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Centre for Social Impact

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Introducing Australia’s Social Pulse

Having access to safe, affordable, secure housing; an adequate standard of living; good health; education; social inclusion and the right to services, supports and care that recognizes the needs of individuals and treats them with dignity and respect regardless of their backgrounds, are aspects of life that we all need, value and aspire to (Maslow 1943; e.g. living ‘a good life’, Sen, 1999; Nussbaum, 1992; subjective wellbeing; Hamilton and Redmond, 2010; OECD, 2011). They affect our happiness and make our society economically stronger (e.g. Stiglitz, 2009) and are a human right (UN Human Rights Conventions). And yet, in Australia and across the world, access to those fundamental features of life is still a struggle for many.

Economic indicators like GDP, unemployment, inflation and interest rates, are all well established and regularly reported on in mainstream media. But what about the parts of our lives that tell the story of our social progress? How are we doing in other areas that matter to our lives?

It has been recognised, especially after the Global Financial Crisis, that indicators other than financial measures matter and that collectively they paint a holistic picture of how countries are faring (ABS, 2002b; Saunders, 2010; D’Acci, 2011). This led to nations, institutions and transnational bodies developing criteria for measuring wellbeing alongside economic prosperity to capture how people are faring, their experiences and aspirations beyond material needs (Saunders, 2010).

While some efforts have been undertaken locally, Australia’s social purpose sector lacks a cohesive, consistent and reliable source that tracks our social progress. Without this, we cannot determine if we are improving social outcomes, addressing complex social problems and strengthening society. Nor can we evaluate whether our financial investments in social areas are achieving their aims. Australia’s Social Pulse responds to these gaps by providing rigorous measurement of the nation’s social progress.

Building on existing Australian social statistics, Australia’s Social Pulse measures changes over time in key social indicators across a range of domains. It uses statistical analysis to investigate associations between outcomes and community, household, and individual characteristics to provide an in-depth understanding of the nation’s social pulse. The report examines key indicators across the following domains:

- Education
- Employment
- Health
- Disability
- Living standards
- Housing and homelessness
- Social cohesion
- Life satisfaction

Australia’s Social Pulse helps answer crucial questions such as ‘How is Australia tracking against key social issues? Who is faring well and who is faring poorly? How have outcomes changed over time, and for whom?’ This report is designed to be used across the social purpose sector and to help identify where initiatives, policies and/or investments are needed to improve social outcomes. It indicates areas or particular population cohorts in which innovation, investment or policy changes may be required in the future, and provides an almanac of how Australia is faring in some of the most important social areas.
LIFE SATISFACTION

An individual’s quality of life is affected by many objective factors, like health, education, employment, or housing, but it is also dependent on how they subjectively assess their circumstances and wellbeing (OECD n.d.). Measurement of subjective wellbeing is complex and contested (International Wellbeing Group, 2013), but is important to understand people’s experiences and “provide an external check on economic indicators” (Kahneman and Krueger, 2006).

Life satisfaction is a subjective indicator of quality of life and a key component of subjective wellbeing (Diener, 1994). Measuring life satisfaction is important because it affects, and is affected by, many other domains of life. For example, high life satisfaction contributes to key positive social outcomes, such as better health and longevity (Diener and Chan, 2011). In parallel, life satisfaction will be affected by experiences in employment or in relationships (Stansfeld et al., 2013). As such, together with the other domains considered in this report, life satisfaction can inform how well Australia is faring, at an individual and societal level.

This section explores how Australians rate their overall quality of life, as well as how satisfied they are with specific aspects of life including their: employment opportunities; financial situation; free time; home; community; neighbourhood; safety; and health.

Key statistics

- On average, according to data from the HILDA survey, Australians have high levels of overall life satisfaction (7.9, on a scale of 0 to 10, where 10 is completely satisfied).
- People’s satisfaction is highest with how safe they feel (8.2) and lowest with their financial situation (6.5)
- Analysis of 2013 HILDA data reveal that satisfaction with various aspects of life are lower than average for people with a disability and for people experiencing psychological distress
Findings

Overall life satisfaction indicates how people feel, on the whole, about their life. Life satisfaction was measured on the HILDA survey using a scale of 0 to 10, where 0 is completely dissatisfied and 10 is completely satisfied. According that survey, between 2001 and 2013 the average level of overall satisfaction was 7.89 (see Figure 1). The level of overall satisfaction with life has not changed significantly between 2001 and 2013 (p < 0.05).

When looking at satisfaction with specific aspects of life, individuals were, on average, most satisfied with how safe they feel and the home in which they live. They were least satisfied with their financial situation (Figure 1). Satisfaction with the various aspects of life was also measured on a scale of 0 to 10, with 0 indicating completely dissatisfied and 10 completely satisfied. How satisfied people were with their safety increased significantly from 7.86 in 2001 to 8.24 in 2013, but there was little change in levels of satisfaction over time in the other areas.

Figure 1: Mean level of life satisfaction overall and with specific aspects of life

While the average level of overall life satisfaction and satisfaction with various aspects of life between 2001 and 2013 was quite high, analysis of the HILDA data reveal that scores varied widely across population groups (Figure 2). In 2013, younger people aged 15 to 24 year and older people aged 65 and had significantly higher levels of satisfaction with their life overall than 25 to 64 year olds (p < 0.01). Likewise, women had significantly higher overall life satisfaction than men (p < 0.01).

Overall life satisfaction was also associated with psychological distress, with overall life satisfaction likely to decrease as psychological distress increased. Similarly, people with a disability had lower levels of overall life satisfaction compared to people with no disability (p < 0.01), with a predicted score of 7.62 and 8.01 respectively.

Interestingly, Indigenous people had significantly higher levels of overall life satisfaction than their non-Indigenous counterparts (p < 0.05) with a predicted score of 8.10 compared to 7.89. While no differences were found in level of overall life satisfaction in relation to the area-level of disadvantage, remoteness was associated with life satisfaction. Individuals living in regional and remote areas had indeed higher levels of life satisfaction than those living in major cities (p < 0.05; Figure 2).
Figure 2: Predicted score of level of overall life satisfaction, population aged 15+

Source: Based on linear regression from HILDA 2013 data, n = 17,266
Notes: Results based on responding person file results, including all control variables above.
1 Regression based on individuals aged 15 and over
2 Kessler 10 category of level of psychological distress
3 Socioeconomic Index for Areas: quintile of relative disadvantage

Differences in satisfaction levels across the population

The subjective nature of life satisfaction implies that how satisfied a person or group is with various aspects of their life might not be the same for other people (ABS 2009). Below we discuss how a range of characteristics were associated with satisfaction with specific aspects of life: employment opportunities; financial situation; free time; home; community; neighbourhood; safety; and health. These findings draw on data from the HILDA survey and use linear regression models to control for potentially confounding variables.

Age

On average, people aged 65 and over were had significantly higher levels of satisfaction with all aspects of their lives compared to people aged 25 to 64 (p < 0.01 for all; Figure 3). Particularly, older people had a much higher predicted score for their level of satisfaction with the amount of free time and their financial situation – 1.74 and 0.97 points higher respectively – compared to 25 to 64 year olds. Even the predicted score for the level of satisfaction with their health was higher for people aged 65 and over than people aged 25 to 64, although to a lesser degree (0.16 points higher). This may be because satisfaction levels are associated with expectations, such that older Australians have lower expectations that they will have good health compared to 25 to 64 year olds, for example.

There were fewer significant differences in the satisfaction levels of younger people aged 15 to 24 and 25 to 64 year olds. Younger people had, however, significantly higher levels of satisfaction, compared to 15 to 64 year olds, with: the amount of free time they had (p < 0.01); the home in which they lived (p < 0.01); how safe they felt (p < 0.01); and their health (p < 0.01) (see Figure 3).
Figure 3: Predicted score of level of satisfaction with specific aspects of life, by age, population aged 15+

Source: Based on linear regression from HILDA 2013 data

Gender

There were small but significant differences in the satisfaction levels of men and women relative to their amount of free time, feeling part of the community, their neighbourhood and their safety (Figure 4). In particular, women were significantly less satisfied than men with their amount of free time (p < 0.01) and safety (p < 0.01), with the predicted scores for women 0.28 and 0.09 points lower respectively. On the other hand, women were more satisfied with feeling part of the local community (p < 0.01) and their neighbourhood (p < 0.01) than men. The predicted scores for women were 6.72 for satisfaction with feeling part of the community and 7.85 for satisfaction with their neighbourhood, compared to 6.53 and 7.75 for men.

Figure 4: Predicted score of level of satisfaction with specific aspects of life, by gender, population aged 15+

Source: Based on linear regression from HILDA 2013 data
Disability status

People with a disability were significantly less satisfied than people with no disability in 6 out of 8 aspects of life (Figure 5). Specifically, people with a disability were significantly less satisfied with their employment opportunities (p < 0.01) compared to people with no disability, with predicted scores of 6.23 and 7.07 respectively. People with a disability also had lower levels of satisfaction with their financial situation (p < 0.01); feeling part of the community (p < 0.01); their neighbourhood (p < 0.01); their safety (p < 0.01); and their health (p < 0.01) than those with no disability. Satisfaction with free time was the only area in which people with a disability reported they were more satisfied than people with no disability, with a predicted score 0.24 points higher.

Figure 5: Predicted score of level of satisfaction with specific aspects of life, by disability status, population aged 15+

Source: Based on linear regression from HILDA 2013 data

Indigenous status

While Indigenous people had higher levels of overall life satisfaction than non-Indigenous counterparts (Figure 2), there were no significant differences in satisfaction levels between Indigenous and non-Indigenous people with respect to specific aspects of life, except for satisfaction with their financial situation (Figure 6). Indigenous people were less satisfied with their financial situation, compared to their non-Indigenous counterparts (p < 0.01). The predicted scores for satisfaction with financial situation were 6.54 and 6.07 for non-Indigenous and Indigenous people respectively.
Figure 6: Predicted score of level of satisfaction with specific aspects of life, by Indigenous status, population aged 15+

Source: Based on linear regression from HILDA 2013 data

Psychological distress

Satisfaction levels were significantly associated with levels of psychological distress; people with moderate, high or very high levels of psychological distress were significantly less satisfied than people with a low level of psychological distress on all measures of satisfaction (p < 0.01 for all; Figure 7). Furthermore, the level of dissatisfaction was predicted to increase with the severity of psychological distress across all aspects of life satisfaction.

Figure 7: Predicted score of level of satisfaction with specific aspects of life, by level of psychological distress, population aged 15+

Source: Based on linear regression from HILDA 2013 data
Socio-economically disadvantaged areas (SEIFA)

In contrast to their overall reported levels of satisfaction (Figure 2), people living in the most socio-economically disadvantaged areas (1st SEIFA quintile) were significantly less satisfied ($p < 0.01$) than people living in areas of median disadvantage in all specific aspects of life except for the amount of free time they had ($p > 0.05$; Figure 8). This was also the case for people living in 2nd SEIFA quintile; they had significantly lower levels of satisfaction, compared to people in areas of median disadvantage, in half of the aspects of life considered, namely employment opportunities, financial situation, feeling part of the local community and the neighbourhood in which they lived.

At the other end of the spectrum, those living in the least disadvantaged areas (4th and 5th SEIFA quintiles) were more satisfied than people in areas of median disadvantage in most aspects of life. Specifically, those in the 5th quintile had a higher predicted score than those in the median quintile in the level of satisfaction with: their financial situation ($p < 0.01$); the home in which they live ($p < 0.01$); feeling part of the local community ($p < 0.01$); the neighbourhood in which they live ($p < 0.01$); and how safe they feel ($p < 0.05$).

Figure 8: Predicted score of level of satisfaction with specific aspects of life, by SEIFA quintile, population aged 15+

<table>
<thead>
<tr>
<th>Employment opportunities</th>
<th>Financial situation</th>
<th>Amount of free time</th>
<th>Home in which you live</th>
<th>Feeling part of local community</th>
<th>Neighbourhood which you live</th>
<th>How safe you feel</th>
<th>Your health</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Most disadvantaged</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>3 Most disadvantaged</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>4 Least disadvantaged</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>5 Least disadvantaged</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Based on linear regression from HILDA 2013 data

Geography

Remoteness was also associated with satisfaction levels (Figure 9). Specifically, people living in remote Australia had higher levels of satisfaction than people living in major cities with their employment opportunities ($p < 0.05$) and their financial situation ($p < 0.05$). People living in regional areas were significantly more satisfied with the home in which they lived compared to those in major cities ($p < 0.05$).

Satisfaction with the amount of free time was strongly associated with remoteness, with the predicted scores for people living in inner regional ($p < 0.05$), outer regional ($p < 0.01$) and remote areas ($p < 0.01$) being 0.15, 0.25 and 0.71 points higher respectively, than the predicted score for people living in major cities. Similarly, the levels of satisfaction with feeling part of the community ($p < 0.01$) and the neighbourhood ($p < 0.01$) in which they lived increased the further people lived from major cities.

Predicted scores for level of satisfaction with how safe a person feels were more varied, although people living in regional ($p < 0.01$) and remote areas ($p < 0.05$) were significantly more satisfied than people in major cities.
Happiness

Like life satisfaction, happiness is a subjective measure of wellbeing. Happiness is often distinguished from life satisfaction on the basis that it refers to how people feel at a given point in time, in contrast to how people assess the various aspects of their lives (ABS 2009). The analysis of 2013 HILDA data revealed no predicted differences in happiness levels by SEIFA quintiles or geography or by Indigenous status. However, predicted scores for the probability of being happy all, most or a good bit of the time, indicate that young people are significantly more likely to be happy compared to people aged 25-64 years (86% and 78% respectively). Women were significantly more likely than men to report being happy (81% compared to 78%). People with a disability were significantly less likely to report being happy on a regular basis (75% compared to 82% for people without a disability), as were people with a moderate, high or very high level of psychological distress. Not surprisingly, the probability of being happy on a regular basis decreased significantly as levels of psychological distress increased (Figure 10).
Figure 10: Predicted probability of being happy all, most or a good bit of the time, population aged 15+

Source: Based on linear regression from HILDA 2013 data, n = 15,103
Notes: Results based on responding person file results, including all control variables above.
1 Regression based on individuals aged 15 and over
2 Kessler 10 category of level of psychological distress
3 Socioeconomic Index for Areas: quintile of relative disadvantage

So what?
Australians are relatively happy and satisfied with our lives overall, with some groups experiencing slightly different levels of satisfaction.

On average, higher levels of satisfaction are reported by:
- Older people
- People living outside of major cities

However, lower levels of satisfaction are reported by:
- People experiencing psychological distress, with satisfaction with all areas of life decreasing the more psychological distress a person is experiencing
- People with a disability

We need to think more about:
- How to support people experiencing poor mental health
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