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## Australian households' net wealth now over eight trillion dollars and growing

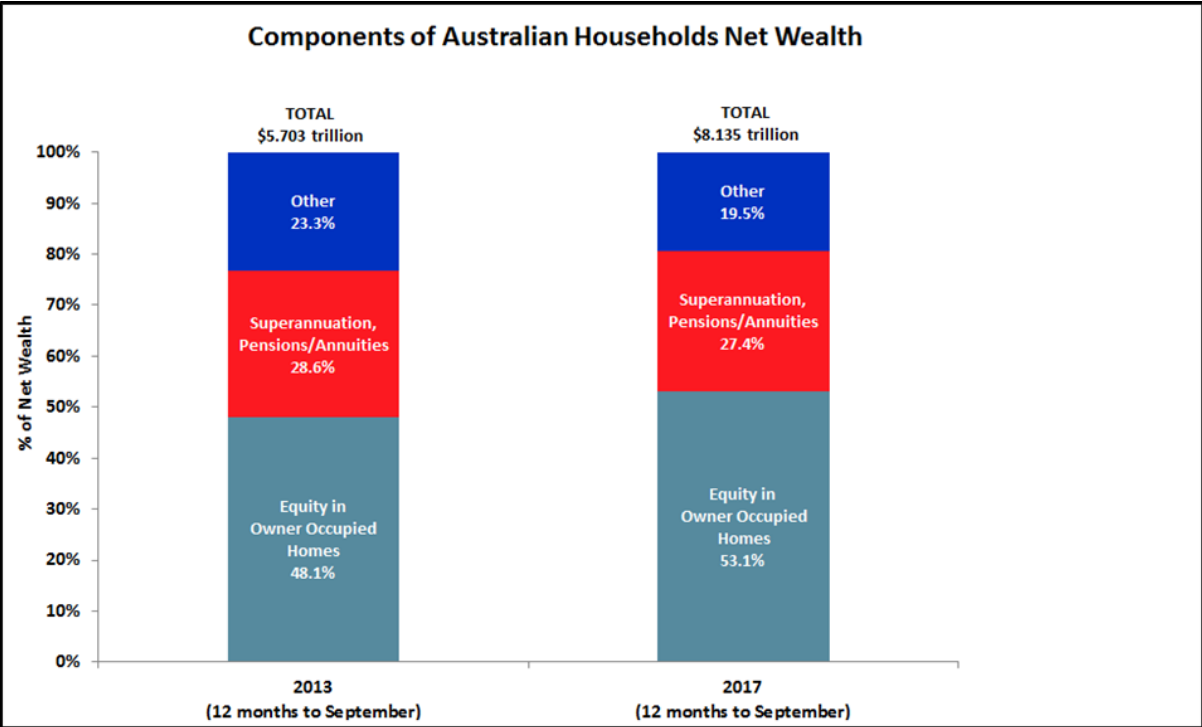
Despite considerable focus being given to issues relating to rising household debt in Australia, it is worth noting that even allowing for this debt, Australian households' have increased their net wealth over the last four years from \$5.7 trillion to \$8.1 trillion, an increase of 42.1%.

This is one of the main findings from Roy Morgan's newly released report '[Superannuation and Wealth Management in Australia](#)' (October 2017). This report is based on the most extensive study of trended consumer financial behaviour in Australia with over 50,000 interviews conducted annually. It is unique because it looks at superannuation in the context of all other assets and debt that make up the true financial position of Australian households', rather than the usual single product or 'silo' approach. It also covers important areas such as which products are sold through financial planners and their potential for bias, the consumers understanding of tied and independent planners, contribution levels to superannuation, channels used to obtain , key market segmentation, satisfaction and the strengths and weaknesses of the 19 leading superannuation brands. It covers all types of funds including retail, industry, public sector and SMSF's.

### Value of owner occupied homes dominates household net wealth

The total increase in household net worth in Australia since 2013 was \$2.432 trillion (from \$5.703 trillion to \$8.135 trillion), of which \$1.387 trillion (or 57%) was a result of the increase in the equity of owner occupied homes.

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Source: Roy Morgan Single Source (Australia). 12 months to September 2013, n= 49,846; 12 months to September 2017, n=50,020. Base: Australians 14+

Currently 53.1% of household net wealth is made up of equity in owner occupied homes, up from 48.1% in 2013. Superannuation, Pensions/Annuities in total now account for 27.4% of the total, down from 28.6% in 2013. The other components of net wealth, which include bank accounts, managed funds (excluding superannuation) and direct investments, have fallen from 23.3% in 2013 to 19.5% in 2017.

### **Owner occupiers also lead in the value of investments held outside of their homes**

Although people living in owner occupied homes account for only 65.2% of the population, they hold 85.0% of the total funds in superannuation, 89.7% of all direct investments and 86.9% of bank deposits. These assets combined with the equity in their homes, results in them holding 94.4% of total household's net worth. This leaves those who are non-home owners (34.8% of the population) with only 5.6% of the total.

### **Norman Morris, Industry Communications Director, Roy Morgan Research says:**

*"There are clearly two groups in Australia when it comes to household wealth and its rate of increase. There are those who own or are paying off their home and those who are not. The rapid rise in home values in Australia over the last few years has left those who are not owner occupiers well behind in their share and level of household net wealth.*

*"Although superannuation funds have increased considerably over recent times, they have grown at a slower rate than the increase in home prices, leaving them holding a lower share than four years ago and currently just over a quarter of household net wealth. This makes it very likely that for some years to come, retirement funding will need to come from household resources outside of superannuation. Those people not in their own home have not made up for it by investing elsewhere, as shown by the fact that they have less in other investments compared to owner occupiers.*

*"This report highlights the fact that the topics of household debt, superannuation adequacy, home ownership, direct investments and savings all play a part in understanding the real financial position of Australian households'. It examines the 'net wealth' position of households', as it is ultimately this concept that will determine the financial wellbeing of households' into the future, particularly their ability to cover financial needs for retirement including coping with their level of debt."*

**For comments or more information about Roy Morgan Research's retirement research and analysis, please contact:**

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### **Related research reports**

View our [Superannuation and Wealth Management in Australia Report](#).

### **About Roy Morgan Research**

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United

Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 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%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2