

The Mental Health Index by LifeWorks™

Australia | October 2021



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Manager and peer relationships have deteriorated since before the pandemic, which has impacted both mental health and productivity. 3

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October 2021 highlights

Key insight: Manager and peer relationships have deteriorated since before the pandemic, which has impacted both mental health and productivity.

Workplace relationships have deteriorated since before the pandemic, impacting mental health and productivity

- 13% of Australians report that experiences with their manager have not been positive since the pandemic began, an increase of 4% since before the pandemic.
- The mental health and work productivity scores of those who do not have positive experiences with their manager are more than 15 points below the national average.
- 11% of Australians indicate that experiences with their work peers have not been positive since the pandemic began, an increase of 6% since the start of the pandemic.
- The mental health and isolation scores of those who have not have positive relationships with work peers are more than 18 points below the national average.

One-quarter of employed Australians report a decline in their mental health since the start of the pandemic

- 25% of Australians report poorer mental health than before the pandemic; the mental health of this group is more than 17 points below the national average.

After falling to its lowest point in more than one year, the mental health of Australians improved slightly in October 2021

- The Mental Health Index for October 2021 is nearly 12 points below the pre-2020 benchmark.
- Following three consecutive months of increases, the work productivity sub-score declined 1.5 points from September.
- Those without emergency savings continue to experience a lower mental health score (-26.6) than the overall group (-11.8) and those with emergency savings (-6.6).

- 25% feel in crisis or have concerns about their ability to cope. These groups have mental health scores more than 20 points below the national average.
- Younger employees are more likely than older employees to be in crisis or to have concerns about their ability to cope.
- Parents are more than 70 per cent more likely than non-parents to be in crisis or to have concerns about their ability to cope.

More than one-in-five Australians indicate that work hindered their mental wellbeing before the pandemic; this has increased to nearly one-quarter in October 2021

- Australians reporting that work hinders their mental wellbeing have a mental health score nearly 13 points below the national average.
- 21% report that work hindered their physical wellbeing before the pandemic compared to 24% in October 2021.

Managers are more likely than non-managers to be in crisis or to have concerns about their ability to cope

- Managers are more than 30% more likely than non-managers to report serious physical health issues or are concerned that they will develop a chronic issue.
- In October 2021, the mental health score of managers is slightly lower (-11.7) than non-managers (-11.2).
- Managers have a greater increase in mental stress (58.9) than non-managers (57.4).



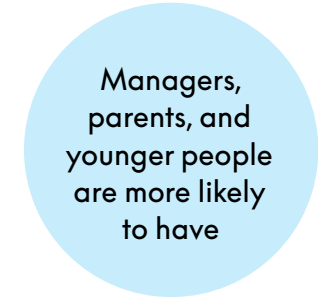
hinders their
mental health



in their mental health
since the start of
the pandemic



in their physical health
since the start of
the pandemic



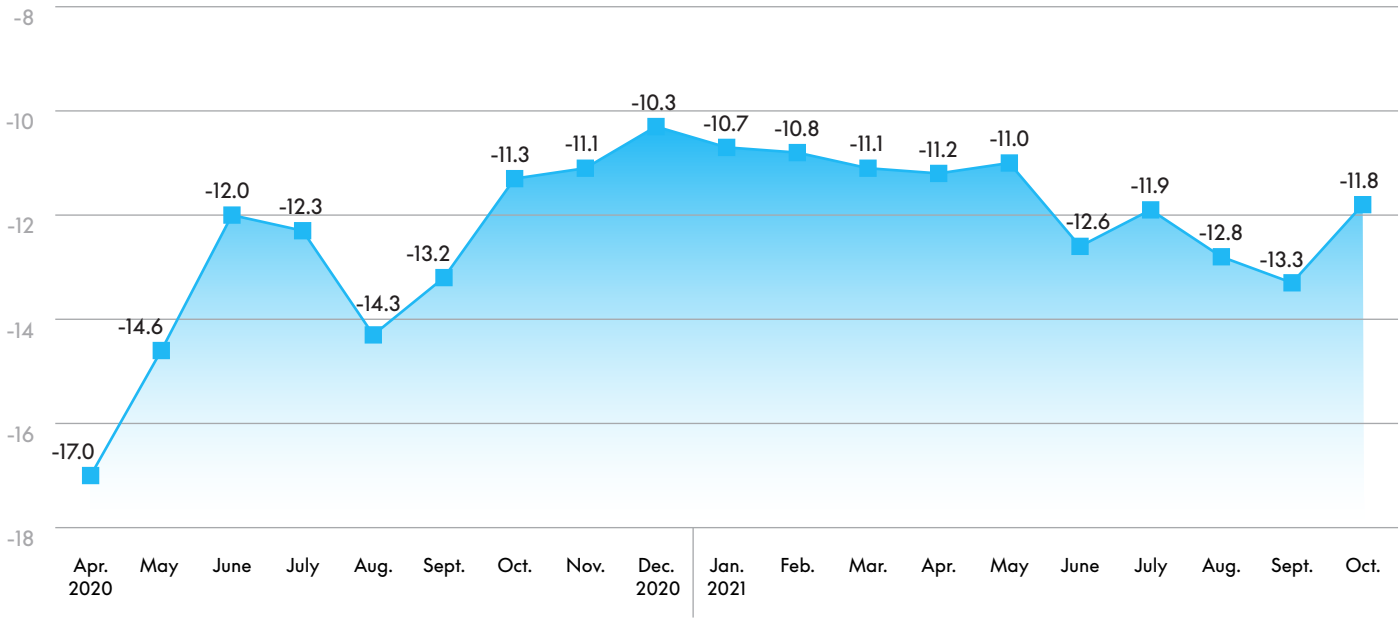
serious mental health
and physical health
concerns

More than one in five Australians report that their physical health has declined since the start of the pandemic

- 21% of Australians report a decline in their physical health; the mental health of this group is nearly 14 points below the national average.
- 27% report serious physical health issues or are concerned that they will develop a chronic issue. These groups have mental health scores more than 13 points below the national average.
- Younger employees are more likely than older employees to report serious physical health issues or are concerned that they will develop a chronic issue.
- Parents are nearly 50% more likely than non-parents to report serious physical health issues or are concerned that they will develop a chronic 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 October 2021 is -11.8 points.** A nearly 12-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
October 2021

-11.8

September 2021

-13.3

Mental Health Index™ sub-scores

The lowest Mental Health Index™ sub-score is for the risk measure of work productivity (-13.7), followed by anxiety (-13.1), depression (-12.9), optimism (-12.5), isolation (-12.0), and general psychological health (-6.0). The best sub-score, and the only measure above the historical benchmark continues to be financial risk (3.4).

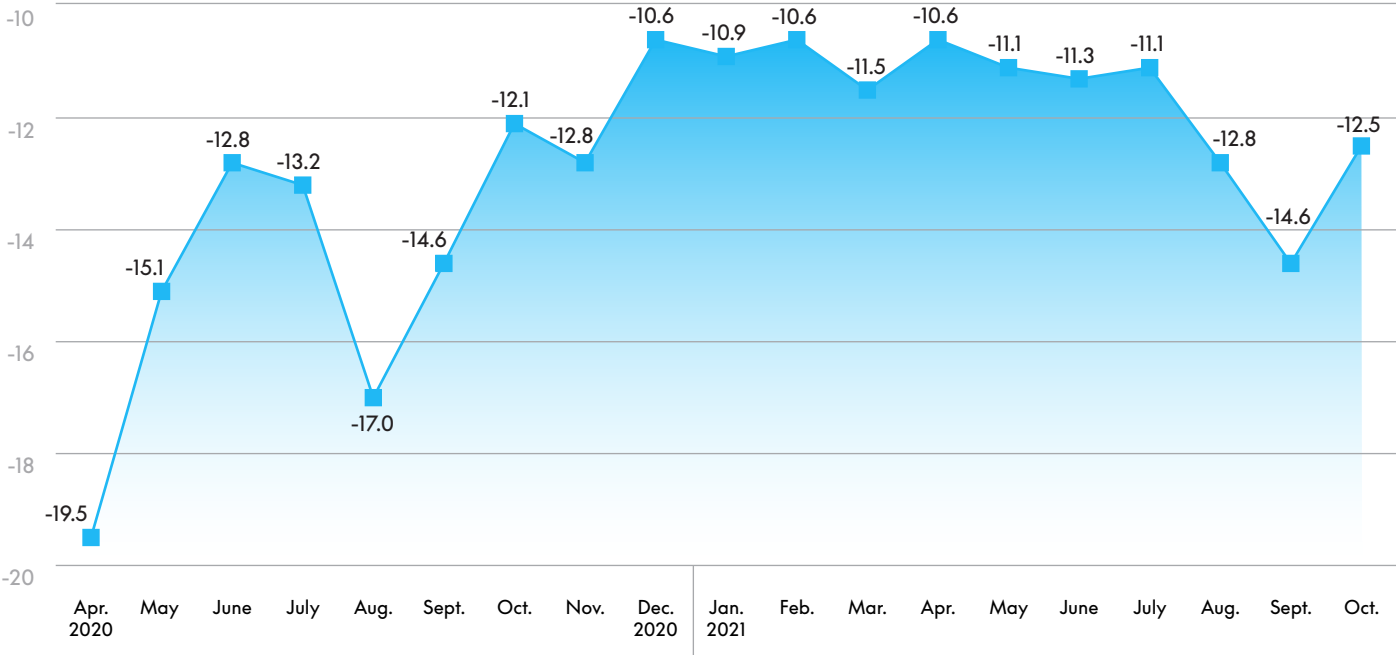
- Work productivity and financial risk scores declined in October 2021.
- With a significant 2.9-point increase, the depression score has had the greatest improvement over the prior month.

Mental Health Index™ Sub-scores ² 2021	October	September
Work productivity	-13.7	-12.2
Anxiety	-13.1	-14.4
Depression	-12.9	-15.8
Optimism	-12.5	-14.6
Isolation	-12.0	-14.3
Psychological health	-6.0	-6.3
Financial risk	3.4	4.1

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

Optimism

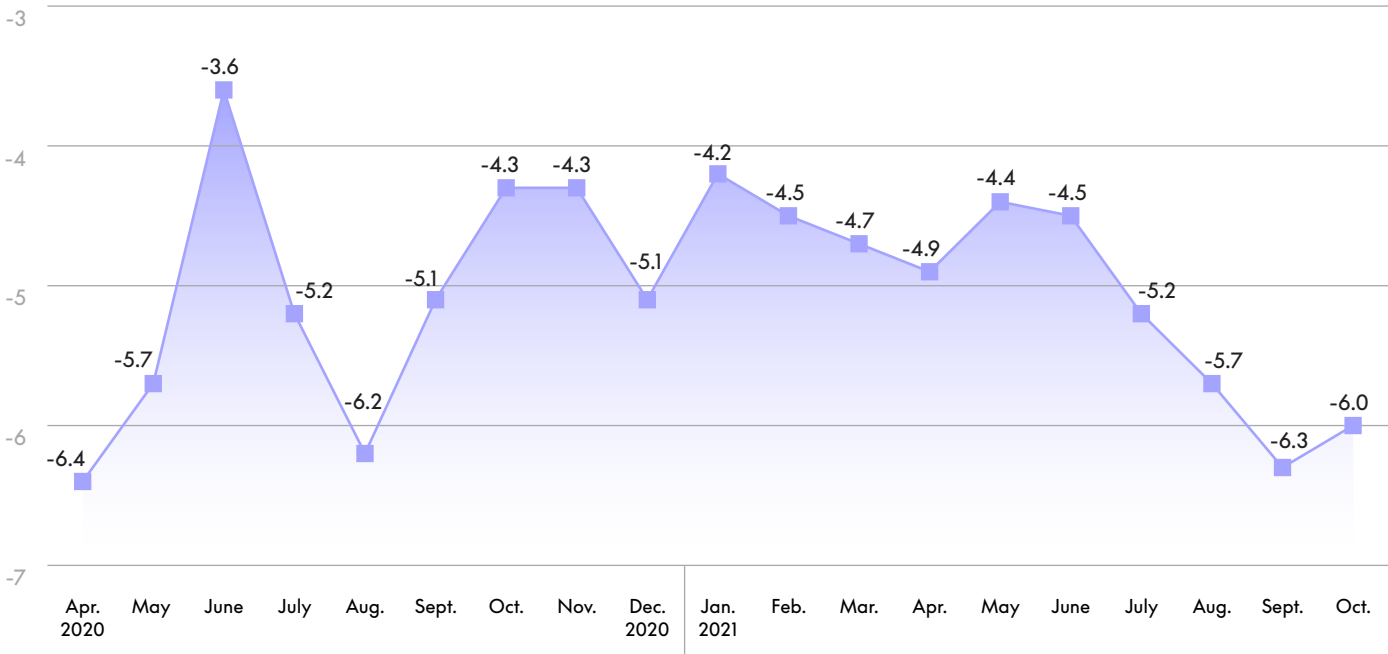
Since April 2020, optimism scores have remained significantly below the benchmark. Since December 2020, scores have fluctuated modestly through July 2021. After two months of significant decline in August and September, the optimism improved by 2.1 points to -12.5. Despite this notable improvement, the optimism sub-score is nearly 13 points below the pre-2020 benchmark.



General psychological health

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

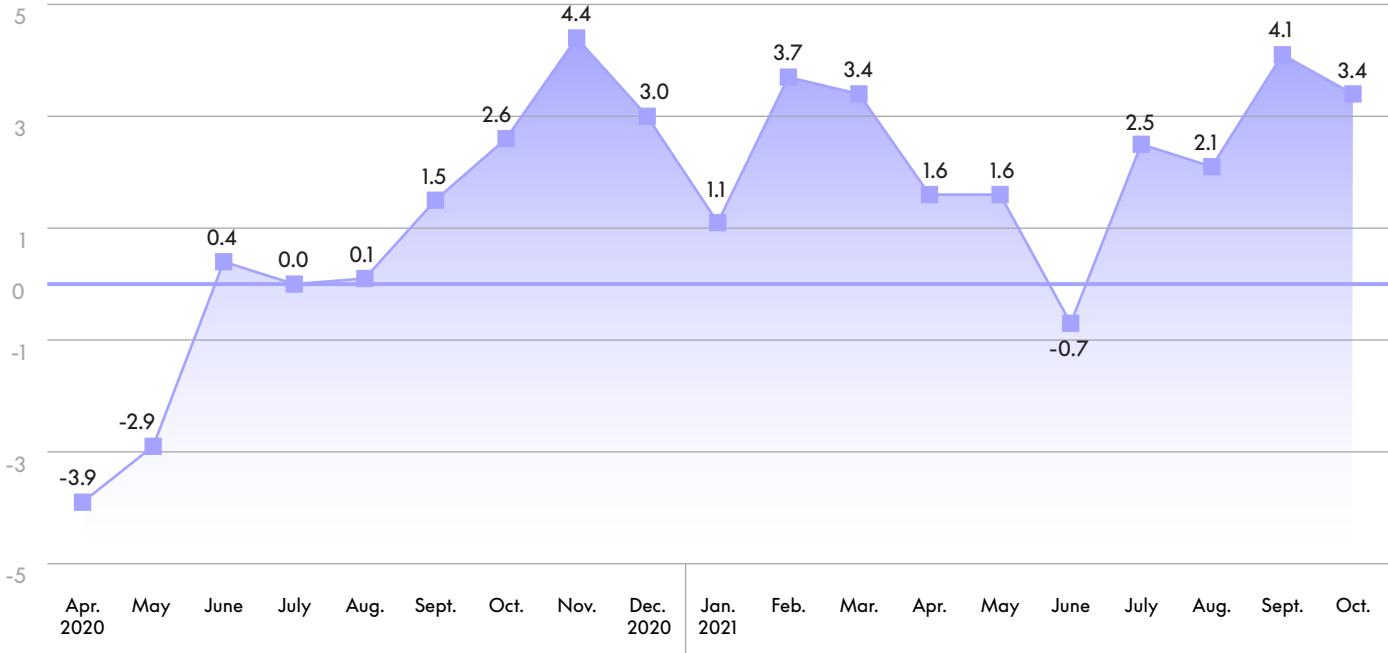
Since the launch of the MHI in April 2020, the general psychological health score fluctuated from a low of -6.4 to a high of -3.6. Since January 2021, scores have fluctuated modestly, however, in July 2021, a sharp decline was observed. After four months of significant decline the general psychological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



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. The fluctuating pattern continues in October 2021, with a 0.7-point decline in the financial risk score.



Demographics

- Since the launch of the MHI, women have had significantly lower mental health scores than men. In October 2021, the mental health score of women is -15.1 compared to -8.1 for men.
- In each of the past 19 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. More than one year later, this pattern continues with a lower score for those with at least one child (-13.0) compared to those without children (-11.0).

Employment

- Overall, six per cent of respondents are unemployed³ and 16 per cent report reduced hours or reduced salary.
- Individuals reporting reduced salary compared to the prior month have the lowest mental health score (-29.4), followed by those reporting fewer hours (-23.7), and those not currently employed (-20.5).
- Managers have a slightly lower mental health score (-11.7) than managers (-11.2).
- Individuals working for organizations with 5,001-10,000 employees have the highest mental health score (-6.4).
- Respondents working for companies with 51-100 employees have the lowest mental health score (-15.5).

Emergency savings

- Those without emergency savings continue to experience a lower mental health score (-26.6) than the overall group (-11.8). Individuals with emergency savings have a mental health score of -6.6.

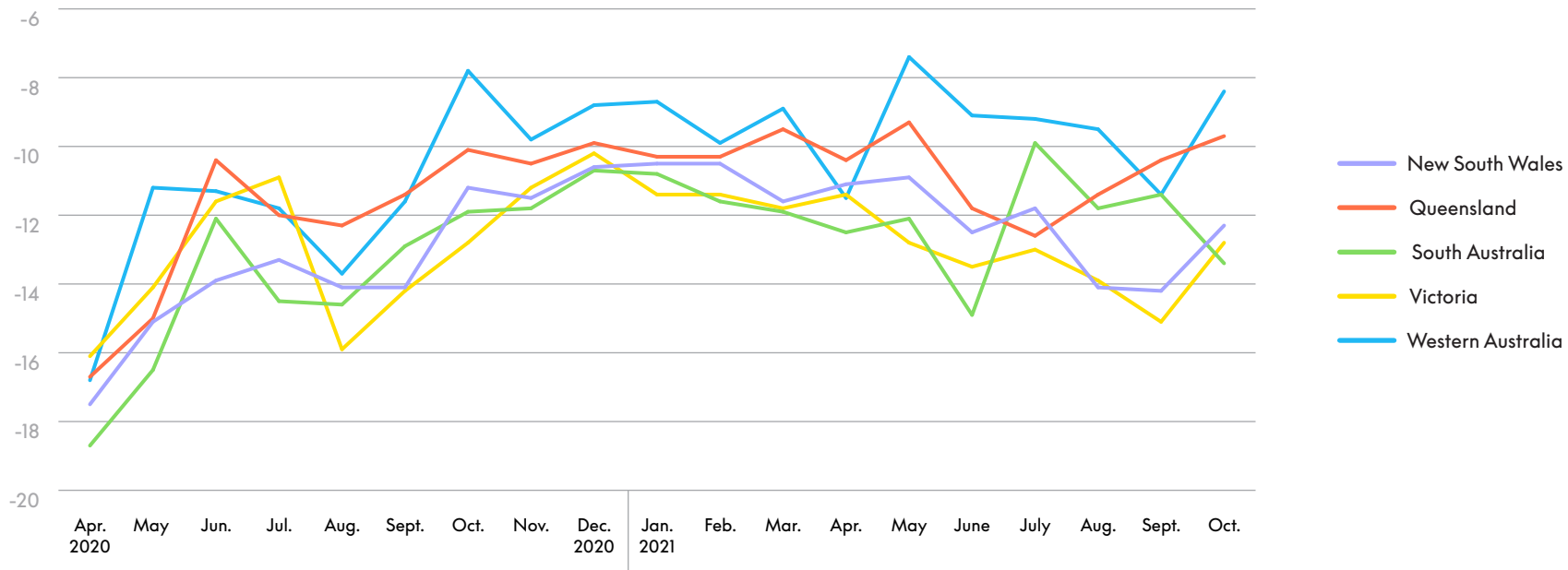
3 MHI respondents who have been employed in the past six months are included in the poll.

Mental Health Index™ (regional)

Regional mental health scores since October 2020 have remained inconsistent except for Western Australia.

After increases in July in Victoria, South Australia and New South Wales, the mental health of Australians declined in all states except for Queensland in August 2021. In October 2021, the mental health scores in Queensland, Victoria, New South Wales, and Western Australia have improved.

- South Australia declined 2.1 points from September 2021.
- With a 3-point improvement, the strongest mental health score is observed in Western Australia (-8.4).



Employment status	Oct. 2021	Sept. 2021
Employed (no change in hours/salary)	-8.4	-9.6
Employed (fewer hours compared to last month)	-23.7	-23.7
Employed (reduced salary compared to last month)	-29.4	-26.2
Not currently employed	-20.5	-21.1
Age group	Oct. 2021	Sept. 2021
Age 20-29	-18.3	-21.5
Age 30-39	-15.7	-15.1
Age 40-49	-13.1	-15.2
Age 50-59	-8.5	-11.1
Age 60-69	-5.2	-5.9
Number of children	Oct. 2021	Sept. 2021
No children in household	-11.0	-12.4
1 child	-12.7	-15.4
2 children	-13.4	-14.7
3 children or more	-13.3	-10.3

Region	Oct. 2021	Sept. 2021
New South Wales	-12.3	-14.2
Victoria	-12.8	-15.1
Queensland	-9.7	-10.4
South Australia	-13.4	-11.4
Western Australia	-8.4	-11.4
Gender	Oct. 2021	Sept. 2021
Men	-8.1	-10.3
Women	-15.1	-15.9
Household income	Oct. 2021	Sept. 2021
\$30K/annum	-29.6	-27.3
\$30K to <\$60K/annum	-14.2	-17.0
\$60k to <\$100K	-14.0	-15.6
\$100K to \$150K	-8.7	-10.1
\$150K and over	-5.9	-8.0

Employer size	Oct. 2021	Sept. 2021
Self-employed/sole proprietor	-13.4	-21.0
2-50 employees	-10.6	-13.8
51-100 employees	-15.5	-14.3
101-500 employees	-10.0	-11.7
501-1,000 employees	-12.6	-10.2
1,001-5,000 employees	-12.1	-12.2
5,001-10,000 employees	-6.4	-8.5
More than 10,000 employees	-9.7	-12.4
Manager	Oct. 2021	Sept. 2021
Manager	-11.7	-14.3
Non-manager	-11.2	-11.9

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)

Individuals working in Arts, Entertainment and Recreation have the lowest mental health score in October (-18.7), followed by those working in Retail Trade (-16.5), and Wholesale Trade (-14.8).

Individuals employed in Manufacturing (-7.1), Public Administration (-8.0) and Educational Services (-9.4) have the highest mental health scores this month.

Individuals employed in Food Services, Construction, and Professional, Scientific and Technical Services have seen the greatest improvement in mental health since last month.

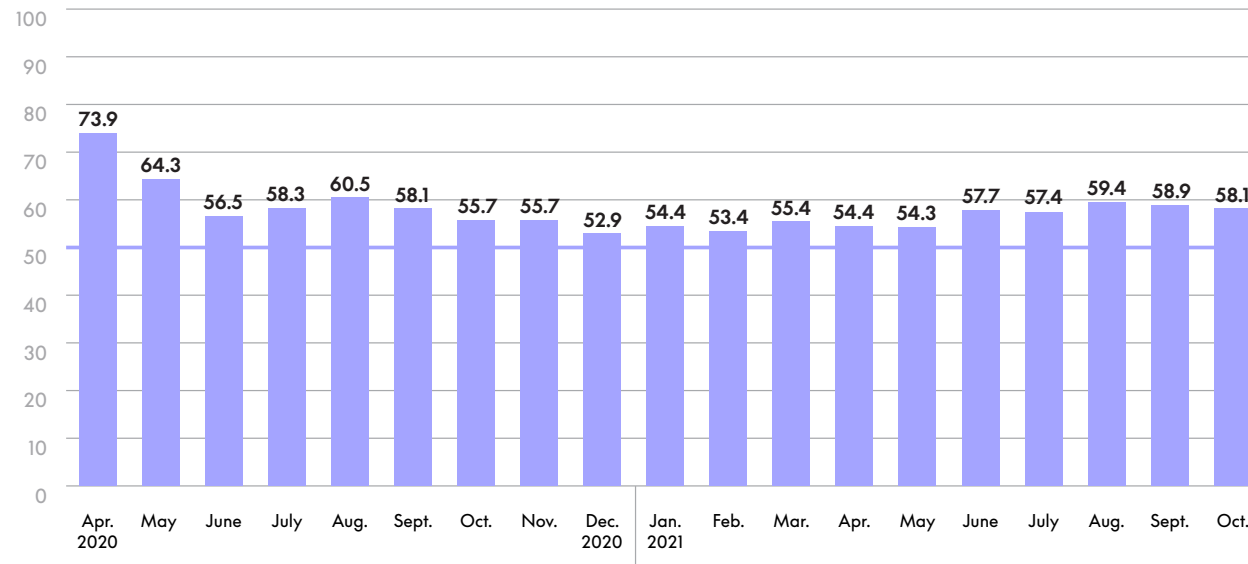
Changes from the prior month are shown in the table.

Industry	October 2021	September 2021	Change
Food Services	-14.2	-23.3	9.1
Construction	-13.4	-17.4	4.0
Professional, Scientific and Technical Services	-10.8	-13.9	3.1
Finance and Insurance	-11.9	-14.9	3.0
Educational Services	-9.4	-11.8	2.4
Administrative and Support services	-10.7	-12.1	1.4
Retail Trade	-16.5	-17.0	0.4
Other	-13.6	-13.8	0.2
Manufacturing	-7.1	-7.2	0.1
Health Care and Social Assistance	-12.2	-11.8	-0.3
Other services (except Public Administration)	-14.7	-14.1	-0.6
Wholesale Trade	-14.8	-13.3	-1.5
Public Administration	-8.0	-6.5	-1.5
Transportation and Warehousing	-12.3	-9.8	-2.5
Arts, Entertainment and Recreation	-18.7	-15.9	-2.8

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 October 2021 is 58.1.** This reflects a net increase in mental stress compared to the prior month.

The current score indicates that 23 per cent of the population is experiencing more mental stress compared to the prior month, with six per cent experiencing less. A continued increase in mental stress since April 2020 indicates a significant accumulation of strain in the Australian population.



▲ More mental stress

50 = No change from prior month

▼ Less mental stress

MStressChg
Current Month—
October 2021

58.1

MStressChg
September 2021

58.9

Mental Stress Change (percentages)

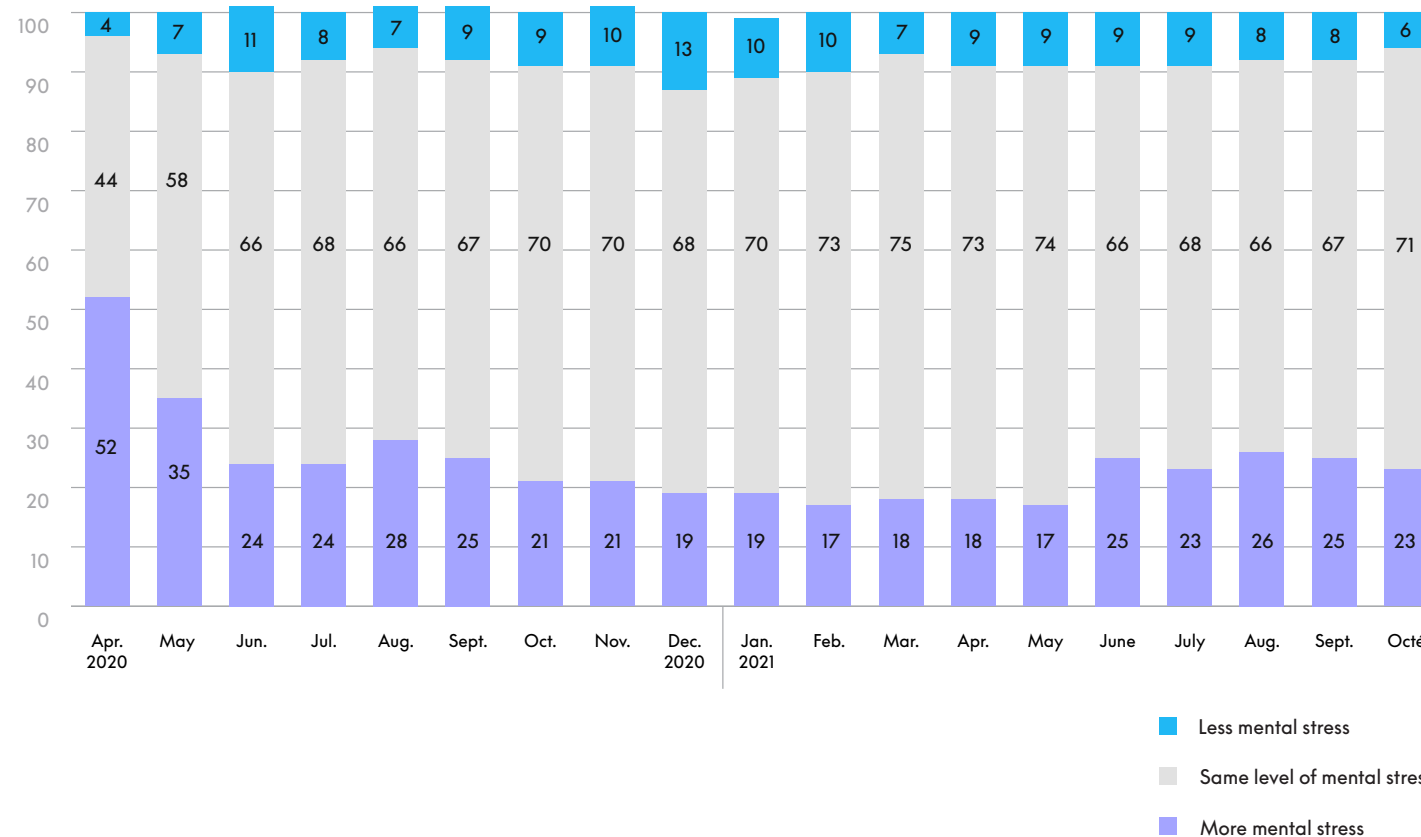
Mental Stress Change tracks stress changes each month.

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 more than one year, 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 23 per cent in October 2021, while 71 per cent of respondents report the same level of mental stress and six 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.
- Since April 2020, women have had larger increases in mental stress compared to men. In October 2021, the mental stress change score for women is 61.4 compared to 54.4 for men.

Geography

- The greatest increase in month-over-month stress is for respondents living in New South Wales (59.8), followed by Victoria (59.4), South Australia (57.8), and Western Australia (56.7).

Employment

- The greatest increase in mental stress is seen in employed people with reduced hours (65.9), followed by employed people with reduced salary (64.1), unemployed people (59.6), and employed people with no change to salary or hours (56.5).
- Managers have a greater increase in mental stress (58.9) than non-managers (57.4).

Employment status	Oct. 2021	Sept. 2021
Employed (no change in hours/salary)	56.5	56.1
Employed (fewer hours compared to last month)	65.9	67.8
Employed (reduced salary compared to last month)	64.1	68.2
Not currently employed	59.6	63.0
Age group	Oct. 2021	Sept. 2021
Age 20-29	62.8	60.9
Age 30-39	61.2	59.6
Age 40-49	58.2	61.4
Age 50-59	55.2	57.7
Age 60-69	55.1	53.4
Number of children	Oct. 2021	Sept. 2021
No children in household	57.0	57.1
1 child	61.5	60.0
2 children	56.5	64.7
3 children or more	62.5	58.8

Region	Oct. 2021	Sept. 2021
New South Wales	59.8	61.3
Victoria	59.4	58.9
Queensland	53.4	54.8
South Australia	57.8	55.4
Western Australia	56.7	61.0
Gender	Oct. 2021	Sept. 2021
Men	54.4	56.1
Women	61.4	61.3
Household income	Oct. 2021	Sept. 2021
\$30K/annum	59.1	59.0
\$30K to <\$60K/annum	59.1	60.9
\$60k to <\$100K	59.5	60.1
\$100K to \$150K	56.0	57.3
\$150K and over	57.1	57.1

Employer size	Oct. 2021	Sept. 2021
Self-employed/sole proprietor	58.9	62.7
2-50 employees	58.6	58.6
51-100 employees	62.0	59.8
101-500 employees	54.8	58.1
501-1,000 employees	57.6	56.0
1,001-5,000 employees	60.8	55.1
5,001-10,000 employees	54.2	57.8
More than 10,000 employees	56.8	61.5
Manager	Oct. 2021	Sept. 2021
Manager	58.9	61.7
Non-manager	57.4	56.5

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)

Individuals working in Wholesale Trade have the most significant increase in mental stress (64.3), followed by individuals employed in Construction (64.1) and Food Services (63.0).

Mental Stress Change scores for individuals employed in Educational Services (54.3), and Administrative and Support services (54.5) are less steep when compared to the prior month.

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

Industry	October 2021	September 2021
Other	54.2	55.5
Educational Services	54.3	58.9
Administrative and Support services	54.5	52.9
Transportation and Warehousing	54.8	55.0
Arts, Entertainment and Recreation	56.8	65.0
Public Administration	57.4	57.7
Manufacturing	57.5	50.8
Professional, Scientific and Technical Services	57.6	60.3
Finance and Insurance	59.2	64.9
Retail Trade	61.0	58.1
Health Care and Social Assistance	61.1	59.9
Other services (except Public Administration)	61.5	59.5
Food Services	63.0	73.1
Construction	64.1	61.1
Wholesale Trade	64.3	55.4

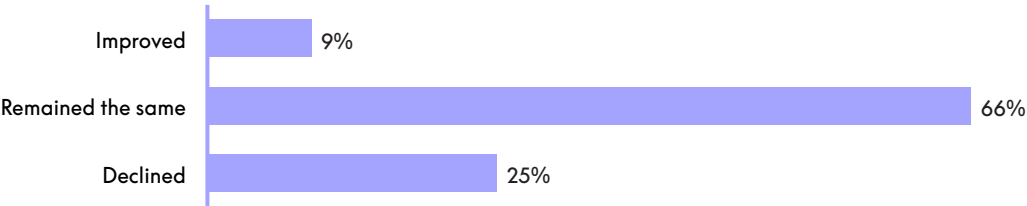
Spotlight

Mental health

Respondents were asked whether their mental health has changed since the start of the pandemic.

One-quarter (25 per cent) report that their mental health has declined since the start of the pandemic and this group has a mental health score more than 17 points below the national average.

Since the pandemic began, my mental health has...



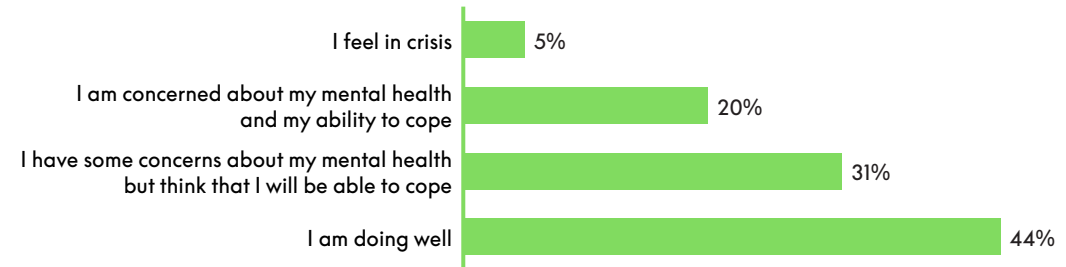
MHI score by since the pandemic began, my mental health has...



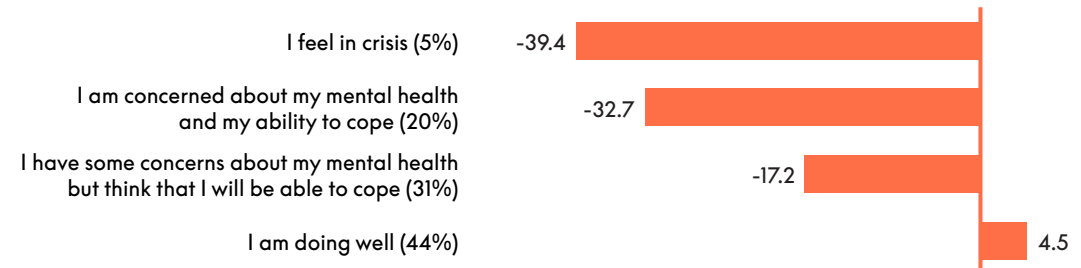
Respondents were asked to rate their mental health.

- More than half (56 per cent) indicate that they have some concerns about their mental health or are in crisis.
- One-quarter (25 per cent) of the population report that they feel in crisis or that they have concerns about their mental health and their ability to cope. These groups have mental health scores more than 20 points below the national average.
- More than one-third (36 per cent) of individuals under 40 have concerns about their mental health and their ability to cope or indicate that they feel in crisis, compared with 15 per cent of those 50 and older, a more than two-fold difference.
- Parents are more than 70 per cent more likely than non-parents to have concerns about their mental health and their ability to cope or indicate that they feel in crisis.
- Managers are more than 40 per cent more likely than non-managers to have concerns about their mental health and their ability to cope or indicate that they feel in crisis.

Mental health rating



MHI score by mental health rating

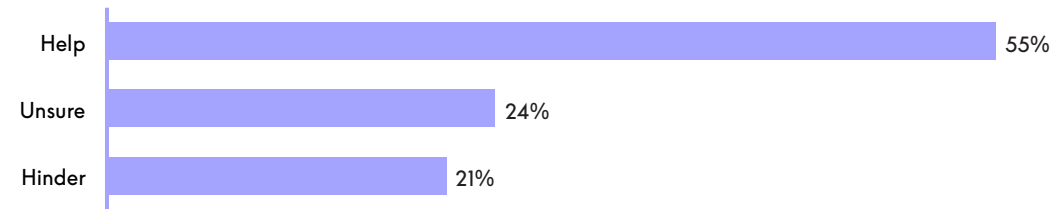


Impact of work on mental wellbeing

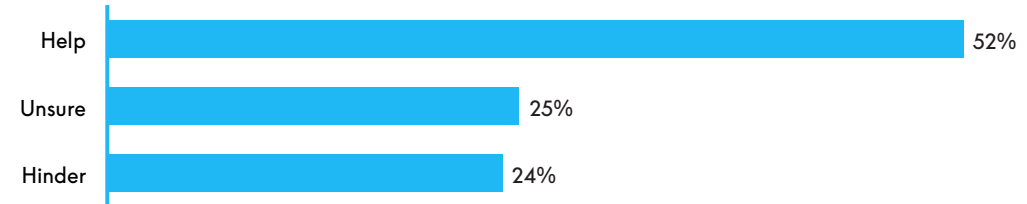
Respondents were asked whether work helps or hinders their mental wellbeing at two intervals: before the pandemic and at present.

- More than one in five (21 per cent) report that work hindered their mental wellbeing before the pandemic compared to nearly one-quarter (24 per cent) reporting that work hinders their wellbeing at present.
- Those whose work hinders their mental wellbeing have a mental health score nearly 13 points below the national average.

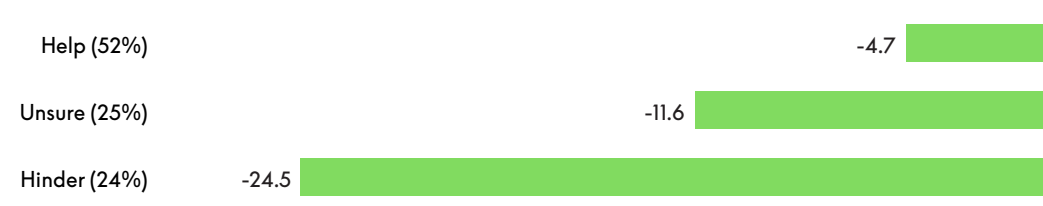
Before the pandemic, did work help or hinder your mental wellbeing?



Currently, does work help or hinder your mental wellbeing?



MHI score by whether work helps or hinders mental wellbeing (currently)

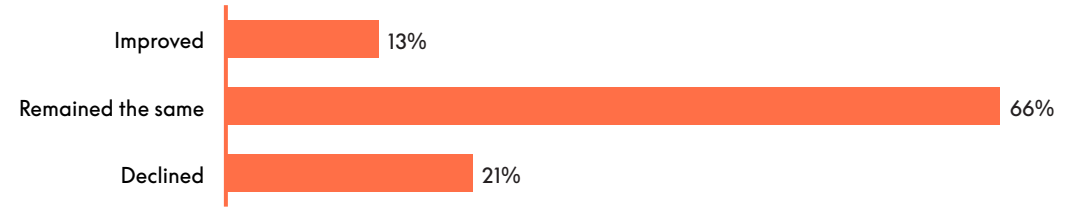


Physical health

Respondents were asked whether their physical health has changed since the start of the pandemic.

- More than one-in-five (21 per cent) report that their physical health has declined since the start of the pandemic and this group has a mental health score nearly 14 points below the national average.

Since the pandemic began, my physical health has...



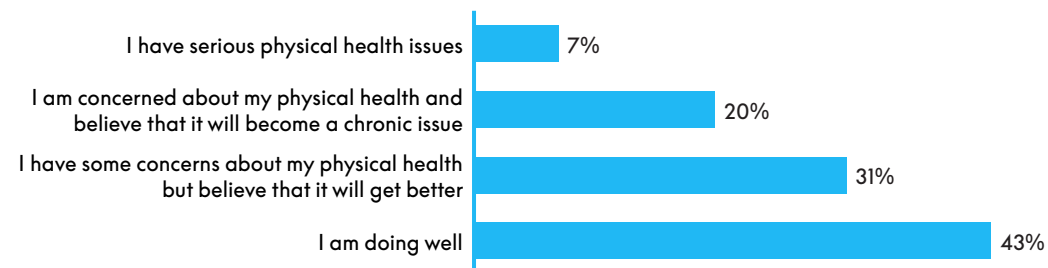
MHI score by since the pandemic began, my physical health has...



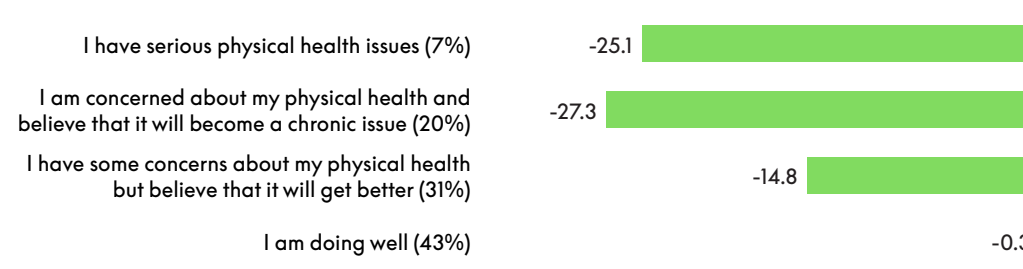
Respondents were asked to rate their physical health.

- More than one-quarter (27 per cent) report that they have serious physical health issues or are concerned about their physical health and believe that an issue will become chronic. These groups have mental health scores more than 13 points below the national average.
- Nearly one-third (31 per cent) of individuals under 40 report serious physical health issues or are concerned about their physical health and believe that an issue will become chronic, compared to 23 per cent of those 50 and older.
- Parents are nearly 50 per cent more likely than non-parents to report serious physical health issues or are concerned about their physical health and believe that an issue will become chronic.
- Managers are more than 30 per cent more likely than non-managers to report serious physical health issues or are concerned about their physical health and believe that an issue will become chronic.

Physical health rating



MHI score by mental health rating

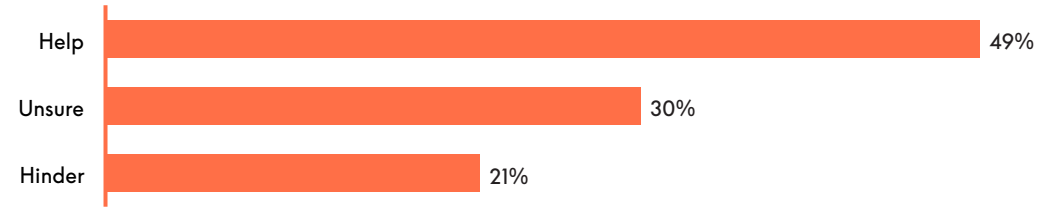


Impact of work on physical wellbeing

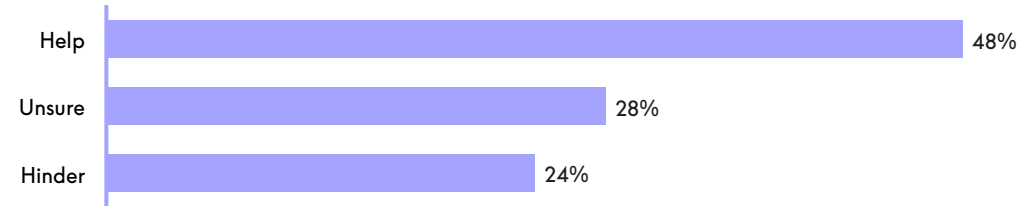
Respondents were asked whether work helps or hinders their physical wellbeing at two intervals: before the pandemic and at present.

- More than one in five (21 per cent) report that work hindered their physical wellbeing before the pandemic compared to 24 per cent reporting that work hinders their wellbeing at present.
- Those whose work hinders their physical wellbeing have a mental health score nearly 9 points below the national average.

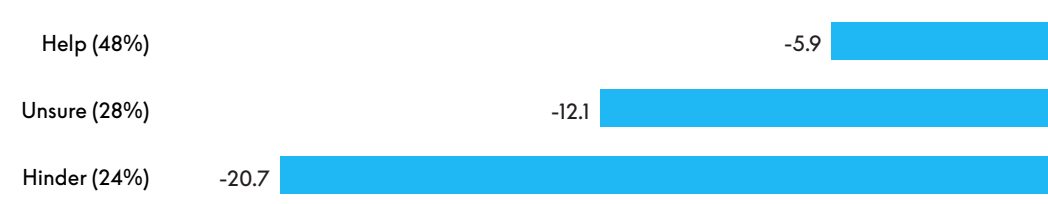
Before the pandemic, did work help or hinder your physical wellbeing?



Currently, does work help or hinder your physical wellbeing?



MHI score by whether work helps or hinders physical wellbeing (currently)



Work relationships

Peer relationships

Respondents were asked about their experiences with their work peers at two intervals: before the pandemic and since the pandemic.

- Eighty-three per cent report that experiences with their work peers were positive before the pandemic compared to 73 per cent since the pandemic.
- Eleven per cent indicate that experiences with their peers have not been positive since the pandemic began, an increase of six per cent since the start of the pandemic, and this group has a mental health score more than 19 points below the national average.
- The isolation score among those who indicate that experiences with their peers have not been positive since the pandemic began is 18 points below the national average.

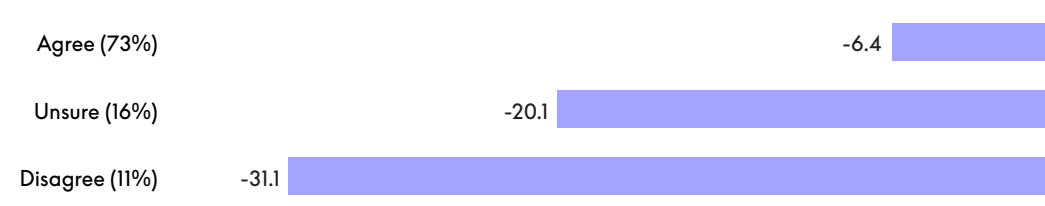
Experiences with work peers were positive before the pandemic



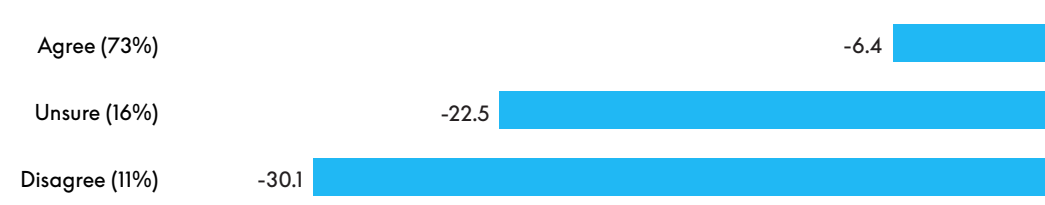
Experiences with work peers have been positive since the pandemic began



MHI score by experiences with work peers have been positive since the pandemic began



Isolation score by experiences with work peers have been positive since the pandemic began



Manager relationship

Respondents were asked about their experiences with their managers at two intervals: before the pandemic and since the pandemic.

- Seventy-seven per cent report that experiences with their managers were positive before the pandemic compared to 73 per cent since the pandemic.
- Thirteen per cent indicate that experiences with their manager have not been positive since the pandemic began, an increase of four per cent since before the pandemic, and this group has a mental health score more than 15 points below the national average.
- The work productivity score among those who indicate that experiences with their manager have not been positive since the pandemic began is nearly 17 points below the national average.

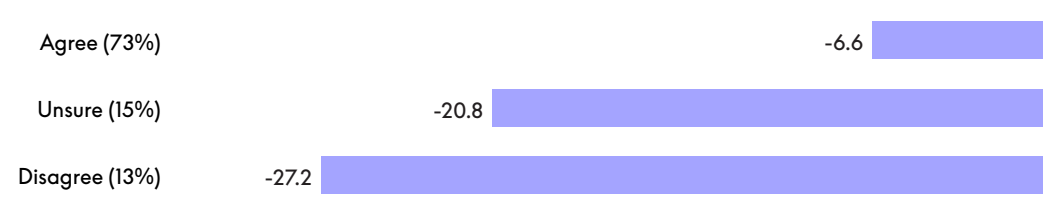
Experiences with my manager were positive **before the pandemic**



Experiences with my manager have been positive **since the pandemic began**



MHI score by experiences with my manager have been positive since the pandemic began



Work productivity score by experiences with my manager have been positive since the pandemic began



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 October 6 and 12, 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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