

Survey shows Australians are wealthier than ever but worrying signs for some

20 November 2020, by Steph Juleff



Credit: CC0 Public Domain

The latest release of the Household, Income and Labor Dynamics in Australia (HILDA) Survey shows that while Australians are more prosperous than they were 18 years ago, some groups—particularly single parents—are experiencing worrying declines in economic security.

Household wealth growing

HILDA, conducted by the Melbourne Institute, is Australia's only nationally representative longitudinal household study. The latest data shows that the average Australian household income has grown in real terms by \$23,248 since 2001, and average [household wealth](#) has increased to nearly \$1 million.

More women are working than ever before—73 percent, up from 64 percent in 2001. In 2018, men on average earned \$1,542 each week, and women \$1,098.

While wealth inequality increased until 2006, it has remained largely stable since, and income inequality has barely changed since 2001.

Older Australians have seen the largest increases in wealth—particularly older couples, whose average household wealth is now over \$1 million.

Who has been worst-affected by COVID-19?

Based on data gathered in 2018, the survey also reveals the segments of the population most exposed to the economic impact of COVID-19.

In 2018, more than a third of people under 24 worked in industries that ended up losing 15 percent or more of their work force during the pandemic. Families with children and single people are also overrepresented in the industries most affected.

Melbourne Institute Deputy Director and report co-author Professor Roger Wilkins said the report shines a light on the unequal impacts of the pandemic.

"People in households obtaining most of their income from hospitality, arts and recreation industries are the most vulnerable. Unfortunately, many of these people tended to have lower economic resources, and were relatively disadvantaged, even before the onset of the pandemic," Professor Wilkins said.

Approximately two million Australians live in households where the main income earner works in an industry most exposed to the pandemic recession.

People in these households are also more likely to be renters, have lower incomes and wealth, and are more likely to experience financial stress.

Trends affecting single parents

The HILDA Survey data shows that the median income of single parent households (adjusted for household size) has declined since 2016, from

\$38,000 to \$34,000.

Single parent households are also the most likely group to report struggling to afford the essentials: a fifth said they had gone without three or more essential items or services in the year they were surveyed. Use of childcare among single parents has also declined since 2016, from 52 percent to 35 percent.

"The HILDA Survey evidence on the economic fortunes of single parent families in recent years is a concerning trend. It is not clear why their economic wellbeing would have deteriorated, but clearly this needs to be closely watched if this trend is borne out by evidence from other sources," Professor Wilkins said.

HILDA and happiness

Men's life satisfaction has been consistently lower than women's, while Australians over 65 years old report the highest levels of satisfaction.

While people report greatest satisfaction with their personal safety, jobs and housing, health and safety are the most important contributors to overall life satisfaction.

Those who are married or widowed, and have lower levels of education, report higher levels of satisfaction with their lives. Contact with others at least once a week is also a significant contributor to wellbeing.

Dr. Ferdi Botha, Research Fellow at the Melbourne Institute and co-author of the HILDA report, said this highlights the impact the pandemic will have had on people's wellbeing.

"It is clear that the arrival of COVID-19 and the resulting public health measures will have substantially reduced life satisfaction in Australia. Declines in employment, growth in health fears and declines in social activities and community sport will all have had substantial adverse effects," Dr. Botha said.

Cats and dogs

For the first time, the survey also looked at pet ownership.

62 percent of Australians own at least one pet, and 44 percent own a dog, compared to the 23 percent who have a cat.

People who own a cat, but no dog, are more likely to be aged over 65, male, renters and city dwellers than people who own a dog and do not own a cat. Victorians are more likely to have a cat but no dog, and people are more likely to own a dog but no cat in New South Wales and Queensland.

Most surprisingly, people who own a cat report slightly worse [life satisfaction](#)—and are more likely to report poor mental health. People who own both cats and dogs report even lower wellbeing.

"We don't think cats actually lower your wellbeing. It seems more likely that people who have lower wellbeing to begin with are more likely to own cats, and it is quite possible their wellbeing would be even lower if they did not own a cat," Dr. Botha said.

The survey also found:

- Religious belief continues to fall. Since 2004, the number of women who report [religious belief](#) has fallen from 70 percent to 63 percent, and 70 percent to 56 percent for men over the same period. The trend is largely driven by a falling belief in Christianity, and a rise in people reporting no religious beliefs.
- Contrary to reports otherwise, the HILDA Survey suggests Australia's middle class is stable or even slightly growing. On one measure, in most years of the survey, 80 percent of Australians are classified as middle class.
- In 2018, 10 percent of adult employees appeared to be paid below the minimum wage—a figure that has remained relatively stable since 2007. Younger workers are particularly more likely to be paid less than the minimum wage. Underpayment though is only one explanation for this statistic.
- Only 11.6 percent of young adults who

experienced poverty as a child get a university degree—compared with the third who never experienced poverty. There are similar findings for employment—only 40 percent of young adults who experienced persistent poverty in childhood are in full time employment, compared to 69 percent of those who didn't experience childhood poverty.

The HILDA Survey tells the stories of the same group of Australians over the course of their lives. Starting in 2001, the survey now tracks more than 17,500 people in 9500 households and will continue to grow as families expand. This year's results are based on data gathered between 2001 and 2018.

More information: The report is available online: [melbourneinstitute.unimelb.edu ... ical-report-2020.pdf](https://melbourneinstitute.unimelb.edu.au/ical-report-2020.pdf)

Provided by University of Melbourne

APA citation: Survey shows Australians are wealthier than ever but worrying signs for some (2020, November 20) retrieved 29 November 2020 from <https://phys.org/news/2020-11-survey-australians-wealthier.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.