Article No. 8031
Available on www.roymorgan.com
Link to Roy Morgan Profiles

FOR IMMEDIATE RELEASE

Friday, 12 July 2019

Australians' net wealth shows long term gains

The value of assets held by Australians has almost doubled from 2007 to 2019 (up 96.0%). This is faster than the increase in debt of 78.6% over the same period. As a result net wealth is now 98.7% higher in 2019 than it was in 2007. Even after allowing for population growth and inflation the average Australian is better off.

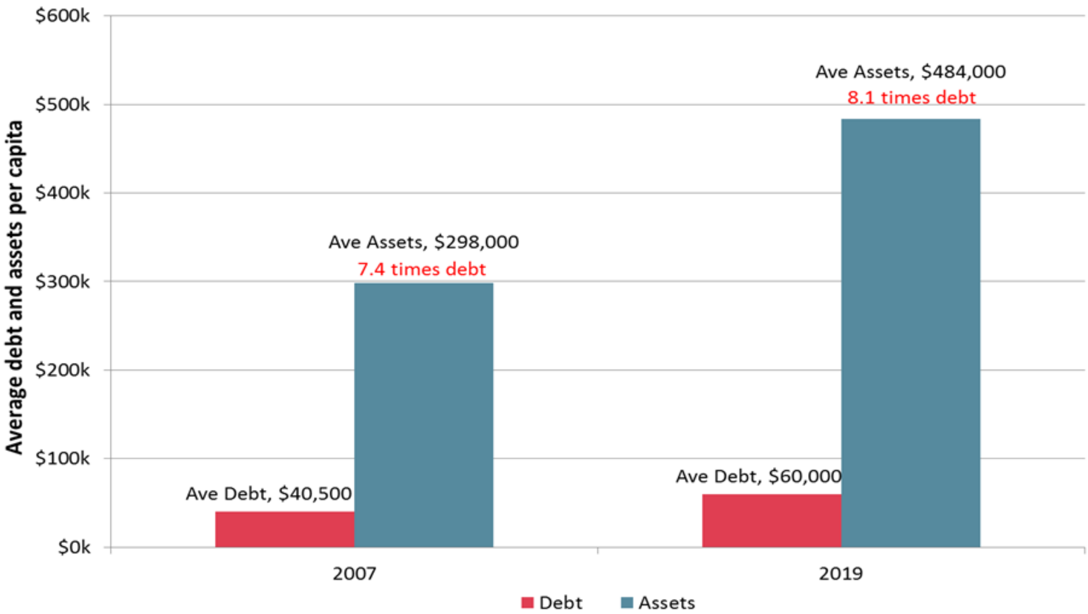
These findings are from the second edition of the *Roy Morgan Wealth Report*, just released, which covers the period from just before the GFC (2007) to 2019. The report is drawn from over half a million in-depth face-to-face interviews conducted in Australians' homes over the period from 2007 to 2019.

The second edition of the Wealth Report focuses particularly on how net wealth has changed since just before the onset of the global financial crisis. Australia performed very strongly over the past 12 years compared with other OECD nations – particularly in Europe where many nations went backwards over the same period.

Key findings of the report include:

- The value of assets held by Australians has almost doubled from 2007 to 2019 (up 96.0%). This is faster than the increase in debt of 78.6% over the same period. As a result net wealth is now 98.7% higher in 2019 than it was in 2007.
- Average per capita net wealth in real terms (adjusted for inflation), is 28.0% higher than it was in 2007 just before the onset of the global financial crisis.
- It is important to note that the median net worth per capita in 2007 was only $124k, rising to $134.9k, up 8.8% after allowing for inflation. The median value is a more representative metric in such a highly skewed market, as 50% are above it and 50% below, it is the central value.
- Women have improved their average net wealth position relative to men, with males now holding an average of 12.3% more wealth than women, while in 2007, they had a much higher 27.4% advantage.
- Roughly half Australia's personal wealth continues to be held in the form of owner occupied housing (49.8%), down slightly from 51.6% in 2007, while superannuation assets make up an increasingly higher portion, rising from 19.2% to 24.4% of our wealth since 2007.
- The following chart shows that the average personal assets are now worth 8.1 times average debts, compared with 7.4 times debts in 2007.

Assets have grown faster than debt



Source: Roy Morgan Single Source (Australia) 12 months to March 2019, n = 51,362; 12 months to December 2007, n = 54,212. Base: Australians 14+.

Michele Levine, CEO, Roy Morgan, commented:

> *"We see daily headlines about the risks posed by high levels of debt and falling property values, but when we drill down into the data, a more balanced long term picture emerges. Although the last 12 months has seen a marginal decline in household net worth, it is important to understand it in the context of the long term trend. What we have seen here is a very positive long term trend.*
>
> *"Housing debt has grown considerably since 2007, but not uniformly - Roy Morgan's data shows wealthier cohorts have shown a much greater propensity to take on debt and those investors have more ability to handle downturns than more marginal borrowers in lower-wealth segments.*
>
> *"A more detailed understanding of how debt and personal wealth are distributed can help dispel some of the more simplistic fears over debt, and give a more balanced view of its relationship to wealth creation in Australia over the long term.*
>
> *"Further detailed analysis 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