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Australians' personal financial assets up 13.5% compared to pre-pandemic at value of $10.62 trillion

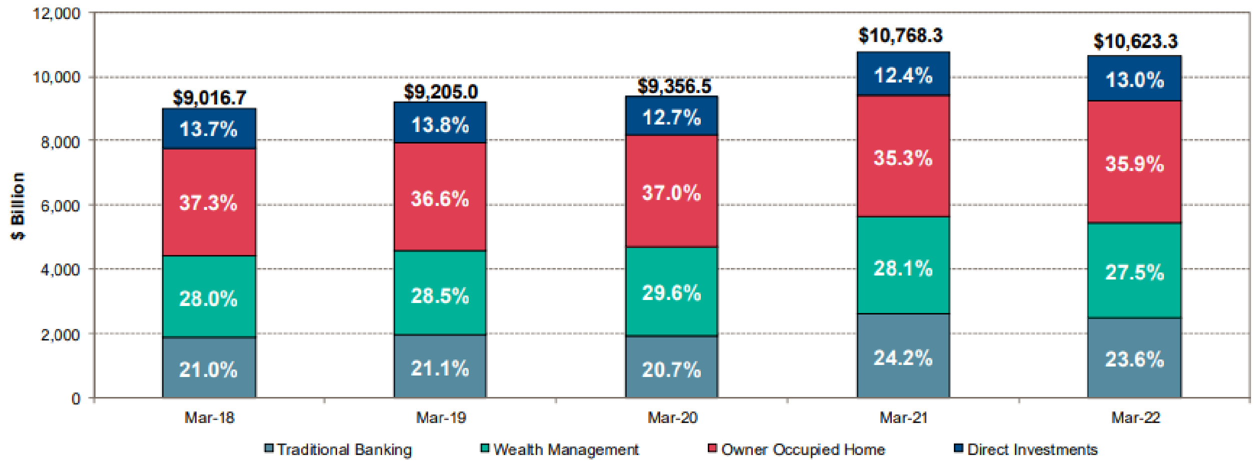
New data from Roy Morgan's Banking and Finance Report shows Australians' personal financial assets (Traditional Banking, Wealth Management, Owner-Occupied Homes & Direct Investments) sat at $10.62 trillion in the year to March 2022. This result represents an increase of $1.27 trillion (+13.5%) from two years ago pre-pandemic.

However, the total value of Australians' personal financial assets fell by $145 billion (-1.3%) after reaching a peak of $10.77 trillion a year ago in March 2021. This is the same month that government stimulus programs including the $90 billion JobKeeper program and the 'boosted' JobSeeker payments ended.

Despite this fall following the end of the extensive government stimulus programs, the increase over the last two years is far larger than the increase seen in the preceding two years. The total value of Australians' personal financial assets increased from $9.02 trillion in March 2018 to $9.36 trillion in March 2020, an increase of $340 billion (+3.8%).

The growth in the value of Australians' personal financial assets during the pandemic was across the four categories of Owner-Occupied Homes, Wealth Management, Traditional Banking and Direct Investments.

Australia's total market size for personal financial assets – Traditional Banking, Wealth Management, Owner-Occupied Homes & Direct Investments: 2018-2022



Source: Roy Morgan Single Source (Australia). April 2017 – March 2022. Average 12-month sample n = 50,800. **Base**: Australians 14+; Any financial services customer. **Note**: Other Banking has been excluded as it represents 0.01% of the total market including $0.6 billion in the year to March 2022. These estimates are conservative, as respondents who were unable to say how much they had invested were not included.

In March 2022 Owner Occupied Homes comprised the largest share of Australians' personal financial assets representing over a third of the entire market with a value of $3.82 trillion (35.9% of personal financial assets). Despite an increase of $354 billion from two years ago the overall share was still down by 1.1% points from March 2020.

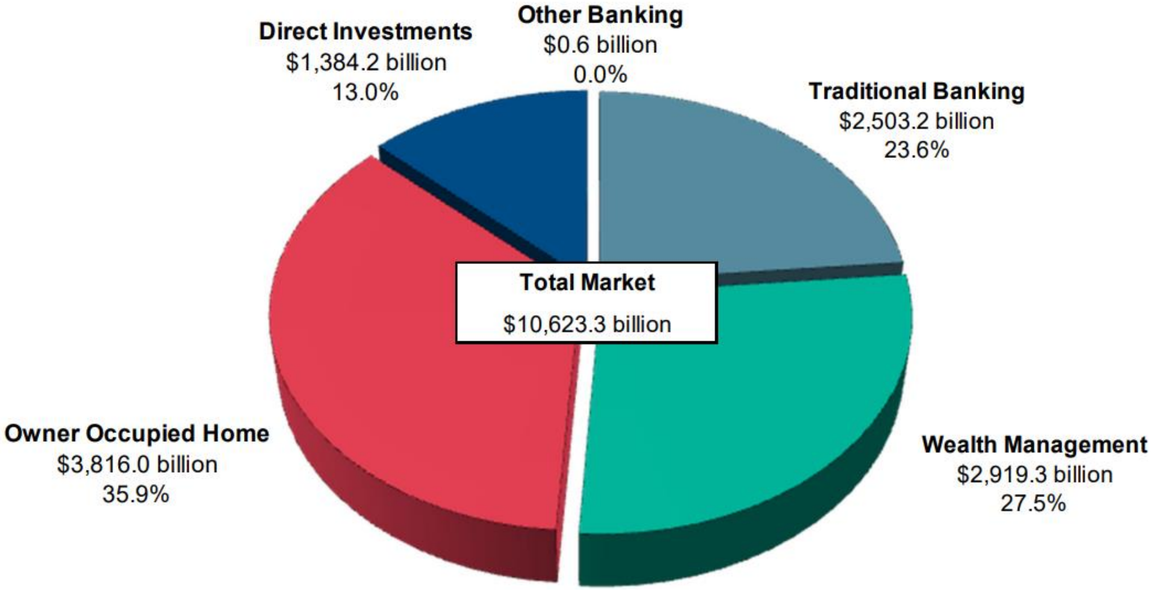
Wealth Management is the second largest segment representing well over a quarter of Australians' personal financial assets with a value of $2.92 trillion (27.5%) in March 2022. This represents an increase of $150 billion from two years ago but the overall share declined by 2.1% points from March 2020.

FOR IMMEDIATE RELEASE

Traditional Banking was the fastest growing segment of Australians' personal financial assets during the pandemic and now represents 23.6% of all personal financial assets with a value of $2.5 trillion. This represents an increase of $567 billion from two years ago and the share of personal financial assets has increased by 2.9% points from March 2020.

Direct Investments represent 13.0% of Australians' personal financial assets with a value of $1.38 trillion, up from a 12.7% share two years ago. The value of Direct Investments increased by $196 billion from March 2020. There is a further $0.6 billion not represented by the four main categories classified as 'Other Banking'.

Australia's total market size for personal financial assets: March 2022



Source: Roy Morgan Single Source (Australia). April 2021 – March 2022, n = 64,410. **Base**: Australians 14+; Any financial services customer. These estimates are conservative, as respondents who were unable to say how much they had invested were not included.

These new findings are drawn from Roy Morgan Single Source, Australia's leading consumer survey, derived from in-depth interviews with over 60,000 Australians annually.

Michele Levine, Chief Executive Officer, Roy Morgan, says that the rapid growth in Australia's personal financial assets over the last two years is providing a 'cushion' for the economy as inflation increases and the RBA raises interest rates for the first time in over a decade:

> *"There were worries when the COVID-19 pandemic first hit Australia over two years ago that the economic and financial impact would prove devastating. However, the quick actions of governments injecting stimulus, and banking and financial institutions providing 'mortgage holidays' for borrowers in financial distress, prevented a collapse and supported the economy throughout the pandemic.*
>
> *"The Federal Government's JobKeeper wage subsidy injected around $90 billion into the economy to support businesses and workers and along with other programs, including the boosted JobSeeker payments, the level of support provided by governments was around $300 billion by mid-2021.*[1]
>
> *"This extensive fiscal support not only kept the Australian economy performing well during the pandemic but also continues to provide ongoing support this year as inflation increases and the RBA has begun to raise interest rates for the first time since October 2009.*
>
> *"The underlying strength of the economy is illustrated by the ABS Retail Sales*[2] *data which shows average annual growth of 8.6% during the first four months of 2022 – including annual growth of 9.6%*

[1] Australian Treasury – Economic Response to COVID-19: https://treasury.gov.au/coronavirus. "The 2021-22 Budget committed an additional $41 billion in direct economic support, bringing total support since the beginning of the pandemic to $291 billion as of May 2021."

[2] ABS Retail Sales Data: https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release. Annual Retail Sales growth in the four months pre-pandemic: November 2019 (+3.3%), December 2019 (+2.6%), January 2020 (+2%), February 2020 (+1.9%); and in the last four months: January 2022 (+6.3%), February 2022 (+9.1%), March 2022 (+9.4%), April 2022 (+9.6%).

in April 2022, the most recent monthly results available. This compares to average annual growth of 2.4% from November 2019 – February 2020 immediately prior to the pandemic.

"The ongoing impact of the level of support provided to the economy is clear when comparing the last two years with the two years immediately prior to that. The total value of Australians' personal financial assets was $10.62 trillion in March 2022, an increase of $1.27 trillion (+13.5%) from two years ago in March 2020. In comparison, in the two years prior to that the total value of personal financial assets increased by $340 billion (+3.8%), from March 2018 ($9.02 trillion) to March 2020 ($9.36 trillion).

"A look at the four main segments of personal financial assets shows all four have increased by at least $150 billion over the last two years. The largest increases have been for Traditional Banking (up $567 billion to $2.5 trillion) and Owner-Occupied Homes (up $354 billion to $3.82 trillion).

"For many Australians the Government stimulus went straight into the bank account due to the lack of options for spending it with international (& domestic) borders closed and travel restricted while for others it was a chance to jump into the housing market with interest rates at record low levels.

"Although these financial indicators are incredibly strong, they are focused on a point of time earlier this year before the economic conditions changed with inflation rising quickly and the RBA commencing an interest rate hiking cycle.

"These new circumstances are set to pressure Australian households over the months ahead and the clearest indication of this is the weekly ANZ-Roy Morgan Consumer Confidence Rating which was at 100.1 on March 6, 2022 but has since slipped well below the neutral level of 100 and is now at only 84.7 in late June.

"As the economic conditions become tougher throughout the rest of the year, we would expect the growth seen in indicators such as the monthly ABS Retail Sales to decline and return to longer-term trend levels. However, the underlying strength in the economy built up over the last two years should continue to provide significant momentum and support for the economy over the next few months even as interest rates rise, and inflation continues to increase."

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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%
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