

Friday, 21 September 2018

Wealth inequality in Australia is getting worse

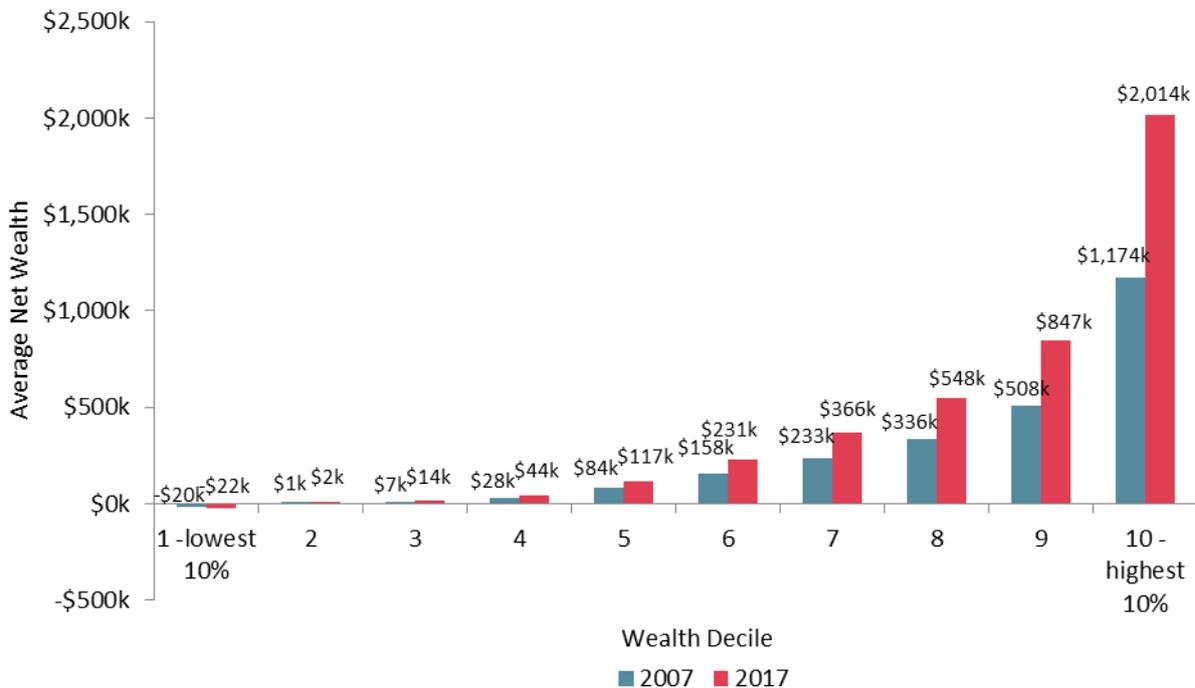
Net wealth has grown strongly in Australia, but the big gains have been among the wealthiest 10%, with the poorest 50 per cent of Australians slipping from a 3.9% share of private wealth 10 years ago to 3.7% in 2017.

The first edition of the [Roy Morgan Wealth Report](#), just released, shows that while some indicators improved – the gender gap in wealth has narrowed from 26.5% to 10.6% over ten years – the rich are getting substantially richer while poorer cohorts are making minimal progress. The report is based on over half a million in depth face-to-face interviews conducted over the decade from 2007 to 2017 across Australia.

Key findings of the report include:

- The wealthiest 10% of Australians with an average per capita wealth of over \$2 million, hold 48.3% of net wealth compared to 46.8% in 2007, while the poorest 50% of Australians have seen their total share of net wealth fall from 3.9% to 3.7%.
- Growing personal wealth is highly correlated to income level, with those earning over \$130k having an average net wealth (\$1.2 million) nearly five times those earning under \$15k (\$248k).
- Country NSW and Victoria are falling behind their states' capital cities, mainly due to capital gains in the metropolitan housing markets – though in other states country areas are only marginally behind their capital cities.

Wealthier Australians have prospered while poorer segments stagnate



Source: Roy Morgan Single Source (Australia) 12 months to December 2017, n = 50,139; 12 months to December 2007, n=54212 Base: Australians 14+.

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Michele Levine, CEO, Roy Morgan, commented:

“Inequality is a growing problem, but if policy makers and the business community are going to turn that around they have understand the complexity of the low-wealth groups.

“It would be easy to look at the lowest 10% by net-wealth and think of them as a stranded group of ‘poor people’ – but it’s not that simple.

“In that poorest 10% there is a large group of young Australians who have built up neither assets nor debts – hence their low net-wealth. And there is also a group of older Australians who own substantial assets, but whose large debts cancel out their net-wealth and bring it into the lowest 10% group.

“Tackling inequality is not a matter of left or right – addressing the needs of poorer groups benefits the entire community and the economy generally.

“But that is not going to happen unless we break ‘the poor’ down into the right sub-groups and find solutions suited to their particular needs.

“Further detailed analysis of deciles can be found in the newly released [Roy Morgan Wealth Report](#).”

The suite of products available via the [Roy Morgan Single Source](#) and the psychographic segmentation tools provided by [Roy Morgan Helix Personas](#) allow businesses and government to drill down into the data to get the best picture of what is going on.

To learn more about Roy Morgan’s products or to purchase a full copy of the [Roy Morgan Wealth Report](#) contact: askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

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 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
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

