



Friday, 12 April 2019

## Australia's personal wealth declines

**In the December quarter 2018, the gross personal wealth (assets) of Australians including owner occupied homes, stood at \$9,784 billion. This represents a drop of \$512 billion or 5.0% from the September quarter when it was \$10,296 billion and is now at the lowest level recorded throughout 2018. Net wealth (after debt) has also decreased by 4.3% from \$8,993 billion to \$8,608 billion.**

These are some of the latest findings from Roy Morgan's 'Single Source Survey', which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes. This large sample of consumers collected over more than two decades enables an accurate understanding of long term wealth trends, rather than being distracted by short term events and movements. The latest data in this release covers the three months to December 2018.

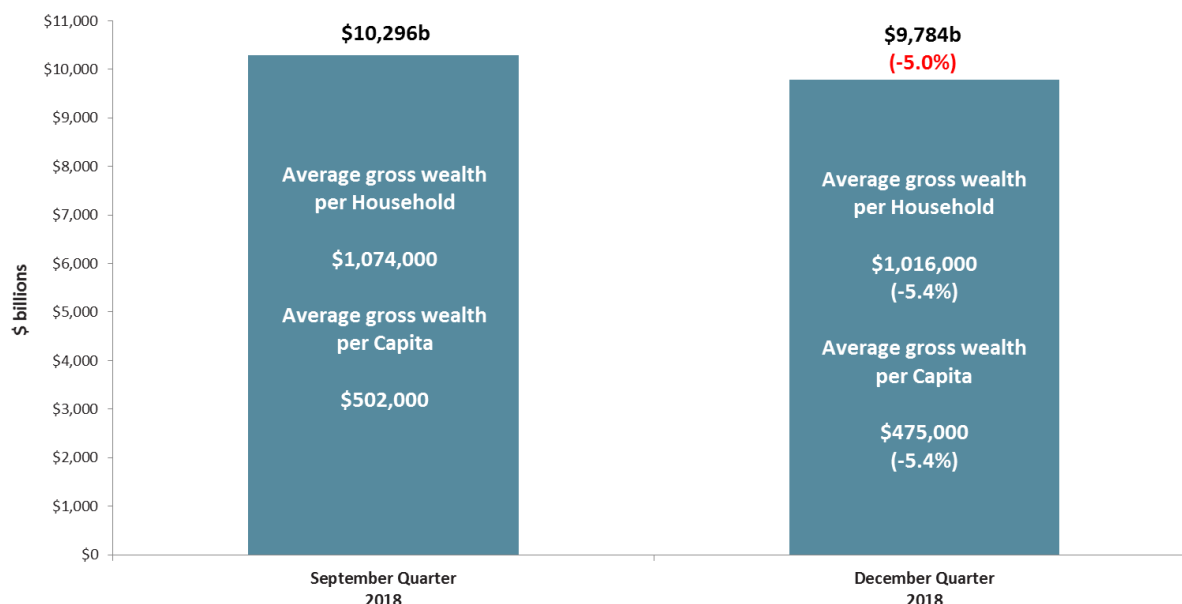
### Average gross household wealth remains over \$1 million

Despite the overall decline in household wealth of \$512 billion over the December quarter, the average gross household wealth remains over one million dollars with \$1,016,000. This is \$58,000 or 5.4% below the average recorded in the September quarter and the lowest since December 2017.

The average gross wealth per capita was \$502,000 in September and this has also fallen by 5.4% to \$475,000 in December, the lowest for 12 months.

### Gross Personal Wealth<sup>1</sup> – Australia

( ) = Change from September Quarter 2018



Source: Roy Morgan Single Source (Australia). Three months ended September 2018, n = 13,236. Three months ended December 2018, n = 12,566.

Base: Australians 14+. 1. Includes owner occupied homes, superannuation, property investments, other direct investments, deposits/transaction accounts, pensions and annuities and managed funds. Excludes debt.

### Owner occupied homes lose \$270 billion in the December quarter

The decline in value of owner occupied homes of 5.2% or \$270 billion, accounted for over half (52.7%) of the decline in gross personal wealth for the quarter. Other major losses were seen with superannuation and pensions/annuities down \$93 billion (3.5%), property investments down \$54 billion (5.4%) and other down \$95 billion (6.7%). Included in others were managed funds, other direct

investments and deposit/transaction accounts. The only investment category to show a gain over the year was deposit and transaction accounts which were up 5.4%.

### Composition of Gross Personal Wealth<sup>1</sup> – Australia

	September Qtr 2018 (\$billions)	December Qtr 2018 (\$billions)	Change from September Qtr to December Qtr 2018 (\$billions)	% Change from September Qtr to December Qtr 2018 (%)
Owner Occupied Home	\$5,171 b	\$4,901 b	-\$270 b	-5.2%
Superannuation, Pensions and Annuities	\$2,690 b	\$2,597 b	-\$93 b	-3.5%
Property Investments	\$1,023 b	\$969 b	-\$54 b	-5.4%
Other <sup>2</sup>	\$1,412 b	\$1,317 b	-\$95 b	-6.7%
Total <sup>1</sup>	\$10,296 b	\$9,784 b	-\$512 b	-5.0%

Source: Roy Morgan Single Source (Australia). Three months ended September 2018, n = 13,236. Three months ended December 2018, n = 12,566.

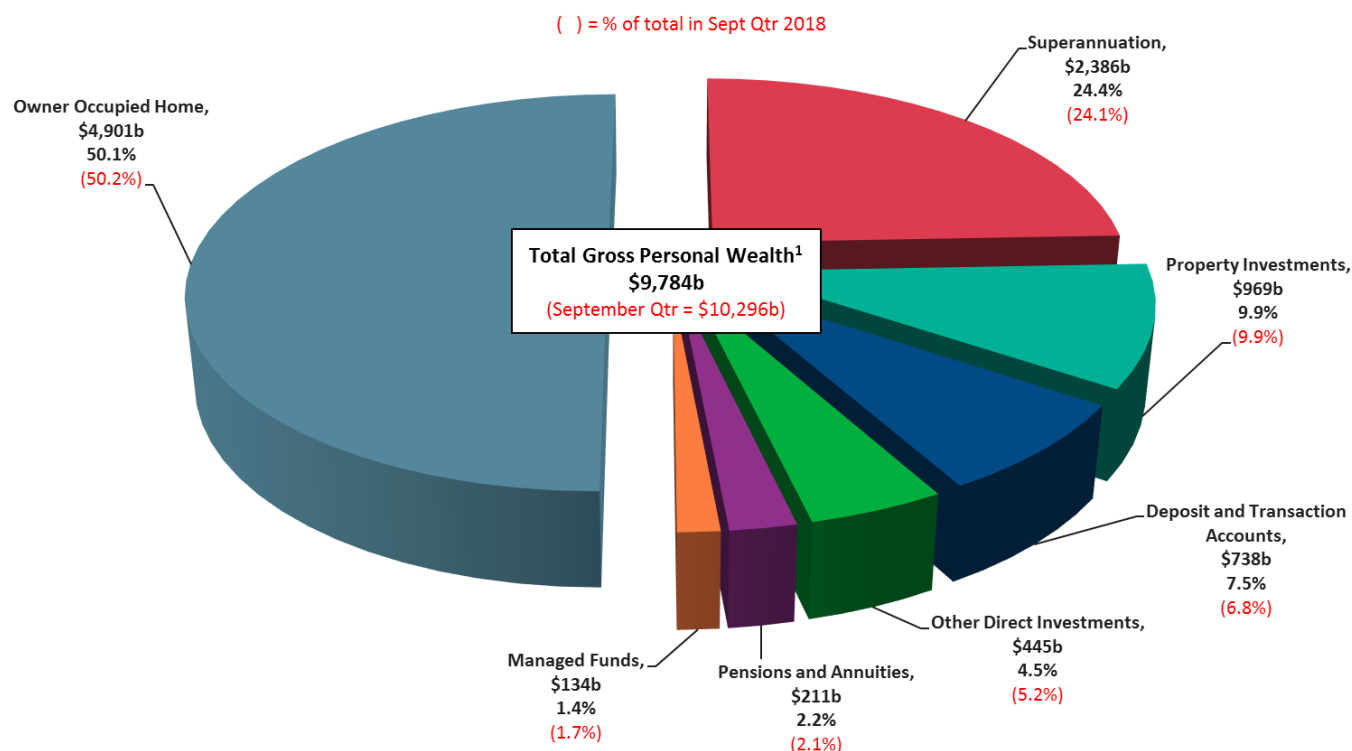
Base: Australians 14+. 1. Excludes debt 2. Includes: Deposits and Transaction Accounts, Other Direct Investments and Managed Funds

### Key component of personal wealth still the home

Owner occupied homes remain the mainstay of personal wealth as they still account for half (50.1%) of gross personal wealth in Australia, despite a major drop in total value over the last quarter. Superannuation accounts for nearly a quarter (24.4%) of total wealth, followed by property investments (9.9%) and deposit and transaction accounts (7.5%).

Increases in their share of wealth in the December quarter were seen from deposits and transaction accounts (up 0.7% points), superannuation (up 0.3% points) and pensions and annuities (up 0.1% points). Losses in wealth share were other direct investments (down 0.7% points), managed funds (down 0.3% points) and owner occupied homes (down 0.1% points). Property investments remained unchanged at 9.9%.

### Asset Composition of Gross Personal Wealth<sup>1</sup> – Australia – December Qtr 2018



Source: Roy Morgan Single Source (Australia). Three months ended September 2018, n = 13,236. Three months ended December 2018, n = 12,566. Base: Australians 14+. 1. Excludes debt.



**Norman Morris, Industry Communications Director. Roy Morgan, says:**

*"The majority of media coverage on the wealth of Australian households revolves around issues to do with housing affordability, the falling house prices and high debt levels. Despite the fact that other assets account for half of the total gross assets of Australian households, they receive much less attention and so they have been a major focus of this release.*

*"The slowdown in the ASX in the December quarter has had a major negative impact on household wealth, particularly on superannuation and directly held shares. This combined with falling housing values and the uncertainty around the coming federal election has the potential to further negatively impact household wealth.*

*"Despite the current mainly negative wealth environment, it is important to note that average gross household wealth still stands at over one million dollars and in fact, at \$1.016 million it is 26% or \$207,000 higher than it was five years ago.*

*"In order to understand the likely impact on the economy and consumer confidence of what is now commonly called the 'wealth effect', it is imperative that household and individual wealth be measured on a regular basis as we have been at Roy Morgan for many years. To find out more about the 'Roy Morgan Wealth Index' simply give us a call."*

To learn more about Roy Morgan's wealth data, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto: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

