

The Mental Health Index by LifeWorks™

Australia | January 2022



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The top 5 things your need to know for January 2022

1. For six months, mental health scores in Australia have fluctuated near -12 points below the pre-2020 benchmark.

- The current score is -11.9, a decline of 0.6-points from the prior month, reflecting a population whose mental health is equivalent to the most distressed one per cent of the benchmark populace.
- All mental health sub-scores declined from December 2021 to January 2022.
- With a significant 1.9-point decrease, the optimism score has had the greatest decline from the prior month.
- The strongest sub-score continues to be financial risk, representing an improvement in the level of emergency savings compared to 2019.
- Mental health scores dropped sharply in Queensland, South Australia, and Victoria compared to December 2021 while scores improved modestly in New South Wales and Western Australia.

2. Three-in-five working Australians say that flexible work is more important than career progression.

- 33% say that flexibility is the most important action that their employer has taken to support mental health.
- 20% say that making them feel more valued is most important.
- 18% say that empathy is most important to supporting mental health.

3. Recognition, peer relationships, and respect are the top drivers of belonging at work.

- 20% say that recognition or appreciation is the most important aspect of feeling a sense of belonging at work.
- 14% say that co-worker relationships are the most important.
- Employees who report workplace relationships as the most important aspect of feeling a sense of belonging at work have higher mental health, work productivity, isolation, and financial risk scores than national averages.

4. Nearly half of Australians say that liking the work they do is the reason they stay with their employer.

- 31% say that relationships with their co-workers is the reason they stay.
- 30% say that being well-paid is the reason for staying.
- 18% say that they are proud of their company and the work they do, and this group has among the highest mental health scores (-4.3).

5. One-in-six Australians working at the jobsite say their biggest challenge is dealing with difficult people.

- 14% of Australians that work from home feel lonely compared to 7% that work at the jobsite.
- 12% that work from home feel forgotten most of the time compared to 7% that work at the jobsite.
- A nearly equal proportion of Australians believe that career opportunities would be limited (36%) as those who disagree (37%) about the career impact of working from home.

60%

say flexible work is more important than career progression

31%

stay because of relationships with their co-workers

16%

say dealing with difficult people is the biggest challenge at the worksite

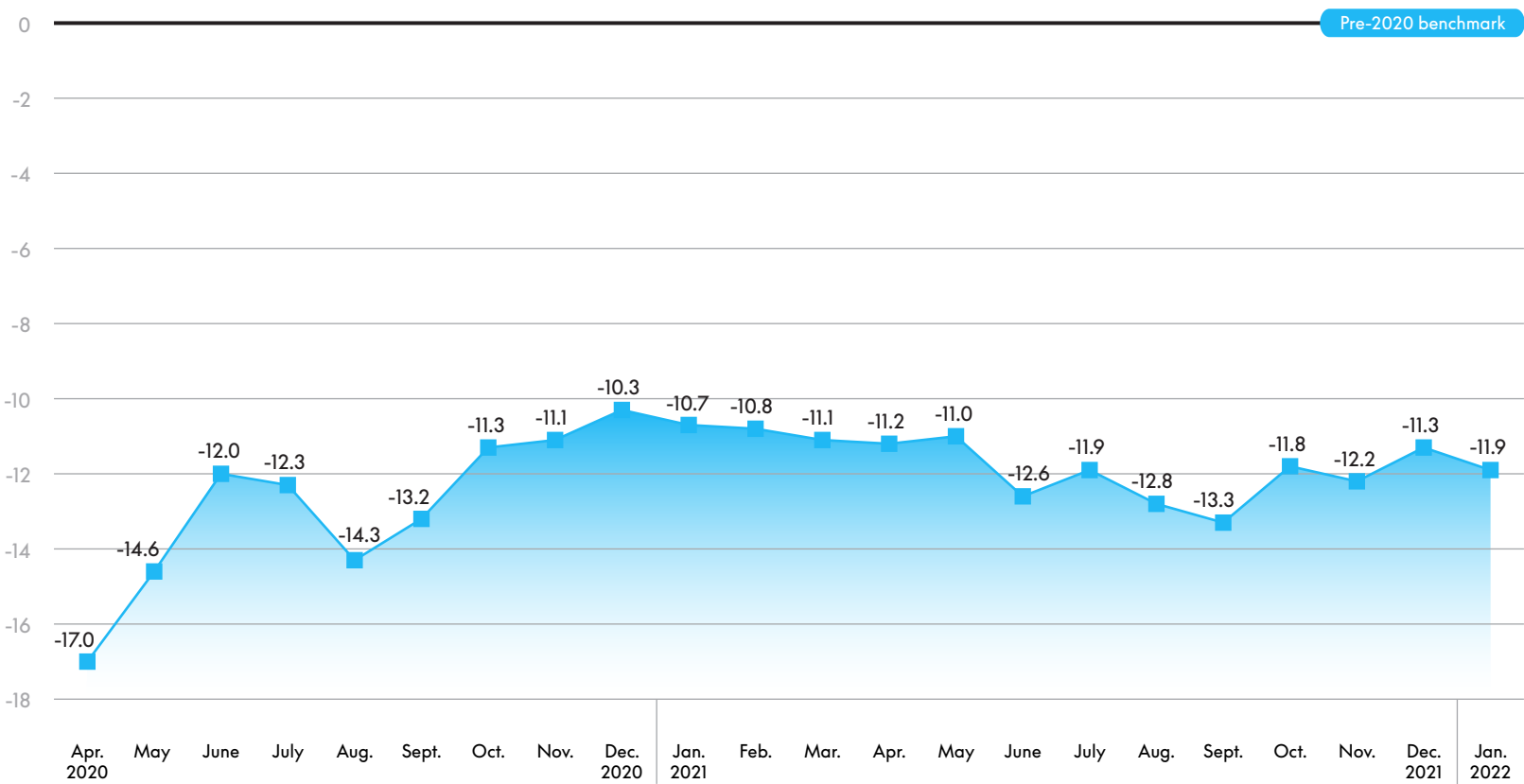
The top driver

of belonging at work is recognition

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 January 2022 is -11.9 points. A 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
January 2022

-11.9

December 2021

-11.3

Mental Health Index™ sub-scores

The lowest Mental Health Index™ sub-score is for the risk measure of optimism (-13.2), followed by anxiety (-12.8), depression (-12.7), isolation (-12.1), work productivity (-11.5), and general psychological health (-5.7). The best sub-score, and the only measure above the historical benchmark continues to be financial risk (2.5).

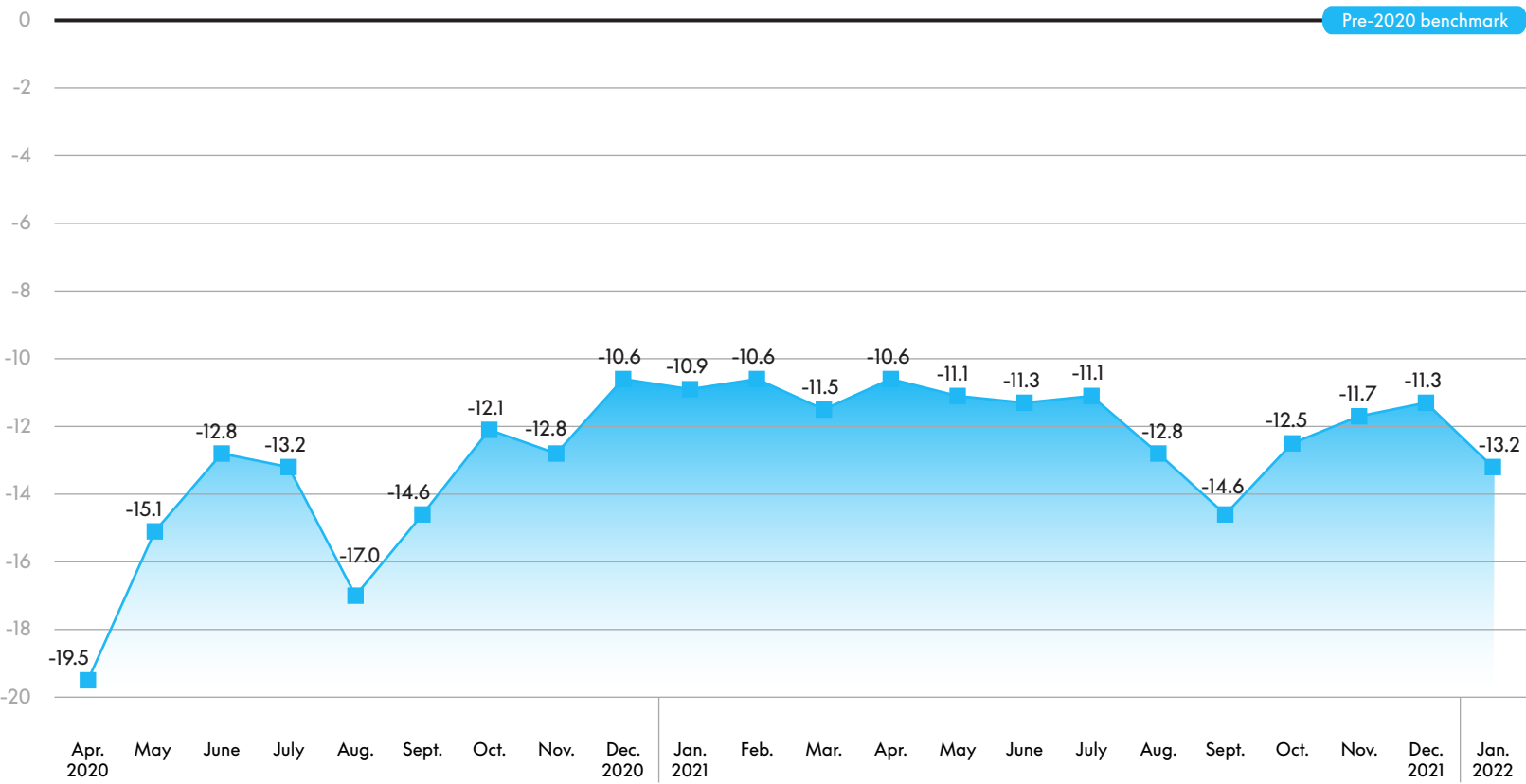
- All mental health sub-scores declined from December 2021 results.
- With a 1.9-point decrease, the optimism score has had the greatest decline from the prior month.
- Despite a 0.5-point decline, at 2.5-points above the pre-2020 benchmark, the financial risk score continues to be the strongest of all sub-scores.

Mental Health Index™ Sub-scores ²	January 2022	December 2021
Optimism	-13.2	-11.3
Anxiety	-12.8	-12.2
Depression	-12.7	-12.2
Isolation	-12.1	-11.9
Work productivity	-11.5	-10.3
Psychological health	-5.7	-5.4
Financial risk	2.5	3.0

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

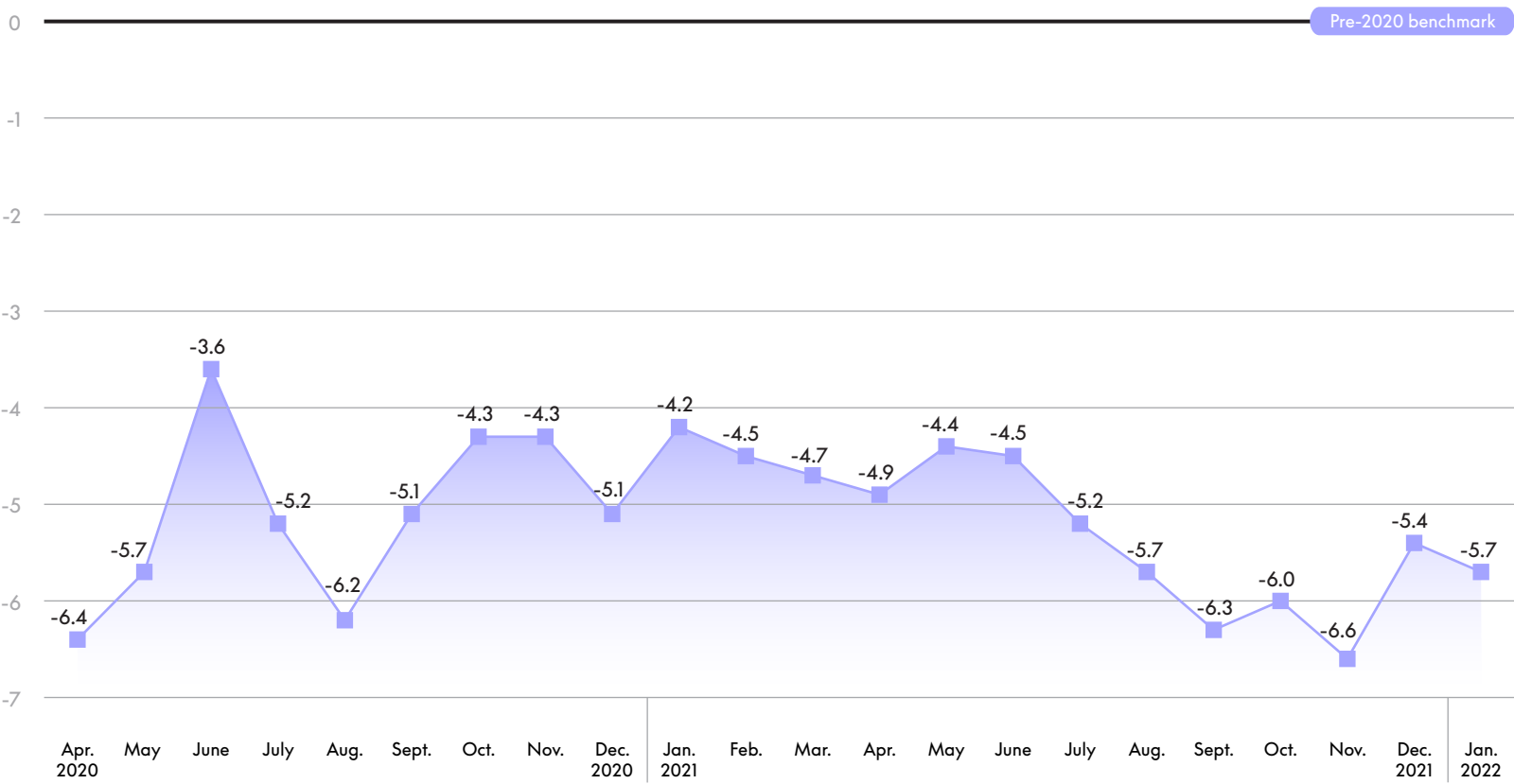
Optimism

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. Three months of improvement followed to December 2021. In January 2022, the optimism score fell significantly (1.9-points) to -13.2.



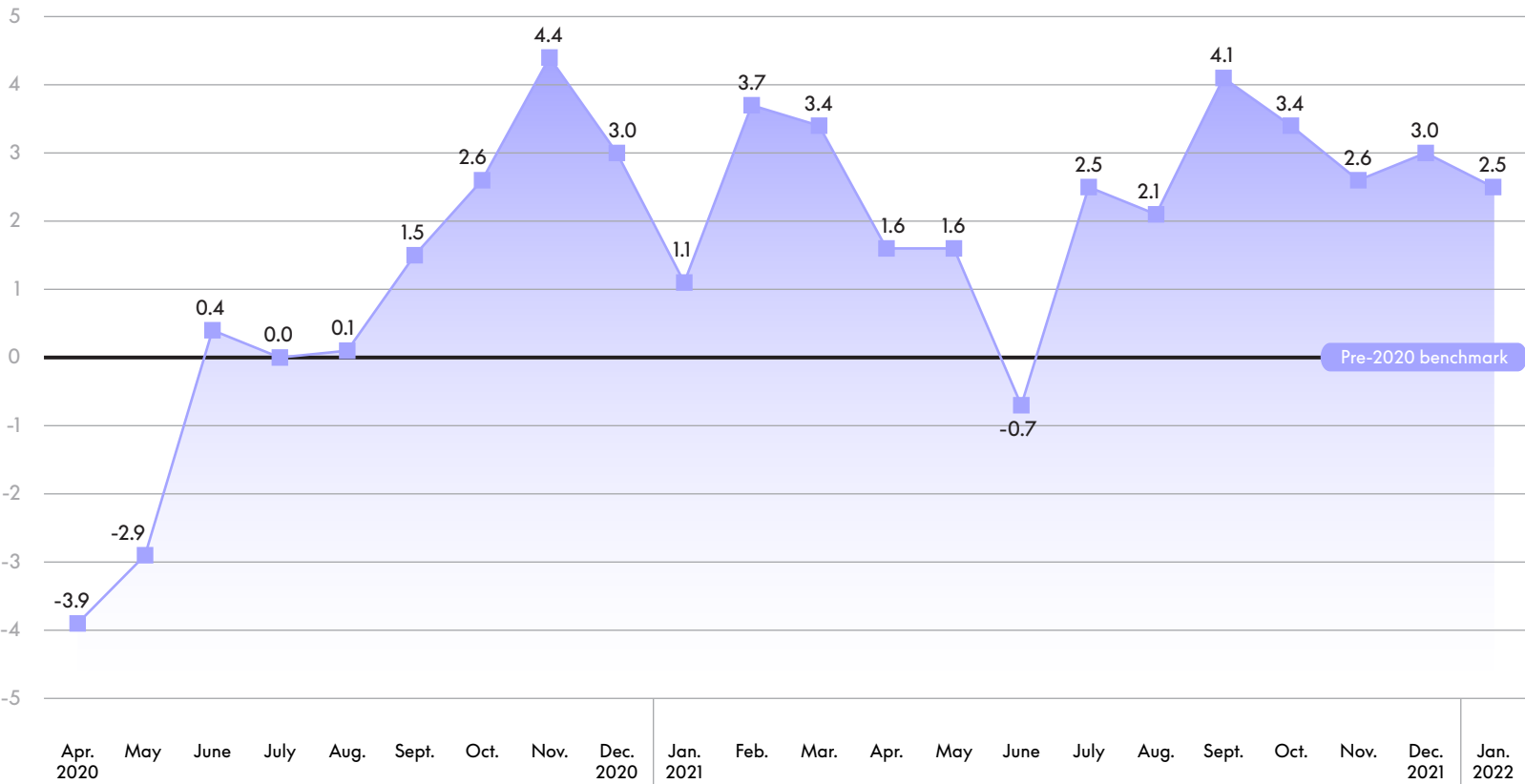
General psychological health

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 but has since fallen modestly in January to -5.7.



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 but has fallen again in January to 2.5 points above the pre-2020 benchmark.



Demographics

- Since the launch of the MHI, women have had significantly lower mental health scores than men. In January 2022, the mental health score of women is -14.8 compared to -8.3 for men.
- In each of the past 22 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 (-14.3) compared to those without children (-10.6).

Employment

- Overall, three per cent of respondents are unemployed³ and 14 per cent report reduced hours or reduced salary.
- Individuals reporting reduced hours compared to the prior month have the lowest mental health score (-22.7), followed by those reporting reduced salary (-22.5), and those not currently employed (-13.4).
- Managers have a lower mental health score (-12.9) than non-managers (-11.3).
- Individuals working for organizations with 2-50 employees have the highest mental health score (-10.0).
- Respondents working for companies with 51-100 employees have the lowest mental health score (-17.0).

Emergency savings

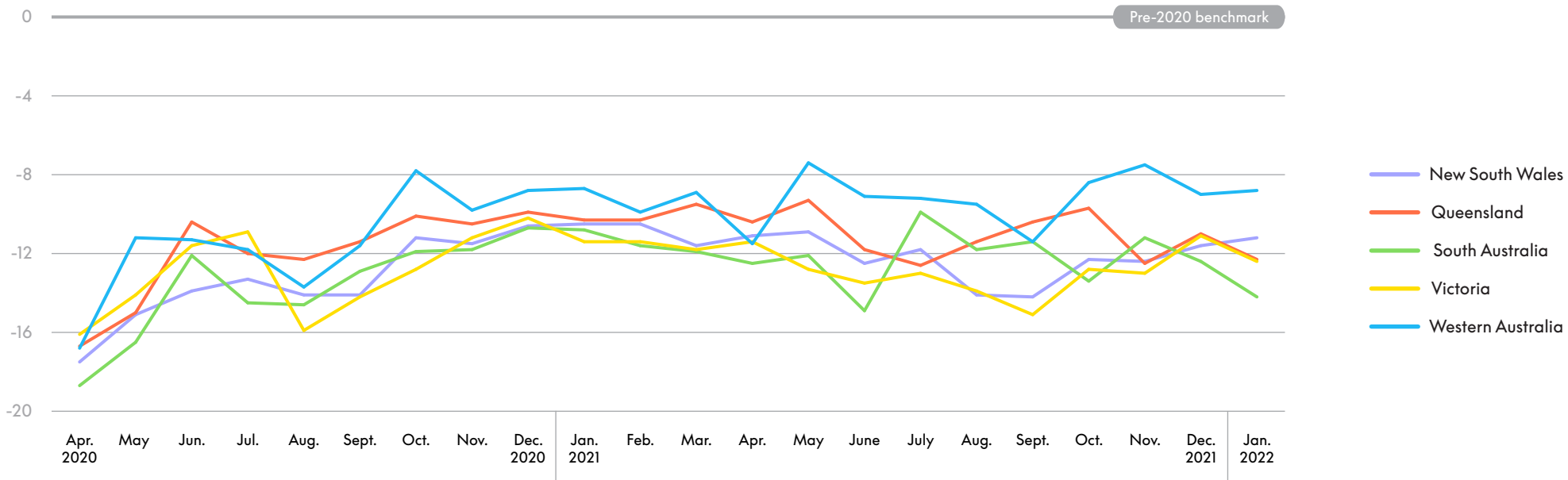
- Those without emergency savings continue to experience a lower mental health score (-25.9) than the overall group (-11.9). Individuals with emergency savings have a mental health score of -6.2.

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 January 2022, the mental health scores in Western Australia and New South Wales improved while mental health in Queensland, South Australia and Victoria have declined.

- The mental health score in Western Australia remains the strongest at -8.8.
- With a 1.8-point decline from the prior month, the lowest mental health score is in South Australia (-14.2).



Employment status	Jan. 2022	Dec. 2021
Employed (no change in hours/salary)	-10.0	-9.0
Employed (fewer hours compared to last month)	-22.7	-23.3
Employed (reduced salary compared to last month)	-22.5	-27.2
Not currently employed	-13.4	-16.2
Age group	Jan. 2022	Dec. 2021
Age 20-29	-21.7	-23.4
Age 30-39	-15.7	-13.5
Age 40-49	-13.5	-13.3
Age 50-59	-9.7	-9.9
Age 60-69	-5.9	-3.1
Number of children	Jan. 2022	Dec. 2021
No children in household	-10.6	-9.8
1 child	-16.7	-13.5
2 children	-12.5	-13.7
3 children or more	-10.3	-13.5

Region	Jan. 2022	Dec. 2021
New South Wales	-11.2	-11.6
Victoria	-12.4	-11.1
Queensland	-12.3	-11.0
South Australia	-14.2	-12.4
Western Australia	-8.8	-9.0
Gender	Jan. 2022	Dec. 2021
Men	-8.3	-8.3
Women	-14.8	-13.6
Household income	Jan. 2022	Dec. 2021
\$30K/annum	-22.6	-21.6
\$30K to <\$60K/annum	-19.4	-16.3
\$60k to <\$100K	-13.0	-12.8
\$100K to \$150K	-9.4	-9.9
\$150K and over	-5.6	-3.0

Employer size	Jan. 2022	Dec. 2021
Self-employed/sole proprietor	-13.4	-16.2
2-50 employees	-10.0	-7.6
51-100 employees	-17.0	-14.4
101-500 employees	-12.0	-13.0
501-1,000 employees	-11.9	-11.7
1,001-5,000 employees	-10.4	-11.1
5,001-10,000 employees	-14.2	-9.8
More than 10,000 employees	-10.6	-10.5
Manager	Jan. 2022	Dec. 2021
Manager	-12.9	-11.9
Non-manager	-11.3	-10.4

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 Other services (except Public Administration) have the lowest mental health score (-20.2) in January 2022, followed by individuals in Arts, Entertainment and Recreation (-19.1), and Retail Trade (-18.7).

Those employed in Transportation and Warehousing (-6.8), Manufacturing (-7.7), and Public Administration (-8.7) have the highest mental health scores this month.

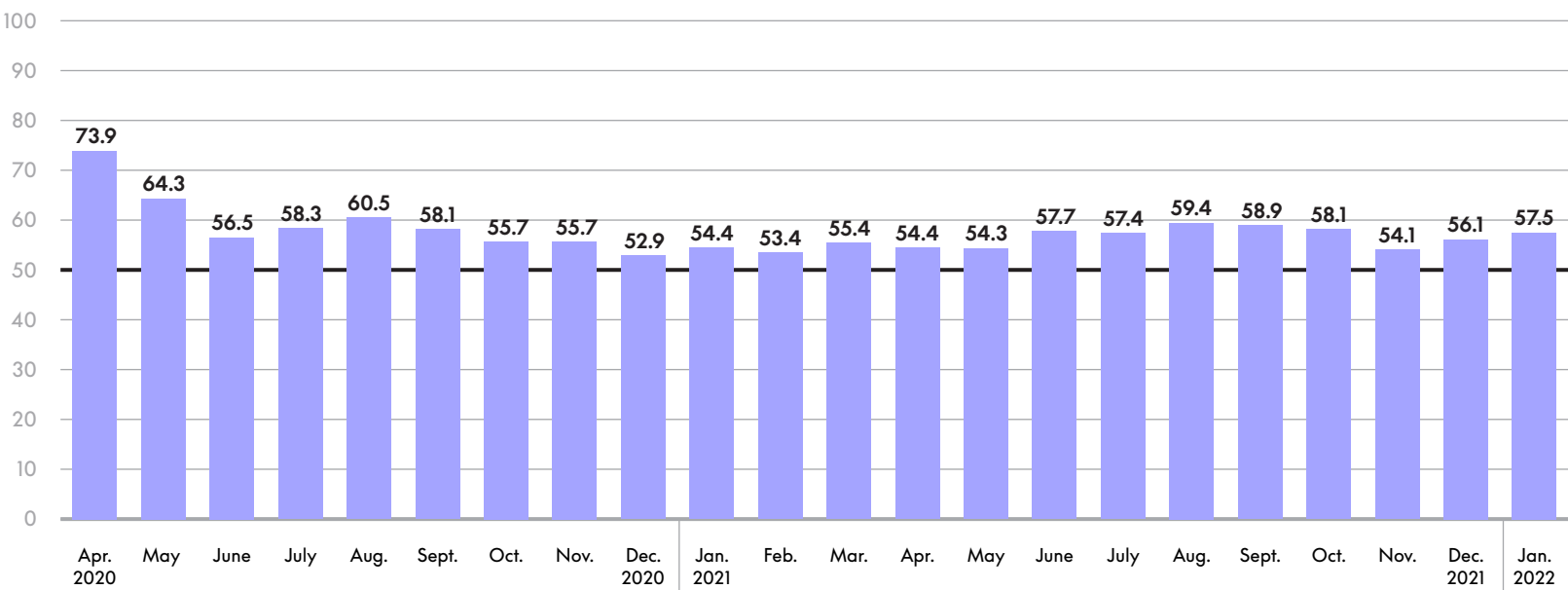
Changes from the prior month are shown in the table.

Industry	January 2022	December 2021	Change
Food Services	-14.3	-20.7	6.4
Other	-11.0	-15.4	4.5
Health Care and Social Assistance	-10.7	-11.6	0.9
Other services (except Public Administration)	-20.2	-20.2	0.0
Finance and Insurance	-10.3	-10.0	-0.3
Retail Trade	-18.7	-18.3	-0.4
Professional, Scientific and Technical Services	-9.9	-9.5	-0.4
Public Administration	-8.7	-7.9	-0.8
Educational Services	-13.1	-11.5	-1.6
Wholesale Trade	-14.2	-12.5	-1.8
Transportation and Warehousing	-6.8	-4.9	-1.9
Construction	-11.4	-8.8	-2.6
Administrative and Support services	-13.2	-10.4	-2.9
Manufacturing	-7.7	-4.2	-3.6
Arts, Entertainment and Recreation	-19.1	-7.1	-11.9

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 January 2022 is 57.5.** This reflects a net increase in mental stress compared to the prior month.

The current score indicates that 24 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.



▲ More mental stress
50 = No change from prior month
▼ Less mental stress

MStressChg
Current Month—
January 2022

57.5

MStressChg
December 2021

56.1

Mental Stress Change (percentages)

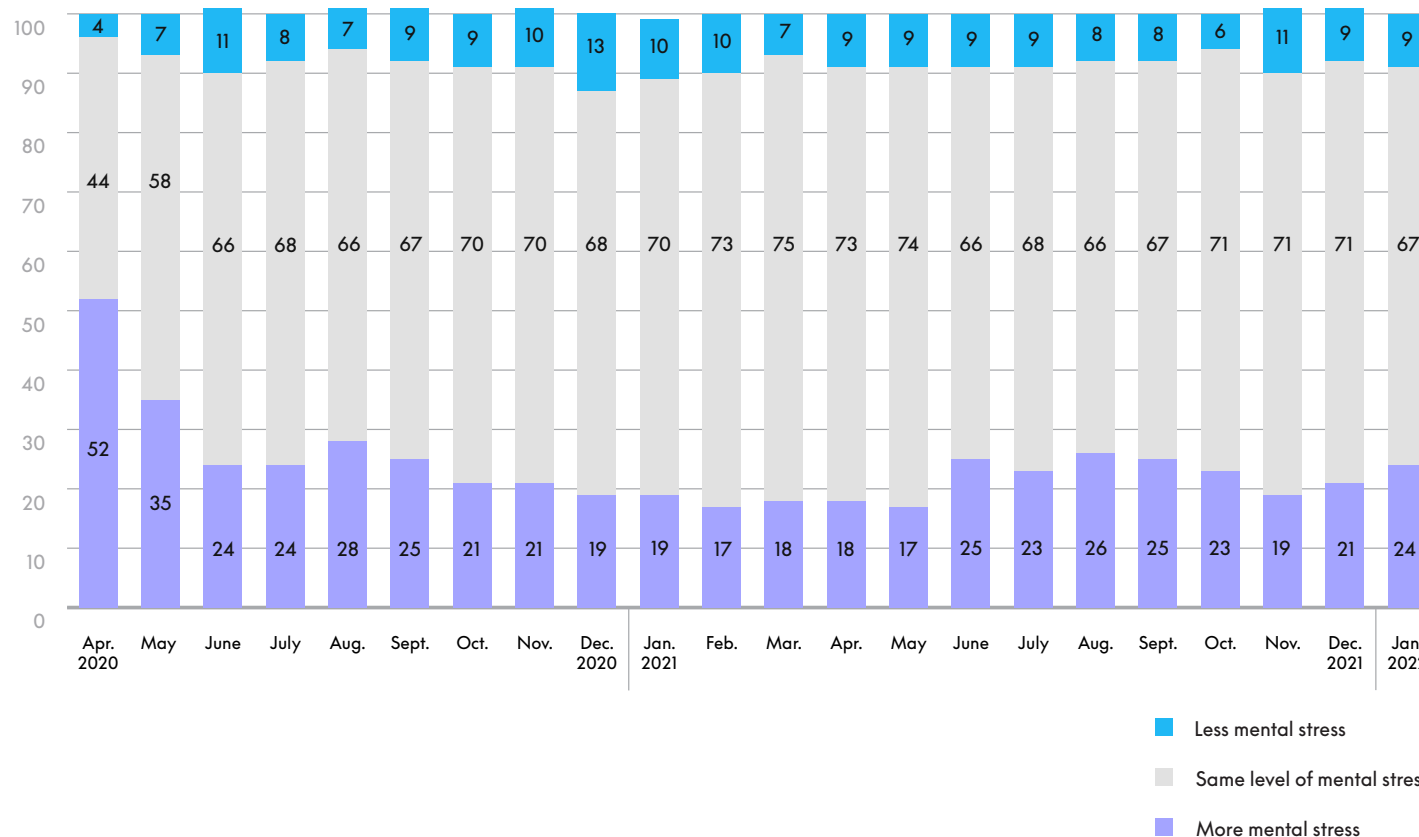
Mental Stress Change tracks stress changes each month.

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 24 per cent in January 2022, while 67 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.
- Since April 2020, women have had larger increases in mental stress compared to men. In January 2022, the mental stress change score for women is 59.4 compared to 55.1 for men.

Geography

- The greatest increase in month-over-month stress is for respondents living in New South Wales (58.2), Victoria (57.9), Western Australia (56.9), and Queensland (55.3).

Employment

- The greatest increase in mental stress is seen in employed people with reduced hours (62.4), followed by unemployed people (59.4), employed people with no change to salary or hours (56.8), and employed people with reduced salary (56.6).
- Managers have a greater increase in mental stress (58.8) than non-managers (56.8).

Employment status	Jan. 2022	Dec. 2021
Employed (no change in hours/salary)	56.8	54.1
Employed (fewer hours compared to last month)	62.4	66.7
Employed (reduced salary compared to last month)	56.6	67.7
Not currently employed	59.4	62.2
Age group	Jan. 2022	Dec. 2021
Age 20-29	56.8	63.9
Age 30-39	60.8	58.4
Age 40-49	59.6	56.3
Age 50-59	56.8	55.3
Age 60-69	53.2	51.5
Number of children	Jan. 2022	Dec. 2021
No children in household	56.1	54.4
1 child	62.6	60.2
2 children	58.7	57.6
3 children or more	52.9	56.3

Region	Jan. 2022	Dec. 2021
New South Wales	58.2	55.9
Victoria	57.9	55.3
Queensland	55.3	55.1
South Australia	59.1	58.9
Western Australia	56.9	58.8
Gender	Jan. 2022	Dec. 2021
Men	55.1	55.9
Women	59.4	56.2
Household income	Jan. 2022	Dec. 2021
\$30K/annum	52.7	61.5
\$30K to <\$60K/annum	62.4	59.5
\$60k to <\$100K	57.4	56.9
\$100K to \$150K	55.7	54.1
\$150K and over	57.5	54.1

Employer size	Jan. 2022	Dec. 2021
Self-employed/sole proprietor	56.2	56.8
2-50 employees	55.2	52.0
51-100 employees	63.5	61.5
101-500 employees	57.6	59.1
501-1,000 employees	57.0	54.2
1,001-5,000 employees	55.3	55.6
5,001-10,000 employees	60.8	55.5
More than 10,000 employees	59.1	56.4
Manager	Jan. 2022	Dec. 2021
Manager	58.8	60.1
Non-manager	56.8	53.0

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 January 2022, individuals employed in Administrative and Support services (51.0), Finance and Insurance (52.8) have the lowest increase in mental stress.

Individuals working in Entertainment and Recreation have the most significant increase in mental stress (66.7), followed by individuals employed in Other services (except Public Administration) (65.2), and Construction (63.5).

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

Industry	January 2022	December 2021
Administrative and Support services	51.0	55.0
Finance and Insurance	52.8	52.6
Other	54.2	61.0
Food Services	54.5	57.1
Public Administration	55.2	52.1
Manufacturing	55.5	54.8
Educational Services	55.7	53.6
Wholesale Trade	55.8	59.0
Transportation and Warehousing	57.3	52.3
Professional, Scientific and Technical Services	58.2	57.1
Health Care and Social Assistance	58.7	56.3
Retail Trade	63.5	55.3
Construction	63.5	50.0
Other services (except Public Administration)	65.2	52.0
Arts, Entertainment and Recreation	66.7	57.4

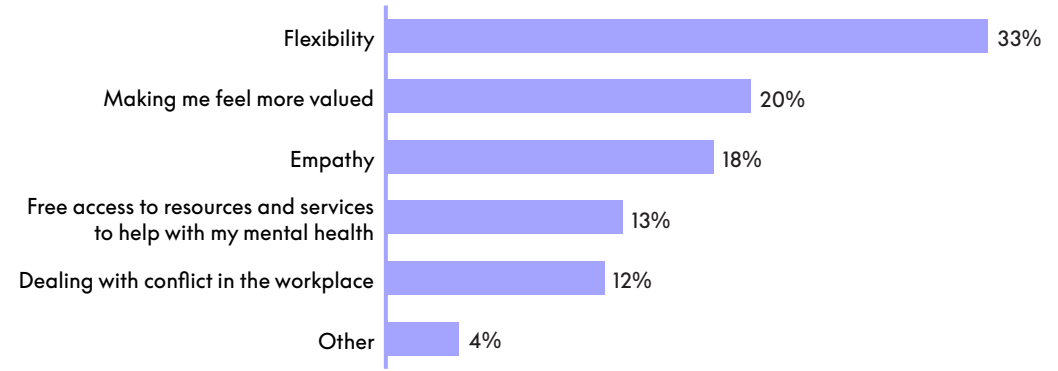
Spotlight

Mental health support

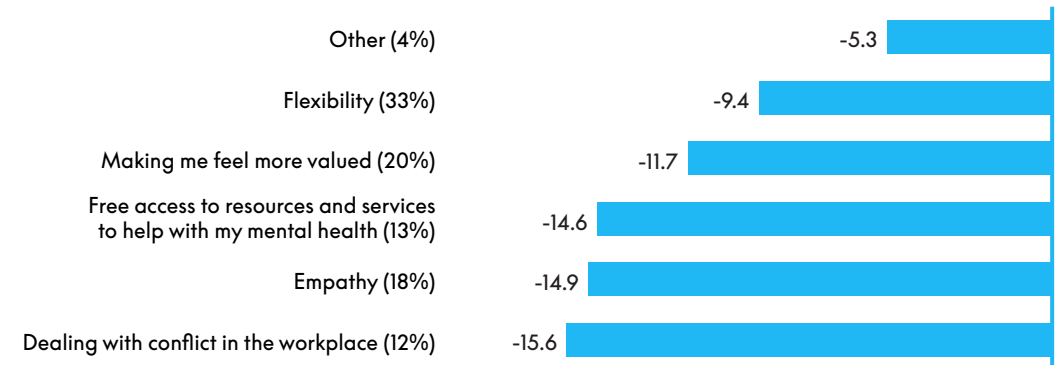
Australians were asked which action taken by their employer is most important in supporting their mental health.

- One-third (33 per cent) of Australians report that flexibility is the most important action taken by their employer in supporting their mental health. This group has a mental health score (-9.4) more than two points higher than the national average (-11.9).
- One-in-five (20 per cent) indicate that making them feel more valued is the most important action taken by their employer, followed by 18 per cent reporting empathy.
- The lowest mental health score (-15.6) is observed in 12 per cent of Australians who report dealing with conflict in the workplace is the most important action taken by their employer in supporting mental health.

Most important action taken by my employer in supporting mental health



MHI score by the most important action taken by my employer in supporting mental health

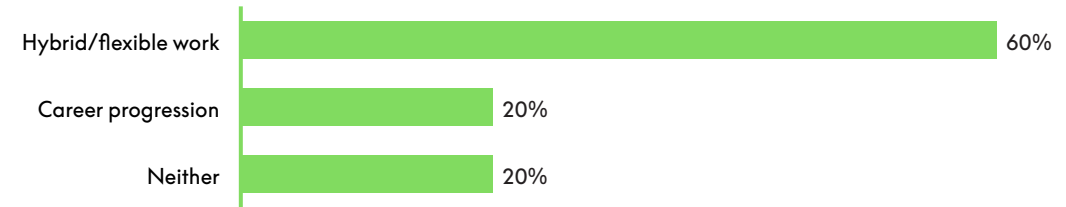


Importance of flexible/hybrid work or career progression

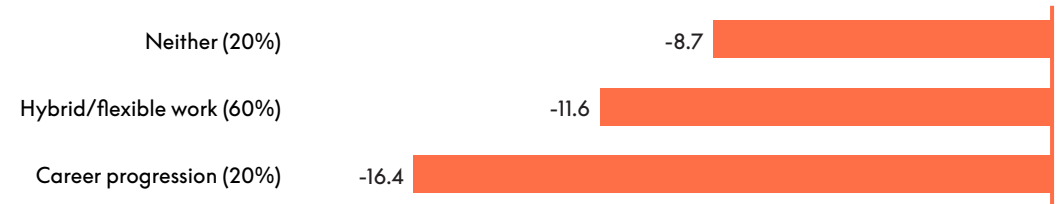
Australians were asked which is more important, flexible/hybrid work or career progression.

- Three-in-five (60 per cent) Australians report that flexible/hybrid work is more important than career progression.
- Managers are more than twice as likely as non-managers to indicate that career progression is more important than flexible/hybrid work.
- Parents are 60 per cent more likely than non-parents to indicate that career progression is more important than flexible/hybrid work.

Which is most important to you?



MHI score by which is most important to you

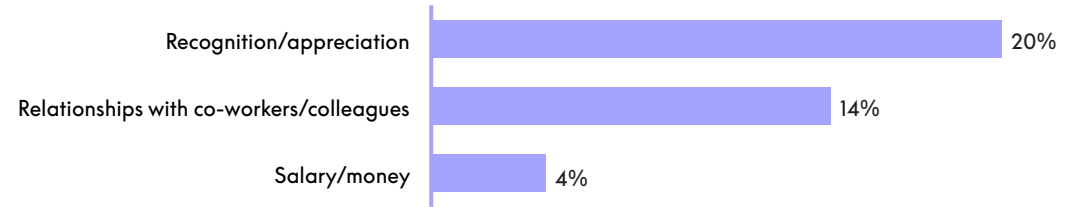


Belonging

Australians were asked what is most important for them to feel a sense of belonging at work.

- Australians most commonly reported recognition or appreciation, relationships with co-workers or colleagues, and respect as most important to feel a sense of belonging at work.
- Respondents reporting relationships with co-workers or colleagues as most important have higher mental health, work productivity and isolation scores than national averages.
- Those reporting recognition or appreciation as most important have lower mental health and isolation scores than national averages.
- Those reporting respect as most important have lower mental health, work productivity, and financial risk scores than national averages.

What is most important to feel a sense of belonging at work?

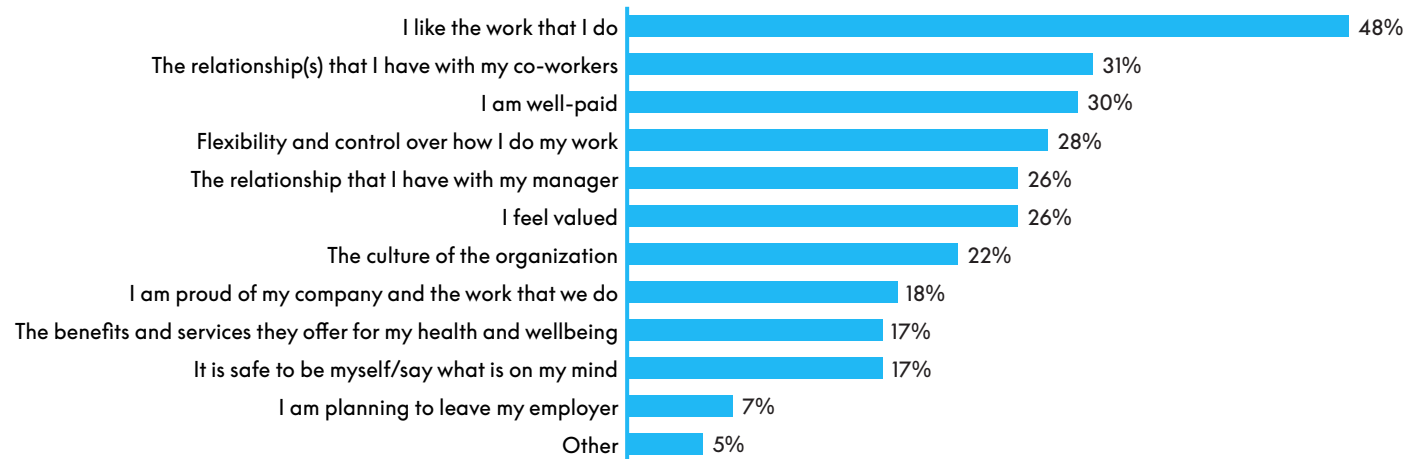


Reasons for remaining with an employer

Australians were asked for the reasons they stay with their employer.

- Nearly half (48 per cent) of Australians report that liking the work that they do is the reason they stay with their employer.
- Nearly one-third (31 per cent) indicate that relationships with their co-workers is the reason they stay, and 30 per cent report that being well-paid is the reason for staying with their employer.
- Nearly one-in-five (18 per cent) report that they are proud of their company and the work they do, and this group has the most favourable mental health score (-4.3).
- Seven per cent of Australians are planning to leave their employer and this group has a mental health score (-23.7) more than eleven points below the national average.
- Managers are more than 40 per cent more likely than non-managers to report that feeling valued is the primary reason for staying with their employer.

Reasons for staying with my employer



MHI score by reasons for staying with my employer

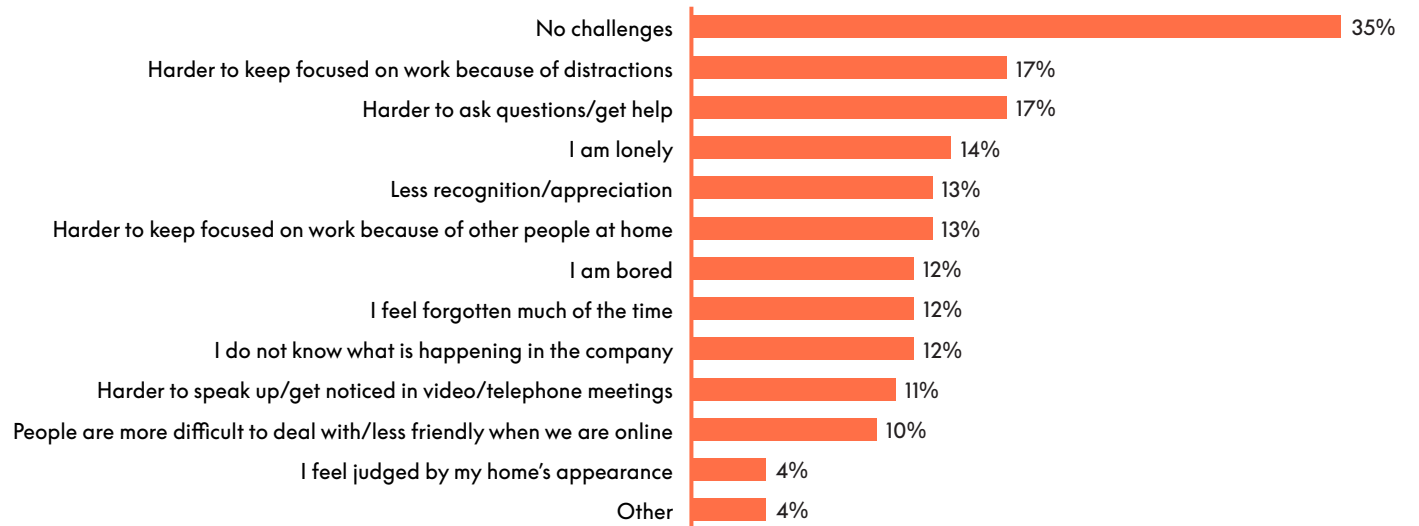


Work from home

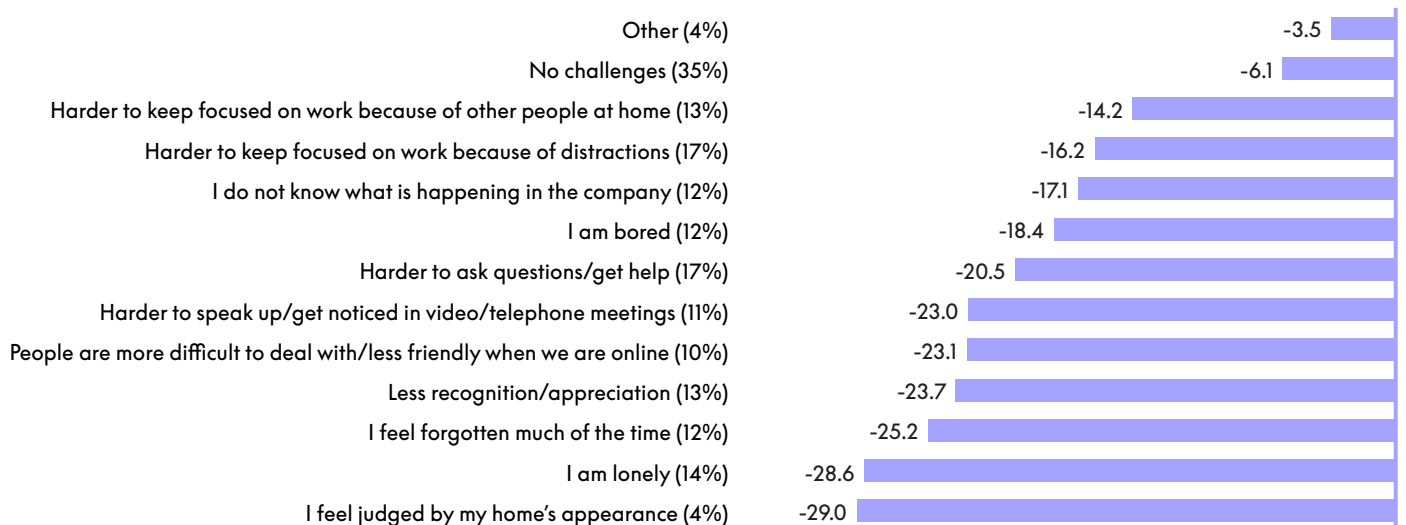
More than half (56 per cent) of Australians who report working from home were asked about the greatest challenge in this environment.

- More than one-third (35 per cent) do not have challenges working from home. This group has a mental health score (-6.1), nearly six points higher than the national average (-11.9).
- Fourteen per cent of Australians working from home feel lonely and 12 per cent feel forgotten most of the time. Both groups have mental health scores more than 13 points below the national average.

Greatest challenge working from home



MHI score by greatest challenge working from home

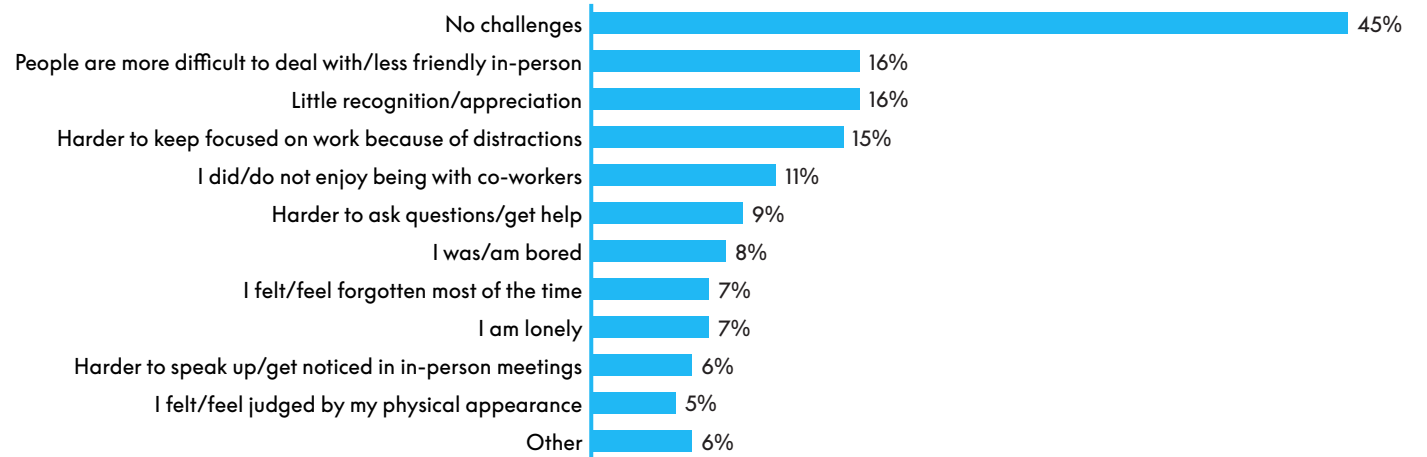


Work at jobsite

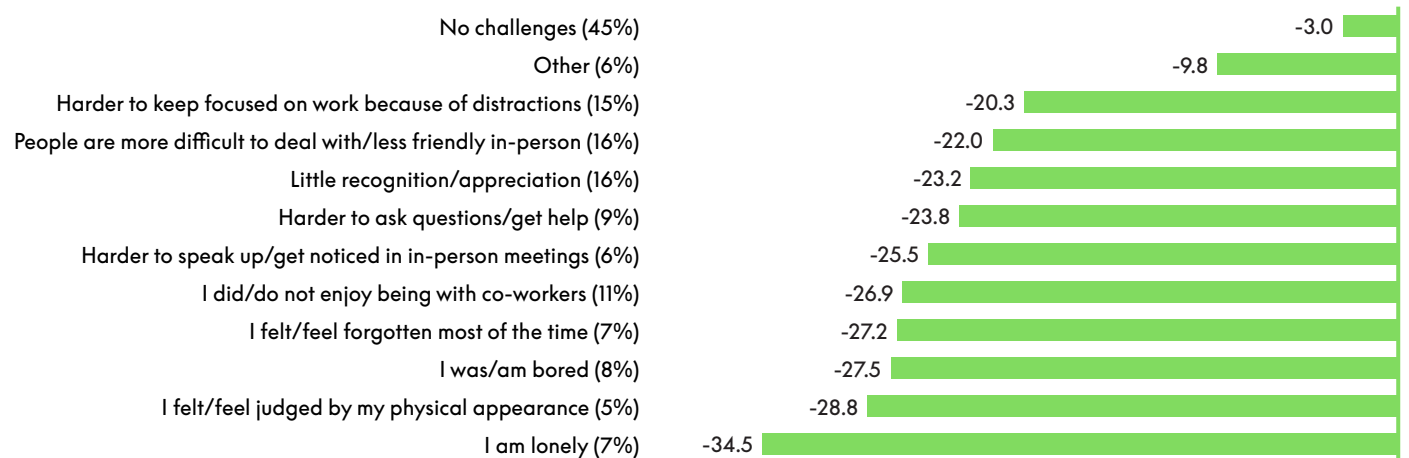
Australians working at the jobsite were asked about the greatest challenge in this environment.

- Nearly half (45 per cent) of Australians do not have challenges working at the jobsite. This group has the most favourable mental health score (-3.0), nine points below the national average (-11.9).
- Sixteen per cent indicate that the greatest challenge is that people are more difficult to deal with or less friendly in-person. This group has a mental health score more than 15 points below the national average.
- Despite being at the jobsite, 14 per cent of Australians say that they are lonely or feel forgotten much of the time. This group has a mental health score more than 15 points below the national average.
- Respondents older than 60 are 60 per cent more likely than those under 40 to report not having challenges at the jobsite.

Greatest challenge working at jobsite



MHI score by greatest challenge working at jobsite



Career impact of work from home

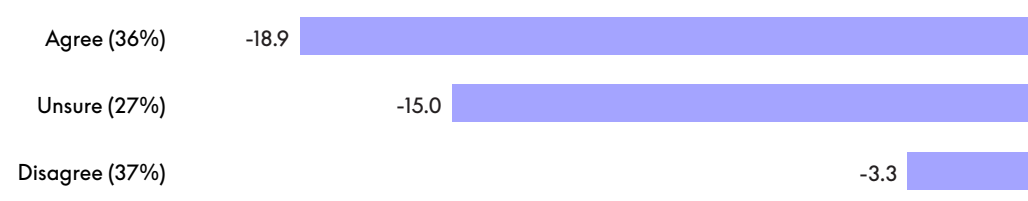
Australians were asked whether they would be concerned that career opportunities would be limited if they were to work from home full or part-time.

- More than one-third (36 per cent) of Australians believe that their career opportunities would be limited if they were to work from home. The mental health score of this group (-18.9), is seven points lower than the national average (-11.9).
- Nearly two-in-five (37 per cent) do not believe that their career opportunities would be limited, and this group has the most favourable mental health score (-3.3).
- Australians under the age of 40 are 80 per cent more likely than those 50 and older to believe their career opportunities would be limited if they were to work from home.

Are you concerned about career opportunities if working from home?



MHI score by concern about career opportunities if working from home



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 January 13 and 26, 2022.

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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