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# Erosion of hope: Social and financial wellbeing and the relationship with political attitudes

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## Abstract

Public confidence in democracy and institutions is often shaped by broader social and economic conditions. This study examines Australians' perceptions of social and financial wellbeing, their views on the past and future, and their trust in democratic institutions, using survey data collected as part of Wave 2 of the 2025 Election Monitoring Survey Series (2025EMSS).

Our findings from January and February 2025 indicate a significant decline in optimism about Australia's future. While official economic indicators—such as low unemployment and declining inflation—suggest relative stability, public sentiment does not align with these measures. Life satisfaction has fallen to levels last observed during the COVID-19 pandemic, and over one-third of Australians report experiencing financial stress.

Economic perceptions are strongly associated with political attitudes. We find that national economic assessments in particular are stronger predictors of confidence in government, satisfaction with democracy, and populist sentiment. Those who perceive the national economy as worsening are significantly less satisfied with democracy, more distrustful of government institutions, and more receptive to populist narratives.

Importantly, Australians who believe life was better 50 years ago and will worsen over the next 50 years exhibit lower trust in government and stronger populist attitudes. Conversely, younger Australians express greater optimism but remain less politically engaged.

# Executive Summary

## Key Findings

- Australians are increasingly pessimistic about the future, with declining trust in government and institutions.
- Life satisfaction has dropped to its lowest level since COVID-19 lockdowns, with mean satisfaction falling to 6.45 out of 10—a statistically significant and substantial decline from 6.78 in early 2023, and 7.05 prior to the Black summer Bushfires and COVID-19 pandemic.
- Financial stress remains high, with 33.1 per cent of Australians finding it difficult or very difficult to meet household expenses on their current income, a rise from 29.9 per cent in October 2024.
  - There have been some small improvements in financial stress measures in the last 12 months. Australians have undertaken slightly fewer negative financial actions, and fewer Australians think that rising prices are a very big problem. Those two measures are still higher, however, than prior to the inflationary period that followed the COVID-19 pandemic.
- Public trust in government institutions has eroded, with only 33.7 per cent expressing confidence in the federal government, down from 52.9 per cent just after the last Federal election (i.e., in August 2023).
- Australians are becoming increasingly pessimistic about both their personal circumstances and the broader future of the country.
  - Only 21.7 per cent of Australians believe their life has improved in the past year, while 31.0 per cent believe it has worsened—the worst outlook recorded since early COVID-19 lockdowns.
  - Short-term future expectations have declined: 29.0 per cent believe their life will improve in the next year, down from 46.6 per cent in January 2021. The proportion expecting their life to worsen (26.7 per cent) has steadily increased each year since 2021.
  - Long-term national outlook is overwhelmingly negative: 50.3 per cent of Australians believe life will be worse in 50 years, while only 16.3 per cent believe it will improve.
  - Nostalgia for the past is widespread: 51.8 per cent believe life was better 50 years ago, despite major improvements in life expectancy, real income, and education levels.
- Economic perceptions drive political attitudes:
  - Those who believe Australia's economy has worsened over the past year are far less likely to be confident in government. Among those who believe the economy has improved, 76.0 per cent express confidence in government, compared to only 8.9 per cent of those who believe it has worsened.
- Younger Australians (18–24 years) remain the most optimistic about the future, but they report lower political engagement.

## **Public Confidence in Institutions and Democracy**

- Trust in core institutions continues to decline:
- The judiciary remains the most trusted institution, with 58.4 per cent expressing confidence, though this is down from 70.9 per cent in 2023.
- Confidence in the federal government is at its lowest point since the Black Summer Bushfires (January 2020).
- Public confidence in the public service remains higher than confidence in elected officials, but it too has declined since 2023.
- Satisfaction with democracy remains relatively stable at 66.2 per cent, but this figure masks deep dissatisfaction among economically stressed groups.

## **Why This Matters for Policymakers**

- Public trust is declining despite strong economic indicators → While inflation has dropped to 2.4 per cent and unemployment remains at 4.0 per cent, the public does not perceive economic stability, which is eroding trust in government.
- Housing satisfaction, rising prices, and Australia's environmental policy are all central concerns that are strongly associated with more pessimistic reflections about the past and future.
- Economic perceptions are the strongest predictors of confidence in government, satisfaction with democracy, and populist attitudes.
- Younger Australians are optimistic but disengaged. While 18–24-year-olds report the highest optimism levels, they are significantly less interested in politics than those aged 45 years and over.

# 1 Introduction and overview

In late 2006, the then Senator for Illinois and future 44<sup>th</sup> President of the United States, Barack Obama, released his second book *The Audacity of Hope*. Building on many of the themes that first gained prominence in his 2004 Democratic National Convention speech, and previewing many of the ideas that he would successfully campaign on, Obama took a consciously optimistic view towards the challenges facing the United States and the world at large.

Obama framed his message around a ‘simple idea that we have a stake in one another, and that what binds us together is greater than what drives us apart, and that if enough people believe in the truth of that proposition and act on it, then we might not solve every problem, but we can get something meaningful done.’<sup>1</sup>

Not long after, the then Opposition leader and future Australian Prime Minister Kevin Rudd campaigned on similar notes of optimism and future orientation. Mr Rudd used environmental policy to distinguish him and his team from the long-serving Howard Government, stating ‘I would make Australia part of the global climate change solution - not just part of the global climate change problem.’<sup>2</sup>

In the nearly two decades since *The Audacity of Hope* was being written, the world has experienced a Global Financial Crisis, the rise of the smartphone and social media, political upsets in the US and abroad (including Brexit), a global pandemic, the contested 2020 US election and January 6<sup>th</sup> attack on the US Capitol, inflationary spike, land war in Europe for the first time since World War II, ongoing conflict in the Middle East, and incontrovertible evidence of the impact of greenhouse gas emissions on a rapidly heating planet. It is not entirely clear whether the book, the Junior Senator from Illinois, or indeed Kevin-07 would be received in the same way in 2025 as they were in the mid-2000s.

Australia has not been immune to these global events. However, at least up until recently, Australia has not experienced the same associated impacts on trust, confidence, and satisfaction with institutions and the broader democratic system as our fellow democracies. An Organisation for Economic Co-operation and Development (OECD, 2024) cross-country survey found that in 25 out of 28 countries over half the population report feeling low to moderately low trust in their national government. Australians, however, reported a high level of trust and satisfaction in government and public institutions, increasing across some measures at a time when in the majority of other OECD countries they are decreasing.<sup>3</sup>

At the time of writing (February/March 2025), Australia is about to enter into an election campaign, which pits the first-term Albanese Labor Government against an Opposition led by former Senior Minister in the previous Coalition Government, Peter Dutton. Alongside these two major parties, minor parties (particularly the Greens) and a range of independent candidates will attempt to continue to win seats in Parliament and further chip into the previously dominant two-party system.

If polls and betting markets are to be believed, there is a real possibility that the Albanese government will lose office after one-term for the first time since Prime Minister James Scullin, at the height of the Great Depression. At the very least, a Labour-led minority government looks much more likely than a majority government. By standard economic

measures, however, the situation in 2025 bears no resemblance to the situation in the early 1930s.

Using the Australian Bureau of Statistics' (ABS) preferred trend measure, the unemployment rate remained at a low 4.0 per cent in January, with the employment-to-population ratio of 64.5 per cent higher than it has been in many decades and at least since February 1978 when a consistent time series is available.<sup>4</sup> After a post-COVID spike in inflation, over the twelve months to the December 2024 quarter, the Consumer Price Index or CPI rose by 2.4 per cent.<sup>5</sup> These relatively benign economic conditions gave the Board of the Reserve Bank of Australia (RBA) enough confidence to lower the cash rate stating that 'jobs market is strong right now and is expected to be supported by a pick-up in economic growth over the next couple of years' and that there 'has been good progress on inflation'<sup>6</sup>

With such good economic data and no major scandals in its first term, what explains the precarious position that the Albanese government finds itself in on the eve of the 2025 election? One explanation is that elections aren't ultimately decided on retrospective assessments of government performance, but rather on prospective views of which party is best placed to deliver improved outcomes into the future (Lockerbie 2008; Lacy and Christenson 2017; Lewis-Beck and Martini 2020; Anderson et al. 2024).

As an incumbent government at a time of economic and geopolitical uncertainty, the Albanese government faces a similar challenge to the Biden/Harris Democratic campaign in the US, Rishi Sunak's Conservative government in the UK, and Emmanuel Macron's centre-right party of En Marche in France, all of whom suffered election defeats in 2024 despite being spread widely across the political spectrum. Slightly earlier, the Labour party of Chris Hipkins lost the 2023 New Zealand election, and in 2025 the SPD of Olaf Scholz appears to have lost power in Germany, and on the 6<sup>th</sup> of January, Canadian Prime Minister Justin Trudeau announced that he would be stepping down as PM and leader of his party ahead of the next federal election scheduled for later in the year. There are local factors in the Australian election, as this paper will go onto explain, but there are also global parallels.

In late January/early February 2025, the School of Politics and International Relations (SPIR) at the Australian National University (ANU) partnered with POLIS: The Centre for Social Policy Research (also at the ANU) to undertake the second round of a multi-wave data collection project to track views and attitudes leading up to and following the 2025 Australian Federal election.

Data was collected for this 2025 Election Monitoring Survey Series (2025EMSS) in partnership with the Online Research Unit (ORU) through their Australian Consumer Panel. From this panel, we collected data on 3,514 Australians, of which 2,380 also participated in the 1<sup>st</sup> (October 2024) wave of the 2025EMSS. We collected data on social and financial wellbeing, people's attitudes and beliefs towards democracy and key institutions, their past voting behaviour and future intentions, and a range of related data items. All results presented in this paper are weighted to population benchmarks based on age, sex, education, and current employment.

Comparing data from the 2025EMSS with previous ANUpolls and iterations of the Australian Election Study (AES), we document how over a relatively short period of time there has been an erosion of hope about Australia's future, and a decline in trust and

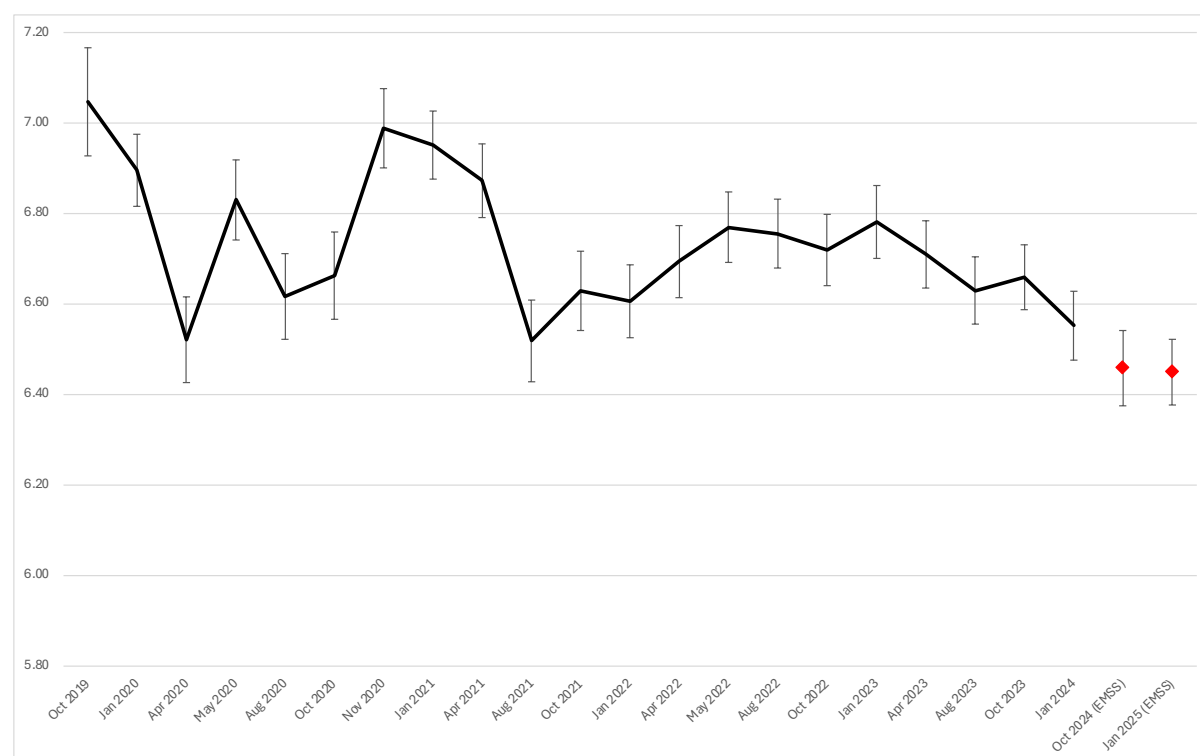
satisfaction with key institutions. We link these changes to measures of social and financial wellbeing, and document how they may be shaping political attitudes.

## 2 Social and financial wellbeing

Our simplest and most direct measure of wellbeing in the 2025EMSS occurs very early in the survey, where we first let respondents know that ‘The following question asks how satisfied you feel about life in general, on a scale from 0 to 10. Zero means you feel ‘not at all satisfied’ and 10 means ‘completely satisfied’.’ We then follow-up with the question, ‘Overall, how satisfied are you with life as a whole these days?’ This question has been asked consistently on ANUpolls going back to October 2019, albeit using a different panel of respondents, so we place the October 2024 and January 2025 data against the longer time series of data in Figure 1, below.

During the Black Summer Bushfires and early COVID-19 period, life satisfaction in Australia fluctuated quite substantially. As Australia exited its last sustained period of COVID-19 lockdown in late 2021, life satisfaction rose reasonably consistently up until early 2023. From then though, life satisfaction has declined with the October 2024 and January 2025 data suggesting a continued decline, with point estimates of life satisfaction at their lowest levels observed over the period, and not significantly different from the COVID-19 lockdown periods.

**Figure 1 Life satisfaction, all Australians, October 2019 to January 2025**



Note: The “whiskers” indicate the 95 per cent confidence intervals for the estimate

Source: ANUpoll (October 2019 to January 2024) and Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

One of the potential reasons for the steady decline in life satisfaction over the last two years is the ongoing financial stress that Australians are facing (though it should be kept

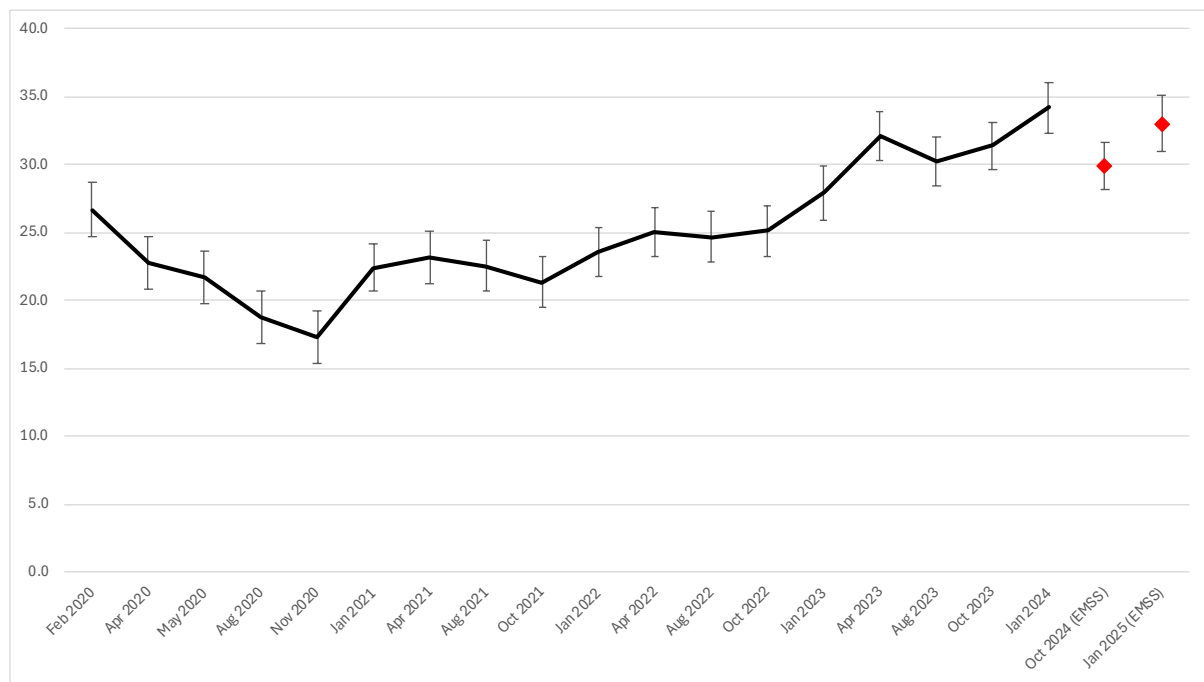
in mind that Wave 2 of the 2025EMSS was conducted just prior to the drop in interest rates at the most recent RBA meeting). Since the start of 2020, the ANUpoll series of surveys have been tracking whether a person perceives that their household income is adequate to meet their needs. Respondents are given four potential descriptions and asked to choose which comes closest to how they feel about the adequacy of their income: living comfortably; coping; finding it difficult; or finding it very difficult. We repeated this question in Wave 1 and Wave 2 of the 2025EMS.

In January, it is estimated that about one-fifth (20.4 per cent) of Australians were living comfortably on their present income, a little under half (46.5 per cent) were coping, nearly one-quarter (23.9 per cent) were finding it difficult and a little under one-in-ten (9.2 per cent) were finding it very difficult.

Figure 2 shows the proportion of the population finding it difficult or very difficult on their current income since the start of 2020 just prior to the COVID-19 pandemic reaching Australia. Again, although the ANUpoll and 2025EMS data use many of the same questions, because they are drawn from different samples, we present the series separately. The important thing to note is that the October 2024 data suggested that the financial pressures may be easing, with a drop from 34.2 to 29.9 per cent of Australians finding it difficult or very difficult to get by on their current income. However, between October 2024 and January 2025, there was another increase, taking the percentage back up to 33.1 per cent, or very close to the January 2024 value when inflation was much higher.



**Figure 2 Per cent of Australians finding it difficult or very difficult on their current income, February 2020 to January 2025**

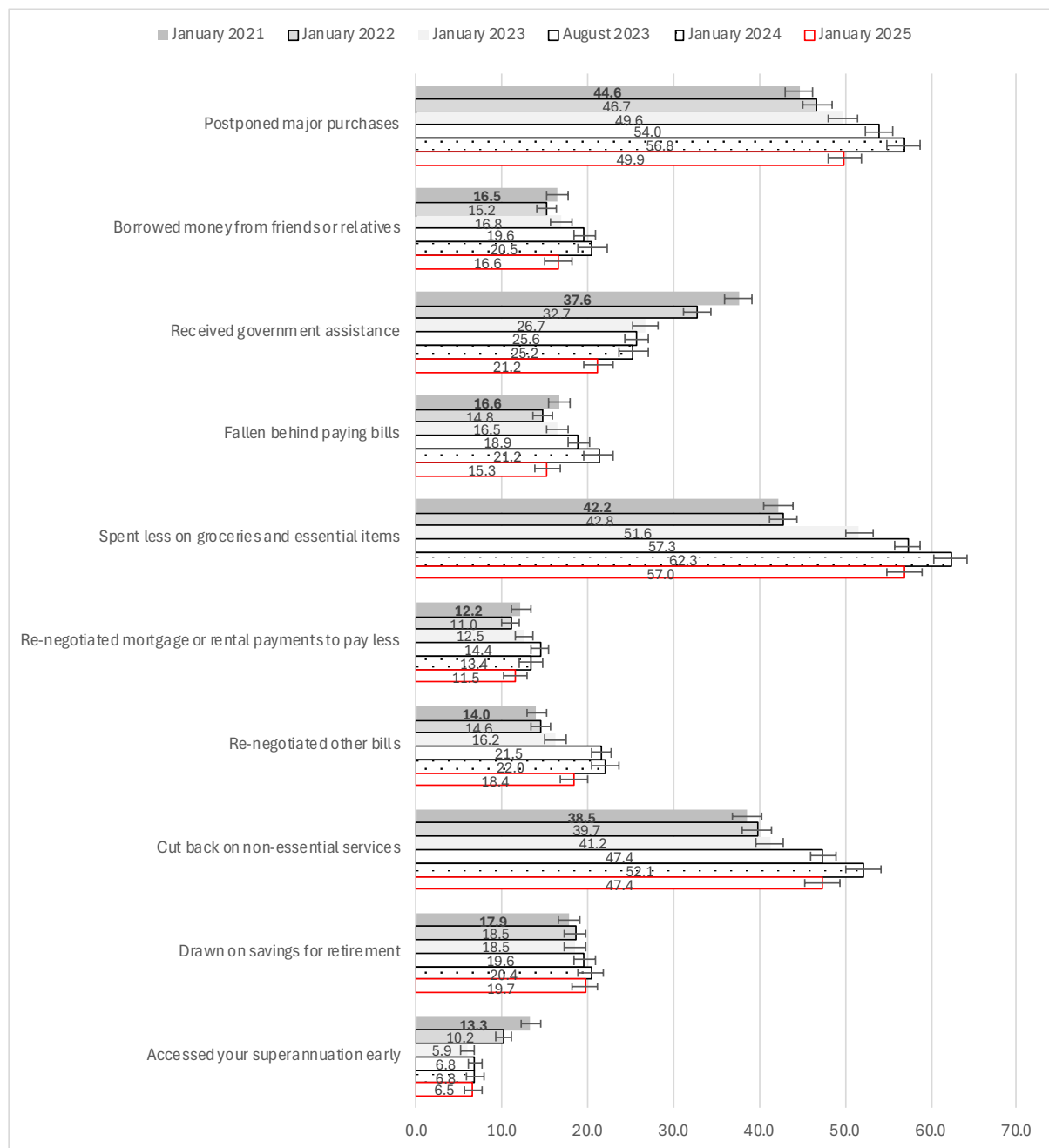


Note: The “whiskers” indicate the 95 per cent confidence intervals for the estimate

Source: ANUpoll (February 2020 to January 2024) and Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

There is some evidence that the life satisfaction and financial stress measures in Figure 1 and Figure 2 may be lagged indicators of more proximate measures of social and financial wellbeing. Specifically, since January 2021 in the ANUpoll series of surveys we have been asking respondents whether they have undertaken any one of a series of specific negative financial actions in the previous 12 months. Figure 3 shows that compared to the 12 months leading up to the January 2024 survey (in particular), in the 12 months leading up to the January 2025 survey there has been a marked decline in the proportion of Australians that reported most of the actions. The three most common actions reported across all waves of data are spending less on groceries and essential items, cutting back on non-essential services, and postponing major purchases. The percentage of Australians that have undertaken these actions have all declined. It may, however, take more substantial and more sustained reductions in these items before social and financial stress measures begin to come down.

**Figure 3 Per cent of Australians that have undertaken specific negative financial actions in the previous 12 months, January 2021 to January 2025**



Note: The “whiskers” indicate the 95 per cent confidence intervals for the estimate

Source: ANUpoll (January 2021 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

Although it is not a perfect proxy, we can aggregate the specific financial actions into a summary measure of how many types of negative financial actions a person took in the previous 12 months. In doing so, we exclude receipt of government assistance as an ambiguous measure of financial stress. For many people, **not** receiving assistance that they might otherwise be entitled to is a source of financial stress. In the 12 months leading up to January 2025, the average number of types of actions was 2.42. This is 12.0 per cent lower than the 2.75 actions in the 12-months leading up to the January 2024

survey, but still much higher than the 2.16 financial actions in the 12-months preceding the January 2021 survey, which covered the first 12-months of the COVID-19 pandemic when the lockdown restrictions were greatest.

Looking more broadly at the distribution of responses, a little under one-quarter of Australians (23.9 per cent) had not undertaken any of the actions. A little over one-quarter (28.3 per cent) had experienced four or more.

There is also variation across the population in experience of negative financial actions by key demographic characteristics. One way to look at multiple predictors of a variable is through regression-style analyses. Under this approach, it is possible to look at associations between our main outcome (number of types of financial outcomes in this case) and another variable or set of variables of interest (for example age) whilst holding constant another variable (for example education). Table 1 gives the results from such an analysis. Because the dependent variable is a 'count' of number of types of actions, the relationships are estimated using the negative binomial model (after we test for and confirm overdispersion).

The biggest differences across the population are by age, sex, and education. The scale of these differences aren't always clear in a regression-framework, but we can get a sense of the scale using simple averages. The age group with the largest number of actions is those aged 18 to 24 years with an average of 3.2. This average declines reasonably linearly across the age groups, such that those aged 55 to 64 years have 2.08 actions, those aged 65 to 74 years have 1.8, and those aged 75 years and over have 1.41 types of actions on average in the previous 12 months.

The differences by sex are smaller, but still significant. Females have an average of 2.57 of the types of actions in the 12 months leading up to January 2025, compared to 2.27 for males. Differences by education are of a similar magnitude, with the difference between those with a bachelor degree or higher and those that have completed Year 12 without a degree statistically significant. Specifically, the former group (those with a degree) had 2.37 types of actions on average, compared to 2.60 for those in the middle part of the income distribution.

**Table 1      Regression model estimates of the factors associated with number of types of negative financial actions in previous 12 months, January 2025**

Explanatory variables	Coefficient	Signif.
Aged 18 to 24 years	0.058	
Aged 25 to 34 years	-0.077	
Aged 45 to 54 years	-0.152	***
Aged 55 to 64 years	-0.305	***
Aged 65 to 74 years	-0.377	***
Aged 75 years plus	-0.725	***
Female	0.099	***
Has not completed Year 12 or post-school qualification	-0.090	
Has a degree	-0.136	***
Born overseas in a main English-speaking country	-0.072	
Born overseas in a non-English speaking country	-0.023	
Lives outside of a capital city	0.051	
Speaks a language other than English at home	0.090	*
Constant	1.043	
Sample size	3,323	

Notes:      Negative binomial regression model. The base case individual is male; aged 35 to 44 years; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a degree; and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled \*\*\*; those significant at the 5 per cent level of significance are labelled \*\*, and those significant at the 10 per cent level of significance are labelled \*

Source: Wave 2 of the 2025 Election Monitoring Survey Series, January 2025

### 3 Hope, and views about the past and future

There are three ways to track how social and financial wellbeing have changed over time. The previous section used repeated and multiple cross sections from the population, focusing on changes in life satisfaction and financial stress since just prior to the COVID-19 pandemic. An alternative approach that we have used, and continue to use, is to track the same individuals through time. This longitudinal data allows us to measure changes in wellbeing at the individual level and link these changes in wellbeing to changes in other outcomes.

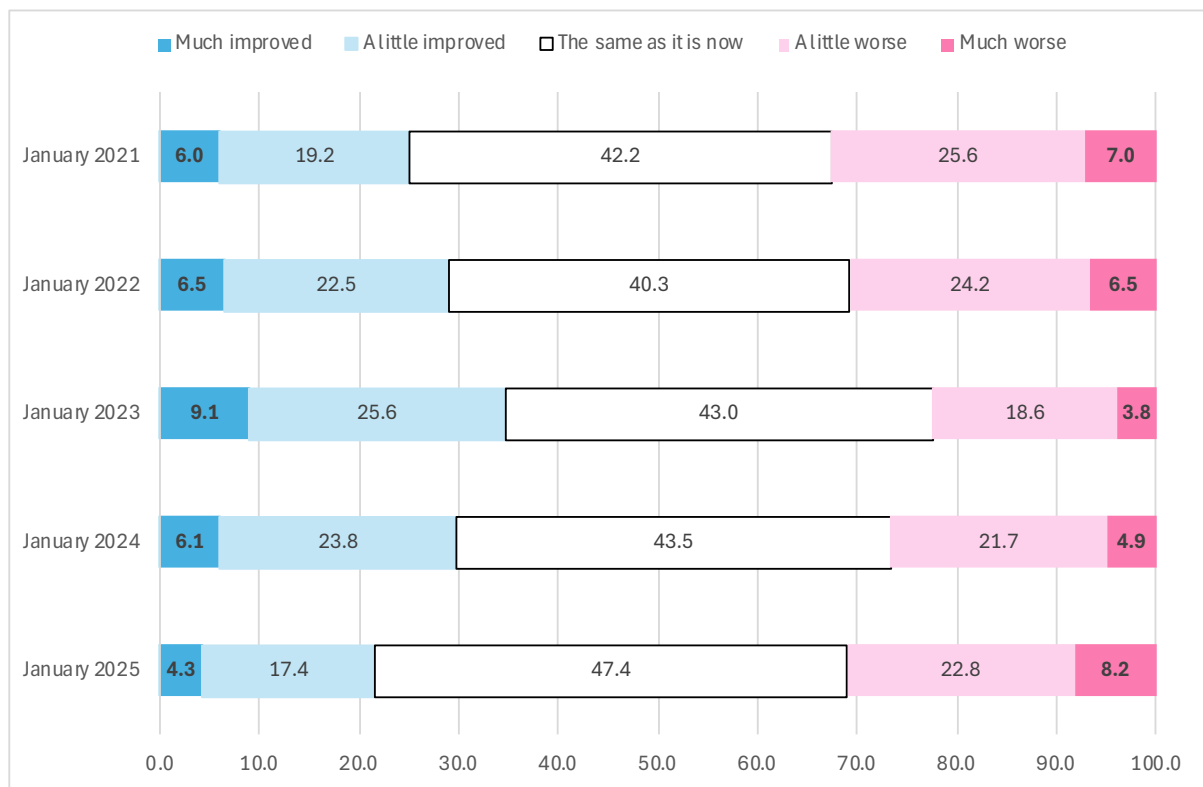
The third approach, and the focus of this section, is to ask people to reflect on how their own outcomes have changed over a given time period. When viewed alongside people's perceptions of longer term change at the national level, as well as their views about how their outcomes are likely to change into the future, we are able to obtain a point-in-time estimate of optimism and pessimism towards life in Australia.

#### 3.1 Reflections on short-term change

Starting with short-term reflections, since January 2021 respondents to ANUpoll surveys have been asked whether their life has improved or worsened over the previous 12-months and whether they expect it to improve or worsen into the future in the next 12-months. In January of this year, 2025EMSS respondents were asked: 'Since the start of 2024, do you think that your life is...?' with five possible response options (Much improved, A little improved; The same as it is now; A little worse; and Much worse).

In January 2021, the first 12-months of the pandemic, Australians were more negative than positive about whether their life had improved over the previous 12-months in with 32.6 per cent of Australians thinking their life had worsened, compared to 25.2 per cent who thought that it had improved. By January 2023, the 12 months after the main COVID restrictions had eased, 34.7 per cent thought their life had improved and only 22.4 per cent thought their life had worsened. By January 2024 only slightly more Australians thought their life had improved (29.9 per cent) than who had thought their life had worsened (26.6 per cent), with the worsening trend continuing into 2025 with fewer Australians thinking their life had improved (21.7 per cent) than thinking it had worsened (31.0 per cent).

**Figure 4 Views on whether life has improved or worsened in previous 12 months, January 2021 to January 2025**

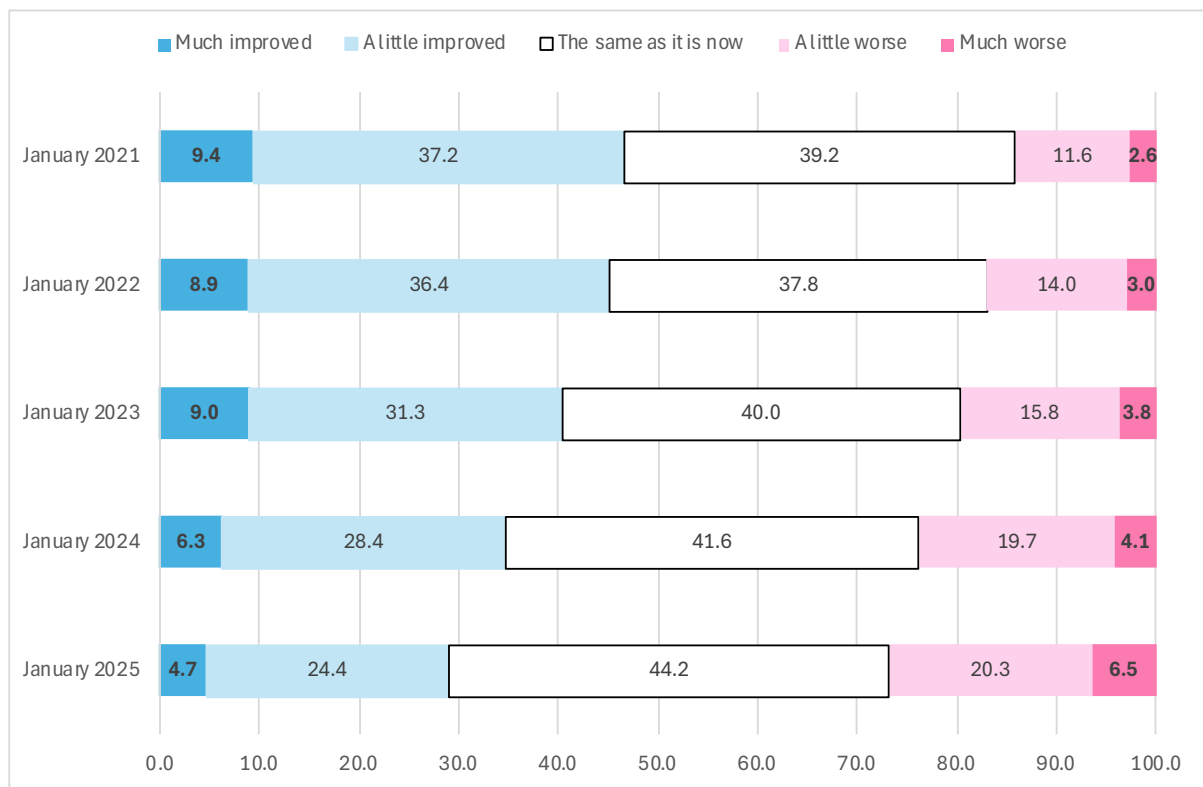


Source: ANUpoll (January 2021 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

While people's retrospective assessment of whether their life has improved or worsened has fluctuated since the start of the pandemic, their optimism for the future has tended to worsen (Figure 4). In January 2021, only 14.1 per cent of people thought their life would be worse in the next 12 months. This steadily increased to 17.0 per cent in 2022, 19.6 per cent in 2023, 23.8 per cent in 2024, and 26.7 per cent in 2025.

There are still more Australians in January 2025 who think that their life will be better in the next 12 months (29.0 per cent) than think it will be worse. However, net optimism is declining substantially with a gap of 32.5 percentage points a year into the pandemic, compared to a gap of only 2.3 percentage points in the most recent survey.

**Figure 4 Views on whether life will improve or worsen in next 12 months, January 2021 to January 2025**



Source: ANUpoll (January 2021 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

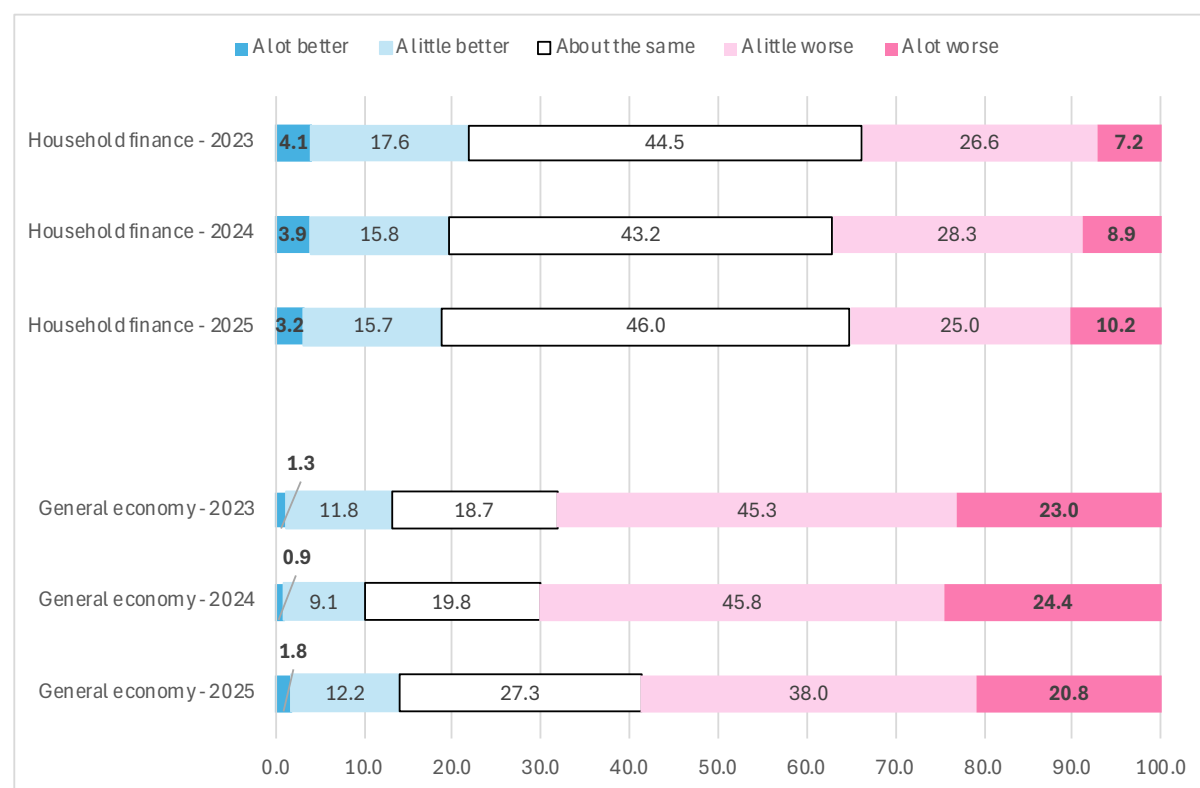
In January 2023 and 2024, respondents to ANUpoll were asked about short-term change in their own finances, and the state of the economy more broadly. We repeated this question in 2025, with respondents first asked ‘How does the financial situation of your household now compare with what it was 12 months ago?’ and then ‘And, how do you think the general economic situation in Australia now compares with what it was 12 months ago?’ (bold in original question). The response options were: A lot better; A little better; About the same; A little worse; and A lot worse. Figure 9 gives the responses to both questions in 2023 and 2024.

Between January 2023 and January 2024 Australians became slightly more negative towards their own finances in the last 12 months, with 37.1 per cent thinking their finances have worsened in the 12 months leading up to January 2024, compared to 33.8 per cent who thought the same thing for the 12 months leading up to January 2023 (Figure 5). This remained steady between 2024 and 2025 though, with a slight improvement in net positivity, and a modest increase in the per cent that thought their own household’s finances were ‘about the same.’

People are more negative towards the Australian economy than they are towards their own finances. Here though, the trends are more positive. In January 2024 70.2 per cent of Australians thought that the economic situation in Australia had worsened over the previous 12 months, compared to only 10.0 per cent that thought it had improved. This was a slight worsening in outlook since January 2023. By January 2025, however, only 58.7 per cent thought the economy had worsened, compared to 14.0 per cent that

thought it had improved. It would be a stretch to claim that this reflects a positive outlook. However, in trend terms there has been a small improvement.

**Figure 5 Views on whether economic circumstances have improved/worsened over the last 12 months, January 2023 to January 2025**



Source: ANUpoll (January 2021 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

### 3.2 Reflections on longer term change

Astro Boy (or Tetsuwan Atomu in Japanese, Mighty Atom) was aired on New Year's Day in Japan, 1963. Not much more than six months later (September 7<sup>th</sup>), the first English language version was aired in the US. It imagined a time 50 years into the future with self-driving cars (albeit ones where deathly accidents still happen, including to Aster Boynton, son of Astro Boy's inventor), flying and talking robots, and inter-planetary travel.

If asked today what Australia would be like in 50 years' time, it is unclear as to whether people would be able to give a more accurate depiction than the makers of Astro Boy were able to back in 1963. This is also true for the makers of the Jetsons in 1962, when they predicted what life in America would be like in 2062, or the makers of the Back to the Future 2, who only predicted a quarter of a century or so into the future (the film was set in 2015, but released in 1989). We don't yet have hoverboards or flying cars, but robots can hold up a decent conversation, and AI has been able to beat even the best humans at Chess or Go<sup>7</sup> for a number of years.

Respondents to the 2025EMSS and previous ANUpolls are not given as difficult a task. Rather, we asked them to reflect on changes in Australia over the last 50 years, as well as what Australia might be like 50 years into the future. Looking backwards, when asked 'In general, would you say life in Australia is better, worse, or about the same as it was 50 years ago for people like you?' more than half of the respondents (51.8 per cent) to the January 2025 survey said that life

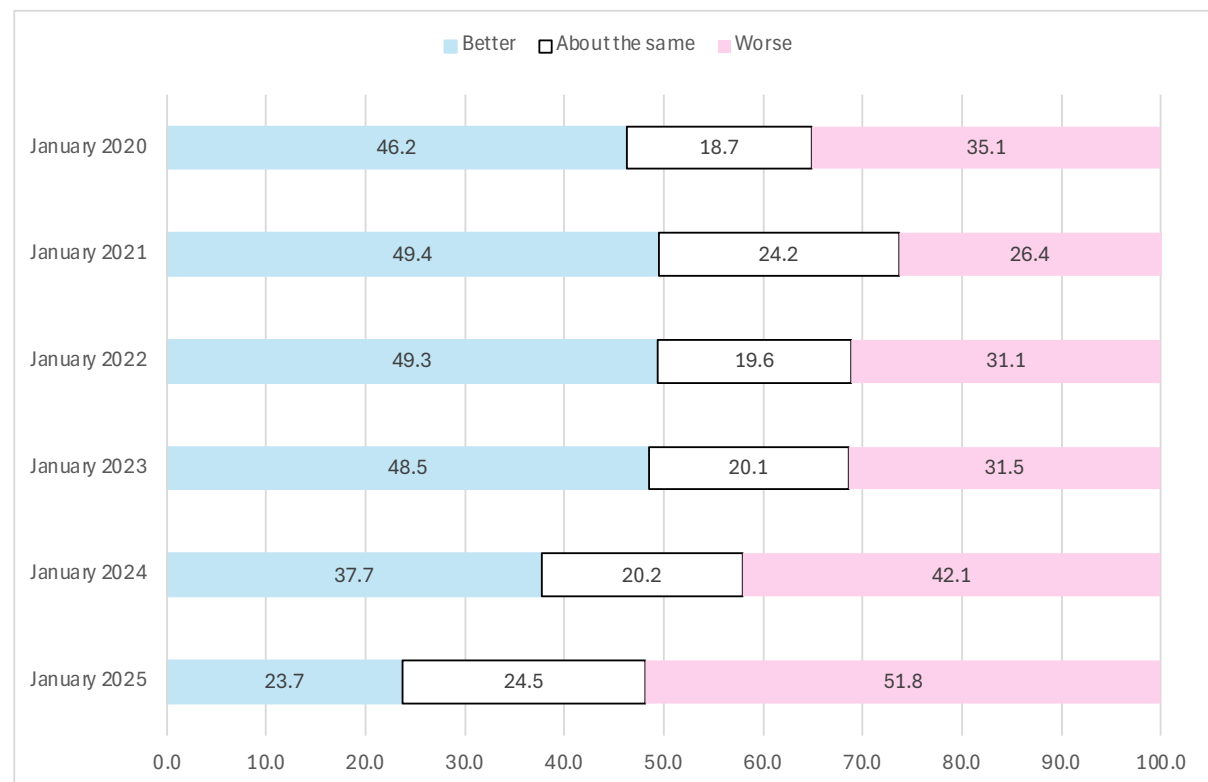


was worse now than it was then (Figure 6). By contrast, about one-quarter of Australians (24.5 per cent) think that life in Australia was about the same in 1975, with roughly the same number (23.7 per cent) saying that life is better now than it was then.

It should be kept in mind that life expectancy in 1975 was around 69.6 years for males and 76.6 years for females in 1975-77<sup>8</sup> compared to 81.1 years for males and 85.1 years for females in 2021-23, the most recent year for which estimates are available.<sup>9</sup> According to the Australian Bureau of Statistics, real, net, national disposable income per capita ‘measures the income available across the economy to spend and save, after inflation, on a per person basis’<sup>10</sup> and is taken as a good proxy for national level economic wellbeing. It takes into account inflation and population growth, and increased from \$32,473 in 1973 to \$71,774 in 2023 (the most recent 50-year window).

So, over a period where people were living around a decade longer and had more than twice as much income, twice as many people think things have gotten worse compared to thinking it has gotten better.

**Figure 6 Views on whether life is better or worse over the last 50 years, January 2020 to January 2025**

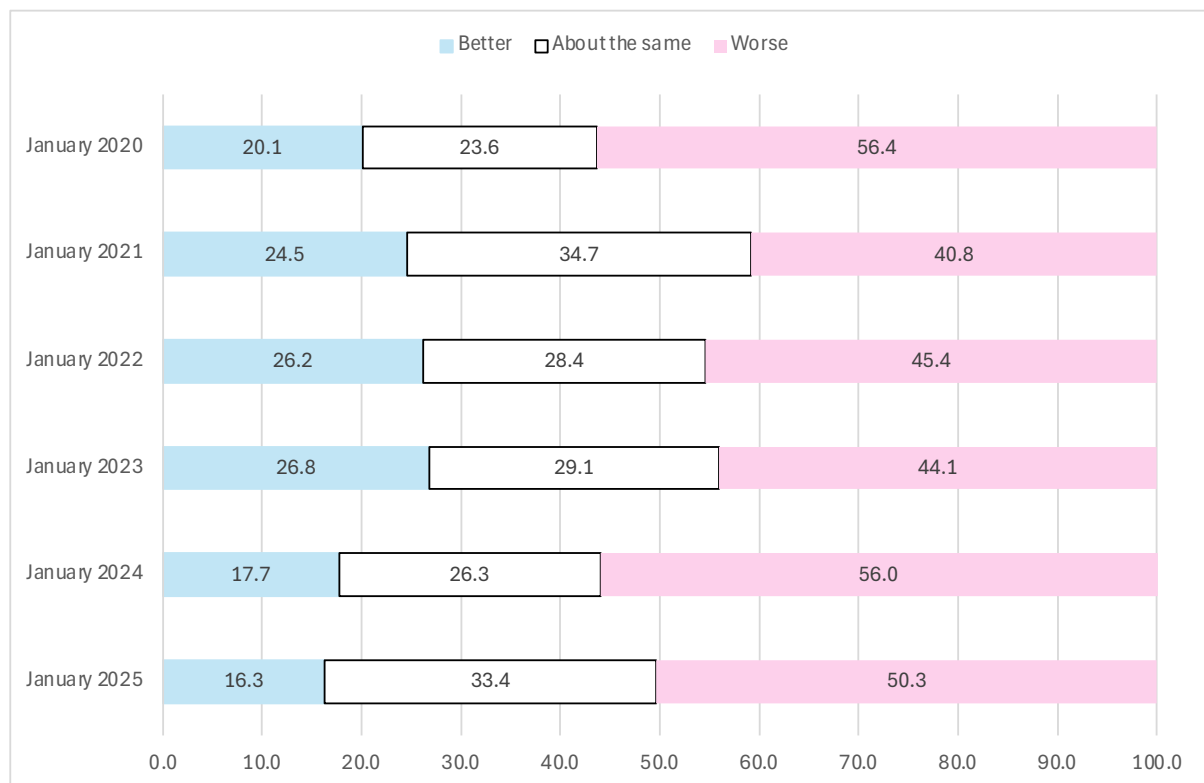


Source: ANUpoll (January 2020 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

If around half of Australians were nostalgic for the past, a similar proportion of Australians in 2025 were pessimistic about the future. When asked ‘In general, would you say life in Australia will be better, worse, or about the same in 50 years as it is now for people like you?’ more than half of Australians (50.3 per cent) said that life would be worse. Around a third of Australians (33.4 per cent) think life in Australia will be about the same, leaving only 16.3 per cent that think life will be better.

Over our time series, Australians started out being relatively pessimistic about the future (in January 2020). Remembering that this was a time of massive bushfires across most of the east and south of Australia, a preview of what a heated Australia might look like in the future, 56.4 per cent of Australians at that time thought that life would be worse in 50 years, alongside only 20.1 per cent who thought that it would be better. Over the next year, more shocks would hit the country, but the outlook of Australians rebounded a bit. During the depths of the COVID-19 pandemic in January 2021, the future definitely looked brighter than lockdowns and scrambles for vaccines. Climate change had receded from people's front of mind and only 40.8 per cent thought life in Australia would be worse fifty years into the future. Having gone through a pandemic where some of Australia's worst fears were not realised, some slight optimism then returned for the next two waves of data collection, but by January 2024, more than half of the population were again expecting life to get worse.

**Figure 7 Views on whether life will be better or worse in the next 50 years, January 2020 to January 2025**



Source: ANUpoll (January 2020 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

Another long-term perspective on views about the past and future involves comparisons with responses to much earlier waves of ANUpoll. In March 2008, respondents to the first ANUpoll were asked 'In 5 years, do you think that your life in Australia will be...?' with five response options (Much improved, A little improved, The same as it is now, A little worse, Much worse). This question was repeated in January 2020, and then again across each of the five subsequent surveys, as summarised in Figure 8.

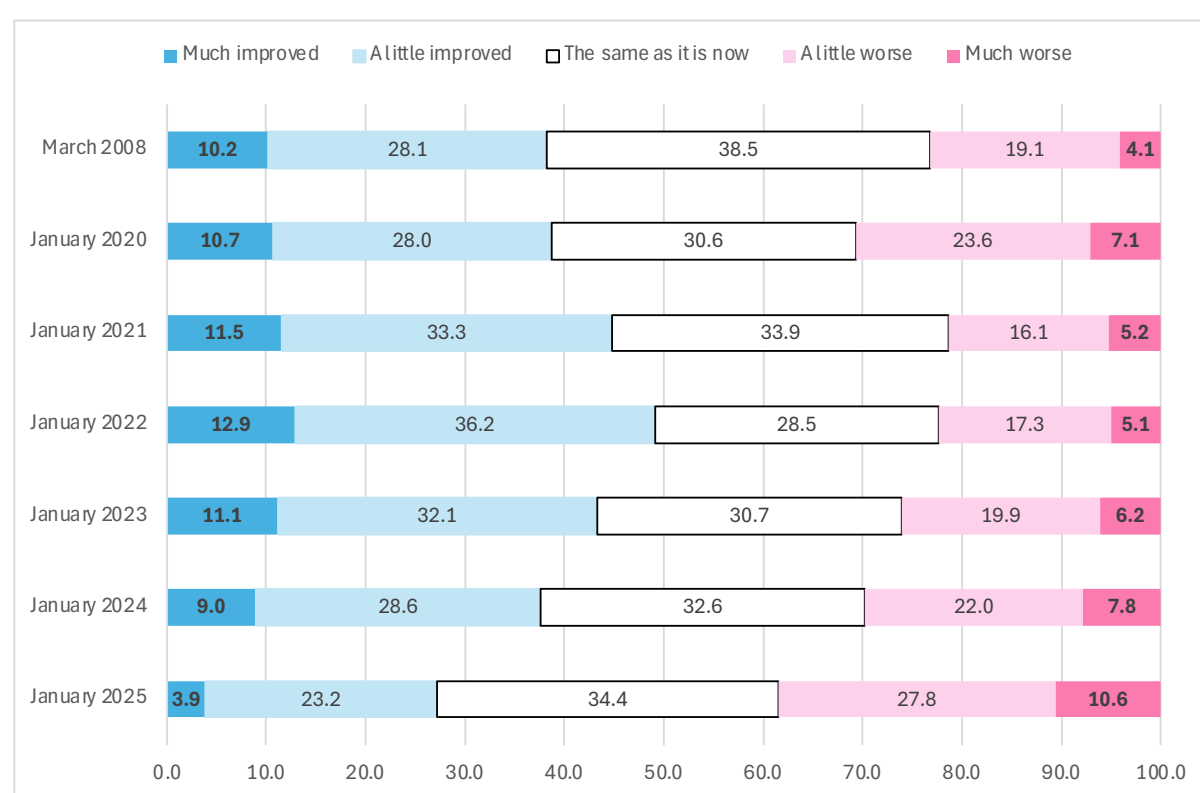
In March 2008 (when Barack Obama was running his Presidential campaign partly on the theme of *The Audacity of Hope* and Kevin Rudd had just taken office), there were quite a large number of people who thought their life would be about the same in five years time

as it was at the time of the survey (38.5 per cent). Amongst the rest of the population, there were more Australians (38.3 per cent) that thought things would improve than those who thought things would worsen (23.3 per cent).

By January 2020, pessimism had increased (to 30.7 per cent), but there were still more people that said that life would be better than worse. Across our time series, optimism peaked in January 2022, with 49.1 per cent thinking that life would get better, a difference of 26.7 percentage points. This is perhaps not surprising, given Australia was just coming out of the pandemic at that point in time.

Between January 2022 and 2025 there was a steady decline in optimism. Indeed, by January 2025, for the first time there were more Australians (38.4 per cent) that thought life would be worse in 5 years time than thought that it would be better (27.1 per cent).

**Figure 8 Views on whether a person's life will improve or worsen in the next 5 years, March 2008 and January 2020 to January 2025**

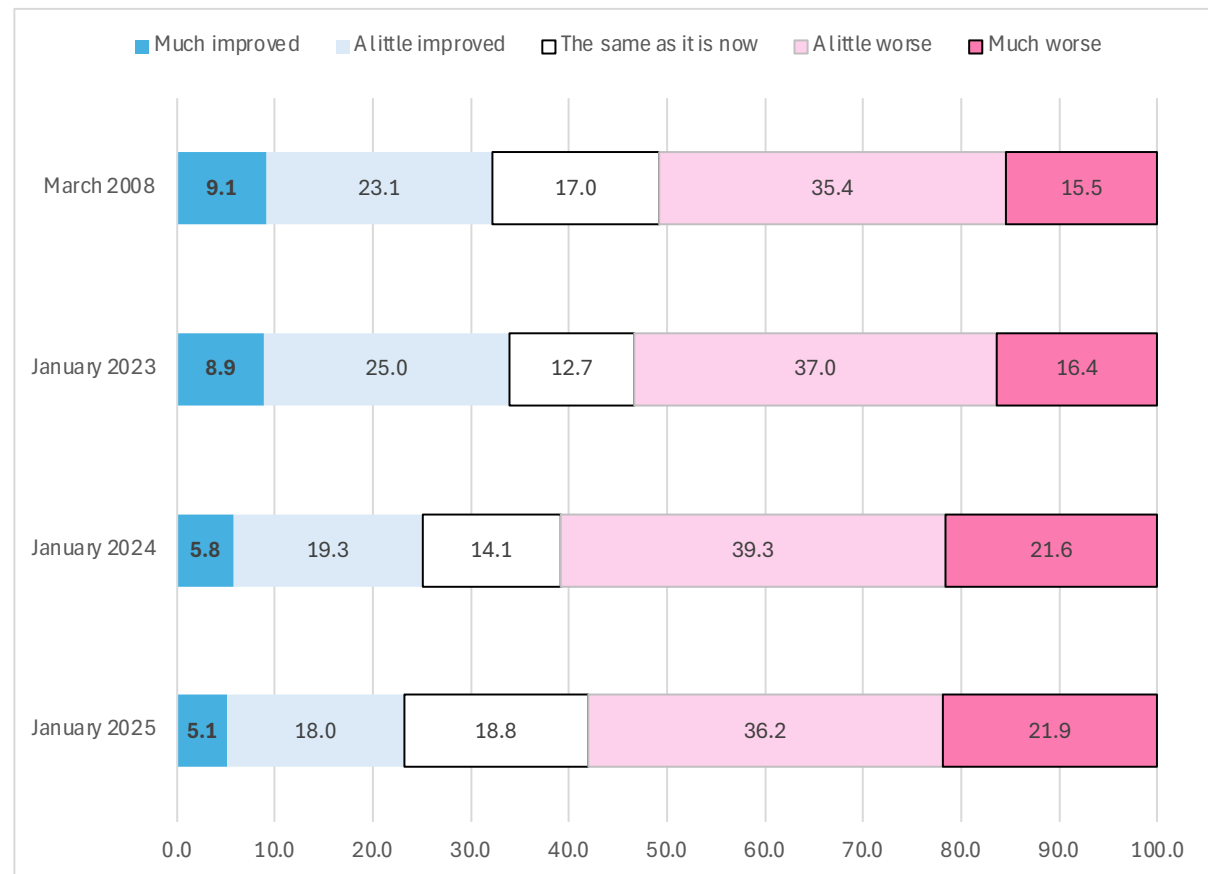


Source: ANUpoll (March 2008 and January 2023 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

In 2008, respondents were also asked: “Compared with YOUR life, do you think that the lives of TODAY'S CHILDREN will be ... ?” with the same five response options as the previous question. We repeated this question in January 2023, 2024, and 2025 (Figure 9). We can see from the figure that at least up until 2023 very similar numbers of people thought that the lives of Australia's children would be improved compared to the current generation, relative to respondents in 2008. There was a slight decrease in the per cent who thought it would be the same as it is now, and a slight increase in the per cent who thought it would be worse. However, these changes are pretty small, and the general pattern from 2008 remains that far fewer Australians think that the future will be better than the present, with more thinking that the future will be worse.

This general finding has become starker over the last two waves of data collection. In January 2024 and 2025 there were more than twice as many Australians who thought that the lives of today's children would be worse than their own compared to those that thought it would be better.

**Figure 9 Views on whether the lives of today's children would be better or worse, March 2008 and January 2023 to January 2025**



Source: ANUpoll (March 2008 and January 2023 to January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

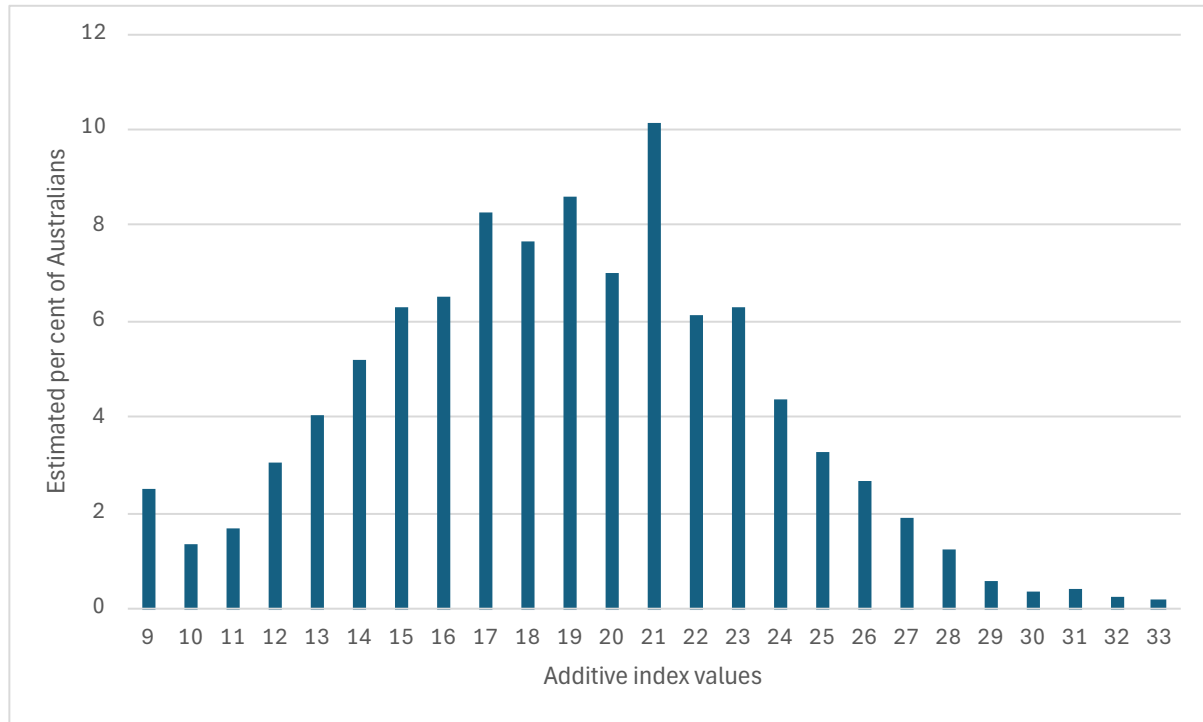
### 3.3 How views about the past and future vary across the population

While there is some complexity in people's views, with some measures showing slightly different trends than others, in general the results presented in the previous two sub-sections suggest that views about the past and future are becoming substantially more pessimistic. Not everyone, however, is experiencing the same level of pessimism. One way to investigate this is to combine our pessimism/optimism measures into a single index, and then see how this index differs across population groups and other attitudes.

We calculate a simple index that ranges from a value of 9 for the most pessimistic views through to 33 for the most optimistic. Specifically, we combine 7 measures ordered from most pessimistic to most optimistic. For the five measures that are measured on a five-point scale, values range from 1 to 5, whereas for the two measures that are measured on a three-point scale, values range from 2 to 4. Figure 10 gives the distribution of the measure across the population, which has a (weighted) mean of 18.9 and a standard deviation of 4.6.<sup>11</sup> We can see that although the modal value is 21 (10.1 per cent of people

with a value of 3 for all the questions), the bulk of Australians (61.7 per cent) have a value to the left of that mid-point, compared to a much smaller share (28.3 per cent) with a value to the right of the mid-point.

**Figure 10 Additive index of optimism/pessimism about the past and future, January 2025**



Source: Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

To analyse how optimism/pessimism varies, we replicate the regression-style analysis from the end of the previous section, with our additive index as the dependent variable. As this approximates a continuous variable, we use a linear-regression model with positive values for the coefficients indicating a person is more optimistic than a person with the base case characteristics, and a negative value indicating they are more pessimistic. We estimate a few separate models, with Model 1 including the only the basic demographic, socioeconomic, and geographic variables.

Looking first at Model 1, we can see that younger Australians, and particularly those aged 18 to 24 years are far more optimistic about the present relative to the past, and future relative to the present. Beyond the age of 35 though, optimism stays reasonably consistent across the age distribution.

Females are less optimistic than males, with large differences also by education. Those that have not completed Year 12 or have a post-school qualification are less optimistic than those that have completed Year 12 or have a non-degree qualification. Those that have a degree, however, are far more optimistic than the rest of the population. Finally, those that were not born in Australia were more optimistic than those born in Australia, regardless of whether they were born in a predominantly English-speaking or predominantly non-English speaking country.

**Table 2 Regression model estimates of the factors associated with additive index of optimism, January 2025**

Explanatory variables	Model 1 - Demos		Model 2 - Housing		Model 3 – Enviro.		Model 4 - Prices		Model 5 - Jobs	
	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.
Tenure – Owner with a mortgage			-0.119							
Tenure – Private renter			-0.469							
Tenure – Other			-0.043							
Housing – Very dissatisfied			-4.564	***						
Housing – Dissatisfied			-0.626							
Housing – Satisfied			1.476	***						
Housing – Very satisfied			2.601	***						
Global warming very serious					0.856	***				
Drought and drying very serious					-0.476	**				
Environment – Doing more than enough					-2.332	***				
Environment – Doing too little					-1.937	***				
Thinks rising prices a very big problem							-3.207	***		
Concerned – Overall industry shrinking									-1.117	***
Concerned – Company work for poorly managed									-1.519	***
Aged 18 to 24 years	2.306	***	2.060	***	2.316	***	2.175	***	2.324	***
Aged 25 to 34 years	0.980	***	0.987	***	0.880	***	0.946	***	0.943	***
Aged 45 to 54 years	0.136		-0.261		0.195		0.280		-0.179	
Aged 55 to 64 years	-0.417		-1.032	***	-0.432		-0.250		-0.553	
Aged 65 to 74 years	0.348		-0.659	*	0.231		0.137		-0.209	
Aged 75 years plus	0.320		-1.044	**	0.360		0.082		-0.761	
Female	-0.713	***	-0.799	***	-0.765	***	-0.456	***	-0.767	***
Has not completed Year 12 or post-school qualification	-0.558	**	-0.375		-0.466	*	-0.494	*	-0.114	
Has a degree	0.830	***	0.608	***	0.780	***	0.522	**	0.830	***
Born overseas in a main English-speaking country	0.686	**	0.857	***	0.702	***	0.667	***	0.372	
Born overseas in a non-English speaking country	0.839	**	1.112	***	0.802	**	0.858	**	1.286	***
Lives outside of a capital city	-0.191		-0.208		-0.083		-0.154		-0.200	
Speaks a language other than English at home	-0.059		0.099		-0.186		-0.019		-0.286	
Constant	18.520		17.808		19.668		20.233		19.785	
Sample size	3,058		3,047		2,946		3,049		1,841	

Notes: Linear regression model. The base case individual is male; aged 35 to 44 years; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a degree; and lives in a capital city.

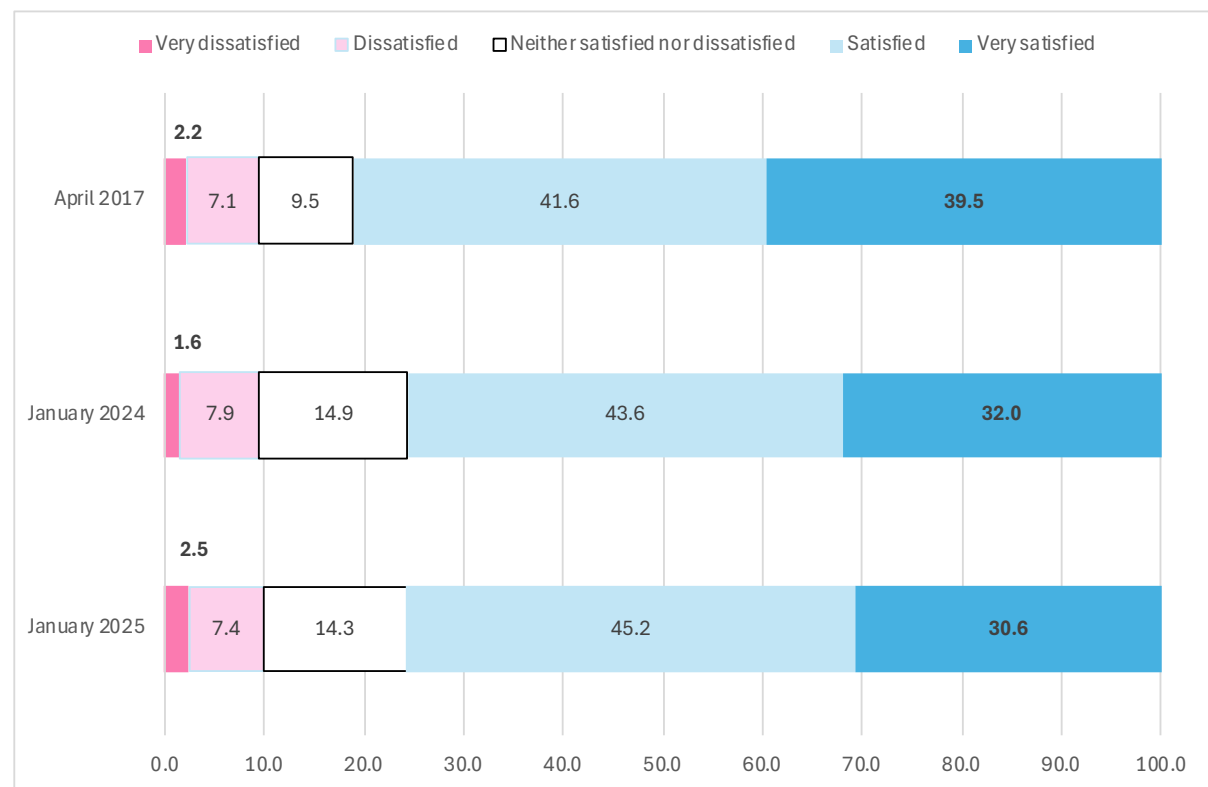
Coefficients that are statistically significant at the 1 per cent level of significance are labelled \*\*\*; those significant at the 5 per cent level of significance are labelled \*\*, and those significant at the 10 per cent level of significance are labelled \*

Source: Wave 2 of the 2025 Election Monitoring Survey Series, January 2025

In Model 2, we extend the analysis by including two housing measures. The first of these is housing tenure, with the base case those that own their own home without a mortgage. The second housing measure is a person's satisfaction with their own housing circumstances, with the base case those who are 'Neither satisfied nor dissatisfied.'

The first, interesting thing to note from Model 2 is that when we include a measure of housing satisfaction, there is no significant variation in optimism/pessimism by housing tenure. There is, however, substantial variation by housing satisfaction, with those that are satisfied with their housing far more optimistic about the trajectory of life in Australia than those who are dissatisfied. Figure 11 shows that this measuring of housing circumstances deteriorated quite substantially between April 2017 and January 2024 and, although it stayed reasonably consistent over the last year, the long-term decline in perceived access to adequate and affordable housing is clearly factoring into the perceptions of Australians about the future and present relative to the past.

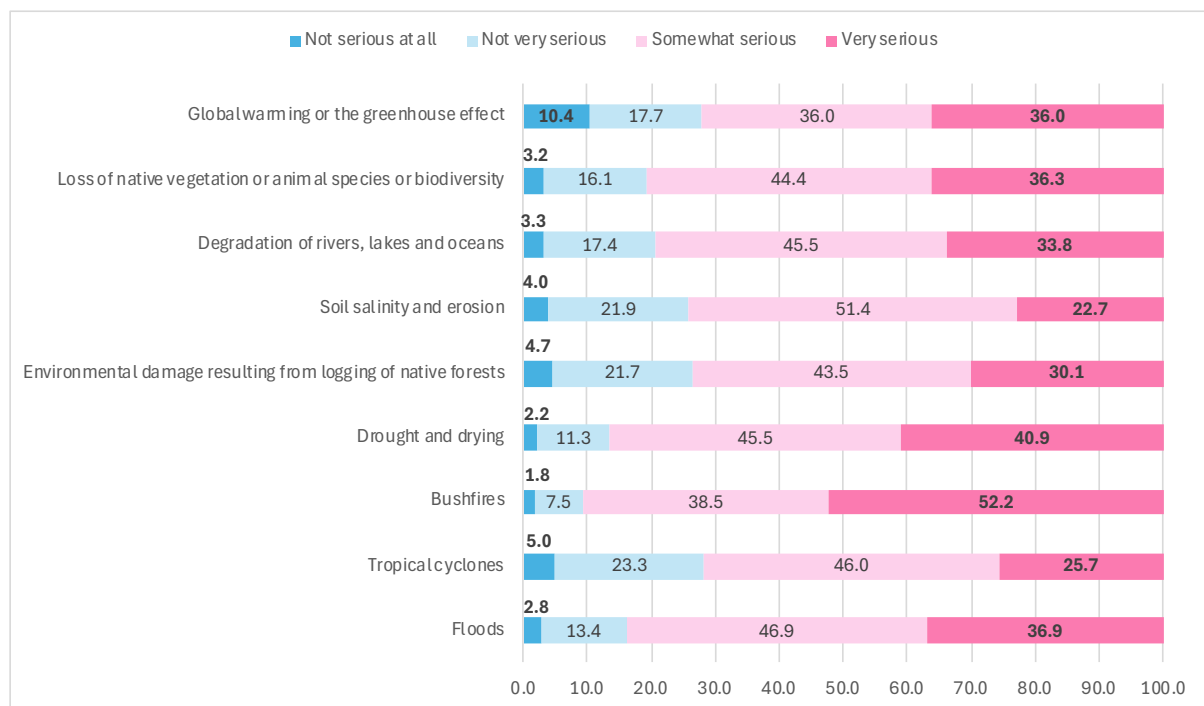
**Figure 11 Satisfaction with housing – April 2017 to January 2025**



Source: ANUpoll: April 2017 and January 2024. Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

Our third model in Table 2 includes views about the environment. In the January 2025 survey, we asked respondents 'How serious do you consider each of the following to be for Australia...?' with nine environmental issues included and four response options: Very serious; Somewhat serious; Not very serious; and Not serious at all. Figure 12 shows that Australians think that all the environmental issues are either very or somewhat serious, with the greatest level of concern for bushfires, drought and drying, and floods (in that order).

**Figure 12 Perceived seriousness of environmental issues, January 2025**



Source: Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

Results in Table 2 show that thinking that two of these were very serious issues was associated with optimism/pessimism – global warming and bushfires. What is interesting though, is that those who think that global warming is a very serious issue are **more** optimistic about the future/present than those that don't think it is a serious issue.

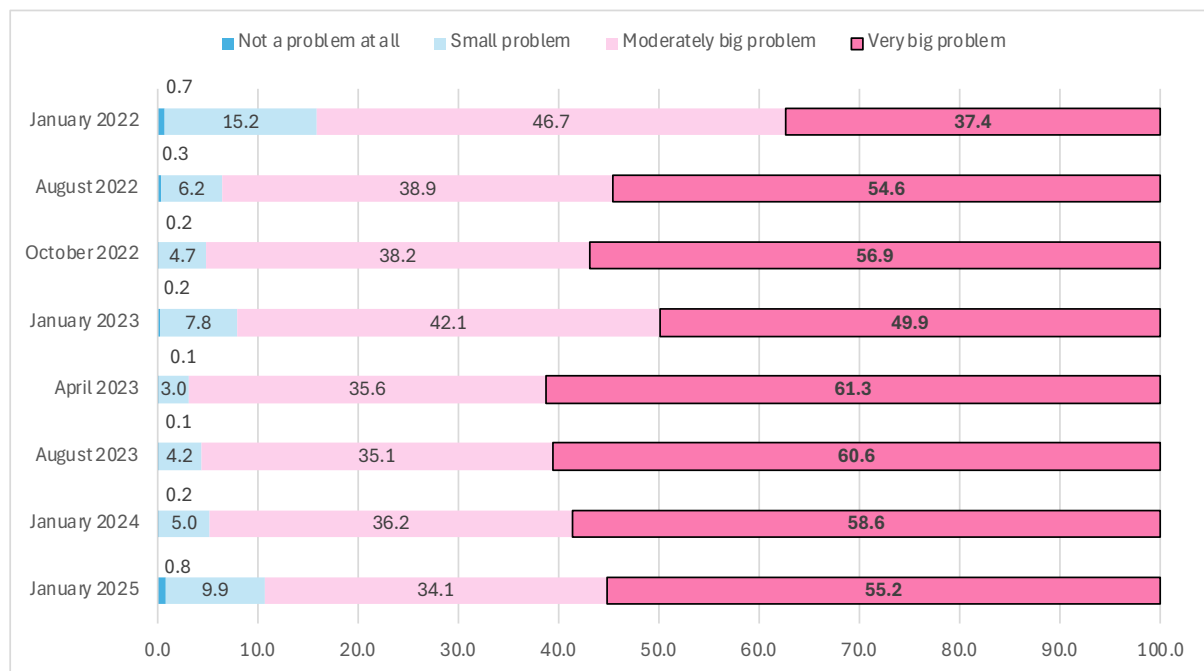
The second environmental variable that we use in the analysis was based on the following 'Some countries are doing more to protect the world environment than other countries are. In general, do you think that Australia is doing...?' The middle category (About the right amount) was given by 42.8 per cent of Australians, and is set as the base case. There was a significant and negative difference in optimism between this group and those that thought that Australia was doing more than enough. However, this represents only 15.2 per cent of Australians. There was also a large and significant negative difference between the base case and the 42.0 per cent of Australians that thought that Australia was doing too little.

The fourth model includes as the additional explanatory variable, responses to the question – 'How much of a problem do you think rising prices are in Australia?'. Only 0.8 per cent of Australians think that rising prices are not a problem at all, with 9.9 per cent thinking rising prices are only a small problem. This leaves a little over a third (34.1 per cent) that think rising prices are a moderately big problem, and more than half (55.2 per cent) that think that rising prices are a very big problem.

The per cent of Australians that think rising prices are either a moderately or very big problem has actually declined since January 2024 (Figure 13) and particularly the peak in April 2023. However, it is still above the levels in January 2022, when the inflationary period really commenced. Analysis in Table 2, however, shows that those who think that rising prices are a very big problem are far less optimistic about the future than those that have a less negative view towards inflation.



**Figure 13 Belief that rising prices are a problem – January 2022 to January 2025**

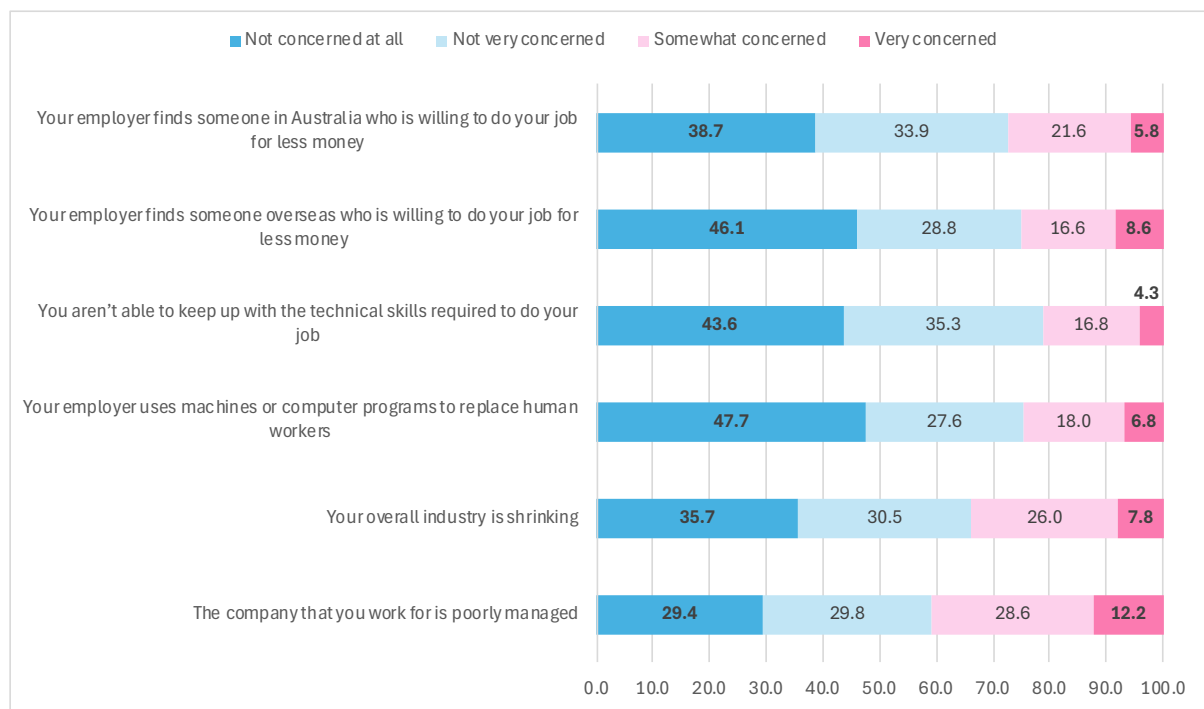


Source: ANUpoll: January 2022 to January 2024. Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

The final model includes only those that were employed in the week prior to the survey. We give respondents the following prompt and question: ‘Following are some reasons why people might worry about losing a job. For each one, please answer how concerned, if at all, you are about potentially losing your job for this reason?’ Response options are: Very concerned; Somewhat concerned; Not too concerned; and Not concerned at all.

Figure 14 shows that Australians are most concerned about the company they work for being poorly managed (40.8 per cent somewhat or very concerned) or their overall industry shrinking (33.8 per cent). These two sources of concern are also the ones that have the strongest association with optimism about the future/present, with concern for both being negative associated with our additive optimism index.

**Figure 14 Perceived concerns about job loss, January 2025**



Source: Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

## 4 Views on democracy and Australia's institutions

There is a long and expanding literature on the extent to which broader political attitudes are more impacted by evaluations of the past as opposed to predictions of the future, whether sociotropic (national direction) or egocentric (personal direction) assessments matter most, and whether views about the short, medium, or long-term are most important. One of the challenges, hinted at earlier in the paper, is that measures across all these dimensions are highly correlated.

The balance of evidence seems to suggest that the specific outcome really matters, but there are some consistent findings. First, it would seem that, at least when it comes to the economy, sociotropic evaluations tend to be stronger predictors of voting choices than egocentric evaluations (Kinder and Kiewiet (1981), Lewis-Beck and Stegmaier (2000), and Hellwig and McAllister (2016)). Explaining this finding, Duch and Stevenson (2008) argue that egocentric evaluations are often inconsistent and subject to bias, making them weaker predictors than national economic assessments. Of course, binary distinctions aren't always helpful, and Lockerbie (2023) revisited the impact of economic perceptions on political attitudes and behaviours for the 2022 US (mid-term) elections, finding that both types of economic assessments significantly influence voting decisions. More recently, Budi (2024) undertook a meta-analysis with the aim of guiding those who design political surveys. They found that 'a sociotropic-retrospective measure, i.e., an individual's perception of national economic conditions in the recent past, has a higher predictive power than other measures common in studies of economic voting'

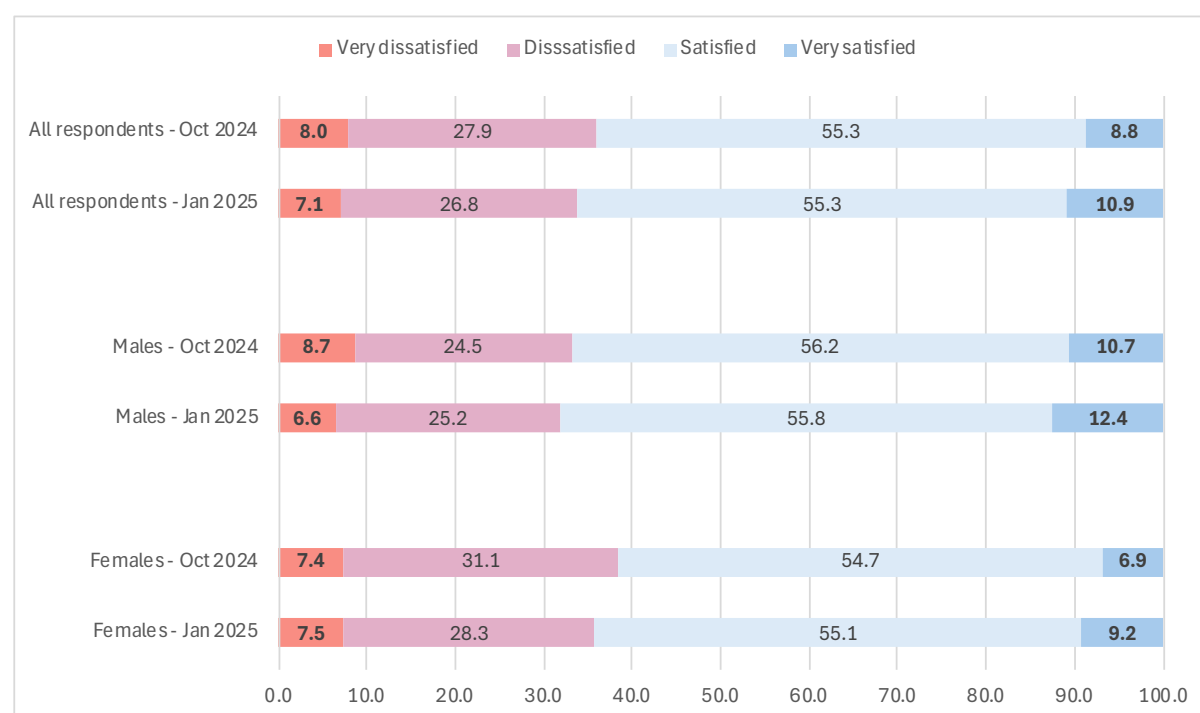
In this section, we consider trends in key political outcomes, and how they relate to our suite of optimism/pessimism measures.

### 4.1 Satisfaction with democracy and views towards populism

In Wave 1 and 2 of the 2025EMSS, respondents were asked 'On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in Australia?' This is a very similar question to that which is asked in the long-standing Australia Election Study, or AES. As shown in Figure 15, Australians are far more likely to be satisfied (55.3 per cent satisfied in January, 10.9 per cent very satisfied) than dissatisfied (26.8 per cent dissatisfied in January, 7.1 per cent very dissatisfied). Despite some of the financial and social trends discussed earlier, Australians seems to have become slightly more satisfied with democracy since October 2024.<sup>12</sup>

Differences in satisfaction with democracy are greater by sex than age (as shown later in this section in the regression analysis), with a slight narrowing over the last few months. Combined, 68.2 per cent of males were satisfied/very satisfied compared to only 64.2 per cent of females.

**Figure 15      Satisfaction with democracy, all Australians and by sex, October 2024 and January 2025**



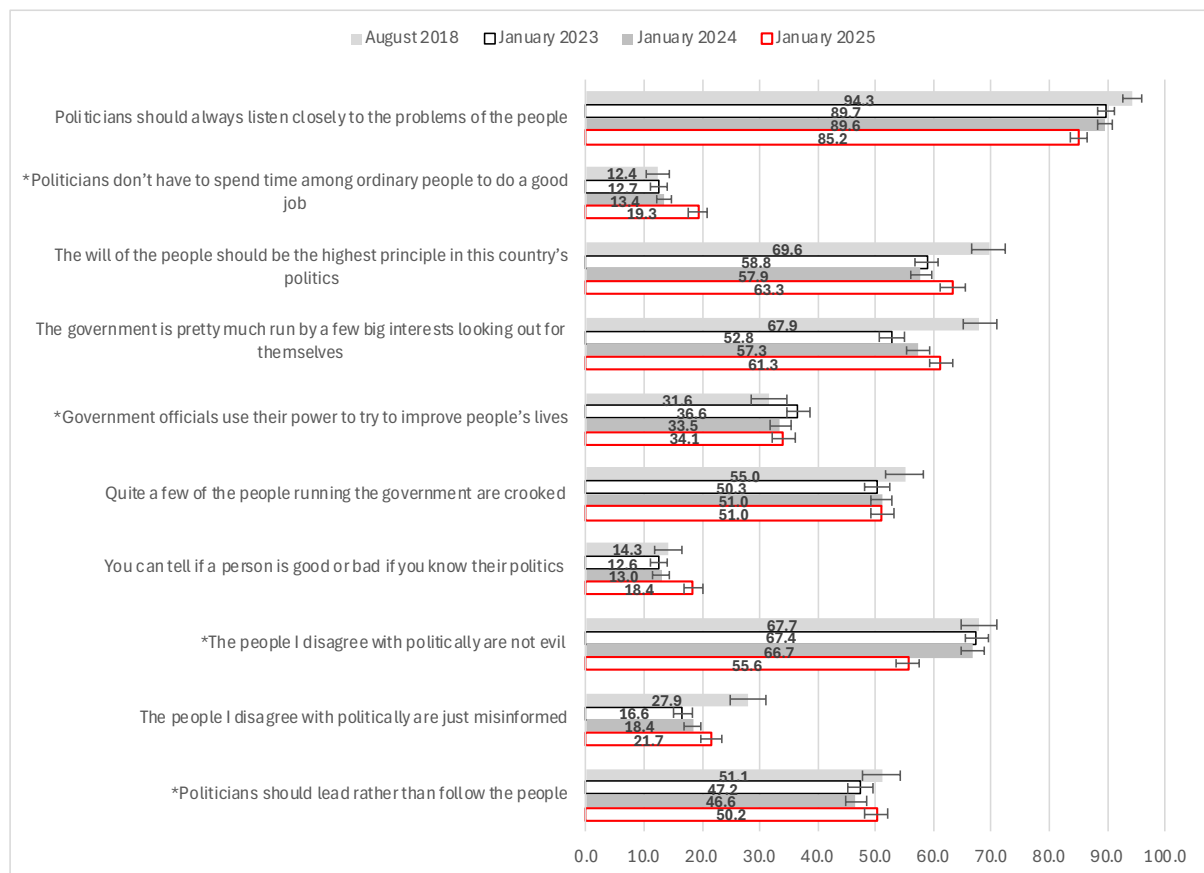
Source: Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

Australians are not only reasonably satisfied with democracy, but the (limited) survey evidence and voting patterns in Australia suggests that the risk of populism is lower than in many other countries (Jungkunz et al. 2021), and the data summarised below suggests that support is if anything declining. While low, populist attitudes can still correlate highly with other dissatisfaction measures (Kefford et al. 2023).

Specifically, in the August 2018 ANUpoll, we utilised a new (at the time) nine-item populism scale developed by Silva et al. (2018) with three dimensions – people-centrism, anti-elitism, and Manichean outlook. Each of the constructs had two positively worded and one negatively worded question, and we added a tenth negatively worded question that summarises a more general perception of populism related to politicians versus the people leading a country.

Figure 16 shows that there has been a decline from August 2018 to January 2025 in agreement for four of the positively worded statements with no significant increase in any. Specifically, there are fewer Australians in January 2025 compared to August 2018 that think that the government is pretty much run by a few big interests looking out for themselves (from 67.9 in August 2018 to 61.3 per cent in January 2025), politicians should always listen closely to the problems of the people (94.3 to 85.2 per cent), the people I disagree with politically are just misinformed (27.9 to 21.7 per cent) and the will of the people should be the highest principle in this country's politics (69.6 to 63.3 per cent). The evidence on the negatively worded statements (marked with an \*) is a bit more mixed, with no change for two of them, one going up, and the other going down.

**Figure 16 Per cent of Australians who agree or strongly agree with statements regarding populism – August 2018 to January 2025.**



Note: The “whiskers” indicate the 95 per cent confidence intervals for the estimate

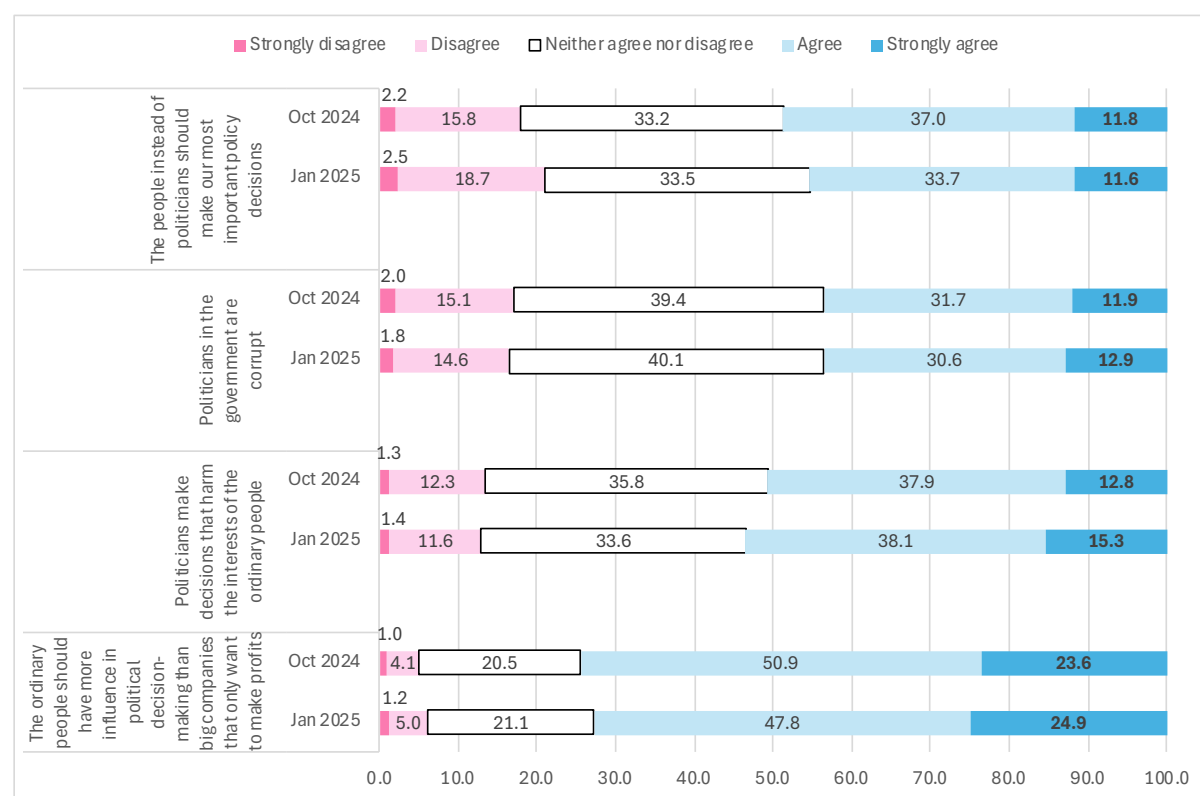
Source: ANUpoll (August 2018, January 2023 and January 2024) and Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

After confirming that the positively worded questions have a positive loading in a factor analysis and the negatively worded questions have a negative loading, we constructed an additive index which ranges from a minimum of 10 (strongly disagree with all the positively worded statements and strongly agree with all the negatively worded ones) and a maximum of 50 (strongly agree with all the positively worded statements and strongly disagree with all the negatively worded ones). In August 2018, the average value for this index was 33.4. By January 2023 it had declined to 31.7, with a slight increase since. The values of 32.0 in January 2024 and 32.2 in January 2025 are still well below the August 2018 values.

Respondents to Wave 1 and 2 of the 2025 EMSS were asked the extent to which they agree or disagree with four additional statements related to populism, taken from the Australian Election Study. Figure 17 shows that in the lead up to the 2025 Federal Election, Australians are far more likely to agree than disagree with each of the four statements, with the strongest agreement being for the notion that ‘The ordinary people should have more influence in political decision-making than big companies that only want to make profits.’ There was a slight decline in agreement for the first and fourth of the statements (people instead of politicians, and ordinary people having more

influence), and a slight increase in the third (politicians make harmful decisions). On balance though views towards politicians have stayed reasonably stable.

**Figure 17 General views on politicians, October 2024**

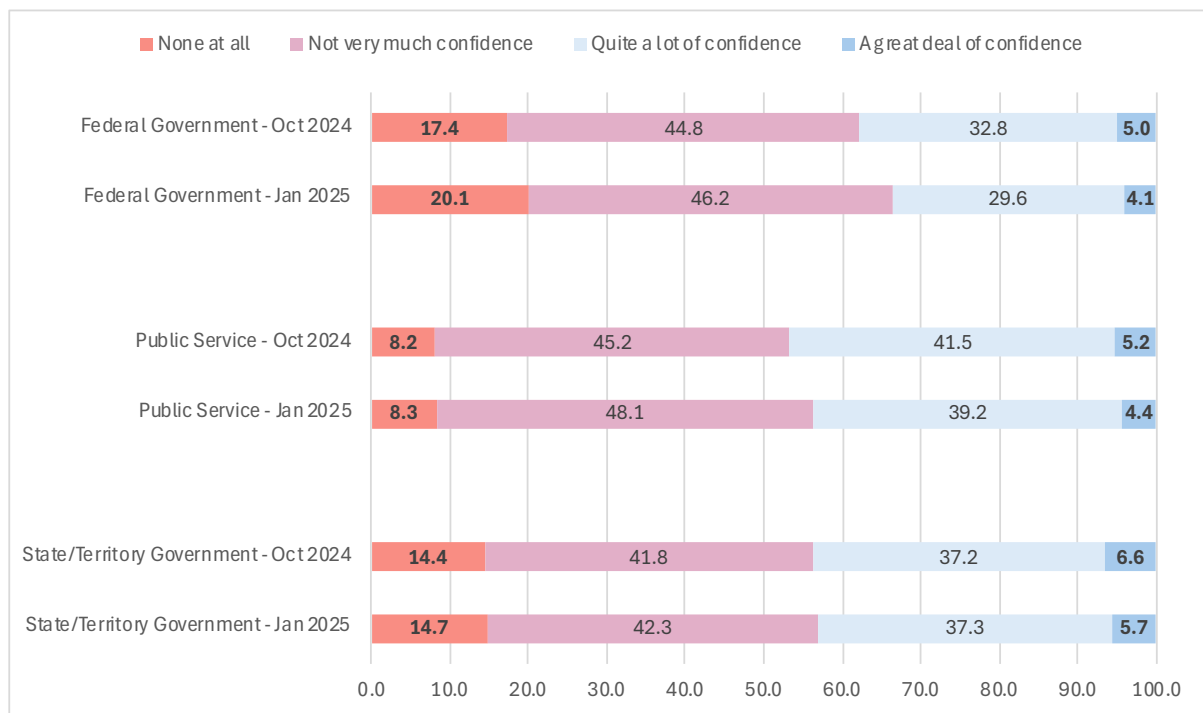


Source: Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

## 4.2 Confidence and trust in institutions

Although Australians are generally satisfied with the direction of the country in general (though that is slipping), and democracy specifically, trust in key institutions in Australia remains low. At the start of the 2025EMSS (Wave 1 and 2), respondents were asked for their confidence in the Federal Government, the Public Service, and the State/Territory government in the jurisdiction in which they live. Figure 18 shows that of these three key institutions, the public service and state/territory governments have the greatest level of confidence, with less confidence in the Federal government.

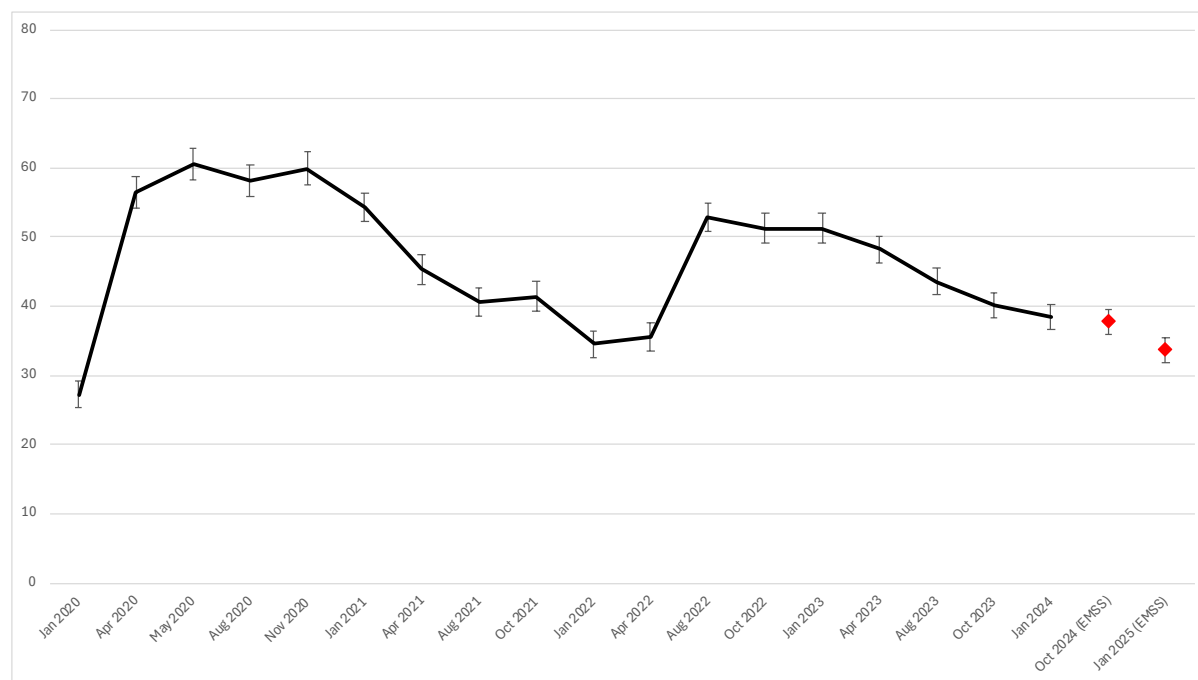
**Figure 18 Confidence in institutions, all Australians, October 2024 and January 2025**



Source: Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

Comparing 2025EMSS data with time series data from the ANUpoll, we can see that confidence in the Federal Government appears to be at a reasonably low value over the medium term and that it has continued to decline since October 2024. Confidence in the Federal Government is now no longer higher than it was in the last few months of the Morrison government (January and April 2022). The only time across our entire series for which confidence in the Federal Government was lower than it is now was during the Black Summer Bushfires (January 2020) when only 27.3 per cent of Australians were confidence or very confident.

**Figure 19 Confidence in the Federal Government, all Australians, January 2020 to January 2025**



Note: The “whiskers” indicate the 95 per cent confidence intervals for the estimate

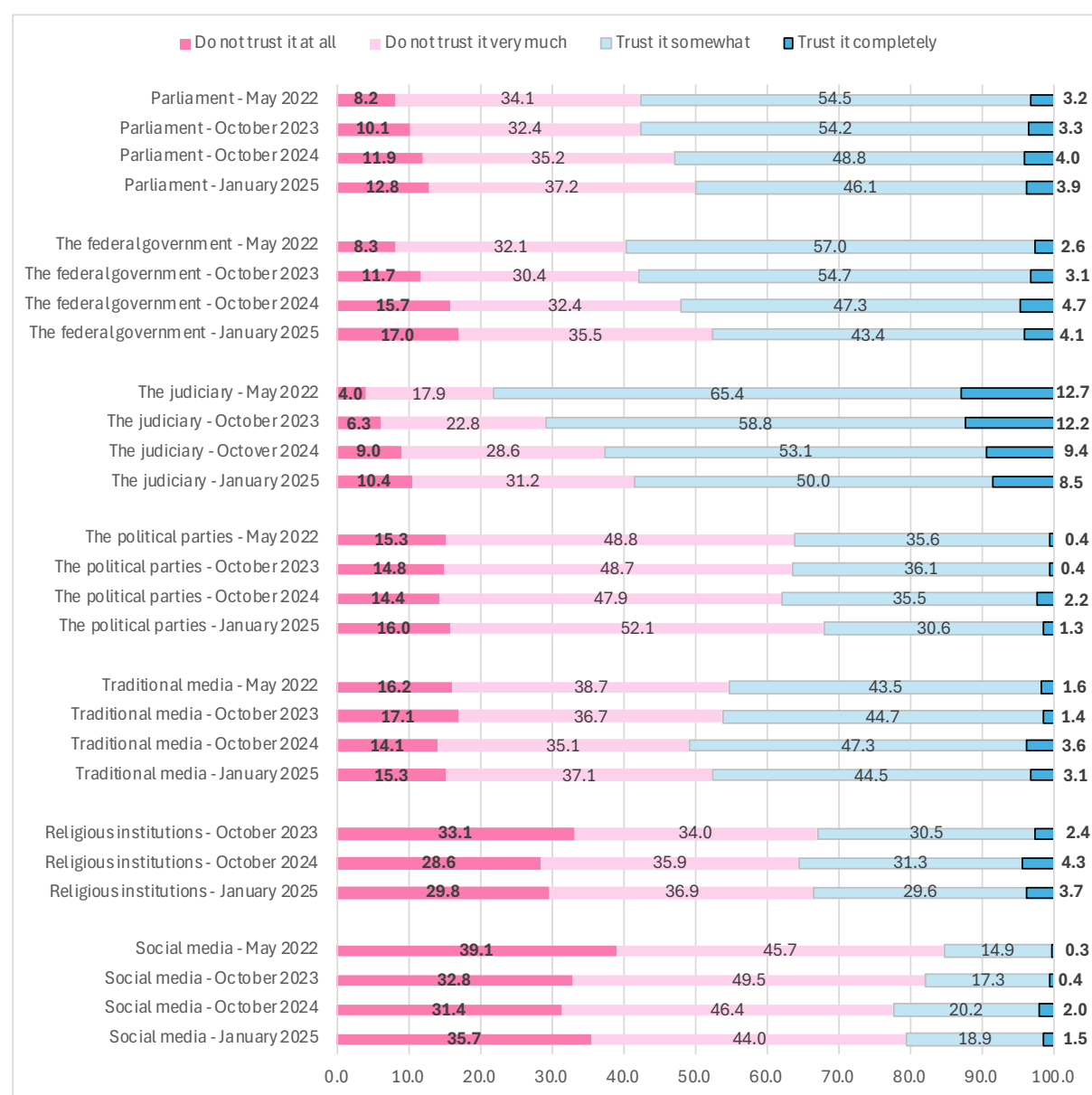
Source: ANUpoll (February 2020 to January 2024) and Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

In addition to confidence in government, in October 2024 and January 2025 we asked respondents about their level of trust in seven important institutions, with four possible response options – Do not trust it at all; Do not trust it very much; Trust it somewhat; and Trust it completely. For the ANUpoll series of surveys, we asked about all these institutions in October 2023 just after the failed Constitutional Referendum, as well six of these institutions in May 2022 just after the most recent Federal Election.

Figure 20 shows that the most trusted institution in Australia (of the seven asked about in October 2024) is the judiciary, with 58.4 per cent of Australians saying that they trust it somewhat or trust it completely. However, the judiciary continues to experience significant substantial decline from 78.2 per cent just after the 2022 federal election and 70.9 per cent in October 2023 (after the referendum). The least trusted institution is Social Media. Although trust increased from a very low 17.7 per cent in 2023 to a slightly more respectable 22.2 per cent in 2024, there was a slight decline over the last few months to 20.4 per cent. Indeed, there were no institutions that witnessed an increase in trust between October 2024 and January 2025.



**Figure 20**      **Level of trust in key institutions, May 2022, October 2023, October 2024, and January 2025**



Source: May 2022 Comparative Study of Electoral Systems/ANUpoll, October 2023 Australian Constitutional Referendum Survey/ANUpoll, October 2024 Wave 1 and 2 of the 2025EMSS (October 2024 and January 2025)

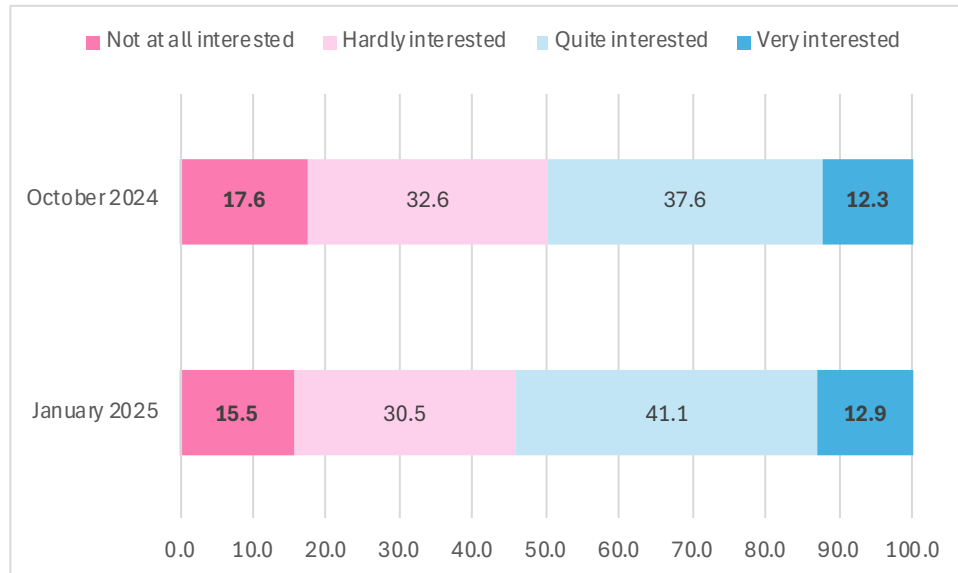
### 4.3 Interest in politics

One of the potential reasons for low trust and confidence is the perceived lack of ability for the general public to engage in politics and the political process. Early in the 2025EMSS, we asked respondents for their self-perceived interest in politics. These questions were taken from the European Social Survey, with Figure 21 giving the results for October 2024 and January 2025.

Figure 21 shows a roughly even split across the population in terms of interest in politics in October 2024. A little under half are interested (37.6 per cent quite interested and 12.3 per cent very interested) and a little over half are not interested (17.6 not at all interested and 32.6 per cent hardly interested). Between October 2024 and January 2025, however,

there was a slight increase in interest, such that there were now more Australians interested (41.1 per cent quite interested and 12.9 per cent very interested) than those who were not interested (15.5 per cent not at all interested and 30.5 per cent hardly interested)

**Figure 21 Interest in politics, October 2024 and January 2025**



Source: Wave 1 to 2 of the 2025 Election Monitoring Survey Series (October 2024 and January 2025)

#### 4.4 Relationship between optimism/pessimism and views on democracy and Australia's institutions

The measures discussed earlier in this section (satisfaction, populist attitudes, confidence, trust, and interest) are key strengthening/weakening flows of democratic resilience. Although this concept has multiple (and sometimes competing) definitions, Croissant and Lott (2024) define it reasonably succinctly as the 'ability of a democratic systems to endure with exogenous and endogenous shocks and stressors in a non-violent manner through democratic means of political participation, thereby preventing or recovering from a durable loss of democratic qualities of its political institutions, processes and practices.' As will be shown in this final sub-section, our measures of optimism/pessimism predict quite well some of these resilience metrics.

Specifically, we run a number of regression analyses with the resilience metrics as the dependent variables. For each of these measures, we run three models. The first includes demographic, socioeconomic, and geographic measures only. The second includes the additive index of optimism/pessimism, and the final model includes all the underlying measures of that index. The final model is used to test which of the aspects of optimism and pessimism are the most predictive. It includes all seven of the variables used in the additive index as separate explanatory variables.<sup>13</sup>

Results are spread across Table 3, with a summary of the key findings for each of the dependent variables given below.

##### **Satisfaction with Democracy**

Satisfaction with democracy remains one of the most widely used indicators of democratic resilience. Results suggest that satisfaction varies across demographic groups, with both younger and older Australians expressing greater levels of satisfaction than those in the middle of the age distribution. Males report higher levels of satisfaction than females, and those with higher levels of education tend to be more satisfied with democracy.

When the additive optimism index is included in the model, it is positively associated with democratic satisfaction, meaning that those who feel more optimistic about the present and future are also more likely to express satisfaction with democracy. Controlling for optimism reduces the association between satisfaction and age, as well as the difference between males and females, but the positive relationship between education and democratic satisfaction remains.

The two variables that have the strongest relationship with satisfaction with democracy are whether or not a person thinks that life will be better for today's children, and their views on whether general economic circumstances have improved or worsened in the last 12 months.

### **Populist Attitudes**

Populist attitudes are often linked to political dissatisfaction and a perceived disconnect between political elites and the public. The regression results show that older Australians are less likely to express populist attitudes, while females exhibit slightly higher levels of populist sentiment. Education is also a strong predictor, with those who have attained higher levels of education expressing lower levels of populism. Additionally, those born overseas in English-speaking countries tend to hold fewer populist views than those born in Australia.

When the optimism index is introduced, it is negatively associated with populist attitudes—those who are more optimistic are less likely to express populist views. Importantly, the introduction of this measure does not substantially alter the relationships between populism and demographic variables, suggesting that optimism operates as an independent factor influencing populist attitudes.

Again, there is a strong relationship with populism on the one hand, and whether or not a person thinks that life will be better for today's children, as well as their views on whether general economic circumstances have improved or worsened in the last 12 months. In addition, those who think that life in Australia is worse now than it was 50 years ago are far more likely to have views in support of populism.

### **Confidence in the Federal Government**

Confidence in government institutions is another key indicator of democratic stability. The initial model reveals that younger Australians report greater confidence in the federal government, while older Australians are less confident. Females are also less confident than males, and those with higher education levels tend to express greater confidence. Geographic differences emerge, with those born overseas—both in English-speaking and non-English-speaking countries—reporting higher confidence in government, while those living outside capital cities exhibit lower confidence.

Adding the optimism index to the model shows that greater optimism is associated with higher confidence in government. Controlling for optimism reduces the differences observed in confidence levels across age, gender, and country of birth, though differences in education and geographic location remain.

Confidence in the federal government is particularly associated with a person's views on whether life in Australia in general has improved in the last year. Those that think it has worsened are much less confident than those who think it has stayed the same. Again though, views on change in the general economy are most strongly associated.

### **Interest in Politics**

Political engagement, as measured by self-reported interest in politics, follows a somewhat different pattern. Older Australians tend to report greater interest in politics, as do males and those with higher levels of education. Conversely, those living outside capital cities are slightly less interested in politics.

Unlike the other measures, the optimism index does not exhibit a significant relationship with political interest. Furthermore, introducing optimism into the model does not substantially alter the associations between interest in politics and demographic factors, suggesting that political engagement may be driven by more stable individual characteristics rather than shifting perceptions of the future.

Although the additive index did not have a strong association with interest in politics, some of the composite variables did. Those who thought that life in Australia was better **and** those that thought life in Australia was worse are more interested in politics than those who thought life was about the same. In addition, those that thought the general economic conditions in Australia were a lot better now than 12 months ago are also more interested.

### **Regression analysis summary**

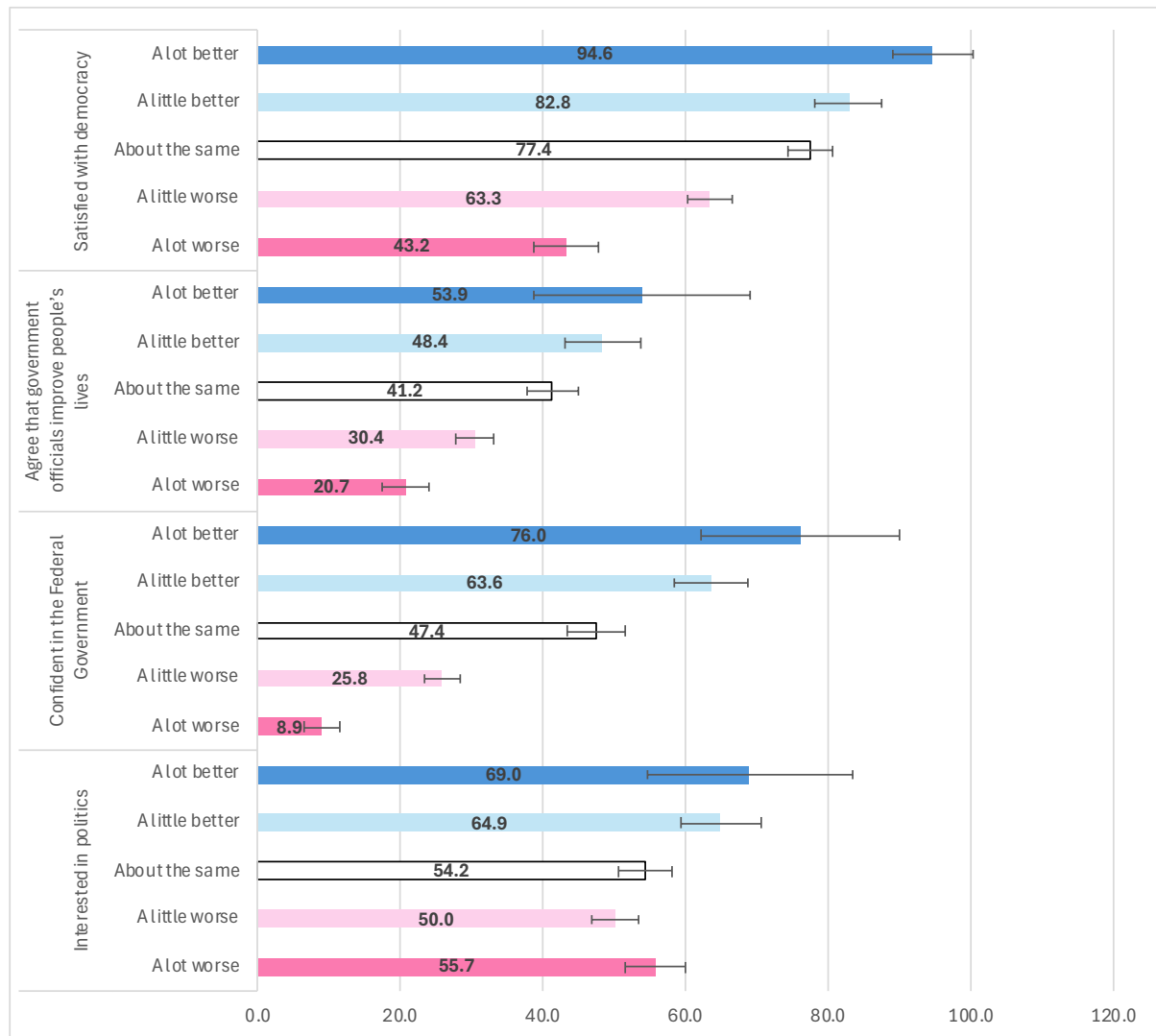
These findings reinforce the broader patterns observed throughout this study—individuals who are more optimistic about the present and future tend to be more satisfied with democracy, express lower levels of populist sentiment, and have greater confidence in government. Further, although an aggregate measure of optimism appears to play little role in shaping political interest, some of the individual components are important.

One of the consistently strong predictors of the democratic resilience measures is a person's retrospective evaluation of the change in the country's economic circumstances. This is shown in Figure 22, which gives the per cent of Australians that support each of the democratic resilience measures, by their assessment of changes in general economic conditions. Because the populism index is a little hard to interpret, we instead use one of the component variables (that has the strongest correlation with economic evaluation) – whether or not someone agrees or strongly agrees that 'Government officials use their power to try to improve people's lives', which is a reverse coded measure of populism (i.e. disagreement with that statement is predictive of less support for populism).

We can see from Figure 22 that support for these resilience measures decline as views on Australia's economic trajectory worsen. We can take confidence in the Federal

Government as the most dramatic example. Amongst those that think Australia's economy is a lot better in January 2025 compared to 12 months ago, 76.0 per cent are confident in the Federal government. For those that think the economy is much worse, only 8.9 per cent are confident in the Federal Government.

**Figure 22 Measures of democratic resilience by views on whether economic circumstances in Australia have improved/worsened over the last 12 months, January 2025**



Source: Wave 2 of the 2025 Election Monitoring Survey Series (January 2025)

**Table 3 Regression model estimates of the factors associated with democratic resilience indicators, January 2025**

**Table 3a Model 1 – Demographic, socioeconomic, and geographic variables**

Explanatory variables	Satisf with Demo <sup>1</sup>		Populism <sup>2</sup>		Conf in Gov't <sup>1</sup>		Interest in politics <sup>1</sup>	
	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.
Aged 18 to 24 years	0.200	**	-0.192	**	0.129		0.280	***
Aged 25 to 34 years	0.128	*	-0.053	*	0.027		0.041	
Aged 45 to 54 years	0.101		-0.136		0.197	***	0.035	
Aged 55 to 64 years	0.195	**	-0.149	**	0.353	***	-0.172	**
Aged 65 to 74 years	0.368	***	-0.630	***	0.485	***	0.037	
Aged 75 years plus	0.271	***	-0.862	***	0.813	***	-0.213	**
Female	-0.085	*	0.548	*	-0.499	***	-0.081	*
Has not completed Year 12 or post-school qualification	-0.211	***	0.997	***	-0.299	***	-0.107	
Has a degree	0.207	***	-0.609	***	0.269	***	0.180	***
Born overseas in a main English-speaking country	0.099		-0.536		0.097		0.161	**
Born overseas in a non-English speaking country	0.007		-0.112		-0.051		0.152	**
Lives outside of a capital city	-0.085		0.244		-0.145	***	-0.087	*
Speaks a language other than English at home	-0.085		0.028		-0.060		-0.015	
Constant/Cut-point 1	-1.382		32.170	***	-1.138		-0.858	
Cut-point 2	-0.319				-0.157		0.425	
Cut-point 3	1.364				1.168		1.767	
Sample size	3,350		3,092		3,336		3,429	

Notes: (1) Ordered Probit Models (2) Linear regression model. The base case individual is male; aged 35 to 44 years; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a degree; and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled \*\*\*; those significant at the 5 per cent level of significance are labelled \*\*, and those significant at the 10 per cent level of significance are labelled \*

Source: Wave 2 of the 2025 Election Monitoring Survey Series, January 2025

**Table 3b Model 2 – Additive optimism index**

Explanatory variables	Satisf with Demo <sup>1</sup>		Populism <sup>2</sup>		Conf in Gov't <sup>1</sup>		Interest in politics <sup>1</sup>	
	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.
Additive optimism index	0.105	***	-0.291	***	-0.004		0.115	***
Aged 18 to 24 years	-0.058		0.506		0.168	*	0.000	
Aged 25 to 34 years	0.025		0.139		0.043		-0.134	
Aged 45 to 54 years	0.087		-0.176		0.245	***	-0.022	
Aged 55 to 64 years	0.207	**	-0.280	**	0.382	***	-0.172	**
Aged 65 to 74 years	0.361	***	-0.463	***	0.546	***	0.000	
Aged 75 years plus	0.267	**	-0.713	**	0.880	***	-0.280	**
Female	-0.015		0.322		-0.495	***	0.007	
Has not completed Year 12 or post-school qualification	-0.192	**	0.950	**	-0.375	***	-0.064	
Has a degree	0.134	***	-0.329	***	0.273	***	0.110	**
Born overseas in a main English-speaking country	0.004		-0.219		0.101		0.079	
Born overseas in a non-English speaking country	-0.085		0.210		-0.025		0.102	
Lives outside of a capital city	-0.093	*	0.195	*	-0.175	***	-0.093	*
Speaks a language other than English at home	-0.078		0.090		-0.056		-0.002	
Constant/Cut-point 1	0.380		37.540	***	-1.217		1.158	
Cut-point 2	1.590				-0.222		2.588	
Cut-point 3	3.399				1.117		4.090	
Sample size	3,010		2,822		2,998		3,052	

Notes: (1) Ordered Probit Models (2) Linear regression model. The base case individual is male; aged 35 to 44 years; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a degree; and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled \*\*\*; those significant at the 5 per cent level of significance are labelled \*\*, and those significant at the 10 per cent level of significance are labelled \*

Source: Wave 2 of the 2025 Election Monitoring Survey Series, January 2025

**Table 3c Model 3 – Individual optimism/pessimism measures**

Explanatory variables		Satisf with Demo <sup>1</sup>		Populism <sup>2</sup>		Conf in Gov't <sup>1</sup>		Interest in politics <sup>1</sup>	
		Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.	Coeffic.	Signif.
How life compares to 50 years ago	Worse	0.065		-0.349		0.243 ***		0.040	
	Better	-0.096		0.865 ***		0.140 **		-0.193 ***	
How life will be in 50 years time	Worse	0.031		0.134		-0.134 *		0.035	
	Better	-0.133 **		0.102		0.057		0.014	
How life compares to 1 year ago	Much improved	-0.034		-0.637		-0.082		0.073	
	A little improved	-0.071		-0.222		-0.043		0.042	
	A little worse	-0.139 *		0.071		-0.003		-0.125	
	Much worse	-0.668 ***		1.564 ***		0.050		-0.331 **	
How life will be in 1 year	Much improved	0.436 ***		1.196 **		0.223		0.229	
	A little improved	0.014		0.493 **		-0.001		0.035	
	A little worse	-0.192 ***		0.619 **		0.083		-0.213 ***	
	Much worse	-0.330 ***		1.059 **		0.093		-0.423 ***	
Today's children vs. own life	Much improved	0.473 ***		-0.252		0.130		0.060	
	A little improved	0.242 ***		-0.266		0.149 *		0.066	
	A little worse	0.188 ***		0.277		0.034		-0.058	
	Much worse	-0.155 *		1.334 ***		0.043		-0.299 ***	
Financial situation of household	A lot better	-0.027		0.369		-0.229		-0.091	
	A little better	0.162 **		-0.001		-0.013		-0.017	
	A little worse	0.075		-0.147		-0.013		0.089	
	A lot worse	0.048		-0.512		-0.062		0.121	
General economic conditions	A lot better	0.274		0.055		0.427 **		0.411	
	A little better	0.022		-0.245		0.128		0.278 ***	
	A little worse	-0.231 ***		0.255		-0.101 *		-0.331 ***	
	A lot worse	-0.399 ***		1.472 ***		0.062		-0.850 ***	



Aged 18 to 24 years	-0.061	0.403	0.167 *	0.016
Aged 25 to 34 years	-0.004	0.055	0.038	-0.125
Aged 45 to 54 years	0.084	-0.251	0.233 ***	-0.014
Aged 55 to 64 years	0.166 *	-0.220	0.363 ***	-0.189 **
Aged 65 to 74 years	0.345 ***	-0.388	0.526 ***	0.016
Aged 75 years plus	0.241 **	-0.570	0.875 ***	-0.286 **
Female	-0.024	0.345 **	-0.484 ***	0.020
Has not completed Year 12 or post-school qualification	-0.200 **	0.906 ***	-0.382 ***	-0.066
Has a degree	0.125 **	-0.301	0.279 ***	0.094 *
Born overseas in a main English-speaking country	0.005	-0.202	0.100	0.085
Born overseas in a non-English speaking country	-0.074	0.340	-0.031	0.102
Lives outside of a capital city	-0.111 *	0.199	-0.178 ***	-0.101 *
Speaks a language other than English at home	-0.079	0.019	-0.057	0.022
Constant/Cut-point 1	-1.925	30.576 ***	-0.973	-1.526
Cut-point 2	-0.670		0.032	-0.033
Cut-point 3	1.157		1.389	1.492
Sample size	3,010	2,822	2,998	3,052

Notes: (1) Ordered Probit Models (2) Linear regression model. The base case individual is male; aged 35 to 44 years; born in Australia; does not speak a language other than English at home; has completed Year 12 but does not have a degree; and lives in a capital city.

Coefficients that are statistically significant at the 1 per cent level of significance are labelled \*\*\*; those significant at the 5 per cent level of significance are labelled \*\*, and those significant at the 10 per cent level of significance are labelled \*

Source: Wave 2 of the 2025 Election Monitoring Survey Series, January 2025

## 5 Summary and concluding comments

The findings presented in this paper highlight a significant erosion of optimism among Australians regarding their financial security, social wellbeing, and political institutions. While Australia has historically maintained higher levels of trust and confidence in democratic institutions compared to other advanced democracies, recent trends suggest that dissatisfaction is deepening. Life satisfaction has declined to levels not significantly different from those observed during the COVID-19 lockdowns, and financial stress remains persistently high, with over one-third of Australians struggling to get by on their current income.

The data also confirms that economic perceptions play a central role in shaping political attitudes. Consistent with the economic voting literature (Kinder and Kiewiet (1981); Lewis-Beck and Stegmaier (2000); Hellwig and McAllister (2016)), we find that individuals' assessments of national economic conditions—more so than personal financial situations—are the strongest predictors of democratic satisfaction, confidence in government, and populist attitudes. Those who perceive economic conditions to be worsening are significantly more likely to express dissatisfaction with democracy, declining trust in institutions, and greater support for populist narratives. This is another instance of the seminal work of Hibbs (1987) on macroeconomic conditions and electoral politics, which suggests that economic downturns can have profound consequences for political stability, and aligns with previous research on economic voting models, where sociotropic evaluations—rather than egocentric concerns—tend to drive electoral outcomes (Duch and Stevenson, 2008; Budi, 2024).

Additionally, views about the past and future are crucial determinants of political engagement. Those who believe life in Australia was better 50 years ago and anticipate further deterioration in the next 50 years exhibit stronger populist sentiment and reduced confidence in government. This reflects broader global trends, where nostalgia for the past and pessimism about the future have been linked to increasing support for anti-establishment parties and movements (Norris and Inglehart, 2019; Levitsky and Ziblatt, 2018). The erosion of trust in democratic institutions in Australia mirrors findings in other Western democracies, where dissatisfaction with traditional political structures has fuelled populist rhetoric and alternative political movements (Mounk, 2018).

Generational differences in political attitudes are also evident in our data. Younger Australians are more optimistic about the future but remain less engaged in traditional political processes. This disengagement is consistent with broader international (Dalton 2020) and Australian (Chowdhury 2021) trends who argue that younger generations are less likely to participate in conventional electoral politics but may engage in non-traditional forms of political activism. Understanding and addressing this generational divide will be critical for maintaining democratic resilience in the coming decades.

### 5.1 Policy Implications and Future Research Directions

These findings have direct policy implications for government, policymakers, and civil society:

#### **Economic Policy and Public Confidence**

The strong association between economic perceptions and trust in government suggests that maintaining economic stability is not only an economic imperative but a political necessity. While macroeconomic indicators remain strong, public perception of economic conditions is decoupled from official statistics. Addressing the disconnect between measured economic stability and perceived financial stress will be critical in restoring public confidence.

### **Housing Affordability and Social Wellbeing**

Housing dissatisfaction emerges as a key driver of pessimism, reinforcing concerns about housing affordability and security. With home ownership rates declining and rental stress increasing, policies aimed at increasing housing availability and affordability could play a role in bolstering social and political trust.

### **Addressing Populist Sentiment and Democratic Resilience**

The study highlights ongoing concerns about democratic resilience in Australia. While satisfaction with democracy remains relatively high, declining confidence in government institutions and growing populist attitudes suggest that policymakers must actively engage with disaffected citizens. Policies focused on transparency, accountability, and participatory governance could mitigate some of these concerns.

### **Bridging Generational Divides in Political Attitudes**

Younger Australians are far more optimistic about the future than older cohorts, yet they remain less engaged with traditional political institutions. Understanding how to engage younger voters, particularly through new forms of political participation, will be vital in maintaining long-term democratic stability.

The trends documented in this study indicate that without targeted policy interventions, declining trust in institutions, economic anxieties, and generational political disengagement may continue to shape Australia's political landscape in the years to come. Future research should explore the specific mechanisms through which economic and other perceptions shape political attitudes and investigate potential strategies for rebuilding trust in democratic institutions.

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## Appendix – Survey details and additional tables

Data collection for Wave 1 of the 2025 Election Monitoring Survey Series commenced with a pilot survey on Monday 14<sup>th</sup> of October. Full data collection commenced on the 15<sup>th</sup> of October, with data collection finishing on the 25<sup>th</sup> of October. There were a total of 3,622 respondents with a median survey length of 17 minutes. Those who completed the survey between the 14<sup>th</sup> and 17<sup>th</sup> of October were incorrectly not asked the last question in the survey on language spoken at home. After this date, this question was added to the survey, and those that missed that question were re-contacted for their language details.

Data collection for Wave 2 of the survey commenced with a pilot collection on the 29<sup>th</sup> of January. Full data collection commenced on the 31<sup>st</sup> of January and concluded on the 12<sup>th</sup> of February with 3,514 respondents. Of these respondents, 2,380 also completed the October 2024 survey, a retention rate of 65.7 per cent (relative to Wave 1).

Survey weights were used in the analysis, using the iterative proportional fitting or raking method, implemented in STATA.<sup>14</sup> Population benchmarks that are used for weighting purposes are age, sex, education, and current employment. The first two of these measures comes from population estimates from the Australian Bureau of Statistics, the third (education) from the 2021 Census, and the fourth (employment) from the September 2024 Labour Force Survey.

Only those that stated their age and sex were included in the analysis. Those that gave a sex other than male or female were included in analysis apart from sex-based cross-tabulations, with the weight for those that reported they were either Non-binary or that 'I use a different term' based on the sample proportion. Missing values for employment and education were imputed for weighting purposed only using the *mi impute chained* command in STATA, with random seed set to be 10121978. A separate weight was calculated for those 2,380 respondents that were in both the October 2024 and January/February 2025 surveys.

## Endnotes

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- <sup>1</sup> <https://www.nytimes.com/2006/12/24/books/chapters/1224-1st-obama.html>
- <sup>2</sup> <https://pmtranscripts.pmc.gov.au/release/transcript-16318>
- <sup>3</sup> [OECD Survey on Drivers of Trust in Public Institutions 2024 Results - Country Notes: Australia | OECD](#)
- <sup>4</sup> <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>
- <sup>5</sup> <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>
- <sup>6</sup> <https://www.rba.gov.au/publications/smp/2025/feb/>
- <sup>7</sup> <https://www.bbc.com/news/technology-40042581>
- <sup>8</sup> <https://www.aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/life-expectancy>
- <sup>9</sup> <https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release>
- <sup>10</sup> <https://www.abs.gov.au/statistics/measuring-what-matters/measuring-what-matters-themes-and-indicators/prosperous/national-income-capita>
- <sup>11</sup> We also estimated a factor analysis using the same seven underlying variables. The first factor had an Eigenvalue of 2.85 and the second 0.49. The factor loadings for the seven variables ranged between 0.58 and 0.69. The resulting factor index was scaled to have a mean of zero and a standard deviation of one. This index had a correlation of 0.9972 with our additive index. Because an additive index is simpler to understand and allows us to track changes through time, we use it as a focus of our analysis.
- <sup>12</sup> In our longitudinal sample, the difference between this binary measure in October 2024 and January 2025 is significantly different with a p-value of 0.056 (n = 2,290), when we weight the combined sample to population benchmarks
- <sup>13</sup> To help support the interpretation, we estimate an adjusted Wald test for each of the factor variables, with the size and significance of the Chi-squared statistic an indicator of the extent to which that explanatory variable is associated with the outcome of interest.
- <sup>14</sup> <https://www.pewresearch.org/methods/2018/01/26/how-different-weighting-methods-work/>