The four big areas that affect all of us are who we share our lives with, what we do with our time, how we are managing financially, and what we think are the good and bad things about our lives. To understand the things that affect you, our interviewers ask questions about your family, education, employment, income and how you feel about various aspects of your life.

Our aim is to find out how things are changing in Australia. To do this we need to ask many of the same questions every year. Surprisingly, when people think nothing has changed and they are asked the same questions, we often find that things have changed.

In this year's interview, we are pleased to introduce some new questions about the issues that teenagers and young adults face when making choices about work, education, housing and relationships. You are our future and researchers need to understand the issues that are important to you!

With your help, we have now completed the third year of the study and are beginning the fourth year. The information you provide is absolutely vital and gives researchers a better understanding of the many economic and social changes that affect life in Australia.

Results from the Living in Australia study are making headlines. You may not have recognized the study as researchers refer to the study as the Household, Income and Labour Dynamics in Australia study (HILDA). The main topics covered in the articles published recently include:

- Happiness, income and wealth;
- Unpaid overtime;
- Couples: paid work and household work; and
- Balancing parenting and work.

To read some of these articles visit our website www.livinginaustralia.org.

Researchers are using the Living in Australia data in a wide range of projects. Here are some recent research projects:

- Shaping Australia's Future
- Moving to the fourth year of the Living in Australia study
- Young People
- More information

Reason for move Proportion of movers Typical distance moved

<table>
<thead>
<tr>
<th>Reason for move</th>
<th>Proportion of movers</th>
<th>Typical distance moved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>51%</td>
<td>4 km</td>
</tr>
<tr>
<td>Personal/family</td>
<td>34%</td>
<td>13 km</td>
</tr>
<tr>
<td>Work/education</td>
<td>16%</td>
<td>77 km</td>
</tr>
<tr>
<td>Neighbourhood</td>
<td>7%</td>
<td>8 km</td>
</tr>
</tbody>
</table>

Note: The reasons given for the move could fall into one or more categories.

Distance and reason for move

The Living in Australia study has shown that nearly one-fifth of the Australian population moves house each year.

To ensure this study remains representative of people that move as well as those that don't move, it is important that we keep your address details up to date. You can do this by calling 1800 656 670 or emailing your new details to livinginaustralia@acnielsen.com.au.

If you have any questions, need more information or want to get a message to your interviewer please telephone 1800 656 670 or visit our website www.livinginaustralia.org. When your interviewer arrives they will also be able to help with any queries you may have.

Should you have any concerns about the conduct of this study, you are welcome to contact the Executive Officer, Human Research Ethics, The University of Melbourne by calling 03 8344 2073 or sending a fax to 03 9347 6739.

Thank you for your continued support of this important study.
Most people believe that the rich stay rich, middle income people stay in the middle, and the poor stay poor. Panel studies in other countries, which are like the Living in Australia study, have cast considerable doubt on this belief. They have shown that most families who become poor are no longer poor within two to three years. In most countries the rich are a somewhat more stable group, but there is still a fair amount of mobility in and out of this group.

The Living in Australia study has only been running for a short time, so it is too early to say to what extent poverty in Australia is long term or short term. But we can say whether people who were poor in 2001 remained poor in 2002.

The data shows that some people have been very upwardly mobile, with 14 per cent of people who were in the lowest 10 per cent of incomes in 2001 moving to the top half of the income distribution in 2002. Only 40 per cent of people who were in the lowest 10 per cent of incomes in 2001 remained there in 2002. Almost one fifth (18 per cent) remained in the bottom half of the income distribution, but they were nowhere near poverty.

Common sense perhaps says that people who have more money are bound to be happier. Research has never really found this. The usual finding, not just in Australia but in all Western countries where the issue has been studied, is that people with high incomes are only slightly more satisfied with their lives as a whole. Also, it seems that extra income does not produce extra happiness if everyone becomes better off.

The new Living in Australia evidence on wealth changes the story in one important way. Almost all previous research has looked only at incomes. It seems clear from our new evidence that wealth actually makes a bigger difference than income to life satisfaction. This can be seen in the graph at the top of the next page which shows life satisfaction against household wealth and income. Life satisfaction clearly rises much more with household wealth than it does with income. Indeed looking at income, life satisfaction does not change greatly between the poorest households and the richest.

Overall, these results make a lot of sense. If you have assets to fall back on, then you can cope a lot better with the hard times when regular income is cut off. For example, a family can cope better with the financial consequences of poor health, and of course retirement.

While money helps, it still makes only a relatively small difference to life satisfaction. It still takes very large increases in wealth to achieve the same increases in life satisfaction as, say, getting married or ending a period of unemployment and finding a job.

Health, wealth and happiness - results from the Living in Australia study

Proportion of people who say their health is 'excellent' or 'very good'

Life satisfaction by household income and wealth group

Household Wealth Group

Income Group

Life Satisfaction, 0 to 10 Scale

Lowest quartile

Second lowest quartile,

Middle quartile,

Highest quartile

In 2002, 7% of people were not in work, compared with just 3% of people in 2001. This could be for two reasons. First, people can use their wealth to buy better health, both in the form of better treatment and more healthy lifestyles. Second, people who are not particularly healthy will have been restricted in their ability to build up wealth over their lifetime. These findings provide further evidence of the need for income support for the poorest sections of our society, and especially our aged population.