



RaboDirect
Financial Health Barometer 2017

Happiness Report



RaboDirect
The straight talking savings bank

Introduction

Aussies are a cheerful bunch, ranking in the top 10 in the world for happiness, according to the World Happiness Report 2016*. While overall, our happiness levels are high when compared to overseas nations; some of us are much happier than others.

Why are some people able to sustain a feeling of wellbeing while others are prone to feeling worried and discontent? While many might pursue significant wealth, career success and a carefree life, our research shows that it's the simple things in life that generate longstanding happiness – a financial plan, community involvement and strong personal relationships.

The RaboDirect Financial Health Barometer shows 44% of Australians indicated they are completely happy with their lives, with Generation Y (49%) proving happiest of all. A total of 44% of Baby Boomers say they are completely happy with their lives, along with 41% of Generation X respondents.



* Helliwell, J., Layard, R., & Sachs, J. (2016). World Happiness Report 2016, Update (Vol. I). New York: Sustainable Development Solutions Network.

About the Happiness Report

RaboDirect's Financial Health Barometer surveyed 2,300 Australian financial decision makers aged 18 – 65, measuring attitudes towards savings and debt, the state of the economy, concerns for the future, relationship status and community involvement.

The RaboDirect Financial Health Barometer Happiness Report provides vital insights into the practical elements that contribute to a sustained feeling of wellbeing among Australia's happiest people. Essential factors include: the amount of hours worked each week, saving for the future, reducing food waste by planning your grocery shop, and investing in positive relationships, whether it be with your nearest and dearest or wider community.

RaboDirect aims to help all Aussies become more satisfied with their lives by identifying and implementing the key ingredients to a happy life.

‘THROUGH THE RESEARCH, RABODIRECT WANTS TO HELP AUSSIES INVEST THEIR EFFORTS IN BOTH THEIR FINANCES AND FRIENDS TO MAKE POSITIVE CHANGES TOWARDS THEIR HAPPINESS.’

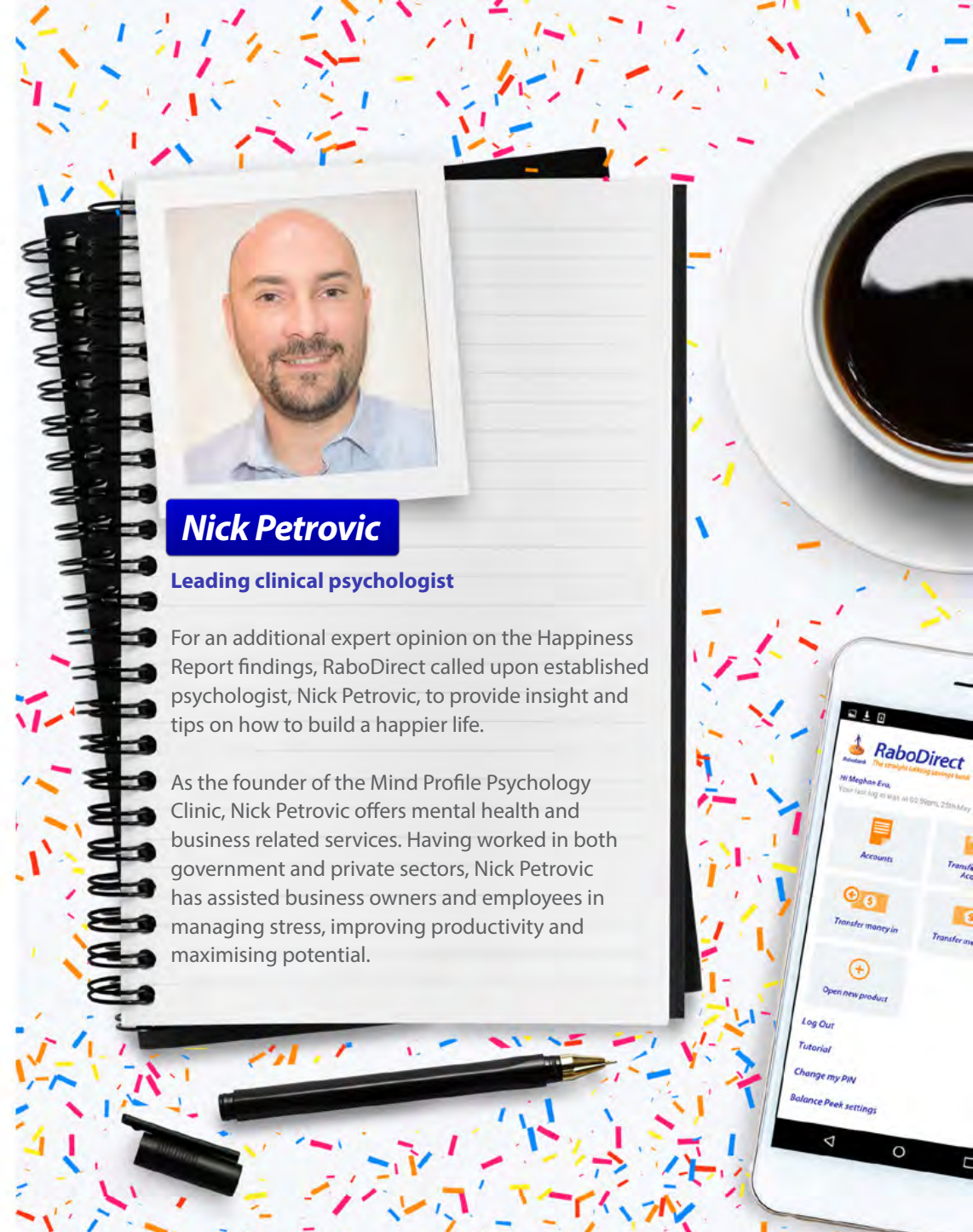


Nick Petrovic

Leading clinical psychologist

For an additional expert opinion on the Happiness Report findings, RaboDirect called upon established psychologist, Nick Petrovic, to provide insight and tips on how to build a happier life.

As the founder of the Mind Profile Psychology Clinic, Nick Petrovic offers mental health and business related services. Having worked in both government and private sectors, Nick Petrovic has assisted business owners and employees in managing stress, improving productivity and maximising potential.



Australian Happiness Profiles

The RaboDirect Financial Health Barometer Happiness Report uncovered some common themes that contribute to all Aussies' happiness, but there are significant differences at each life stages.

Mates and money are the key drivers of happiness across the nation, with Aussies indicating personal relationships, community involvement and financial confidence are essential to a happy life. Also revealing the happiest people in Australia earn between \$80,001 - \$100,000 per year, live within their means and focus on a healthy work-life balance.

The research found that 66% of Aussies who allocate time away from work to get involved with their local community, 64% who are satisfied with their relationships with family and friends, 63% of people who are confident with their finances and 51% of people earning between \$80,001 - \$100,000 per year, feel completely happy with their life.

It also showed that of those Australians who responded as being completely happy, 61% have a good financial plan in place, 53% stay financially informed and 52% have good saving habits.

Phycologist Nick Petrovic says

‘THIS SUGGESTS AUSTRALIA’S AFFINITY WITH MATESHIP AND A SENSE OF BELONGING, IS DOING US GOOD. HAVING POSITIVE RELATIONSHIPS WITH LOVED ONES OFFERS A POSSIBILITY FOR ENJOYABLE INTERACTIONS AND ALSO A SOURCE OF SUPPORT WHEN THINGS GO AWRY.’

“Financial security can also mean a greater sense of freedom, peace of mind and a greater opportunity for happiness. When you take control of your income and spending, your financial goals, big or small, can be easier to achieve. Money may not be able to fix every problem but it can offer you the time, space and opportunity to do the things that make you happy.”

WHAT MAKES AUSSIES HAPPY?

66%
involvement in the
local community



63%
financial confidence



64%
happy relationships
with family and friends



51%
earning between
\$80,001 - \$100,000



Gen Y: Experiencing the firsts

Gen Y's are at a stage in their lives where they're experiencing a lot of milestone 'firsts'; from early career paths, first home ownership, new relationships, marriage and kids, all these life events can have their ups and downs.

NEW EXPERIENCES CAN BRING A VARIETY OF CHALLENGES. SETTING GOALS AND PRIORITISING BECOMES ESSENTIAL FOR MAINTAINING CONTROL AND KEEPING ON TOP OF THINGS.

"There's a strong link between community involvement, positive personal relationships and a sustained feeling of happiness. Whilst having good relationships does not safeguard you from negative experiences, it does offer a place to turn in such events. For those who may not have strong bonds with family and friends, getting involved in the community is another way of reaping the benefits that relationships bring."

Key Happiness Drivers

46%
Personal Relationships



38%
Community Involvement



24%
Long Term Financial Plan



20%
Married



The RaboDirect Financial Health Barometer research showed that 68% of Australians who have a long-term financial plan in place are completely happy with their life.

Setting financial goals, both short and long-term, will be important in ensuring Gen Y's are able to enjoy their money now, whilst also planning for the future. A financial plan will also keep younger generations on track and less susceptible to making spur-of-the-moment financial decisions.

Top Tips for Gen Y:

- **Engage in conversations with family and friends.** Other people can offer different perspectives and advice, which are invaluable when you have concerns. Choose people whose advice you value but just don't look for too many opinions or it could confuse you more!
- **Join a local community group or activity.** Look to join groups in your local area who have a shared hobby with you which could include sports, crafts, or charitable events. Can't find one? Set one up yourself!
- **Save smarter.** This can be as simple as opening a high interest savings account, to help make the most of the money you're putting away and setting yourself up with short and long-term goals. Stick to your savings plan and don't forget to celebrate when you meet each goal.

Gen X: Striking a work life balance

Gen X's are approaching mid-life, a time that can mean reflection, emotional unrest and an empty nest for those with older children. It can also be a time of empowerment, if they are on track to paying off a mortgage, have more time to focus on personal hobbies and friends and have a solid career underway.

Interestingly, the research showed that Gen X working 41 to 50 hours per week are the happiest – even more so than those working more or less hours! Equally as important for Gen X is having a long-term financial plan, which provides financial security and ultimately a greater sense of freedom and peace of mind.

‘FOR GEN X, WORKING THE OPTIMAL NUMBER OF HOURS WAS A KEY INGREDIENT FOR HAPPINESS, ESPECIALLY FOR HOUSEHOLDS WITH CHILDREN AND PETS.’

“This highlights the importance of a healthy work life balance, which occurs when each factor of life including work, family, social life and recreation function without negatively impacting one another. Be it for work, family, or leisure Gen X needs to ensure that their time focuses on quality rather than quantity.”

Top Tips for Gen X:

- **Find your healthy work life balance.** Set a goal of what a healthy work life balance means to you and be realistic about your time. Remember that compromise is needed. Be aware when there's an imbalance and try to rectify it before it becomes an ongoing issue.
- **Review your financial goals.** You've probably set yourself a savings goal but consider what else you can do to reach your target faster. Depositing regularly into a high interest savings account will keep your savings growing and help you reach your goals faster.
- **Understand where your money is going.** Did you know that approximately \$1,100 worth of food is thrown away each year per household? Reduce your wastage by planning meals ahead of time and improve your savings in the process.

Key Happiness Drivers

50%
Personal Relationships



19%
Working the Right Number of hours



19%
Long Term Financial Plan



16%
Community Involvement



Baby Boomers: Savvy Savers

Most Baby Boomers are at a stage where they're thinking and planning for their retirement and whilst this can be a great time in an individual's life, it brings with it its own worries and stresses. This is not surprising when we think about how big of a change it will be.

‘COMMON FEARS BABY BOOMERS FACE INCLUDE NO LONGER FEELING VALUED, BECOMING LONELY AND LACKING MENTAL STIMULATION. IT CAN BE HELPFUL TO VIEW YOUR ADDITIONAL SPARE TIME AS AN OPPORTUNITY TO ENJOY YOURSELF.’

Focus on building your social activities and participating in hobbies, which make you feel involved. This can also be a great time to offer assistance to children or loved ones who are still working full time and need some support.”

Retirement is a huge financial shift, making finances and saving a focus for Baby Boomers. Like most money matters, the key is getting informed and planning. Creating a financial plan and budget to help make the most of every dollar and talk to an advisor about how best to ensure goals are met where necessary.

Having a plan, as Baby Boomers move towards retirement, will also help avoid worrying about unexpected expenses and better managing the change to the financial situation.

The RaboDirect research showed that 50% who stay financially informed feel a sense of control over their financial status and lives; 54% who have good saving habits and; the 50% who research extensively before making financial decisions, are completely happy with their life.

Top Tips for Baby Boomers:

- **Spend time doing what you love.** Whether it's with family, friends or community, it can give you a sense of purpose and allow you to build closer networks with others.
- **Do your best to stick to your budgets.** Sticking to a household budget, whether its daily, weekly or monthly, will allow you to be in control of your spending and saving without a regular income.
- **Check your Superannuation.** As superannuation is usually your second largest asset after your home it's a good time to review how you're tracking. Check that your super balance mirrors your household budget so you can make informed decisions about your finances.

Key Happiness Drivers

52%
Personal Relationships



23%
Long Term Financial Plan



22%
Save Regularly



20%
Community Involvement



Conclusion

We can often think of happiness as a goal to be achieved or a target to be reached. The reality is, it's the meaningful choices we make each day that result in long-term happiness and a positive, optimistic attitude towards life.

The RaboDirect Financial Health Barometer Happiness Report findings show that no matter what your age or work status, there are a few things you can do to continue to increase your feeling of happiness.

Invest in you, your passions, family, friends and community

- Rather than working around the clock to earn the big bucks, work out what you need to earn to live comfortably and invest time nurturing relationships with family and friends.
- Get involved with your community. Follow your passion and make friends, whether it's through volunteering, cultural groups, sports, church, or surf lifesaving.

Take control and invest in your financial happiness

- Understand your current finances (build a budget, understand your income and outgoings, look for areas of waste (including your food waste).
- Put that plan into action to make the most of every dollar saved. Pay yourself first, perhaps automatic direct debit into a genuine high interest savings account or pay more off your home loan.
- Have a savings buffer in case of unexpected emergencies or a rainy day. This will reduce stress in the event you require access to cash.

For more information

Visit

[RaboDirect.com.au](https://www.RaboDirect.com.au)

**‘HAPPINESS IS NOT SOMETHING
READY-MADE. IT COMES FROM
OUR OWN ACTIONS.’**

- Dalai Lama

