

NAB Consumer Anxiety Index: Q1 2015

by NAB Group Economics

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Subscriber Detail

Consumer anxiety rises, with concern over government policy overtaking cost of living as the single biggest cause of consumer stress. Consumers are responding by allocating more of their budget to paying off debt, utility bills and medical expenses, while cutting back on many "non-essentials". But retirement funding and providing for the family's future are causing the most anxiety with regards households' financial positions.

The NAB Consumer Anxiety Index rose to 61.8 points in Q1'15 (60.1 in Q4'14), with higher concern in all categories except health. Government policy is now the single biggest cause of anxiety for consumers, just ahead of cost of living. Job security continues to cause the least (albeit rising) stress. NSW/ACT and Tasmania were the only states to report lower anxiety, with consumer anxiety now highest in Victoria. Consumers are allocating a bigger share of the household budget to paying off debt, utilities and medical bills, while cutting back on many "non-essentials", such as entertainment and household items. In terms of their overall household financial position, however, not having enough to retire, being able to provide for the family's future and meet medical costs are causing the greatest concern.

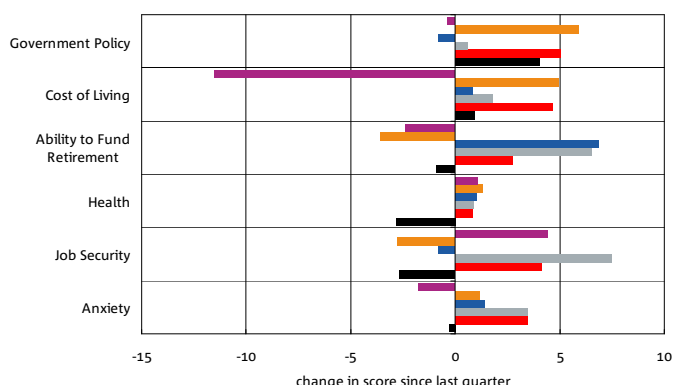
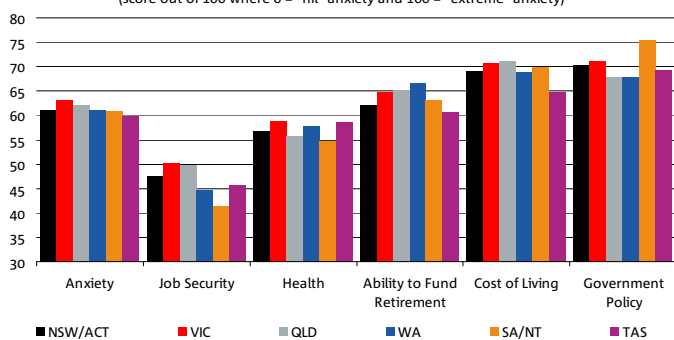


Consumer anxiety is now highest in VIC (anxiety up across the board) followed by QLD (led by concern over job security and cost of living). TAS (led by lower concern over cost of living) and NSW/ACT (job security & health) the only states to report lower anxiety.

Anxiety rises in capital and regional cities, led by higher concern over government policy and cost of living (capital cities) and retirement funding and government policy (regional). Overall anxiety falls in rural towns/bush as cost of living pressures fall.

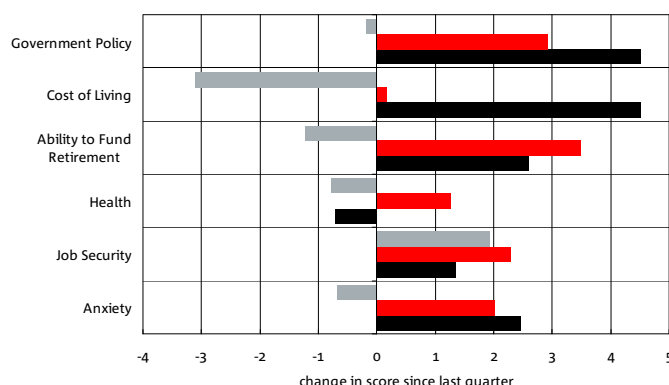
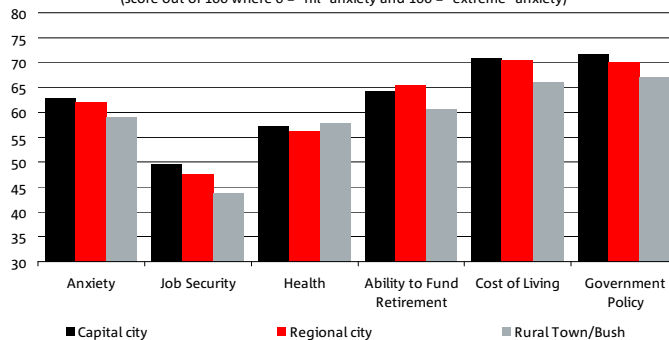
Overall Consumer Anxiety Index by State

(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



Overall Consumer Anxiety Index by Location

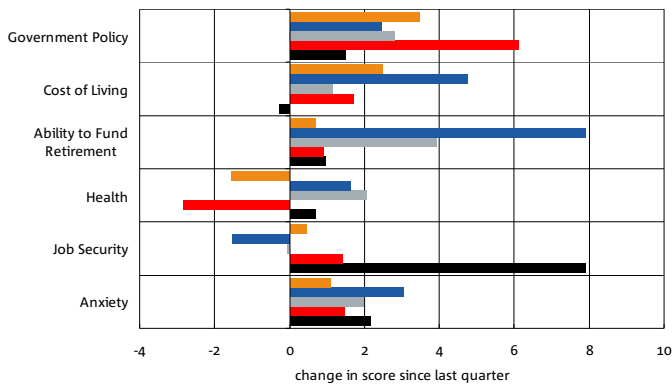
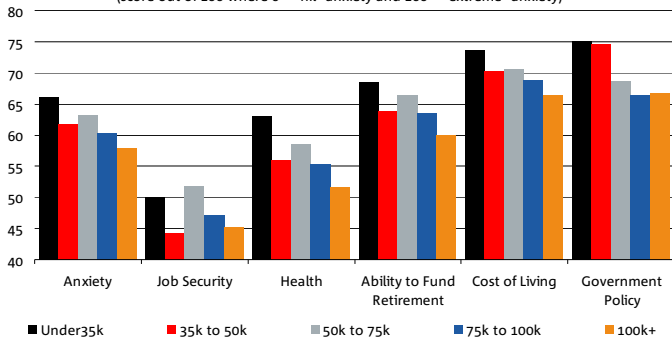
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



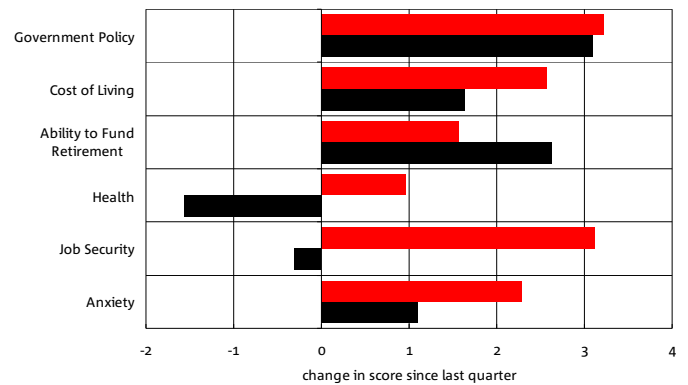
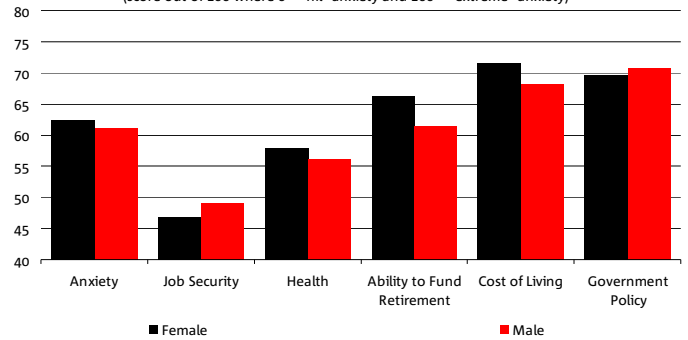
Consumer anxiety rose in all income groups. However, it remains highest for low income earners (all questions except job security despite big increase in Q1'15) and lowest for high income earners.

Anxiety rises for women and men, but women overall still more anxious, especially in regards to their ability to fund their retirement and cost of living. In contrast, men reported higher anxiety over their job security.

Overall Consumer Anxiety Index by Income
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



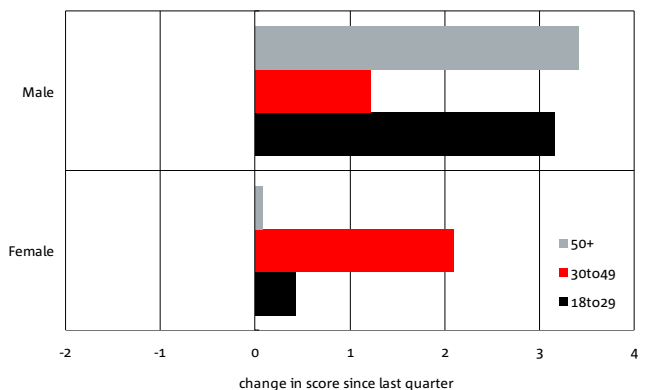
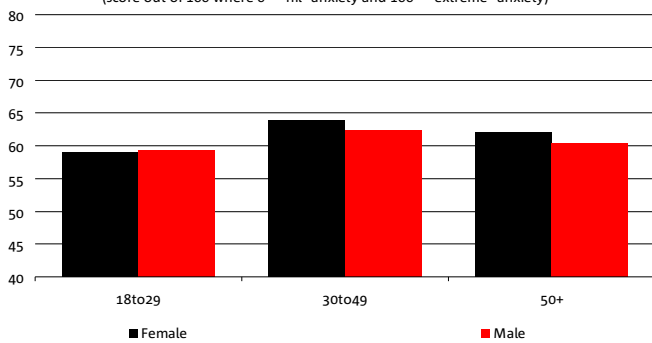
Overall Consumer Anxiety Index by Gender
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



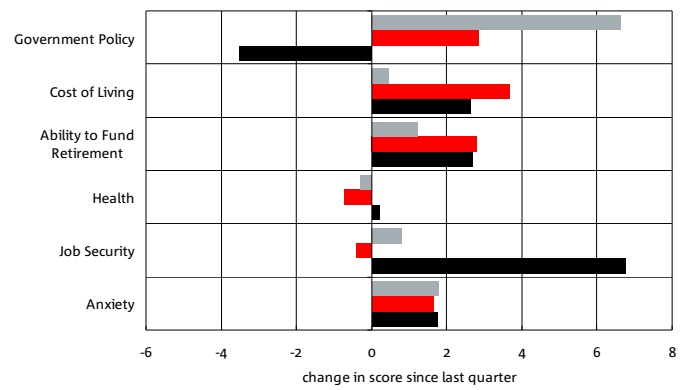
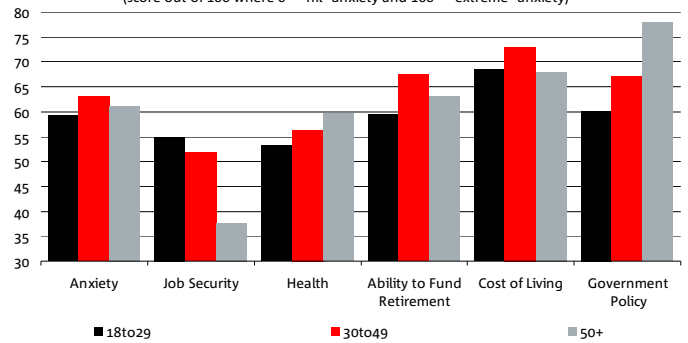
Long-standing anxiety gap between young men and women closes. Women aged 30-49 overtake women 50+ as most anxious in this demographic. Anxiety gap between older men and women also narrows as older women report much lower concern over job security.

Consumer anxiety rose in all age groups. Younger consumers much more worried about their job security, whereas higher anxiety for older Australians mainly driven by government policy. Middle aged Australians most worried about cost of living and their retirement.

Overall Consumer Anxiety by Gender & Age
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)

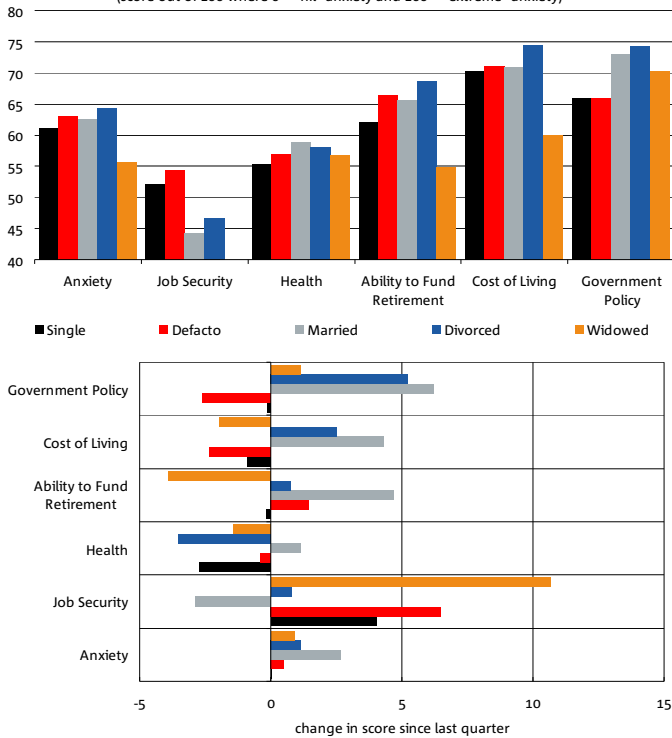


Overall Consumer Anxiety Index by Age
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



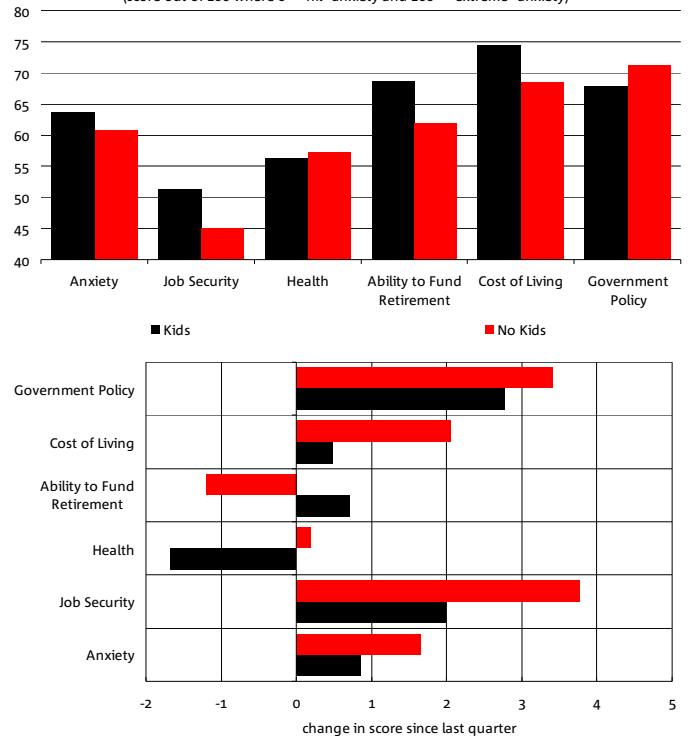
Overall anxiety rises most for married couples, led by government policy, retirement funding and cost of living. Anxiety lowest for widows by some margin, despite big increase in concern over job security.

Overall Consumer Anxiety Index by Marital Status
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



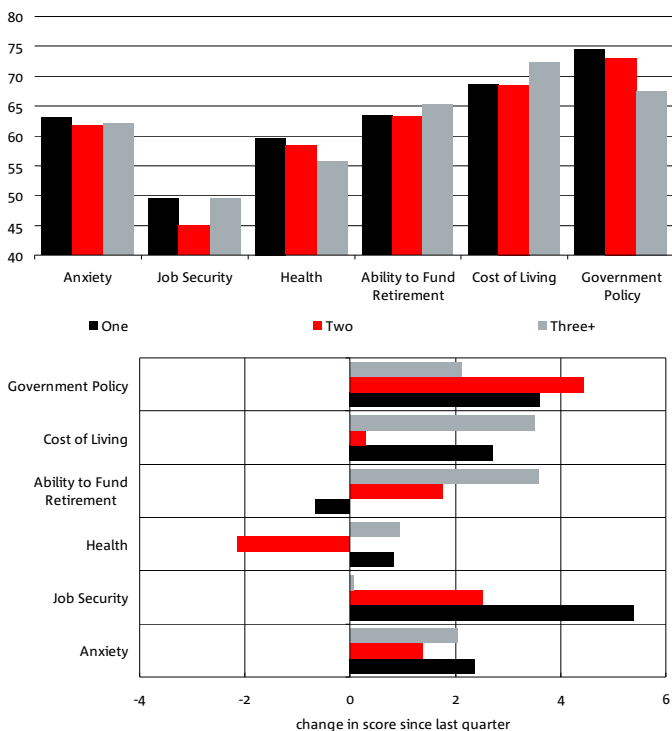
Overall anxiety still higher for consumers with children. However, anxiety rose more for those without children in Q1'15, led by much higher concern over job security, government policy and cost of living.

Overall Consumer Anxiety Index by Household - Kids
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



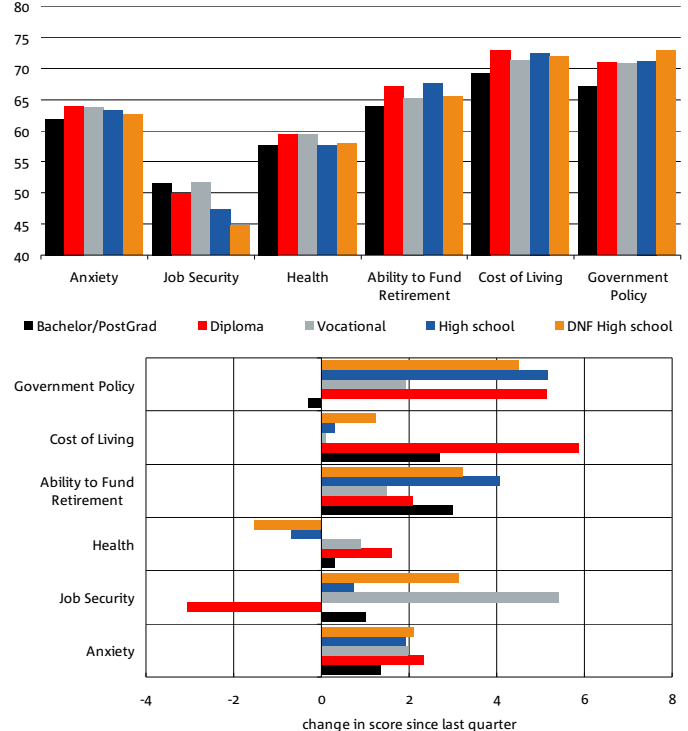
Single households report much higher anxiety over job security and government policy, but larger households more worried over cost of living and their retirement, but are least worried about government policy.

Overall Consumer Anxiety Index by Household Size
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



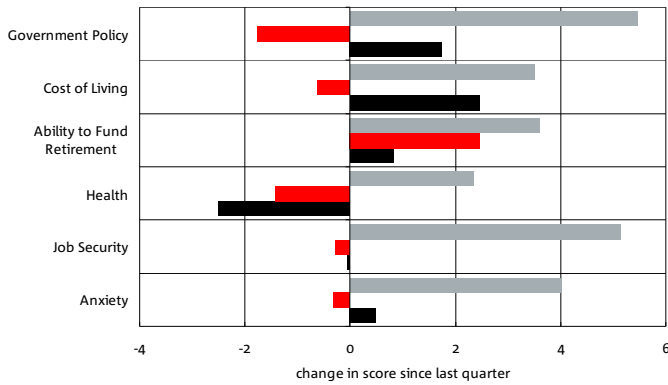
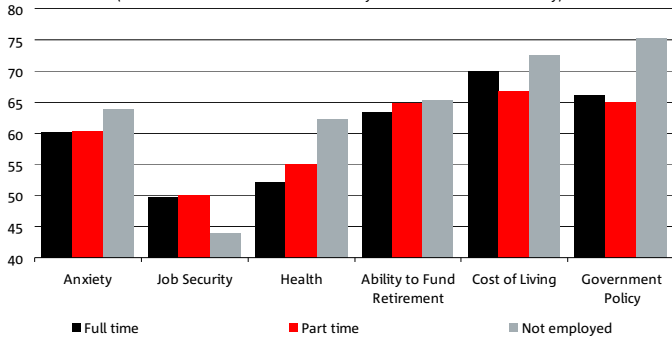
Anxiety rose most for those with a diploma and did not finish high school. Cost of living remains the biggest cause of stress in all groups, except those that did not finish high school (government policy).

Overall Consumer Anxiety Index by Education
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



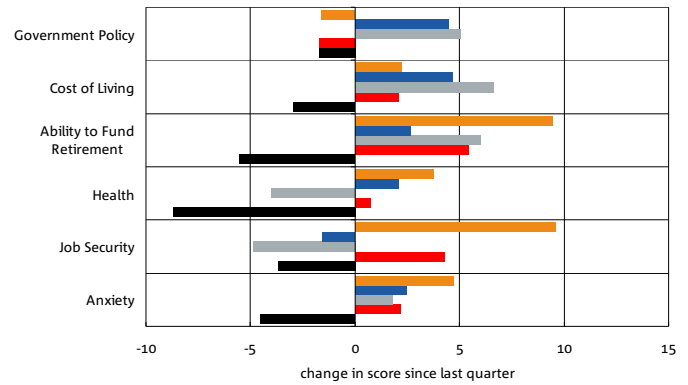
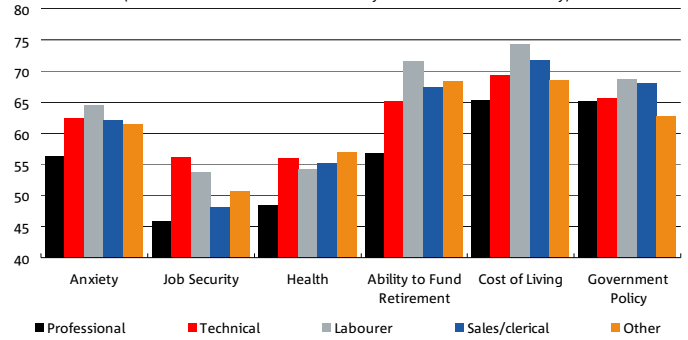
Those not employed reported the second biggest increase in anxiety across all demographic categories in Q1'15, with much higher stress seen across all individual survey questions. In contrast, overall consumer anxiety for both full and part time workers remained broadly unchanged.

Overall Consumer Anxiety Index by Employment
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



Professionals reported the biggest fall in anxiety across all demographic categories, mainly due to lower stress over health, ability to fund retirement and job security. In contrast, "other" workers saw the biggest increase in anxiety in all groups, while labourers still report among the highest levels of anxiety.

Overall Consumer Anxiety Index by Employment Type
(score out of 100 where 0 = "nil" anxiety and 100 = "extreme" anxiety)



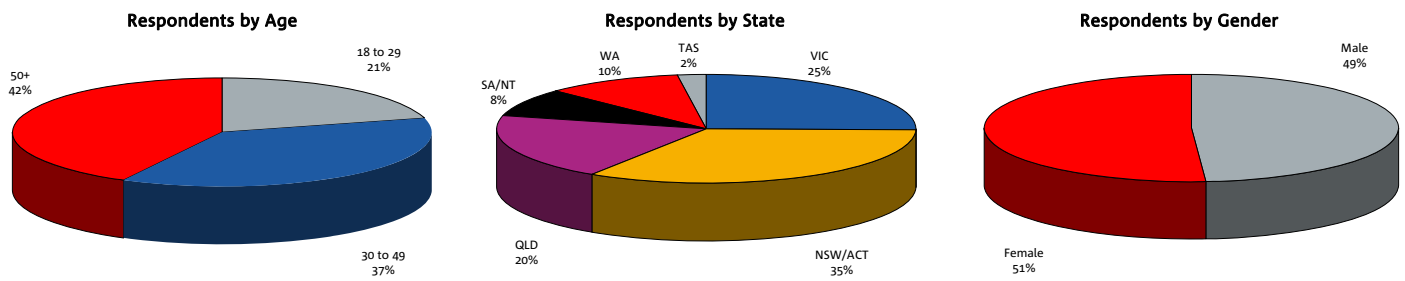
Appendix 1: About the Survey

The NAB Australian Consumer Anxiety Index was launched in April 2013 in conjunction with the NAB Australian Wellbeing Index with the aim of assessing perceptions of consumer stress and wellbeing.

The NAB Australian Consumer Anxiety Index was developed by NAB Group Economics and is based on survey participants' responses to five questions related to their own concerns about their future spending/savings plans arising from:

- Your job security
- Your health
- Your financial security for retirement
- Your cost of living
- Government policies

All questions were answered on a scale of 0-10 where 0 is “not at all concerned” and 10 is “extremely concerned”. Over 2,100 respondents participated in the Q1 2015 survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population. The breakdown of our survey respondents - by age, location, and gender - is shown in the charts below.



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