

NAB AUSTRALIAN WELLBEING SURVEY

BEYOND GDP: INSIGHTS INTO WELLBEING, AND THE ROLE MONEY & FINANCES PLAY IN OUR LIVES



NAB Behavioural & Industry Economics

Q4 2021

WELLBEING RISES TO LEVELS LAST SEEN BEFORE THE PANDEMIC. HOUSEHOLD FINANCIAL STRESS UNCHANGED & WELL BELOW THE SURVEY AVERAGE. 3 IN 4 AUSTRALIANS TRYING TO SAVE BUT CHALLENGED BY DEBT REPAYMENTS, BILLS & EVERYDAY EXPENSES. 1 IN 5 AUSTRALIANS HAVE MISSED A BILL OR LOAN PAYMENT. DIPPING INTO SAVINGS & IMPULSE SPENDING THE BIGGEST ISSUES IN MANAGING PERSONAL FINANCES.

The NAB Australian Wellbeing Index rebounded sharply in Q4 2021 as much of the country emerged from extended lockdowns. Wellbeing is now at its highest level since Q3 2019. Concern over COVID also fell to its lowest since the pandemic began and Australians were also little more optimistic about the future. In terms of financial wellbeing, the NAB Household Financial Stress Index was broadly unchanged and continues to trend well below the survey average. High income earners on balance believe they are financially better off and low income groups worse off. The share of Australians who reported a decrease in their incomes in the last 3 months improved significantly, but particularly for higher income earners. On average Australians who expect their incomes to increase over the next year (around 1 in 4) believe it will rise by around \$198 per week or \$10,300 annually. Around 3 in 4 Australians were trying to save in Q4, but on balance actual savings fell.

New NAB research shows the biggest challenges to managing our personal finances is dipping into savings, followed by impulse spending. The most challenging thing about saving according to 1 in 4 Australians is spending on debt repayments, bills and everyday expenses. On balance, slightly more Australians made inroads into reducing household debt levels in Q4. Overall debt stress moderated and is well below the level of stress associated with savings or income. Individually, pay day loans caused the most (and higher) stress in Q4. Personal loans were the next biggest driver of debt stress and was noticeably higher in the lowest income group. Buy Now Pay Later (BNPL) loan stress also rose and was much higher for men and for those in the lowest income group. Slightly more Australians said they had experienced financial hardship, however overall levels are still trending below the survey average. New research shows that over 1 in 5 Australians missed a bill or loan payment in the past 3 months, rising to 1 in 2 in the NT. The most common missed payments were gas, electricity, water, phone or internet.

The survey was conducted between 25 November and 13 December, around the time the first cases of the Omicron COVID-19 strain were detected in late November 2021, but closing just as the number of daily cases began growing exponentially in mid-December (peaking at over 110,000 cases in mid-January).

The **NAB Australian Wellbeing Index** rebounded sharply in Q4 2021 as Victoria, NSW and the ACT emerged from extended lockdowns. The index lifted 2.2 pts (to an above average 65.5 and the highest since Q3 2019). The index rose on the back of a sharp uplift in life satisfaction (up 3.5 to 66.7) and happiness (up 2.3 to 67.5). Australians also rated their life worth more positively (up 1.7 to 68.8), which continued to add most to our overall sense of wellbeing. Anxiety levels also improved to levels not seen since mid-2019 (with “not anxious yesterday” rising 1.1 to 59.0). However, over 1 in 3 (36%) Australians still report “high” anxiety. The highest anxiety groups included those who lost their main source of income because of COVID (43.5), the self-employed (44.9), people aged 18-29 (49.3), the unemployed (49.3), men aged 30-49 (50.8), those earning \$75-100,000 p.a. (51.4), people with children (51.7) and those renting an apartment (52.9).

In Q4, Australians rated their concern over COVID-19 lowest since first we first started monitoring it in Q1 2020. On average, concern scored 5.7 pts out of 10 (10 = extremely concerned), down from 6.3 in Q2 and a survey high 6.7 in Q2 2020. Australians were also little more optimistic about the future, with the number of optimists rising to 31%, from a low of 26% in Q3. Young men were by far the most optimistic, with over 1 in 2 (54%) more optimistic about the future. By state, Tasmanians were the most optimistic (40%) and West Australians the least (25%). The highest income group (41%) was noticeably more optimistic, stepping down progressively to just 20% among the lowest income group.

Wellbeing rose in all states except SA/NT (down 1.5 to 65.4), with residents reporting lower wellbeing for all measures, particularly happiness. After emerging from its sixth lockdown, wellbeing lifted most in VIC (up 5.2 pts to 66.9), with all measures rising steeply. That said, Victorians continue to report the lowest life satisfaction and happiness scores. Wellbeing also rose quite sharply in TAS (up 3.0 to 66.8), with Tasmanians reporting significantly higher levels of life satisfaction than any other state. NSW (up 2.2 to 64.8) also reported solid gains, though overall wellbeing rated lowest in the country (just below VIC), mainly due to much higher levels of anxiety. Wellbeing was highest in WA (up 1.0 to 67.6), driven by the highest sense of life worth and happiness and lowest anxiety (by some margin).

Wellbeing rose in nearly all other demographic groups and was highest among the over 65s (75.6). Other high wellbeing groups included widows (70.2), married (69.2), 2-person households (68.9), house (69.1) and apartment (68.4) owners, those earning over \$100,000 p.a. (68.1) and retirees (68.0). It was lowest for the unemployed (48.4), those who lost their main income due to COVID (56.6), single people (57.1) and Australians earning less than \$35,000 p.a. (59.8).

There also continues to be very large gaps in wellbeing by age and income. Older Australians (75.6) report significantly higher wellbeing than young Australians (60.8), though the gap has narrowed to 14.8 pts (vs. 17.2 in Q3). Older Australians reported higher wellbeing across all measures, particularly anxiety (74.2 vs. 49.3). The wellbeing gap between high (68.1) and low (59.8) income widened to 8.3 pts in Q4 (5.6 in Q3). High income earners enjoy much higher life satisfaction, life worth and happiness, but anxiety levels were broadly similar for both groups. Men (66.1) reported higher overall wellbeing levels than women (64.9), with higher life satisfaction, life worth and happiness. Women however were less anxious. Wellbeing lifted for people living in capital cities (65.1) post lockdown, but remains the lowest of all regions. Wellbeing was highest and rose most in rural areas (67.4), but was down slightly in regional cities (65.5). Wellbeing was much higher for people without children (65.5) than those with children (61.1). Both groups reported broadly similar levels of life satisfaction, life worth and happiness, however those with children reported significantly higher levels of anxiety.

What is driving wellbeing? Pets contributed positively to the emotional wellbeing of most Australians (rising to +58% vs. +56% in Q3). Other key positives also added more to wellbeing including personal safety (+51% vs. +46% in Q3), our homes (+48% vs. +47% in Q3), family & personal relationships (+47% vs. +44% in Q3), feeling part of their local community (+34% vs. +30% in Q3) and religion, faith & spirituality (+33% vs. +26% in Q3). We also noted large uplift in attitudes to the future (+17% vs. +8% in Q3), school, university & education (+12% vs. +4% in Q3), the ability to fund retirement (+7% vs. +2% in Q3) and physical appearance (+5% vs. -2% in Q3).

Factors that typically detracted from wellbeing also had negative impact for fewer Australians in Q4. Though abuse and victimisation continued to undermine wellbeing for most Australians in Q4, it detracted a little less (-22% in Q4 vs. -25% in Q3). Lack of time also reduced wellbeing for fewer Australians (-19% vs. -23% in Q3), as did other debts (-19% vs. -23% in Q3) and substance use or abuse (-12% vs. -17% in Q3). Other factors that took away from wellbeing included social media (-6% vs. -8% in Q3) and mortgages (-5% vs. -9% in Q3).

On balance, Australians in the highest income group derived positive (or less negative) benefits from all wellbeing drivers except a lack of time where it detracted slightly more (-23% vs -21%). Areas where the divide was greatest between the highest and lowest income groups include standard of living (+59% vs. +11%), retirement funding (+19% vs. -21%), physical health (+27% vs. -10%), school and education issues (+20% vs. -16%), their homes (+60% vs. +27%), buying, selling and finding a home (+12% vs. -20%), the future (+24% vs. -6%), mental wellbeing (+28% vs. -3%), personal safety (+60% vs. +31%) and work or job issues (+16 vs. -13%).

The **NAB Household Financial Stress Index** looks at the role our finances have on our wellbeing and is derived from how anxious Australians feel across 14 key household financial pressure points. In Q4 the index was broadly unchanged from the previous quarter at a “moderate” 40.3 pts (40.5 in Q3), but up from the same time last year (39.3). The index however continued to trend well below the survey average (44.5).

Not having enough to finance retirement remains the biggest driver of financial stress, though the level of stress fell further in Q4 (down 1.5 to 51.0). However, it continues to cause more stress by some margin than the next biggest drivers - providing for our family’s future (down 0.3 to 44.7), non-essentials (up 1.0 to 42.5), medical bills and healthcare (down 0.9 to 42.2), home improvements and maintenance (down 0.4 to 42.1), major household items (unchanged at 41.0), children’s education (down 1.0 to 40.6) and mortgages, rents and housing costs (unchanged at 40.1). Having enough money to meet minimum credit card payments is still causing the least stress (down 0.2 to 32.0), followed by having enough for food and basic necessities (up 0.7 to 33.9).

Men reported slightly lower financial stress in Q4 (down 0.5 to 39.0), but it was broadly unchanged for women (up 0.1 to 41.6). Women reported higher stress levels than men for all measures except credit card repayments (31.2 vs. 32.7). Relative to men, women also had much higher stress over the ability to fund their retirement (53.8 vs. 48.3), non-essentials (44.7 vs. 40.1), raising \$2,000 for an emergency (41.9 vs. 37.3), providing for their family’s future (47.0 vs. 42.5) and medical bills and healthcare (44.3 vs. 40.0).

By age, stress fell in the over 65 group (down 0.9 to 23.6) and the 18-29 group (down 0.6 to 48.6). It was broadly unchanged in the 30-49 group (46.3) but increased a little in the 50-64 group (up 0.4 to 34.9). Financial stress was highest in the 18-29 age group for all drivers, except being able to finance retirement and medical bills and healthcare, which caused the most stress in the 30-49 age group. At the other end of the spectrum, the over 65 age group reported the lowest stress for all categories.

Financial stress was unchanged for low income earners (48.3) but up slightly for higher income earners (34.8). This caused the “stress gap” to narrow to 13.4 pts (14.1 pts in Q3, 15.1 pts in Q2). Lower income earners reported higher stress for all metrics, especially raising \$2,000 for an emergency (53.3 vs. 32.1), other monthly household expenses (48.3 vs. 31.5) and food and necessities (44.6 vs. 27.8). Household financial stress remains highest in NSW/ACT, with WA replacing TAS as the least stressed. Financing retirement was the biggest driver of stress in all states, except TAS where it was highest in relation to raising \$2,000 for an emergency. Credit card stress caused the least stress in all states, except in TAS where food and basic necessities caused the lowest stress.

On average the number of **Australians who felt they were worse off financially** in Q4 exceeded the number who thought they were better off. However, on balance, fell slightly to -4%, compared the previous quarter (-8%). By state, optimists out-weighed pessimists by a considerable margin in the ACT (+23%), and significantly greater than in VIC (+3%) and the NT (+1), though both states also reported an improvement from a net decline in Q3. High income earners (+18%) on balance also believe they are better off, while a much higher number in the low income groups said they were worse off (-35%). For the first time NAB also asked if Australians thought they would be better or worse off financially a year from now. Overall, a net +13% expect to be better off (31% better off compared, 18% worse off). While more high income earners (+31%) believe they will be better off, more people in the low income group anticipate being worse off (-10%).

Also for the first time NAB asked Australians to identify the **main challenges to managing their personal finances**. For 1 in 5, it was dipping into their savings (20%), with 13% pointing to impulsive spending. For 1 in 10 it was developing and sticking to a budget (11%), running out of money before the pay period ends (10%), managing inconsistent income (9%) and paying debts (9%). Dipping into savings was a bigger issue for over 65s (27%), impulsive spending for 18-29 year olds (20%) and budgeting among under 50s. Not knowing how to get started with managing money also resonated with around 1 in 20 people under 50. Gender responses were broadly aligned. However, noticeably more low income earners were challenged by dipping into savings (24%) and running out of money before pay period ended (20%), and the high income group by impulsive spending (18%).

Against this backdrop, the net number of surveyed Australians who reported a decrease in their **incomes** in the last 3 months improved sharply to -6% (-16% in Q3). Improvement was recorded for both women (-8% vs. -18% in Q3) and men (-3% vs. -14% in Q3). Incomes also improved in all age groups, particularly those aged 18-29 (-3% vs. -22% in Q3). Lower income groups (-18%) were again hit harder (albeit up from -31% in Q3), while more higher income earners said their incomes had improved (+6% vs. -19% in Q3). Looking forward, on balance Australians expect their incomes to improve further in the next 12 months (+16% vs. +9% in Q3), with men (+21%) and people in the 18-29 age group (+34%) most optimistic. Optimism lifted much more sharply among the high income group (+27% vs. +6% for low income earners).

Despite a fall in the net number of people who saw their incomes fall in Q4, Australians on average reported basically unchanged levels of concern over their income, rating their stress at 51.3 pts out of 100 (51.4 in Q3). Though low income earners also continue to report much higher stress (57.1), it moderated a little in Q4.

Australians who indicated they expected their incomes to increase over the next year (around 1 in 4) were also asked to estimate by how much their weekly income would rise. On average, the expectation was \$198 per week (or around \$10,300 annually). More specifically, around 1 in 5 expected an increase of less than \$50 (19%) and between \$50-\$100 (18%). Men (\$215) expected noticeably bigger gains than women (\$173) as did those in the highest income group (\$218) relative to the lowest income group (\$131), where around 4 in 10 people also expected to earn less than \$50 per week extra.

Savings aspirations remain very high, with around 3 in 4 (76%) indicating they were trying to save in Q4 (unchanged from Q3). Aspirations remain strongest among those aged 18-29, with 9 in 10 trying to save. Savings aspirations in the lowest income group improved (to 67% vs. 65% in Q3), but was still well below the highest income group where the number trying to save fell (to 81% vs. 85% in Q3).

While aspirations remain high, actual savings came under some pressure in Q4. On balance, those who reported their savings fell in the past 3 months continued to outweigh those who said they had increased. Around 4 in 10 (43%) said their savings had fallen in the past 3 months, compared to just 3 in 10 (30%) in Q3. The share of women who reported a decrease in savings rose (to -25% vs. -20% in Q3) but was unchanged for men (-9%). By income, there was a small improvement in the low income group, though the share who saw their savings fall remains elevated (-41%). In the high income group, those saving more and less almost cancelled each other out (-1%) but represented a large improvement relative to Q3 (-33%).

Despite an anticipated lift in incomes, the share expecting savings to increase in the next 12 months was broadly unchanged (+7% vs. +6% in Q3). Expectations among men were a little weaker (+12% vs. +14%), but were a little stronger for women (+3% vs -1% in Q3). Those under 50 remain more optimistic, led by the 18-29 group (+34% vs. +25% in Q3). Fewer low income earners now expect their savings to fall (-12% vs. -18% in Q3), whereas expectations in the highest income group were revised up strongly (+22% vs. -18% in Q3).

Australians on average rated their concern over their level of savings slightly lower in Q4 (52.4 pts vs. 52.8 pts in Q3), and above income stress (51.3 pts). Though low income earners continue to report higher stress, it fell sharply in Q4 (52.1 vs 59.3 pts in Q3). In contrast, savings stress increased in the high income group (to 49.6 vs. 47.9 pts in Q3), and is now only somewhat lower than in the lowest income group. For the first time NAB also asked people to identify what was the single most challenging thing about saving money. The biggest challenge according to 1 in 4 (25%) Australians was spending money on debt repayments, bills and everyday expenses. The next hardest thing according to 1 in 5 (20%) people was managing expenses. Just over 1 in 10 (11%) identified spending money on leisure products and not having enough left to save, 7% knowing how much they could deposit into their savings so they didn't have to withdraw it later, and 6% simply losing motivation. Encouragingly, almost 1 in 4 (23%) Australians indicated they don't have any challenges with saving money.

Young people aged 18-29 were much more likely to be challenged by spending on leisure and not having enough to save (20%) or knowing how much to deposit so as not to draw down their savings (11%) and along with the 30-49 group losing motivation. Almost 1 in 2 (45%) people over 65 said they faced no challenges saving money. By income, noticeably more low income earners were challenged by not having enough left to save after spending of bills, debts and everyday things (35%), but more in the high income group by spending on leisure products at the expense of savings (15%). Around 1 in 4 (23%) said they faced no challenges saving, compared to 18% in the low income group.

On balance, slightly more Australians made inroads into reducing **household debt** levels in Q4 (-10% vs. -9% in Q3). More women (-9% vs. -5 in Q3) reported making inroads into reducing household debt levels, but it was slightly lower for men (-12% vs. -13% in Q3). Both low income earners (-9% vs. +6% in Q3) and high income earners (-21% vs. -3%) made bigger inroads into reducing debt levels compared to the last quarter. When asked what they expect to happen to debt levels in the next 12 months, on balance the share increased (to -23% vs. -18% in Q3). More people are expecting to reduce debt levels in the next year relative to Q3 in all groups. Expectations were a little higher among women (-24%) than men (-21%), with the 18-29 (-29%) group leading the way by age. By income both lower income (-18% vs. -4% Q3) and higher income (-32% vs. -17% Q3) expect to make greater inroads into reducing their debt levels.

By type, credit cards are still the most widely held form of debt, though on balance the share of Australians holding this debt fell (to 38%) - the lowest number reported since NAB started compiling this data in Q1 2019. Around 3 in 10 (30%) low income earners had credit card debt, compared to over 4 in 10 (42%) in the highest income group. The number with home loans rose slightly (to 32% vs. 31% in Q3), and it was the most common type of debt held among those aged 30-49 (48%) and on higher incomes (52%). Almost 1 in 5 (18%) Australians overall said they had buy now pay later (BNPL) debt, and it remained somewhat more common among women (20%) than men (16%), and also much more common in the 18-29 age group (33%) relative to other age groups. Around 16% of all Australians also indicated they had a personal loan, with this type of debt far more common in the 18-29 (26%) age group. Overall, 12% of all Australians had a loan from family or friends, but this almost doubled among those aged 18-29 (23%). Around 11% had an investment loan, climbing to 18% in the highest income group. Investment loans were also somewhat more common for men (14%) than women (8%). Only 7% of all Australians were holding loans from a pay day lender in Q4, but this number was twice as high (14%) among younger people aged 18-29.

Overall debt stress moderated (to 36.8 vs. 39.0 in Q3), and was well below the level of stress associated with savings (52.4) or income (51.3). Women (39.1) reported higher overall debt stress than men (37.4). By age, the 30-49 group (47.1) had the highest debt stress, and the over 65 group (19.5) by far the lowest. Low income earners also reported higher debt stress (40.8) than higher income earners (36.8). Individually, pay day loans caused the most (and higher) stress in Q4 (66.0 vs. 64.0 in Q3). It was also the biggest cause of stress in all groups except the over 65 age group and the high income group (where loans from family or friends caused most stress).

Stress arising from pay day loans was highest in the 30-49 age group (67.9), but noticeably lower for people over 50. Loans from family and friends was the next biggest cause of debt stress, and rose (to 63.7s vs. 61.6 pts in Q3). Personal loans were the next biggest driver of debt stress (54.5), and was noticeably higher in the lowest income group (55.0) and the 30-49 age group (59.8). BNPL loans stress also increased (49.7 vs. 48.5 in Q3), and was much higher for men (53.1), in the 30-49 age group (56.2) and among those on lower incomes (54.4). Investment loan (63.1) and home loan (54.3) stress was particularly high among 18-29 year olds and low income earners (58.3). These two groups also reported much higher stress over credit card debt (55.5 18-29 year olds; 48.2 lowest income group).

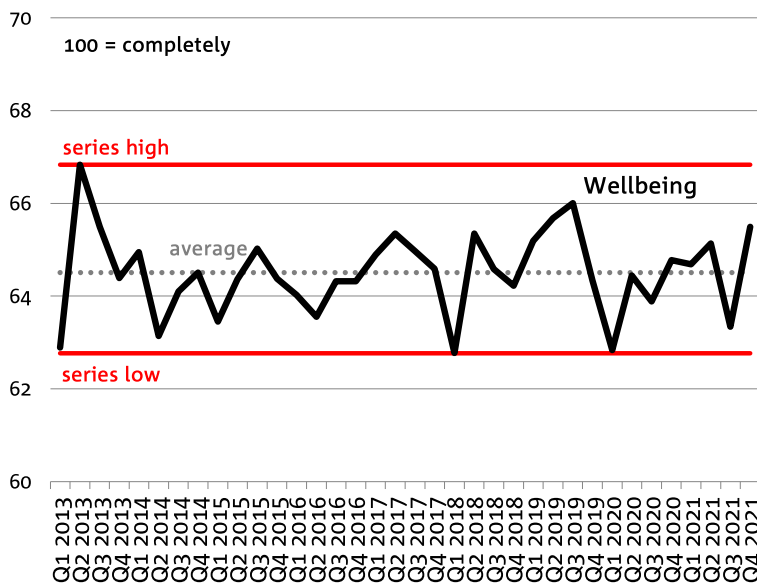
Financial hardship can happen at any time, and is often the result of sickness, job loss or over-commitment. Slightly more Australians said they had experienced financial hardship in the past 3 months (33% vs. 31% in Q3). However, overall hardship levels are still trending below the survey average (37%). More women (33%) and men (32%) reported hardship, up from Q3 (31%). Slightly fewer Australians over 50 faced hardship in Q4 (falling to 19% in the over 65 group and 27% in the 50-64 group, from 20% and 28% respectively in Q3). However, financial hardship rose quite sharply in the 30-49 group (to 38% vs. 33% in Q3), but remained most prevalent in the 18-29 group (45% vs. 44% in Q3). Financial hardship among low income earners rose (to 50% vs. 45% in Q3) and was over twice as high than in the high income group (22% vs. 20% in Q3). Hardship was most widespread among those who lost their main income due to COVID (71%) and the unemployed (60%), with hardship levels in both groups rising quite sharply over the quarter (from 60% and 55% in Q3 respectively).

Among those people that indicated they had experienced some form of financial hardship, not having enough for an emergency was again the most common cause (for 16% of all Australians). It was however higher for women (19%), for Australians under the age of 50, low income earners (29%), people who lost their main income because of COVID (30%) and the unemployed (36%). Being unable to pay a bill (12%) and not having enough for food or basic necessities (12%) were the next biggest causes of hardship, particularly for unemployed people, those that lost their main income because of COVID and low-income earners. Other areas where young people (18-29 years) struggled more included paying off personal loans and rent.

For the first time, NAB also asked Australians if they had **missed a bill or loan payment** over the past 3 months. On average, around 1 in 5 (21%) had missed a payment. But this varied widely by state. In the NT, almost 1 in 2 (46%) people had missed a payment, significantly more than in the next highest the ACT (27%). Missed payments were lowest in VIC (18%). There was also a very clear relationship with age, with missed payments highest in the 18-29 group (31%) and stepped down in each age group to just 5% in the over 65 group. Slightly more men (22%) also missed a payment than women (19%). Around 1 in 10 people missed payments on their gas, electricity, water bill (10%), phone & internet (9%). This was followed by loans from family or friends (8%), credit cards (7%), insurances (7%), BNPL (6%) and rent (6%). Australians were least likely to have missed an investment (3%), mortgage (4%), payday (5%) or personal (5%) loan repayment.

NAB AUSTRALIAN WELLBEING INDEX

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With Australians living in Victoria, NSW and the ACT emerging from extended lockdowns during the final quarter of 2021, the NAB Australian Wellbeing Index rebounded sharply, lifting 2.2 pts to an above average 65.5 pts. This was the highest level of self-reported wellbeing since Q3 2019.

The improvement in overall wellbeing was led by a sharp uplift in life satisfaction (up 3.5 pts to 66.7 pts) and happiness (up 2.3 pts to 67.5 pts) scores. Australians also rated their life worth higher (up 1.7 pts to 68.8 pts), and it continued to add most to their overall sense of wellbeing. Anxiety levels also improved to levels not seen since mid-2019, with the “not anxious yesterday” measure up 1.1 pts to 59.0 pts. However, over 1 in 3 (36%) Australians are still reporting “high” levels of anxiety.

Wellbeing rose in all states except SA/NT (down 1.5 pts to 65.4 pts), with residents there reporting lower wellbeing scores for all measures, particularly happiness (down 3.6 pts to 66.9 pts).

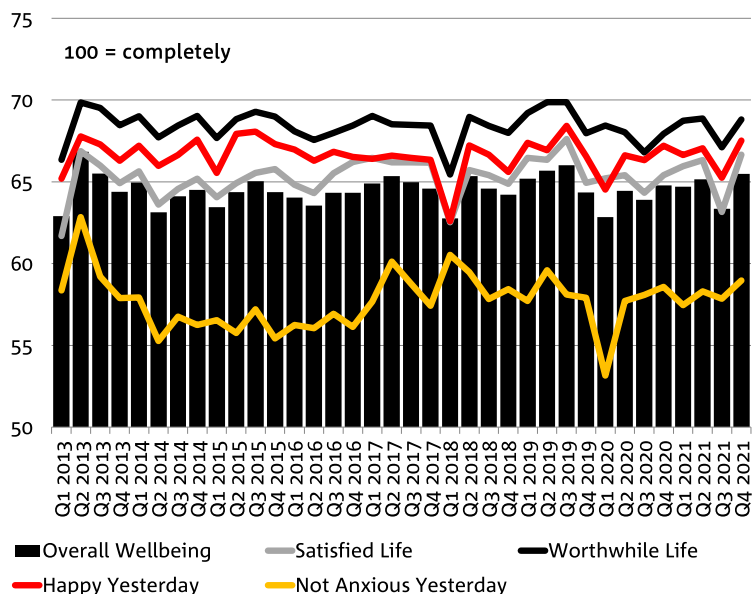
After emerging from its sixth lockdown and more than 260 days under restrictions during the pandemic, wellbeing bounced most in VIC, lifting 5.2 pts to 66.9 pts, with all measures rising steeply. That said, Victorians still had the lowest life satisfaction and happiness scores.

Wellbeing rose quite sharply in TAS (up 3.0 pts to 66.8 pts), with residents of that state also reporting significantly higher levels of life satisfaction than any other state.

NSW (up 2.2 pts to 64.8 pts) also reported solid gains, though overall wellbeing rated lowest in the country (just below VIC), mainly due to much higher levels of anxiety.

Wellbeing was highest in WA (up 1.0 pts to 67.6 pts), where locals reported the highest sense of life worth and happiness and lowest anxiety (by some margin) - see Appendix 1 for state charts.

NAB AUSTRALIAN WELLBEING INDEX



Wellbeing rose in nearly all other demographic groups in Q4 with some exceptions - men 50-64 (down 1.0 pt), people earning \$75,100,000 p.a. (down 1.0 pt), unemployed (down 0.6 pts), retirees (down 0.3 pts) and in regional cities (down 0.1 pts). Overall, wellbeing was highest in the over 65 age group (75.6 pts) - and somewhat higher for men (77.5 pts) than women (73.6 pts) - and retirees (68.0 pts). Other high wellbeing groups included widows (70.2 pts), married people (69.2 pts), people in 2-person households (68.9 pts), house (69.1 pts) and apartment (68.4 pts) owners, people earning over \$100,000 p.a. (68.1 pts) or who did not lose their main income due to COVID (68.0 pts). It was lowest for unemployed people (48.4 pts), those who lost their main income due to COVID (56.6 pts), single people (57.1 pts) or earning less than \$35,000 p.a. (59.8 pts).

NAB’s wellbeing research continues to reveal very large gaps in wellbeing by age and income. Older Australians (75.6 pts) report significantly higher wellbeing than young Australians (60.8 pts), though the gap narrowed to 14.8 pts in Q4 (17.2 pts in Q3). Older Australians reported higher wellbeing for all measures, with the gap particularly significant for anxiety (74.2 pts vs. 49.3 pts). The wellbeing gap between high (68.1 pts) and low (59.8 pts) however widened to 8.3 pts in Q4 (5.6 pts in Q3). Interestingly, while high income earners enjoyed much higher life satisfaction, life worth and happiness, anxiety levels were broadly similar for both groups.

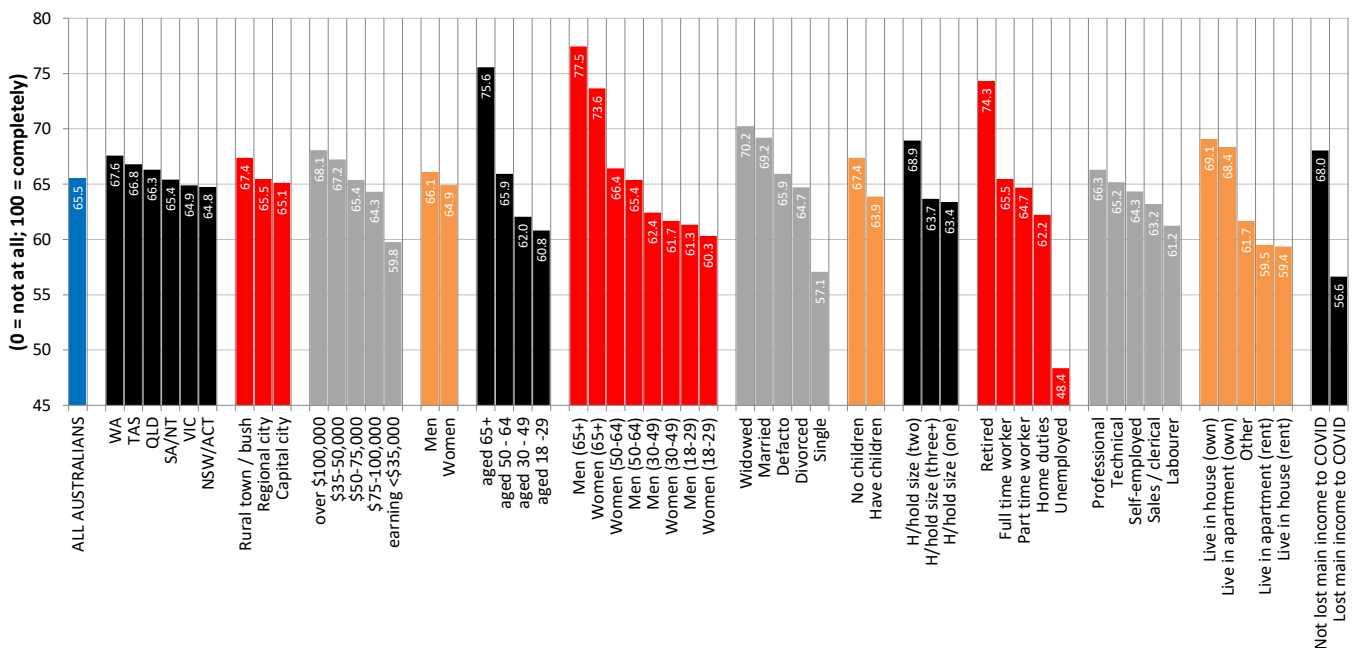
Men (66.1 pts) reported higher overall wellbeing levels than women (64.9 pts) in Q4, with higher life satisfaction (67.8 pts vs. 65.5 pts), life worth (69.3 pts vs. 68.4 pts) and happiness (68.4 pts vs. 66.7 pts). Women however were less anxious (59.1 pts vs. 58.9 pts).

Wellbeing lifted for people living in capital cities (65.1 pts) as key cities emerged from lockdown, but was lowest of all regions. Wellbeing was highest and rose most in rural areas (67.4 pts), but was down slightly in regional cities (65.5 pts), dragged down by lower levels of life worth and higher anxiety.

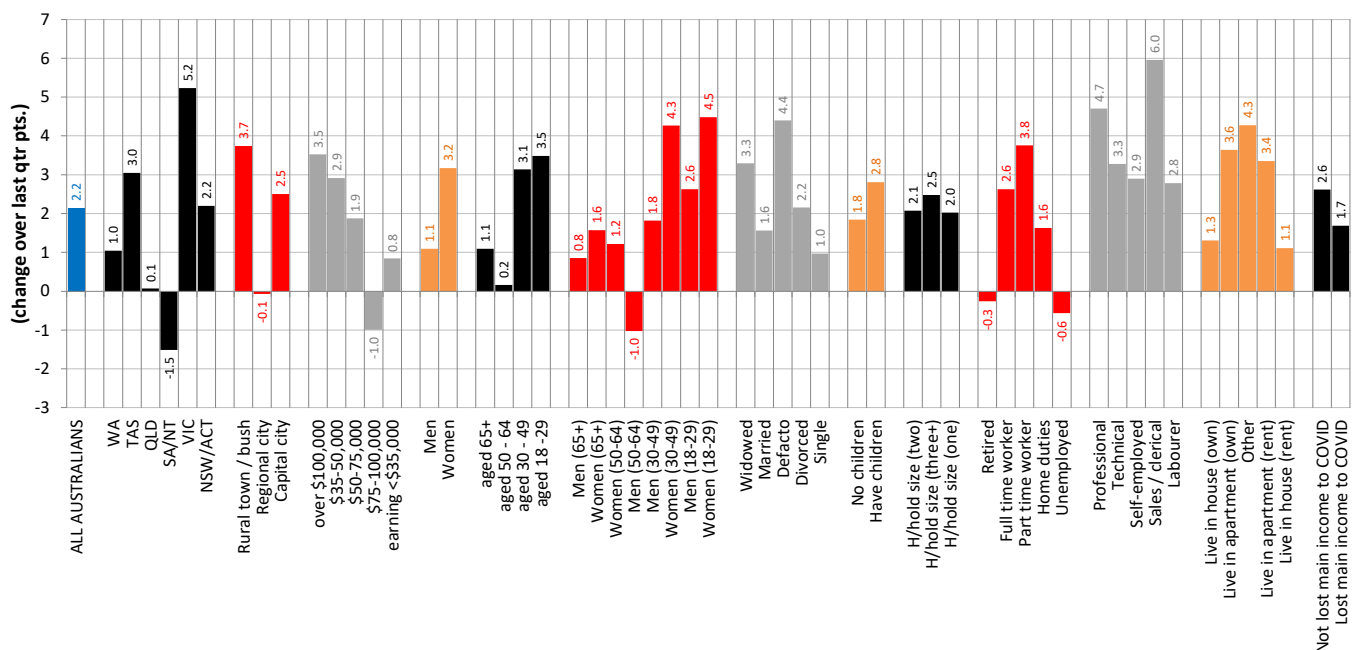
In other findings, wellbeing was much higher for people without children (65.5 pts) than those with children (61.1 pts). Though both groups reported broadly similar levels of life satisfaction, life worth and happiness, people with children reported significantly higher levels of anxiety.

By employment type, wellbeing was highest for professional (63.1 pts) and technical workers (63.0 pts). It was lowest for sales & clerical workers (59.7 pts) and labourers (60.3 pts), among the work groups hardest hit by COVID labour disruptions. Interestingly, while professional workers reported the highest life satisfaction, life worth and happiness, they also reported the highest levels of anxiety.

NAB AUSTRALIAN WELLBEING INDEX - ALL CATEGORIES



NAB AUSTRALIAN WELLBEING INDEX CHANGE - ALL CATEGORIES



WHAT IS DRIVING WELLBEING?

Since 2015, NAB has been asking Australians what impact (positive or negative) do several key factors have on their ratings of personal wellbeing. With self-reported wellbeing improving in Q4, we also noted a widespread increase in the net number of Australians who were also deriving positive wellbeing benefits in many areas.

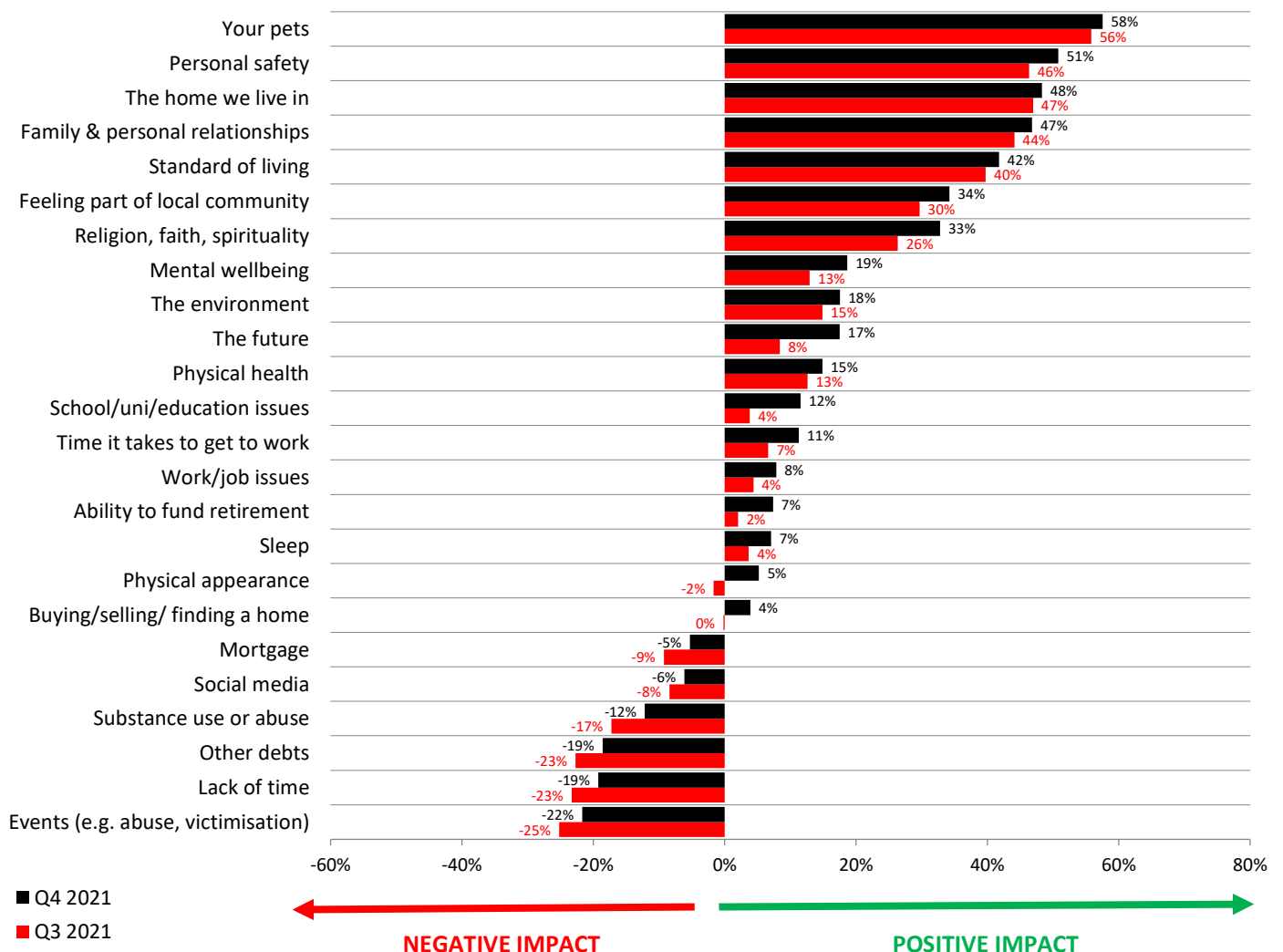
Pets contributed positively to the emotional wellbeing of most Australians - and in Q4 the number who said it contributed positively rose slightly to +58% (+56% in Q3). Other areas that made a positive difference for most people included personal safety (+51% vs. +46% in Q3), their homes (+48% vs. +47% in Q3), family and personal relationships (+47% vs. +44% in Q3), feeling part of their local community (+34% vs. +30% in Q3) and religion, faith and spirituality (+33% vs. +26% in Q3).

We also noted large increases in the net number of Australians who reported positive wellbeing from the future (+17% vs. +8% in Q3), school, university and education issues (+12% vs. +4% in Q3), ability to fund retirement (+7% vs. +2% in Q3) and physical appearance (+5% vs. -2% in Q3).

Factors that typically detracted from wellbeing also had negative impact for fewer Australians in Q4.

Though events such as abuse and victimisation continued to undermine wellbeing for most Australians in Q4, it fell to -22% in Q4 (-25% in Q3). Lack of time also detracted from wellbeing for fewer Australians (-19% vs. -23% in Q3), as did other debts (-19% vs. -23% in Q3) and substance use or abuse (-12% vs. -17% in Q3). Other factors that took away from wellbeing for more people in net terms included social media (-6% vs. -8% in Q3) and mortgages (-5% vs. -9% in Q3).

WELLBEING DRIVERS (NET BALANCE)



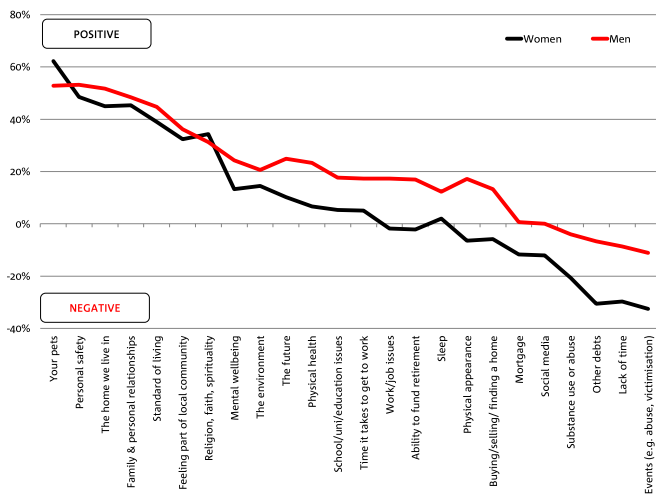
But perceptions of how these things impact wellbeing can vary widely across key groups.

By gender, more (or less) men on balance reported a positive (or negative) contribution from most factors with a few exceptions - particularly their pets which made a positive contribution for noticeably more women (+62%) than men (53%), and religion, faith and spirituality (+34% women; +31% men). Also apparent was the much higher number of women who singled out events (-32% vs. -11%), lack of time (-30% vs. -9%), other debts (-30% vs. -7%), substance use or abuse (-21% vs. -4%), social media (-10% vs. 0%), mortgages (-12% vs. +1%), buying, selling or finding a home (-6% vs. +13%), physical appearance (-6% vs. +17%), ability to fund retirement (-2% vs. +17%), and work or jobs issues (-2% vs. +17%) detracting from their wellbeing than men.

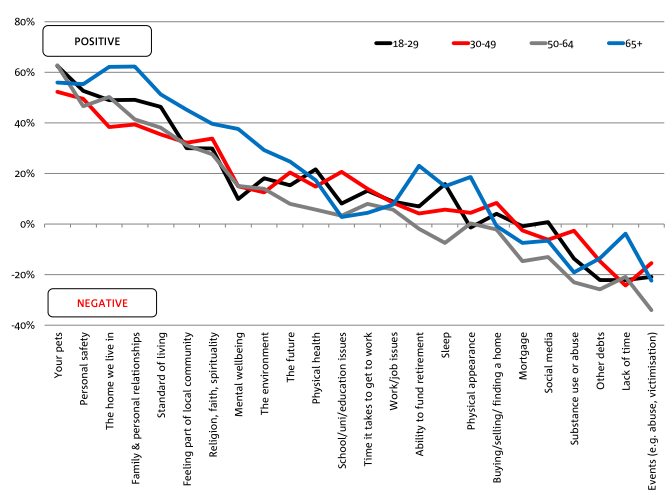
Other areas where there was a big divide included physical health (+23% men; +7% women), the future (+25% men; +10% women), time it takes to get to work (+17% men; +5% women) and mental wellbeing (+24% men; +13% women).

By age, noticeably more people in the 18-29 (+63%) and 50-64 (+63%) age groups associated positive wellbeing benefits with their pets. Noticeably more over 65s however derived much greater positive wellbeing from personal safety (+62%), family and personal relationships (+62%), feeling part of their local communities (+45%), religion, faith and spirituality (+40%), mental wellbeing (+38%), ability to fund retirement (+23%) and physical appearance (+19%). Physical health added more in the 18-29 group (+22%) and school and education issues in the 30-49 group (+21%). In contrast, noticeably more people in the 50-64 age group said that events (-34%), other debts (-26%), mortgages (-15%) and social media (-13%) detracted from their overall wellbeing.

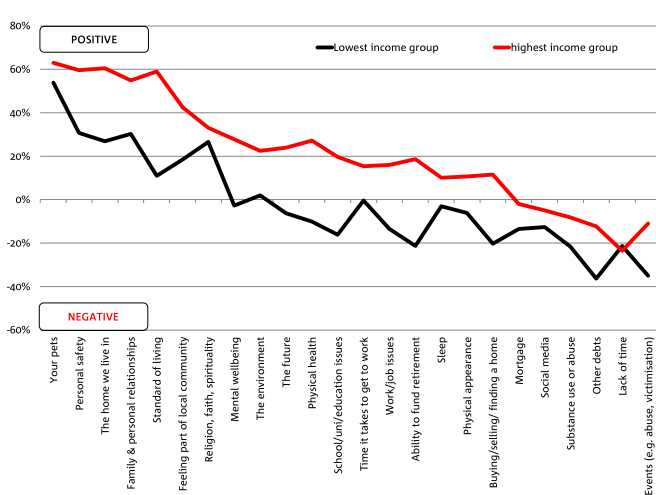
WELLBEING DRIVERS - GENDER (NET BALANCE)



WELLBEING DRIVERS - AGE (NET BALANCE)



WELLBEING DRIVERS - HIGH/LOW INCOME (NET)



Income levels also played a key role, with more Australians in net terms in the highest income group deriving positive (or less negative) benefits from all wellbeing drivers except a lack of time where it detracted slightly more (-23% vs -21%).

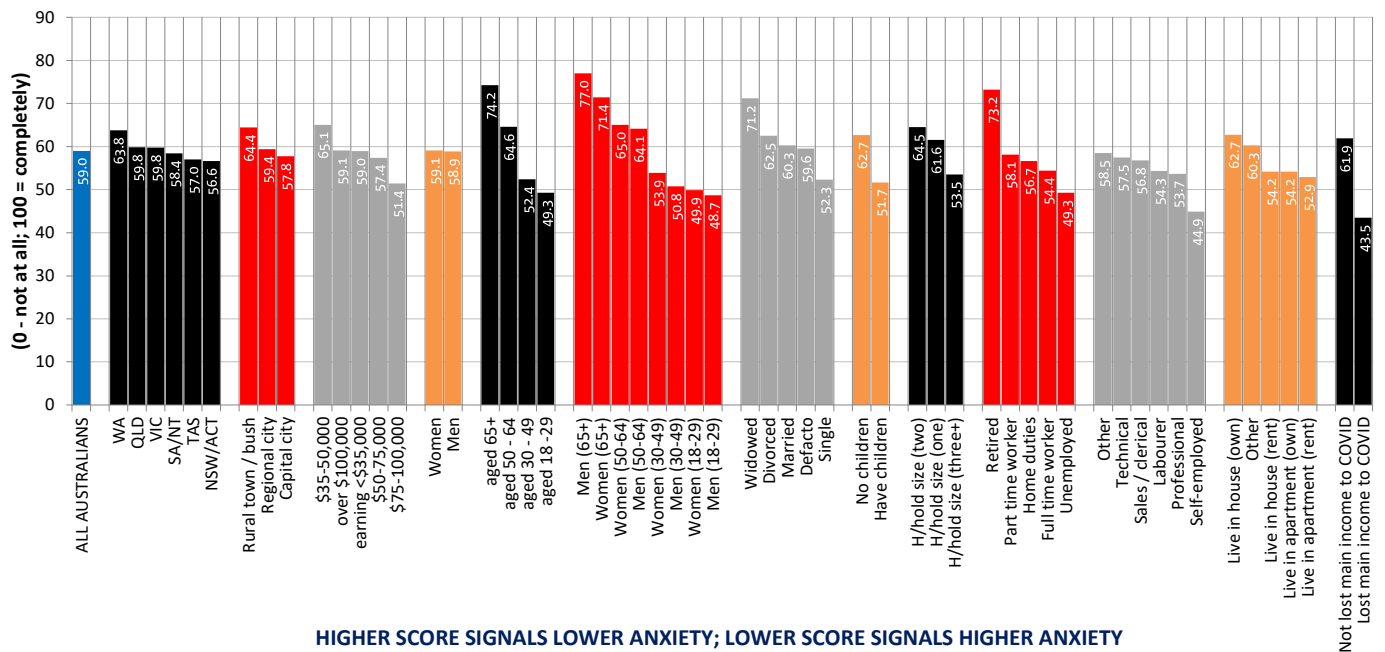
Areas where the divide was greatest in the highest and lowest income groups in Q4 included standard of living (+59% vs. +11%), retirement funding (+19% vs. -21%), physical health (+27% vs. -10%), school and education issues (+20% vs. -16%), their homes (+60% vs. +27%), buying, selling and finding a home (+12% vs. -20%), the future (+24% vs. -6%), mental wellbeing (+28% vs. -3%), personal safety (+60% vs. +31%) and work or job issues (+16 vs. -13%).

REVISITING ANXIETY

All people experience anxiety. It is a natural human state and part of life. But anxiety can also detract from our overall sense of personal wellbeing and vary widely between and within demographic groups. In Q4, groups with the highest anxiety included those who had lost their main source of income because of COVID (43.5 pts), self-employed people (44.9 pts), people aged 18-29 (49.3 pts) - both men (48.7 pts) and young women (49.9 pts) - unemployed Australians (49.3 pts), men aged 30-49 (50.8 pts), people earning between \$75-100,000 p.a. (51.4 pts) and those with children (51.7 pts) or live in a rented apartment (52.9 pts).

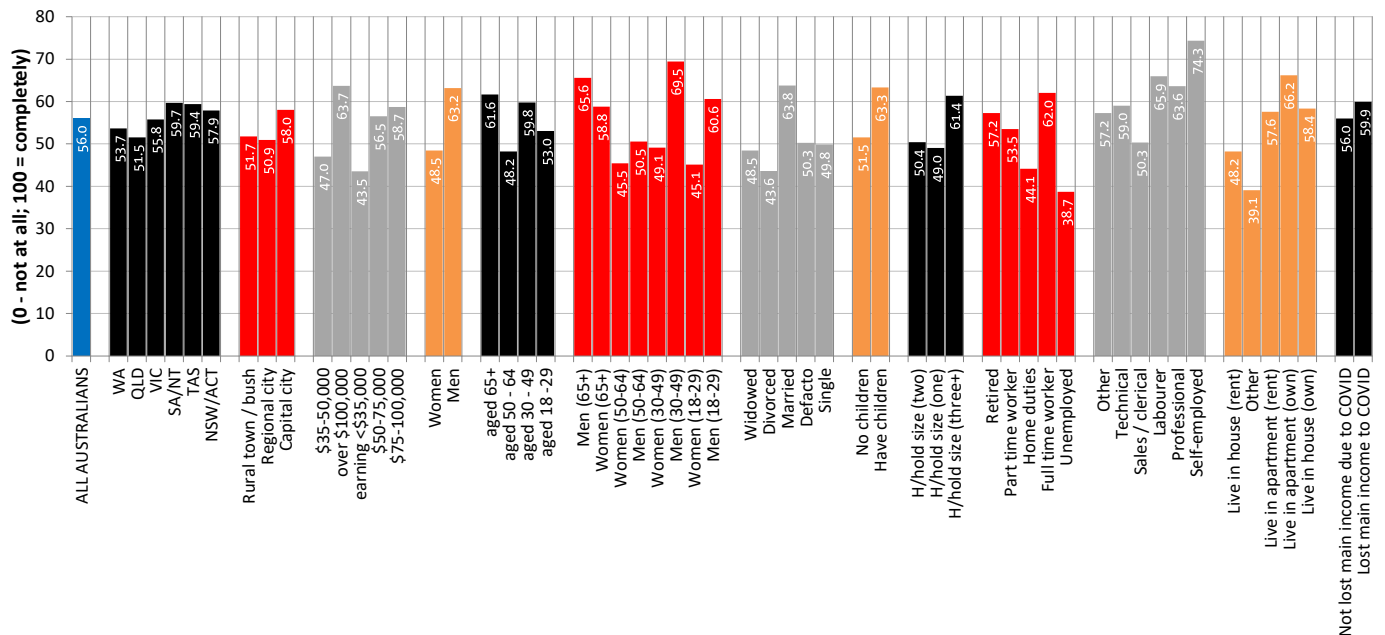
Anxiety in itself can be problematic, but how people with high anxiety cope is key to building resilience around their anxiety. When people with “high” anxiety were asked how well they thought they were coping with it, they indicated they were coping “moderately” well, scoring 59.0 pts out of 100 (where 100 is completely). But some groups were coping better than others. Gender was a factor with highly anxious men (63.2 pts) coping better than women (49.3 pts) - and in all comparable age groups (especially under 50). Money seems to also be a factor with the lowest income group (43.5 pts) struggling much more than the highest income group (63.7 pts). Capital city dwellers also seem to be coping better (58.0 pts), as are married people (63.8 pts), those with children (63.3 pts), full-time workers (62.0 pts) and self-employed (74.3 pts). Those struggling most were unemployed (38.7 pts), had “other” living arrangements (39.1 pts), were divorced (43.6 pts) or engaged in home duties (44.1 pts).

WELLBEING - "NOT ANXIOUS YESTERDAY" - ALL CATEGORIES



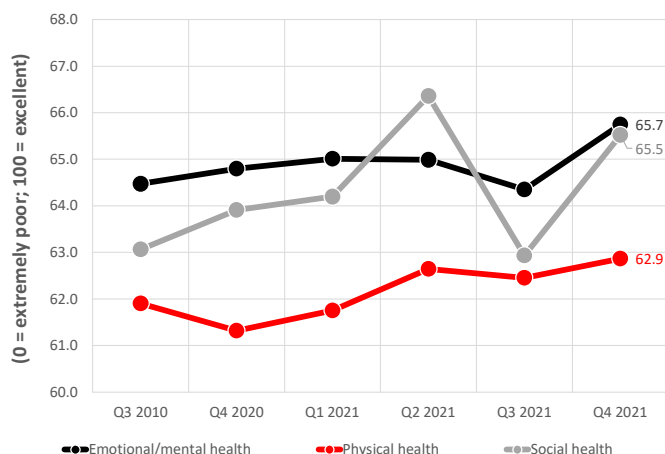
HIGHER SCORE SIGNALS LOWER ANXIETY; LOWER SCORE SIGNALS HIGHER ANXIETY

COPING WITH ANXIETY - ALL CATEGORIES



OUR EMOTIONAL/MENTAL, PHYSICAL & SOCIAL HEALTH

RATING OUR HEALTH TODAY: OVERALL



On average, Australians consider themselves to be ‘moderately’ healthy across all aspects of their health - emotional or mental health (the ability to cope with normal stresses of life and take pleasure and satisfaction from life), physical health (soundness of the body and freedom from disease and abnormality) and social health (quality of interactions and meaningful relationships with others).

In Q4, self-reported health outcomes improved in all areas. With lockdowns ending, emotional/mental health improved to 65.7 pts (64.3 pts in Q3) and social health to 65.5 pts (62.9 pts in Q3). Physical health was also rated slightly higher, rising to 62.9 pts from 62.5 pts Q3, but continued to be identified as the weakest aspect of their overall health.

Health outcomes vary widely by gender & age and income. In Q4, Men reported higher health outcomes than women in all areas. The gap was biggest for physical health (65.0 pts men; 60.8 pts women) and emotional/mental health (67.8 pts men; 63.8 pts women). It was narrowest for social health (66.2 pts men; 64.9 pts women). Men also rated their health higher in all aspects relative to last quarter. Women rated their emotional/mental health and social higher but reported unchanged levels of physical health - see table below.

By age, over 65s reported significantly higher emotional and mental health (76.7 pts) and social health (74.7 pts) than any other age group. They also rated their physical health highest (65.6 pts) just ahead of the 18-29 age group (64.3 pts). Older Australians however rated all aspects of their health lower relative to Q3 except social health. Emotional/mental health (60.6 pts) and social health (62.3 pts) outcomes were lowest in the 18-29 group, with the 50-64 group reporting the lowest physical health (57.8 pts)

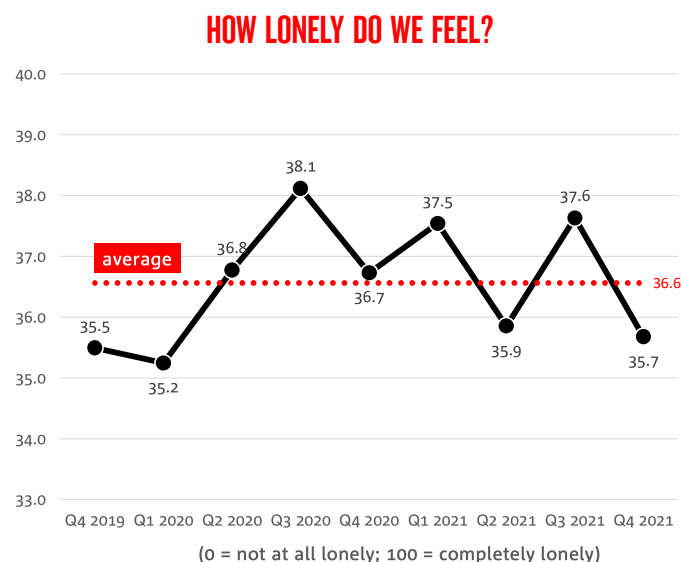
By income, health outcomes were much stronger for all measures in the highest income group relative to the lowest income group, particularly their physical health (66.3 pts vs. 55.3 pts). Moreover, health outcomes in the highest income group improved for all measures relative to Q3 but were largely unchanged in the lowest income group except for social health which improved.

RATING OUR HEALTH TODAY: GENDER & AGE

	All	Women	Men	18-29	30-49	50-64	65+	Lowest income group	Highest income group
Emotional/mental health									
- Q4 2021	65.7	63.8	67.8	60.6	63.4	63.9	76.7	61.1	67.6
- Q3 2021	64.5	63.1	65.8	60.8	60.2	61.9	77.8	61.3	65.7
- Q2 2021	64.8	62.1	67.6	62.2	60.4	64.3	75.3	59.1	66.5
- Q1 2021	65.0	62.7	67.4	60.0	62.2	62.6	77.4	62.6	67.0
- Q4 2020	65.0	62.6	67.5	58.5	62.3	63.8	77.2	65.4	65.8
Physical Health									
- Q4 2021	62.9	60.8	65.0	64.3	63.4	57.8	65.6	55.3	66.3
- Q3 2021	61.9	60.8	63.0	65.4	60.3	56.8	66.1	55.3	65.1
- Q2 2021	61.3	58.9	63.8	64.3	59.9	57.1	64.8	55.1	63.8
- Q1 2021	61.8	59.4	64.1	64.0	61.7	56.8	64.7	53.8	66.1
- Q4 2020	62.6	60.3	65.1	62.0	63.2	59.9	65.2	60.8	66.5
Social Health									
- Q4 2021	65.5	64.9	66.2	62.3	63.6	62.6	74.7	60.3	67.6
- Q3 2021	63.1	63.4	62.7	61.5	59.1	60.9	73.4	59.3	65.1
- Q2 2021	63.9	62.6	65.3	61.7	60.8	61.8	73.4	58.9	65.6
- Q1 2021	64.2	63.0	65.4	62.6	61.6	60.0	74.6	58.1	67.5
- Q4 2020	66.4	66.2	66.5	64.1	64.1	63.8	74.8	63.9	68.9

HOW LONELY DO WE FEEL?

Loneliness can be harmful to both mental and physical health. It is also considered a significant wellbeing issue because of the impact it may have on people’s lives. After having emerged from a period of long lockdown which saw loneliness increase to 37.6 pts in Q3, it fell to 35.7 pts in Q4 as lockdowns ended. Though loneliness scores suggest Australians on average rate loneliness at “moderately” low levels, around 1 in 10 people describe themselves as “very” lonely with 10% scoring their feelings of loneliness at 90+ pts.



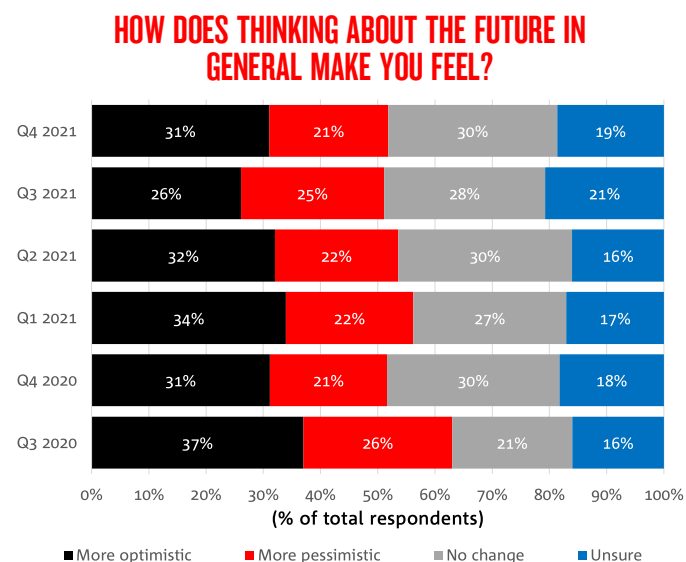
Loneliness does however vary considerably by gender and age. In Q4, the NAB Wellbeing survey found it was highest (and increased) for men aged 30-49 (45.1 pts vs. 43.7 pts in Q3). They also replaced men aged 18-29 as the loneliest group, as loneliness among young men fell sharply to 44.7 pts (55.7 pts in Q3). However, it is still of some concern that more young men (14%) had “very” high feelings of loneliness during the quarter - by far the most of any group bey age and gender.

The next loneliest groups were women 18-29 (39.1 pts) and women 30-49 (37.6 pts) - though both indicated they were not feeling as lonely than in Q3 (particularly younger women). Australians over 65 expressed the lowest feelings of loneliness - both men (23.4 pts) and women to (25.6 pts). We suspect a much stronger role played by family & personal relationships and feeling part of their local communities in supporting their wellbeing is also contributing to lower feelings of loneliness.

LONELY: GENDER & AGE

	Q4 2020	Q3 2021	Q4 2021
Men (30-49)	40.1	43.7	45.1
Men (18-29)	48.3	55.7	44.7
Women (18-29)	42.4	44.5	39.1
Women (30-49)	39.6	39.3	37.6
Women (50-64)	39.5	32.9	32.8
Men (50-64)	32.0	30.9	29.5
Women (65+)	24.8	28.6	25.6
Men (65+)	22.3	19.8	23.4

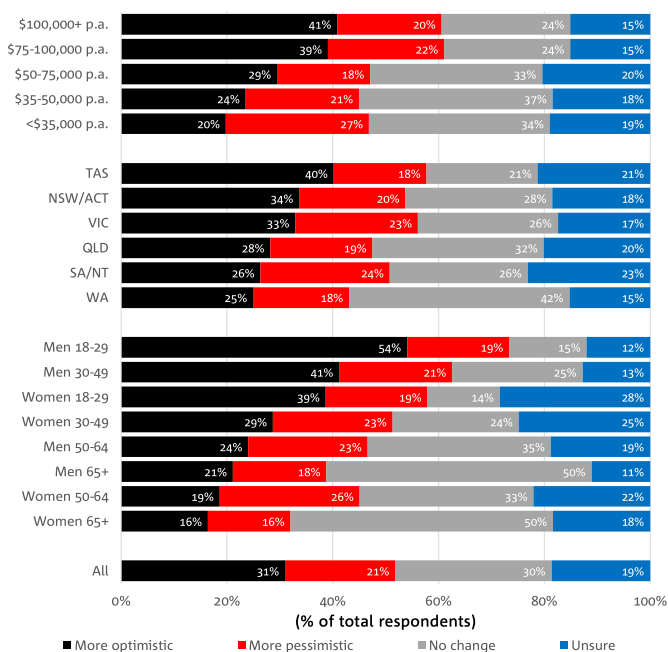
ARE WE OPTIMISTIC ABOUT THE FUTURE?



Psychologists suggest that optimism enables us to cope with stressors in the present as it supports us to expect a better future at some point. Even if the future does not take place as planned, it helps us bounce back from disappointments as there is an ongoing expectation things will get better eventually. With uncertainty still looming large (e.g. COVID, opening the economy, cost of living, border restrictions, vaccine mandates labour and supply shortages etc.), NAB asked survey participants how thinking about the future made them feel.

Overall, Australians were a little bit more optimistic about the future, with the number of optimists rising to 31%, from a low of 26% Q3. Around 2 in 10 (21%) were more pessimistic (25% in Q3), 3 in 10 (30%) saw no change and 2 in 10 (19%) unsure.

HOW DOES THINKING ABOUT THE FUTURE IN GENERAL MAKE YOU FEEL?



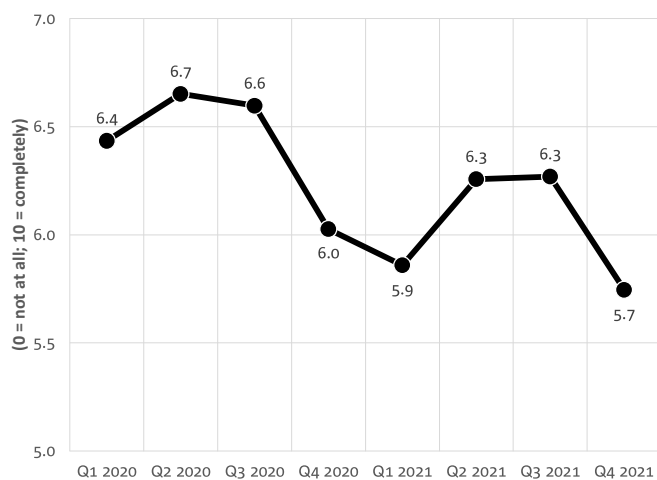
Optimism varied quite widely by gender and age. Young men were by far the most optimistic, with over 1 in 2 (54%) more optimistic about the future. The next most optimistic groups were men 30-49 (41%) and women 18-29 (39%). The number of optimists was lowest among women over 65 (16%) and women 50-64 (19%). Over 1 in 4 (26%) women 50-64 were more pessimistic, compared to just 16% of women over 65. Around 1 in 2 women and men over 65 saw no change, while uncertainty was highest among women 18-29 (28%).

By state, people in TAS were the most optimistic (40%) and WA least optimistic (25%), just ahead of SA/NT (26%). The number of pessimists was highest in SA/NT (24%) and VIC (23%), with around 42% in WA not expecting any change, and 23% in SA/NT unsure.

Income also seemed to play a role, with the number of optimists greatest in the highest income group (41%) and stepping down progressively in each income group to just 20% in the lowest income group, where around 27% were more pessimistic about the future. Middle income earners appeared to be most uncertain.

THE IMPACT OF CORONAVIRUS ON WELLBEING

HOW CONCERNED ARE YOU ABOUT CORONAVIRUS?



In Q4, Australians rated their concern over Coronavirus lowest since first we first started monitoring it in Q1 2020. On average, they rated their level of concern 5.7 pts out of 10 (10 = extremely concerned), down from 6.3 pts in the previous quarter and a survey high 6.7 pts in Q2 2020.

The survey was however conducted between 25 November-13 December - around the time the first cases of the Omicron COVID-19 strain began to be detected in late-November 2021, but closing just as the number of daily cases began growing exponentially in mid-December and peaking at over 110,000 cases in mid-January.

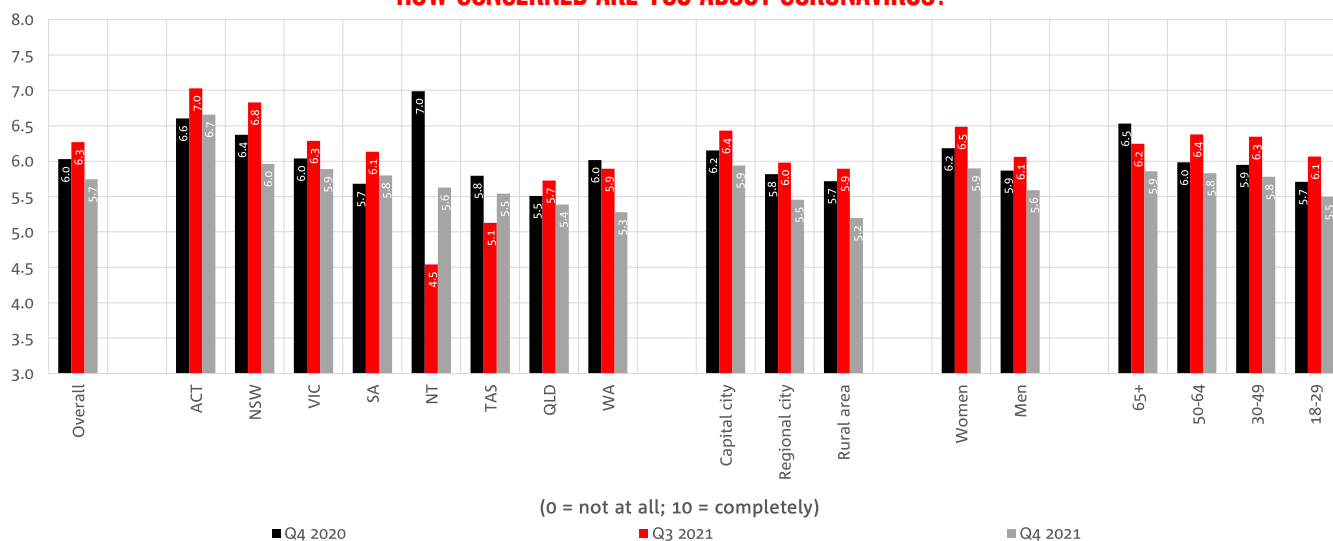
Concern fell in all states except the NT (5.6 pts up from 4.5 pts in Q3) and TAS (5.5 pts up from 5.4 pts in Q3), but was below year-earlier levels in all states and territories. Concern was highest in the ACT (6.7 pts), well ahead of the next most anxious NSW (6.0 pts), which also reported the biggest decline. Concern was lowest in WA (5.3 pts) and QLD (5.4 pts) - see chart on following page.

The level of concern over Coronavirus fell in all regions, but remained highest in capital cities (5.9 pts), ahead of regional cities (5.5 pts) and rural areas (5.2 pts).

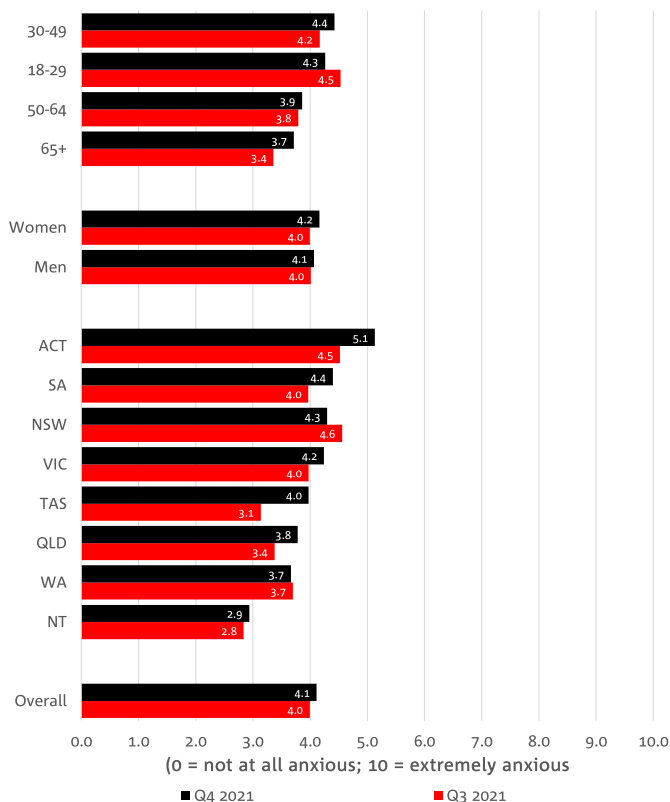
Women (5.9 pts) are still more worried than men (5.6 pts), with both genders reporting somewhat lower concern than in the previous quarter.

By age, the 65+ group (5.9 pts) again reported the highest level of concern, marginally ahead of the 50-64 (5.8 pts) and 30-49 (5.8pts) groups. Concern was lowest in the 18-29 age group (5.8 pts). All age groups also reported lower levels of concern than at the same time last year, with concern falling most among older Australians.

HOW CONCERNED ARE YOU ABOUT CORONAVIRUS?



ANXIETY ABOUT CHANCES OF GETTING INFECTED WITH COVID-19



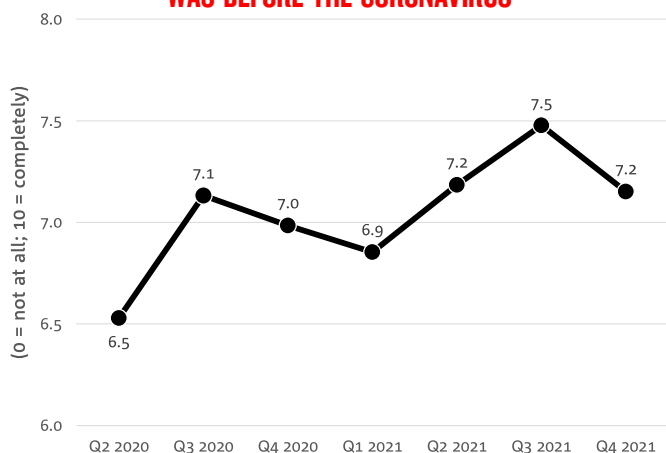
When also asked how anxious Australians were about their chances of getting infected with COVID-19, overall anxiety levels were quite low, scoring 4.1 pts out of 10, up slightly from 4.0 pts in Q3, but again preceding “shadow” lockdowns seen in parts of the country as Omicron became more prevalent in the community.

By state, infection anxiety was highest in the ACT and climbed to 5.1 pts (4.5 pts in Q3). Anxiety levels also climbed in SA (4.4 pts vs. 4.0 pts in Q3), VIC (4.2 pts vs. 4.0 pts in Q3), TAS (4.0 vs. 3.1 pts in Q3) and QLD (3.8 pts vs. 3.4 pts). NSW was the only state to report lower anxiety about catching COVID (4.3 pts vs. 4.6 pts in Q3), with anxiety levels largely unchanged in WA (3.7 pts) and the NT (2.9 pts), where anxiety was also lowest in the country.

Women (4.2 pts) and men (4.1 pts) reported broadly similar levels of anxiety in Q4, with slightly higher anxiety recorded for both genders relative to last quarter.

By age, the 30-49 group was the most anxious about their chances of catching COVID (4.4 pts) and somewhat more so than in Q3 (4.2 pts). The 18-29 group was next most anxious (4.3 pts) but less so than in Q3 (4.5 pts). Anxiety levels were largely unchanged in the 50-64 group (3.9 pts) and lowest among the over 65s (3.7 pts), though rising from Q3 (3.4 pts).

**EXTENT OF AGREEMENT WITH THE STATEMENT:
"I WANT MY LIFE TO RETURN TO EXACTLY HOW IT
WAS BEFORE THE CORONAVIRUS"**



Having lived with COVID for nearly 2 years, have Australians changed their view about their pre-COVID life? In Q4, their appetite to return to their old ways waned. When asked the rate the extent they agreed with the statement "I want my life to return to exactly how it was before the COVID-19 pandemic", it fell to a still relatively high 7.2 pts in Q4 (after climbing in the previous two quarters to reach 7.5 pts in Q3).

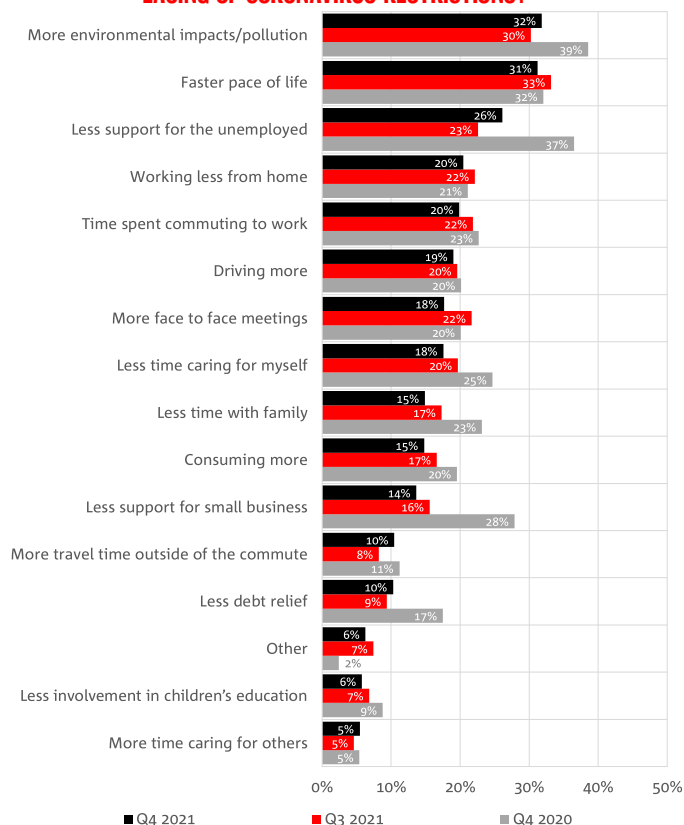
The extent of agreement with this statement did however vary somewhat by state. It was highest in TAS 7.4 pts (up from 6.9 pts in Q3), followed by NSW (7.3 pts), VIC (7.3 pts) and SA (7.3 pts), with agreement in all 3 states somewhat lower than in Q3. Agreement was lowest in the NT (6.3 pts) and WA (6.7 pts), and significantly lower than in the previous survey

By gender, men (7.3 pts vs. 7.7 pts in Q3) remain keener to return to their old lives than women (7.1 pts vs. 7.3 pts in Q3), but the appetite to do so fell for both genders. By age, people over the age of 65 (7.7 pts vs. 8.0 pts in Q3) also remain most keen to return to their old lives, and those in the 30-49 group least keen (6.9 pts vs. 6.4 pts in Q3).

EXTENT OF AGREEMENT WITH STATEMENT: STATE, GENDER & AGE

	Overall	NSW	VIC	QLD	SA	ACT	WA	TAS	NT	Men	Women	18-29	30-49	50-64	65+
Q4 2021	7.2	7.3	7.3	7.0	7.3	6.7	6.7	7.4	6.3	7.3	7.1	7.1	6.9	7.0	7.7
Q3 2021	7.5	7.7	7.6	7.1	7.5	6.6	7.3	6.9	7.4	7.7	7.3	7.2	7.3	7.4	8.0

**WHAT ARE YOU MOST CONCERNED ABOUT POST THE
EASING OF CORONAVIRUS RESTRICTIONS?**



When Australians who had a low desire to return to life as it was before the pandemic (i.e. scored 4 pts or lower), the main reasons for most were returning to a world of more environmental impacts/pollution (32%), faster pace of life (31%) and less support for the unemployed (26%), though this reason was well down from 37% a year earlier. Around 1 in 5 people also cited working less from home (20%), time spent commuting to work (20%), driving more (19%), more face-to-face meetings (19%) and less time caring for themselves (18%). Spending less time with family was key for just 15% of people, down from 23% a year ago. Other areas that resonated much less than last year also included less support for small business (14% vs. 28%) and less debt relief (10% vs. 17%).

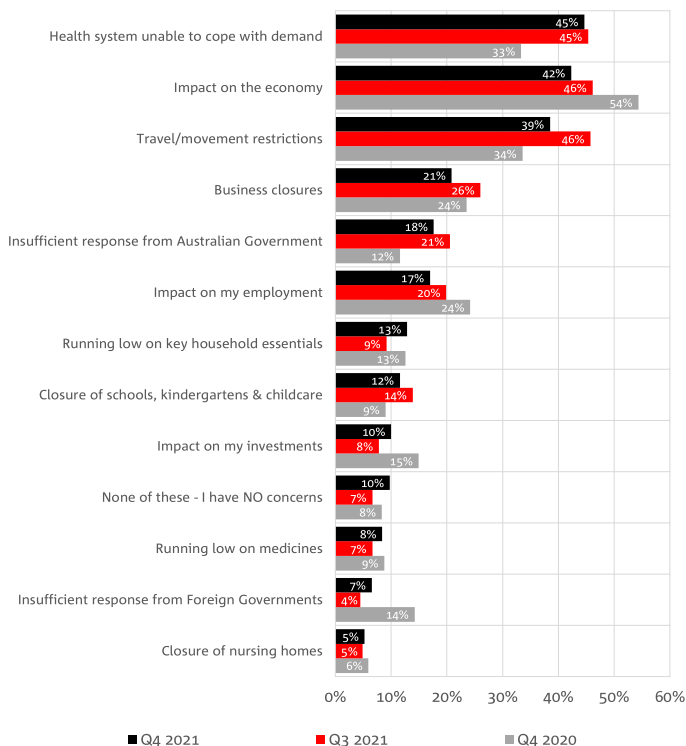
The survey showed that women were much more concerned about returning to a faster pace of life than men (36% vs. 22%), less time with family (28% vs. 16%), environmental impacts (37% vs. 26%) and driving more (23% vs. 14%).

Differences were more pronounced by age, particularly in areas like time spent commuting to work, less time caring for themselves, consuming more, less support for small business and debt relief, for people under 50, and working less from home for those over 50 - see table below.

WHAT ARE YOU MOST CONCERNED ABOUT POST THE EASING OF CORONAVIRUS RESTRICTIONS: GENDER & AGE?

	Overall	Men	Women	18-29	30-49	50-64	65+
More environmental impacts/pollution	32%	26%	37%	23%	38%	31%	25%
Faster pace of life	31%	22%	36%	29%	30%	31%	44%
Less support for the unemployed	26%	16%	25%	24%	20%	16%	2%
Working less from home	20%	11%	20%	8%	9%	20%	28%
Time spent commuting to work	20%	21%	23%	30%	25%	11%	10%
Driving more	19%	14%	23%	23%	19%	19%	13%
More face-to-face meetings	18%	12%	20%	19%	16%	10%	12%
Less time caring for myself	18%	15%	23%	28%	19%	10%	8%
Less time with family	15%	16%	28%	33%	24%	20%	32%
Consuming more	15%	22%	20%	27%	24%	14%	7%
Less support for small business	14%	16%	19%	20%	20%	6%	8%
More travel time outside of the commute	10%	7%	12%	10%	11%	13%	2%
Less debt relief	10%	5%	10%	17%	11%	6%	6%
Other	6%	7%	8%	2%	6%	4%	16%
Less involvement in children's education	6%	6%	8%	9%	7%	2%	2%
More time caring for others	5%	4%	5%	4%	7%	4%	4%

TOP CONCERNS REGARDING CORONAVIRUS OTHER THAN DIRECT HEALTH IMPACTS



The COVID pandemic also continues to raise many concerns outside of its direct impact on personal health.

In Q4, the biggest worry for most Australians was the health system being unable to cope with demand (45%), and remains significantly higher than at the same time last year (33%), though unchanged from the previous quarter.

This was followed by the impact on the economy (42%) and travel movements and restrictions (39%) - though both factors were of somewhat less concern as the economy continued to see healthy outcomes and as many states relaxed border restrictions after achieving high levels of vaccination.

Other areas of concern for most Australians in Q4 included business closures (21%), an insufficient response from the Australian Government (18%) and running low on key household essentials (13%).

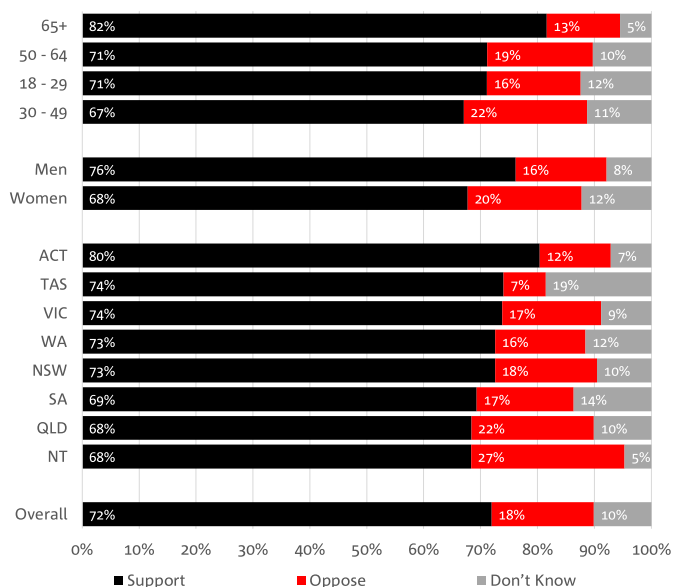
By state, the ability of the health system to cope was of greatest concern in WA (56%), and of least concern in NSW (45%) and VIC (44%) where the biggest worry centred on the was the impact of COVID on the economy. Travel restrictions were highlighted as the top concern in the NT (55%), with business closures of concern to noticeably more people in VIC (26%) than other states.

Employment was of concern to noticeably more people living in the NT (33%) and the ACT (25%), with more residents of the ACT (27%) and VIC (17%) also worried about the closure of schools, kindergarten and childcare - see table below for more detail.

TOP CONCERNS REGARDING CORONAVIRUS OTHER THAN DIRECT HEALTH IMPACTS: STATES

	AUS	NSW	VIC	QLD	SA	ACT	WA	TAS	NT
Health system unable to cope with demand	45%	40%	42%	48%	49%	44%	56%	50%	50%
Impact on the economy	42%	45%	44%	42%	37%	39%	40%	24%	18%
Travel/movement restrictions	39%	40%	40%	37%	36%	39%	35%	31%	55%
Business closures	21%	20%	26%	18%	23%	22%	16%	18%	13%
Insufficient response from Australian Government	18%	17%	17%	20%	15%	19%	19%	19%	13%
Impact on my employment	17%	18%	15%	17%	15%	25%	18%	8%	33%
Running low on key household essentials	13%	12%	8%	17%	17%	15%	17%	7%	9%
Closure of schools, kindergartens & childcare	12%	11%	17%	9%	9%	27%	5%	5%	5%
Impact on my investments	10%	10%	10%	11%	10%	7%	10%	5%	9%
None of these - I have NO concerns	10%	10%	9%	8%	13%	5%	9%	17%	18%
Running low on medicines	8%	7%	7%	10%	10%	10%	12%	8%	4%
Insufficient response from Foreign Governments	7%	6%	7%	6%	5%	15%	7%	6%	4%
Closure of nursing homes	5%	6%	5%	5%	7%	5%	4%	5%	9%

SUPPORT OR OPPOSE IDEA OF VACCINATED PEOPLE GETTING MORE FREEDOM THAN OTHERS



Australians were asked for the first time if they supported the idea of vaccinated people getting more freedom than others. The response was overwhelmingly positive with over 7 in 10 (72%) supporting the idea. Around 1 in 5 (18%) were opposed and 1 in 10 unsure (10%).

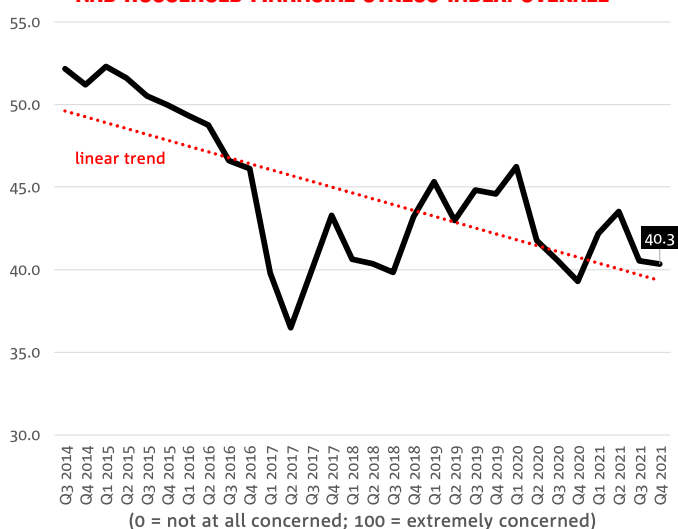
However, results were not uniform across the country. Support was strongest in the ACT (80%) with the next highest levels of support in TAS (74%) and VIC (74%). It was noticeably lower in the NT (68%), QLD (68%) and SA (69%). Opposition to the idea was highest in the NT (27%) and lowest in TAS (7%), where uncertainty was also highest (19%).

Noticeably more men (76%) supported the idea than women (68%), with 20% of women opposed to it compared to 16% of men.

By age, support was highest in the over 65 group (82%) and significantly higher than in the 30-49 group (67%), where over 1 in 5 (22%) people were opposed to the notion.

HOUSEHOLD FINANCIAL STRESS & HARDSHIP

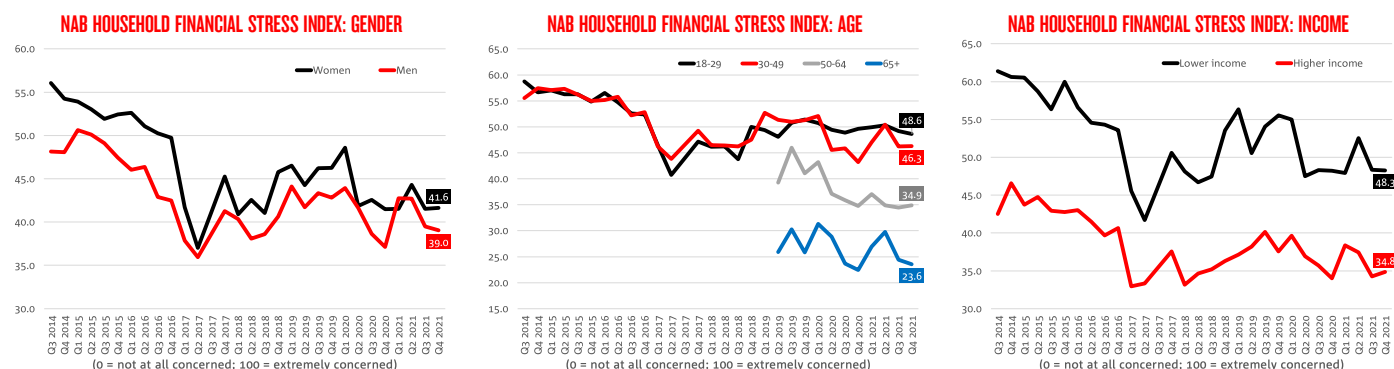
NAB HOUSEHOLD FINANCIAL STRESS INDEX: OVERALL



Anxiety is the biggest detractor from overall emotional wellbeing and financial stress can be a key contributing cause. The **NAB Household Financial Stress Index** looks at the role our finances have on our wellbeing. This comprehensive measure of financial anxiety is derived from a number of key potential household pressures (including meeting the costs of healthcare, mortgage repayments, rent, credit cards, education, food & basic necessities, utility bills, insurances, holidays, entertainment, unexpected expenses, financing retirement, major household items, home improvements & maintenance).

In Q4 2021, the NAB Household Financial Stress Index was broadly unchanged from the previous quarter at a “moderate” 40.3 pts (40.5 pts in Q3), but up from the same time last year (39.3 pts). The index however continued to trend well below the survey average (44.5 pts).

Not having enough to finance retirement remains the biggest driver of financial stress, though the level of stress fell further in Q4 (down 1.5 pts to 51.0 pts). However, it continues to cause more stress by some margin than the next biggest drivers - providing for our family’s future (down 0.3 pts to 44.7 pts), non-essentials (up 1.0 pts to 42.5 pts), medical bills and healthcare (down 0.9 pts to 42.2 pts), home improvements and maintenance (down 0.4 pts to 42.1 pts), major household items (unchanged at 41.0 pts), children’s education (down 1.0 pts to 40.6 pts) and mortgages, rents and housing costs (unchanged at 40.1 pts). Having enough money to meet minimum credit card payments is still causing the least stress (down 0.2 pts to 32.0 pts), followed by having enough for food and basic necessities (up 0.7 pts to 33.9 pts).



Men reported slightly lower financial stress in Q4 (down 0.5 pts to 39.0 pts), but it was broadly unchanged for women (up 0.1 pts to 41.6 pts). Women reported higher stress levels than men for all measures except credit card repayments (31.2 pts vs. 32.7 pts). Relative to men, women also had much higher stress over the ability to fund their retirement (53.8 pts vs. 48.3 pts), non-essentials (44.7 pts vs. 40.1 pts), raising \$2,000 for an emergency (41.9 pts vs. 37.3 pts), providing for their family’s future (47.0 pts vs. 42.5 pts) and medical bills and healthcare (44.3 pts vs. 40.0 pts)

By age, stress fell in the over 65 group (down 0.9 pts to 23.6 pts) and the 18-29 group (down 0.6 pts to 48.6 pts). It was broadly unchanged in the 30-49 group (46.3 pts) but increased a little in the 50-64 group (up 0.4 pts to 34.9 pts). Financial stress was highest in the 18-29 age group for all drivers, except being able to finance retirement and medical bills and healthcare, which caused the most stress in the 30-49 age group. At the other end of the spectrum, the over 65 age group reported the lowest stress for all categories - see table below.

Financial stress was unchanged for low income earners (48.3 pts) but up slightly for higher income earners (34.8 pts). This caused the “stress gap” to narrow to 13.4 pts (14.1 pts (15.1 pts in Q2)). Lower income earners reported higher stress for all metrics, especially raising \$2,000 for an emergency (53.3 pts vs. 32.1 pts), other monthly household expenses (48.3 pts vs. 31.5 pts) and food and necessities 44.6 pts vs. 27.8 pts).

NAB HOUSEHOLD FINANCIAL STRESS INDEX: KEY GROUPS (Q4 2021)

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Financing retirement	51.0	53.8	48.3	55.0	57.3	51.7	34.2	56.7	47.1
Providing for family's future	44.7	47.0	42.5	52.3	51.1	40.3	25.9	49.9	39.9
Non-essentials (holidays, eating out)	42.5	44.7	40.1	51.1	48.6	37.2	27.5	51.7	36.9
Medical bills/healthcare	42.2	44.3	40.0	47.3	47.8	40.2	29.3	49.7	36.5
Home imp. & maintenance	42.1	43.5	40.8	49.6	47.3	39.0	28.4	49.7	38.2
Major household items	41.0	42.0	39.9	48.4	46.7	37.4	27.1	49.7	35.4
Children's education	40.6	41.1	40.2	49.7	46.0	28.0	9.0	44.9	35.8
Mortgage, rent, housing costs	40.1	40.6	39.5	47.9	45.3	32.1	23.5	47.4	33.1
Raising \$2,000 in an emergency	39.6	41.9	37.3	50.4	46.8	32.3	23.6	53.3	32.1
Personal loan repayments	39.3	39.6	39.1	47.5	45.2	30.6	20.0	45.7	33.1
Other monthly h/hold expenses	38.2	39.5	36.9	47.4	43.9	33.4	23.8	48.3	31.5
Normal monthly utility bills	37.7	39.1	36.2	47.0	43.9	32.7	22.5	46.7	31.6
Food/basic necessities	33.9	34.6	33.1	43.0	40.0	28.3	19.8	44.6	27.8
Credit card repayments	32.0	31.2	32.7	44.1	37.8	25.3	15.6	37.7	28.9
NAB Household Financial Stress Index	40.3	41.6	39.0	48.6	46.3	34.9	23.6	48.3	34.8

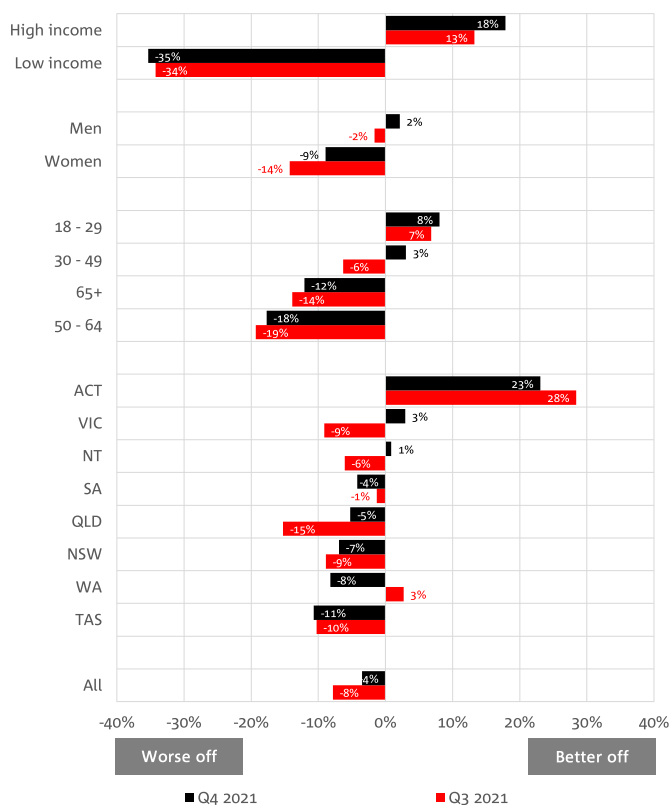
By state, stress financial stress fell most in SA/NT (down 2.6 pts to 39.0 pts), and increased most in TAS (up 4.2 pts to 42.0 pts). Modest declines were recorded in WA (down 0.6 pts to 38.6 pts) and VIC (down 0.4 pts to 40.0 pts), with modest increases recorded in both NSW/ACT (up 0.2 pts to 42.0 pts) and QLD (up 0.1 pts to 39.2 pts). Household financial stress remained highest in NSW/ACT, with WA replacing TAS as the least stressed. Financing retirement was the biggest driver of stress in all states, except TAS where it was highest in relation to raising \$2,000 for an emergency. Credit card stress caused the least stress in all states, except in TAS where food and basic necessities caused the lowest stress - see Appendix 2 for historical data.

NAB HOUSEHOLD FINANCIAL STRESS INDEX: STATES (Q4 2021)

	AUS	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Financing retirement	51.0	52.5	51.0	50.9	48.6	51.5	40.8
Providing for family's future	44.7	46.9	44.0	43.6	42.4	43.7	41.1
Non-essentials (holidays, eating out)	42.5	43.4	42.1	42.6	40.4	40.9	45.2
Medical bills/healthcare	42.2	44.1	41.7	40.5	40.6	41.6	43.4
Home improvements & maintenance	42.1	43.1	42.8	42.7	38.0	39.5	42.7
Major household items	41.0	42.1	39.6	41.2	40.3	40.3	44.4
Children's education	40.6	43.9	42.0	36.7	36.2	35.5	44.1
Mortgage, rent, housing costs	40.1	41.4	40.8	38.5	38.1	39.7	36.8
Raising \$2,000 in an emergency	39.6	40.7	36.6	39.8	40.9	40.9	46.8
Personal loan repayments	39.3	41.8	39.2	36.9	38.2	36.6	38.9
Other monthly household expenses	38.2	39.5	37.5	37.1	37.8	36.3	46.1
Normal monthly utility bills	37.7	39.1	37.5	36.6	35.8	36.5	42.5
Food/basic necessities	33.9	35.0	33.3	33.3	33.2	33.1	36.4
Credit card repayments	32.0	34.9	31.4	29.0	29.4	29.9	39.1
NAB Household Financial Stress Index	40.3	42.0	40.0	39.2	38.6	39.0	42.0

HOW DO HOUSEHOLDS FEEL THEY ARE TRAVELLING FINANCIALLY?

BETTER OR WORSE OFF FINANCIALLY THAN THIS TIME LAST YEAR (NET BALANCE)



On average the number of Australians who felt they were worse off financially in Q4 exceeded the number who thought they were better off. However, the net number of people in this position fell slightly to -4%, compared to -8% in the previous quarter.

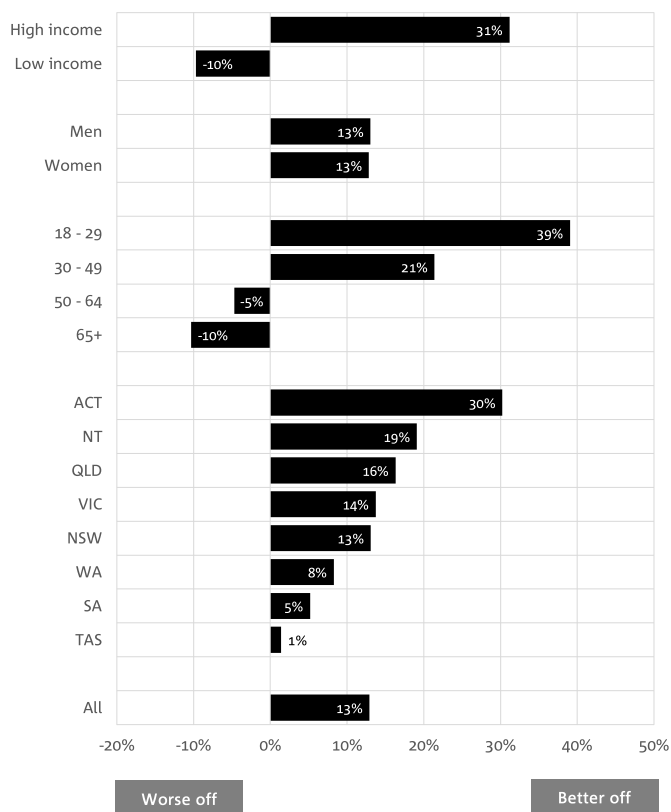
By state, the number of optimists out-weighed pessimists by a considerable margin in the ACT (+23%), and significantly higher than in VIC (+3%) and the NT (+1), though both states also reported an improvement from a net decline in Q3. TAS (-11%) had the most of pessimists, followed by WA (-8%) and NSW (-7%).

By age, Australians under the age of 50 were on balance positive, led by the 18-29 (+8%) group, with the number of optimists in the 30-49 group (+3%) also rising from -6% in Q3. The number of pessimists out-weighed the optimists in the over 65 (-18%) and 50-64 (-12%) age groups.

There was a significant gulf between men and women. While a net +2% of men said they were better off financially, a net -9% of women said they were worse off than at the same time last year.

High income earners (+18%) on balance also believe they are better off, while a much higher number in the low income groups said they were worse off (-35%).

BETTER OR WORSE OFF FINANCIALLY IN A YEAR FROM NOW (NET BALANCE)



For the first time we also asked Australians if they thought that they would be better or worse off financially in a year from now. Overall, a net +13% expect to be better off (31% better off compared to 18% worse off).

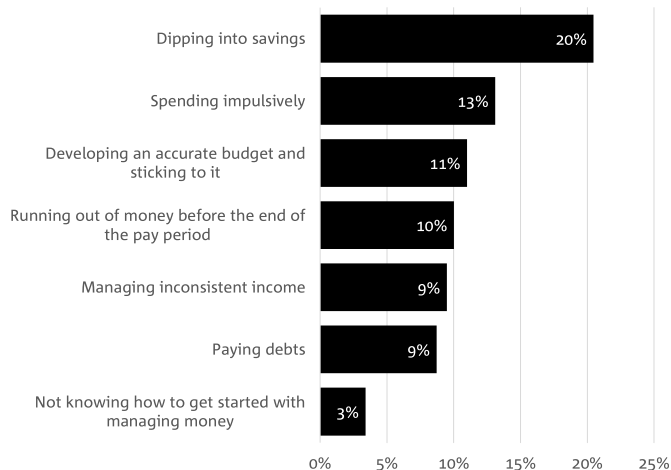
The number of optimists out-weighed pessimists in all states, led by the ACT (+30%), followed by the NT (+19%), QLD (+16%), VIC (+14%) and NSW (+13%). The least positive Australians were in the NT (+1%), SA (+5%) and WA (+8%)

By age, Australians in the 18-29 (+39%) were by far the most optimistic about their financial position over the next year, with the number of optimists also exceeding pessimists in the 30-49 group (+21%). In contrast more people in the over 65 (-10%) and 50-64 (-5%), expect their situation to get worse.

A similar number of women and men (+13%) were optimistic about their financial position in the next 12 months.

More high income earners (+31%) believe they will be better off, but more people in the low income group anticipate being worse off financially (-10%).

BIGGEST CHALLENGES WITH MANAGING YOUR PERSONAL FINANCES



For the first time we also asked people to identify the main challenges for managing their personal finances. For 1 in 5, it was dipping into their savings (20%), with 13% pointing to impulsive spending. For 1 in 10 it was developing and sticking to a budget (11%), running out of money before the pay period ends (10%), managing inconsistent income (9%) and paying debts (9%).

Dipping into savings was a bigger issue for over 65s (27%), impulsive spending for 18-29 year olds (20%) and budgeting among under 50s. Not knowing how to get started with managing money also resonated with around 1 in 20 people under 50.

Gender responses were broadly aligned. However, noticeably more low income earners were challenged by dipping into savings (24%) and running out of money before pay period ended (20%), and the high income group by impulsive spending (18%).

BIGGEST CHALLENGES MANAGING YOUR PERSONAL FINANCES: AGE, GENDER & HIGH/LOW INCOME

	All	18 - 29	30 - 49	50 - 64	65+	Men	Women	Low income	High income
Dipping into savings	20%	21%	16%	21%	27%	19%	22%	24%	18%
Spending impulsively	13%	20%	13%	11%	8%	15%	12%	7%	18%
Developing an accurate budget and sticking to it	11%	13%	14%	7%	8%	12%	10%	7%	13%
Running out of money before the end of the pay period	10%	9%	11%	11%	9%	9%	11%	20%	5%
Managing inconsistent income	9%	10%	11%	11%	5%	9%	10%	6%	9%
Paying debts	9%	10%	11%	8%	4%	9%	8%	9%	9%
Not knowing how to get started with managing money	3%	6%	5%	2%	0%	4%	3%	2%	4%

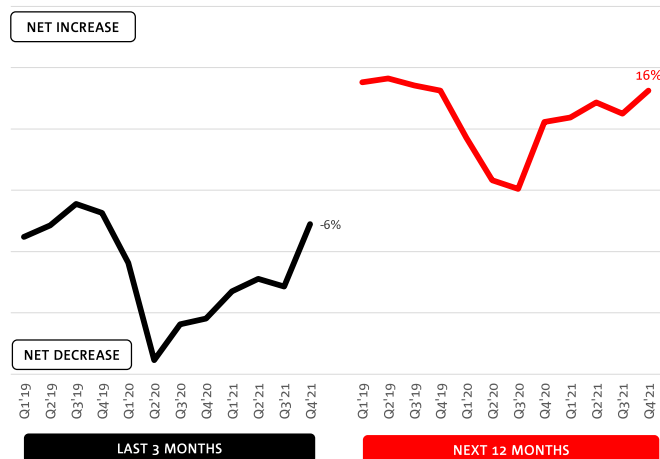
THE IMPACT OF INCOME, SAVINGS & DEBT

ABS data indicates the unemployment rate dropped from 4.6% to 4.2% in December, with an estimated 64,800 jobs created between November and December, and came amid claims employers were struggling to fill a historically high number of job vacancies. Indeed, labour analysis by NAB showed about 40% of all Australian businesses were continuing to feel Australia’s talent squeeze, with larger businesses hit hardest.

Against this backdrop, the net number of surveyed Australians who reported a decrease in their incomes in the last 3 months improved sharply to -6% (-16% in Q3). Improvement was recorded for both women (-8% vs. -18% in Q3) and men (-3% vs. -14% in Q3). Incomes also improved for noticeably more people in all age groups, particularly in the 18-29 group (-3% vs. -22% in Q3), but it remained relatively high in the 50-64 age group (-16% vs. -20%). Lower income groups (-18%) were again hit harder (but up from -31% in Q3), while more people in the highest income group on balance said their incomes improved (+6% vs. -19% in Q3).

Looking forward, even more Australians on balance now expect their incomes to rise than fall in the next 12 months (+16% vs. +9% in Q3), with men (+21%) and people in the 18-29 age group (+34%) the most optimistic. Optimism also lifted much more sharply in the high income group (+27%) than in the low income group (+6%), after the number of high and low income earners expecting their incomes to rise and fall largely cancelled each other out in Q3.

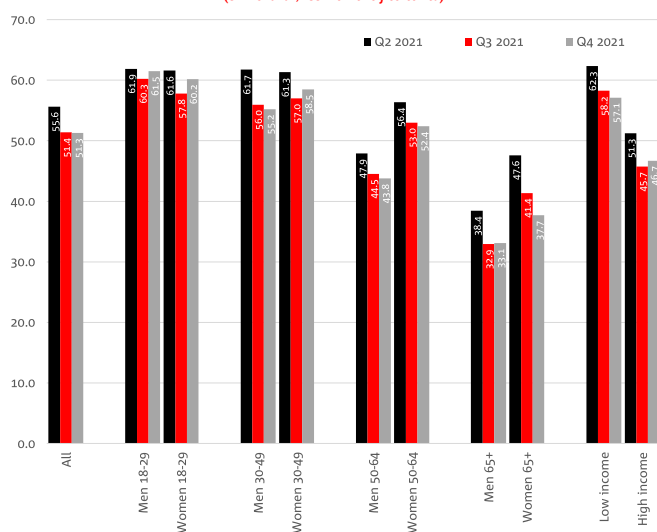
WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF INCOME (NET BALANCE)



WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF INCOME (NET BALANCE)

	Last 3 months	Next 12 months
Women	-8%	+12%
Men	-3%	+21%
Age 18-29	-3%	34%
Age 30-49	-1%	21%
Age 50-64	-16%	3%
Age 65+	-5%	4%
Low income	-18%	6%
High income	+6%	27%

LEVEL OF CONCERN OVER YOUR INCOME (0 = not at all; 100 = extremely concerned)



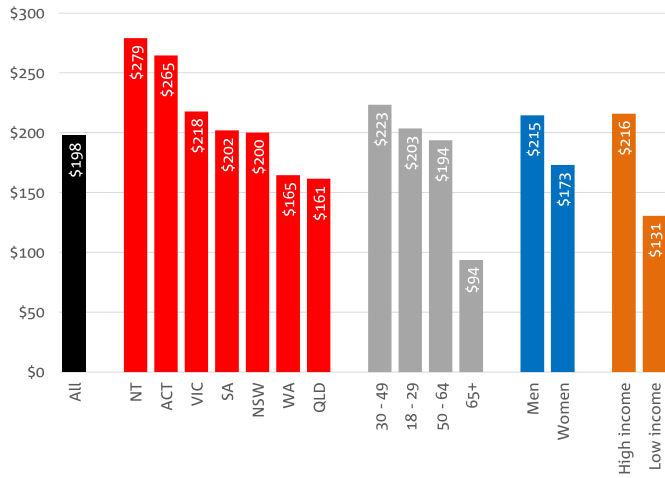
Despite a fall in the net number of people who saw their incomes fall in Q4, Australians on average reported basically unchanged levels of concern over their income, rating their stress at 51.3 pts out of 100 (51.4 pts in Q3).

Stress levels varied by gender and age.

In the 18-29 group, it was higher for men (61.5 pts) than women (60.2 pts), though both groups also reported higher stress relative to the previous quarter. In the 30-49 group, stress was higher (and increased) for women (58.5 pts) but fell for men (55.2 pts). The biggest gap was apparent in the 50-64 age group, where stress was sharply higher for women (52.4 pts) than men (43.8 pts), with stress levels broadly unchanged for both genders. Stress was lowest in the over 65 group, though women (37.7 pts) continued to report higher stress than men (33.1 pts).

Though low income earners also continue to report much higher stress (57.1 pts), it moderated a little in Q4, but increased in the high income group (46.7 pts).

HOW MUCH EXTRA MONEY PER WEEK ARE YOU EXPECTING?



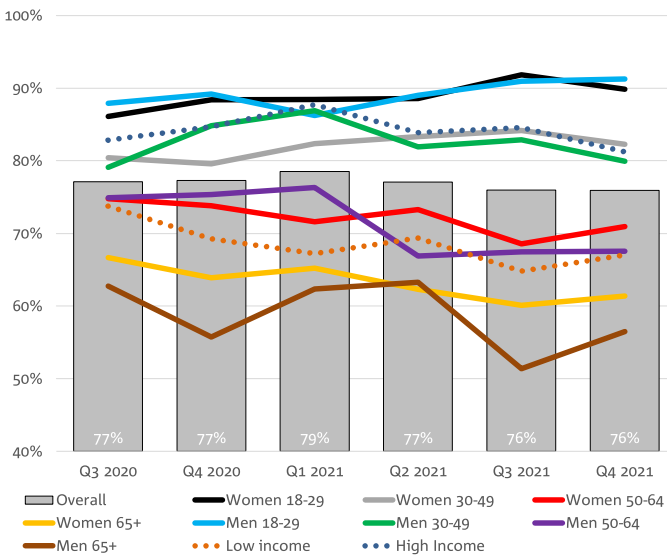
Australians who indicated they expected their incomes to increase over the next year (around one-quarter of the total sample group) were also asked to estimate by how much their weekly income would rise. On average, the expectation was \$198 per week (or around \$10,300 annually). More specifically, around 1 in 5 expected an increase of less than \$50 (19%) and between \$50-\$100 (18%).

By state, average income expectations were highest in the NT (\$279) and ACT (\$265), and most conservative in QLD (\$161) and WA (\$165).

By age, the 30-49 group were the most positive (\$223), ahead of the 18-29 (\$203) and 50-64 (\$194) groups. Over 65s expected their incomes to grow just \$94.

Men (\$215) expected noticeably bigger gains than women (\$173) as did those in the highest income group (\$216) relative to the lowest income group (\$131), where around 4 in 10 people also expected to earn less than \$50 per week extra.

PERCENTAGE OF AUSTRALIANS TRYING TO SAVE



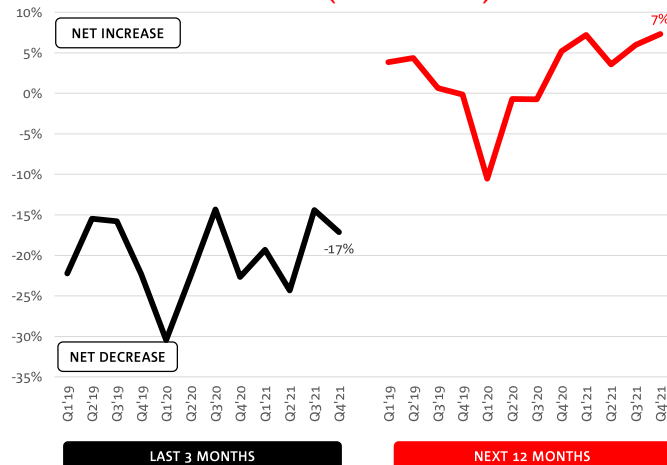
Savings aspirations among Australians remain very high, with around 3 in 4 (76%) people indicating they were trying to save in Q4 (unchanged from Q3).

Savings aspirations remain strongest in the 18-29 age group, with around 9 in 10 men (91%) and women (90%) in this group trying to save. Aspirations were also broadly similar in the 30-49 group (82% women; 80% men). Savings intentions were lower in the 50-64 age group, though intentions were a little more positive for women (71%) than men (68%).

In the over 65 group, the number of women trying to save was broadly unchanged at 61%, but the number of men trying to do so increased noticeably to 56%, from 51% in the previous quarter.

Savings aspirations in the lowest income group improved to 67% in Q4 (65% in Q3), but was still well below the highest income group where the number trying to save fell to 81% (85% in Q3).

WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF SAVINGS (NET BALANCE)



WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF SAVINGS (NET BALANCE)

	Last 3 months	Next 12 months
Women	-25%	3%
Men	-9%	12%
Age 18-29	-10%	34%
Age 30-49	-12%	14%
Age 50-64	-30%	-13%
Age 65+	-21%	-12%
Low income	-41%	-12%
High income	-1%	22%

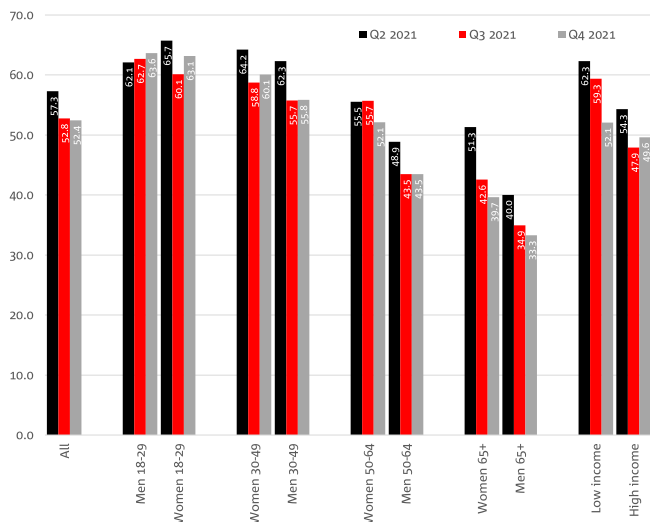
Savings came under some pressure in Q4. In net terms, the number of Australians whose level of savings fell in the last 3 months continued to outweigh those who indicated they had increased. Moreover, the net number reporting a decrease reached -17% (-14% in Q3). In addition, around 4 in 10 (43%) said their savings had fallen in the past 3 months, compared to just 3 in 10 (30%) in Q3.

By gender, the net number of women who reported a decrease in savings reached -25% (-20% in Q3) but was unchanged for men (-9%). By income, we noted a small improvement in the low income group, though the net number who saw their savings fall remains elevated (-41%). In the high income group, those saving more and less basically cancelled each other out (-1%) but represented a large improvement in their saving ability relative to Q3 (-33%).

Despite a much-improved outlook for incomes, the net number expecting their savings to increase in the next 12 months was broadly unchanged at +7% (+6% in Q3). Expectations among men were a little weaker (+12% vs. +14%), but were a little stronger for women (+3% vs -1% in Q3).

More Australians under 50 expect still their level of savings to fall than rise in the next 12 months. Those under 50 remain more optimistic, led by the 18-29 group (+34% up from +25% in Q3). Fewer low income earners now expect their savings to fall than rise (-12% vs. -18% in Q3), whereas expectations in the highest income group were revised up strongly (+22% vs. -18% in Q3).

LEVEL OF CONCERN OVER YOUR SAVINGS
(0 = not at all; 100 = extremely concerned)



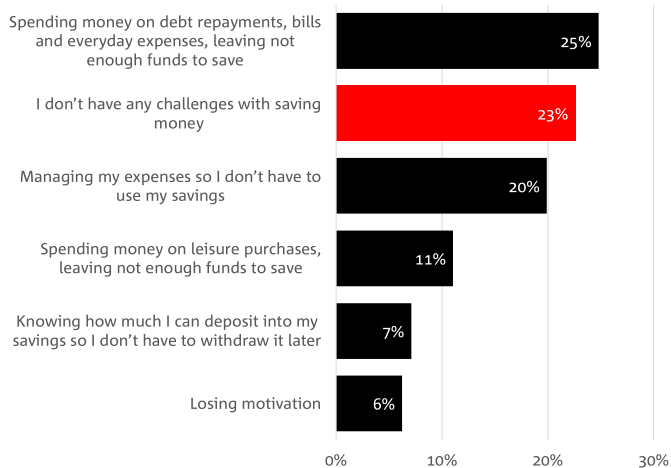
Australians on average rated their concern over their level of savings slightly lower in Q4 at 52.4 pts (52.8 pts in Q3), and above income stress (51.3 pts).

Stress levels varied by gender and age. In the 18-29 group, it was higher for men (63.6 pts) than women (63.1 pts), though both groups also reported higher stress relative to the last quarter. In the 30-49 group, it was higher (and increased) for women (60.1 pts), and basically unchanged for men (55.8 pts).

Bigger gaps were apparent in the 50-64 age group, where stress was sharply higher (but fell) for women (52.1 pts) than men (unchanged at 43.5 pts). Stress was lowest in the over 65 group, though women (39.7 pts) continued to report noticeably higher stress than men (33.3 pts).

Though low income earners continued to report higher stress, it fell sharply in Q4 to 52.1 pts (59.3 pts in Q3). In contrast, savings stress increased in the high income group to 49.6 pts (47.9 pts in Q3), and is now only somewhat lower than in the lowest income group.

MOST CHALLENGING THING ABOUT SAVING MONEY



For the first time we also asked people to identify what was the single most challenging thing about saving money. The biggest challenge according to 1 in 4 (25%) Australians was spending money on debt repayments, bills and everyday expenses, leaving not enough funds to save.

The next hardest thing according to 1 in 5 (20%) people was managing their expenses so they don't have to use their savings. Just over 1 in 10 (11%) identified spending money on leisure products and not having enough left to save, 7% knowing how much they could deposit into their savings so they didn't have to withdraw it later, and 6% simply losing motivation.

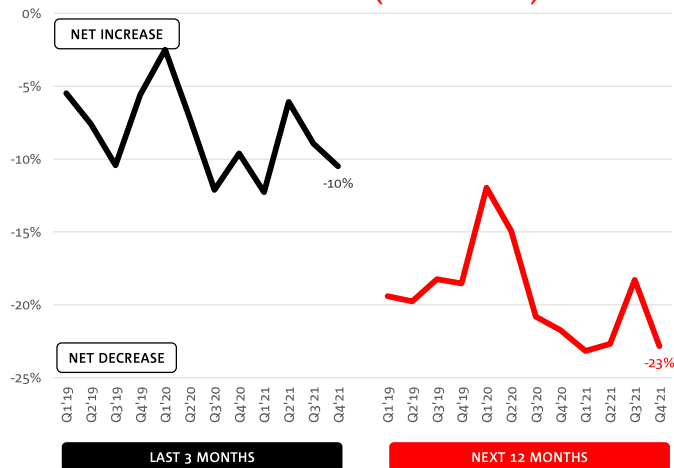
Encouragingly, almost 1 in 4 (23%) Australians indicated they don't have any challenges with saving money.

By gender, noticeably more Australian under the age of 65 found the biggest challenge to save arising from spending money on bills, debts and everyday things and not leaving enough to save. Young people aged 18-29 were much more likely to have been challenged by spending money on leisure goods and not having enough to save (20%) or knowing how much to deposit so as not to draw down their savings (11%) and along with the 30-49 group losing motivation. Almost 1 in 2 (45%) people over 65 said they faced no challenges saving money. By income, noticeably more low income earners were challenged by not having enough left to save after spending of bills, debts and everyday things (35%), but more in the high income group by spending on leisure products at the expense of savings (15%). Around 1 in 4 (23%) said they faced no challenges saving, compared to 18% in the low income group - see table below.

MOST CHALLENGING THING ABOUT SAVING MONEY: AGE, GENDER & HIGH/LOW INCOME

	All	18 - 29	30 - 49	50 - 64	65+	Men	Women	Low income	High income
Spending money on debt repayments, bills and everyday expenses, leaving not enough funds to save	25%	27%	29%	27%	12%	21%	29%	35%	21%
I don't have any challenges with saving money	23%	9%	16%	26%	45%	24%	21%	18%	23%
Managing my expenses so I don't have to use my savings	20%	20%	20%	18%	22%	20%	19%	21%	19%
Spending money on leisure purchases, leaving not enough funds to save	11%	20%	12%	6%	4%	12%	10%	5%	15%
Knowing how much I can deposit into my savings so I don't have to withdraw it later	7%	11%	7%	5%	5%	7%	7%	6%	9%
Losing motivation	6%	9%	7%	5%	3%	9%	4%	4%	6%

WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF HOUSEHOLD DEBT (NET BALANCE)

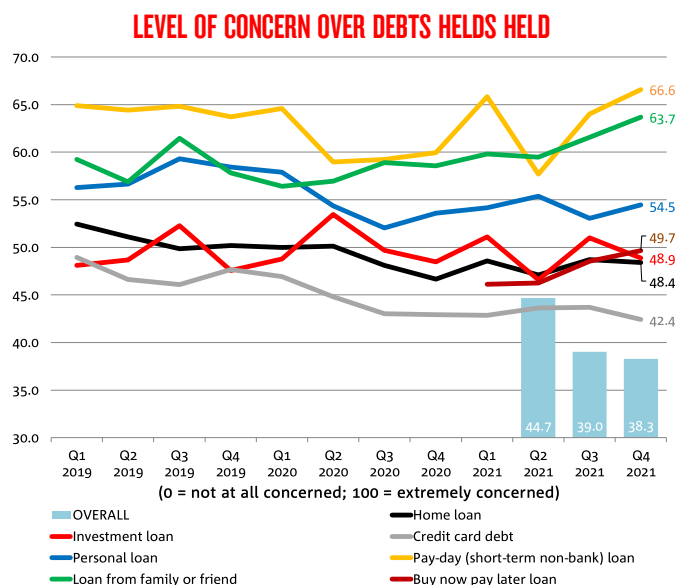
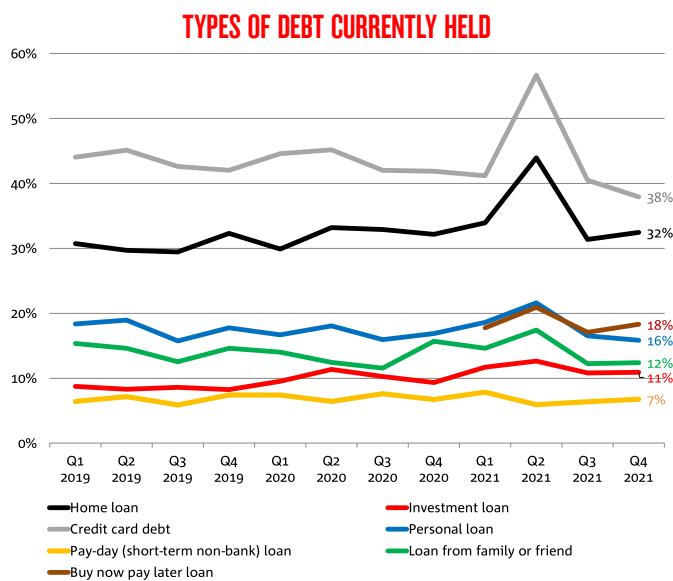


WHAT HAPPENED/WILL HAPPEN TO YOUR LEVEL OF HOUSEHOLD DEBT (NET BALANCE)

	Last 3 months	Next 12 months
Women	-9%	-24%
Men	-12%	-21%
Age 18-29	-6%	-29%
Age 30-49	-9%	-24%
Age 50-64	-14%	-22%
Age 65+	-13%	-16%
Low income	-9%	-18%
High income	-21%	-32%

Slightly more Australians made inroads into reducing household debt levels in Q4. When asked how it had changed over the past 3 months, in net terms more people said it decreased than increased (-10%) - i.e. the number who said it decreased out-weighted the number who said it increased - up from -9% in the previous quarter. More women (-9%) reported making inroads into reducing household debt levels (-5% in Q3), but it was slightly lower for men (-12% vs. -13% in Q3). On balance, slightly more Australians over 50 reduced household debt levels in Q4, and slightly less under 50. Both low income earners (-9% vs. +6% in Q3) and high income earners (-21% vs. -3%) made bigger inroads into reducing debt levels compared to the last quarter.

When asked what they expect to happen to debt levels in the next 12 months, the net number who expect to see it fall increased to -23% (-18% in Q3). More people are expecting to reduce debt levels in the next year relative to Q3 in all groups. Expectations were a little higher among women (-24%) than men (-21%), with the 18-29 (-29%) group leading the way by age. By income, -18% in the lowest income groups expect debt levels to decrease (-4% in Q3), and -32% in the highest income group (-17% in Q3).



In this section, we look at the types of debt currently held by Australians, and the level of stress each of these debts cause them.

Credit card debt is still the most widely held form of debt, though the overall number of Australians holding this debt fell in Q4 to 38% - the lowest number reported since NAB started compiling this data in Q1 2019. The number of men holding credit card debt dropped to 40% (44% in Q3) and to 36% for women (37% in Q3).

By age, the number of people with credit card debt ranged from an unchanged 48% in the 50-64 group to a lower 28% in the 18-29 group. Around 3 in 10 (30%) low income earners indicated they had credit card debt, compared to over 4 in 10 (42%) in the highest income group.

The number with home loans rose slightly to 32% (31% in Q3), and it was the most common type of debt held in the 30-49 age group (48%) and high income group (52%).

Almost 1 in 5 (18%) Australians overall said they had buy now pay later (BNPL) debt, and it remained somewhat more common among women (20%) than men (16%), and also much more common in the 18-29 age group (33%) relative to other age groups.

Around 16% of all Australians also indicated they had a personal loan, with this type of debt far more common in the 18-29 (26%) age group. Overall, 12% of all Australians had a loan from family or friends, but this almost doubled in the 18-29 group (23%). Around 11% had an investment loan, but this climbed to 18% in the highest income group. Investment loans were also somewhat more common for men (14%) than women (8%).

Only 7% of all Australians were holding loans from a pay day lender in Q4, but this number was twice as high (14%) in the 18-29 age group.

TYPE OF DEBTS HELD: GENDER, AGE & HIGH/LOW INCOME

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Credit card debt	38%	36%	40%	28%	38%	48%	39%	30%	42%
Home loan	32%	31%	34%	30%	48%	33%	9%	13%	52%
Buy now pay later loan	18%	20%	16%	33%	22%	12%	3%	20%	16%
Personal loan	16%	15%	17%	26%	21%	10%	3%	12%	19%
Loan from family or friend	12%	13%	12%	23%	15%	6%	3%	17%	9%
Investment loan	11%	8%	14%	12%	13%	12%	5%	3%	18%
Pay-day (short-term non-bank) loan	7%	5%	9%	14%	9%	2%	1%	7%	6%

Overall debt stress moderated to 36.8 pts in Q4 (39.0 pts in Q3), and was well below the level of stress associated with savings (52.4 pts) or income (51.3 pts). Women (39.1 pts) reported higher overall debt stress than men (37.4 pts). By age, the 30-49 group (47.1 pts) had the highest debt stress, and the over 65 group (19.5 pts) by far the lowest. Low income earners also reported higher debt stress (40.8 pts) than high income earners (36.8 pts).

Individually, pay day loans caused the most (and higher) stress in Q4 (66.0 pts vs. 64.0 pts in Q3). It was also the biggest cause of stress in all groups except the over 65 age group and the high income group, where loans from family or friends caused most stress.

Stress arising from pay day loans was highest in the 30-49 age group (67.9 pts), but noticeably lower for people over 50. Loans from family and friends was the next biggest cause of debt stress, and rose to 63.7 pts (61.6 pts in Q3).

Personal loans were the next biggest driver of debt stress (54.5 pts), and was noticeably higher in the lowest income group (55.0 pts) and the 30-49 age group (59.8 pts). BNPL loans stress also increased (49.7 pts vs. 48.5 pts in Q3), and was much higher for men (53.1 pts), in the 30-49 age group (56.2 pts) and in the lowest income group (54.4 pts).

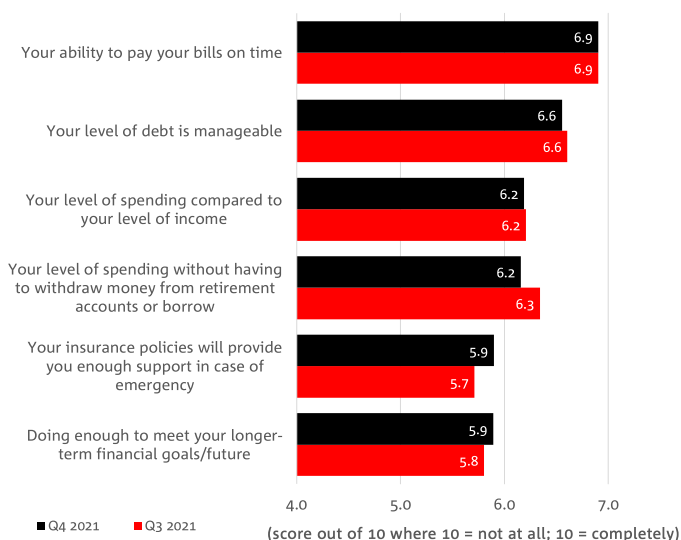
In other key findings, investment loan stress was particularly high in the 18-29 group (63.1 pts), home loans in the 18-29 age group (54.3 pts) and in the lowest income group (58.3 pts). These two groups also reported much higher stress over credit card debt (55.5 pts 18-29 year olds; 48.2 pts lowest income group).

LEVEL OF CONCERN OVER DEBTS HELD: GENDER, AGE & HIGH/LOW INCOME

	All	Women	Men	18-29	30-49	50-64	65+	Low income	High income
Pay-day (short-term non-bank) loan	66.6	66.9	66.4	66.5	67.9	58.5	50.1	63.8	64.3
Loan from family or friend	63.7	64.9	62.3	60.3	67.3	58.2	70.9	59.7	65.1
Personal loan	54.5	54.2	54.7	53.0	59.8	47.3	27.0	55.0	48.9
Buy now pay later loan	49.7	47.0	53.1	47.6	56.2	44.5	18.2	54.4	43.5
Investment loan	48.9	43.7	52.0	63.1	52.0	41.8	17.3	37.6	44.6
Home loan	48.4	46.9	49.8	54.3	48.5	45.1	39.8	58.3	43.9
Credit card debt	42.4	42.0	42.8	55.5	50.6	39.0	23.9	48.2	40.9
OVERALL	38.3	39.1	37.4	45.2	47.1	34.1	19.5	40.8	36.8

FINANCIAL COMFORT LEVELS

COMFORT LEVELS AROUND THE FOLLOWING...



Australians were asked to rate their comfort levels around some key things that influence financial wellbeing.

On average, they were still most comfortable (at moderate levels) about their ability to pay their bills on time (unchanged at 6.9 pts), followed by having a level of debt that was manageable (unchanged at 6.6 pts), their level of spending relative to their level of income (unchanged at 6.2 pts), and that they were spending an amount that did not require them to draw down money from their retirement accounts or have to borrow (6.2 pts vs. 6.3 pts in Q3).

Their comfort levels were lowest for having insurance policies that will provide them with enough support in case of an emergency (although this improved slightly to 5.9 pts from 5.7 pts in Q3), and doing enough to meet their longer terms financial goals and future (which also improved slightly to 5.9 pts from 5.8 pts in the previous quarter).

FINANCIAL COMFORT LEVELS: KEY GROUPS

	Overall	Men	Women	18-29	30-49	50-64	65+	Low income	High income	Unemployed	Lost Income to COVID
Your ability to pay your bills on time	6.9	7.1	6.8	6.7	6.6	6.8	7.6	6.1	7.3	5.2	6.3
Your level of debt is manageable	6.6	6.7	6.5	6.4	6.4	6.6	7.4	5.7	7.0	5.1	6.1
Your level of spending without having to withdraw money from retirement accounts or borrow	6.3	6.5	6.2	6.3	6.2	6.1	6.9	5.4	6.9	4.5	5.8
Your level of spending compared to your level of income	6.2	6.4	6.0	6.0	6.0	6.1	7.0	5.4	6.7	4.6	5.8
Doing enough to meet your longer-term financial goals/future	5.8	6.2	5.5	5.7	5.5	5.7	6.7	5.0	6.2	4.1	5.3
Your insurance policies will provide you enough support in case of emergency	5.7	6.0	5.5	5.6	5.4	5.8	6.3	5.0	6.0	4.4	5.4

The table above shows comfort levels across key groups.

By gender, men were more comfortable than women in all areas, especially doing enough to meet longer-terms financial goals (6.2 pts vs. 5.5 pts women), having adequate insurance coverage (6.0 pts vs. 5.5 pts women) and their level of spending relative to their income (6.4 pts vs. 6.0 pts).

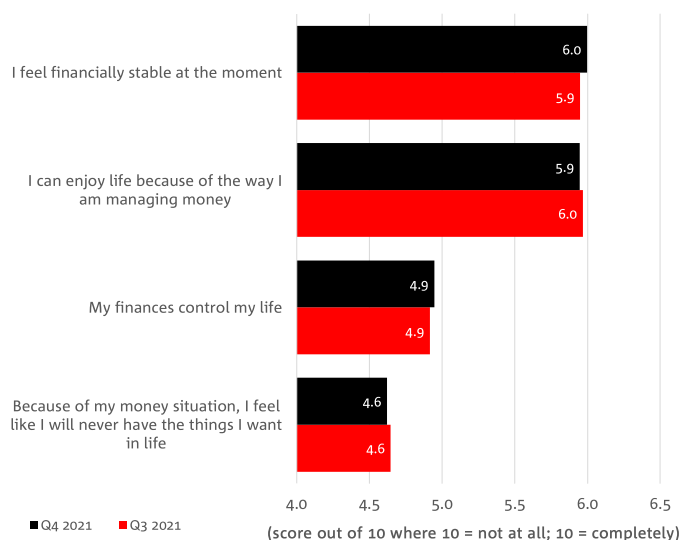
By age, comfort levels were noticeably higher for over 65s in all areas. Somewhat surprisingly, all age groups below 65 said their comfort levels were broadly similar in all areas, except doing enough to meet longer-term financial goals and insurance coverage, which was a little lower in the 30-49 age group.

Not surprisingly, high income earners were much more comfortable than low income earners in all areas, especially their level of spending without drawing down savings (6.9 pts vs. 5.4 pts) and manageable debt levels (7.0 pts vs. 5.7 pts).

Comfort levels for unemployed Australians remain substantially lower in all areas, and compared least favourably against the average person for spending without having to draw down funds or borrow (4.5 pts vs. 6.3 pts), ability to pay bills on time (5.2 pts vs. 6.9 pts), and doing enough to meet long-term financial goals (4.1 pts vs. 5.8 pts).

The gap between Australians who lost their main source of income due to COVID and the average Australian was biggest for their ability to pay their bills on time (6.3 pts vs. 6.9 pts average).

EXTENT OF AGREEMENT WITH FOLLOWING STATEMENTS...



Our relationship with money can influence our state of mind and how we view the present and the future. When asked the extent they agreed with 4 key statements, Australians on average most agreed most with the statements “I feel financially stable at the moment (6.0 pts vs. 5.9 pts in Q3) and “I can enjoy life because of the way I am managing money (5.9 pts vs. 6.0 pts in Q3).

They were in lowest agreement about the statements “Because of my money situation, I feel like I will never have the things I want in life” (unchanged at 4.6 pts) and “My finances control my life” (unchanged at 4.9 pts).

Men were in higher agreement than women about feeling financially stable (6.3 pts vs. 5.7 pts) and enjoying life because of the way they were managing their money (6.2 pts vs. 5.7 pts). They were however in broad agreement around the statements that their finances control their lives and never feeling they will have what they want in life because of their money situation.

EXTENT OF AGREEMENT WITH FOLLOWING STATEMENTS: KEY GROUPS

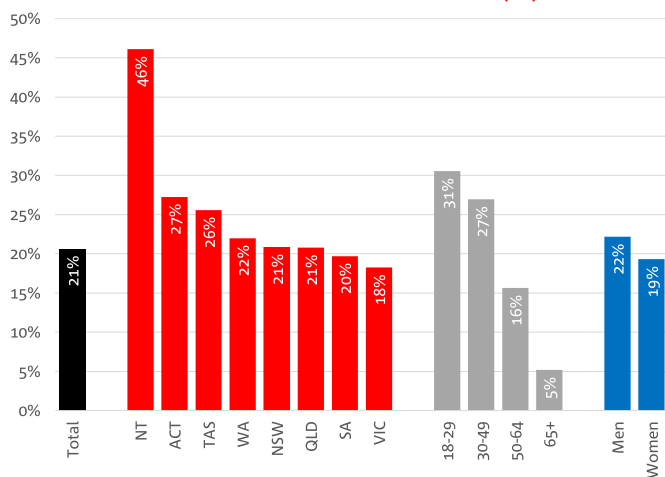
	Overall	Men	Women	18-29	30-49	50-64	65+	Low income	High income	Unemp.	Lost income to COVID
I feel financially stable at the moment	6.0	6.3	5.7	5.6	5.7	5.9	7.0	5.3	6.2	3.1	5.2
I can enjoy life because of the way I am managing money	5.9	6.2	5.7	5.7	5.7	5.8	6.8	4.9	6.5	3.4	5.5
My finances control my life	4.9	5.0	4.9	5.6	5.5	4.5	3.8	5.4	4.8	5.7	6.2
Because of my money situation, I feel like I will never have the things I want in life	4.6	4.6	4.6	5.0	5.2	4.4	3.4	5.2	4.2	6.2	6.0

By age, the over 65 group reported much higher levels of agreement about feeling financially stable (7.0 pts) and life enjoyment (6.8 pts) than all other age groups. Australians under the age of 50 were in much higher agreement about their finances controlling their lives and never having the things they want because of their money situation.

Unemployed Australians were in far lower agreement about feeling financially stable (3.1 pts) and enjoying life because of the way they manage money (3.4 pts) than any other group. This group, along with Australians who lost their main source of income due to COVID, also had much higher levels of agreement than the average Australian for feeling their finances control their lives and feeling like they will never have the things they want in life because of their money situation.

HOUSEHOLD FINANCIAL HARDSHIP

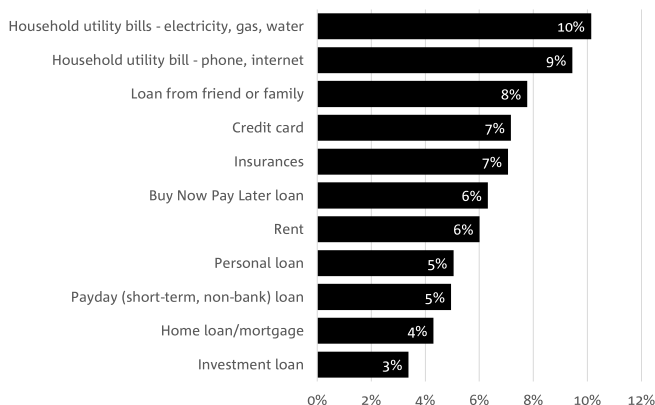
NUMBER OF PEOPLE WHO HAVE MISSED A PAYMENT OVER LAST 3 MONTHS (%)



People are experiencing financial hardship when they are having difficulty paying their bills or repayments on their loans or debts when they are due. Financial hardship can happen at any time, and is often the result of sickness, job loss or over-commitment. For the first time, NAB’s survey panel was asked if they had missed a bill or loan payment in a number of areas over the last 3 months.

On average, around 1 in 5 (21%) had missed a payment. But this varied widely by state. In the NT, almost 1 in 2 (46%) people had missed a payment, significantly more than in the next highest the ACT (27%). Missed payments were lowest in VIC (18%). There was also a very clear relationship with age, with missed payments highest in the 18-29 group (31%) and stepped down in each age group to just 5% in the over 65 group. Slightly more men (22%) also missed a payment than women (19%).

MISSED A PAYMENT IN THE LAST 3 MONTHS



The most common area of hardship for around 1 in 10 people was missing payments on utility bills for gas electricity, water (10%) or phone and internet (9%), followed by loans from family or friends (8%), credit cards (7%), insurances (7%), BNPL (6%) and rent (6%).

They were least likely to have missed an investment (3%), mortgage (4%), payday (5%) or personal (5%) loan repayment.

But the tables on the following table show that the types of payments missed varied quite noticeable among and between key demographic groups and by state.

MISSED A PAYMENT LAST 3 MONTHS: KEY GROUPS

	All	18-29	30-49	50-64	65+	Men	Women	Unemp.	Lost main income to COVID
Household utility bills - electricity, gas, water	10%	14%	13%	10%	2%	10%	10%	16%	31%
Household utility bill - phone, internet	9%	13%	13%	7%	3%	10%	9%	15%	24%
Loan from friend or family	8%	14%	10%	4%	1%	8%	7%	16%	24%
Credit card	7%	11%	9%	5%	1%	9%	5%	9%	23%
Insurances	7%	12%	9%	6%	1%	8%	6%	7%	23%
Buy Now Pay Later loan	6%	13%	8%	3%	0%	7%	5%	8%	22%
Rent	6%	12%	8%	2%	0%	7%	5%	10%	23%
Personal loan	5%	9%	8%	1%	1%	7%	3%	8%	20%
Payday (short-term, non-bank) loan	5%	10%	7%	1%	1%	6%	4%	5%	20%
Home loan/mortgage	4%	7%	6%	2%	1%	6%	2%	3%	16%
Investment loan	3%	7%	4%	1%	0%	5%	2%	2%	15%

People under the age of 50 were more likely to have missed a bill or loan payment in all areas than those over 50, except when it came to household utility bills in the 50-64 age group, which was also relatively high.

By gender, men were much more likely than women to have missed a credit card (9% vs. 5%), personal loan (7% vs. 3%) or mortgage or home loan (6% vs. 2%) payment.

Unemployed people also struggled noticeably more than did the average Australian in regards to loans from family or friends (16%), household utility bills related to gas, water or electricity (16%), phone and internet (15%) and rent (10%).

Financial hardship caused by COVID was also very apparent, with significantly more people who lost their main income due to COVID having missed bill and loan repayments in the past 3 months in all areas.

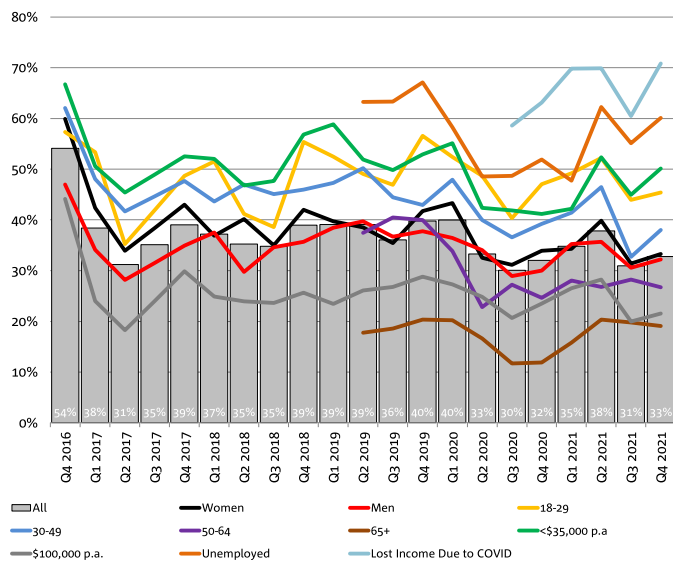
MISSED A PAYMENT LAST 3 MONTHS: STATES

	All	NSW	VIC	QLD	SA	ACT	WA	TAS	NT
Household utility bills - electricity, gas, water	10%	10%	9%	9%	12%	12%	11%	20%	18%
Household utility bill - phone, internet	9%	10%	9%	9%	9%	20%	8%	15%	19%
Loan from friend or family	8%	8%	7%	9%	6%	12%	5%	13%	19%
Credit card	7%	8%	6%	6%	7%	17%	6%	16%	18%
Insurances	7%	7%	6%	7%	8%	17%	7%	13%	18%
Buy Now Pay Later loan	6%	7%	5%	6%	6%	10%	6%	13%	9%
Rent	6%	7%	6%	4%	4%	7%	5%	8%	19%
Personal loan	5%	6%	4%	4%	3%	12%	4%	16%	5%
Payday (short-term, non-bank) loan	5%	5%	6%	4%	4%	7%	3%	6%	9%
Home loan/mortgage	4%	5%	4%	3%	5%	15%	2%	8%	14%
Investment loan	3%	3%	3%	3%	3%	7%	2%	8%	9%

The table above shows that missing a household utility bill related to gas or electricity was the most common form of missed payments in all states except the ACT, where missed phone and internet bills (20%), credit card payments (17%), insurances (17%) and home loan or mortgage repayments (15%) were more problematic.

Noticeably more people in TAS also struggled with BNPL (13%) and personal loans (16%) than in other states, and those in the NT with loans from family and friends (19%), insurances (18%) and rent (19%). Paying all household utilities bills and credit cards also impacted noticeably more people in TAS and the NT than in other parts of Australia, where responses were broadly aligned in all areas.

NUMBER OF AUSTRALIANS THAT EXPERIENCED FINANCIAL HARDSHIP IN THE LAST 3 MONTHS



Slightly more Australians also said they had experienced financial hardship in the past 3 months, with the number rising to 33% in Q4 (31% in Q3). However, overall hardship levels are still trending below the survey average (37%).

More women (33%) and men (32%) reported hardship in Q4, up from 31% respectively in Q3.

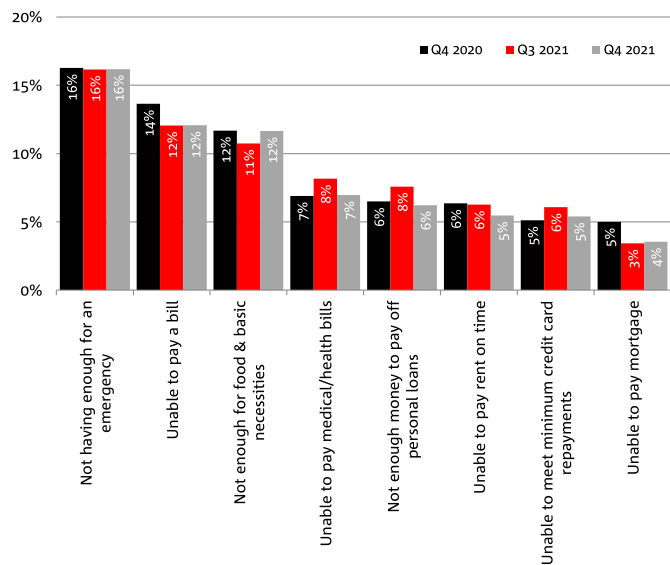
Slightly fewer Australians over 50 faced hardship in Q4, falling to 19% in the over 65 group and 27% in the 50-64 group, from 20% and 28% respectively in Q3.

However, financial hardship rose quite sharply in the 30-49 group to 38% (33% in Q3), but remained most prevalent in the 18-29 group at 45% (44% in Q3).

Financial hardship among low income earners rose to 50% in Q4 (45% in Q3) and was over twice as high than in the high income group at 22% (20% in Q3).

Hardship was most widespread among those who lost their main income due to COVID (71%) and the unemployed (60%), with hardship levels in both groups ring quite sharply over the quarter from 60% and 55% in Q3 respectively.

TYPE OF FINANCIAL HARDSHIP EXPERIENCED IN THE LAST 3 MONTHS



Among those people that indicated they had experienced some form of financial hardship, not having enough for an emergency was again the most common cause of hardship for 16% of all Australians. It was however higher for women (19%), for Australians under the age of 50, low income earners (29%), people who lost their main income because of COVID (30%) and the unemployed (36%).

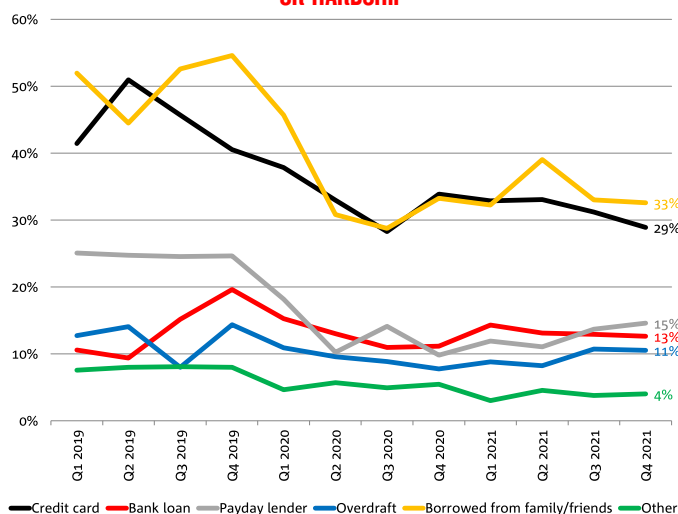
Being unable to pay a bill (12%) and not having enough for food or basic necessities (12%) were the next biggest causes of hardship, particularly for unemployed people, those that lost their main income because of COVID and low-income earners - see table below.

Other areas where some struggled more included paying off personal loans and rent in the 18-29 age group and meeting credit card and mortgage repayments for people who lost their main income due to COVID.

TYPE OF FINANCIAL HARDSHIP EXPERIENCED IN THE LAST 3 MONTHS: KEY GROUPS

	Women	Men	18-29	30-49	50-64	65+	Low income	High income	Unemp	Income lost to COVID
Not enough for an emergency	19%	14%	19%	20%	14%	9%	29%	11%	36%	30%
Unable to pay a bill	13%	11%	15%	16%	12%	4%	18%	9%	25%	30%
Not enough for food & basics	12%	11%	18%	14%	10%	5%	24%	5%	30%	28%
Unable to pay medical bills	8%	6%	11%	9%	5%	3%	10%	5%	16%	20%
Not enough to pay pers. loans	6%	6%	11%	8%	4%	2%	8%	5%	9%	16%
Unable to pay rent on time	5%	5%	10%	7%	3%	1%	8%	3%	9%	18%
Min. credit card repayments.	5%	6%	9%	7%	3%	1%	6%	5%	9%	18%
Unable to pay mortgage	3%	4%	5%	5%	3%	1%	3%	3%	6%	10%

TYPE OF DEBT USED TO MANAGE FINANCIAL STRESS OR HARDSHIP



Loans from family and friends were used by 1 in 3 (33%) Australians to help them manage the financial hardship they had experienced.

Credit cards was next most popular and was used by 29% of people in hardship (down from 31% in Q3), and at the lowest level since this data was first compiled in Q1 2019.

Next was payday lenders, used by 15% of all Australians, up from 14% in Q3 and 10% at the same time last year. Around 13% resorted to bank loans and 11% to overdrafts to help them manage their financial stress, and 4% to 'other' measures.

The table below shows that noticeably more men than women turned to credit cards (35% vs. 23%), payday lenders (18% vs. 11%), bank loans (17% vs. 8%) and overdrafts (15% vs. 6%), but more women borrowed from family and friends (36% vs. 29%).

By age, somewhat more Australians in the 18-29 group borrowed from family and friends (40%), used a payday lender (20%) or went into overdraft (14%) to manage their stress and those in the 30-49 age group credit cards (31%). Australians over the age of 65 were most likely to have used credit cards (39%), and the 30-49 group a payday lender (18%).

Considerably more low income earners also leaned on family and friends for help (37%), but noticeably more in the highest income group used credit cards (37%), bank loans (15%) and overdrafts (15%).

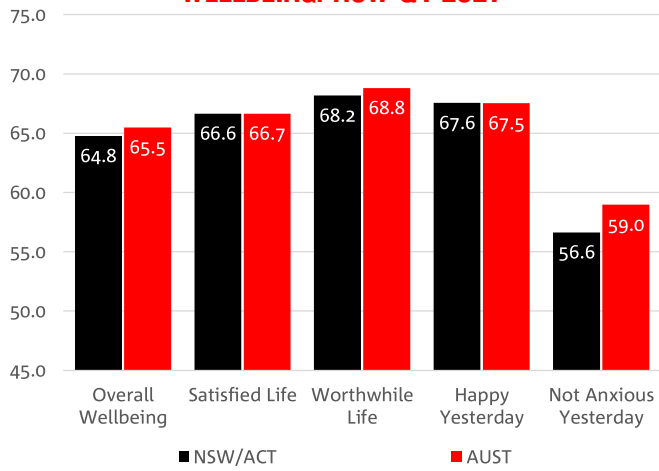
Around 4 in 10 (39%) unemployed people leaned on family and friends and 2 in 10 (21%) used credit cards. Around 4 in 10 people who lost their main source of income due to COVID used credit cards (41%), family and friends (38%) or credit cards (36%) to manage. Around 1 in 5 in this group also used pay day lenders (23%), bank loans (20%) or overdrafts (18%) to manage financial stress.

TYPE OF DEBT USED TO MANAGE FINANCIAL HARDSHIP IN PAST 3 MONTHS BY KEY GROUPS

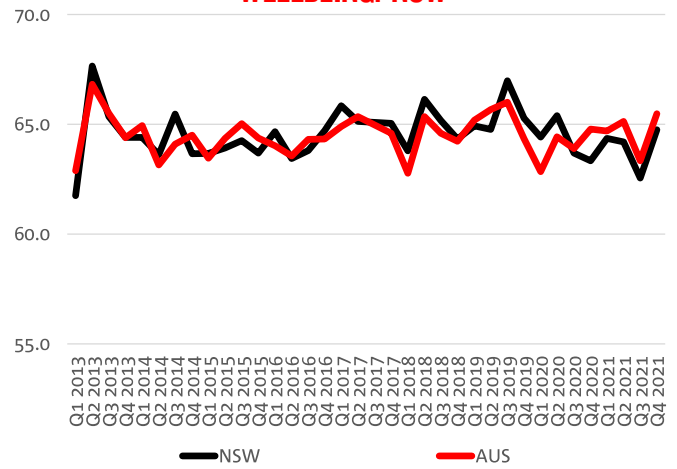
	Women	Men	18-29	30-49	50-64	65+	Low income	High income	Unemp	Income lost to COVID
Borrowed from family/friends	36%	29%	40%	36%	22%	12%	37%	30%	39%	38%
Credit card	23%	35%	28%	31%	28%	23%	22%	37%	21%	41%
Payday lender	11%	18%	20%	17%	5%	3%	12%	11%	10%	23%
Bank loan	8%	17%	16%	15%	6%	3%	4%	15%	11%	20%
Overdraft	6%	15%	14%	11%	6%	1%	6%	15%	6%	18%
Other	6%	2%	2%	4%	8%	5%	5%	1%	3%	1%

APPENDIX 1: NAB WELLBEING INDEX: BY STATE

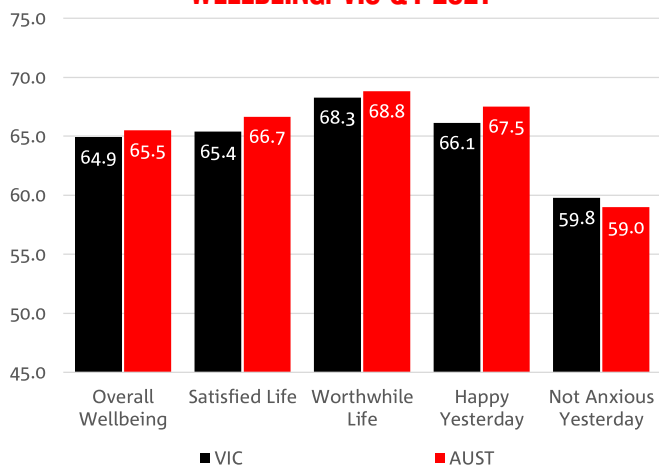
WELLBEING: NSW Q4 2021



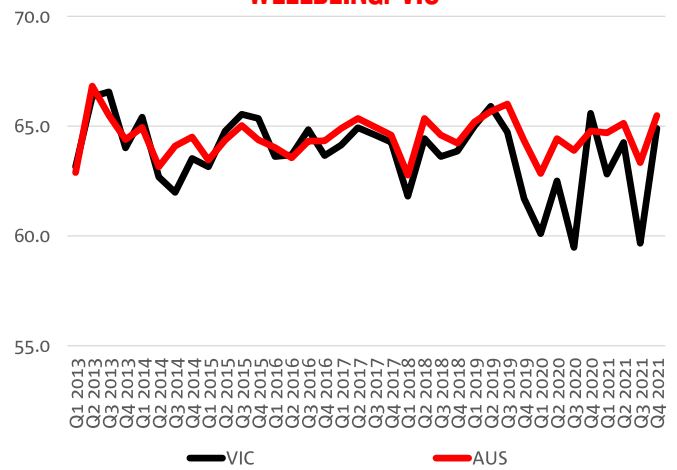
WELLBEING: NSW



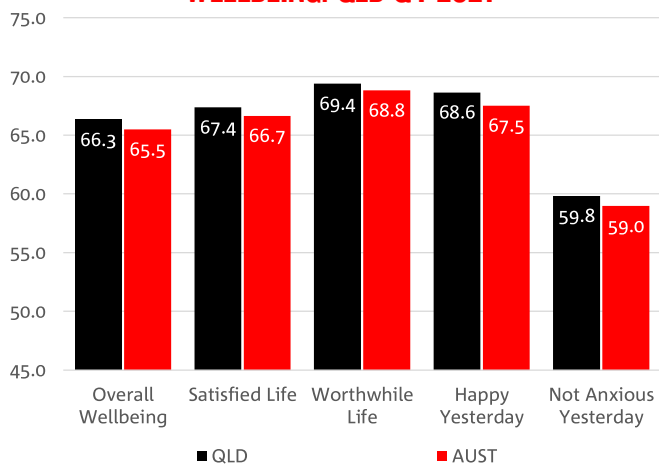
WELLBEING: VIC Q4 2021



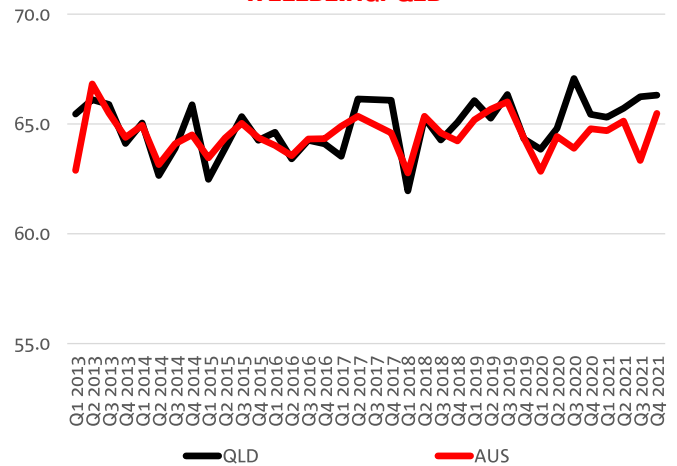
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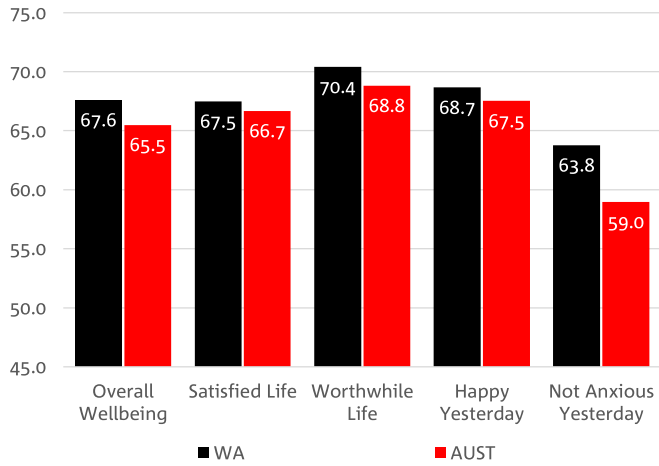
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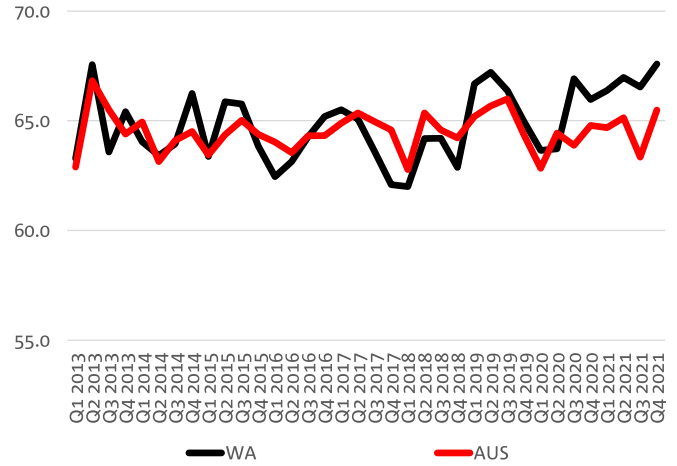
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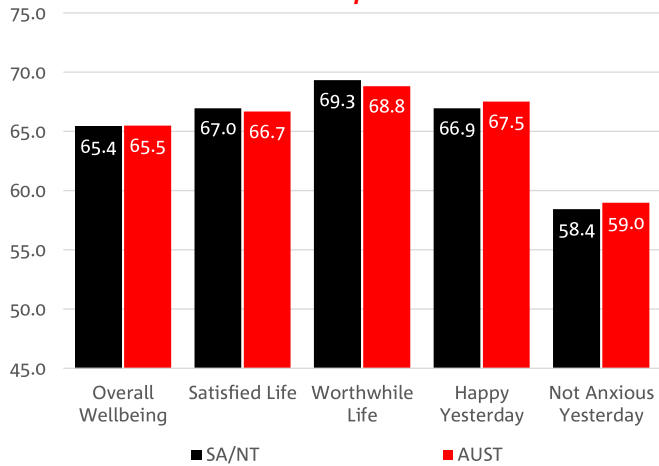
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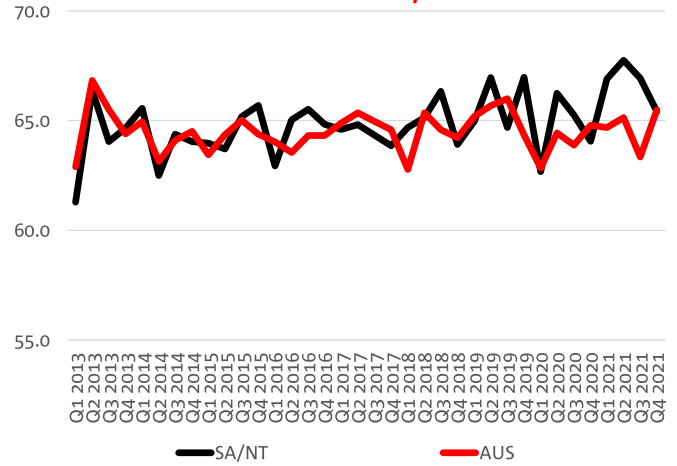
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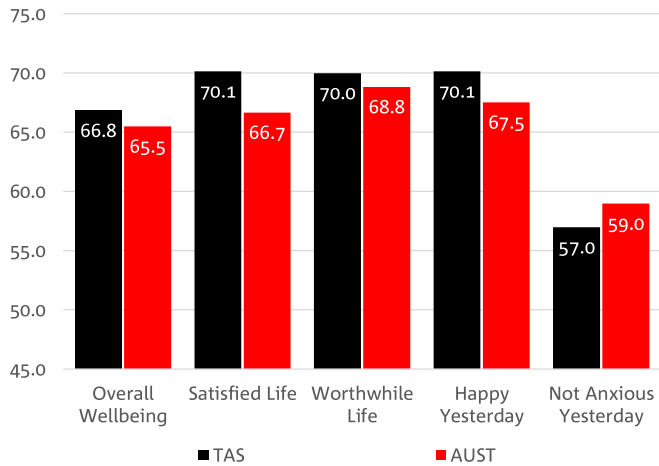
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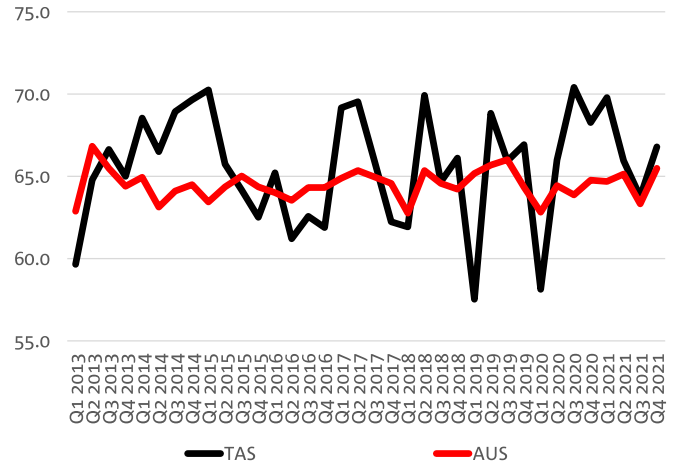
WELLBEING: SA/NT



WELLBEING: TAS Q4 2021

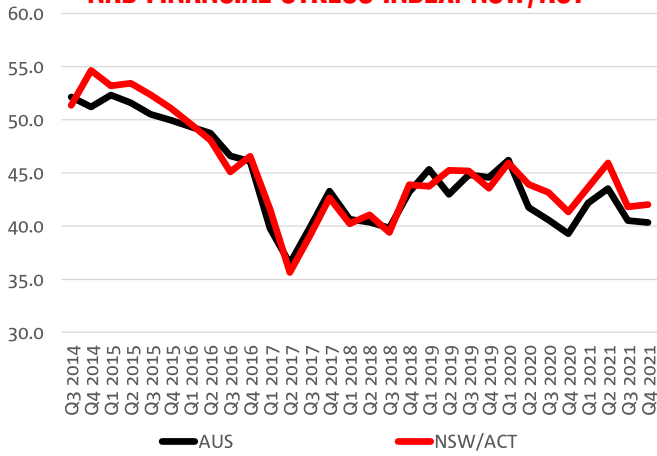


WELLBEING: TAS

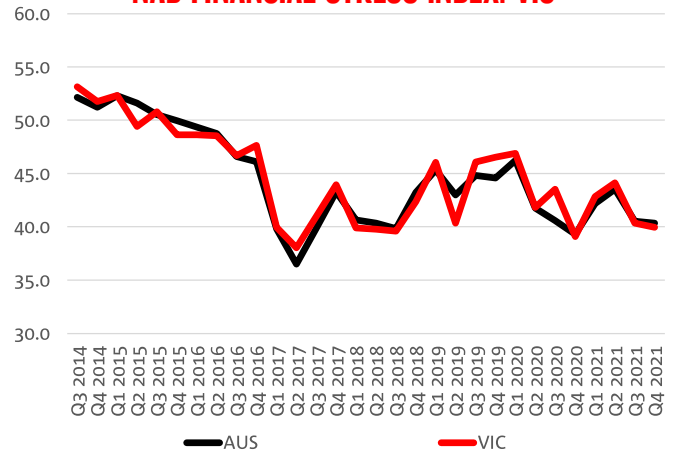


APPENDIX 2: FINANCIAL STRESS INDEX: BY STATE

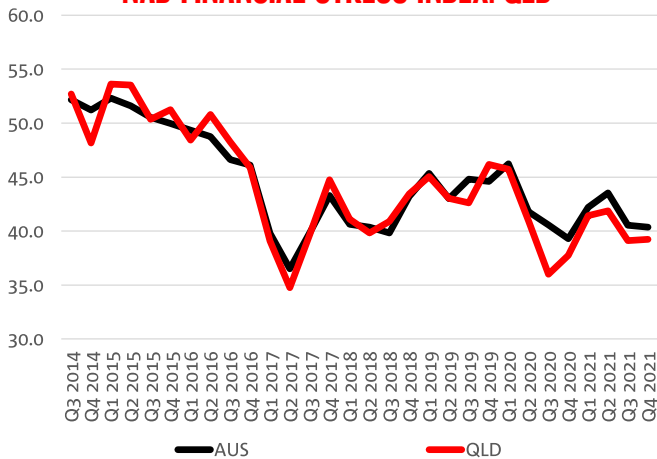
NAB FINANCIAL STRESS INDEX: NSW/ACT



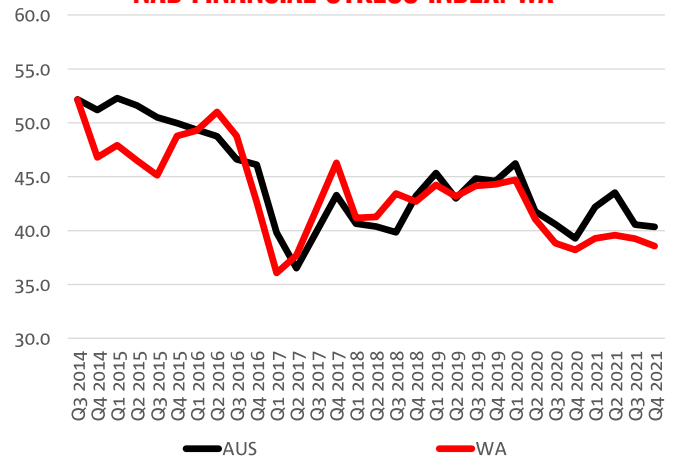
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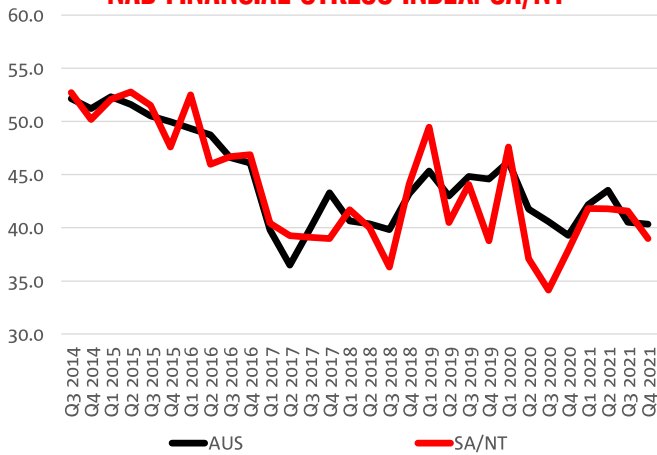
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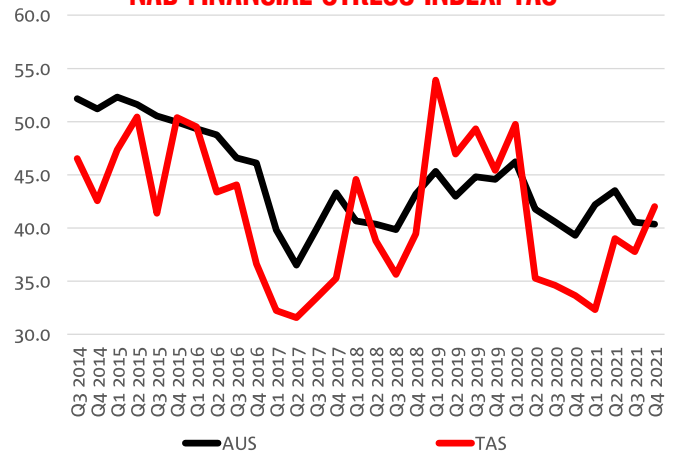
NAB FINANCIAL STRESS INDEX: WA



NAB FINANCIAL STRESS INDEX: SA/NT



NAB FINANCIAL STRESS INDEX: TAS



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