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## Research Insights

# Taking the Pulse of the Nation

Significant differences across age groups in many dimensions: satisfaction with government policies to support jobs; reporting of financial stress; experience of mental distress; limiting activities outside homes.

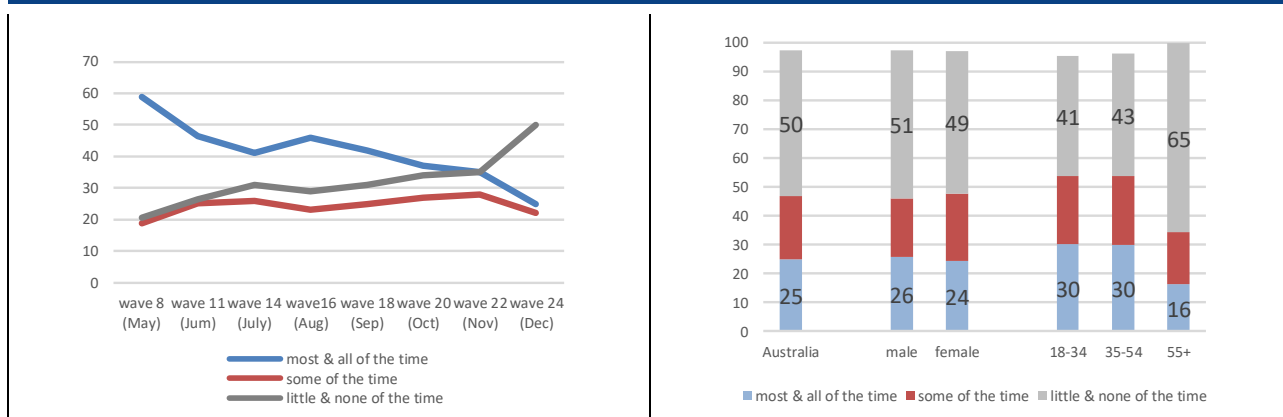
## Melbourne Institute's Survey of the Impact of COVID-19 in Australia

### Survey Results\*: Wave 24 (30 November – 7 December 2020)

*Significant differences across age-groups in many dimensions: satisfaction with government policies to support jobs; reporting of financial stress; experience of mental distress; limiting activities outside homes.*

- The Australian economy rebounded strongly in the September quarter 2020, lifting Australia out of a technical recession. Quarterly GDP growth was a strong 3.3% in the September quarter, after two consecutive quarters of negative growth (-0.3 per cent in the March quarter and -7.0% in the June quarter). Expressed in annual terms, GDP remained 3.8% lower over the year. Consumption grew by a strong 12.5% in the September quarter after a fall of 7.9% in the June quarter, reflecting the easing of COVID-19 restrictions about working on-site, eating out and visiting hairdressers, to name a few activities allowed. Another sign of the recovery was that employment in October was 3.4% higher than in June.
- The strong recovery reflected the flattening of the coronavirus curve, opening of state borders as well as the support of monetary and fiscal policies to stimulate demand and support employment. The majority of Australians have remain satisfied with government policies for the last 8 months, from lockdown to easing of restrictions to economic recovery. In wave 24, the proportions of males and females satisfied with policies were not statistically different, but there was a clear difference across the age-groups with the proportions satisfied increasing with age: 18-34 years (41%), 35-54 years (58%) and 55+ years (67%).
- The proportion of Australians vulnerable to financial stress (namely the proportion having difficulties paying for essential goods and services plus the proportion making ends meet), remained above 50%, although the latest result of 51% is the lowest on record. According to the latest survey, fewer females were financially comfortable compared to males (there is a 5 pts gap). However, while 65% of the 55+ age-group were financially comfortable, only about 1 in 3 of people aged under 55 years were financially comfortable, i.e. 18-34 years (32%) and 35-54 years (33%).
- The majority of Australians continued to report experiencing anxiety and depression a little to none of the time. In wave 24, more females (22%) experienced mental distress than males (15%). Age-wise, in the survey conducted in early December, mental distress fell with age: 18-34 years (27%), 35-54 years (22%) and 55+ years (7%).
- The proportion of people limiting activities outside their houses because of concerns about contracting Covid19 has been trending down and is now around 25% (down from a high of 59% in wave 8 during early May when lockdowns were in place). In the latest survey, 50% of Australians were limiting activities little to none of the time, with negligible differences between males and females. There was, however, a significant difference between the age groups, with 1 in 3 of those aged under 55 years still limiting activities outside their houses.

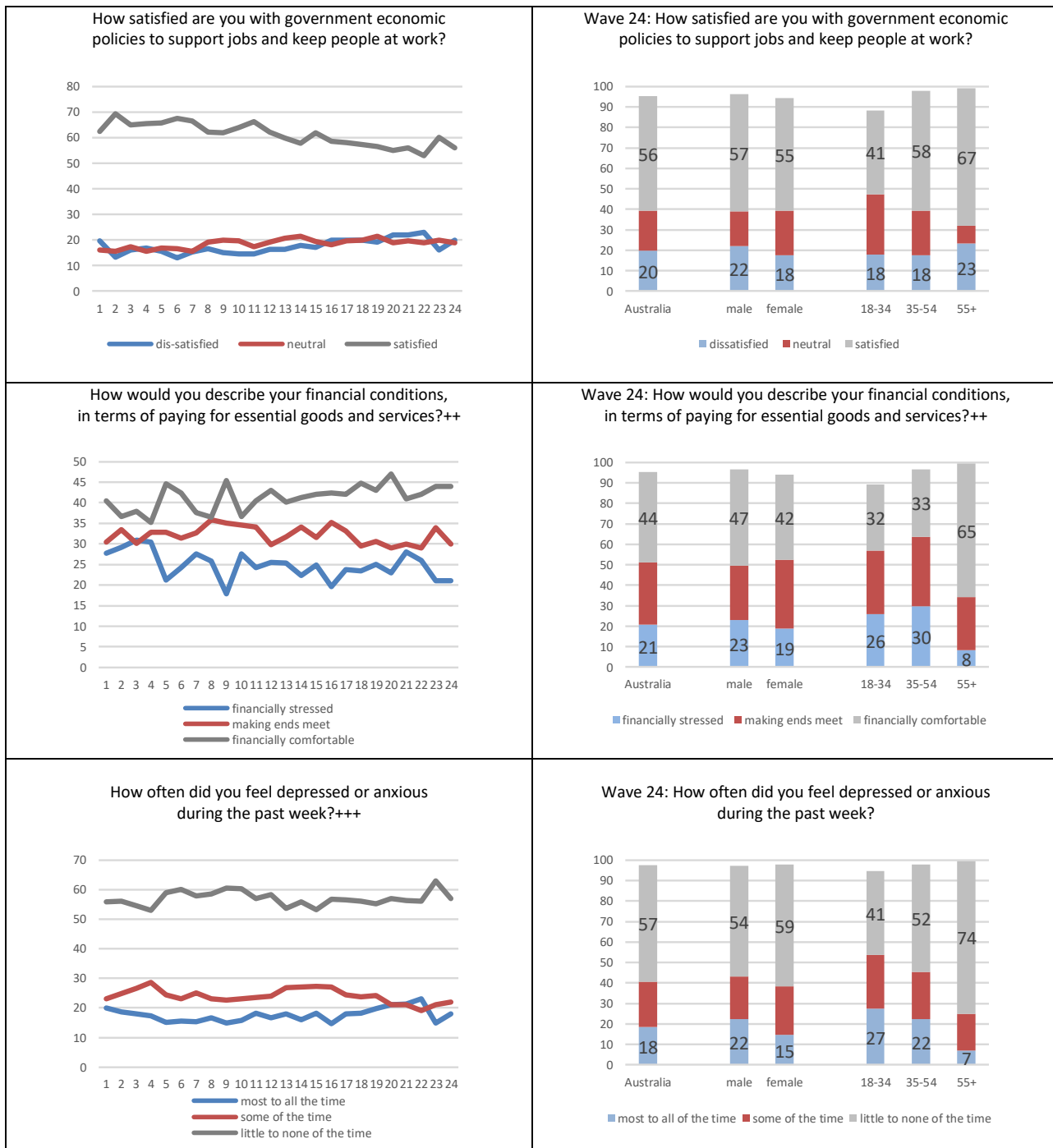
**Figure 1: How often do you limit activities outside of your house because of concerns about contracting Covid-19? (proportions, %)**



\* The survey contains responses from 1200 persons, aged 18 years and over. The sample is stratified by gender, age and location to be representative of the Australian population.

**Figure 2: How are Australians coping with COVID-19?**

24 waves of surveys from April 6 to December 6 (Proportions, %)\*



\* The proportion in the "don't know/refused" category, is very small and has been excluded from the figures.

++ Financial stress refers to the situation of having difficulties paying for essential goods and services while financial vulnerability refers to being in financial stress or making ends meet.

+++ The question about feeling depressed is about assessing symptoms/experiences and not about assessing the presence of a clinical diagnosis or disorder.



### **Coping with the pandemic: What have we learnt?**

Throughout the 8 months of the *Taking the Pulse of the Nation* survey, many [Research Insights](#) were written about how Australians coped with the pandemic and about what policies needed re-thinking to support how Australians live and work post-pandemic. Here's a round-up of the key insights, for more details, see [Coping with COVID-19: Rethinking Australia](#).

#### **A health shock .....**

According to Yuting Zhang, Anthony Scott, Judith Liu, and Susan Méndez ([The Future of Healthcare After COVID-19](#)) COVID-19 has caused significant changes in the use of health care, changing the way healthcare is delivered. The key lessons going forward lies with innovative models of delivery supported by changes to funding models whilst reducing waste.

#### **..... that caused financial stress to many, but especially to women and the younger aged groups .....**

Guyonne Kalb and Jordy Meekes ([Changing Labour Force Status: Covid-19 Impacts by Gender and Age](#)) note that women and young people have been affected the most by the economic crisis arising from the COVID-19 pandemic. They argue that understanding how and why will assist policy design coming out of the crisis.

Relatedly, Roger Wilkins ([Household Incomes: The Real Test is Yet to Come](#)) shows that income inequality, which was broadly stable in the period leading up to the pandemic, persisted over the course of 2020. However, the prevalence of low household incomes has increased for women, young adults, and people employed in the worst-affected industries.

Likewise, Abigail Payne and Rajeev Samarage ([Is Poverty in Australia Increasing? Regional Poverty and COVID-19 Effects](#)) showed that financial stress is higher in regions with higher poverty rates (even for those employed full time). They explored the link between regional poverty rates and the economic challenges resulting from the pandemic.

#### **..... with heightened mental distress amongst the unemployed and parents .....**

Ferdi Botha, Peter Butterworth and Roger Wilkins ([Heightened Mental Distress: Can addressing Financial Distress Help?](#)) show that economic circumstances, financial stress in particular, has been an important driver of mental distress during this health crisis. They argue that supporting the financial wellbeing of Australians through income support and job creation initiatives will help mitigate the epidemic of mental distress.

Meanwhile, Barbara Broadway, Susan Mendez and Julia Moschion ([Help! High Levels of Parents' Mental Distress](#)) document that 24 percent of about 5 million parents with children under 18 in Australia have reported high rates of mental distress since the start of the pandemic. Evidence suggests this persisted well beyond the end of local lockdowns.

#### **..... but more unemployed are upskilling, and more of the employed would like to continue working from home .....**

As noted by Nicolas Salamanca and Cain Polidano ([Training for New Skills: Next Steps for Improving Employment Opportunities](#)), intentions to study skyrocketed during the pandemic, mostly driven by the unemployed, for whom anxiety and uncertainty matter a great deal.

Furthermore, Mark Wooden and Guay Lim ([Working from Home: Is It Here to Stay?](#)) observed that the COVID-19 pandemic has seen a dramatic transformation in how people work, with many required to work from home. The 'experiment' with working from home may have fundamentally changed work practices in some businesses forever and at a minimum, it has created a taste for remote working among many Australian workers.

#### **.....and Australians are urged to continue with mitigation strategies to sustain a post-Covid Normal recovery.**

Marco Castillo and Ragan Petrie ([Adopting Mitigation Strategies: A Marathon Not a Sprint](#)) remarks that the health and economic wellbeing of Australia depends on the acceptance of mitigation measures until a vaccine is widely available and taken by a large majority of the population. Even with a vaccine, the roll out will be slow and the effectiveness will be less than perfect, so mitigation policies will remain vital in the coming months and possibly years.

Alongside this, Guay Lim, Viet Nguyen, Tim Robinson and Sam Tsiapias ([The New Normal: Navigating an Economic Recovery](#)) argue that strong household consumption growth is crucial for a domestic-led recovery in the face of a bleak global outlook and low population growth. However, consumption growth is likely to be uneven across Australia and, while improving wage growth will help the majority of Australians vulnerable to financial stress, lifting living standards also requires improving productivity growth and labour force participation.

# Melbourne Institute: Applied Economic & Social Research

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## About the survey

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These results have been drawn from *Taking the Pulse of the Nation* - Melbourne Institute's survey of the impact of COVID-19. The aim of the weekly survey is to track changes in the economic and social wellbeing of Australians living through the effects of the coronavirus pandemic whilst adapting to various changes in Federal and State government policies.

The survey contains responses from 1200 persons, aged 18 years and over each week. The sample is stratified by gender, age and location to be representative of the Australian population.

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