

The Mental Health Index™ report

Australia, March 2021

Mental health one year
into the COVID-19 pandemic



LifeWorks
by Morneau Shepell

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Commentary: Mental health during the pandemic

Mental health has long been recognized as a driver of health, engagement and productivity. Since the first case of COVID-19 was recorded in Australia in January 2020, it has been **a year marked by relentless and unpredictable change**. The importance of mental health, resilience and wellbeing has been magnified as the COVID-19 pandemic, social and economic crises have affected Australians to an extent that will be felt for generations.

Without question, the events of this past year have challenged us to become more empathetic, flexible and digitally capable. The importance of mental health and awareness of its influences has never been greater. The **Mental Health Index™ (MHI) provides critical insight into the mental health status of the working population and how that population is faring during these unprecedented times.**

The April 2020 MHI showed the extraordinary impact of the pandemic, with a massive decline in all areas of mental health and work productivity. In the early stages of the pandemic people found themselves trying to make sense of their new world. Frontline workers, health organizations and health officials went into overdrive with one goal in mind – saving lives by containing the spread of COVID-19. We saw people managers extending themselves, out of necessity, to manage business changes as well as the anxiety of their teams, and their personal situations. Subsequently we saw the mental health of managers impacted to the extent that their mental health is now lower than that of non-managers. As well, we saw more managers than non-managers considering leaving their jobs due to increased work stress. With this, the concern for business is clear, particularly as leaders continue to be needed more than ever as we “re-open” and redefine our businesses and workplaces.

When we consider the events that followed the start of the COVID-19 pandemic, it is unsurprising that we have had to shift our way of thinking, working and living. A year defined by loss, disruption, and change has resulted in **an exponential rise in burnout risk among the working population.**



Experiencing extraordinary levels of job loss and economic burden, women have been one of the hardest hit groups during the pandemic. **Within a year, we have reversed three decades of advances in women's labour-force participation as many have been forced to exit the workforce to better manage their childcare responsibilities.**¹ In addition to women, parents, post-secondary students, those with reduced income, and those without a cushion of emergency savings, are among those whose mental health has shown the greatest decline throughout the past year.

We have seen many of our most loved neighbourhood mom-and-pop shops and restaurants close while others struggle to survive. We have also seen the rise of the new digital economy, with almost all businesses adapting to new consumer behaviours by undergoing a digital transformation.

Given the extraordinary global focus and unprecedented collaborations, we have seen **vaccine development move at record speed**, with five vaccines approved for use worldwide and more than 150 different vaccines in trials and pre-clinical development.

Not only have the economic and health crises of the pandemic led to profound change for Australians, in 2020, **social justice issues amplified the focus on the Black Lives Matter movement**, calling attention to systemic racial inequalities prevalent in all aspects of life, and the significant rise in anti-Asian racism.

At this point, we see continued frustration and disruption. The disruption, change and loss has continued for a full year, and will continue beyond. Most agree that the post-pandemic period will not look the same as the pre-pandemic world, and the longer-term impact on our collective mental health remains unclear. The length of time that we have been under undue stress is itself the greatest risk at this point, threatening to further deteriorate our mental health unless there is a significant and appropriate focus on mental health. While this risk is very real, new strengths have emerged. Many businesses have focused more than ever on the mental health of their people – all their people, not just a few – destigmatizing mental health issues, showing empathy and promoting resources. The MHI has shown that employees who have this experience with their employers have better mental health scores. This is a strong and positive point of evidence that the significant risks we still face do not necessarily define our future.

¹ The Guardian: <https://www.theguardian.com/australia-news/2021/mar/07/women-more-likely-to-lose-jobs-and-do-more-unpaid-work-during-covid-recession-report-finds>



Key findings from April 2020 to March 2021

- **March 2021 marks 12 consecutive months of diminished mental health.** Since April, the general psychological health of Australians has declined from its pre-2020 benchmark.
- **Mental stress** has increased for 12 consecutive months. More people have reported increased versus decreased levels of mental stress from month to month.
- **Finances and isolation** are the strongest drivers of mental health. People without emergency savings, in particular, continue to experience lower mental health.
- **Gender disparity** is clear with women consistently having indications of significantly poorer mental health and more mental stress than men.
- **Age disparity** is apparent as mental health scores have consistently shown to improve with age.
- **Anxieties about personal life** overtake concerns about finances and work life later in the pandemic. Australians are having difficulty adapting to their new routines because of restrictions and isolation.
- **Young people** are changing priorities to focus on mental health. Priorities vary across generations with individuals between 20 and 29 more than twice as likely to report wanting to focus on their mental health compared to those over 60.
- **Children's mental health** is a concern for parents of both young and adult children.
- **Parents** continue to have less favourable mental health scores than non-parents.
- **People with reduced salary or reduced hours** since the pandemic have poorer mental health and more mental stress than those who have lost their jobs and those with no change to their employment.
- **Employer support** is highly correlated with mental health. An individual's perception of how well their employer has addressed the mental health of employees has a strong link to their mental health.
- **Work productivity** has been impacted. Employees are finding it more difficult to feel motivated to work and to concentrate on work.



- **Career change** is on the minds of many Australians. Nearly thirty per cent are considering a change despite their employers handling the pandemic well.
- **Stigma** continues to be an issue. More than half of Australians are concerned that their career would be at risk if their employer was aware that they had a mental health issue. In particular, this is observed among younger people.
- **Concern for co-workers** as Australians are seeing the impact of the pandemic on others, including their co-workers' mental health.
- **Health and safety** has been handled well by the majority of organizations, according to their employees.
- **Physical and mental healthcare** access has diminished during the pandemic. The leading reasons for avoiding are not wanting to visit a provider in-person, not making healthcare a priority, or due to a change in financial/work/insurance situation.
- **Spending habits** are unlikely to return to pre-pandemic behaviour. Concerns over safety, job security and financial risk will change spending habits after the pandemic.
- **Brand loyalty** is dependent on treatment of customers and response to social justice issues.



March highlights

March 2021 marks 12 consecutive months of diminished mental health among Australians.

The current state of mental health is eleven points below the pre-pandemic benchmark and indicates that the working population is as distressed as the most distressed one percent of working Australians prior to 2020.

The proportion of individuals reporting more stress than the prior month (18 per cent) is nearly equal to the prior month, while the proportion of individuals reporting less mental stress is only seven per cent. The majority (75 per cent) indicate the same level of stress 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. With recent increases in variant cases in many regions of the country, and the resulting restrictions, this strain will likely continue until a sufficient proportion of the Australian population is vaccinated.

For the past three months, general psychological health has declined. Despite a general trend of improvement from August to January, the psychological health of Australians has deteriorated for the last three months. While the March score (-4.7) is 1.7 points higher than the April 2020 score (-6.4), it is below the peak score of -3.6 recorded in June 2020.

Regional differences are evident in the mental health scores to date. With a 1.0-point increase from the prior month, the mental health score in Western Australia (-8.9) remains strongest regional score while South Australia has the lowest mental health score (-11.9) for the second consecutive month.

Managers are over 40 per cent more likely than non-managers to report a negative impact on their mental health yet they are nearly twice as likely as non-managers to report an improved relationship with their leader.

In September 2020, we reported that twenty-nine per cent of people were less willing to access physical healthcare during the pandemic. Six months later, **over a quarter (26 per cent) are less willing to access physical healthcare and this group has the poorest mental health score** (-23.3). Twenty-five per cent of the respondents who are unsure or less willing to seek physical healthcare report that the reason they are not willing to access healthcare is that they do not

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.



want to visit a provider in-person while nearly one-quarter (24 per cent) report that accessing physical healthcare is not a priority for them as well as 24 per cent report that their access to healthcare has changed.

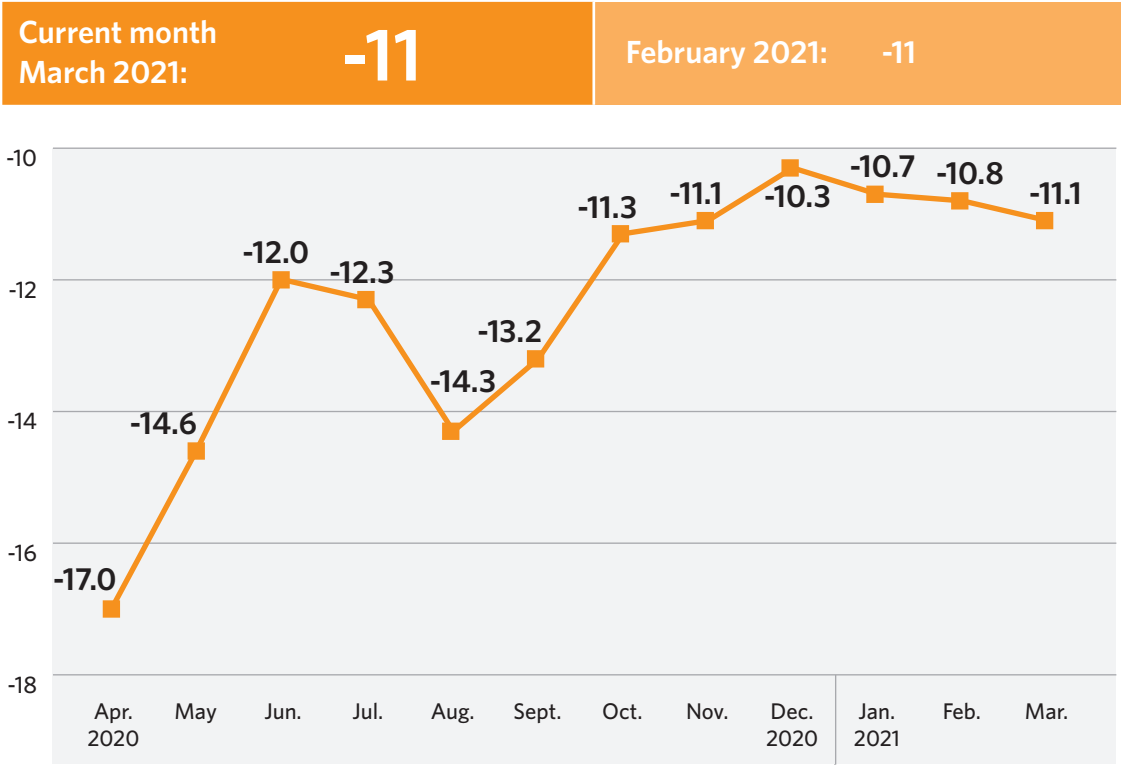
Also, in September, we reported that twenty-six per cent of people were **less willing to access mental healthcare during the pandemic**. Currently, that figure has fallen slightly to twenty-one per cent. This group has the least favourable mental health score (-26.0) and the primary reason for avoiding care is due to change in access to financial/work/insurance situation.

In December, Forbes magazine noted that the pandemic has brought about the greatest work from home experiment in history.² Post-pandemic work from home policies are expected to be reconsidered as some employers consider partial or fully remote workforces. **Nearly two-thirds (65 per cent) report wanting the flexibility to work from home once the pandemic is over yet only forty per cent (39 per cent) believe that their employer will give them the option to choose whether they work from home.**



The Mental Health Index™

The Mental Health Index™ (MHI) is a measure of deviation from the benchmark² of mental health and risk. **The overall Mental Health Index™ for March 2021 is -11 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.



March marks the 12th consecutive month in which the Mental Health Index™ reflects strained mental health in the Australian population.

² 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 anxiety (-12.6), followed by depression (-12.5), optimism (-11.5), work productivity (-11.1), isolation (-10.8), and general psychological health (-4.7). The risk measure with the best mental health score, and the only measure above the benchmark is financial risk (3.4).

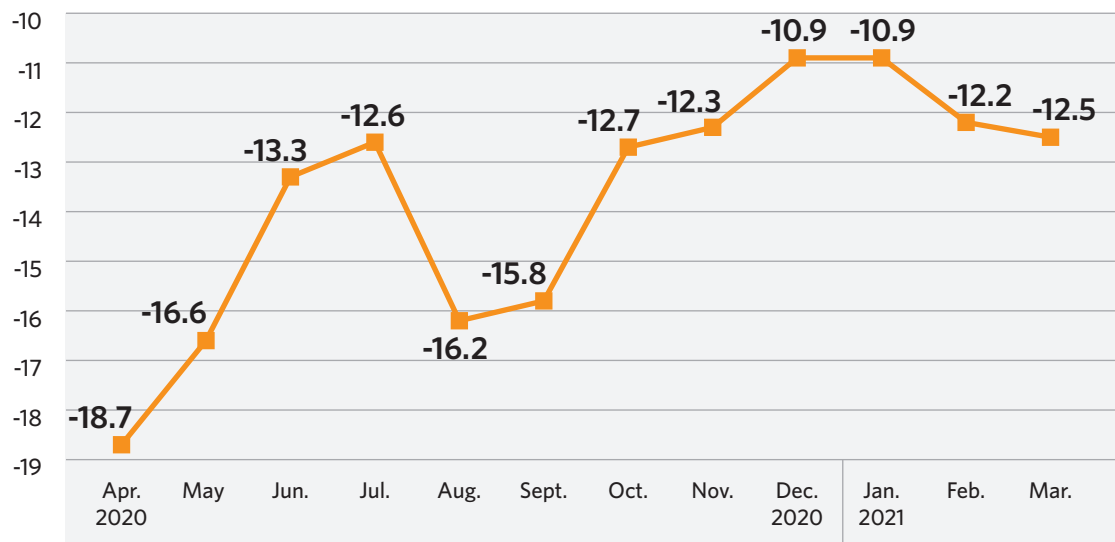
- Depression, general psychological health, work productivity, financial risk and optimism scores have declined from February 2021 results.
- With modest 0.1-point increases, anxiety and isolation scores have nearly equal to the prior month.
- Despite a decline from 3.7 to 3.4 in March, the financial risk score continues to be the strongest of all sub-scores and is above the pre-2020 benchmark.

MHI sub-scores ³	March 2021	February 2021
Anxiety	-12.6	-12.7
Depression	-12.5	-12.2
Optimism	-11.5	-10.6
Work productivity	-11.1	-10.5
Isolation	-10.8	-10.9
Psychological health	-4.7	-4.5
Financial risk	3.4	3.7

³ The demographic breakdown of sub-scores are available upon request.



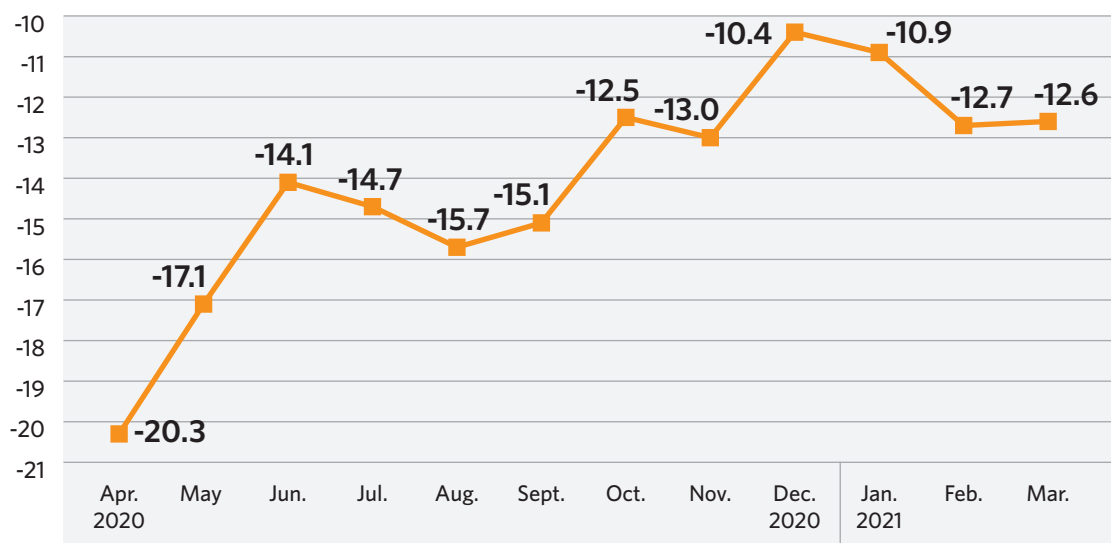
Depression



Depression

Next to work productivity and optimism, depression is the third poorest performing mental health sub-scale. While increases were observed from April to July, the depression score dropped sharply in August (-16.2). Since September, a continuous improvement had been observed through a peak in January (-10.9). A gradual decline has occurred since and in March 2021, the depression score is nearly 13-points below the pre-2020 benchmark.

Anxiety

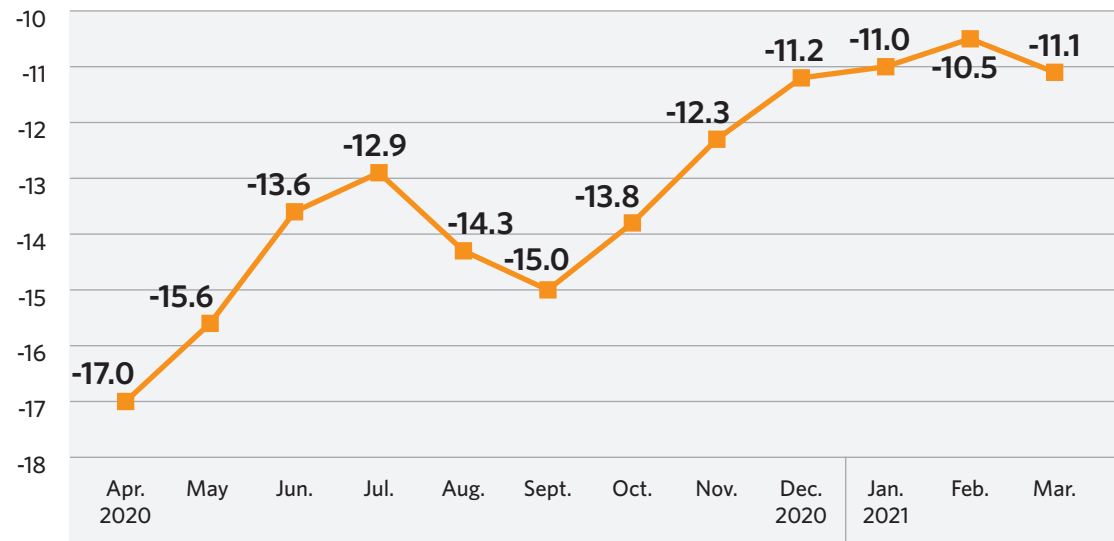


Anxiety

The lowest of the mental health sub-scores at launch of the MHI in April 2020 was anxiety. Since then, the score gradually improved to its high in December (-10.4), followed by a modest decrease from December to March. While the anxiety score has improved 7.7-points since April 2020, in March 2021, the score (-12.6) remains nearly 13-points below the pre-pandemic benchmark.



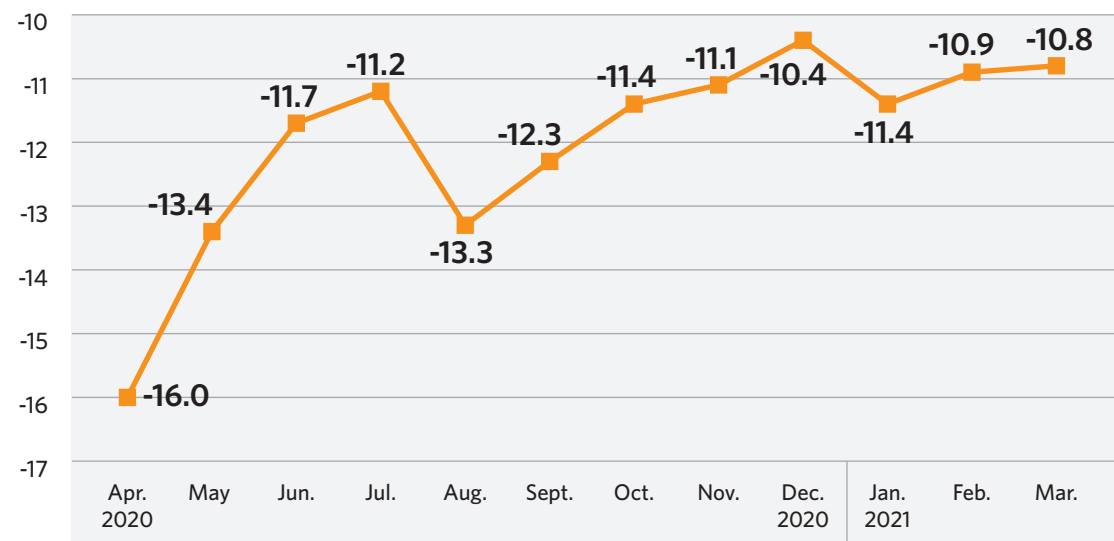
Work productivity



Work productivity

The mental health of Australians is substantially affecting their productivity at work. At the launch of the MHI in April 2020, the work productivity score was seventeen-points below the benchmark. The score gradually improved until July (-12.9), and then decreased to -15.0 in September. Since September, an increasing trend has been observed through February, with a high of -10.5. After a modest decline in March 2021, the work productivity score (-11.1) remains notably below the pre-2020 benchmark.

Isolation

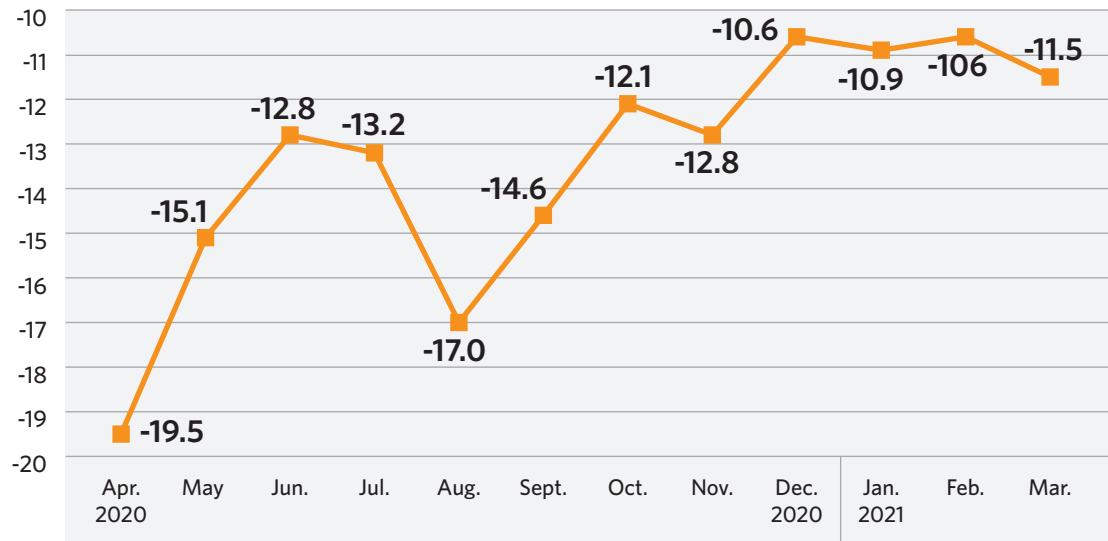


Isolation

Isolation scores showed an increasing trend from April to July 2020. After a decline in August (-13.3), scores improved through December. Since October 2020, scores have fluctuated modestly between -11.4 and -10.4. Despite an improvement of more than 5-points since the launch of the MHI in April, the isolation score remains significantly lower the benchmark, at nearly 11-points below the pre-2020 score.



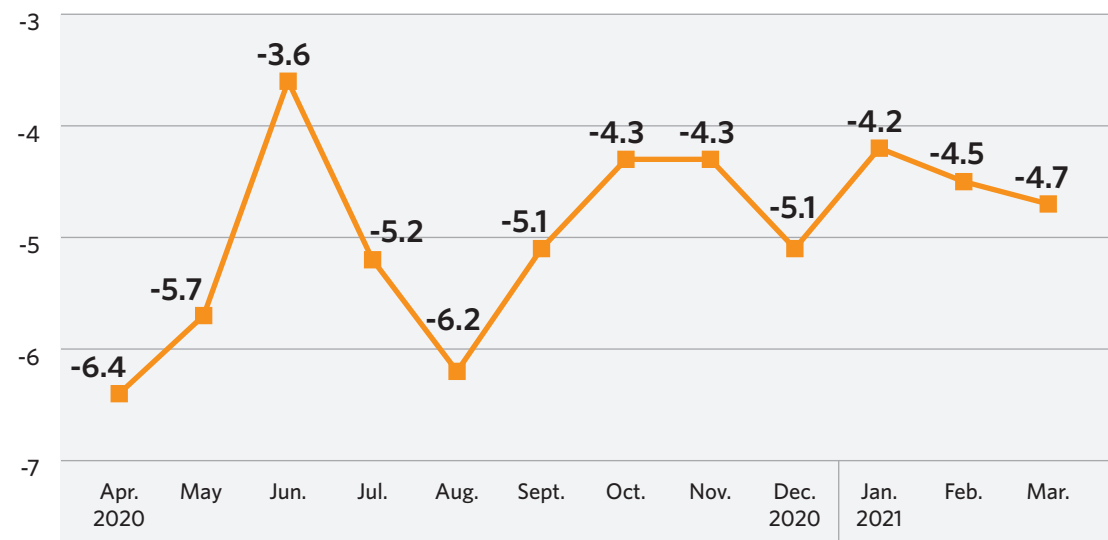
Optimism



Optimism

Similar to other mental health sub-scale scores, optimism scores from April to June 2020 improved. Following declines in July and August (-17.0), improvement had been observed, reaching a peak in December 2020 (-10.6). Despite stable scores from December to February 2021, an 1.1-point decline is seen in March to over 11-points below the pre-2020 benchmark.

General psychological health

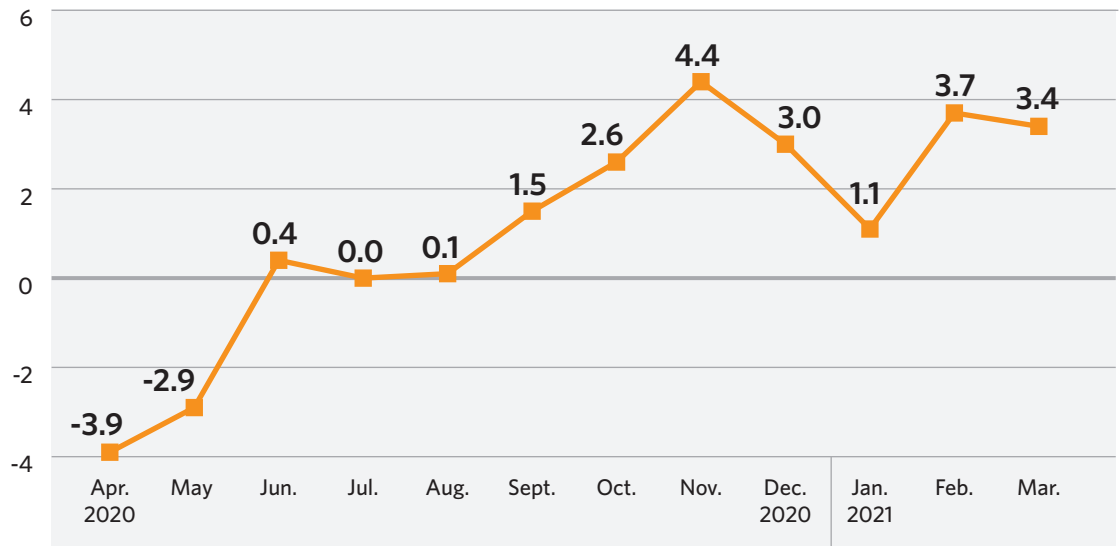


General psychological health

Despite periodic improvements in June, October and January, the psychological health of Australians has been compromised. In March, we see a slight decrease in psychological health from February to -4.7, approaching 5-points below the pre-2020 benchmark.



Financial risk



Financial risk

The financial risk score continues to be the strongest sub-scale despite a significant decline from November 2020 to January 2021. With a 2.7-point increase in February, the financial risk score had the greatest improvement of all sub-scales from the prior month. Despite a modest decline in March, the financial risk score continues to remain above the pre-2020 benchmark since June 2020.

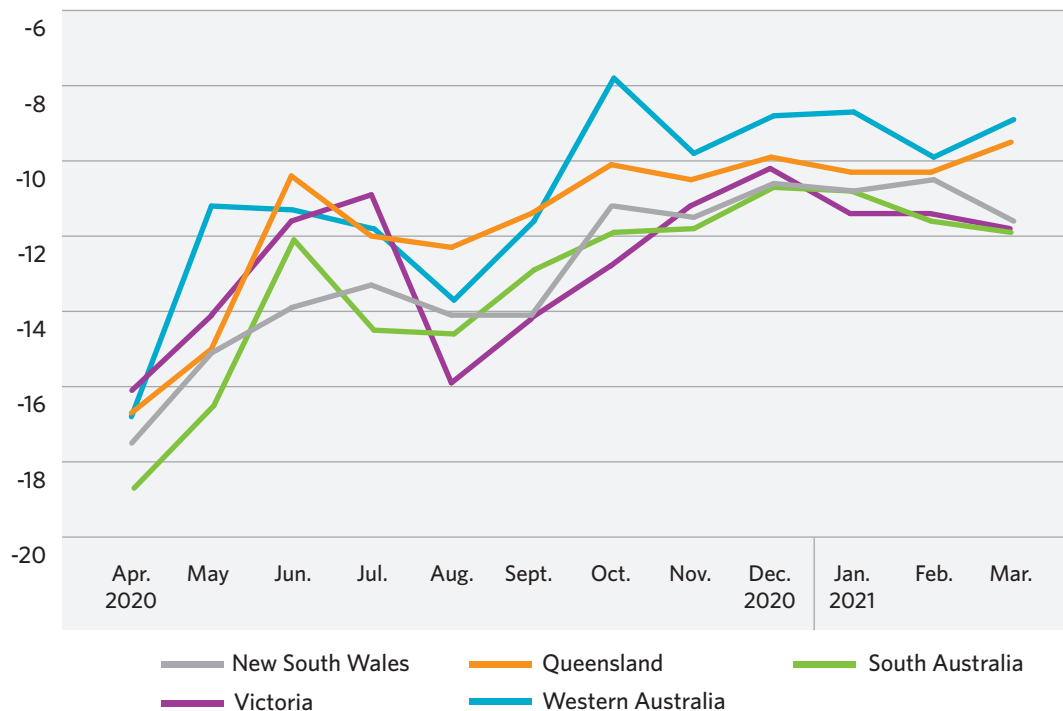


Mental Health Index™ (regional)

State mental health scores since April showed general improvement until July; however, all Australian regions showed declines from July to August. Mental health scores across all regions showed a general increase in September but since October, scores by state have held fairly steady between -12.0 and -9.0.

- Since October, Western Australia has had the most favourable mental health scores.
- The mental health in South Australia and Victoria have been the least favourable since December 2020. In March, the lowest mental health score is in South Australia (-11.9), followed closely by Victoria (-11.8).

Australia state Mental Health Index™ scores





Demographics

- Since the start of the MHI, we have found that women have significantly lower mental health scores than men. In March 2021, the mental health score of women is -13.0 compared to -8.5 for men.
- In twelve consecutive months of MHI results, we have observed that mental health scores have improved with age.
- We have seen differences in mental scores between those with and without children since April. March 2021 continues this trend with a lower score for those with at least one child (-12.5) compared to those without children (-10.2).

Employment

- Overall, nine per cent of respondents are unemployed and sixteen per cent report reduced hours or reduced salary.
- Individuals reporting reduced salary from the prior month (-21.5) have the lowest mental health score, followed by those who report fewer hours compared to the prior month (-20.3), and those not currently employed (-16.8).
- Managers have slightly lower mental health scores (-10.7) compared to non-managers (-10.5).
- Individuals working for employers with 5,001-10,000 employees have the highest mental health score (-7.1).
- Respondents who report 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 (-23.9) than the overall group. Those with an emergency fund have a mental health score of -6.3.



Employment status	Mar. 2021	Feb. 2021
Employed (no change in hours/salary)	-8.4	-7.8
Employed (fewer hours compared to last month)	-20.3	-18.7
Employed (reduced salary compared to last month)	-21.5	-25.8
Not currently employed	-16.8	-19.7
Age group	Mar. 2021	Feb. 2021
Age 20-29	-17.3	-19.8
Age 30-39	-15.6	-14.8
Age 40-49	-10.4	-8.6
Age 50-59	-8.1	-7.7
Age 60-69	-2.6	-2.5
Number of children	Mar. 2021	Feb. 2021
No children in household	-10.2	-9.9
1 child	-10.4	-12.0
2 children	-15.8	-13.2
3 children or more	-8.9	-8.9
Region	Mar. 2021	Feb. 2021
New South Wales	-11.6	-10.5
Victoria	-11.8	-11.4
Queensland	-9.5	-10.3
South Australia	-11.9	-11.6
Western Australia	-8.9	-9.9

Gender	Mar. 2021	Feb. 2021
Men	-8.5	-7.7
Women	-13.0	-13.1
Income	Mar. 2021	Feb. 2021
Household income <\$30K/annum	-27.5	-30.7
\$30K to <\$60K/annum	-12.8	-13.4
\$60K to <\$100K	-13.3	-12.7
\$100K to <\$150K	-9.1	-7.8
\$150K or more	-4.4	-3.3
Employer size	Mar. 2021	Feb. 2021
Self-employed/sole proprietor	-11.0	-6.7
2-50 employees	-9.8	-10.0
51-100 employees	-15.5	-12.5
101-500 employees	-11.1	-10.1
501-1,000 employees	-12.0	-11.3
1,001-5,000 employees	-9.5	-8.7
5,001-10,000 employees	-7.1	-6.8
More than 10,000 employees	-8.0	-9.9
Manager	Mar. 2021	Feb. 2021
Manager	-10.7	-10.4
Non-manager	-10.5	-10.1

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 Health Index™ (industry)

Despite an improvement over February, for the third consecutive month, full-time post-secondary students have the lowest mental health score (-24.2). This continues to be significantly lower than the next lowest scores, among individuals in Transportation and Warehousing (-15.3), and Retail Trade (-15.0).

Individuals in Finance and Insurance (-2.4), Health Care and Social Assistance (-6.3), and Public Administration (-8.6) show the highest mental health scores this month.

Individuals in Professional, Scientific and Technical Services, and Arts, Entertainment and Recreation have seen the greatest improvement in mental health since last month.

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

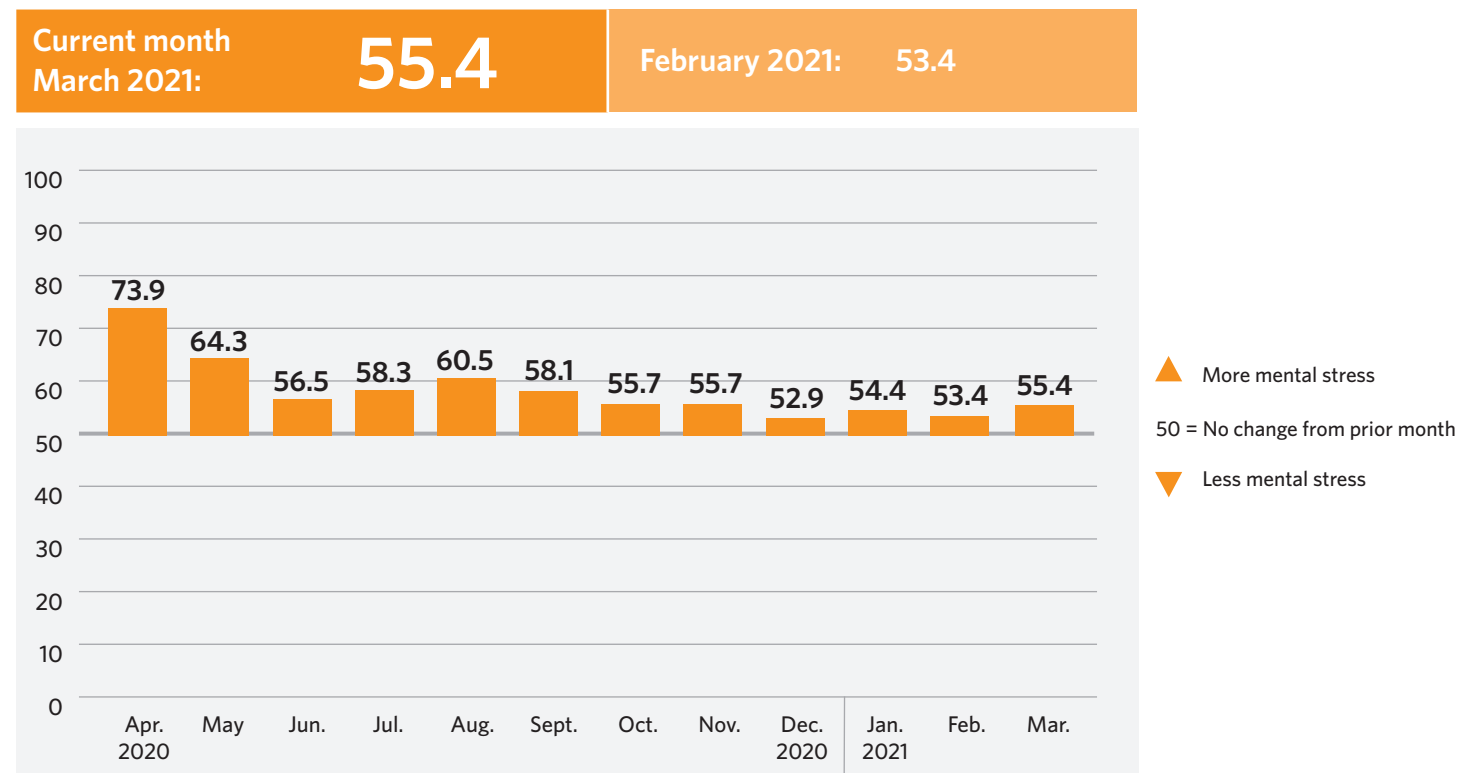
Industry	March 2021	February 2021	Change
Professional, Scientific and Technical Services	-9.0	-13.0	4.0
Arts, Entertainment and Recreation	-14.5	-18.1	3.6
I am a student	-24.2	-27.6	3.4
Other	-9.1	-12.4	3.4
Food Services	-12.8	-15.9	3.1
Health Care and Social Assistance	-6.3	-7.5	1.3
Retail Trade	-15.0	-16.2	1.2
Manufacturing	-9.9	-10.3	0.3
Finance and Insurance	-2.4	-2.3	-0.1
Public Administration	-8.6	-7.9	-0.7
Wholesale Trade	-12.1	-11.0	-1.1
Educational Services	-12.8	-10.0	-2.8
Transportation and Warehousing	-15.3	-11.8	-3.5
Administrative and Support services	-12.3	-7.9	-4.4
Construction	-10.7	-6.0	-4.8
Other services (except Public Administration)	-11.2	-5.4	-5.9



The Mental Stress Change score

The score in March 2021 has declined by 2.0-point from the prior month. 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 March 2021 is 55.4.** This reflects a net increase in mental stress compared to the prior month. The MStressChg score had been declining (meaning those surveyed reported less mental stress) from April to June, then increased in July and August. The Mental Stress Change score has worsened despite an improvement in December and February.

The current score indicates that 18 per cent of the population is experiencing more mental stress compared to the prior month, with 7 per cent experiencing less. A continued increase in mental stress over twelve months of the MHI indicates a significant accumulation of strain in the Australian population.





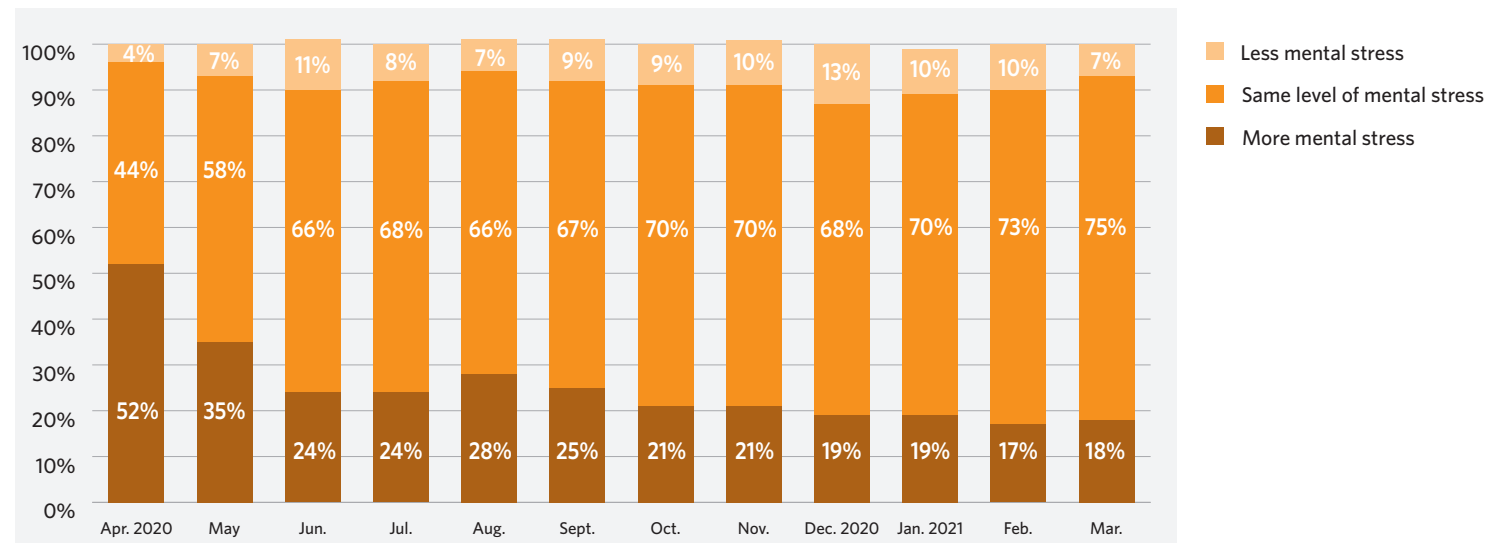
Mental Stress Change (percentages)

Mental Stress Change tracks everyone'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.

Over twelve months of the MHI, 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 significantly 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, 52 per cent of individuals reported an increase in mental stress. While those reporting increased month-over-month mental stress decreased to 18 per cent in March 2021, 75 per cent of respondents report the same level of mental stress and only 7 per cent report a decrease in mental stress.

Mental Stress Change by month





Demographics

- In twelve consecutive months of MHI results, we have observed that younger respondents are experiencing a greater increase in mental stress compared to older respondents.
- Since the start of the MHI, we have found that women have larger increases in mental stress than men. In March 2021, the mental stress change score of women is 55.9 compared to 54.6 for men.

Geography

- The greatest increase in stress month-over-month is for respondents living in New South Wales (56.1), followed by Western Australia (56.0), Queensland (55.5), and Victoria (54.7).

Employment

- The greatest increase in mental stress is seen in employed people with reduced salary (65.9), followed by employed people working fewer hours (62.8) compared to unemployed people (54.7) and employed people with no change to salary or hours (53.7).
- Managers have a slightly greater increase in mental stress (56.2) compared to non-managers (55.0).



Employment status	Mar. 2021	Feb. 2021
Employed (no change in hours/salary)	53.7	52.3
Employed (fewer hours compared to last month)	62.8	56.3
Employed (reduced salary compared to last month)	65.9	64.8
Not currently employed	54.7	52.6
Age group	Mar. 2021	Feb. 2021
Age 20-29	55.7	57.9
Age 30-39	57.2	56.3
Age 40-49	57.2	52.2
Age 50-59	53.0	51.2
Age 60-69	51.6	48.3
Number of children	Mar. 2021	Feb. 2021
No children in household	53.9	52.8
1 child	56.4	54.3
2 children	59.4	54.2
3 children or more	57.5	53.8
Region	Mar. 2021	Feb. 2021
New South Wales	56.1	53.7
Victoria	54.7	51.5
Queensland	55.5	53.4
South Australia	54.5	56.9
Western Australia	56.0	54.4

Gender	Mar. 2021	Feb. 2021
Men	54.6	50.8
Women	55.9	55.2
Income	Mar. 2021	Feb. 2021
Household income <\$30K/annum	58.0	62.8
\$30K to <\$60K/annum	57.5	56.0
\$60K to <\$100K	55.3	52.8
\$100K to <\$150K	56.7	54.0
\$150K or more	52.1	49.4
Employer size	Mar. 2021	Feb. 2021
Self-employed/sole proprietor	53.3	45.4
2-50 employees	54.8	54.1
51-100 employees	55.4	53.2
101-500 employees	56.0	51.9
501-1,000 employees	60.6	59.0
1,001-5,000 employees	53.9	51.9
5,001-10,000 employees	58.3	55.3
More than 10,000 employees	54.5	52.8
Manager	Mar. 2021	Feb. 2021
Manager	56.2	55.0
Non-manager	55.0	52.3

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



The Mental Stress Change (industry)

Mental Stress Change scores for individuals employed in Finance and Insurance (50.0), Manufacturing (51.4), and Food Services (51.7) industries are less steep compared to the prior month.

Individuals working in Public Administration (60.2) and those in Educational Services (60.2) have the most significant increase in mental stress compared to February.

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

Industry	March 2021	February 2021
Finance and Insurance	50.0	48.6
Manufacturing	51.4	50.7
Food Services	51.7	56.1
I am a student	51.7	63.5
Arts, Entertainment and Recreation	52.1	60.0
Other	52.9	57.7
Retail Trade	53.7	56.9
Administrative and Support services	55.0	47.3
Construction	55.1	48.9
Health Care and Social Assistance	55.6	50.8
Other services (except Public Administration)	55.8	55.6
Professional, Scientific and Technical Services	56.2	56.0
Wholesale Trade	56.9	48.1
Transportation and Warehousing	57.5	47.3
Educational Services	60.2	51.0
Public Administration	60.2	54.2



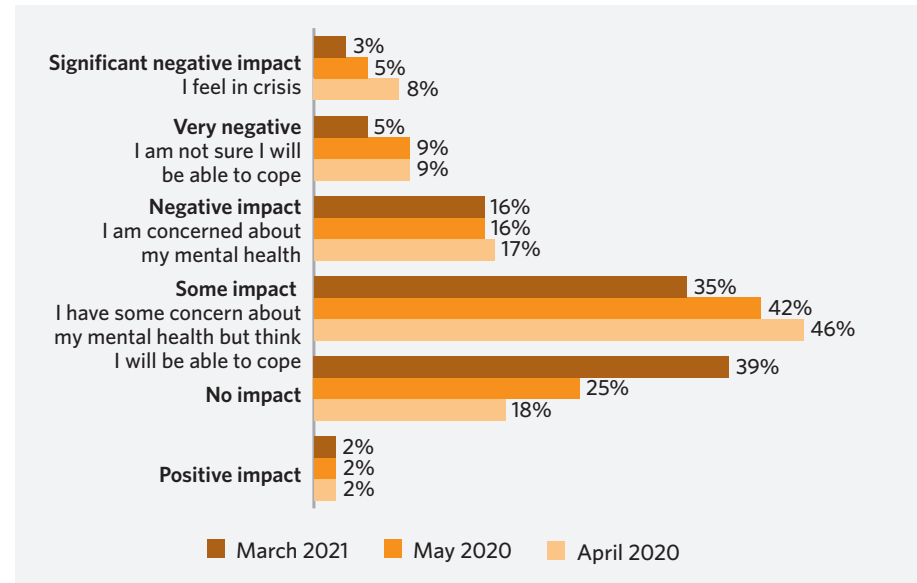
Spotlight

The COVID-19 pandemic impact on mental health

Since the first case of COVID-19 was reported in January 2020, the impact of the pandemic on mental health has been widely reported. In April 2020, at the launch of the Mental Health Index™, we asked people to indicate the impact of the pandemic on their mental health. We asked the same question in May 2020 and nearly one year later, in March 2021, we reintroduced this question.

- More than one-third (34 per cent) reported a negative or significant impact in April 2020; in March 2021, twenty-four per cent report a negative or significant impact on their mental health.
- The proportion of people reporting that they feel in crisis has declined from 8 per cent in April 2020 to 3 per cent in March 2021.
- In all three reporting periods, the lowest mental health scores are observed among people reporting a significant impact on their mental health, followed by those reporting very negative and negative impacts.

Impact of the COVID-19 pandemic on mental health

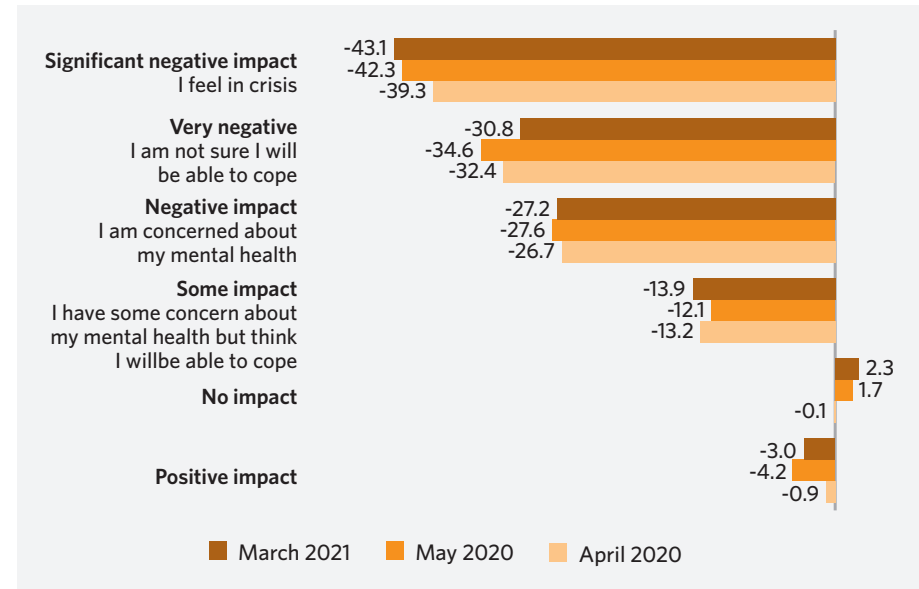




In March 2021:

- Individuals under 50 are nearly twice as likely as those over 50 to report a negative impact on their mental health.
- Parents are nearly 50 per cent more likely than non-parents to report a negative impact on their mental health.
- Managers are more than 40 per cent more likely than non-managers to report a negative impact on their mental health.
- Individuals who report a reduced salary or fewer hours are more than twice as likely as those with no change to salary to report a negative impact.

MHI score by impact of the COVID-19 pandemic on mental health





Accessing healthcare during the COVID-19 pandemic

The emphasis on self-care for both physical and mental health conflicts with behaviour during the pandemic. Mitigating the risk factors associated with poor outcomes in virus patients requires a focus on healthy lifestyle and care management for existing conditions. Moreover, coping with prolonged and repeated restrictions, changes and isolation needs mental resilience.

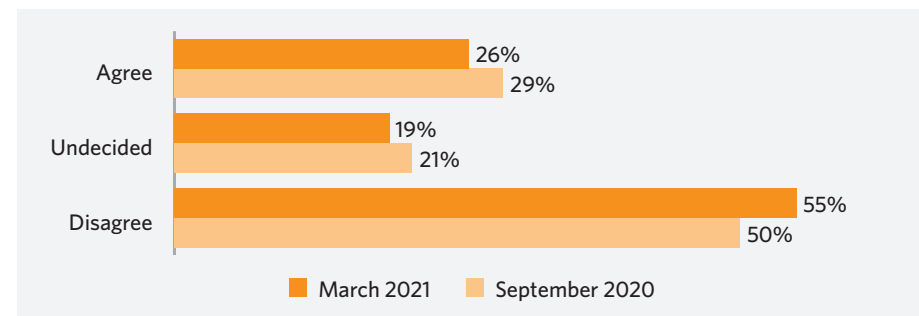
In September 2020, we reported that twenty-nine per cent of people were less willing to access physical healthcare and that twenty-six per cent of people were less willing to access mental healthcare during the pandemic.

Willingness to access physical healthcare

Respondents were asked about their willingness to engage in physical healthcare during the COVID-19 pandemic. Data from March 2021 is consistent with the results collected in September 2020.

- More than half (55 per cent) are willing to access physical healthcare during the pandemic and this group has the most favourable mental health score (-3.3).
- More than one-quarter (26 per cent) are less willing to participate in physical healthcare and this group has the least favourable mental health score (-23.3).
- The mental health score of individuals who are less willing to access physical healthcare has improved significantly from September (-6.3) to March (-3.3).

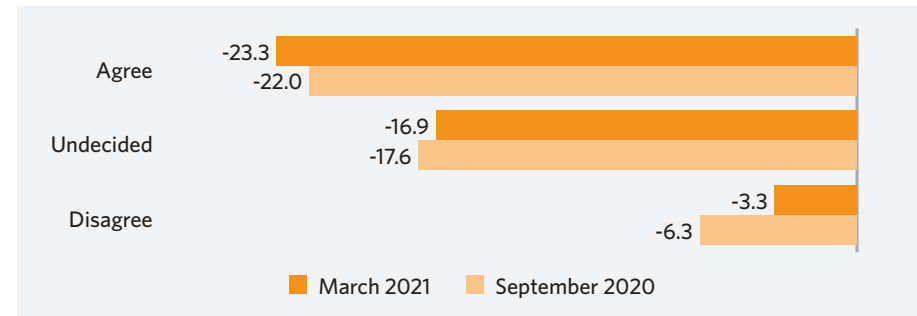
COVID-19 has made me less willing to access physical healthcare





- Parents are more than eighty per cent more likely than non-parents to report being less willing to access physical healthcare.
- Employees with reduced salary or fewer hours are over twice as likely as those with no change to salary or hours to report being less willing to access physical healthcare.

MHI score by agreement that COVID-19 has made me less willing to access physical healthcare

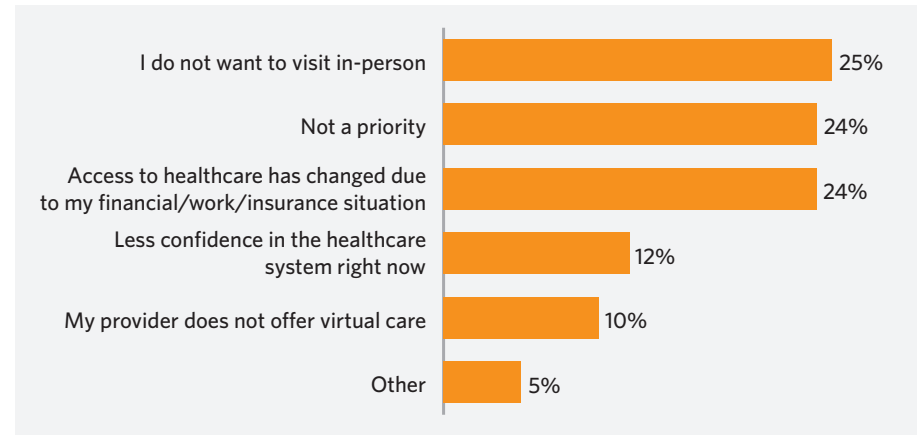




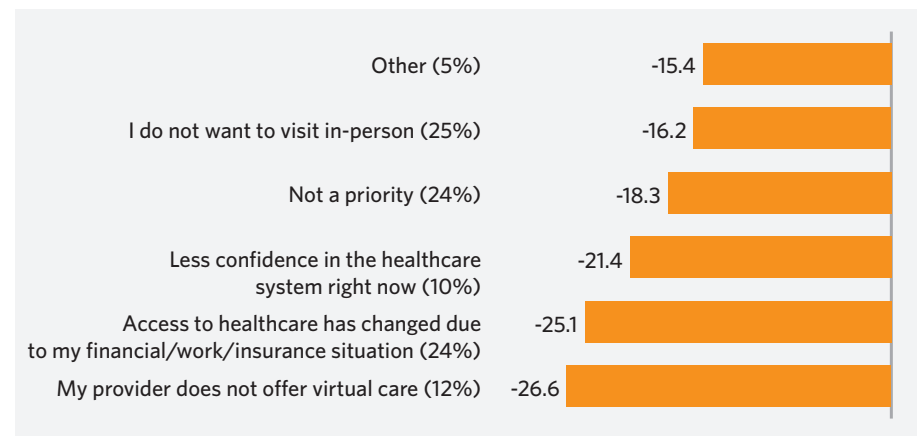
One-quarter (25 per cent) report that the reason they are not willing to access physical healthcare is that they do not want to visit a provider in-person.

- Nearly one-quarter (24 per cent) report that accessing physical healthcare is not a priority for them and that access to healthcare has changed due to their financial/work/insurance situation.
- The lowest mental health score (-26.6) is seen among twelve per cent of people who indicate that their provider does not offer virtual care.
- Employees working fewer hours are nearly three times more likely than those with no change to their working conditions to report that the reason they do not seek care is that their provider does not offer virtual care.

Reasons why individuals are not willing to access physical healthcare



MHI score by reasons why individuals are not willing to access physical healthcare



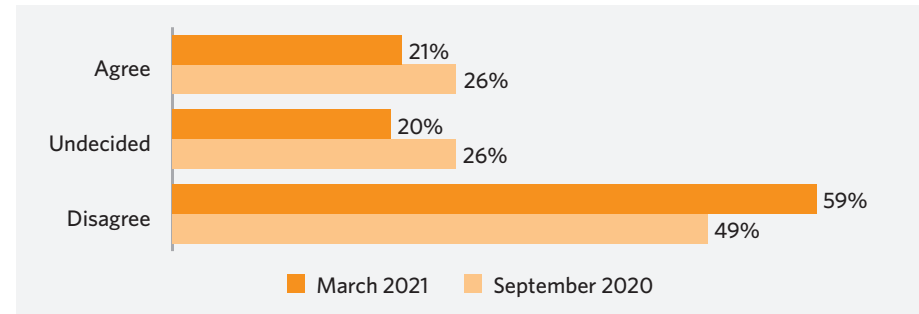


Willingness to access mental healthcare

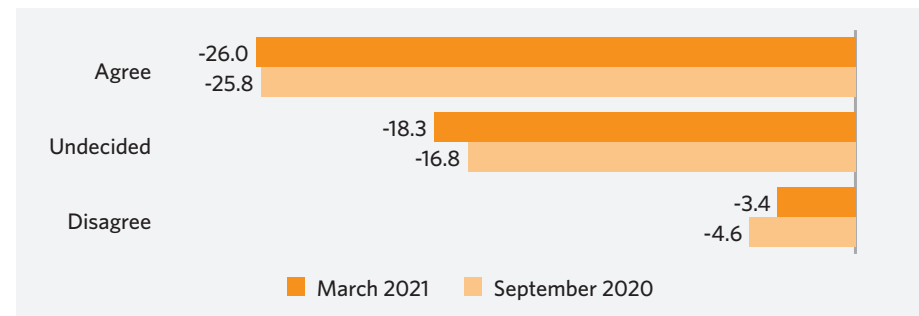
Like physical healthcare, respondents were asked about their willingness to engage in mental healthcare during the COVID-19 pandemic. Data from March 2021 is compared to results collected in September 2020.

- Nearly sixty per cent (59 per cent) are willing to access mental healthcare, a result significantly higher than reported in September 2020 results (49 per cent).
- Twenty-one per cent are less willing to access mental healthcare during the pandemic and this group has the least favourable mental health score (-26.0).
- Parents are twice as likely than non-parents to report being less willing to access mental healthcare.
- Employees with reduced salary or fewer hours are more than twice as likely as those with no change to salary or hours to report being less willing to access mental healthcare.

Agreement that COVID-19 has made me less willing to access mental healthcare



MHI score by agreement that COVID-19 has made me less willing to access mental healthcare

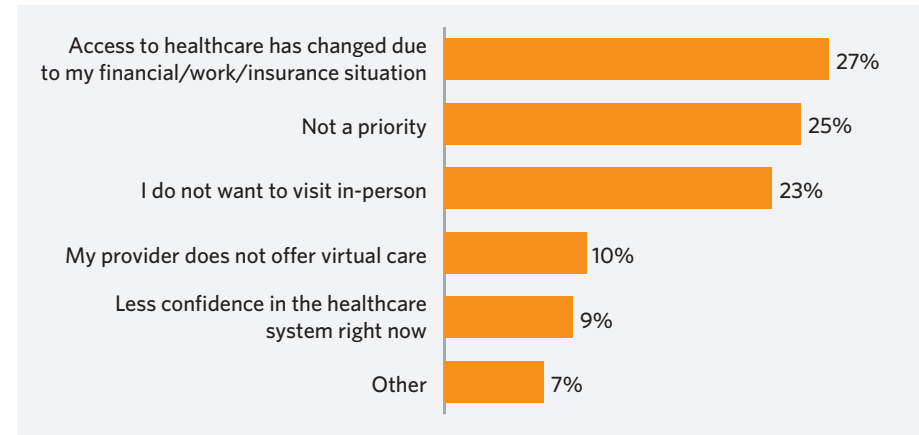




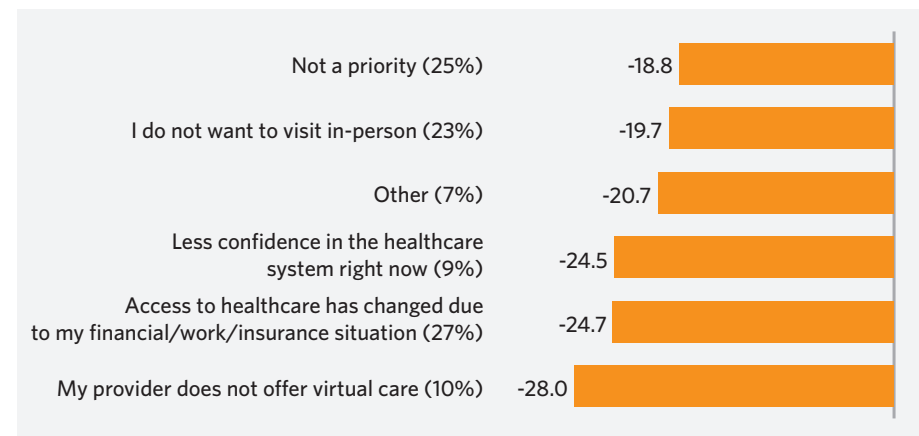
More than one-quarter (27 per cent) report that the reason they are not willing to access mental healthcare is that access has changed due to their financial/work/insurance situation.

- One-quarter report that accessing mental healthcare is not a priority for them.
- Parents are seventy per cent more likely than non-parents to report that their access to healthcare has changed due to their financial/work/insurance situation and this is a reason for not accessing care.
- Employees with reduced salary or fewer hours are over twice as likely as those with no change to salary or hours to report that their access to healthcare has changed.

Reasons why individuals are not willing to access mental healthcare



MHI score by reasons why individuals are not willing to access mental healthcare





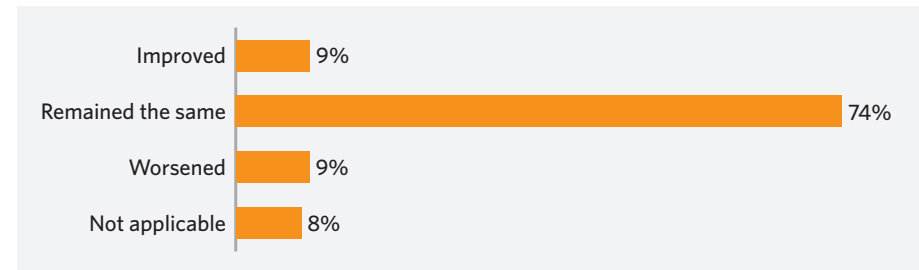
Workplace relationships

Relationships with work peers

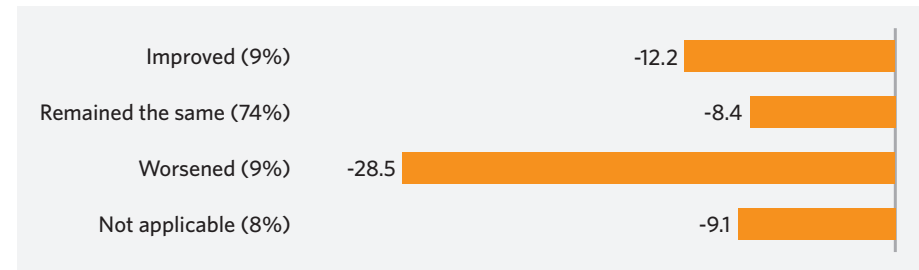
In response to the COVID-19 pandemic, remote work, workplace health and safety practices, personal, family, and job responsibilities have significantly reshaped the workplace since 2020. Interactions between peers and managers have changed because of these necessary shifts. Respondents were asked about whether their workplace relationships have changed since the pandemic.

- Nearly three-quarters (74%) report that relationships with their work peers have remained unchanged since before the pandemic and this group has the most favourable mental health score (-8.4).
- An equal proportion of people report that relationships with their peers worsened or improved.
- Employees with reduced salary are nearly three times as likely to report worsened relationships with their peers compared to those with no change to salary or hours.
- Managers are more than twice as likely to report improved peer relationships compared to non-managers.

State of relationships with work peers compared to before the pandemic



MHI score by state of relationships with work peers compared to before the pandemic



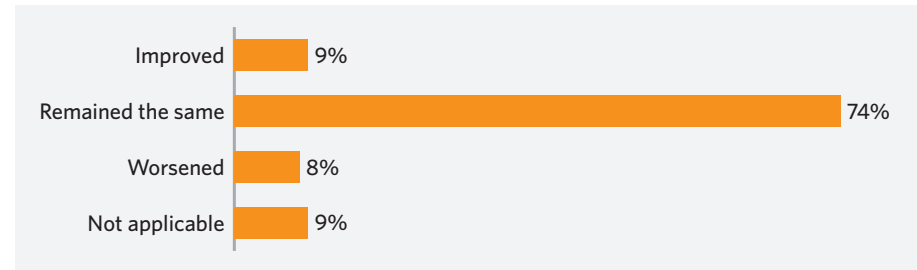


Employee-manager relationship

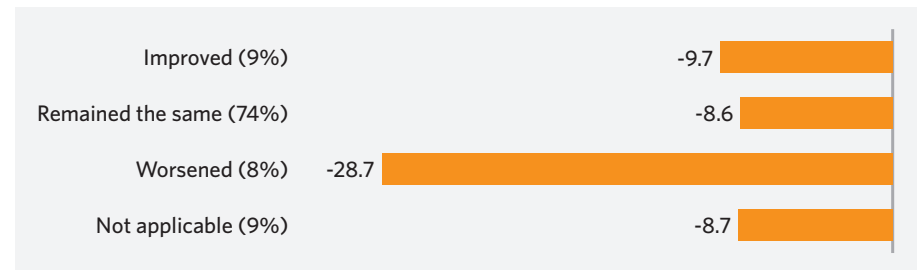
In February 2021, we reported on the status of employee-manager relationships since the COVID-19 pandemic. Like February results (85 per cent), an overwhelming percentage of people report the relationship with their manager remains unchanged and those who have a worsened relationship with their manager have the least favourable mental health score.

- Almost three-quarters (74 per cent) report no change to the relationship with their manager compared to before the pandemic.
- Nearly an equal percentage report a worsening (8 per cent) or an improvement (9 per cent) in the relationship with their manager.
- The least favourable mental health score (-28.7) is observed among the eight per cent of people who report a worsened relationship with their manager since the pandemic.
- Parents are nearly twice as likely as non-parents to report an improved relationship with their manager.
- Twenty-two per cent of individuals with a reduced salary and twelve per cent of those working fewer hours report a worsened relationship with their manager, compared with seven per cent of individuals with no change to salary or hours.
- Managers are nearly twice as likely as non-managers to report an improved relationship with their leader.

State of employee-manager relationship compared to before the pandemic



MHI score by state of employee-manager relationship compared to before the pandemic





Post-pandemic work from home

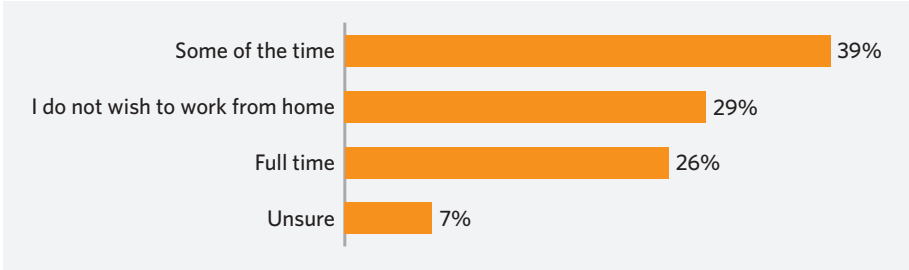
In December, Forbes magazine noted that the pandemic has brought about the greatest work from home experiment in history.⁴ Post-pandemic work from home policies are expected to be reconsidered as some employers consider partial or fully remote workforces.

Employee interest in work from home post-pandemic

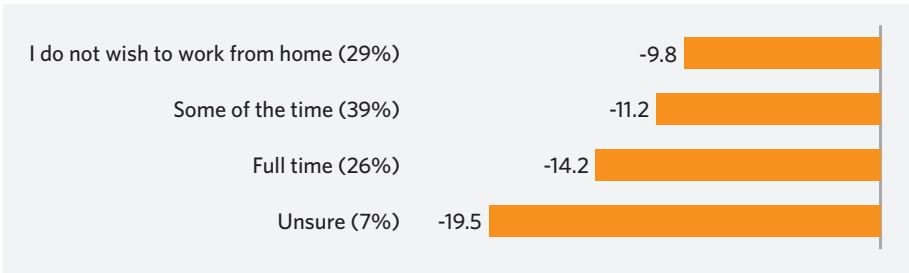
Where the option for remote work is possible, employees were asked about whether they want to work from home post-pandemic.

- Nearly two-thirds (65 per cent) report wanting the flexibility to work from home, at least some of the time, once the pandemic is over.
- The most favourable mental health score is observed (-9.8) among 27 per cent of individuals who do not want to work from home post-pandemic.
- Nearly seventy per cent of managers (69 per cent) want to work from home at least some of the time compared to 61 per cent of non-managers.
- Approximately two-thirds of respondents, regardless of their demographic profile, report wanting to work from home some of the time or all the time once the pandemic is over.

Employee interest in work from home post-pandemic



MHI score by employee interest in work from home post-pandemic



4 Why Has The Great Work-From-Home Experiment Been So Successful?, Forbes, <https://www.forbes.com/sites/forbes-techcouncil/2020/12/11/why-has-the-great-work-from-home-experiment-been-so-successful/?sh=75366d3c28c7>, 2020.

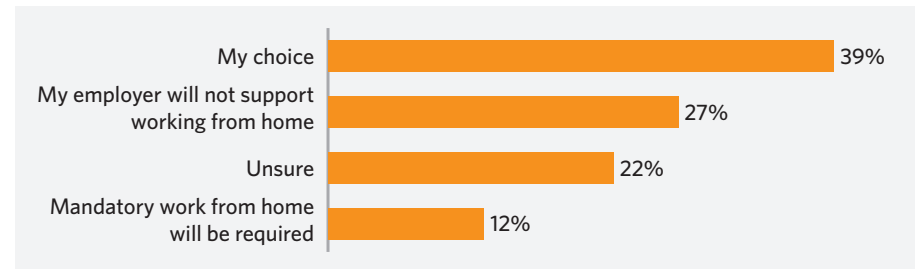


Employers and work from home

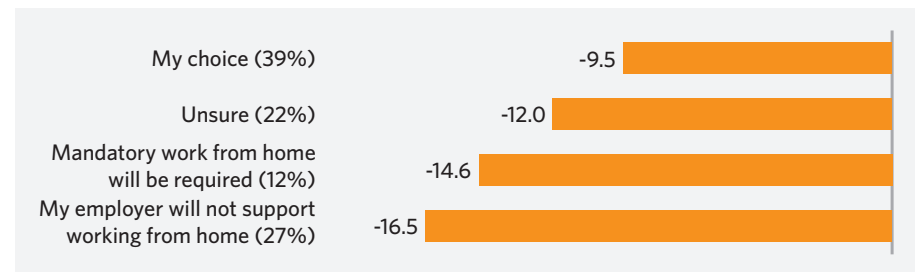
For employees who have the option to work from home, individuals were asked how they perceive their employers will support work from home after the pandemic ends.

- Nearly forty per cent (39 per cent) believe employers will give employees the option to choose whether they work from home. This group has the most favourable mental health score (-9.5).
- More than one-quarter (27 per cent) report that they do not believe that their employer will support work from home and this group has the least favourable mental health score (-16.5).
- Managers are twenty per cent more likely than non-managers to report that they can or will be required to work from home after the pandemic ends.

Employee perception of how employers will support work from home post-pandemic



MHI score by employee perception of how employers will support work from home post-pandemic





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 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 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

Data for this report is 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 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™ is published monthly starting in April 2020. Benchmark data was collected in 2017, 2018 and 2019. Data for the current report was collected between February 17 to March 1, 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. 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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