

Tuesday, 21 December 2021

## Over a third of Australians, 37%, say 2022 will be a year of 'Economic difficulty' while 19% expect 'Economic prosperity'

A special Roy Morgan web survey taken in late November shows over a third of Australians, 37%, think next year will be a year of 'Economic difficulty', although this is down 11% points on a year ago when nearly half of Australians, 48%, predicted 'Economic difficulty' for 2021.

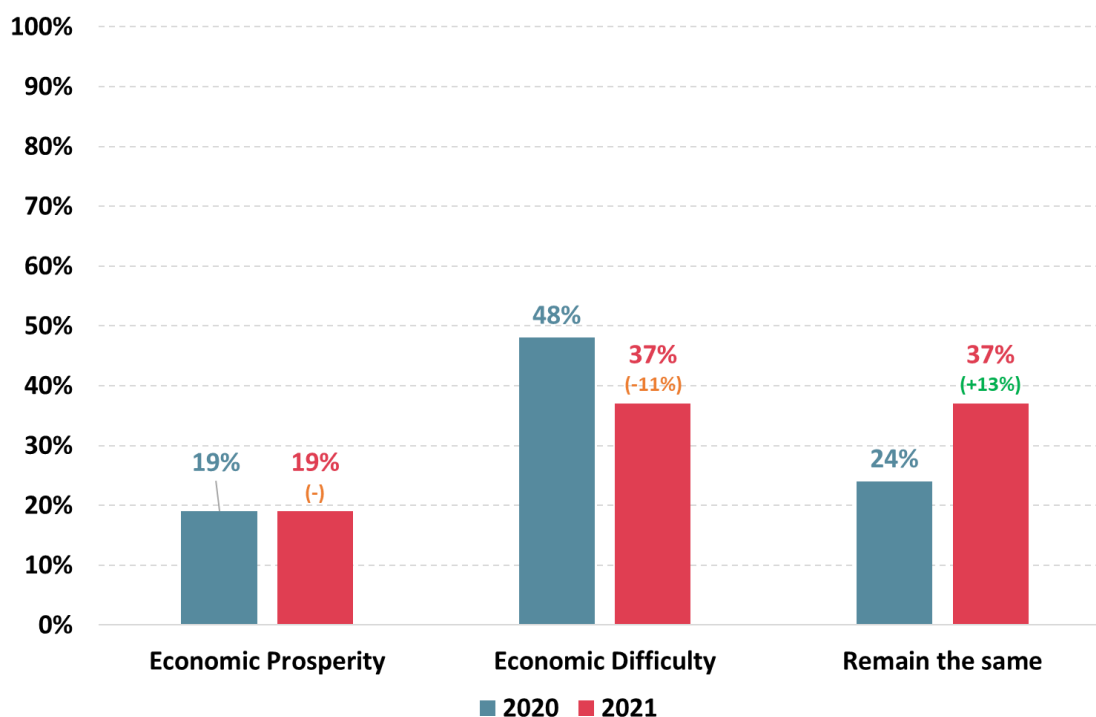
For the second straight year there are only 19% of Australians who think next year will be a year of 'Economic prosperity'. Nearly half of all Australians think next year will either 'Remain the same' (37%) or don't know 7% how the economy will perform.

Analysing by State shows that a plurality of people in the largest States think next year will be a year of 'Economic difficulty' led by Queensland (43%), Victoria (38%) and New South Wales (35%). However, in Western Australia (46%) and South Australia (45%), a clear plurality of people expect in economic terms next year will 'Remain the same'.

Australians are not as positive about next year's economic prospects as they are about whether 2022 in a more general sense will be 'better' or 'worse' than 2021. As we revealed yesterday, despite being down on a year ago, [a plurality of 37% of Australians say 2022 will be 'better' than 2021 compared to only 23% that say it will be 'worse'](#).

This special Roy Morgan web survey was conducted in late November with a cross-section of 1,184 Australians aged 18+.

**Do you think next year will be a year of 'Economic prosperity', 'Economic difficulty' or 'Remain the same' for your country (2020 cf. 2021)**



**Source:** Roy Morgan web surveys in Australia 2020 & 2021 with an average of 1,000 Australians aged 18+ interviewed in each year. **Question:** "Compared to this year, in your opinion, will next year be a year of economic prosperity, economic difficulty or remain the same for your country?"





**Michele Levine, Chief Executive Officer Roy Morgan, says over a third of Australians (37%) expect 2022 will be a year of ‘Economic difficulty’ and only 19% think 2022 will be a year of ‘Economic prosperity’ – but another 37% are ‘hedging’ their bets and expecting more of the same:**

*“Although, as revealed yesterday, there are more [Australians \(37%\) who say 2022 will be ‘better’ than 2021 compared to only 23% who say it will be ‘worse’](#) – this doesn’t mean Australians are expecting 2022 will be a great year – just comparatively better than 2021.*

*“This belief is borne out when one considers how people regard the performance of the Australian economy in 2022. Over a third (37%) say 2022 will be a year of ‘Economic difficulty’ nearly twice as many as the 19% who expect a year of ‘Economic prosperity’. Another 37% say in economic conditions in 2022 will ‘Remain the same’.*

*“The divergent viewpoints show that even as Australians look forward with a degree of optimism there is considerable economic uncertainty attached to what may happen next year. The biggest factors looming over next year are the Federal Election – due by May 2022 at the latest – and a range of closely related economic factors including inflation, interest rates and unemployment.*

*“[Roy Morgan’s monthly Inflation Expectations index shows the indicator at a seven year high of 4.9% in November 2021](#) – and up a record 1.5% points from a year ago. The sharp rises in Inflation Expectations show the issue is increasingly front of mind for many Australians and, although the RBA has said it has no plans to raise interest rates in 2022, there is a concern that if the inflation rate increases significantly next year, they will be forced to act earlier than expected.*

*“The RBA has stated that it will only consider raising interest rates when wages growth in the economy is clearly above 2% and when the ABS CPI figure is sustainably between 2-3%. [In the most recent September quarter the ABS CPI annual rate of inflation dropped by 0.8% points from 3.8% in the year to June 2021 down to 3% in the year to September 2021.](#)*

*“The sharp changes in inflation during this year are closely related to the COVID-19 pandemic and the many lockdowns different parts of Australia has dealt over the last 18 months. Although we are all hopeful, we have seen the last city-wide or state-wide lockdown, the emergence of the Omicron variant in recent weeks has added new economic uncertainty as we head into 2022.*

*“The lockdowns have also had a big impact on Australian employment levels but on each occasion when a lockdown has ended the economy has bounced back quickly. The latest [Roy Morgan employment estimate for November show 13.2 million Australians were employed](#) – up from 12.9 million employed in February 2020 pre-pandemic. November was the first month after the end of the recent lockdowns of over half of Australia’s population in NSW, Victoria, and the ACT.*

*“Considering all of the above uncertainties surrounding inflation, interest rates, unemployment, the potential for new variants of COVID-19 to emerge, and the added uncertainty surrounding an imminent Federal Election, it’s probably no surprise that Australians are more likely to expect ‘Economic difficulty’ next year rather than ‘Economic prosperity’.*

Finding No. 8886– This special Roy Morgan web survey was conducted with a representative cross-section of 1,184 Australians on November 25 – 28, 2021. They were asked “Compared to this year, in your opinion, will next year be a year of economic prosperity, economic difficulty or remain the same for your country?”

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## Next Year – A year of ‘Economic Prosperity’, ‘Economic Difficulty’ or ‘Remaining the same’

“Compared to this year, in your opinion, will next year be a year of economic prosperity, economic difficulty or remain the same for your country?”

	2020	2021
	%	%
Economic prosperity	19	19
Remain the same	24	37
Economic difficulty	48	37
Don't know	9	7
<b>TOTAL</b>	<b>100</b>	<b>100</b>

### About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full-service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 80 years' experience in collecting objective, independent information on consumers.

### Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
1,000	±3.2	±2.7	±1.9	±1.4
50,000	±0.4	±0.4	±0.3	±0.2