

The Mental Health Index by LifeWorks™

Australia | December 2021



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The top 5 things your need to know | December 2021

1. After some stability from January to May 2021, the mental health of Australians has fluctuated significantly and remains more than 11 points below the pre-2020 benchmark.

- From a low of -17.0 for the mental health index score in April 2020 to a high of -10.3 in December 2020, the current score is -11.3, which represents a high level of mental health risk.
- The worst sub-scores at this point are for anxiety, depression, and isolation.
- The strongest sub-score is for financial risk, which represents an improvement in the level of emergency savings compared to 2019.
- The mental health scores in Queensland, New South Wales, and Victoria improved while declines are seen in South and West Australia.

2. More than one-quarter of working Australians say that the flexibility they want is the ability to step away from work to attend to personal issues

- 28% want to be able to step away from work to attend to personal issues.
- 26% say that the location of work is most important.
- 25% say that flexibility in the hours of work is most important to them.

3. Employees indicate that full flexibility for everyone would work best for their work team

- 41% want full flexibility, which gives each employee choice in the how, when, and where they work.
- 19% want everyone together at the worksite.
- 10% want everyone fully remote.
- 12% believe that the best approach for their team is to have everyone together at the worksite 2-3 days a week.

4. Employees indicate a slight decrease in collaboration

- 54% indicate a high level of collaboration before the pandemic, compared to 51% since the pandemic began.
- 16% indicate very poor collaboration before the pandemic, compared to 18% since the pandemic began.

5. More than half of Australians believe their CEO genuinely cares about employee wellbeing

- 58% believe that their organization's CEO genuinely cares about employee wellbeing.
- 61% say that HR policies at their organization support employee wellbeing.
- 31% are not concerned about the career impact of a mental health issue.

#1
type of
flexibility

being able to step away
from work when needed

41%

believe full flexibility
for their team is best

58%

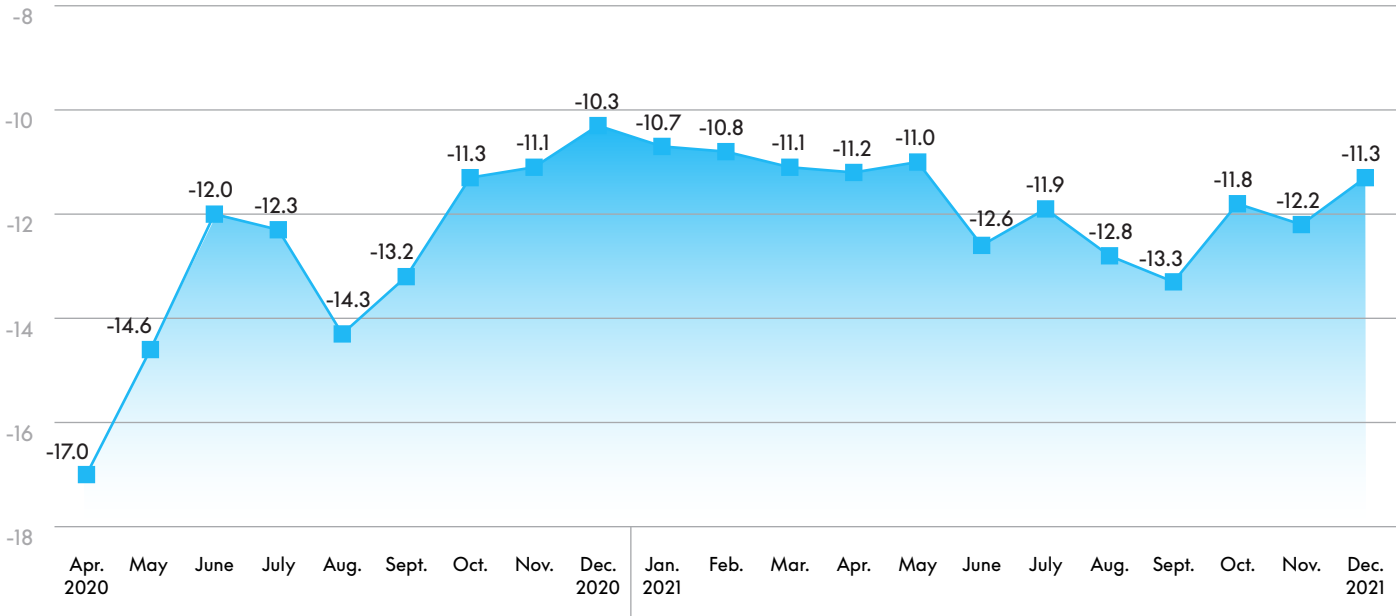
believe their CEO
genuinely cares about
employee wellbeing

31%

are not concerned
about the career impact of
a mental health issue

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 2021 is -11.3 points.** An 11-point decrease from the pre-COVID-19 benchmark reflects a population whose mental health is similar to the most distressed one per cent of the benchmark population.



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

MHI Current Month
December 2021

-11.3

November 2021

-12.2

Mental Health Index™ sub-scores

The lowest Mental Health Index™ sub-score is for the risk measure of anxiety (-12.2), followed by depression (-12.2), isolation (-11.9), optimism (-11.3), work productivity (-10.3), and general psychological health (-5.4).

The best sub-score, and the only measure above the historical benchmark continues to be financial risk (3.0).

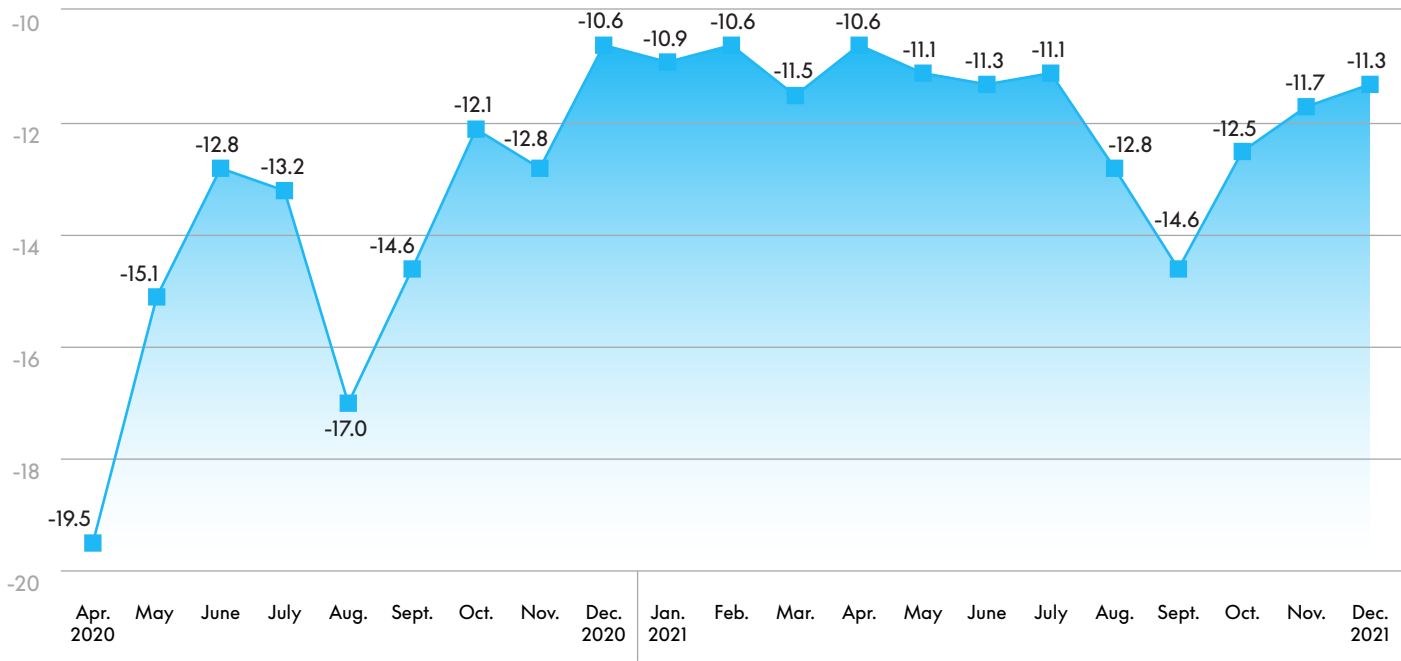
- All mental health sub-scores show improvement from November 2021 results.
- With a 2.4-point increase, the work productivity score has had the greatest improvement from the prior month.
- At three points above the pre-2020 benchmark, the financial risk score continues to be the strongest of all sub-scores.

Mental Health Index™ Sub-scores ² 2021	December	November
Anxiety	-12.2	-13.3
Depression	-12.2	-13.3
Isolation	-11.9	-13.2
Optimism	-11.3	-11.7
Work productivity	-10.3	-12.7
Psychological health	-5.4	-6.6
Financial risk	3.0	2.6

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

Optimism

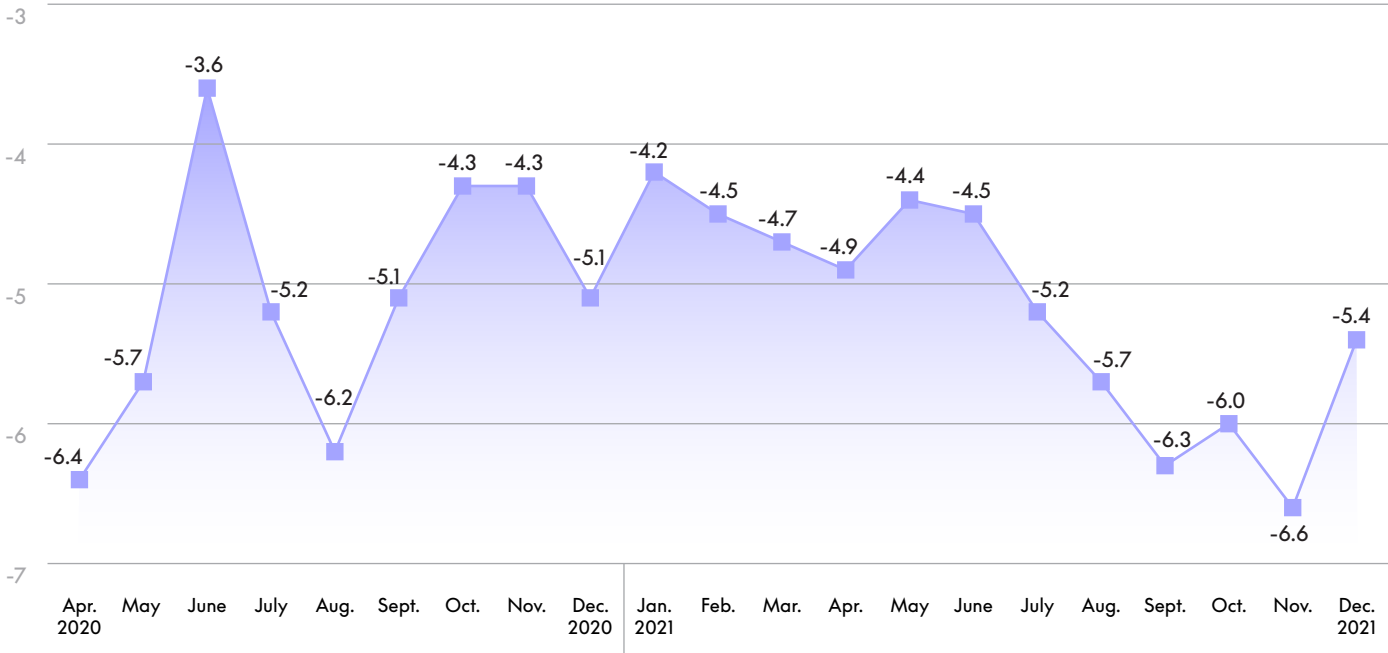
Since April 2020, optimism scores have remained significantly below the benchmark. Since December 2020, scores have fluctuated modestly through July 2021. After two months of significant decline in August and September, the optimism improved by 2.1 points to -12.5 in October. Despite three months of improvement, the optimism sub-score remains more than 11 points below the pre-2020 benchmark in December 2021.



General psychological health

The psychological health measure assesses individuals' self-perception of their overall level of psychological health.

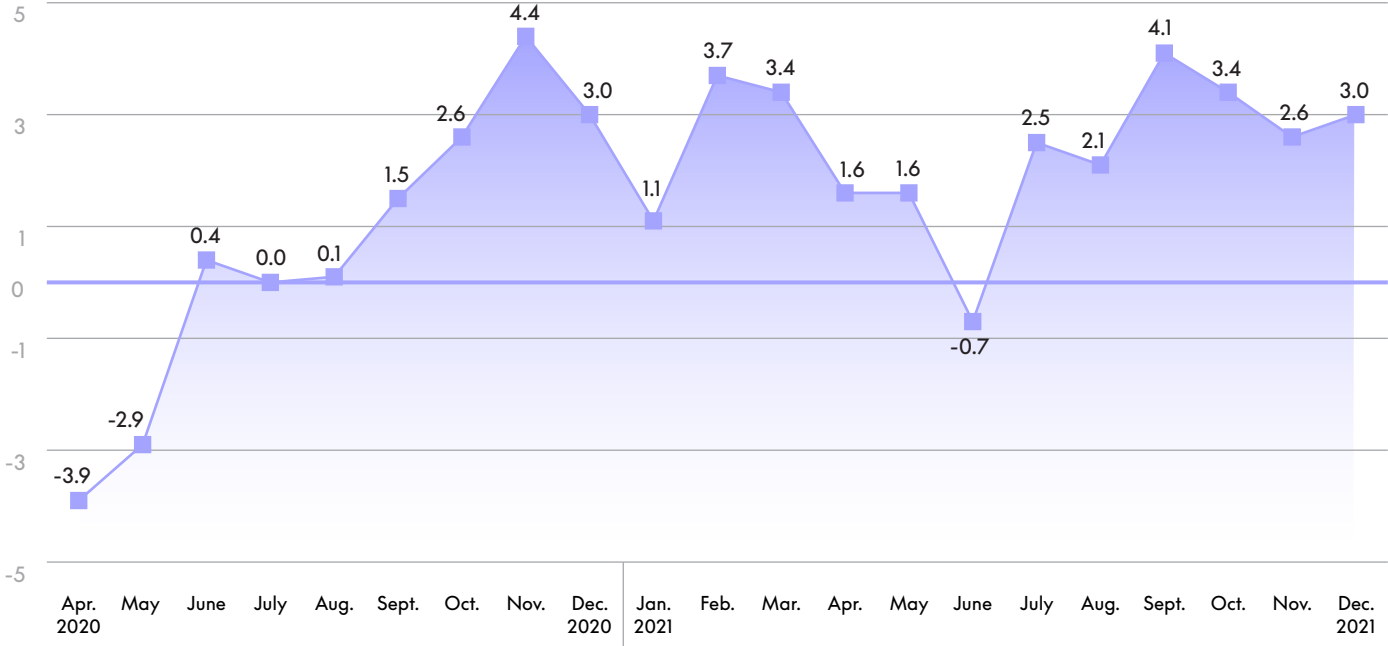
Since the launch of the MHI in April 2020, the general psychological health score fluctuated from a low of -6.4 to a high of -3.6. Since January 2021, scores have fluctuated modestly, however, in July 2021, a sharp decline was observed. After four months of significant decline the general psychological health of Australians improved modestly in October to 6.0 points below the pre-2020 benchmark but declined again in November. In December 2021, the general psychological health sub-score improved 1.2-points to -5.4.



Financial risk

The financial risk sub-score measures the level of individuals' emergency savings.

From April 2020 to November 2020, the financial risk of Australians showed improvement. The financial risk score declined sharply through January 2021 and recovered in February 2021. Since February, the financial risk scores declined to -0.7, the lowest in more than one year. In July, the financial risk score rebounded to 2.5, but fell modestly to 2.1 in August. In September 2021, a significant 2-point increase was observed reaching a near-high of 4.1 points. After two consecutive months of decline, the financial risk sub-score improved modestly to 3.0 points in December 2021.



Demographics

- Since the launch of the MHI, women have had significantly lower mental health scores than men. In December 2021, the mental health score of women is -13.6 compared to -8.3 for men.
- In each of the past 21 months, mental health scores improve with age.
- Differences in mental health scores between those with and without children have been reported since the launch of the Index in April 2020. Nearly two years later, this pattern continues with a lower score for those with at least one child (-13.6) compared to those without children (-9.8).

Employment

- Overall, four per cent of respondents are unemployed³ and 13 per cent report reduced hours or reduced salary.
- Individuals reporting reduced salary compared to the prior month have the lowest mental health score (-27.2), followed by those reporting fewer hours (-23.3), and those not currently employed (-16.2).
- Managers have a lower mental health score (-11.9) than non-managers (-10.4).
- Respondents working for companies with 2-50 employees have the highest mental health score (-7.6).
- Individuals who are self-employed have the lowest mental health score (-16.2).

Emergency savings

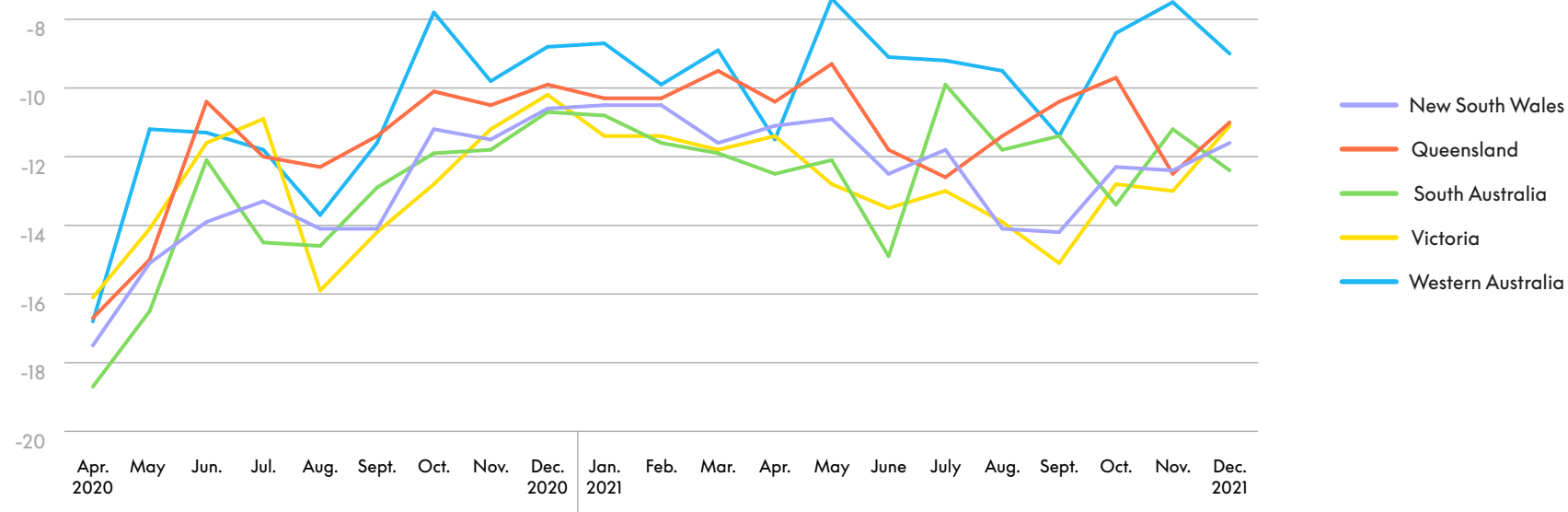
- Those without emergency savings continue to experience a lower mental health score (-26.8) than the overall group (-11.3). Individuals with emergency savings have a mental health score of -5.1.

3 MHI respondents who have been employed in the past six months are included in the poll.

Mental Health Index™ (regional)

Regional mental health scores since October 2020 have remained inconsistent. In December 2021, the mental health scores in Queensland, New South Wales, and Victoria improve while declines are seen in South and West Australia.

- Despite a 1.5-point decline from the prior month, the strongest mental health is in Western Australia (-9.0).
- The mental health score in South Australia fell -1.2-points to -12.4, marking the lowest score in the country in December.



Employment status	Dec. 2021	Nov. 2021
Employed (no change in hours/salary)	-9.0	-9.8
Employed (fewer hours compared to last month)	-23.3	-21.5
Employed (reduced salary compared to last month)	-27.2	-32.5
Not currently employed	-16.2	-19.4
Age group	Dec. 2021	Nov. 2021
Age 20-29	-23.4	-20.9
Age 30-39	-13.5	-12.4
Age 40-49	-13.3	-15.0
Age 50-59	-9.9	-10.4
Age 60-69	-3.1	-5.2
Number of children	Dec. 2021	Nov. 2021
No children in household	-9.8	-11.6
1 child	-13.5	-13.6
2 children	-13.7	-13.0
3 children or more	-13.5	-11.1

Region	Dec. 2021	Nov. 2021
New South Wales	-11.6	-12.4
Victoria	-11.1	-13.0
Queensland	-11.0	-12.5
South Australia	-12.4	-11.2
Western Australia	-9.0	-7.5
Gender	Dec. 2021	Nov. 2021
Men	-8.3	-8.9
Women	-13.6	-14.6
Household income	Dec. 2021	Nov. 2021
\$30K/annum	-21.6	-27.2
\$30K to <\$60K/annum	-16.3	-16.3
\$60k to <\$100K	-12.8	-14.4
\$100K to \$150K	-9.9	-8.6
\$150K and over	-3.0	-5.2

Employer size	Dec. 2021	Nov. 2021
Self-employed/sole proprietor	-16.2	-18.1
2-50 employees	-7.6	-8.9
51-100 employees	-14.4	-15.2
101-500 employees	-13.0	-12.5
501-1,000 employees	-11.7	-11.0
1,001-5,000 employees	-11.1	-13.3
5,001-10,000 employees	-9.8	-7.6
More than 10,000 employees	-10.5	-11.6
Manager	Dec. 2021	Sept. 2021
Manager	-11.9	-11.2
Non-manager	-10.4	-12.3

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

Mental Health Index™ (industry)

Respondents working in Food Services have the lowest mental health score (-20.7), followed by those in Other services (except Public Administration (-20.2), and Retail Trade (-18.3).

Individuals employed in Manufacturing (-4.2), Transportation and Warehousing (-4.9), and Arts, Entertainment and Recreation (-7.1) have the highest mental health scores this month.

Individuals employed in Arts, Entertainment and Recreation, Construction, and Manufacturing have seen the greatest improvement in mental health since last month.

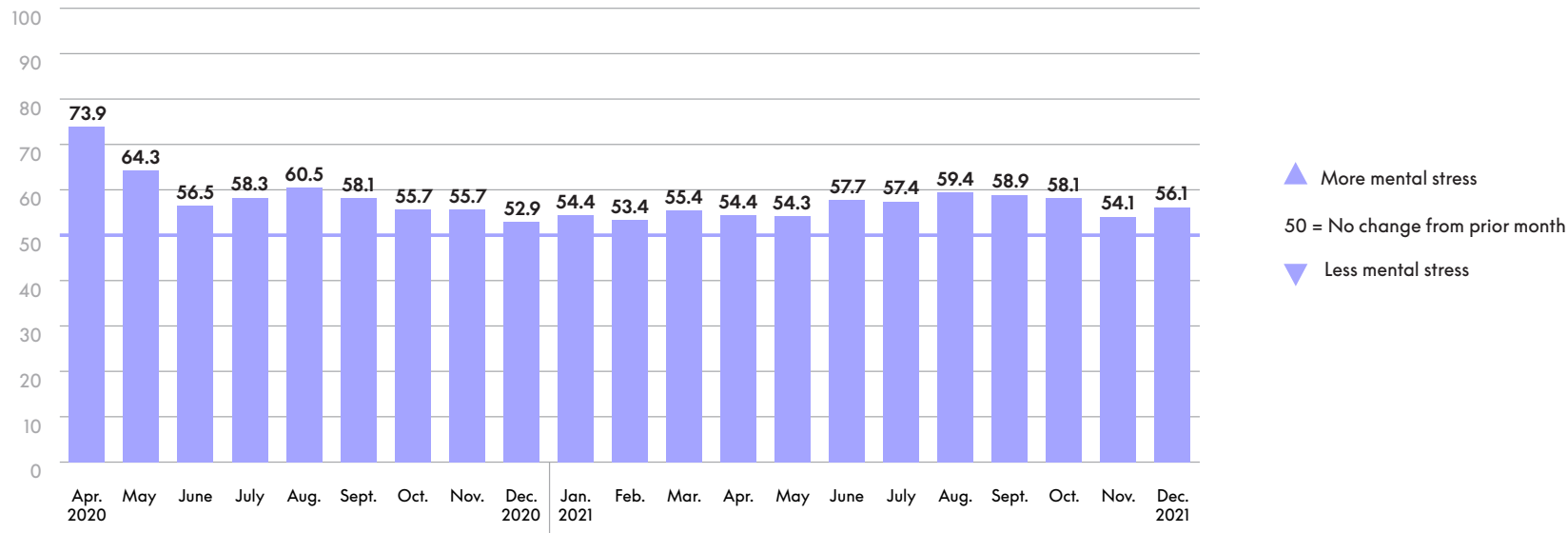
Changes from the prior month are shown in the table.

Industry	December 2021	November 2021	Change
Arts, Entertainment and Recreation	-7.1	-17.3	10.2
Construction	-8.8	-16.2	7.4
Manufacturing	-4.2	-9.5	5.3
Transportation and Warehousing	-4.9	-9.2	4.2
Wholesale Trade	-12.5	-16.5	4.1
Finance and Insurance	-10.0	-13.9	3.9
Professional, Scientific and Technical Services	-9.5	-11.8	2.2
Public Administration	-7.9	-9.4	1.5
Administrative and Support services	-10.4	-11.8	1.5
Other	-15.4	-15.5	0.1
Health Care and Social Assistance	-11.6	-10.7	-0.9
Educational Services	-11.5	-10.5	-1.0
Retail Trade	-18.3	-15.3	-3.0
Food Services	-20.7	-16.6	-4.2
Other services (except Public Administration)	-20.2	-12.5	-7.7

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 2021 is 56.1.** This reflects a net increase in mental stress compared to the prior month.

The current score indicates that 21 per cent of the population is experiencing more mental stress compared to the prior month, with nine per cent experiencing less. A continued increase in mental stress since April 2020 indicates a significant accumulation of strain in the Australian population.



MStressChg
Current Month—
December 2021

56.1

MStressChg
November 2021

54.1

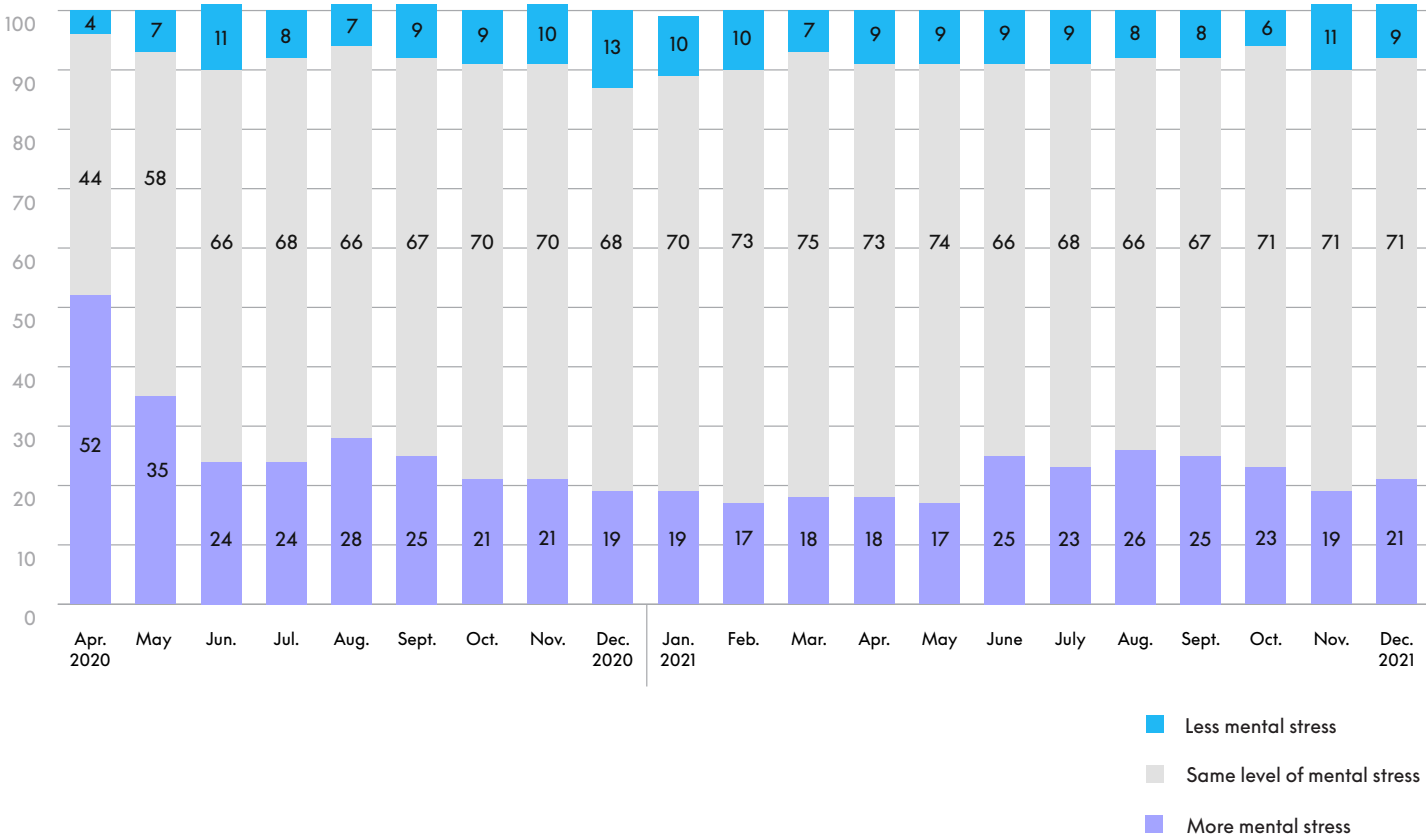
Mental Stress Change (percentages)

Mental Stress Change tracks 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.

For nearly two years, the percentage of those experiencing more mental stress than the previous month has steadily decreased; however, the data showing this decline is too insignificant 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 outweigh the proportion reporting less mental stress, the population will continue to feel the effects of significantly increased stress and will not be able to reach a more sustainable and healthy level of stress.

In April 2020, 52 per cent of individuals reported an increase in mental stress. The number of respondents reporting increased month-over-month mental stress is 21 per cent in December 2021, while 71 per cent of respondents report the same level of mental stress and nine per cent report a decrease in mental stress.

Mental Stress Change by month



Demographics

- Since the launch of the MHI in April 2020, younger people have experienced a greater increase in mental stress month over month compared to older respondents.
- In December 2021, the mental stress change score for women is 56.2 compared to 55.9 for men.

Geography

- The greatest increase in month-over-month stress is for respondents living in South Australia (58.9), followed by West Australia (58.8), New South Wales (55.9), Victoria (55.3), and Queensland (55.1).

Employment

- The greatest increase in mental stress is seen in employed people with reduced salary (67.7), followed by employed people with reduced hours (66.7.3), unemployed people (62.2), and employed people with no change to salary or hours (54.1).
- Managers have a greater increase in stress (60.1) than non-managers (53.0).

Employment status	Dec. 2021	Nov. 2021
Employed (no change in hours/salary)	54.1	52.6
Employed (fewer hours compared to last month)	66.7	61.3
Employed (reduced salary compared to last month)	67.7	61.4
Not currently employed	62.2	59.0
Age group	Dec. 2021	Nov. 2021
Age 20-29	63.9	59.5
Age 30-39	58.4	54.8
Age 40-49	56.3	56.0
Age 50-59	55.3	51.5
Age 60-69	51.5	49.7
Number of children	Dec. 2021	Nov. 2021
No children in household	54.4	52.5
1 child	60.2	56.9
2 children	57.6	55.5
3 children or more	56.3	57.8

Region	Dec. 2021	Nov. 2021
New South Wales	55.9	54.3
Victoria	55.3	54.4
Queensland	55.1	53.6
South Australia	58.9	53.4
Western Australia	58.8	53.4
Gender	Dec. 2021	Nov. 2021
Men	55.9	54.2
Women	56.2	53.9
Household income	Dec. 2021	Nov. 2021
\$30K/annum	61.5	63.8
\$30K to <\$60K/annum	59.5	55.8
\$60k to <\$100K	56.9	53.3
\$100K to \$150K	54.1	53.6
\$150K and over	54.1	51.9

Employer size	Dec. 2021	Nov. 2021
Self-employed/sole proprietor	56.8	58.0
2-50 employees	52.0	51.0
51-100 employees	61.5	58.3
101-500 employees	59.1	52.5
501-1,000 employees	54.2	51.6
1,001-5,000 employees	55.6	54.9
5,001-10,000 employees	55.5	54.9
More than 10,000 employees	56.4	54.5
Manager	Dec. 2021	Sept. 2021
Manager	60.1	55.1
Non-manager	53.0	53.1

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

The Mental Stress Change (industry)

In December 2021, individuals employed in Construction (50.0) report no increase in mental stress than the prior month. A score of 50 means that the proportion of the population experiencing more stress is balanced by the proportion experiencing less stress. A score below 50 indicates that the group is experiencing less stress than the prior month.

Individuals employed in Wholesale Trade have the most significant increase in mental stress (59.0) followed by those employed in Arts, Entertainment and Recreation (57.4).

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

Industry	December 2021	November 2021
Construction	50.0	55.0
Other services (except Public Administration)	52.0	55.9
Public Administration	52.1	54.7
Transportation and Warehousing	52.3	50.0
Finance and Insurance	52.6	54.4
Educational Services	53.6	50.5
Manufacturing	54.8	50.7
Administrative and Support services	55.0	50.8
Retail Trade	55.3	52.8
Health Care and Social Assistance	56.3	55.6
Professional, Scientific and Technical Services	57.1	59.0
Food Services	57.1	59.6
Arts, Entertainment and Recreation	57.4	53.6
Wholesale Trade	59.0	53.0
Other	61.0	56.7

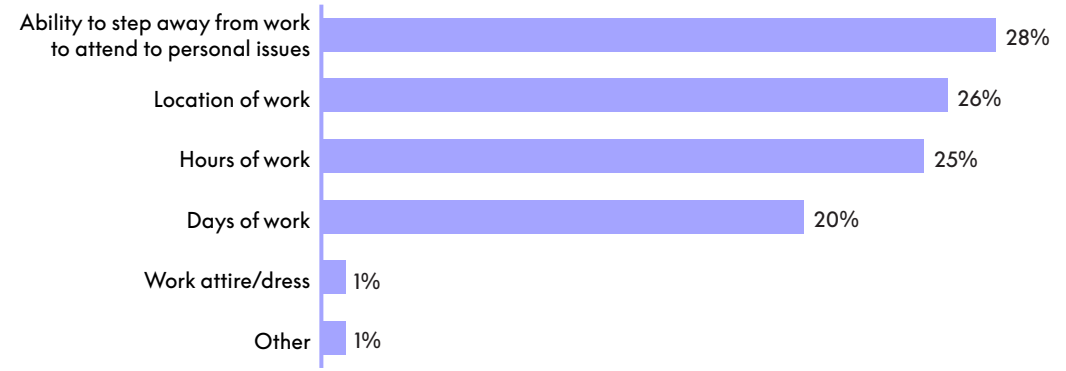
Spotlight

Flexibility at work

Australians were asked about the type of flexibility that is most important to them at work.

- More than one-quarter (28 per cent) report that the ability to step away from work to attend to personal issues is the most important type of flexibility, followed by 26 per cent reporting that the location of work is the most important, and 25 per cent reporting that hours of work is the most important.
- Australians under the age of 40 are 60 per cent more likely than those 50 and over to indicate that days of work is the most important type of flexibility at work.

Most important type of flexibility at work

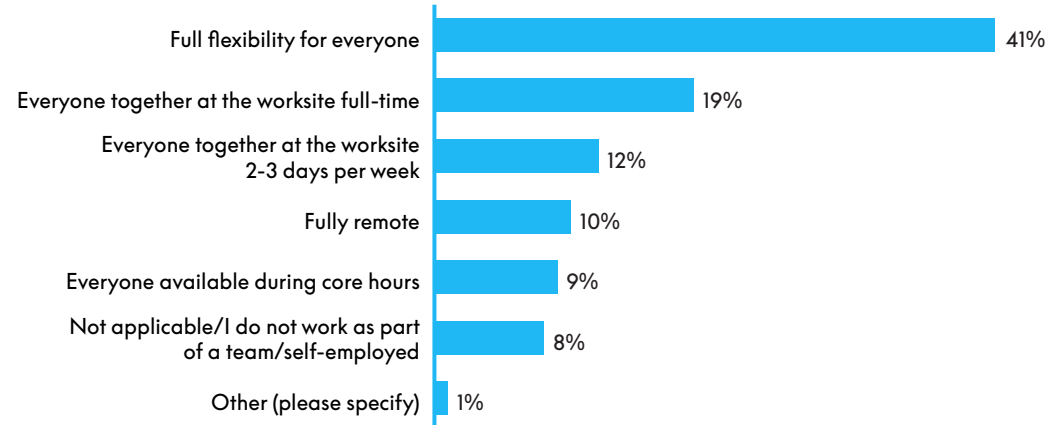


Teamwork

Australians were asked which model would work best for their team.

- More than two in five (41 per cent) report that full flexibility for everyone (days, hours, and location) would work best for their team.
- Nearly one in five (19 per cent) report that having everyone together at the worksite full-time is the best.
- Non-unionized employees are nearly twice as likely as unionized employees to indicate that working fully remote is best for their team.
- Australians under the age of 40 are 70 per cent more likely than those 50 and over to indicate that everyone working fully remote is the best for their team.

Which model would work best for your team?

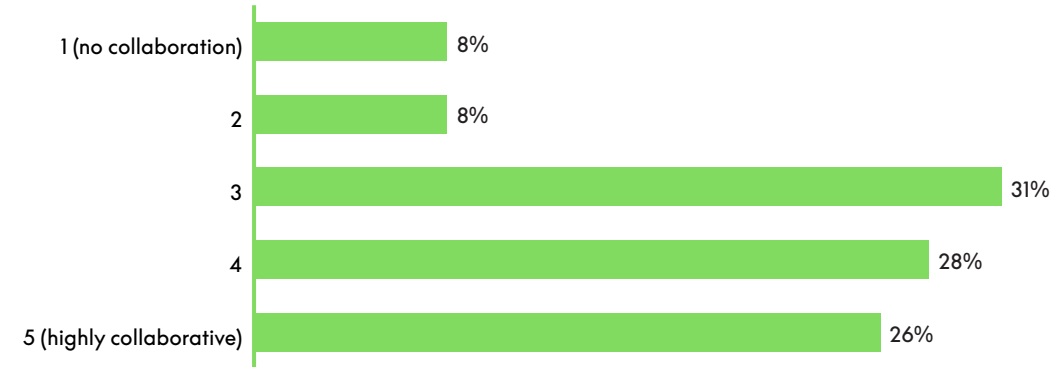


Collaboration

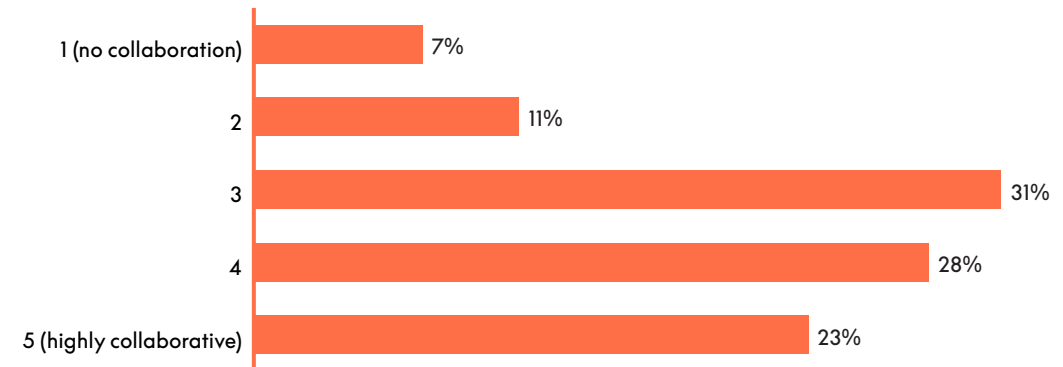
Australians were asked to rate collaboration/teamwork before the pandemic and since the pandemic began.

- More than half (54 per cent) report high collaboration (a rating of four or five on a five-point scale) before the pandemic compared to 51 per cent since the pandemic began. Both groups have higher mental health scores than those reporting poor collaboration.
- Sixteen per cent report poor collaboration (a rating of one or two) before the pandemic compared to 18 per cent since the pandemic began. Both groups reporting poor collaboration have the lowest mental health scores.

Collaboration/teamwork rating pre-pandemic



Collaboration/teamwork rating since the pandemic began



Support for employee wellbeing

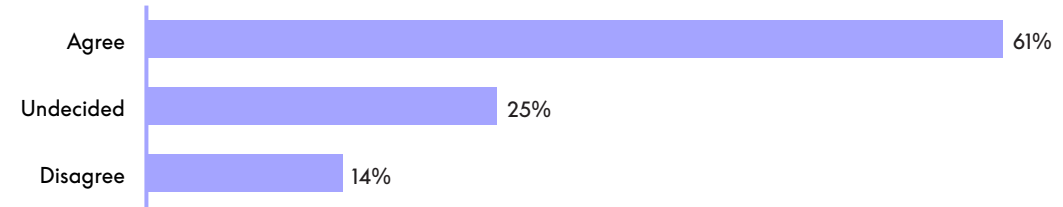
Australians were asked whether the HR policies at their organization support employee wellbeing.

- More than three in five (61 per cent) agree that HR policies at their organization support employee wellbeing, and this group has the most favourable mental health score (-6.7).
- Those who disagree that HR policies at their organization support employee wellbeing have the lowest mental health score (-23.5).

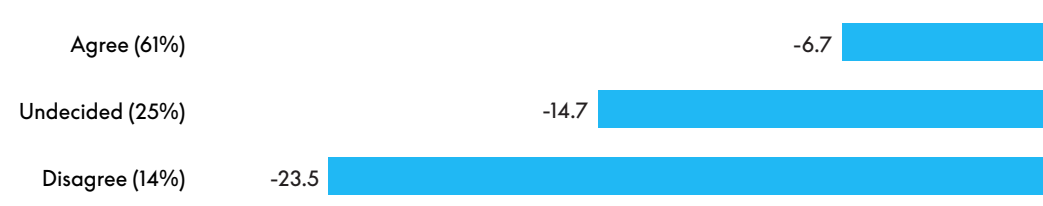
Australians were asked whether they believe that the CEO of their organization genuinely cares about employee wellbeing.

- Nearly three in five (58 per cent) agree that their organization's CEO genuinely cares about employee wellbeing, and this group has the most favourable mental health score (-5.8).
- Nearly one in five (19 per cent) do not believe that their organization's CEO genuinely cares about employee wellbeing and this group has the lowest mental health score (-22.3).
- Managers are more than 30 per cent more likely than non-managers to agree that the CEO genuinely cares about employee wellbeing.

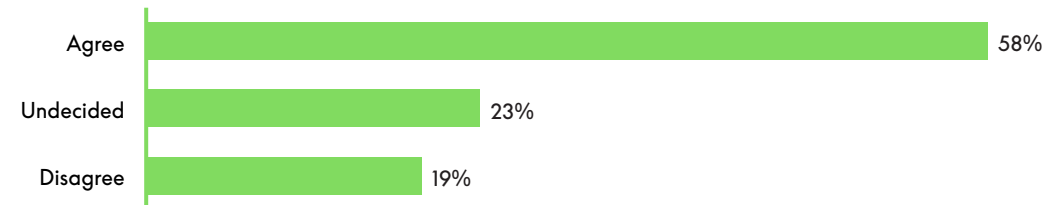
HR policies at my organization support employee wellbeing



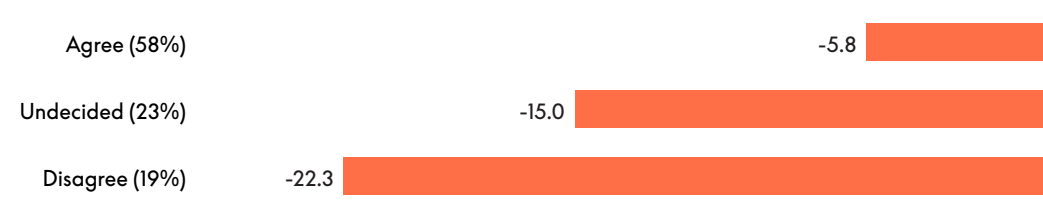
MHI score by HR policies at my organization support employee wellbeing



My organization's CEO genuinely cares about employee wellbeing



MHI score by my organization's CEO genuinely cares about employee wellbeing



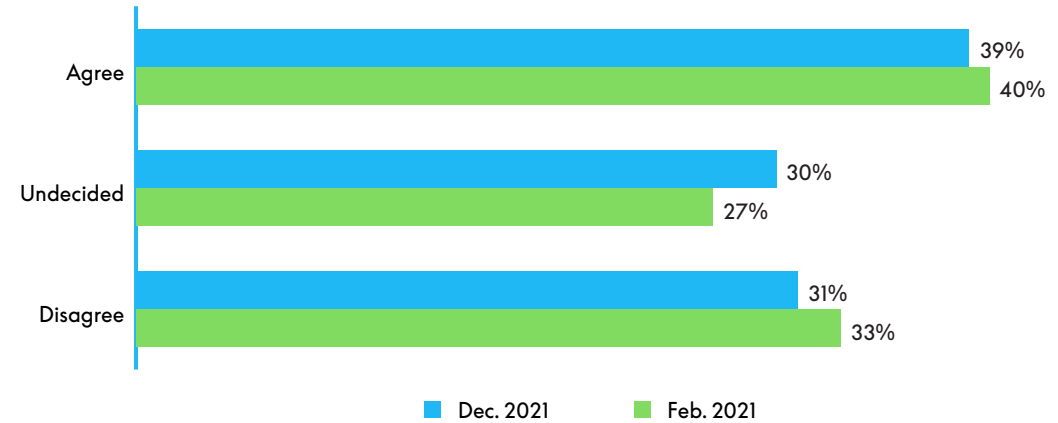
Mental health stigma

Self-stigma

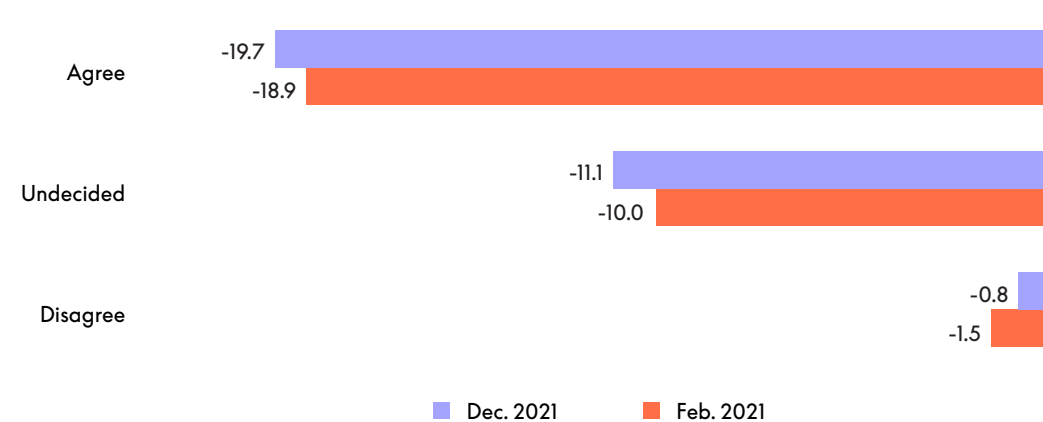
In February 2021 and December 2021, Australians were asked whether they would feel negatively about themselves if they had a mental health issue.

- In December 2021, nearly two in five (39 per cent) would feel negatively about themselves if they had a mental health issue, nearly the same proportion (40 per cent) reported in February 2021. The mental health score of those who would feel negatively about themselves is significantly lower (-19.7), than the national average (-11.3).
- Australians under the age of 40 are 40 per cent more likely than those 60 and over to feel negatively about themselves if they had a mental health issue.

I would feel negatively about myself if I had a mental health issue



MHI score by I would feel negatively about myself if I had a mental health issue

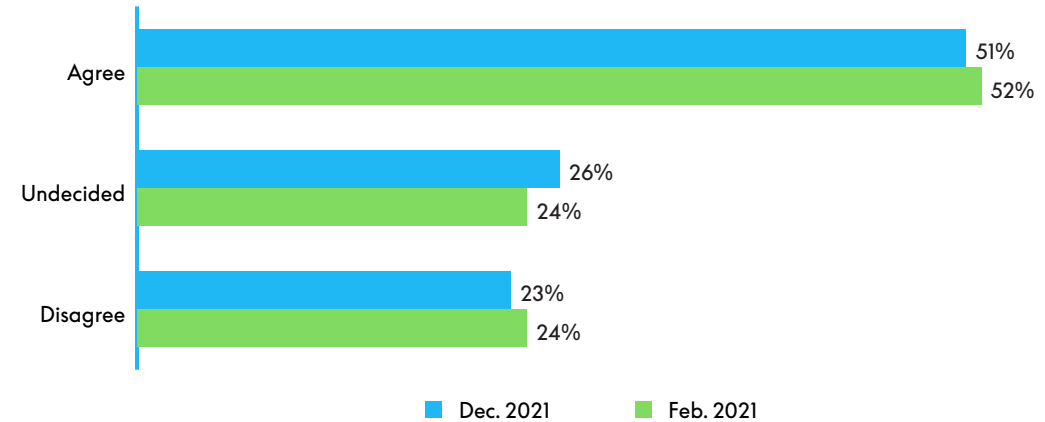


Career impact

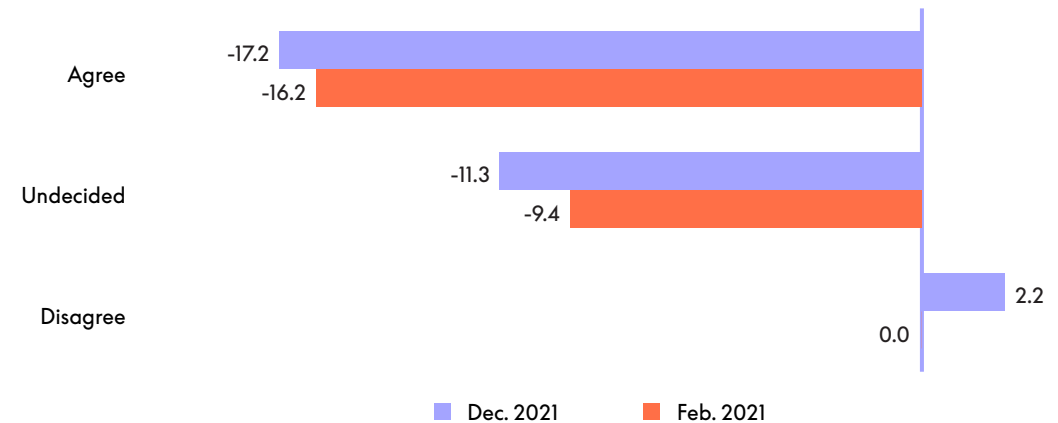
In February 2021 and December 2021, Australians were asked whether they would be concerned that their career options would be limited if they had a mental health issue, and their workplace was aware.

- In December 2021, more than half (51 per cent) believe that their career options would be limited if they had a mental health issue and their workplace was aware, nearly equal to the proportion reported in February 2021 (52 per cent). The mental health score of those who would be concerned about career impact is significantly lower (-17.2), than the national average (-11.3).
- Australians under the age of 40 are 50 per cent more likely than those 60 and over to believe that their career options would be limited if they had a mental health issue, and their workplace was aware.

My career options would be limited if I had a mental health issue, and my workplace was aware



MHI score by my career options would be limited if I had a mental health issue, and my workplace was aware



Overview of the Mental Health Index by LifeWorks™

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 each geography compared to benchmarks collected in 2017, 2018 and 2019. The increases and decreases in the MHI are intended to predict cost and productivity risks and inform the need for investment in mental health support by business and government.

The Mental Health Index™ report has three 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

Data for this report is collected through an online survey of 1,000 people who live in Australia and are currently employed or who were employed within the prior six months. Participants are selected to be representative of the age, gender, industry, and geographic distribution in Australia. The same respondents

take part each month to remove a sampling bias. Respondents are asked to consider the prior two weeks when answering each question. The Mental Health Index™ has been published monthly since April 2020. Benchmark data was collected in 2017, 2018 and 2019. Data for the current report was collected between December 3 and 14, 2021.

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. Everyone's scores are added and then divided by a 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 comprises data from 2017, 2018 and 2019. This was a period of relative social stability and steady economic growth. **The change compared 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 score reflects a comparison of 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 and 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@lifeworks.com



About LifeWorks

LifeWorks is a world leader in providing digital and in-person solutions that support the total wellbeing of individuals. We deliver a personalized continuum of care that helps our clients improve the lives of their people and by doing so, improve their business.

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