

The Mental Health Index™ report

Australia, December 2020



LifeWorks
by Morneau Shepell

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December highlights

For nine consecutive months, the mental health of Australians has been significantly lower than prior to the COVID-19 pandemic. After the initial significant decline measured in April 2020, there were increases in May and June. There was, however, a reversal of this trend with a decline in July and again in August, followed by a modest improvement in September, and further increases in October and November. December marks yet another increase; however, despite increases since September, the level of mental health in December remains concerning as it indicates that **the working population is currently as distressed as the most distressed three per cent of working Australians, prior to 2020.**

The proportion of individuals reporting more stress than the prior month (19 per cent) is two per cent lower than the previous month, and the proportion of individuals reporting less mental stress is 13 per cent. The majority (68 per cent) indicate the same level of stress when compared to the prior month, however, given the escalation in stress each month since the pandemic, this reflects an elevated level of cumulative stress for this group as well.

In December, the psychological health risk score of Australians is -5.1, falling for the first time since gains made from September to November.

Isolation scores have increased from August 2020 however, despite improvements, **the December score is -10.4 points below the pre-pandemic benchmark.**

All regions in Australia are trending similarly over time. Regions trended positively from April to June or July, followed by a brief period of decline. Since August, the trend in mental health scores in all regions has generally been positive.

For nine months, since significant measures were taken in managing the pandemic, Australians have had to adapt to changing conditions in all aspects of their lives, including at work. **Individuals report that the most stressful part of adapting at work during the pandemic is job uncertainty (34 per cent),** followed by health and safety protocols (33 per cent), and interacting with the public (26 per cent). Other than individuals reporting 'Other,' **the lowest mental health score is observed among thirty-four per cent of individuals reporting job uncertainty (-17.5), and twenty-four per cent of individuals who report work strain/overwork as the most stressful part of adapting at work during the pandemic (-16.4).**

A positive score on the Mental Health Index™ indicates better mental health in the overall working population, compared to the benchmark period of 2017 to 2019. A higher positive score reflects greater improvement. A negative Mental Health Index™ score indicates a decline in mental health compared to the benchmark period. The more negative the score, the greater the decline. A score of zero indicates mental health that is the same as it was in the benchmark period.



The COVID-19 pandemic has led many Australians to reconsider their personal and professional priorities. Previous findings (November 2020) indicated that nearly one-third (29 per cent) of Australians have considered a job or career change because of the pandemic. In the current month, respondents were asked whether they have considered leaving their jobs since the beginning of 2020. Consistent with November results, twenty-nine per cent of individuals have thought about leaving their job. **The most reported reason for considering leaving is increased mental stress/strain at work (55 per cent).** Over one-quarter (27 per cent) have considered leaving their current job due to their employer's response to COVID-19.

As the pandemic persists into its ninth month, Australians are seeing the impact of the pandemic beyond their personal experience to its effect on others, including their co-workers. **Over one-third of respondents (34 per cent) report being concerned about a co-worker's mental health.**

In addition to coping with the personal impact of the pandemic, people leaders are faced with the additional strain of managing a prolonged turbulent period in their workplace. **When people leaders were asked whether they have had concerns about the mental health of employees since the onset of the pandemic, thirty-three per cent of supervisors agreed.**

People leaders report that nineteen per cent of their employees are less productive than in 2019, whereas sixty per cent of employees are as productive in 2020 as they were in 2019.

With restrictions on non-essential travel across the globe, taking vacation time involves staying close to home. **Nearly two-thirds (63 per cent) of respondents report not using all their vacation time in 2020,** whereas twenty-one per cent report using all their vacation time. Individuals using all their vacation time have the lowest mental health score (-13.2), when compared to those with no paid time off and those who are not using all their vacation time.

The COVID-19 pandemic has upended organizations across the country; a boon for some while others struggle, and those doing okay but where a swing in either direction could land them in either a fortuitous or grave scenario. The perception of how an organization has treated its employees and its customers during the pandemic could have both an immediate and lasting impact on its success. **Fifty-three per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they treated their employees during the pandemic.**



Sixty per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they supported or treated their customers during the pandemic.

With the high-profile death of Black American, George Floyd, in June 2020, unprecedented awareness of anti-Black racism emerged. **Forty-four per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they respond to social justice issues.** Individuals under the age of 40 are significantly more likely to agree that the way they think about and interact with brands/companies has been influenced by how they respond to social justice issues.

While the COVID-19 pandemic continues to cause restrictions and lockdowns across the country, recent vaccine developments provide some optimism for Australians.

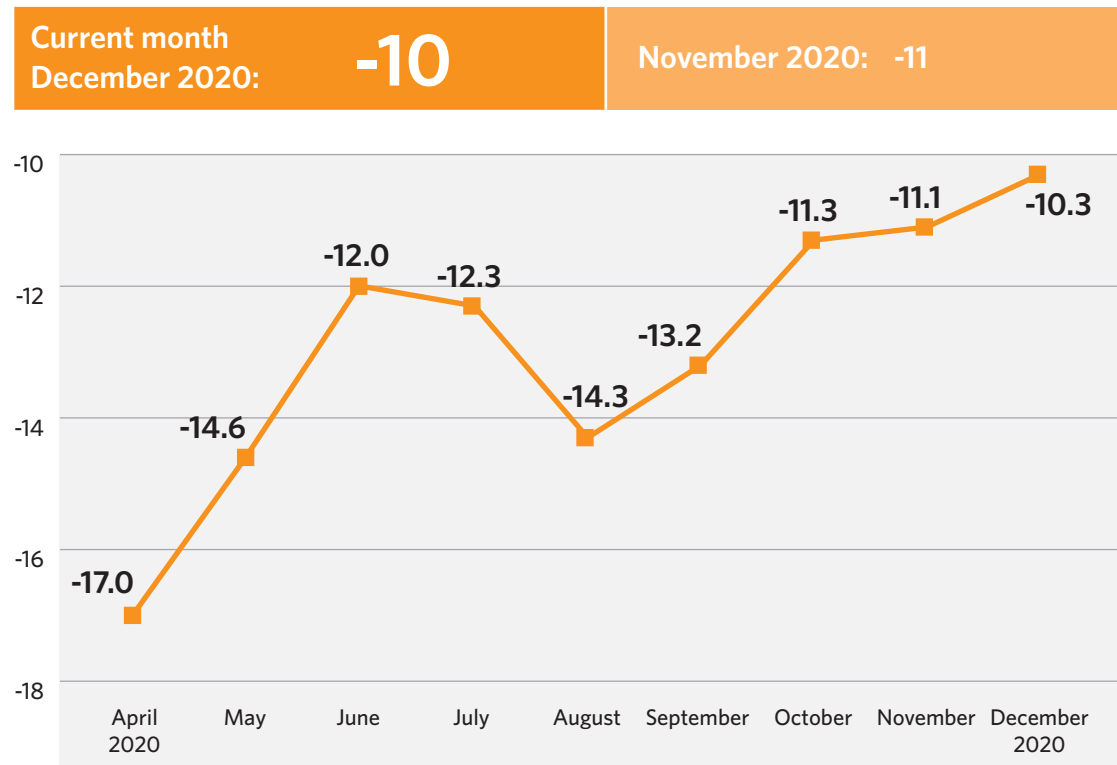
Forty-two per cent of respondents indicate that they would get vaccinated as soon as they are able. Twenty-eight per cent of individuals indicate that they would get vaccinated, although not right away. Willingness to receive the vaccine increases with age.

The disruption because of the COVID-19 pandemic has been widespread, affecting Australians physically, mentally, socially, financially, at home, and in the workplace. Thirty-eight per cent of individuals indicate that most of the disruption will end for them personally in the second half of 2021. **The longer the disruption is believed to last because of the COVID-19 pandemic, the more negative the mental health score.**



The Mental Health Index™

The Mental Health Index™ (MHI) is a measure of deviation from the benchmark¹ of mental health and risk. **The overall Mental Health Index™ for December 2020 is -10 points.** A 10-point decrease from the pre-COVID-19 benchmark[1] reflects a population whose mental health is similar to the most distressed three per cent of the benchmark population.



December marks the ninth consecutive month where the Mental Health Index™ reflects strained mental health in the Australian population

¹ The benchmark reflects data collected in 2017, 2018 and 2019.



Mental Health Index™ sub-scores

The lowest Mental Health Index™ sub-score is for the risk measure of work productivity (-11.2), followed by depression (-10.9), optimism (-10.6), anxiety (-10.4), isolation (-10.4), and general psychological health (-5.1). The risk measure with the best mental health score, as well as the only measure above the pre-2020 benchmark, is financial risk (3.0).

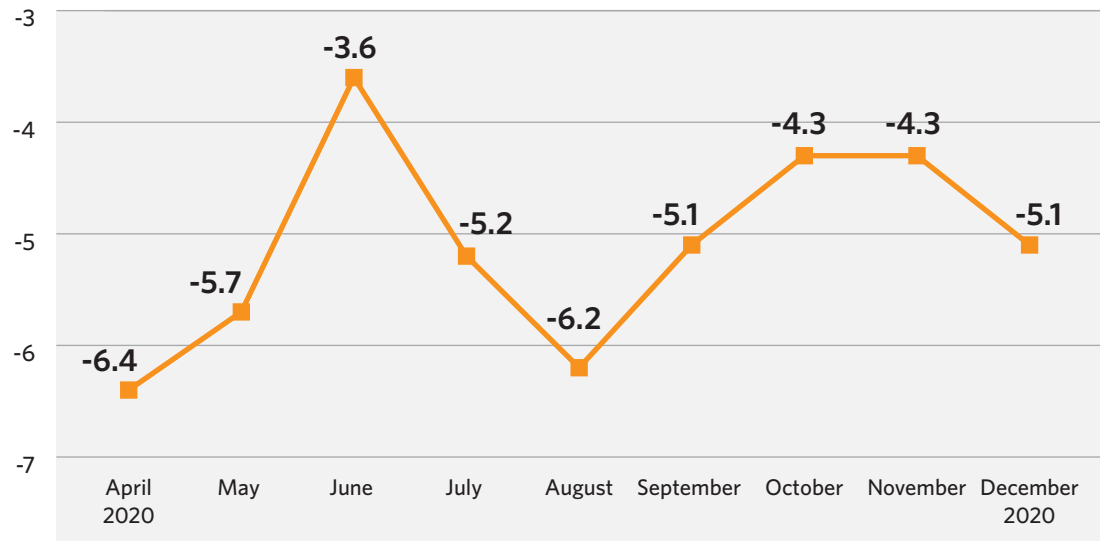
- All mental health sub-scores, except for general psychological health, improved in December when compared to November, although all but financial risk remain well below the pre-2020 benchmark.
- The greatest improvements in December are observed in anxiety (2.6 points increase), followed by optimism (2.2 points increase).
- The financial risk score declines in December to a score of 3.0, down 1.4 points from the prior month; however, it continues to be the strongest of all sub-scores and is above the pre-2020 benchmark.

MHI sub-scores ²	December 2020	November 2020
Work productivity	-11.2	-12.3
Depression	-10.9	-12.3
Optimism	-10.6	-12.8
Anxiety	-10.4	-13.0
Isolation	-10.4	-11.1
Psychological health	-5.1	-4.3
Financial risk	3.0	4.4

² The demographic breakdown of sub-scores are available upon request.



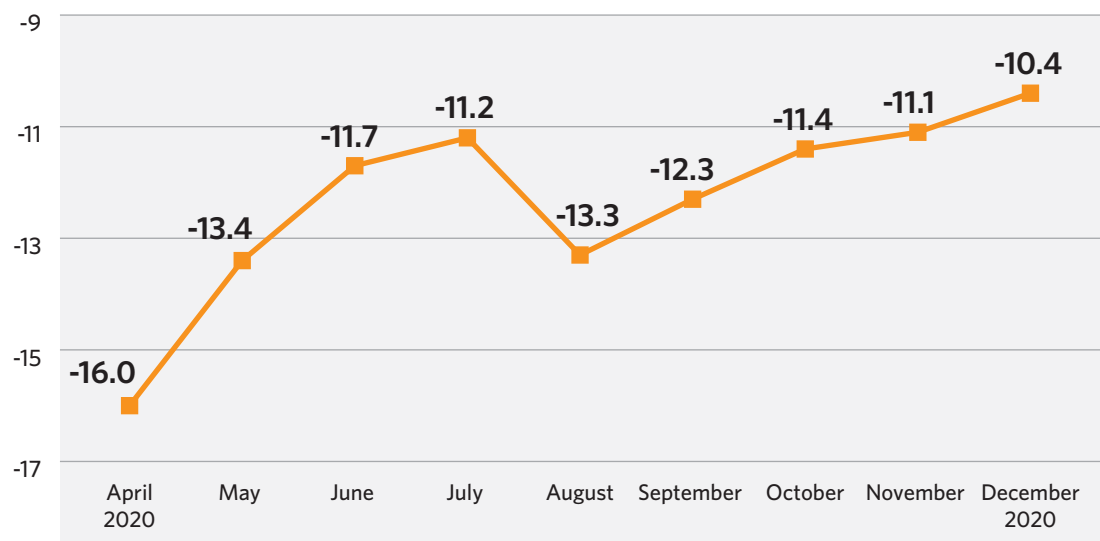
General psychological health



General psychological health

From April to June, general psychological health increased from -6.4 to its peak (-3.6). A sharp reversal in July and August brought the score down to near its lowest point in August. From September to November, improvements were observed; however, the general psychological health score fell again in December to a score of -5.1.

Isolation

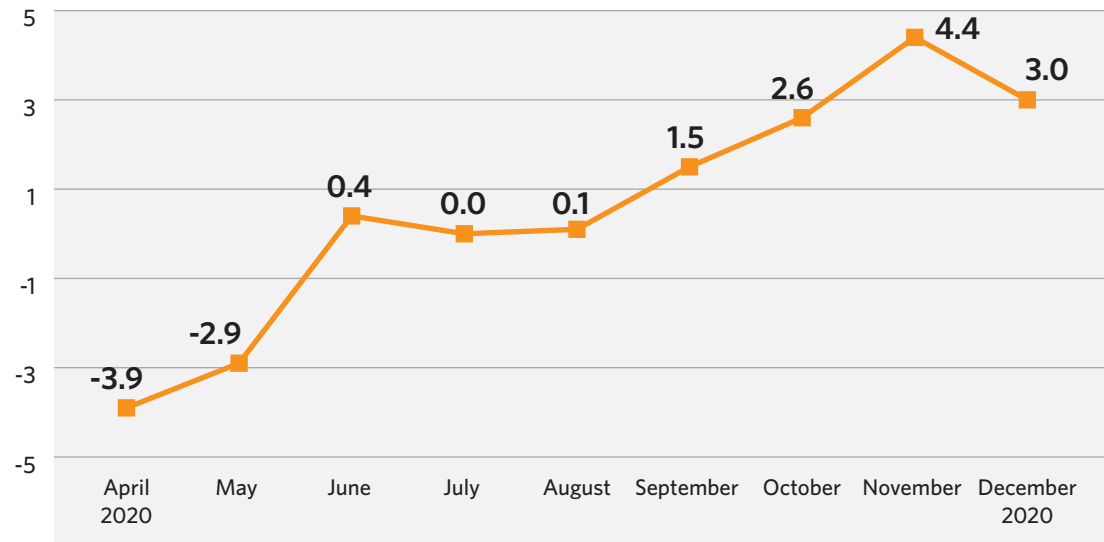


Isolation

Since April, a steady increase in the isolation score was observed through July. In August, the score fell 1.1 points to -13.1; however, the increasing trend resumed in September, taking the isolation score to its highest point (-10.4) in December. Despite the improvement observed, the isolation score remains significantly below the pre-pandemic benchmark.



Financial Risk



Financial risk

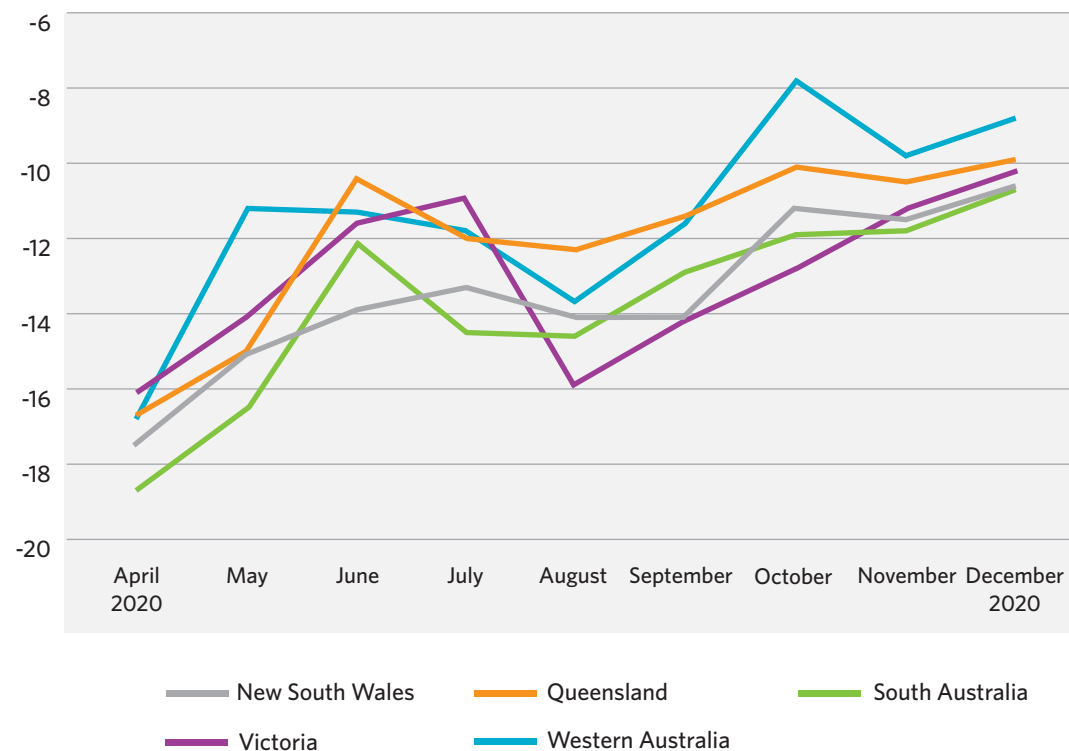
The Financial risk score of Australians remains the strongest sub-scale since the inception of the Mental Health Index™ in April 2020. In April 2020, the financial risk score was at its lowest point (-3.9), however, has increased steadily over eight months through November. In December, a decline is observed from the prior month; however, the financial risk score is 6.9 points higher than it was in April and is three points above the pre-2020 benchmark.



The Mental Health Index™ (regional)

All regions in Australia are trending similarly over time. Regions trended positively from April to June or July, followed by a brief period of decline. Since August, the trend in mental health scores in all regions has generally been positive.

Australia state Mental Health Index™ scores





Demographics

- For nine consecutive months, females (-12.1) have a significantly lower mental health score than males (-8.0); we have also observed that mental health scores improve with age.
- Respondents in the aggregate group Other* (consisting of Arab/Middle Eastern/West Asian, Black, Indigenous/Aboriginal, Latin, South or Central American, Pacific Islander, Mixed (Black and other), Mixed (Other), and Prefer not to answer) have the lowest mental health score (-13.7), followed by those identifying as East Asian (-12.8), and those identifying as South Asian (-12.1).
- Individuals identifying as South East Asian had the highest mental health score (-7.7), followed by respondents identifying as White (-9.9).
- The variance in the mental health score between those with and without children has been observed since April, and results in December continue this trend with a lower score for those with at least one child (-10.6) when compared to those without children (-9.9).

Employment

- Overall, seven per cent of respondents are unemployed. While most individuals remain employed, 20 per cent report reduced hours or reduced salary since April 2020.
- Individuals not currently employed have the lowest mental health score (-23.8), followed by those reporting fewer hours when compared to the prior month (-19.6), and those who report reduced salary when compared to the prior month (-17.4).
- Respondents who report working for companies with 5,001-10,000 employees have the highest mental health score (-1.7), followed by respondents who report working for companies with 1,001-5,000 (-5.4).
- Respondents who report working for companies with 501-1,000 employees have the lowest mental health score (-13.3), followed by individuals working for companies with 51-100 employees (-12.8).

Emergency savings

- Individuals without emergency savings continue to experience a lower score in mental health (-24.4) than the overall group. Those reporting an emergency fund have an average mental health score of -5.2.



Employment status	December	November
Employed (no change in hours/salary)	-6.7	-7.5
Employed (fewer hours compared to last month)	-19.6	-21.0
Employed (reduced salary compared to last month)	-17.4	-21.4
Not currently employed	-23.8	-19.3

Age group	December	November
Age 20-29	-18.6	-18.9
Age 30-39	-14.2	-14.3
Age 40-49	-8.9	-10.3
Age 50-59	-8.3	-9.5
Age 60-69	-1.7	-1.9

Number of children	December	November
No children in household	-9.9	-9.9
1 child	-10.6	-13.0
2 children	-11.8	-13.8
3 children or more	-8.8	-9.6

Numbers highlighted in **orange** are the most negative scores in the group.

Numbers highlighted in **green** are the least negative scores in the group.

Available upon request:

Specific cross-correlational and custom analyses

Region	December	November
New South Wales	-10.6	-11.5
Victoria	-10.2	-11.2
Queensland	-9.9	-10.5
South Australia	-10.7	-11.8
Western Australia	-8.8	-9.8

Gender	December	November
Male	-8.0	-9.2
Female	-12.1	-12.7

Income	December	November
Household income <\$30K/annum	-27.6	-26.7
\$30K to <\$60K/annum	-13.5	-13.9
\$60K to <\$100K	-12.2	-14.1
\$100K to <\$150K	-7.6	-7.8
\$150K or more	-1.3	-3.5

Racial identification	December	November
East Asian	-12.8	-12.5
South Asian	-12.1	-17.7
South East Asian	-7.7	-10.5
White	-9.9	-10.7
Other*	-13.7	-12.5

* Included in this category are Arab/Middle Eastern/West Asian, Black, Indigenous/Aboriginal, Latin, South or Central American, Pacific Islander, Mixed (Black and other), Mixed (Other), and Prefer not to answer, as the minimum threshold for reporting was not met for each group.

Employer size	December	November
Self-employed/sole proprietor	-10.7	-12.8
2-50 employees	-9.2	-10.8
51-100 employees	-12.8	-14.0
101-500 employees	-10.9	-9.2
501-1,000 employees	-13.3	-13.3
1,001-5,000 employees	-5.4	-8.6
5,001-10,000 employees	-1.7	-7.5
More than 10,000 employees	-7.8	-9.5



The Mental Health Index™ (industry)

Individuals working in Food Services have the lowest mental health score (-18.1), followed by individuals in Arts, Entertainment and Recreation (-14.5), and Educational Services (-12.8).

The highest mental health scores this month are observed among individuals employed in Wholesale Trade (-5.8), Public Administration (-6.1), and Administrative and Support services (-7.9).

Individuals employed in Wholesale Trade, Administrative and Support services, and Transportation and Warehousing have seen the greatest improvement in mental health since last month.

Improvements from the prior month are shown in the table below:

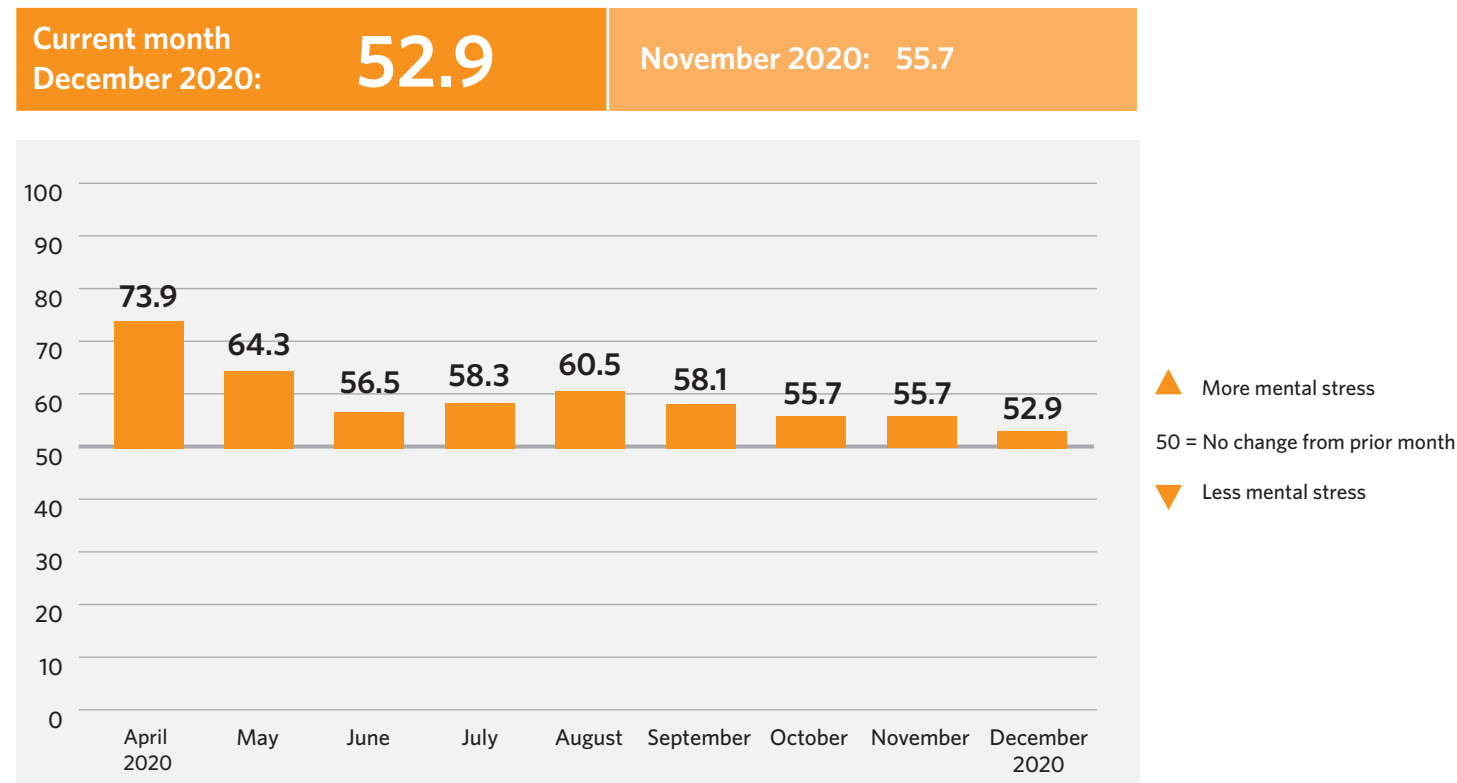
Industry	December 2020	November 2020	Improvement
Wholesale Trade	-5.8	-9.2	3.3
Administrative and Support services	-7.9	-11.2	3.3
Transportation and Warehousing	-9.7	-12.9	3.2
Other	-10.8	-13.9	3.1
Professional, Scientific and Technical Services	-10.0	-12.7	2.6
Health Care and Social Assistance	-8.5	-11.1	2.6
Retail Trade	-11.7	-13.6	1.9
Manufacturing	-8.9	-10.1	1.2
Construction	-10.4	-11.3	0.9
Public Administration	-6.1	-6.2	0.1
Other services (except Public Administration)	-12.4	-12.3	-0.1
Educational Services	-12.8	-10.9	-1.8
Finance and Insurance	-8.2	-6.2	-2.0
Food Services	-18.1	-16.1	-2.0
Arts, Entertainment and Recreation	-14.5	-13.1	-1.3



The Mental Stress Change score

The Mental Stress Change Score (MStressChg) is a measure of the level of reported mental stress, compared to the prior month. **The Mental Stress Change score for December 2020 is 52.9.** This reflects an increase in mental stress compared to the prior month. The steepness of the increase had been declining to June, increased in July and August, and has been trending lower since September.

The current score indicates that 19 per cent of the population is experiencing more mental stress compared to the prior month, with 13 per cent experiencing less. A continued increase in mental stress over the last nine months indicates a significant accumulation of strain in the population.



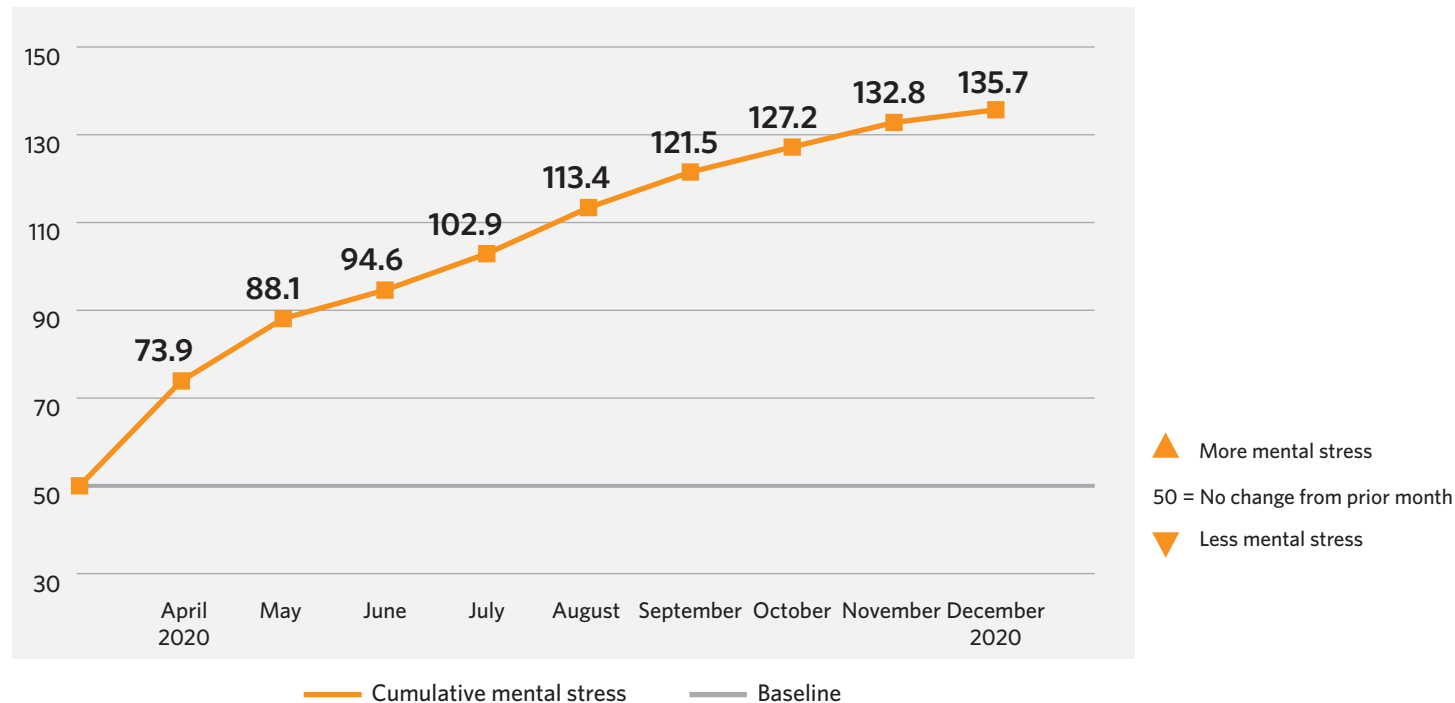


Mental Stress Change (cumulative)

The Mental Stress Change Score (MStressChg) is a measure of the level of reported mental stress compared to the prior month. The change is rooted against a value of 50 implying no net mental stress change from the previous month, while values above 50 indicate a net increase in mental stress and values below 50 indicate a net decrease in mental stress. The graph below tracks the increases and decreases to account for the cumulative effect on mental stress.

The continual increase in mental stress demonstrates that Australians are reporting more mental stress month-over-month. To relieve this level of accumulated stress, a sizable portion of the population must start regularly reporting lower stress.

Cumulative MStressChg





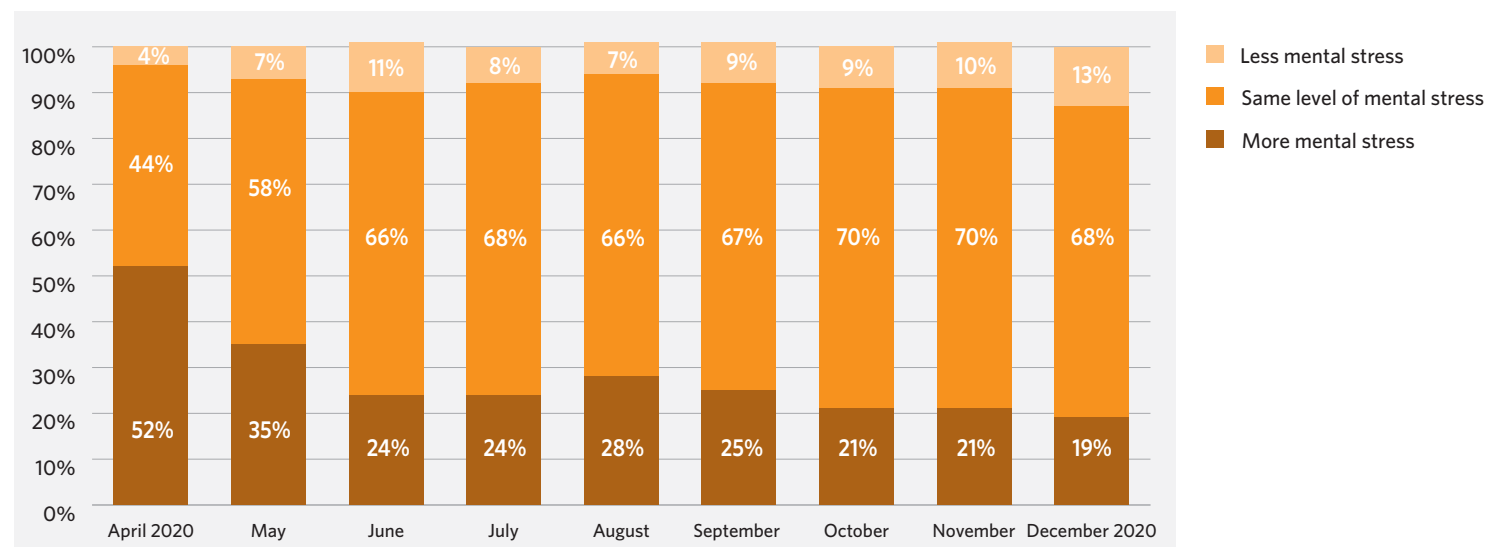
Mental Stress Change (percentages)

Mental Stress Change tracks each individual's stress changes each month. The percentages of those experiencing more stress, the same level of stress, and less stress for each month of the survey are shown in the graph below.

Over the last nine months, the percentage of those experiencing more mental stress than the previous month has steadily decreased; however, the data shows that those experiencing less mental stress is not enough to lower the overall Mental Stress Change score to below 50 (the level at which stress is lower than the previous month). As the proportion of individuals reporting the same level of stress or more stress than the previous month continues to significantly outweigh the proportion reporting less mental stress, the population will continue to feel the effects of significantly increased stress and not be able to adequately reach a more sustainable and health level of stress.

In April, 52 per cent of individuals reported an increase in mental stress. While those reporting increased month-over-month mental stress has decreased to 19 per cent in December 2020, 68 per cent of respondents report the same level of mental stress and only 13 per cent report a decrease in mental stress.

Mental Stress Change by Month





Demographics

- As was reported in prior months, and as evidenced again in November, younger respondents are experiencing a greater increase in mental stress when compared to older respondents.
- Since April 2020, females have had larger increases in mental stress when compared with males.
- Respondents identifying as South East Asian have the most favourable mental stress change score (44.6), followed by those identifying as South Asian (44.7).
- Respondents in the aggregate group Other* (consisting of Arab/Middle Eastern/West Asian, Black, Indigenous/Aboriginal, Latin, South or Central American, Pacific Islander, Mixed (Black and other), Mixed (Other), and Prefer not to answer) have the least favourable mental stress change score (56.7), followed by respondents identifying as White (53.8), and those identifying as East Asian (50.8).

Geography

- Considering geography, the greatest increase in stress month-over-month was for respondents living in South Australia (57.3), followed by Western Australia (53.7), and Victoria (52.8). Respondents living in the states where the increase in mental stress was less, still had significant increases. They include New South Wales (51.8) and Queensland (51.3).

Employment

- The greatest increase in mental stress is seen in unemployed people (59.0), followed by employed people with reduced hours (57.1), when compared to employed people with reduced salary (56.3) and employed people with no change to salary or hours (51.3).



Employment status	December	November
Employed (no change in hours/salary)	51.3	53.3
Employed (fewer hours compared to last month)	57.1	64.6
Employed (reduced salary compared to last month)	56.3	57.8
Not currently employed	59.0	58.5

Age group	December	November
Age 20-29	60.3	64.5
Age 30-39	52.0	56.1
Age 40-49	53.7	54.0
Age 50-59	52.2	54.2
Age 60-69	47.0	52.1

Number of children	December	November
No children in household	52.7	53.3
1 child	52.1	60.4
2 children	55.3	59.0
3 children or more	51.2	52.7

Numbers highlighted in **orange** are the most negative scores in the group.

Numbers highlighted in **green** are the least negative scores in the group.

Available upon request:

Specific cross-correlational and custom analyses

Region	December	November
New South Wales	51.8	54.5
Victoria	52.8	58.1
Queensland	51.3	53.9
South Australia	57.3	56.0
Western Australia	53.7	55.7

Gender	December	November
Male	51.6	53.5
Female	54.0	57.4

Income	December	November
Household income <\$30K/annum	54.8	68.2
\$30K to <\$60K/annum	53.9	57.1
\$60K to <\$100K	53.4	55.9
\$100K to <\$150K	52.0	54.4
\$150K or more	51.2	53.5

Racial identification	December	November
East Asian	50.8	53.1
South Asian	44.7	65.3
South East Asian	44.6	48.4
White	53.8	55.9
Other*	56.7	56.3

* Included in this category are Arab/Middle Eastern/West Asian, Black, Indigenous/Aboriginal, Latin, South or Central American, Pacific Islander, Mixed (Black and other), Mixed (Other), and Prefer not to answer, as the minimum threshold for reporting was not met for each group.

Employer size	December	November
Self-employed/sole proprietor	53.2	54.8
2-50 employees	51.5	56.9
51-100 employees	52.3	57.1
101-500 employees	53.2	52.2
501-1,000 employees	53.7	58.8
1,001-5,000 employees	51.2	55.2
5,001-10,000 employees	51.0	56.0
More than 10,000 employees	55.3	54.7



The Mental Stress Change (industry)

Mental Stress Change scores for Construction, Manufacturing, and Retail Trade industries are less steep when compared to the prior month.

Individuals working in Arts, Entertainment and Recreation have the most significant increase in Mental Stress Change (58.3), followed by individuals employed Food Services (56.9), and Public Administration (56.7).

Mental Stress changes from the last two months are shown in the table below:

Industry	December 2020	November 2020
Construction	44.7	53.8
Manufacturing	48.5	52.9
Other	49.4	54.5
Retail Trade	50.0	58.7
Finance and Insurance	51.1	52.3
Wholesale Trade	51.2	57.0
Other services (except Public Administration)	52.6	51.9
Health Care and Social Assistance	53.0	59.6
Professional, Scientific and Technical Services	55.8	55.4
Educational Services	56.1	52.0
Transportation and Warehousing	56.1	56.1
Administrative and Support services	56.5	54.8
Public Administration	56.7	59.2
Food Services	56.9	56.3
Arts, Entertainment and Recreation	58.3	50.0



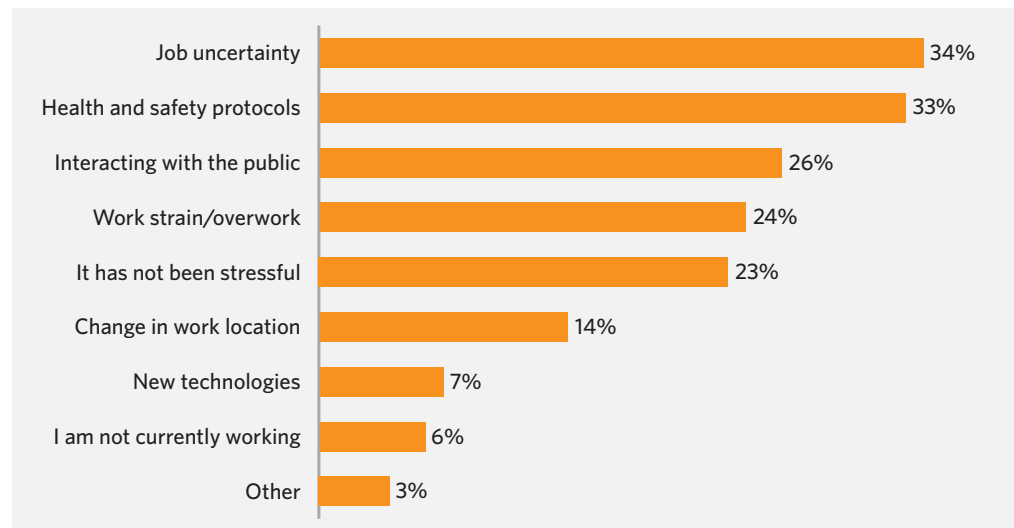
Spotlight

Living during a pandemic

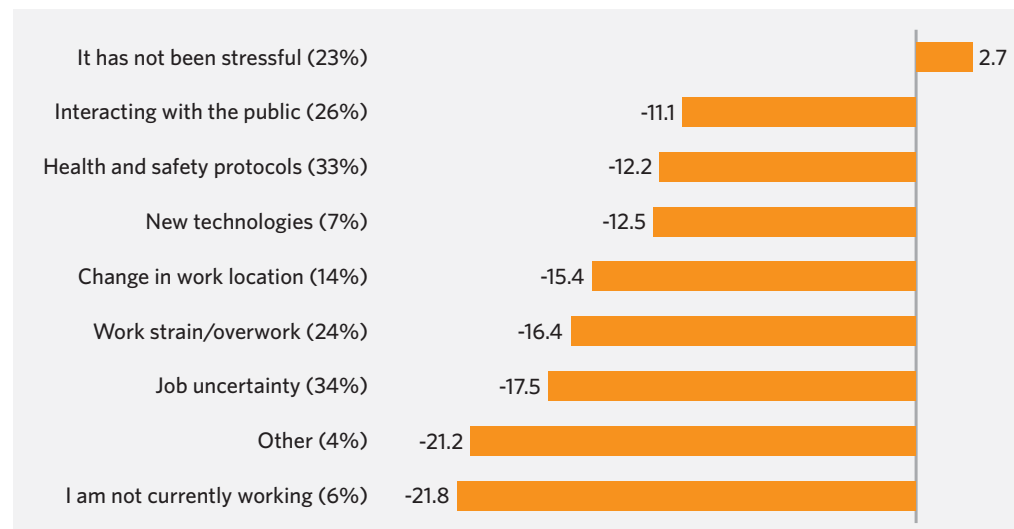
Previous findings (May 2020) show that nearly three-quarters (73 per cent) of Australians indicated that the COVID-19 pandemic has had a negative impact on their mental health. For nine months, since significant measures were taken in managing the pandemic, Australians have had to adapt to changing conditions in all aspects of their lives, including at work.

- Individuals report that the most stressful part of adapting at work during the pandemic is job uncertainty (34 per cent), followed by health and safety protocols (33 per cent), and interacting with the public (26 per cent).
- Other than individuals reporting 'Other,' the lowest mental health score is observed among thirty-four per cent of individuals reporting job uncertainty (-17.5), and twenty-four per cent of individuals who report work strain/overwork as the most stressful part of adapting at work during the pandemic (-16.4).
- Among the four per cent of respondents that selected 'other,' as the most stressful aspect of adapting at work during the pandemic, the most common response was family, followed by finances, pay, hours, travel, and social distancing. The mental health of the group reporting 'other' is lowest at -21.2.

The most stressful part of adapting at work during the pandemic



MHI score by the most stressful part of adapting at work during the pandemic



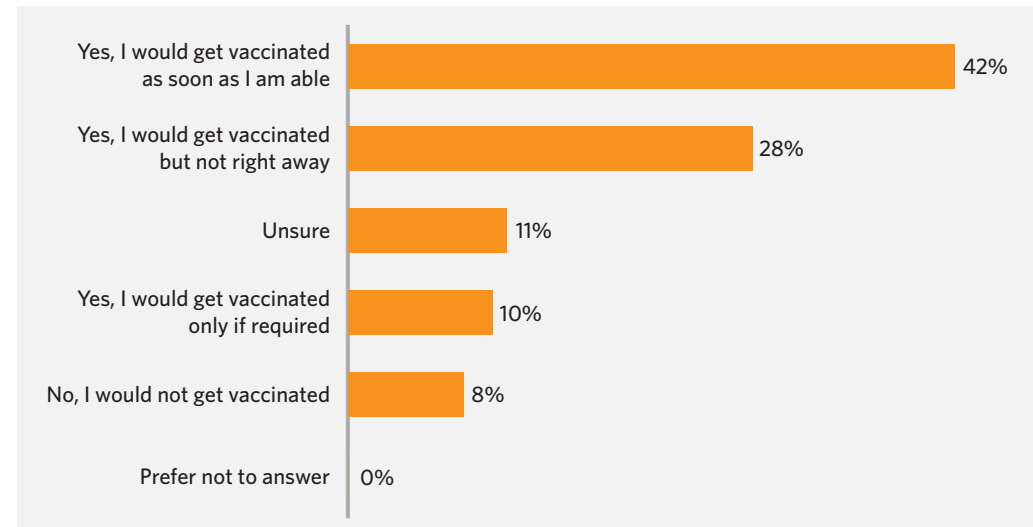


The COVID-19 vaccine

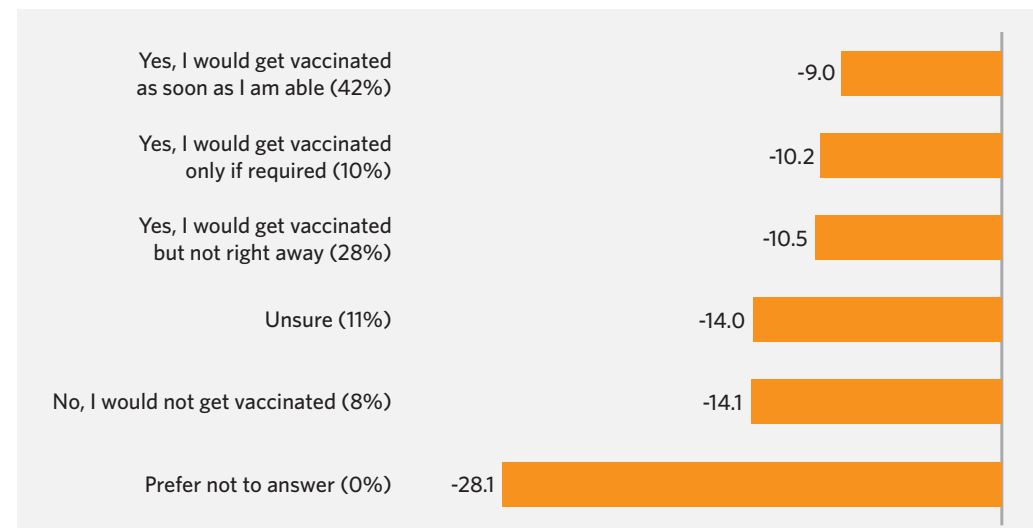
While the COVID-19 pandemic continues to cause restrictions and lockdowns across the country, recent vaccine developments provide some optimism for Australians. Individuals were asked about their willingness to take a COVID-19 vaccine.

- Forty-two per cent of respondents indicate that they would get vaccinated as soon as they are able. Twenty-eight per cent of individuals indicate that they would get vaccinated although not right away.
- Eight per cent of respondents indicate that they would not get vaccinated and the optimism score of this group is the lowest (-14.1).
- Males are more willing to get a COVID-19 vaccination as soon as possible (50 per cent) when compared to females (35 per cent), and females are nearly twice as likely to report being unsure about the vaccine than males.
- Thirty-six per cent of individuals between the ages of 20 and 29 report willingness to get the vaccination as soon as possible, whereas fifty per cent of respondents over the age of 60 are willing. Willingness to receive the vaccine steadily increases with age.

Willingness to take a COVID-19 vaccine



Optimism score by willingness to take a COVID-19 vaccine





Pandemic disruption to individuals

The disruption because of the COVID-19 pandemic has been widespread, affecting Australians physically, mentally, socially, financially, at home, and in the workplace. Individuals were asked when they think that most of the disruption because of the pandemic will be over for them personally.

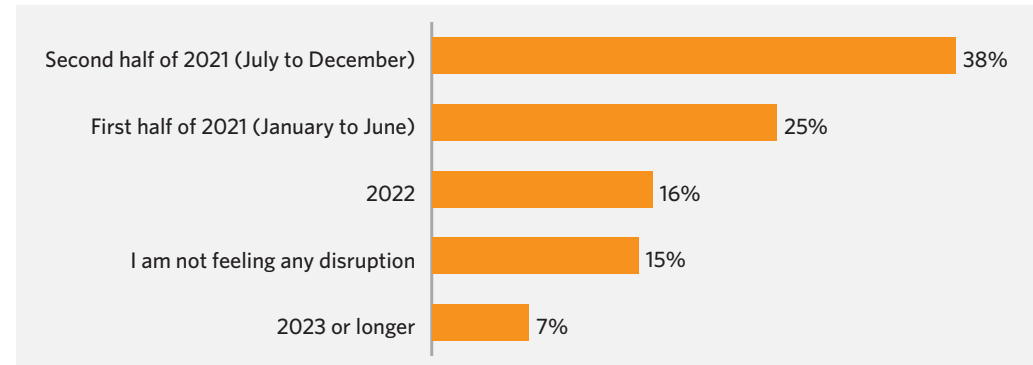
- Thirty-eight per cent of individuals indicate that most of the disruption will end for them personally in the second half of 2021, and this group has a mental health score of -12.1, behind twenty-five per cent who indicate that the disruption will end for them in the first half of 2021 (-8.0), and fifteen per cent who do not feel any disruption (-1.2).
- In general, the longer the disruption is believed to last, the more negative the mental health score.

Concern about the mental health of co-workers

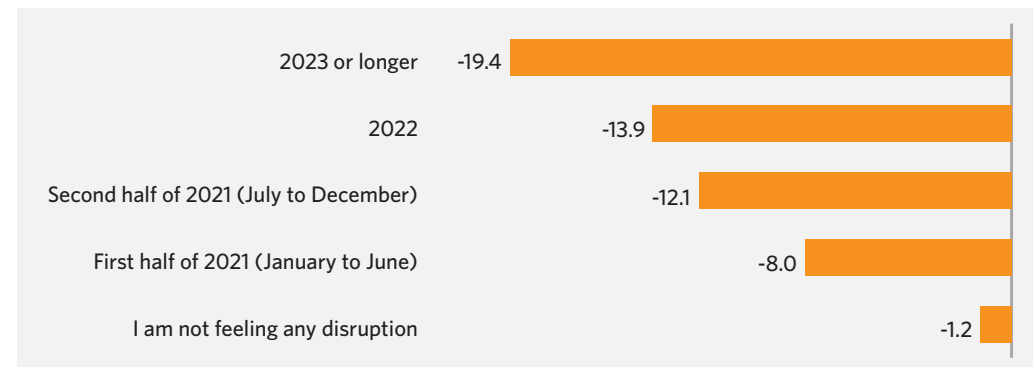
As the pandemic persists into its ninth month, Australians are seeing the impact of the pandemic beyond their personal experience to its effect on others, including their co-workers. Individuals were asked whether they have been concerned about a co-worker's mental health.

- Over one-third of respondents (34 per cent) report being concerned about a co-worker's mental health.

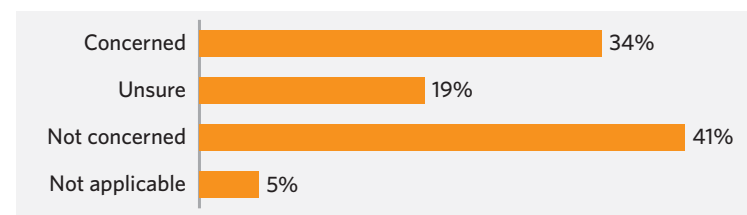
When individuals think the pandemic disruption will end for them personally



MHI score by when individuals think the pandemic disruption will end for them personally



Concern about a co-worker's mental health





Employees and the workplace

Employees thinking about leaving their jobs

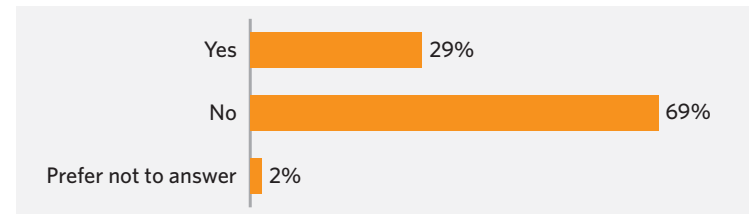
The COVID-19 pandemic has led many Australians to reconsider their personal and professional priorities. Previous findings (November 2020) indicate that nearly one-third (29 per cent) of Australians have considered a job or career change because of the pandemic. In the current month, respondents were asked whether they have considered leaving their jobs since the beginning of 2020, for any reason.

- Consistent with November results, twenty-nine per cent of individuals have thought about leaving their job since 2020.

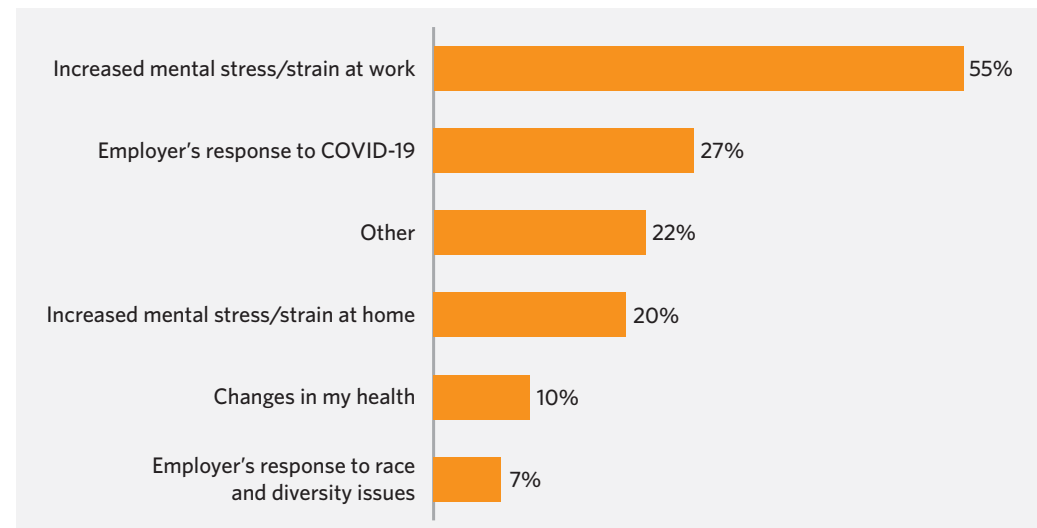
Individuals who indicated they are thinking about leaving their jobs were also asked to provide a reason for considering leaving their positions.

- The most commonly reported reason for considering leaving is increased mental stress/strain at work (55 per cent). This group has a mental health score of -22.1, more than two times lower than the overall average for Australians.
- The lowest mental health score (-32.9) is among twenty per cent of individuals who have considered leaving their jobs due to increased mental stress/strain at home.
- Among the twenty-two per cent that selected 'Other' as a consideration for leaving their job, the most reported reason is for retirement.

Have individuals thought about leaving their job



Reasons employees are thinking about leaving their jobs





- Over one-quarter (27 per cent) have considered leaving their current job due to their employer's response to COVID-19.
- Those working for companies with 501-1,000 employees are most likely to consider leaving their jobs (38 per cent), while those who are self-employed are least likely (22 per cent) to leave their jobs.

People leaders

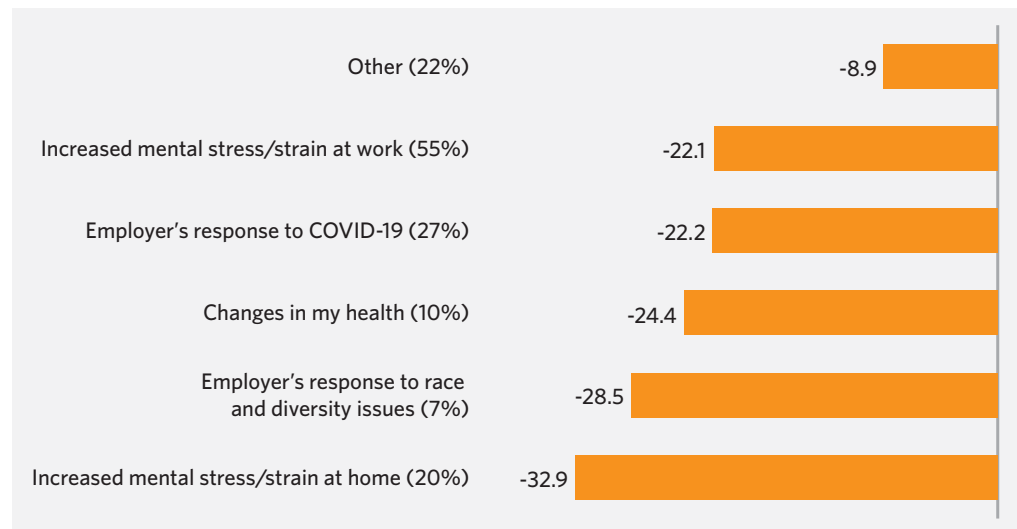
In addition to coping with the personal impact of the pandemic, people leaders are faced with the additional strain of managing a prolonged turbulent period in their workplace. Thirty-three per cent of respondents report supervising one or more people at work.

When people leaders were asked whether they have had concerns about the mental health of employees since the onset of the pandemic, thirty-three per cent of supervisors agree and ten per cent are unsure.

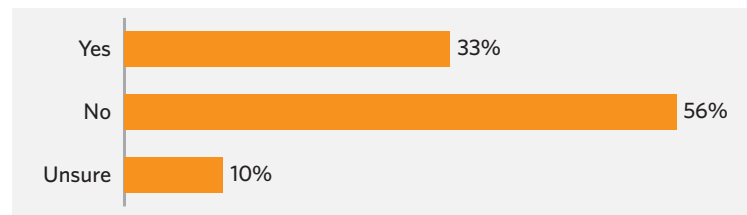
People leaders were asked to rate the productivity of their employees in 2020 when compared to 2019.

- People leaders report that nineteen per cent of their employees are less productive than in 2019, whereas sixty per cent of employees are as productive in 2020 as they were in 2019.

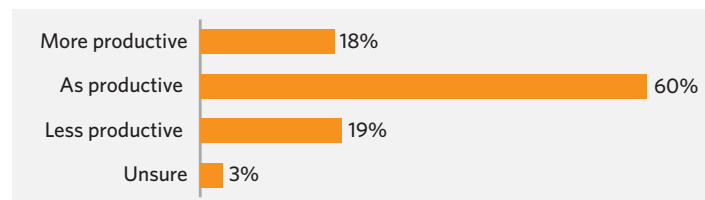
MHI score by reasons employees are thinking about leaving their jobs



Concerns about the mental health of employees since the onset of the pandemic



Supervisor estimates of how productive their employees have been in 2020 compared to 2019



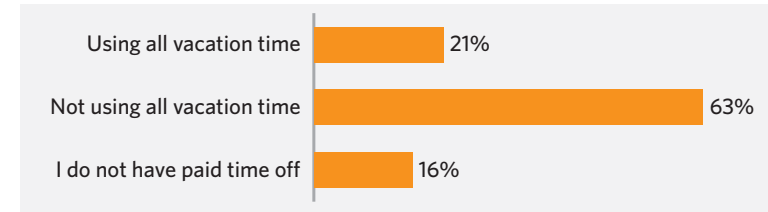


Using employer-paid vacation time

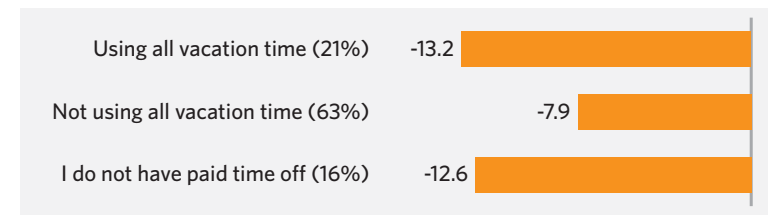
With restrictions on non-essential travel across the globe, taking vacation time involves staying close to home. With travel on hold in 2020, respondents were asked whether they will use their employer-paid vacation allotment.

- Nearly two-thirds of respondents (63 per cent) report not using all their vacation time in 2020, whereas twenty-one per cent report using all their vacation time.
- Individuals using all their vacation time have the lowest mental health score (-13.2), when compared to those with no paid time off (-12.6) and those who are not using all their vacation time (-7.9).
- Individuals who work in Health Care and Social Assistance are more likely to take all their vacation (25 per cent), then those in all other industries (19 per cent).

Using vacation time in 2020



MHI score by usage of all vacation time in 2020





Expectations for the future

As Australians continue to face the impact of the COVID-19 pandemic, the New Year brings hope for a successful vaccine program and thoughts of when a return to the pre-pandemic state will be within reach.

Changes in work situation

Individuals were asked whether they expect changes in their work situation.

- Nearly one-quarter (23 per cent) of respondents expect an improvement in their work situation.
- Ten per cent of respondents expect their work situation to worsen.

Changes in social relationships

Individuals were asked whether they expect a change in their social relationships.

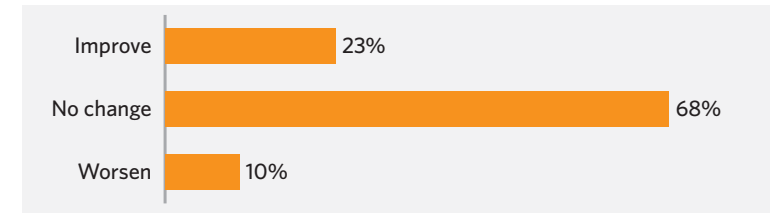
- Nearly one-quarter (23 per cent) of respondents expect an improvement in their social relationships.
- Six per cent of individuals expect their social relationships to worsen.

Changes in the financial situation

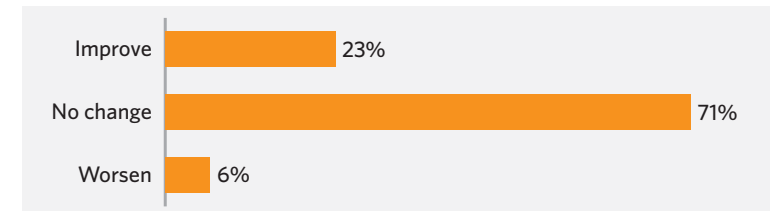
Individuals were asked what change they expect with respect to their financial situation.

- Over one-quarter (26 per cent) of respondents expect an improvement in their financial situation.
- Seventeen per cent expect their financial situation to worsen.

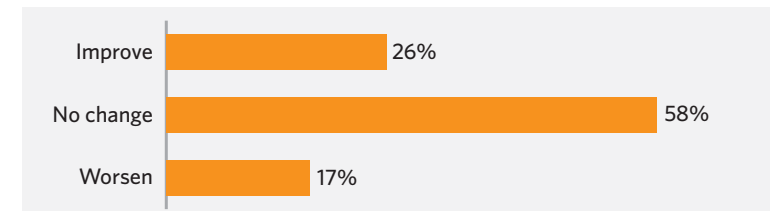
Expected future changes in work situation



Expected future changes in social relationships



Expected future changes in financial situation





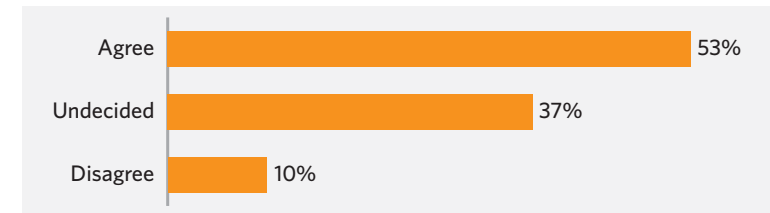
Brand loyalty

The COVID-19 pandemic has upended organizations across the country; a boon for some while others struggle, and those doing okay but where a swing in either direction could land them in either a fortuitous or grave scenario. The perception of how an organization has treated its employees and its customers during the pandemic could have both an immediate and lasting impact on its success.

How companies have treated their employees

- Fifty-three per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they treated their employees during the pandemic.
- Individuals working reduced hours or with reduced pay are most likely to report that the way they think about and interact with brands/companies has been influenced by how they treated their employees during the pandemic (60 per cent), when compared with those who are employed at their full salary and hours (52 per cent).

The way individuals think about and interact with brands/companies has been influenced by how they have treated their people/employees





How companies have supported or treated their customers

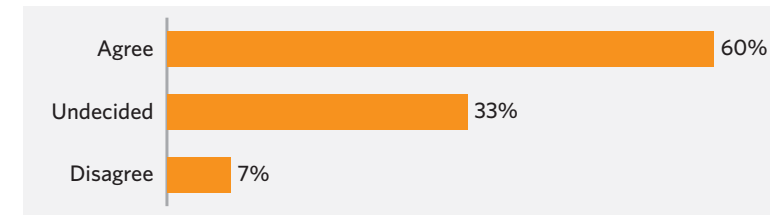
- Sixty per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they supported or treated their customers during the pandemic.
- Females are more likely to report that the way they think about and interact with brands/companies has been influenced by how they treated their customers during the pandemic (64 per cent), compared with males (55 per cent).

How companies have responded to social justice issues

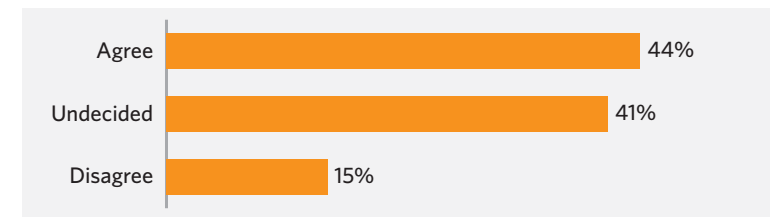
With the high-profile death of Black American, George Floyd, in June 2020, unprecedented awareness of anti-Black racism emerged. Individuals were asked whether the way they think about and interact with brands has been influenced by their response to social justice issues.

- Forty-four per cent of respondents agree that the way they think about and interact with brands/companies has been influenced by how they respond to social justice issues.
- Respondents under the age of 40 are significantly more likely to agree that the way they think about and interact with brands/companies has been influenced by how they respond to social justice issues (54 per cent) when compared with those 40 and older (38 per cent).

The way individuals think about and interact with brands/companies has been influenced by how they supported/treated their customers



The way individuals think about and interact with brands/companies has been influenced by their response to social justice issues





Overview of the Mental Health Index™

The mental health and wellbeing of a population is essential to overall health and work productivity. The Mental Health Index™ provides a measure of the current mental health status of employed adults in a given geography, compared to the benchmarks collected in the years of 2017, 2018 and 2019. The increases and decreases in the Index are intended to predict cost and productivity risks, and inform the need for investment in mental health supports by business and government.

The Mental Health Index™ report has three main parts:

1. The overall Mental Health Index™ (MHI), which is a measure of change compared to the benchmark of mental health and risk.
2. A Mental Stress Change (MStressChg) score, which measures the level of reported mental stress, compared to the prior month.
3. A spotlight section that reflects the specific impact of current issues in the community.

Methodology

The data for this report was collected through an online survey of 1,000 Australians who are living in Australia and are currently employed or who were employed within the prior six months. Participants were selected to be representative of the age, gender, industry, and geographic distribution in Australia. The same respondents participate each month to remove sampling bias. The respondents were asked to consider the prior two weeks when answering each question. The Mental Health Index™ is published monthly, starting in April 2020. The benchmark data was collected in 2017, 2018 and 2019. The data for the current report was collected between November 20 to November 30, 2020.

Calculations

To create the Mental Health Index™, the first step leverages a response scoring system turning individual responses to each question into a point value. Higher point values are associated with better mental health and less mental health risk. Each individual's scores are added and then divided by the total number of possible points to get a score out of 100. The raw score is the mathematical mean of the individual scores.



To demonstrate change, the current month's scores are then compared to the benchmark and the prior month. The benchmark is comprised of data from 2017, 2018 and 2019. This was a period of relative social stability and steady economic growth. **The change relative to the benchmark is the Mental Health Index™. A score of zero in the Mental Health Index™ reflects no change, positive scores reflect improvement, and negative scores reflect decline.**

A Mental Stress Change score is also reported given that increasing and prolonged mental stress is a potential contributor to changes in mental health. It is reported separately and is not part of the calculation of the Mental Health Index™. The Mental Stress Change score is (percentage reporting less mental stress + percentage reporting the same level of mental stress * 0.5) * -1 + 100. The data compares the current to the prior month. **A Mental Stress Change score of 50 reflects no change in mental stress from the prior month. Scores above 50 reflect an increase in mental stress, scores below 50 reflect a decrease in mental stress.** The range is from zero to 100. A succession of scores over 50, month over month, reflects high risk.

Additional data and analyses

Demographic breakdown of sub-scores, and specific cross-correlational and custom analyses are available upon request. Benchmarking against the national results or any sub-group, is available upon request. Contact MHI@morneaushepell.com

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