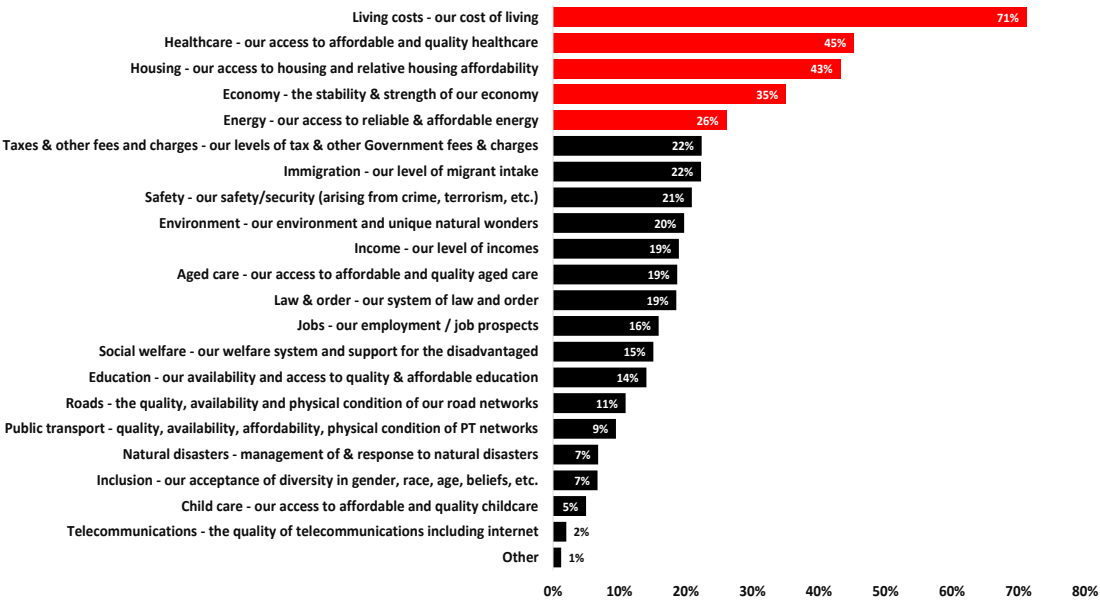
The level of concern over debt has also increased, with Pay-day loans causing the greatest stress.

Level of concern over debts held

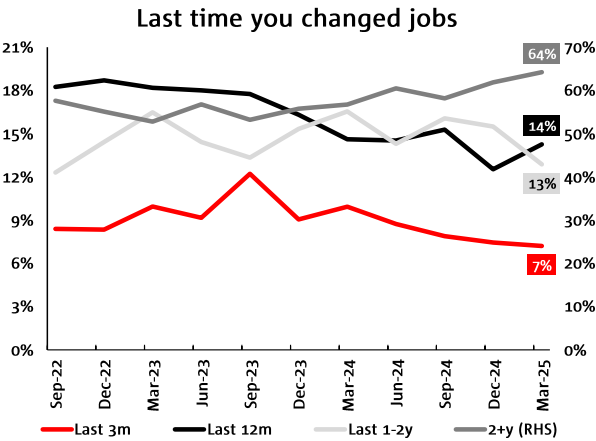


Australians are also clear on the key issues they believe all political parties should focus on during the upcoming election: cost of living

Key issues all parties should focus of during election & going forward



Labour mobility has slowed over the past year. Around 1 in 5 Australians reporting they had changed jobs.

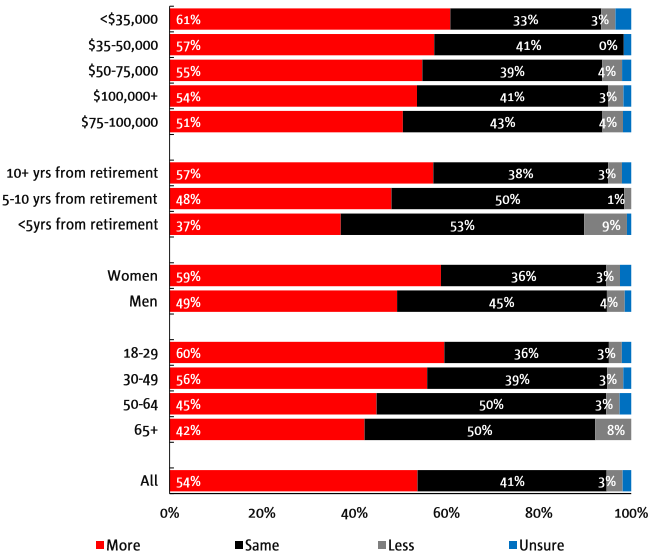


The number workers considering leaving their current place of employment fell to 18% in the March quarter



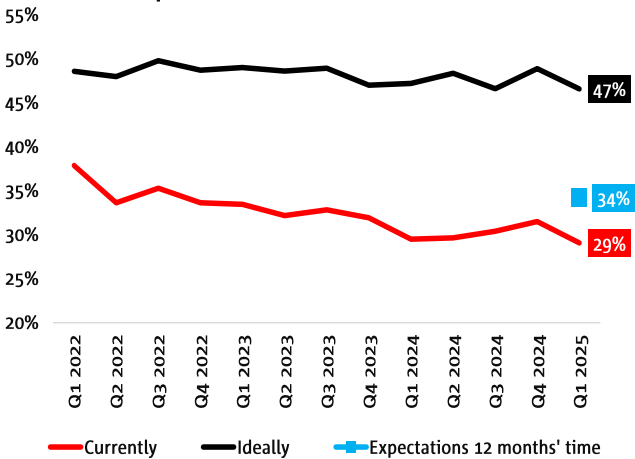
1 in 2 Australians believe they will need to work longer to retire comfortably.

How has your view changed over last 12m of how long you will need to work to retire comfortably?



WFH fell to a survey low. Most workers want more time at home. Little change expected a year from now.

Working from home: currently, ideally & expectations in 12 months' time



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An aerial, high-angle photograph of a crowded beach. Numerous people are scattered across the golden sand, many lying on towels or blankets. A variety of colorful beach umbrellas are open, providing shade. The scene is bright and sunny, with long shadows cast by the people and umbrellas. The overall atmosphere is one of a busy, popular beach destination.

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