

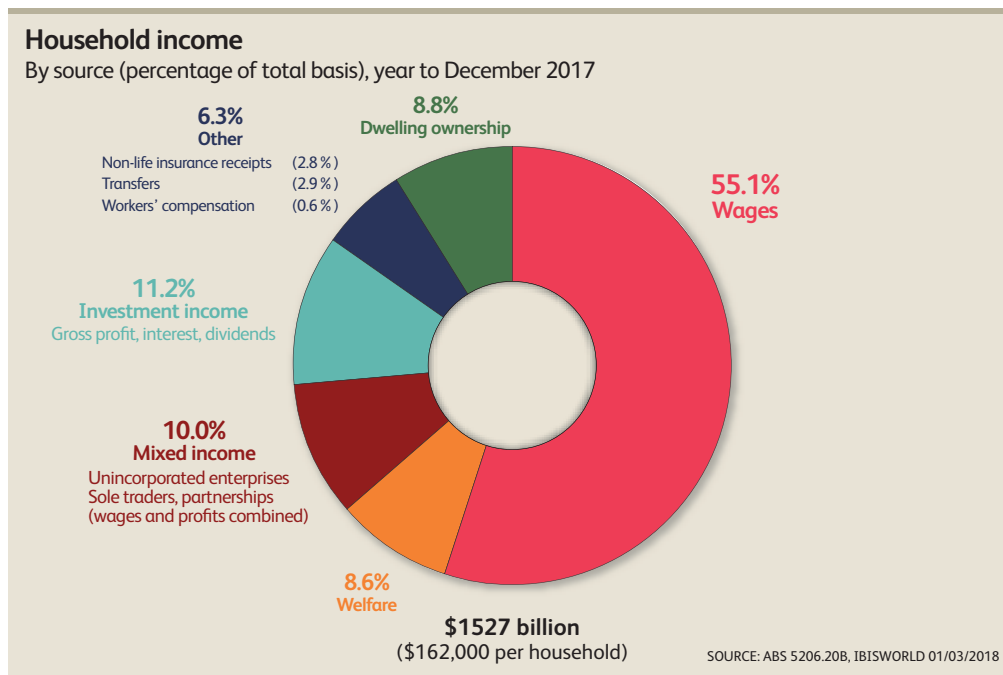
Household Income, Spending and Wealth

IBISWorld Newsletter

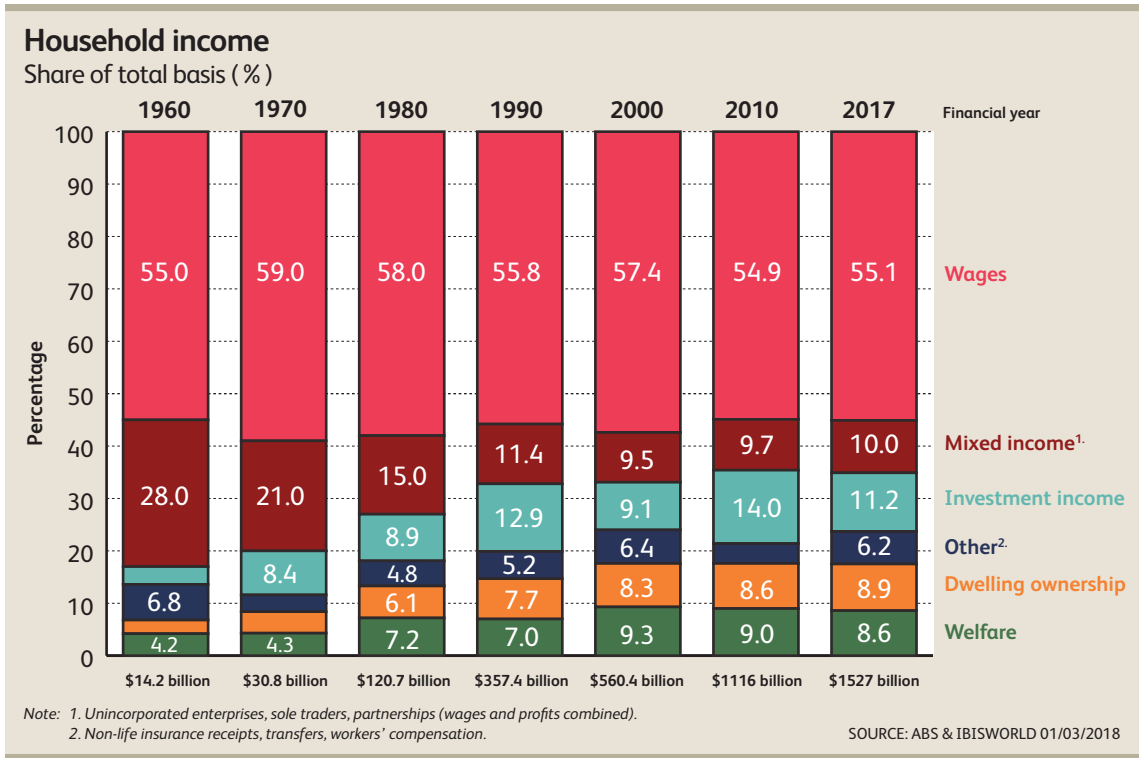
March 2018

Phil Ruthven AM, Founder IBISWorld

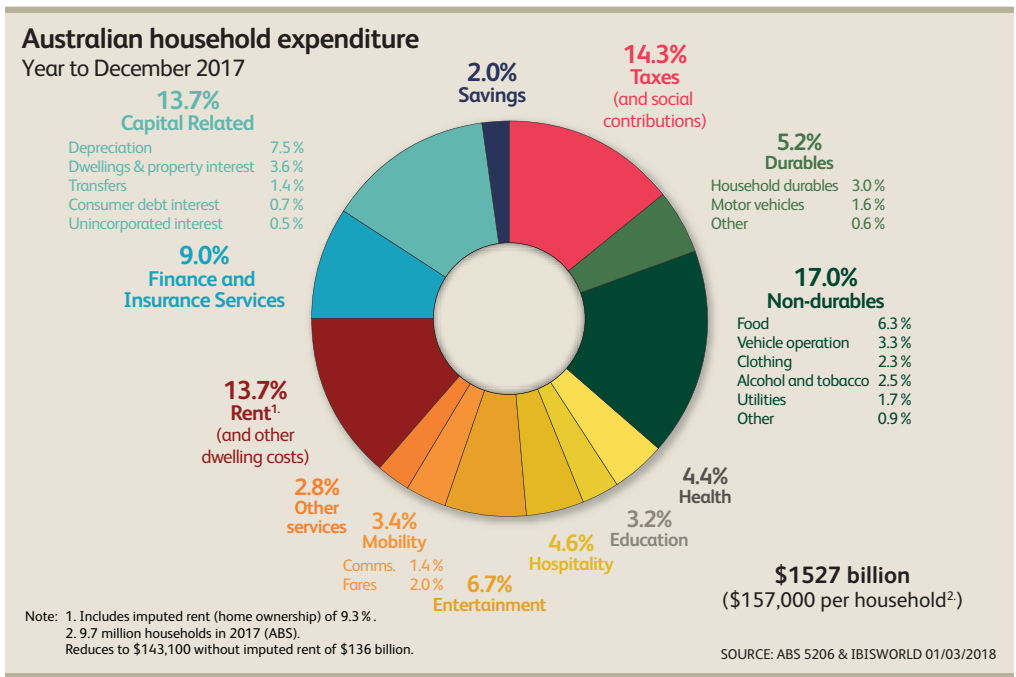
Australia's average household income puts us in the top dozen nations, if tiny nations and principalities such as Lichtenstein and Brunei are excluded. An average income of over \$160,000 per household for our 9.75 million households is impressive. The composition of Australia's household income in 2017 and the changes over the past six decades are shown below.

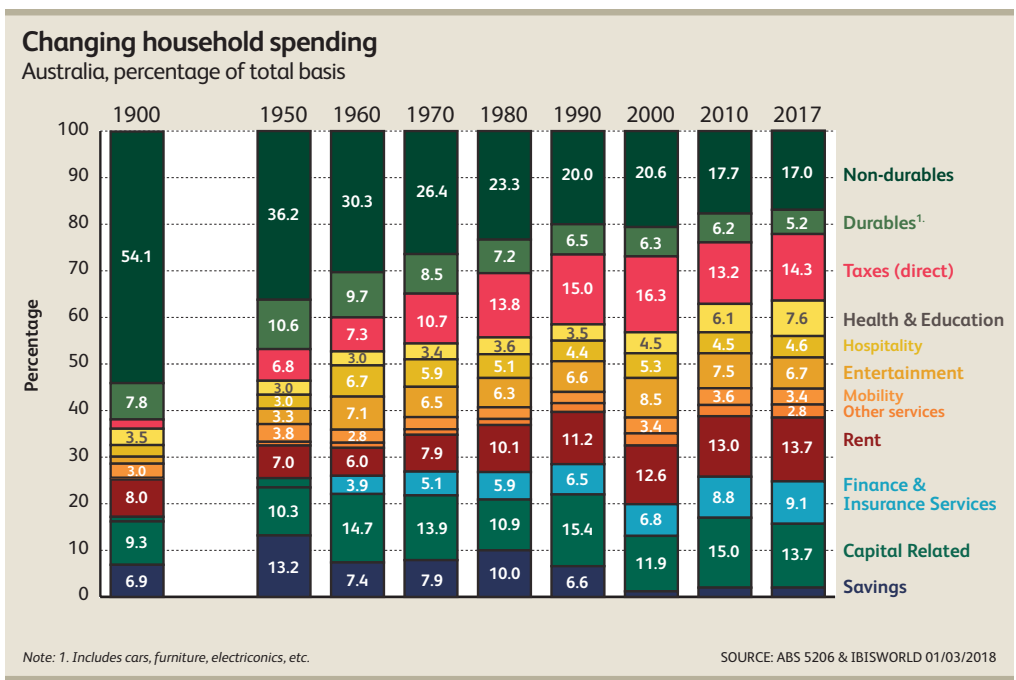


Investment income, (imputed) dwelling ownership rent and welfare have grown the most.



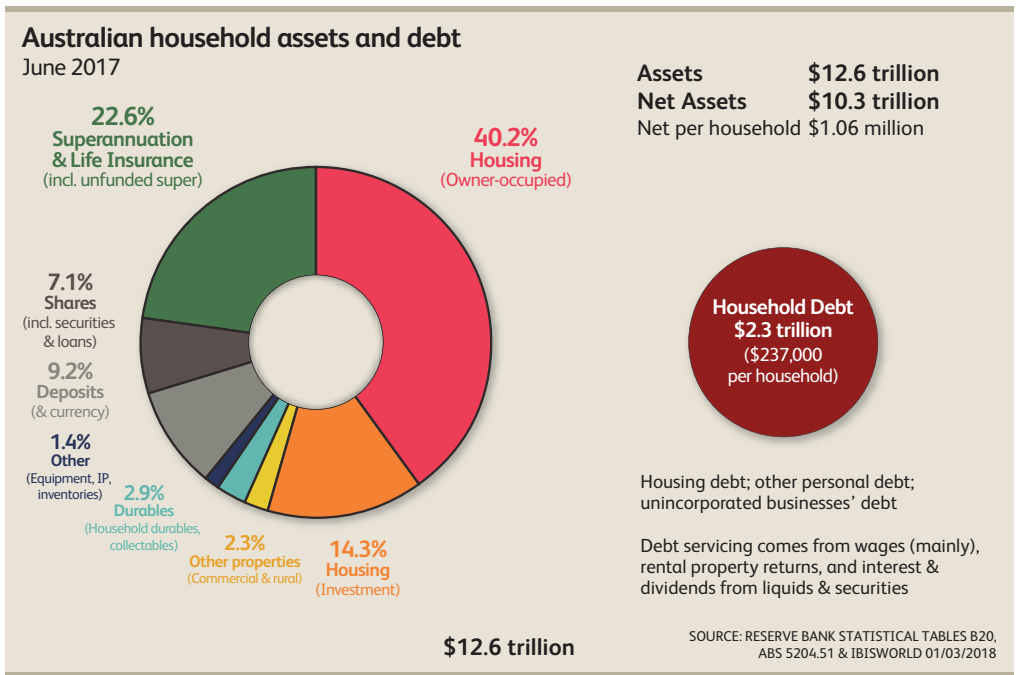
The following two charts show how we spent that income in 2017, and how the composition has changed over a century or more.





Long gone are the days when most of our income was expended on survival goods (durables in particular). We are now, like all modern and developed economies, spending the majority (almost four-fifths) of our income on services. And growth in taxes – both direct taxes as shown and embedded GST in other categories on the chart – which contribute to the nation’s welfare, health and education.

And, finally, our wealth is significant and growing. The last chart shows total assets by asset class, and the total debt of our households in 2017.



Our net worth per household has now exceeded \$1 million. Interestingly, net worth by asset class shows a different picture. Since the overwhelming majority of the debt is mortgage debt on dwellings and other property (rural and commercial), property is less dominant in terms of net worth.

Indeed, financial assets now account for just over half of our average net worth in 2018 – a sign of the changed times we live in.



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