

# THE ANZ ROY MORGAN FINANCIAL WELLBEING INDICATOR

QUARTERLY UPDATE  
APRIL 2022

## FINANCIAL WELLBEING OVERVIEW

The ANZ Roy Morgan Financial Wellbeing Indicator (FWBI) has been a compelling measure of how the COVID-19 pandemic has impacted lives and livelihoods in Australia. Since prior to the start of the pandemic, the FWBI has been reported as a 12-month rolling average, with quarterly updates showing the movement in aspects of financial wellbeing across locations and for a range of segments in the community (see [anz.com.au/about-us/esg-priorities/financial-wellbeing/](https://anz.com.au/about-us/esg-priorities/financial-wellbeing/) for updates).

Close to two years on from the initial shock of the pandemic, this update examines how financial wellbeing has changed during the second year, comparing the December 2021 results with those of March 2021, when the financial wellbeing of Australians was at its lowest post COVID-19. While remaining below its pre-pandemic peak (March 2020), this update illustrates how financial wellbeing has changed generally for the better for Australians since March 2021, as vaccines were distributed and Australia began to 'open up' domestically and internationally.



### INDICATOR

The FWBI shows that following improving economic conditions, exemplified by the declining unemployment rate, the financial wellbeing of Australians

**INCREASED** **2.8%** **FROM** **57.5** (as a score out of 100) in the 12 months to March 2021 **→** **TO** **59.1** in the 12 months to December 2021 (Figure 1 and Table 1)

## INDICATOR (CONTINUED)

From April 2021 to December 2021, the spot monthly Financial Wellbeing scores stayed in the range of 58.2 to 61.0 (out of 100). However, financial wellbeing weakened on the spot monthly score in November 2021 (59.3) and December 2021 (59.2) following a post-COVID-19 peak in October 2021 (61.0 out of 100). The weaker results in November and December 2021 occurred with uncertainty around travel over the summer holiday period and the appearance of the Omnicom variant.



While all components of financial wellbeing increased between March 2021 and December 2021 (Table 1), the biggest rise was in **'Feeling Comfortable'** about one's current and future situation, up 4.9% between the 12 months to March 2021 and the 12 months to December 2021, from 51.4 to 53.9 out of 100. However, spot results highlighted deterioration in the last quarter 2021, with November 2021 (53.9) and December 2021 (54.3) weaker after reaching a post-COVID-19 peak in October 2021 (56.3).



**'Meeting Everyday Commitments'** was up 3.2% between March 2021 and December 2021, from 68.3 (out of 100) in the 12 months to March 2021 compared to 70.5 (out of 100) in the 12 months to December 2021 (Table 1). Similarly, the monthly spot results for 'meeting everyday commitments' reached a post-COVID-19 peak in October 2021 (73.9) before declining in November 2021 (70.8) and December 2021 (70.4).



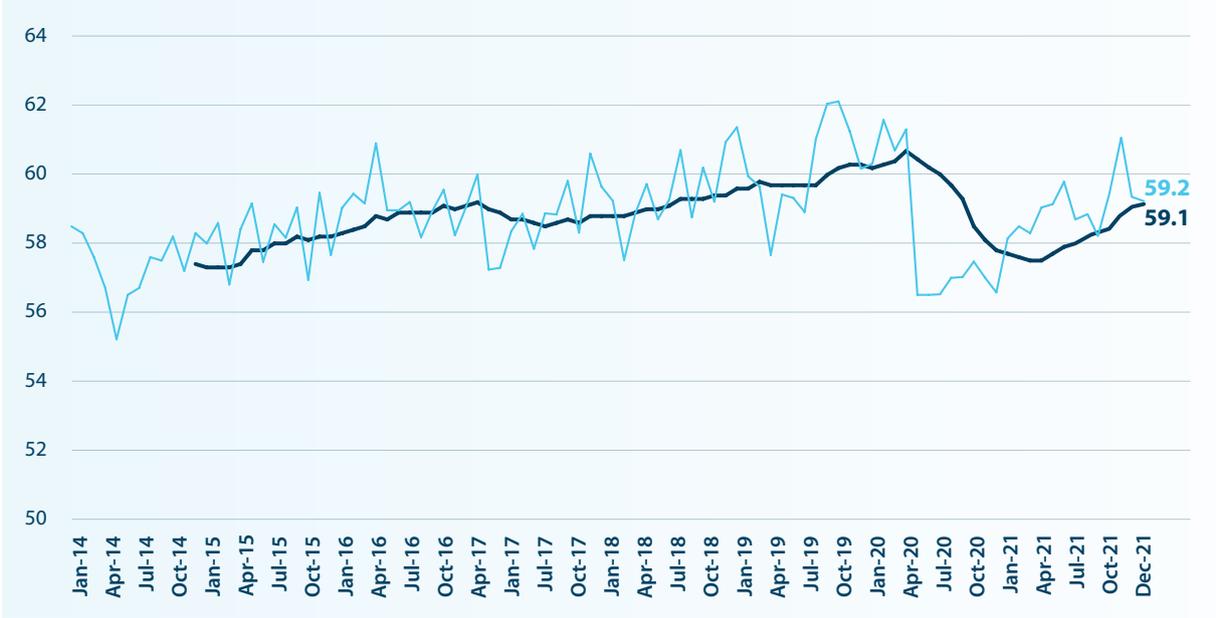
**'Resilience for the Future'** – the ability to cope with financial setbacks – remained fairly steady year-on-year, increasing by only 0.2% for the 12 months to December 2021 (52.9 out of 100) compared to 12 months to March 2021 (52.8 out of 100) (Table 1). Both institutional support in response to the pandemic and deferred consumption contributed to keeping deposit balances healthier than anticipated.



## IN THIS RELEASE

- Improvements in financial wellbeing between March 2021 and December 2021 has led to an increase in the size of the **no worries** segment. This increase has been driven by reductions in size of the **doing OK** and **getting by** segments as individual financial wellbeing has improved (Figure 3). However, low financial wellbeing has been sustained for people in the **struggling** segment which has only seen a marginal decrease.
- Financial wellbeing rose across all **states and territories** between March 2021 and December 2021. The jurisdictions that experienced the largest rise between March 2021 and December 2021 were the ACT (up 4.5%) and Tasmania (up 4.0%), while SA experienced the smallest rise in financial wellbeing (up 0.2%) (Table 2).
- However, recovery has not been even across all age groups. Between March 2021 and December 2021 financial wellbeing was only stable among those aged 14-24 while financial wellbeing recovered amongst all other age groups. This was despite the youngest age group experiencing the largest fall in financial wellbeing between March 2020 and March 2021 (Table 4). The experience of the pandemic for younger Australians is likely to have impacted their mental health and financial attitudes, having a strong influence on their financial wellbeing (Figures 4-5, Table 6).

FIGURE 1: FINANCIAL WELLBEING IN AUSTRALIA, MONTHLY SPOT DATA AND 12-MONTH MOVING AVERAGE (JAN-14 TO DEC-21)

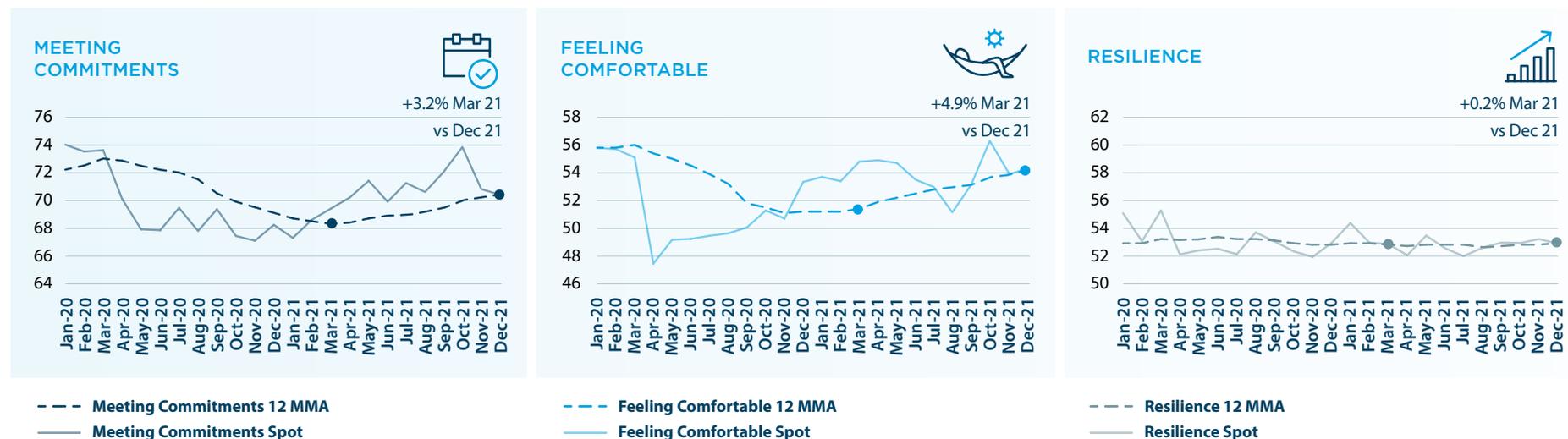


— Indicator Spot result    — Indicator 12MMA

TABLE 1: FINANCIAL WELLBEING DIMENSIONS IN AUSTRALIA  
(12-MONTH MOVING AVERAGE AND SPOT MONTH VIEW)

	12 months		Spot Result										12 months	Mar-21 vs Dec-21 change
	Mar-20	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Dec-21		
Financial wellbeing	60.7	<b>57.5</b>	59.1	59.8	58.7	58.8	58.2	59.4	61.0	59.3	59.2	<b>59.1</b>	+2.8%	
Meeting commitments	73.0	<b>68.3</b>	70.2	71.4	69.9	71.3	70.6	72.2	73.9	70.8	70.4	<b>70.5</b>	+3.2%	
Feeling comfortable	56.0	<b>51.4</b>	54.9	54.7	53.5	53.0	51.2	53.1	56.3	53.9	54.3	<b>53.9</b>	+4.9%	
Resilience for the future	53.2	<b>52.8</b>	52.0	53.4	52.5	52.0	52.6	52.9	52.9	53.2	52.9	<b>52.9</b>	+0.2%	

FIGURE 2: FINANCIAL WELLBEING DIMENSIONS IN AUSTRALIA,  
MONTHLY SPOT DATA AND 12-MONTH MOVING AVERAGE (JAN-20 TO DEC-21)



## FINANCIAL WELLBEING SEGMENTS

Respondents were divided into four segments according to their overall financial wellbeing score (out of 100). These segments were described in ANZ's 2021 ANZ Financial Wellbeing Survey<sup>1</sup>:

- **Struggling:** (0–30) Most describing their current financial situation as 'bad', having little or no savings and finding it a constant struggle to meet bills and credit payments. They were less optimistic or future-oriented and had poor mental and physical health. Most felt anxious and their future financial situation, did not have any superannuation and did not think owning a home was a realistic goal for them.
- **Getting by:** (>30–50) Many describing their financial situation as 'bad', less confident in their money management skills and their ability to control their financial future. They were less likely to be frugal than other segments.
- **Doing OK:** (>50–80) Current financial situation is 'fair' or 'good' and reasonably confident about their financial situation over the next 12 months. They were more likely to budget or plan and to have their savings put aside automatically.

- **No worries:** (>80–100) Strongly future-oriented, goal-oriented, optimistic and frugal, contributing positively to financial wellbeing. High levels of confidence in managing money and substantial amounts in savings, investments and superannuation. More likely to report excellent/very good mental and physical health.

Following generally improving economic conditions, the proportion of people with the highest financial wellbeing (**no worries**) rose from 19.2% in March 2021 to 22.8% in December 2021. These gains were driven by a decline in the proportion of Australians that were **doing OK** (from 44.6% in March 2021 to 43.1% in December 2021), and a decline in the proportion **getting by** (from 21.8% in March 2021 to 19.8% in December 2021). However, there was barely any reduction in the proportion of Australians that were **struggling** between March 2021 and December 2021 (with a small decline from 14.5% to 14.3%). This suggests that the economic fluctuations associated with renewed lockdowns in the second half of 2021, disproportionately impacted those in the **struggling** segment. People in the other segments appear to have been less affected by the downturn in economic activity in the second half of 2021, than they were by the downturn in 2020 that occurred when COVID-19 first appeared.

**FIGURE 3: CHANGE IN THE COMPOSITION OF THE FINANCIAL WELLBEING SEGMENTS (12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**



**Note:** March 2021 data includes the 12 months to March 2021. December 2021 data includes the 12 months to December 2021.

1. ANZ (2021). *Financial Wellbeing: A Survey of Adults in Australia*. <https://www.anz.com.au/about-us/esg-priorities/financial-wellbeing/>

## FINANCIAL WELLBEING BY STATE AND TERRITORY

Improving economic conditions following the initial negative impact of COVID-19 resulted in all states and territories recording higher scores in overall financial wellbeing (Table 2) in December 2021 compared to March 2021.

In December 2021 respondents from ACT had the highest financial wellbeing score of 65.0 (out of 100), 5.9 points higher than the national average and 5.2 points higher than Victoria with the next highest level of financial wellbeing (59.8). QLD had the lowest level of financial wellbeing at 57.4 (out of 100) (Table 2).

Despite all states recording higher financial wellbeing scores in December 2021 than in March 2021, only in WA, did financial wellbeing return to pre-pandemic levels (Table 2). This coincided with WA's "hard border" public health approach.

**TABLE 2: FINANCIAL WELLBEING IN AUSTRALIA, BY STATE AND TERRITORY (SCORE OUT OF 100, 12 MONTHS TO MAR-20 VS 12 MONTHS TO MAR-21, AND 12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**

	Mar-20 vs Mar-21			Mar-21 vs Dec-21		
	Mar-20	Mar-21	Change	Mar-21	Dec-21	Change
<b>AUS</b>	60.7	57.5	-5.3%	57.5	59.1	2.8%
<b>NSW</b>	60.9	57.4	-5.7%	57.4	59.2	3.1%
<b>ACT</b>	66.4	62.2	-6.3%	62.2	65.0	4.5%
<b>VIC</b>	62.3	57.7	-7.4%	57.7	59.8	3.6%
<b>QLD</b>	58.5	56.3	-3.8%	56.3	57.4	2.0%
<b>SA</b>	60.5	58.1	-4.0%	58.1	58.2	0.2%
<b>WA</b>	59.7	58.8	-1.5%	58.8	59.7	1.5%
<b>TAS</b>	61.0	57.4	-5.9%	57.4	59.7	4.0%

Following the improvement in economic conditions, the proportion of people in the **no worries** segment increased across all states and territories between the 12 months to March 2021 and the 12 months to December 2021. Victoria was the state with the largest increase in the proportion of people that had **no worries** (rising from 19.2% to 23.0%). The gains in **no worries** were largely driven by declines in the proportions of people that were **doing OK**, and declines in the proportions of people **getting by**. Across all states and territories, between March 2021 and December 2021, there was little change in the proportion of people that were **struggling**. The negative impact of the pandemic was sustained for this group (Table 3).

**TABLE 3: CHANGE IN THE COMPOSITION OF THE FINANCIAL WELLBEING SEGMENTS, BY STATE AND TERRITORY (12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**

	No worries			Doing OK			Getting by			Struggling		
	Mar-21	Dec-21	% point change	Mar-21	Dec-21	% point change	Mar-21	Dec-21	% point change	Mar-21	Dec-21	% point change
<b>AUS</b>	19.2%	22.8%	3.6	44.6%	43.1%	-1.5	21.8%	19.8%	-2.0	14.5%	14.3%	-0.2
<b>NSW</b>	18.9%	22.6%	3.7	44.9%	43.8%	-1.1	21.7%	20.0%	-1.7	14.5%	13.7%	-0.8
<b>ACT</b>	21.4%	29.3%	7.9	51.6%	45.8%	-5.8	18.5%	16.3%	-2.2	8.6%	8.5%	-0.1
<b>VIC</b>	19.1%	23.0%	3.9	44.7%	43.9%	-0.8	22.9%	19.7%	-3.2	13.3%	13.4%	0.1
<b>QLD</b>	18.8%	21.5%	2.7	43.2%	41.8%	-1.4	21.4%	20.2%	-1.2	16.6%	16.5%	-0.1
<b>SA</b>	19.2%	21.7%	2.5	45.8%	42.3%	-3.5	20.7%	20.6%	-0.1	14.4%	15.5%	1.1
<b>WA</b>	20.6%	24.2%	3.6	45.0%	42.4%	-2.6	21.0%	19.1%	-1.9	13.4%	14.3%	0.9
<b>TAS</b>	23.4%	26.9%	3.5	38.2%	38.7%	0.5	22.3%	18.7%	-3.6	16.1%	15.7%	-0.4

## PANDEMIC RECOVERY FOR YOUNGER AUSTRALIANS

As highlighted in the **2021 ANZ Financial Wellbeing Survey**, an individual's life journey influences their overall financial wellbeing.

As they accumulate savings, assets and wealth over their lifetime, their financial wellbeing tends to improve. This is also evident in the latest FWBI results, with those aged 65+

registering higher scores in December 2021 (69.2 out of 100) than those aged 50-64 (60.7 out of 100), 35-49 (56.1 out of 100), 25-34 (57.0 out of 100) and 14-24 (50.9 out of 100).

In contrast with all other age groups, those aged 14-24 years did not experience any recovery in overall financial wellbeing between March 2021 and December 2021 (Table 4). This was despite the youngest age group experiencing the largest fall in financial wellbeing during the first year of the pandemic, down 7.3% between March 2020 and March 2021.

**TABLE 4: FINANCIAL WELLBEING IN AUSTRALIA, BY AGE (SCORE OUT OF 100, 12 MONTHS TO MAR-20 VS 12 MONTHS TO MAR-21, AND 12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**

	Mar-20 vs Mar-21			Mar-21 vs Dec-21		
	Mar-20	Mar-21	Change	Mar-21	Dec-21	Change
<b>14-24</b>	54.9	50.9	-7.3%	50.9	50.9	0.0%
<b>24-34</b>	57.5	55.5	-3.5%	55.5	57.0	2.7%
<b>35-49</b>	57.9	54.9	-5.2%	54.9	56.1	2.2%
<b>50-64</b>	62.8	58.7	-6.5%	58.7	60.7	3.4%
<b>65+</b>	69.7	66.5	-4.6%	66.5	69.2	4.1%

While the **'Feeling Comfortable'** component rose 1.5% amongst those aged 14-24 years between March and December 2021, they experienced declines in **'Resilience for the Future'** (down 1.5%) and **'Meeting Everyday Commitments'** (down 0.5%). This suggests that while people aged 14-24 years are overall, somewhat more positive about their financial situation compared to a year ago, having some optimism for the future, meeting bills can still be a struggle for some, and concerns remain about their ability to sustain further financial shocks as savings may have been drawn on during almost two years of frequent public health restrictions.

A likely factor behind the slower recovery amongst those aged 14-24 years is that the younger age group is

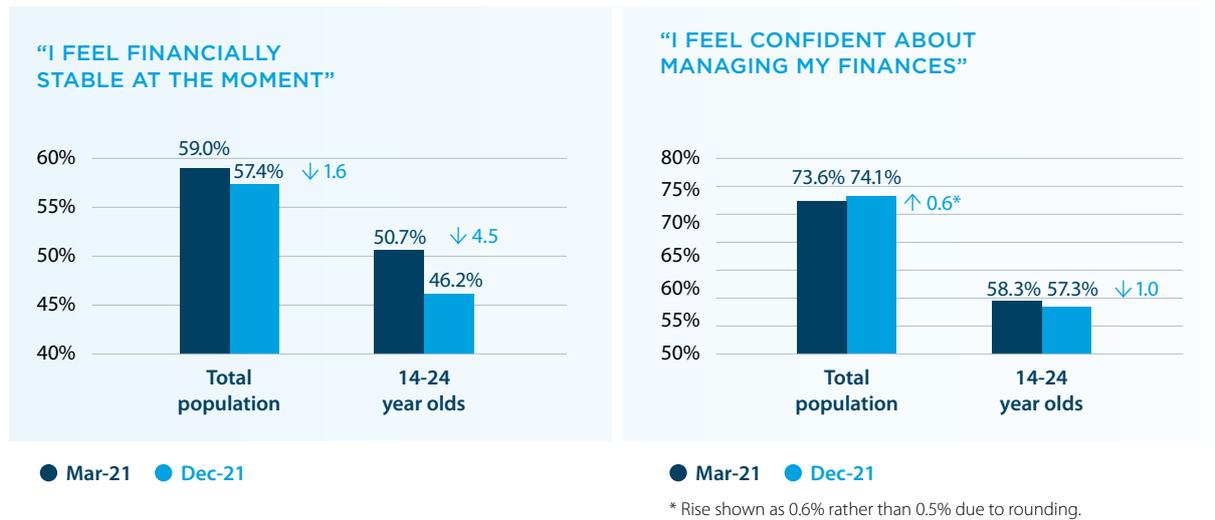
disproportionately employed in the retail and recreation/ personal (e.g. entertainment, sports, restaurants, gyms, hairdressing) industries. Nationally, 11.2% of Australians were employed in these industries, whereas almost one-quarter (23.4%) of people aged 14-24 years were employed in the retail and recreational/personal sectors. It is in these industries that employment was most affected by public health measures and lockdowns in the second half of 2021. The impact can be observed by a decline in financial wellbeing for those aged 14-24 years employed in the retail or recreation/personal industries, while it increased amongst 14-24 year olds employed in other industries (Table 5). There was also a slight decline in financial wellbeing amongst those not employed.

**TABLE 5: FINANCIAL WELLBEING IN AUSTRALIA AMONGST 14-24 YEAR OLDS, BY EMPLOYMENT STATUS (SCORE OUT OF 100, 12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**

	Respondents Aged 14-24 years (Mar-21 vs Dec-21)							
	Total		Employed Retail/ Recreation		Employed Other Industries		Not Employed	
	Mar-21	Dec-21	Mar-21	Dec-21	Mar-21	Dec-21	Mar-21	Dec-21
<b>Financial wellbeing</b>	50.9	50.9	54.6	52.3	55.4	56.4	46.5	45.7
<b>Meeting commitments</b>	64.7	64.4	67.4	65.0	63.0	65.5	64.4	63.2
<b>Feeling comfortable</b>	47.4	48.1	49.9	48.0	54.3	54.9	42.0	42.6
<b>Resilience for the future</b>	40.8	40.2	46.6	43.9	49.0	48.7	33.1	31.3

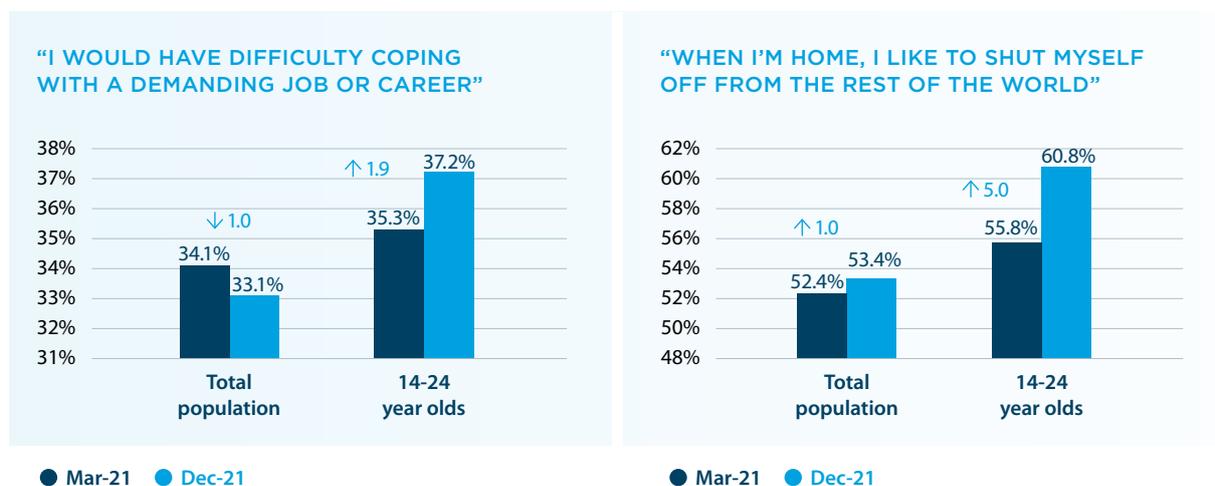
The lack of recovery in financial wellbeing amongst those aged 14-24 years is also evident in their ‘financial attitudes’ with younger Australians showing greater financial caution as a result of their experience (Figure 4). People aged 14-24 years were less likely to feel financially stable and less confident about managing their finances than other respondents, with the gap widening between March and December 2021 (Figure 4).

**FIGURE 4: FINANCIAL ATTITUDES, BY AGE, % AGREE (12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**



The experience of the pandemic for younger Australians aged 14-24 years, has also affected their attitudes in other aspects of their lives including their attitudes to work, socialising and their overall mental health. For example, between March 2021 and December 2021 those aged 14-24 years were more likely to agree they would have difficulty coping with a demanding job and more likely to agree they like to shut themselves off from the rest of the world, compared to the general population (Figure 5). The gap between younger Australians and older respondents also widened between March and December 2021.

**FIGURE 5: GENERAL ATTITUDES, BY AGE, % AGREE (12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**



An increasing proportion of people aged 14-24 years reported they had experienced a mental health conditions in the last 12 months such as anxiety, depression, panic attacks, stress, substance abuse or sleep disorders, up 12.4 percentage points from 45.5% in March 2021 to 57.9% in December 2021. By comparison, the incidence of mental health conditions amongst the total population increased by 4.9 percentage points, from 40.5% to 45.4%.

The 2021 **ANZ Financial Wellbeing Survey** highlighted that health, including physical and mental health, had the largest socioeconomic influence on financial wellbeing. In fact, it had a larger impact on personal

financial wellbeing than an individual's saving and spending behaviours.<sup>2</sup> The greater and increasing extent of mental health conditions amongst those aged 14-24 years is likely to be a factor for there being no recovery in financial wellbeing between March and December 2021 amongst younger Australians. Financial wellbeing worsened between March and December 2021 (from 50.5 to 49.5) for young Australians experiencing mental health conditions, whereas those aged 14-24 years who were not experiencing a mental health condition, reported an improvement in their financial wellbeing from 51.3 in March 2021 to 52.7 in December 2021 (Table 6).

**TABLE 6: FINANCIAL WELLBEING IN AUSTRALIA AMONGST 14-24 YEAR OLDS, BY MENTAL HEALTH STATUS (SCORE OUT OF 100, 12 MONTHS TO MAR-21 VS 12 MONTHS TO DEC-21)**

	Respondents Aged 14-24 years (Mar-21 vs Dec-21)			
	Experienced a mental health condition		Did not experience a mental health condition	
	Mar-21	Dec-21	Mar-21	Dec-21
<b>Financial wellbeing</b>	50.5	<b>49.5</b>	51.3	<b>52.7</b>
<b>Meeting commitments</b>	64.7	<b>61.9</b>	64.6	<b>67.9</b>
<b>Feeling comfortable</b>	45.8	<b>46.7</b>	48.7	<b>50.0</b>
<b>Resilience for the future</b>	40.9	<b>40.1</b>	40.6	<b>40.2</b>

2. ANZ (2021). *Financial Wellbeing: A Survey of Adults in Australia*. <https://www.anz.com.au/about-us/esg-priorities/financial-wellbeing/>

## ABOUT THE ANZ ROY MORGAN FINANCIAL WELLBEING INDICATOR

The ANZ Roy Morgan Financial Wellbeing Indicator is a statistically robust snapshot of the personal financial wellbeing of Australians, reported as a 12-month moving average every quarter.

The Indicator is based on the Kempson *et al.* conceptual model of financial wellbeing, tested most recently by ANZ in its 2021 financial wellbeing surveys. The Kempson model acknowledges the direct (blue) and indirect (grey) influence that eight domains have on personal financial wellbeing (Figure 6). Through an updated modelling approach, we have a better understanding of how a person's socio-economic context and their behaviour traits are key to underpinning their financial wellbeing.

The indicator is derived from data gathered through the weekly Roy Morgan Single Source survey, which canvasses approximately 65,000 Australians annually.

The breadth of data gathered through Roy Morgan Single Source enables examination of Australians' financial wellbeing at a more granular level than was possible with previously available data.

The indicator is reported quarterly and periodically. Releases are accompanied with a focus on specific deep dive topics.

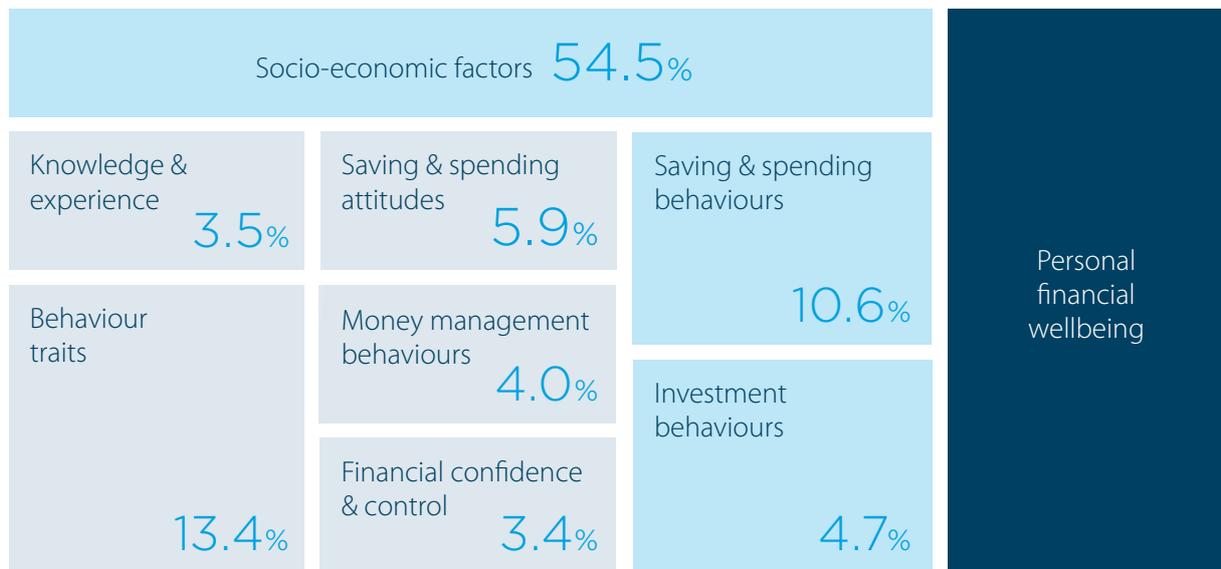


More information about the Indicator can be found at [anz.com.au/about-us/esg-priorities/financial-wellbeing/](https://anz.com.au/about-us/esg-priorities/financial-wellbeing/) or by contacting:

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FIGURE 6: THE REVISED FINANCIAL WELLBEING CONCEPTUAL MODEL



Source: Adapted from Kempson et al, 2018, with additional data from the 2021 ANZ Financial Wellbeing Survey.

## TECHNICAL APPENDIX

The data items used for the calculation of the indicator and other data items used to measure various drivers of personal financial wellbeing, all derive from the questions listed below from the Roy Morgan Single Source interview and survey.

The indicator is calculated by an algorithm that transforms responses to these questions, weighing the relative importance of each component. The algorithm was developed based on calibrated responses to the financial wellbeing questions in the 2017 and 2021 ANZ Financial Wellbeing Surveys<sup>3</sup>, as well as answers to the questions below.

There are many additional questions in the Roy Morgan Single Source data collection that are of relevance and can be used as filters or as cross-tabulation variables with the Indicator. The complete list of these variables are not listed here.

ANZ Roy Morgan FWI dimensions	Questions and items from Roy Morgan Single Source
<b>Meeting commitments</b>	<p>Q. Meeting my bills and commitments is a struggle from time to time</p> <p>Q. In the past 12 months I have sometimes been unable to pay bills or loan commitments at the final reminder due to lack of money</p> <p>Q. I sometimes run short of money for food or other regular expenses</p>
<b>Feeling comfortable</b>	<p>Q. I feel financially stable at the moment</p> <p>Q. I have planned enough to make sure I will be financially secure in the future</p> <p>Q. Would you say you and your family are better-off financially – or worse-off than you were at this time last year?</p> <p>Q. Looking ahead to this time next year... do you expect you and your family to be better-off financially – or worse-off than you are now?</p>
<b>Resilience</b>	<p><b>Number of months' income in savings calculated using following questions:</b></p> <p>Q. Household's total present approximate weekly or annual income from all sources before tax – please include all wages, salaries, pensions and other income</p> <p>Q. Would you please say the approximate amount that is in the (main/second) (say institution and account name) account as of today</p> <p><b>Managing a drop in income by a third is calculated using the following questions:</b></p> <p>Q. Household's total present approximate weekly or annual income from all sources before tax – please include all wages, salaries, pensions and other income</p> <p>Q. Approximate amount that is in the (main/second) (say institution and account name) account as of today</p> <p>Q. How much does your family spend on all living and household expenses in an average week? Please include all expenses such as shopping, luxuries, transport costs, bills, credit and loan repayments, rent and home loans, school fees etc. (if living in a shared household, only include your own total living expenses)</p>

3. For more information on the financial wellbeing questions, see page 48 of Financial Wellbeing: A Survey of Adults in Australia. Retrieved from <https://www.anz.com.au/content/dam/anzcomau/documents/pdf/aboutus/esg/financial-wellbeing/anz-au-adult-financial-wellbeing-survey-2021.pdf>