

THE COMPOSITION AND DISTRIBUTION OF HOUSEHOLD WEALTH IN AUSTRALIA¹

Introduction

This article updates previous work done by the Bank using data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey to describe the composition of household wealth and its distribution across households.² The analysis is largely based on data from the latest wealth module of the HILDA Survey, conducted in 2006. The article describes how household wealth changed over the period since the earlier HILDA Survey in 2002, and briefly examines how developments in house prices, equity prices and superannuation returns may have affected the composition and distribution of household net worth in 2007 and 2008.

We draw four main conclusions. First, the increase in net worth between 2002 and 2006 was broad-based across households, although it was generally more rapid for those residing in the resource-rich states and for older households. Second, growth in real-estate assets was the primary driver of growth in net worth between 2002 and 2006, and this factor drove most of the variation in trends in household net worth across the states. Third, growth in financial assets over the period was mainly due to superannuation assets and was broad-based across households of different ages and wealth levels. Fourth, the declines in net worth over 2008 are likely to have been mostly incurred by households at the top end of the wealth distribution, as the assets with the most significant price declines are predominantly held by those households.

The HILDA Survey

The HILDA Survey is an annual survey of around 7 500 households. Every four years it includes detailed questions on assets and liabilities, most recently in late 2006.³ Using these data we compare snapshots – or cross-sections – of the composition and distribution of assets and liabilities held by households in 2002 and 2006. As the HILDA Survey largely tracks the same households in each period – that is, it is a longitudinal survey – we also use it to assess financial developments for particular groups of households through time.

To present the data from the HILDA Survey we use summary statistics that describe assets, liabilities and net worth (assets less liabilities) across a number of dimensions, such as the age, income and location of households. The main summary statistics used are the mean and median. The median is the value for the middle household in a distribution and is often

1 This article was prepared by Paul Bloxham and Thomas Betts of Economic Analysis Department.

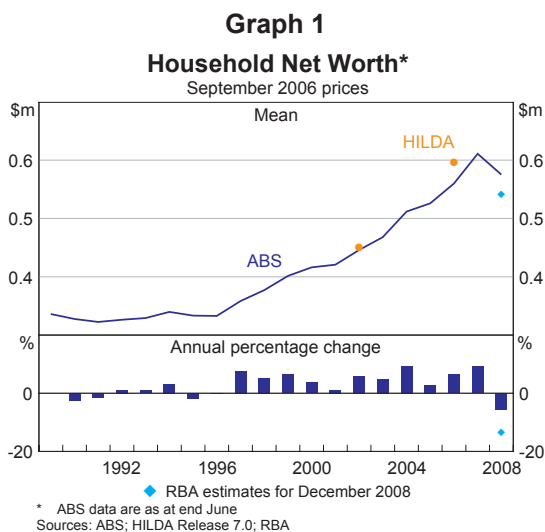
2 See Kohler M, E Connolly and K Smith (2004), 'The Composition and Distribution of Household Assets and Liabilities: Evidence from the 2002 HILDA Survey', RBA Bulletin, April, pp 1–11.

3 The HILDA Survey was initiated by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs and is managed by the Melbourne Institute of Applied Economic and Social Research.

more representative of the ‘typical’ household than the mean, or simple average.⁴ To describe trends across households we divide the distribution of households into five equal-sized groups – referred to as quintiles – based on a ranking of their level of net worth, and present data across this dimension, as well as age and location. Because one of the key purposes of this article is to assess how real wealth has changed over time, we adjust for the change in purchasing power between the periods due to inflation; specifically, we use the CPI and report values in September quarter 2006 dollars. A set of detailed tables comparing assets and liabilities across a number of dimensions for 2002 and 2006 is provided in an Appendix.

Changes in Household Wealth between 2002 and 2006

Household net worth grew strongly between 2002 and 2006. According to the HILDA Survey, average real household net worth per household increased by 7 per cent a year over this period, while the ABS measure indicates broadly similar growth of 6 per cent a year – the fastest rate of growth in this measure in any four-year period in the previous two decades (Graph 1).⁵ The rise in net worth over this period was driven by both financial and non-financial assets, with the single largest contributor being growth in house prices. In 2006, mean net worth of households in the HILDA Survey was \$596 000, up from \$450 000 (in September quarter 2006 dollars) four years prior. In comparison, median household net worth increased from \$245 000 to \$325 000, or by 7½ per cent a year.



The difference between mean and median levels of household net worth reflects the uneven distribution of wealth across households. This unevenness (or skew) is due to a number of factors, including differences between households in their stage of life, labour market and education status, and income. One way to assess the degree of skewness is to compare medians from each quintile in the distribution. In 2006, median net worth of the households in the highest wealth quintile (the wealthiest one-fifth of households) was \$1.35 million,

4 Throughout the article we interchange between means and medians where we deem appropriate. While medians have the advantage of being more representative of the typical household, they have the disadvantage that they are non-additive. For example, while the mean value of financial and non-financial assets adds to the mean value of total assets, the median value of these types of assets does not.

5 The different growth rates in the ABS and HILDA measures reflect a number of measurement issues, including variations in survey scope. One significant difference is the measurement of residential property assets; while the HILDA Survey asks households to value their own houses the ABS measure uses sale price data. The HILDA data suggest more rapid growth in the value of residential property assets between 2002 and 2006 than the ABS data, which is likely partly to reflect the different measurement techniques. For a detailed comparison of the different household wealth measures for Australia, see Bloxham P and T Betts (forthcoming), ‘Measures of Household Wealth for Australia’, Australian Economic Review, June 2009.

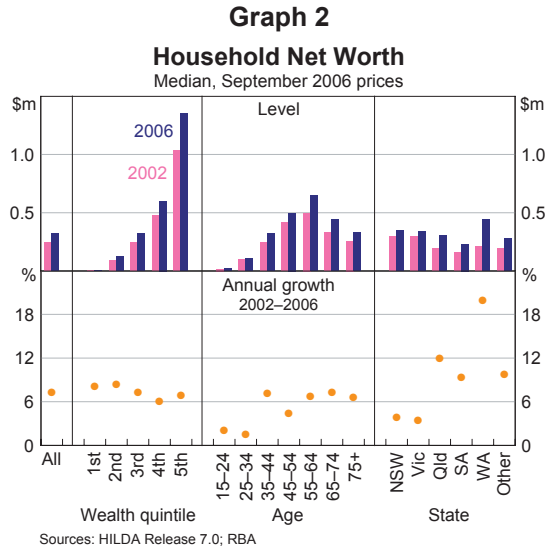
which was around twice the median value of the second highest quintile, at \$601 000, and around 10 times that of the second lowest quintile at \$124 000 (Graph 2⁶). The lowest quintile had net worth of \$6 000 in 2006. In comparison, the distribution of income is less skewed. The median income of the highest income quintile was 1½ times that of the second highest quintile, and four times that of the second lowest income quintile.

The cross-sectional data from the HILDA Surveys in 2002 and 2006 suggest that the skew in both the distribution of wealth and

income remained broadly stable between the two periods. For household net worth, this is evident in the similar percentage increases for each of the wealth quintiles over the period. In addition, the longitudinal dimension of the survey suggests that most households (around three-fifths) that responded to both surveys remained in the same quintile of the wealth distribution in both periods. In particular, households in the top and bottom quintiles were more likely to remain in their initial quintiles than households in the middle quintiles.

As pointed out above, part of the reason for the unevenness of the distribution of wealth (and income, to a lesser extent) is the life cycle of households. For example, households that are nearing retirement are likely to have accumulated savings, while younger households are more likely to have debt associated with education or the purchase of a home. The life cycle therefore results in a hump-shaped distribution of wealth across age groups, which is apparent in both the 2002 and 2006 HILDA data. For both years, the level of net worth peaked for households with a head aged between 55 and 64 years. Growth in net worth between the periods was also generally higher for older households. The exception to this growth pattern across age groups was households with a head aged between 35 and 44 years, reflecting strong growth in both their non-financial and financial assets (discussed further below).

Across the states and territories, the strongest growth in household net worth was in Western Australia and Queensland. This is in line with rising incomes in these states resulting from a large increase in commodity prices and the effect on house prices in particular. The median level of Western Australian households' net worth in 2006 was the highest among the states and territories. In addition, the regional areas had stronger growth in household net worth than the capital cities over the period; growth in median household net worth in the regional areas was



6 Graphs 2 to 8 show cross-sectional data. The growth rates presented in these graphs compare cross-sections from each period. For example, growth for any particular wealth quintile is the percentage difference between net worth for households in that quintile in 2006 and households in that quintile in 2002.

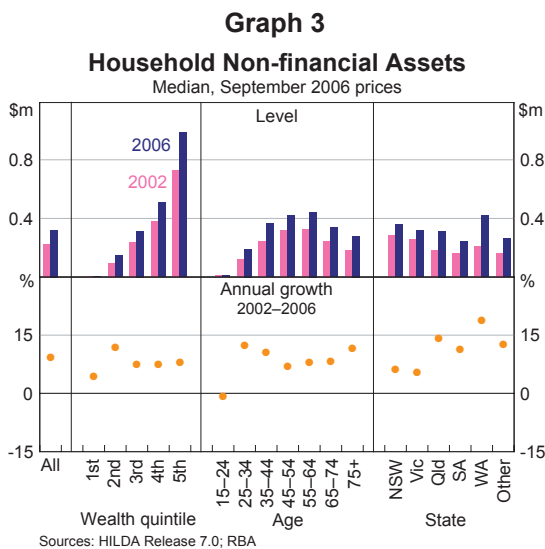
10 per cent a year over the period, while it was 6½ per cent a year in the capital cities. This partly reflects the impact of the resources boom in some of these regional areas.

Household non-financial assets

Non-financial assets largely comprise holdings of real estate, motor vehicles and small business assets. Households in the HILDA Survey reported that on average non-financial assets accounted for 70 per cent of the total value of their assets in 2006.⁷ Of these assets, residential property accounted for the largest share, at 60 per cent of the value of total assets in 2006, up from 54 per cent in 2002. Non-financial business assets (such as, farms and other small business equipment) accounted for 7 per cent of total household assets in 2006 and were largely held (85 per cent of the value) by households in the highest wealth quintile.

Responses to the HILDA Survey show that between 2002 and 2006 the median real value of households' non-financial assets increased by 9½ per cent a year, to \$322 000. The increase was broad-based across households, with the longitudinal dimension of the survey suggesting that around three-quarters of the households that responded to both the 2002 and 2006 HILDA Surveys had an increase in the real value of these assets over the period. Of the one-quarter of households with no change or a fall in their non-financial assets, the bulk did not own a residential property.

Comparing the two periods as separate cross-sections, the percentage increase in the median real value of non-financial assets was fairly similar for the top three wealth quintiles, at around 8 per cent a year (Graph 3). Growth was strongest for the second lowest quintile at 12 per cent a year; over half of these households had a head aged between 25 and 44 years. Net worth for the lowest quintile increased by the least amount among the quintiles; in both periods these households tended to be young and renters, with motor vehicles accounting for a relatively large share (around one-third) of the value of their non-financial assets.



Across states and territories there was significant variation in growth in non-financial assets, in line with differences across state housing markets. In Western Australia the increase in the median value of non-financial assets reported in the HILDA Survey was around 20 per cent a year, while it rose by 15 per cent a year in Queensland, in line with strong increases in house prices in these states during the period. The rise in Western Australia is consistent with the sharp rise in house prices over the period, especially in 2005 and 2006. In the two largest states,

⁷ This is higher than the share suggested by the ABS measure – which was 60 per cent in the June quarter 2006 – mainly reflecting higher values of reported residential property assets in the HILDA Survey than implied by the ABS measure.

New South Wales and Victoria, median household non-financial assets increased by around 6 per cent a year, as house price growth was slower in these states over the period, following more rapid growth in earlier years.

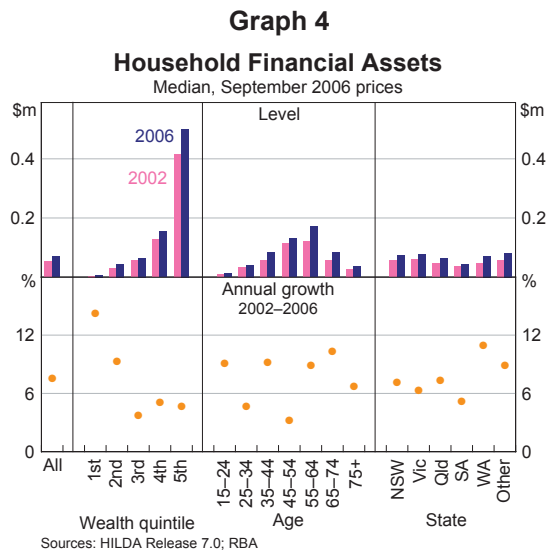
The home-ownership rate was fairly stable between the survey periods, at around 67 per cent of households, of which around half owned their home outright. There was, however, an increase in the share of households that owned a residential property that was not their primary residence (second homes and investment properties), from 16 per cent in 2002 to 20 per cent in 2006. For the households in the HILDA Survey, the median real value of these properties rose from \$225 000 in 2002 to \$350 000 in 2006, compared with the median value of owner-occupied housing, which rose from \$280 000 in 2002 to \$375 000 in 2006. Rates of second home and investment property ownership increased in all states between 2002 and 2006, and rose by the largest amount in Western Australia, to 23 per cent.

Household financial assets

Households in the HILDA Survey reported that financial assets accounted for 30 per cent of their assets in 2006, down from 32 per cent in 2002. In both periods, superannuation accounted for around half the value of financial assets. Superannuation was widely held across households, with 79 per cent of households reporting holdings in the 2006 HILDA Survey, up from 76 per cent in 2002. Deposits were also widely held by households – almost all households reported having a deposit in both periods – although the median deposit size was small, at \$7 000 in 2006, and deposits accounted for only 4 per cent of total assets. Direct holdings of equities accounted for 7 per cent of total assets in 2006, though they were held by 38 per cent of households, with these tending to be the wealthiest households.

The median real value of household financial assets increased by 7½ per cent a year between 2002 and 2006, rising to \$71 000. The longitudinal dimension of the survey indicates that of the households that responded to both the 2002 and 2006 HILDA Surveys, two-thirds reported an increase in the real value of their financial assets over the period.

Comparing the two periods as separate cross-sections, financial assets increased by less in percentage terms for the upper end of the distribution of household wealth than for the lower end (Graph 4). For the three wealthiest quintiles, the median real value of financial assets increased by around 5 per cent a year, while for the two lowest wealth quintiles it grew by between 9 and 15 per cent. The largest contributor to the increase between the periods across all wealth quintiles was superannuation assets.



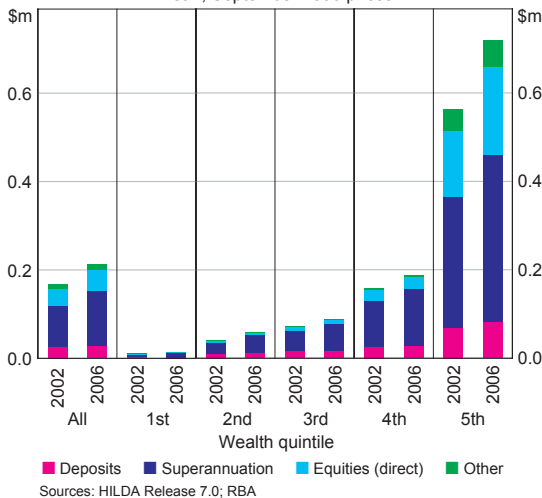
For the lower quintiles, superannuation assets accounted for almost all of the increase in the value of financial assets. To some extent this could reflect that earlier generations of lower wealth households had lower participation in compulsory superannuation.

The level of household financial assets has a hump-shaped distribution across age groups, peaking for households where the head is aged between 55 and 64 years, consistent with the life-cycle effect outlined above. Across states and territories, the level and growth in financial assets varied less than for non-financial assets, consistent with house prices being the main driver of variation in household wealth across the states. There was, nonetheless, some variation across states, with Western Australian households reporting the strongest growth in financial assets over the period.

Looking at the types of financial assets held, the HILDA Survey suggests that wealthier households had significantly larger holdings of superannuation and direct equity assets than lower wealth households in both periods (Graph 5). For example, the mean values of superannuation

and direct equity asset holdings for households in the highest wealth quintile in 2006 were \$351 000 and \$196 000 respectively, while they were \$39 000 and \$4 000 for the second lowest quintile. For superannuation assets, this partly reflects that wealthier households are also older households that tend to be nearing or in retirement. Direct equity holdings of households are more skewed towards the upper end of the wealth distribution than superannuation. In the highest wealth quintile, 72 per cent of households reported direct holdings of equities in 2006, compared with only 25 per cent of households in the second lowest wealth quintile and 8 per cent of households in the lowest quintile.

Graph 5
Household Financial Assets
Mean, September 2006 prices



Household debt

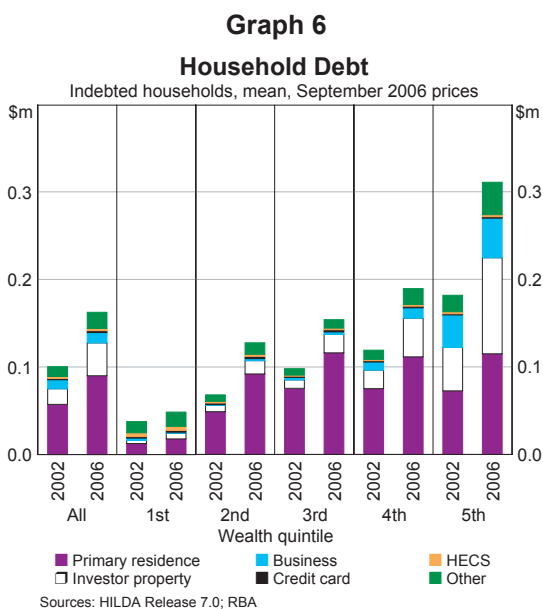
The value of household debt increased by 11 per cent a year in real terms between 2002 and 2006, according to the HILDA Surveys, which is in line with aggregate measures of household debt based on data from financial institutions. Most of the value of household debt is secured against a residential property, with this share rising from 84 per cent to 86 per cent between 2002 and 2006. Other types of debt include loans for vehicle purchase, credit card debt, margin loans and small business debt. Overall, the HILDA Survey reported that around one-third of households had no debt.

The increase in mortgage debt over the period partly reflected a rise in the incidence of residential mortgages, with the share of households that have debt on their primary residence rising from 33 per cent to 35 per cent between 2002 and 2006. The share of households with debt secured against a second home or investment property also increased, from 7 per cent to 9 per cent. Looking only at households with debt, the mean real value of debt per household increased from \$113 000 to \$164 000 between 2002 and 2006, while the median increased from \$56 000 to \$69 000.

The longitudinal dimension of the survey suggests that of the households that responded to both the 2002 and 2006 HILDA Surveys, 42 per cent reported an increase in the real level of their debt. Of the remaining households, 24 per cent reported no change in their real debt – largely because these households typically had no debt in either period – and 34 per cent reported a decline in their real level of debt. Consistent with life-cycle effects, younger households accounted for a large share of those that increased their debt, while reductions in debt were most common for households with a head aged between 45 and 54 years.

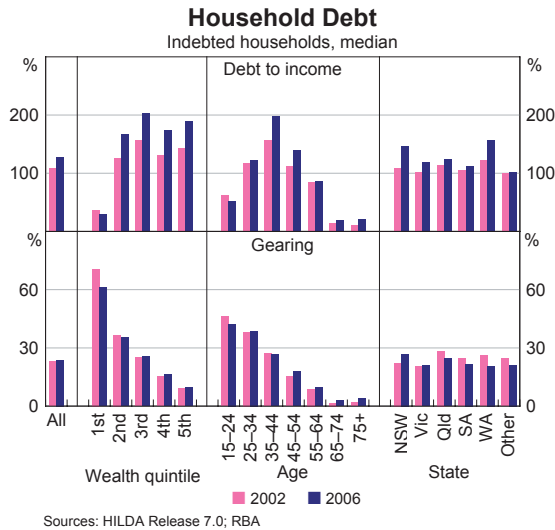
Of those households with debt in the HILDA Survey, the households with the highest net worth tended to have the highest levels of debt (Graph 6). Specifically, households in the upper half of the distribution of net worth accounted for two-thirds of the total value of household debt. Looking across the wealth quintiles, households in each of the four highest quintiles had similar levels of debt secured against their owner-occupied residential property, with a mean level of around \$100 000 in 2006. Debt for purposes other than the purchase of primary residences was, however, mostly held by households in the top two wealth quintiles (70 per cent by value); this comprised debt for investment properties, small businesses and financial investments, such as margin loans.

To assess levels of household indebtedness, analysts typically look at the ratios of household debt to disposable income and household debt to assets (gearing). The HILDA data suggest that the median debt-to-income ratio for households with debt rose from 109 per cent in 2002, to 128 per cent in 2006, while the gearing ratio increased only slightly – from 23 per cent to 24 per cent (Graph 7).⁸



⁸ For all households, the HILDA Survey suggested mean ratios of 153 per cent and 23 per cent for 2006, similar to those based on financial institutions and national accounts data.

Graph 7



Across the distribution of net worth, the median debt-to-income ratio was similar for indebted households in the four highest wealth quintiles, at between 170 per cent and 200 per cent in 2006, while the lowest wealth quintile had a much lower debt-to-income ratio, at around 30 per cent. In contrast, the gearing ratio tended to be higher for the low wealth quintiles, reflecting the low levels of their assets. Indebted households in the lowest wealth quintile had median debt of around \$10 000 in 2006, compared with disposable income of \$33 000 and assets of \$16 000.

Across the age groups, households with a head aged between 35 and 44 years had the highest levels of debt relative to their incomes and their debt-to-income ratio also increased by the largest amount. As might be expected, debt levels were positively correlated with the value of housing assets across the states, which meant that gearing ratios tended to be similar across states.

Changes in Household Wealth in 2007 and 2008

More recently, real net worth per household is estimated to have fallen by 14 per cent over 2008, following a 7 per cent rise over 2007. Aggregate data suggest that growth in household net worth over 2007 was similar to that of the previous four years, driven by a rise in financial and non-financial assets (Table 1). In contrast, the fall over 2008 was the largest in the history of the ABS household wealth data (which commences in 1988). While HILDA wealth data will not be available for 2007 or 2008, data that describe aggregate trends in house prices, equity prices and the value of superannuation can be used in conjunction with the 2006 HILDA Survey data

Table 1: Household Net Worth^(a)
Year-ended percentage change, mean

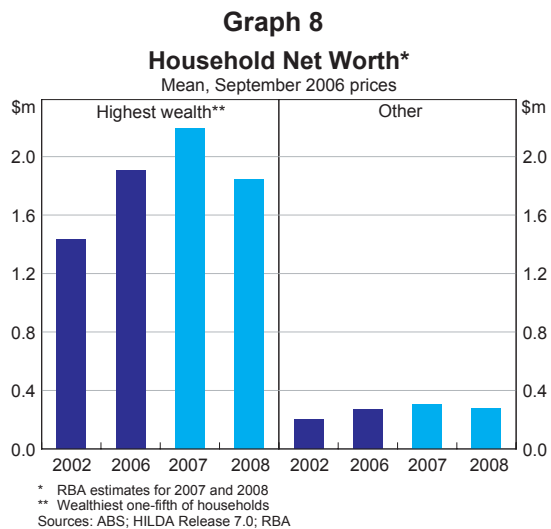
	2007	2008
Non-financial assets	6	-6
Financial assets	8	-18
– Superannuation	17	-23
– Direct equities	-4	-47
Debt	7	2
Net worth	7	-14

(a) Excludes non-financial assets of unincorporated enterprises, September quarter 2006 prices
Sources: ABS; RBA

to give an indication of how the composition and distribution of household wealth is likely to have changed over this period.

Aggregate data suggest that the fall in household net worth over 2008 was mostly driven by large falls in the values of equities and superannuation holdings, with more modest declines in house prices. ABS data suggest the value of households' real direct equity holdings fell by 47 per cent, while the value of their superannuation holdings fell by 23 per cent, both largely reflecting a fall in equity prices. As the HILDA data indicate that households in the highest wealth quintile owned four-fifths of the value of direct equities and three-fifths of the value of superannuation in 2006, the decline in these assets in 2008 is likely to have had a greater effect on these wealthier households. House price data also suggest declines in 2008 were larger in higher-priced suburbs, following stronger price growth in these suburbs over the previous year. In the most expensive one-fifth of suburbs, real house prices declined by 13 per cent over 2008 – fully offsetting the gains from the previous year – while real house prices in the other suburbs declined by 5 per cent, following growth of 8 per cent over 2007.

Using these data, and making a number of assumptions, we are able to derive rough estimates of household net worth for the highest and other wealth quintiles for 2008.⁹ These estimates suggest that the fall in net worth over 2008 was most pronounced for the wealthiest households (Graph 8). We estimate that average real household net worth fell by around 15 per cent for households in the highest wealth quintile, to be slightly below its 2006 level, while it declined by around 10 per cent for other households, to a little above its 2006 level. Overall, households in the highest wealth quintile held 64 per cent of the value of aggregate household net worth in 2006, but are estimated to have accounted for around 72 per cent of the decline in household net worth over 2008. ❧



9 We assume that the composition of assets and liabilities of households in the highest wealth quintile and rest of the wealth distribution from the HILDA Survey for 2006 is representative for the more recent years. We then apply value changes of aggregate household financial assets and liabilities from the ABS data to the household groupings. For housing assets, we assume that the houses in the most expensive suburbs are owned by the wealthiest households.

APPENDIX*

Table A1a: Household Balance Sheet – 2002
\$'000, September 2006 prices

Household characteristic	Net worth		Financial assets		Non-financial assets		Debt	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
All households	450	245	168	53	355	226	73	9
Percentile of income								
Less than 20	284	130	76	11	233	114	25	0
20–39.9	298	155	95	21	234	141	31	0
40–59.9	332	173	114	39	275	187	57	10
60–79.9	481	293	196	80	372	265	87	40
80–100	857	568	361	191	661	450	165	99
Age of reference person (years)								
15–24	211	17	68	9	189	12	46	8
25–34	215	99	83	35	217	120	85	27
35–44	399	242	138	58	377	245	116	57
45–54	608	419	239	115	466	320	97	34
55–64	797	498	324	121	528	326	56	0
65–74	539	335	184	57	362	247	7	0
75 and over	362	258	119	28	245	181	2	0
Education of reference person								
University degree or higher	619	372	260	98	481	345	122	44
Diploma	461	275	169	60	367	252	75	14
Finished year 12	419	207	157	45	332	190	70	13
Finished year 11	347	183	115	30	274	168	42	0
Labour market status of reference person								
Employee	467	258	180	69	384	253	97	38
Employer or self-employed	655	402	197	65	584	388	126	34
Unemployed	146	18	66	4	111	9	31	1
Retired	478	302	184	42	300	225	6	0
Other not in labour force	299	104	100	9	236	103	38	0
State or territory								
NSW	529	297	173	56	437	284	81	6
Vic	498	295	188	62	380	260	69	9
Qld	337	194	154	47	250	185	67	16
SA	314	162	134	37	230	160	49	7
WA	420	213	145	48	362	211	87	16
Tas, ACT and NT	398	195	197	58	272	165	70	12
Housing status								
Home owner – outright	741	486	267	107	500	332	26	0
Home owner – mortgagor	469	310	161	72	478	342	170	118
Renter	122	21	70	16	76	8	24	2
Percentile of net worth								
Less than 20	3	4	10	4	18	3	25	2
20–39.9	92	90	39	31	107	96	55	14
40–59.9	247	245	72	56	248	236	73	24
60–79.9	483	475	158	127	410	380	86	15
80–100	1 428	1 034	563	417	991	725	126	17

Source: HILDA Release 7.0

* Results which were based on less than 0.2 per cent of the sample are not reported and are denoted with '.' in these tables.

Table A1b: Household Balance Sheet – 2006
\$'000, September 2006 prices

Household characteristic	Net worth		Financial assets		Non-financial assets		Debt	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
All households	596	325	212	71	495	322	111	14
Percentile of income								
Less than 20	342	203	77	12	290	188	25	0
20–39.9	384	213	113	30	310	212	39	1
40–59.9	487	271	159	58	418	276	91	18
60–79.9	560	371	224	96	469	374	133	70
80–100	1 206	748	486	247	988	660	268	155
Age of reference person (years)								
15–24	329	19	122	13	290	12	83	10
25–34	271	105	99	42	306	192	134	45
35–44	536	319	169	83	534	367	167	85
45–54	722	498	247	131	628	420	153	50
55–64	998	647	413	170	670	445	85	2
65–74	849	443	306	84	560	341	17	0
75 and over	498	332	142	36	361	280	5	0
Education of reference person								
University degree or higher	790	479	311	130	649	460	169	55
Diploma	588	369	202	77	502	347	116	20
Finished year 12	491	209	187	49	402	253	98	19
Finished year 11	495	256	155	38	406	253	66	0
Labour market status of reference person								
Employee	592	325	220	87	521	350	148	50
Employer or self-employed	905	516	232	68	836	528	164	53
Unemployed	243	26	121	7	166	15	44	4
Retired	646	395	247	53	412	305	13	0
Other not in labour force	397	152	110	10	327	130	40	1
State or territory								
NSW	624	345	201	74	552	360	128	11
Vic	620	338	236	79	479	320	95	13
Qld	519	306	203	63	432	314	116	20
SA	442	232	178	45	331	245	67	8
WA	747	441	226	73	643	420	122	20
Tas, ACT and NT	526	282	227	82	406	266	107	18
Housing status								
Home owner – outright	1 020	641	345	141	714	429	39	0
Home owner – mortgagor	622	412	202	94	668	463	248	171
Renter	152	26	91	21	97	8	36	3
Percentile of net worth								
Less than 20	4	6	13	7	25	4	33	3
20–39.9	127	124	58	45	165	150	97	24
40–59.9	331	325	89	65	346	315	104	36
60–79.9	616	601	187	155	557	508	128	36
80–100	1 900	1 352	711	501	1 382	985	193	21

Source: HILDA Release 7.0

Table A2a: Household Gearing – 2002
Ratio of debt to assets, per cent

Household characteristic	All Households				Households with type of debt		
	Total gearing		Property gearing		Property gearing	Own home gearing	Other property gearing
	Aggregate	Median	Aggregate	Median	Median	Median	Median
All households	14	7	19	4	39	41	54
Percentile of income							
Less than 20	8	0	7	0	31	32	48
20–39.9	9	0	11	0	36	38	49
40–59.9	15	11	19	8	45	47	53
60–79.9	15	16	23	23	39	40	61
80–100	16	16	25	23	37	41	55
Age of reference person (years)							
15–24	18	22	21	13	56	60	69
25–34	28	28	39	47	57	58	65
35–44	23	21	31	33	42	43	59
45–54	14	10	19	11	29	30	50
55–64	7	0	9	0	23	25	39
65–74	1	0	1	0	13	21	..
75 and over	1	0	0	0	4	3	..
Education of reference person							
University degree or higher	16	16	23	20	36	40	57
Diploma	14	8	20	9	41	43	55
Finished year 12	14	12	20	13	39	42	48
Finished year 11	11	0	14	0	39	40	56
Labour market status of reference person							
Employee	17	17	25	24	40	42	55
Employer or self-employed	16	11	19	10	35	39	52
Unemployed	18	3	27	9	44	44	..
Retired	1	0	2	0	15	16	20
Other not in labour force	11	0	13	0	38	38	40
State or territory							
NSW	13	3	18	0	35	40	51
Vic	12	5	17	0	35	36	49
Qld	16	12	25	17	46	46	64
SA	14	7	19	1	41	44	45
WA	17	10	24	12	43	46	56
Tas, ACT and NT	15	9	24	12	43	46	67
Housing status							
Home owner – outright	3	0	3	0	18	..	48
Home owner – mortgagor	27	29	36	39	40	41	56
Renter	16	8	37	40	62	..	62
Percentile of net worth							
Less than 20	90	25	100	86	88	88	85
20–39.9	37	17	51	49	63	62	71
40–59.9	23	9	29	10	43	43	59
60–79.9	15	3	19	0	28	29	52
80–100	8	1	12	0	21	24	44

Source: HILDA Release 7.0

Table A2b: Household Gearing – 2006

Ratio of debt to assets, per cent

Household characteristic	All households				Households with type of debt		
	Total gearing		Property gearing		Property gearing	Own home gearing	Other
	Aggregate	Median	Aggregate	Median	Median	Median	Median
All households	16	8	21	9	36	38	47
Percentile of income							
Less than 20	7	0	8	0	22	27	50
20–39.9	9	1	11	0	33	35	42
40–59.9	16	13	20	12	36	38	40
60–79.9	19	20	27	28	39	41	50
80–100	18	17	26	24	36	41	47
Age of reference person (years)							
15–24	20	25	26	26	58	65	63
25–34	33	34	42	50	55	58	61
35–44	24	22	32	32	38	40	53
45–54	17	11	22	16	29	31	43
55–64	8	1	11	0	20	23	33
65–74	2	0	2	0	9	8	19
75 and over	1	0	1	0	7	7	..
Education of reference person							
University degree or higher	18	16	24	19	36	40	47
Diploma	16	10	22	12	36	38	48
Finished year 12	17	15	22	18	39	42	40
Finished year 11	12	0	15	0	34	38	45
Labour market status of reference person							
Employee	20	19	27	25	38	41	48
Employer or self-employed	15	15	19	15	32	34	44
Unemployed	15	13	22	8	50	53	..
Retired	2	0	2	0	14	13	31
Other not in labour force	9	1	11	0	29	33	40
State or territory							
NSW	17	7	21	8	38	42	51
Vic	13	6	19	3	35	38	43
Qld	18	13	24	15	38	41	45
SA	13	7	20	8	37	38	60
WA	14	9	18	11	30	31	40
Tas, ACT and NT	17	11	26	15	42	44	48
Housing status							
Home owner – outright	4	0	4	0	17	..	37
Home owner – mortgagor	29	29	36	36	37	38	49
Renter	19	10	30	36	50	..	50
Percentile of net worth							
Less than 20	89	27	98	96	96	96	100
20–39.9	43	18	56	53	64	64	69
40–59.9	24	10	29	13	40	40	51
60–79.9	17	6	21	4	28	29	50
80–100	9	2	13	0	19	21	33

Source: HILDA Release 7.0

Table A3a: Household Financial Assets, by Type of Asset – 2002

Household characteristic	Per cent of households holding assets					Median value of holdings for households holding assets (\$'000, September 2006 prices)					
	Equity investments	Cash investments	Trusts	Deposits	Life insurance annuation	Equity investments	Cash investments	Trusts	Deposits	Life insurance annuation	Super-annuation
All households	40	3	4	97	10	76	31	22	6	17	42
Percentile of income											
Less than 20	21	3	2	95	5	41	17	67	4	13	13
20–39.9	30	4	2	97	7	58	22	11	4	12	17
40–59.9	39	3	3	97	8	87	11	11	4	13	22
60–79.9	47	3	4	98	12	96	13	17	7	18	49
80–100	63	3	8	99	17	98	22	29	11	19	110
Age of reference person (years)											
15–24	20	..	3	95	6	83	9	11	2	11	6
25–34	32	1	3	96	6	91	10	6	4	11	24
35–44	41	2	4	98	11	91	11	16	4	11	40
45–54	48	3	5	97	16	89	19	28	7	22	88
55–64	51	5	4	98	12	74	37	79	11	22	114
65–74	47	7	2	99	7	34	56	25	12	20	101
75 and over	33	8	..	99	8	13	34	..	13	11	57
Labour market status of reference person											
Employee	44	2	5	98	12	97	12	20	6	16	43
Employer or self-employed	46	4	6	99	13	82	19	11	10	22	42
Unemployed	..	..	2	92	..	60	..	67	0	..	11
Retired	40	7	1	98	8	30	51	56	12	11	112
Other not in labour force	24	3	2	95	5	47	22	21	2	34	16
Housing status											
Home owner – outright	52	7	4	99	13	63	34	67	17	17	100
Home owner – mortgagor	46	1	4	97	11	94	11	11	5	18	51
Renter	22	1	2	96	5	71	10	16	2	11	15
Percentile of net worth											
Less than 20	9	1	1	94	2	60	4	1	1	3	6
20–39.9	26	1	2	98	5	77	6	3	3	11	25
40–59.9	37	2	2	97	7	73	9	4	7	10	42
60–79.9	53	5	3	98	13	81	17	11	11	22	82
80–100	76	7	10	99	23	89	56	93	26	22	225

Source: HILDA Release 7.0

Table A3b: Household Financial Assets, by Type of Asset – 2006

Household characteristic	Per cent of households holding assets				Median value of holdings for households holding assets (\$'000, September 2006 prices)							
	Equity investments	Cash investments	Life insurance	Super-annuation	Equity investments	Cash investments	Life insurance	Super-annuation				
All households	38	2	3	97	8	79	18	30	50	7	25	60
Percentile of income												
Less than 20	22	3	1	95	4	38	20	15	155	4	20	18
20–39.9	28	4	2	97	5	72	15	40	25	5	20	23
40–59.9	36	2	2	98	8	91	10	25	30	6	35	38
60–79.9	44	2	4	99	9	97	13	20	20	6	25	69
80–100	58	2	8	99	14	98	25	65	120	15	30	149
Age of reference person (years)												
15–24	16	..	3	97	4	87	9	..	22	3	75	8
25–34	28	..	4	98	7	92	6	..	14	4	53	32
35–44	36	1	4	97	9	93	10	27	50	5	30	61
45–54	44	2	4	98	12	93	15	40	50	8	25	101
55–64	50	3	3	96	8	81	35	26	250	13	20	156
65–74	49	5	2	99	5	45	50	26	250	14	15	170
75 and over	35	9	..	98	6	16	48	30	..	15	15	96
Labour market status of reference person												
Employee	39	1	4	98	9	97	12	32	40	6	30	60
Employer or self-employed	41	4	5	97	10	85	20	18	120	10	40	45
Unemployed	12	..	..	84	..	61	5	..	..	0	..	13
Retired	42	6	2	98	5	34	50	30	135	15	15	190
Other not in labour force	22	3	2	96	4	51	30	50	50	2	30	27
Housing status												
Home owner – outright	52	5	4	99	9	66	40	45	124	20	20	140
Home owner – mortgagor	40	1	4	97	10	95	10	20	30	6	40	75
Renter	21	1	2	97	5	75	10	22	40	2	25	21
Percentile of net worth												
Less than 20	8	..	..	95	2	66	3	..	..	1	2	9
20–39.9	25	2	2	97	4	81	6	20	17	5	20	35
40–59.9	33	2	1	98	6	73	8	15	20	7	25	60
60–79.9	51	4	3	98	10	86	17	20	10	13	30	106
80–100	72	5	10	98	17	90	55	90	180	29	30	270

Source: HILDA Release 7.0

Table A4a: Household Non-financial Assets, by Type of Asset – 2002

Household characteristic	Primary residence		Other residential property		Business assets		Vehicles		Collectibles	
	68	16	12	87	13	280	225	97	17	11
Median value of holdings for households holding assets (\$'000, September 2006 prices)										
Per cent of households holding assets										
All households	68	16	12	87	13	280	225	97	17	11
Percentile of income										
Less than 20	57	7	6	68	10	225	169	112	9	7
20–39.9	60	11	6	86	11	225	180	73	11	6
40–59.9	64	12	11	92	14	247	180	67	15	11
60–79.9	73	18	15	95	13	281	197	67	19	11
80–100	84	33	23	96	18	337	281	151	28	11
Age of reference person (years)										
15–24	29	8	8	78	10	225	225	202	11	3
25–34	49	11	11	88	11	259	202	56	16	9
35–44	69	18	16	92	13	281	214	79	17	11
45–54	80	23	17	93	15	281	225	157	20	11
55–64	81	25	15	90	16	292	281	112	17	12
65–74	84	14	5	86	14	259	169	180	13	11
75 and over	78	7	..	65	13	225	191	..	8	7
Labour market status of reference person										
Employee	68	19	13	93	14	281	225	112	18	11
Employer or self-employed	74	26	54	94	17	292	226	90	22	13
Unemployed	34	4	..	71	9	208	76	..	8	9
Retired	80	10	2	78	13	247	225	129	12	7
Other not in labour force	54	9	5	75	10	225	180	45	10	8
Housing status										
Home owner – outright	100	19	12	90	15	278	225	169	17	11
Home owner – mortgagor	100	19	17	95	14	281	236	84	20	11
Renter	..	10	8	76	11	..	180	56	9	7
Percentile of net worth										
Less than 20	6	2	2	70	7	103	96	13	6	3
20–39.9	55	7	7	87	12	129	110	29	12	6
40–59.9	89	11	10	91	13	216	141	56	17	7
60–79.9	94	20	15	93	15	337	185	97	20	11
80–100	95	42	28	95	21	450	337	304	28	17

Source: HILDA Release 7.0

Table A4b: Household Non-financial Assets, by Type of Asset – 2006

Household characteristic	Per cent of households holding assets					Median value of holdings for households holding assets (\$'000, September 2006 prices)				
	Primary residence	Other residential property	Business assets	Vehicles	Collectibles	Primary residence	Other residential property	Business assets	Vehicles	Collectibles
All households	67	20	13	89	13	375	350	100	16	10
Percentile of income										
Less than 20	57	9	5	72	12	300	330	50	8	5
20–39.9	58	11	8	89	11	350	285	55	10	8
40–59.9	64	17	12	93	14	340	300	70	15	10
60–79.9	72	22	15	96	12	380	300	70	20	10
80–100	85	41	24	97	18	500	450	150	30	15
Age of reference person (years)										
15–24	30	10	7	80	8	330	450	50	12	7
25–34	47	15	12	89	12	350	320	70	16	8
35–44	69	23	19	93	12	400	340	100	18	10
45–54	77	28	17	94	16	400	350	60	20	10
55–64	82	27	13	93	14	400	350	155	20	10
65–74	83	15	5	90	17	350	450	140	12	10
75 and over	77	8	2	72	16	300	320	500	8	5
Labour market status of reference person										
Employee	66	23	13	93	13	400	350	100	20	10
Employer or self-employed	75	32	57	94	16	400	380	60	23	15
Unemployed	37	9	..	76	9	280	330	..	7	5
Retired	79	11	1	81	14	340	340	200	10	6
Other not in labour force	51	13	5	80	13	320	300	90	10	10
Housing status										
Home owner – outright	100	22	12	93	16	360	400	160	18	10
Home owner – mortgagor	100	26	19	97	13	380	350	85	20	10
Renter	..	12	6	78	11	..	290	40	10	6
Percentile of net worth										
Less than 20	4	1	2	71	8	230	200	12	6	5
20–39.9	53	9	7	90	13	219	188	30	14	5
40–59.9	90	14	9	92	13	300	245	40	15	7
60–79.9	93	26	16	96	14	420	300	100	20	10
80–100	95	49	29	97	19	600	550	320	30	15

Source: HILDA Release 7.0

Table A5a: Household Debt, by Type of Debt – 2002

Household characteristic	Per cent of households holding debt										Median value of holdings for households holding debt (\$'000, September 2006 prices)									
	Home loan	Investor property loan	Business debt	Credit card debt	HECS personal debt	Other personal debt	Any debt	Home loan	Investor property loan	Business debt	Credit card debt	HECS personal debt	Other personal debt	Any debt						
All households	33	7	5	30	13	31	65	101	124	56	2	9	11	56						
Percentile of income																				
Less than 20	11	3	4	19	9	15	39	67	73	35	1	7	5	12						
20–39.9	18	4	3	23	11	22	49	59	84	56	2	10	8	18						
40–59.9	32	5	5	33	14	33	69	91	112	34	2	8	8	37						
60–79.9	47	9	5	40	14	41	80	101	118	36	2	9	11	70						
80–100	56	16	9	37	17	44	86	135	146	67	3	8	20	127						
Age of reference person (years)																				
15–24	15	4	2	29	34	43	72	121	153	79	1	11	8	17						
25–34	39	7	5	39	23	46	81	123	135	45	2	8	10	57						
35–44	52	11	8	39	11	38	83	110	124	56	2	4	11	85						
45–54	46	11	7	34	13	36	78	81	103	67	2	11	13	63						
55–64	21	9	5	24	7	19	51	67	112	56	2	8	12	37						
65–74	5	..	2	12	..	5	21	48	..	34	1	..	6	4						
75 and over	2	..	..	9	..	..	12	12	..	..	2	..	..	3
Labour market status of reference person																				
Employee	45	10	5	38	18	40	81	107	126	56	2	9	11	69						
Employer or self-employed	36	14	2.5	36	11	40	76	98	99	45	3	8	17	84						
Unemployed	19	..	..	2.5	14	27	56	118	..	..	2	4	4	9		
Retired	5	1	..	11	..	5	19	39	56	..	1	..	6	4						
Other not in labour force	19	3	2	22	12	21	52	67	135	28	2	7	6	15						
Housing status																				
Home owner – outright	..	6	4	18	6	16	35	..	103	67	2	9	12	12						
Home owner – mortgagor	100	9	7	41	15	39	100	101	136	56	2	8	13	119						
Renter	..	7	3	33	20	39	61	..	118	22	2	9	9	11						
Percentile of net worth																				
Less than 20	5	1	2	30	23	38	60	99	87	18	2	10	8	11						
20–39.9	38	5	3	39	14	41	71	90	118	11	2	7	9	51						
40–59.9	47	6	4	32	9	27	66	101	101	34	2	6	11	84						
60–79.9	42	9	6	28	10	26	64	101	124	56	2	8	12	84						
80–100	33	16	10	22	11	24	62	112	135	101	2	11	24	112						

Source: HILDA Release 7.0

Table A5b: Household Debt, by Type of Debt – 2006

Household characteristic	Per cent of households holding debt										Median value of holdings for households holding debt (\$'000, September 2006 prices)									
	Home loan	Investor property loan	Business debt	Credit card debt	HECS debt	Other personal debt	Any debt	Home loan	Investor property loan	Business debt	Credit card debt	HECS debt	Other personal debt	Any debt						
All households	35	9	4	28	13	34	68	140	180	79	3	10	11	69						
Percentile of income																				
Less than 20	10	3	1	14	8	17	39	65	210	70	2	10	3	9						
20–39.9	20	3	2	21	11	27	57	100	120	46	3	10	6	19						
40–59.9	36	8	6	33	13	37	76	120	130	60	3	8	10	47						
60–79.9	51	11	5	37	16	42	84	145	160	57	3	9	15	104						
80–100	57	22	8	33	18	48	86	195	220	125	4	10	20	200						
Age of reference person (years)																				
15–24	19	4	..	25	31	50	79	158	312	..	2	13	7	15						
25–34	40	10	5	33	24	49	88	190	185	75	3	10	12	71						
35–44	55	13	8	37	13	41	86	150	197	70	4	6	12	121						
45–54	49	13	6	33	13	40	80	117	160	80	3	12	12	95						
55–64	27	11	3	27	5	26	57	85	150	90	3	12	13	51						
65–74	6	3	..	14	..	8	26	50	200	..	2	..	4	5						
75 and over	3	..	..	4	..	3	10	20	..	..	2	..	2	5		
Labour market status of reference person																				
Employee	46	12	4	35	18	42	83	150	180	100	3	10	12	95						
Employer or self-employed	44	15	20	34	13	43	83	130	200	50	4	8	16	100						
Unemployed	20	..	..	26	14	44	74	160	..	..	3	7	5	12		
Retired	5	2	..	9	..	5	18	55	110	..	2	..	3	5						
Other not in labour force	19	4	2	15	9	27	57	80	115	38	2	11	3	11						
Housing status																				
Home owner – outright	..	8	4	14	6	17	34	..	175	100	2	12	11	15						
Home owner – mortgagor	100	11	7	38	15	41	100	140	190	75	3	8	15	172						
Renter	..	8	3	30	18	43	68	..	165	30	3	10	9	12						
Percentile of net worth																				
Less than 20	4	1	2	28	20	45	68	220	295	19	3	12	8	10						
20–39.9	40	6	2	36	15	41	76	162	180	57	3	9	10	72						
40–59.9	49	8	3	31	11	29	68	130	140	30	3	9	11	115						
60–79.9	46	12	6	25	10	28	68	120	194	80	3	8	15	120						
80–100	35	20	10	18	10	27	62	150	185	150	3	10	24	160						

Source: HILDA Release 7.0