

# The Advisable Australian 2022

Profile and analysis of the four key Advisable Australian segments



## Introduction

# An overview of the segments

The universe of Advisable Australians 18+ comprises about 18 million individuals, with combined household wealth of around \$9.3 trillion.

Not all Advisable Australians look the same, and nor do they behave the same way or have the same financial advice needs and preferences.

We divide the universe of Advisable Australians into four distinct groups.

**1. Emerging Affluent:** Under 45 years old, wealthier individuals, highly engaged and interested in investing, and most likely to seek an adviser. There are approximately 1.9 million Emerging Affluent Advisable Australians accounting for about \$1.8 trillion of household wealth.

**2. Established Affluent:** Over 45 years old, wealthy individuals, highly engaged in investing and most likely to already have an adviser. The approximately 2.8 million Established Affluent Advisable Australians have total household wealth of about \$4.1 trillion.

**3. Emerging Mass Market:** Under 45 years old with modest to low wealth, with low levels of investment. Approximately 5.3 million account for about \$1.1 trillion of household wealth.

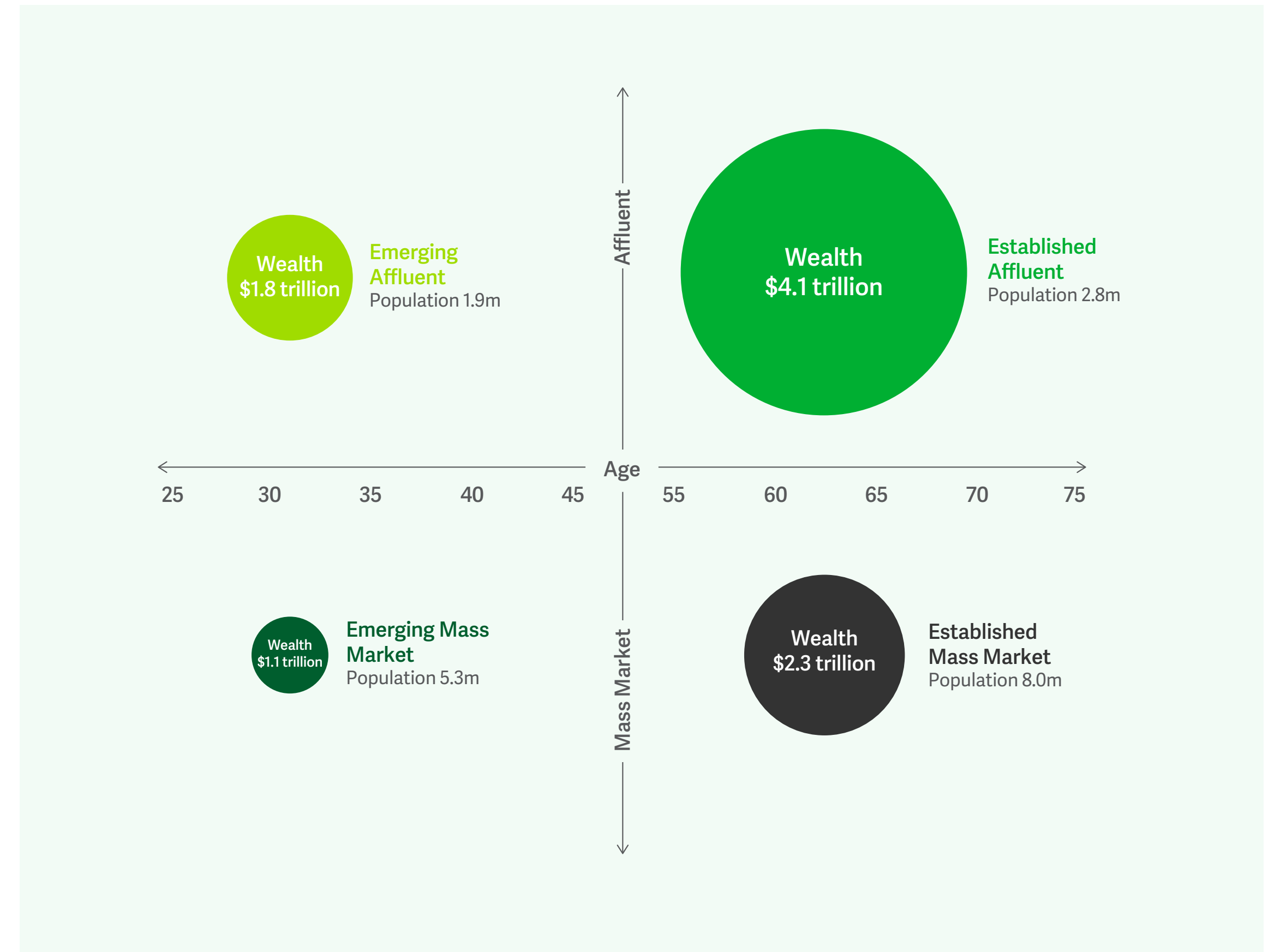
**4. Established Mass Market:** Over 45 years old, lower-income earners with fewer investments. The 8.0 million Established Mass Market Advisable Australians account for about \$2.3 trillion of household wealth.

“Emerging” is defined as those aged between 18 and 45 years old, while “established” is defined as those aged over 45.

The definition of “affluent” versus “mass market” considers a combination of personal income, household income, residential property value relative to debt, the household’s investment portfolio and superannuation.

A person shifts from the mass market to being defined as affluent when they reach certain wealth thresholds that consider their personal and household income, residential property values and superannuation.

Age/Affluence model: The four segments by age and wealth



# Profile

### Demographics

**60**  
Average age

Gen X 35%  
Baby Boomers 58%  
Pre Boomers 7%

**34%** Female    **66%** Male

**60%**  
Degree or post-grad qualification

6% In a relationship    6% Single    77% Living with partner/married    11% Separated/divorced/widowed

**53%** Employed

**13%** Self-employed/own a business

**28%** Retired

**5%** Not employed

### Wealth

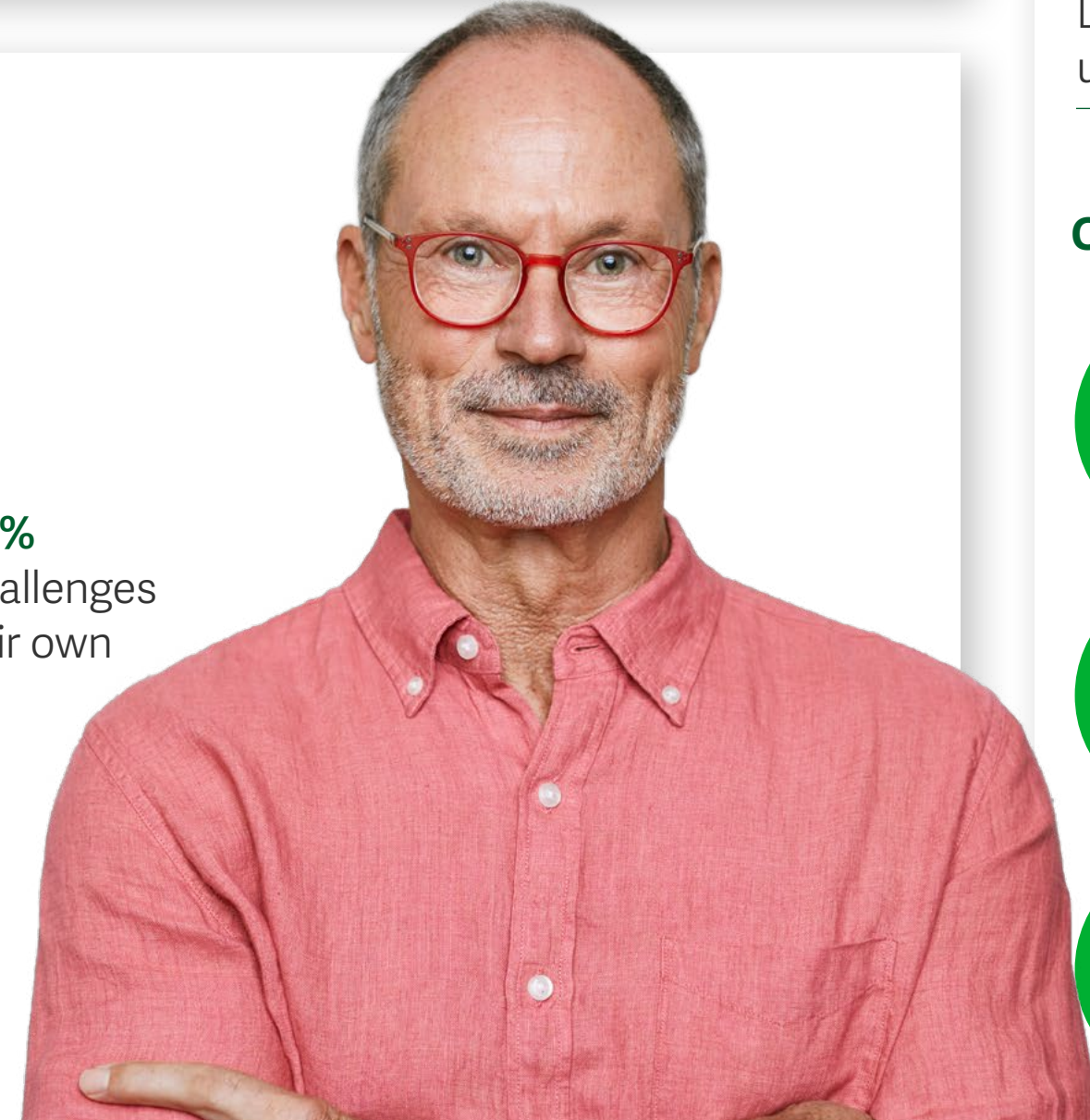
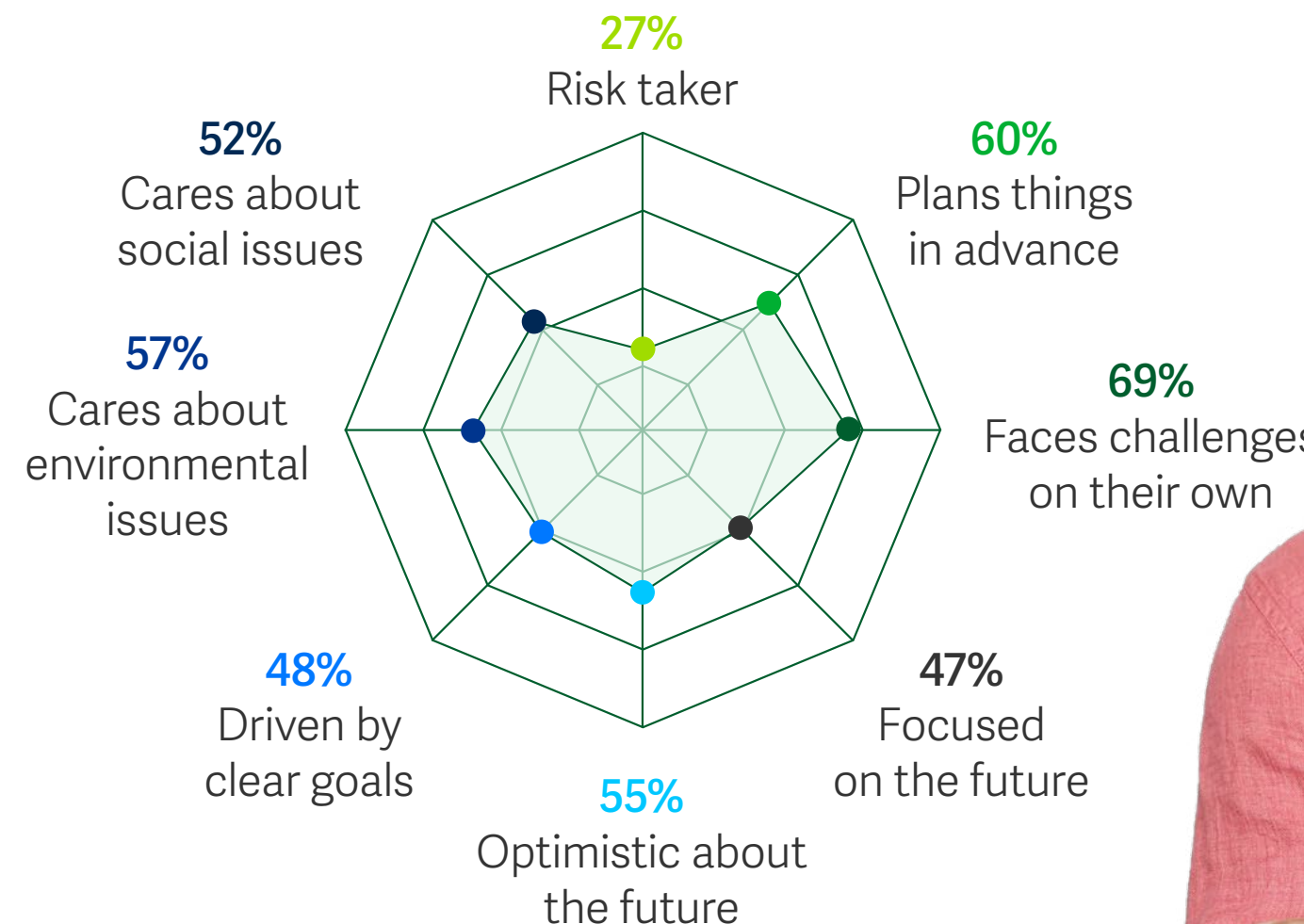
**\$192,722**  
Average household income

**\$1,090,611**  
Average household super

**\$1,376,699**  
Average residential property value

**\$1,419,333**  
Average investment portfolio

### Personality

**27%** Risk taker

**60%** Plans things in advance

**69%** Faces challenges on their own

**47%** Focused on the future

**55%** Optimistic about the future

**48%** Driven by clear goals

**57%** Cares about environmental issues

**52%** Cares about social issues

### Attitudes to technology

**Very tech savvy**  
The first to try new technologies **16%**

**Understand it**  
Wait for others to try new technologies first **56%**

**Overwhelmed by it**  
Wait for most to try new technologies first **22%**

**Avoid it**  
Do not try new technology until they have to **5%**

### Online habits

**18%** Mostly on mobile

**34%** Same on mobile and desktop, laptop & tablet

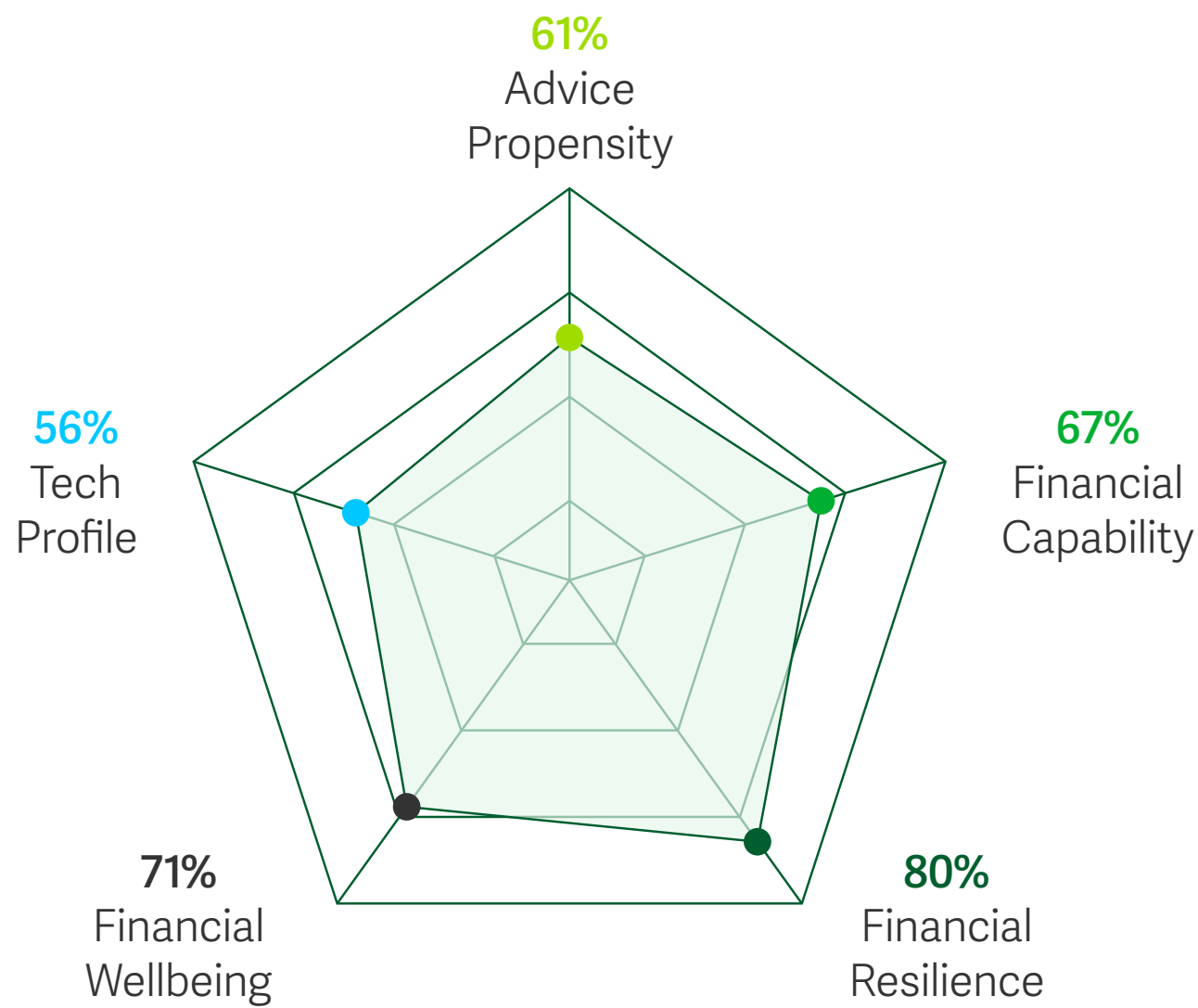
**48%** Mostly on desktop, laptop & tablet

Established Affluent

# 6 Dimensions framework

● Established Affluent ● Overall

## Dimensions Summary



### High levels of financial capability

My understanding of the relationship between risk and return is good or very good



I strongly agree or agree that I feel engaged with my investments



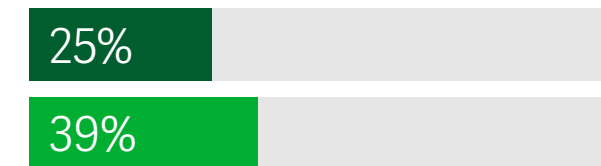
### Very high levels of financial resilience

Could live off their savings (with no income) for more than a year

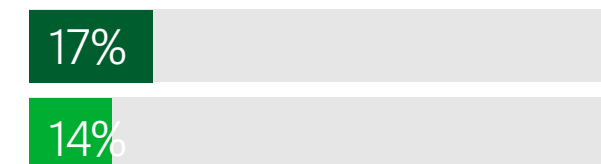


### Advice Propensity

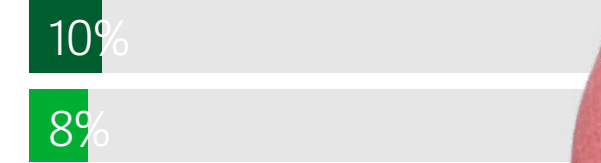
Currently use



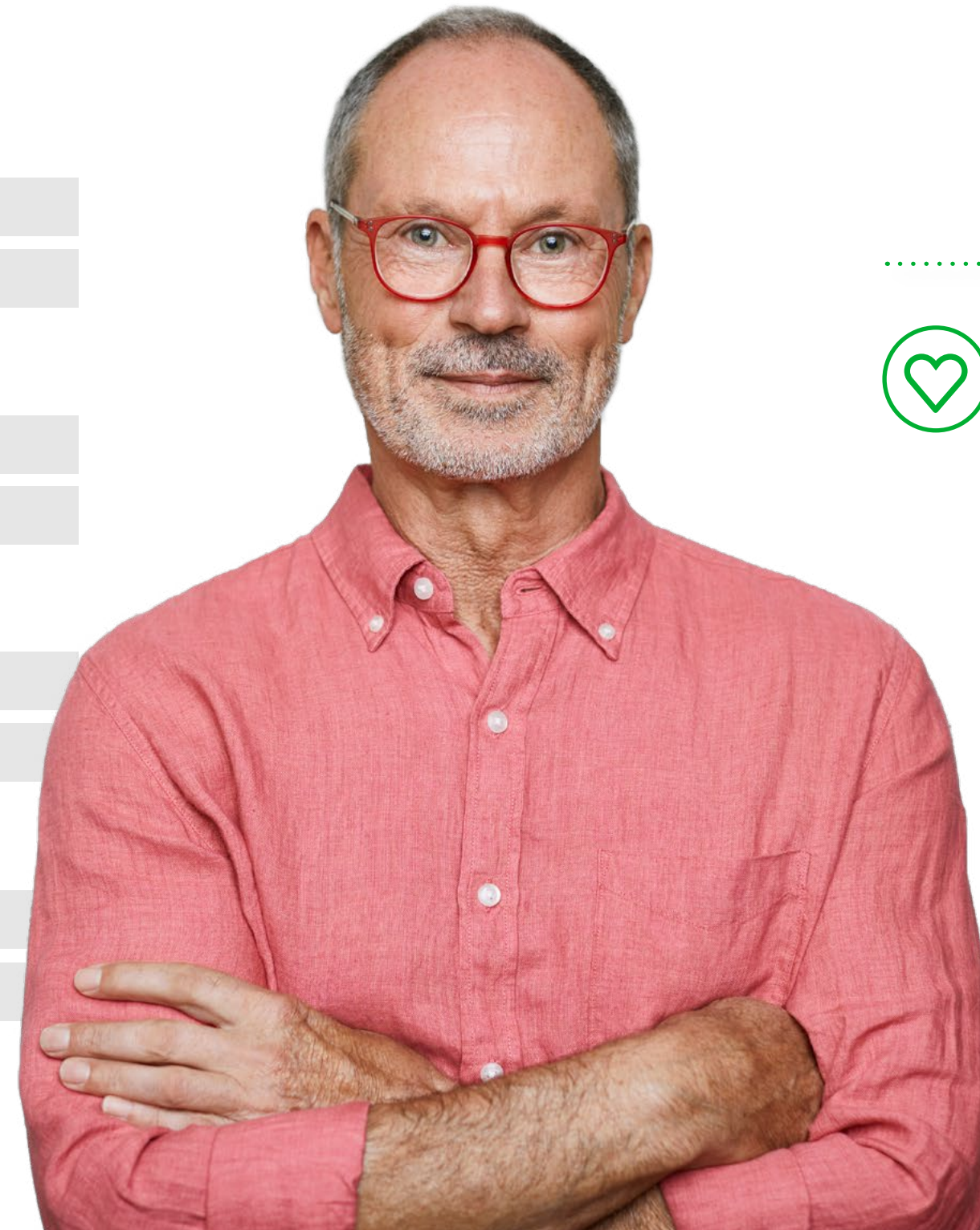
Likely to use



Possibly use



Unlikely to use



### Medium to high levels of technology adoption

I largely understand new technologies, but wait for others to try them first before I do

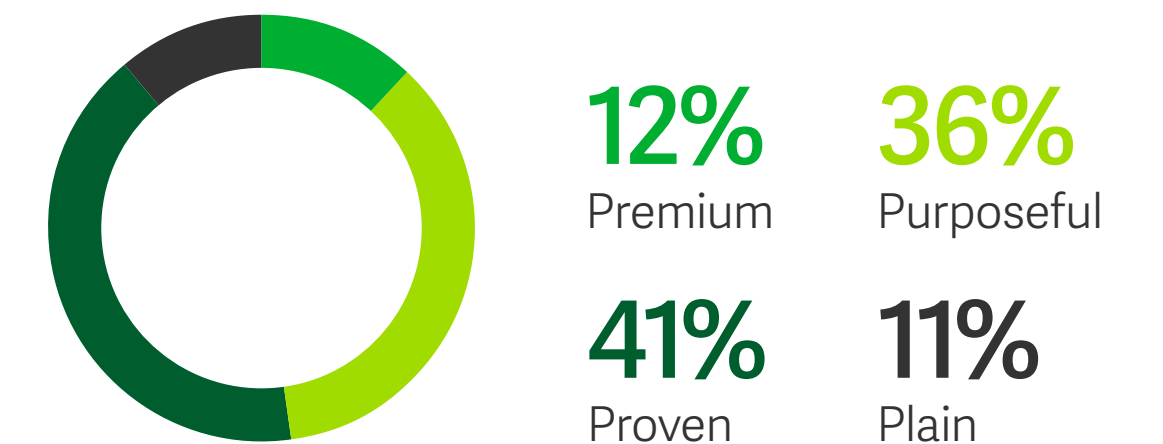


### High to very high levels of financial wellbeing

How frequently do you worry about money?



### Attitudes to business



### Top three brands admired:

- Apple
- Qantas
- Woolworths

# Profile

### Demographics

**64**  
Average age

Gen X 22%  
Baby Boomers 65%  
Pre Boomers 13%

**52%** Female    **48%** Male

**30%**  
Degree or post-grad qualification

6% In a relationship    12% Single    55% Living with partner/married    27% Separated/divorced/widowed

**32%** Employed

**4%** Self-employed/own a business

**51%** Retired

**9%** Not employed

### Wealth


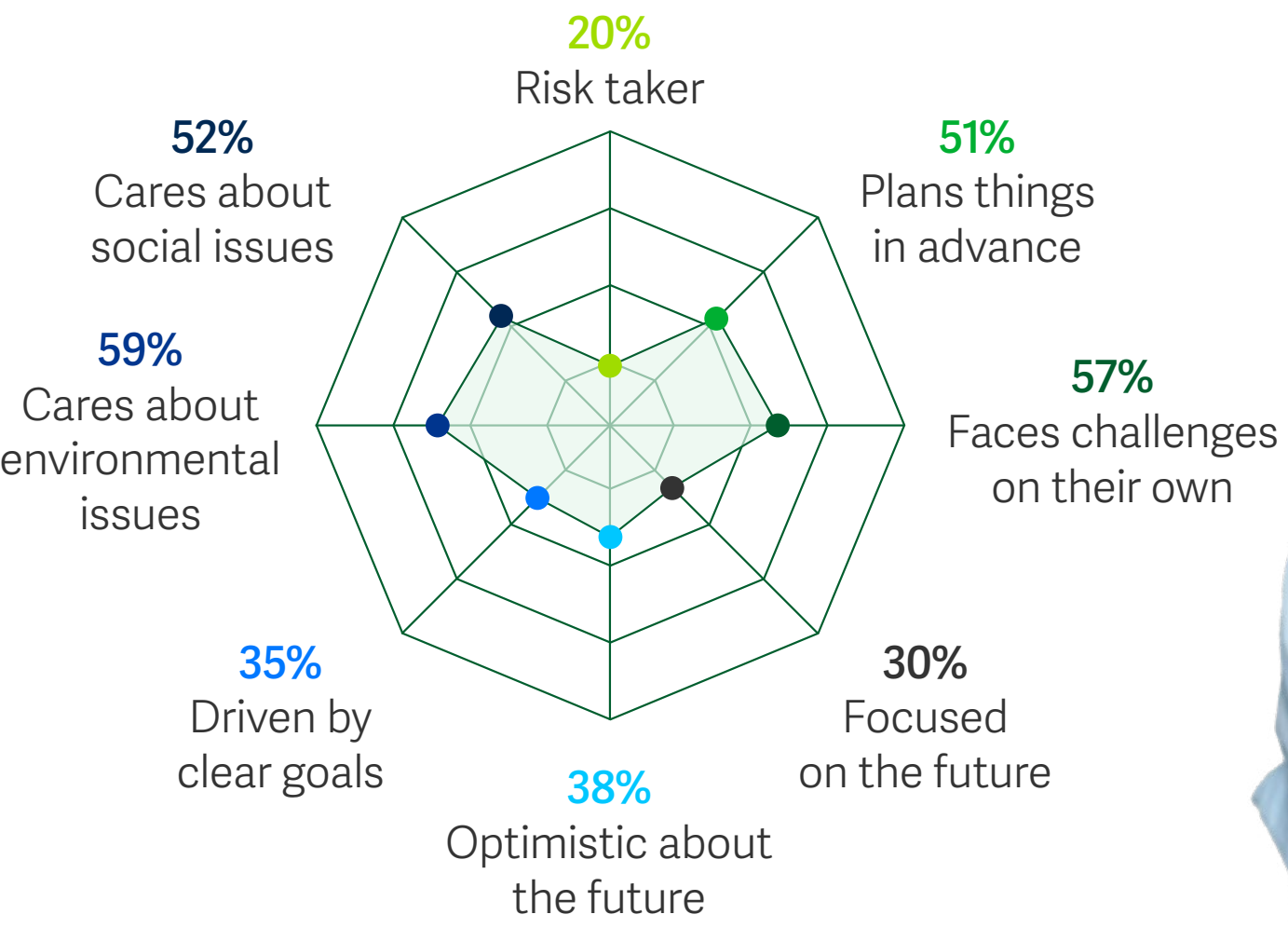
**\$75,230**  
Average household income

**\$266,379**  
Average household super

**\$763,846**  
Average residential property value

**\$157,604**  
Average investment portfolio

### Personality

**20%** Risk taker

**51%** Plans things in advance

**57%** Faces challenges on their own

**30%** Focused on the future

**38%** Optimistic about the future

**35%** Driven by clear goals

**59%** Cares about environmental issues

**52%** Cares about social issues

### Attitudes to technology

**Very tech savvy**  
The first to try new technologies **5%**

**Understand it**  
Wait for others to try new technologies first **42%**

**Overwhelmed by it**  
Wait for most to try new technologies first **35%**

**Avoid it**  
Do not try new technology until they have to **18%**

### Online habits

**17%** Mostly on mobile

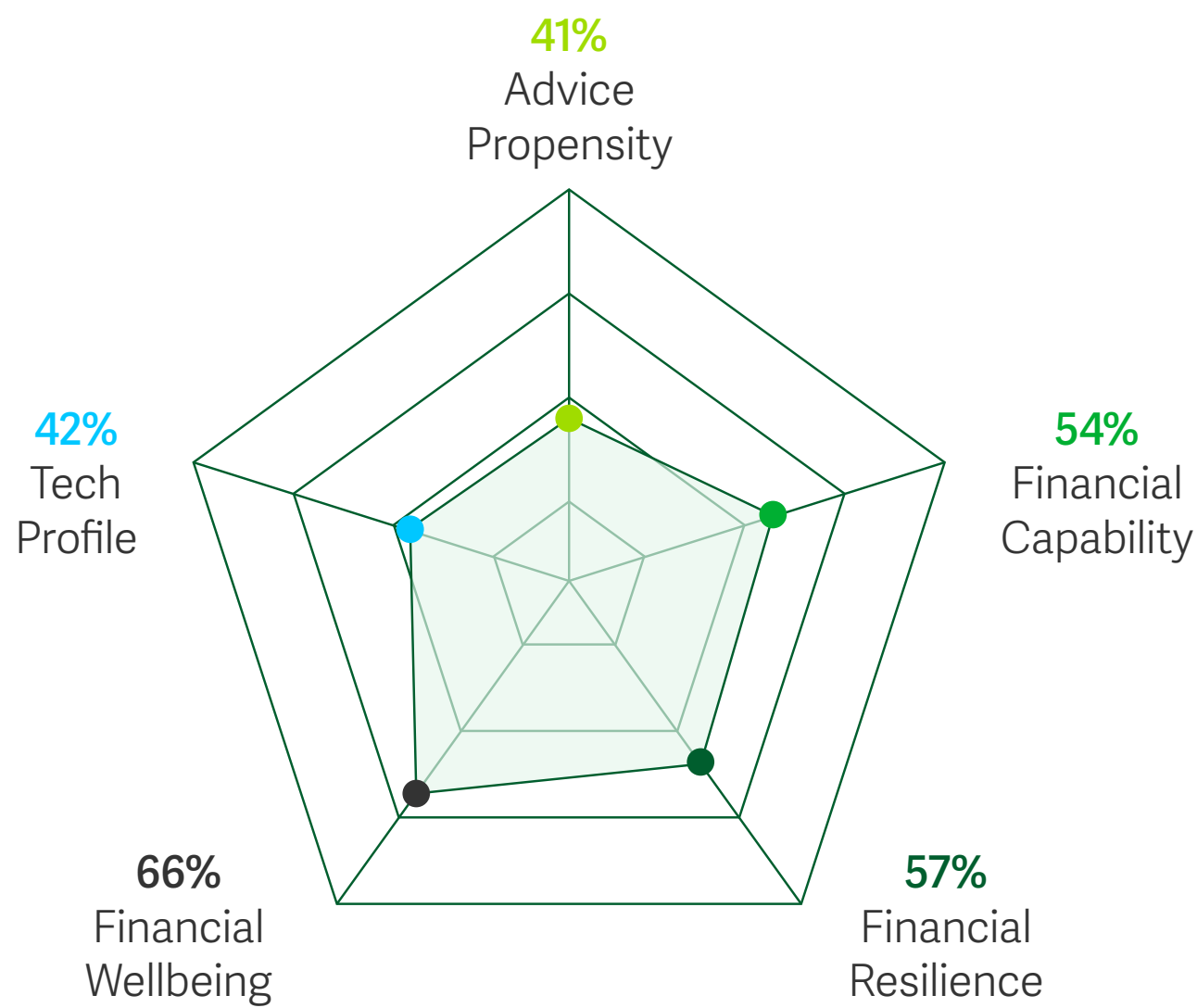
**26%** Same on mobile and desktop, laptop & tablet

**57%** Mostly on desktop, laptop & tablet

# 6 Dimensions framework

● Established Mass ● Overall

## Dimensions Summary

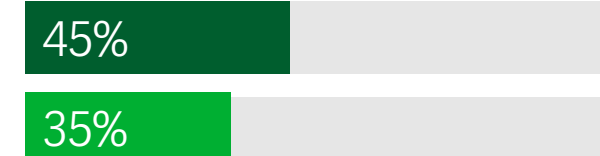


### Medium levels of financial capability

My understanding of the relationship between risk and return is good or very good



I strongly agree or agree that I feel engaged with my investments



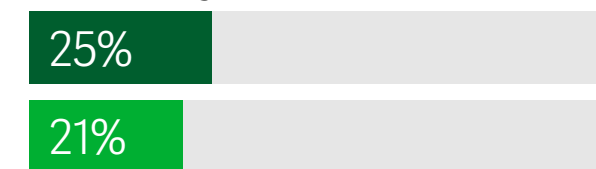
### Medium to high levels of financial resilience

Could live off their savings (with no income) for more than a year

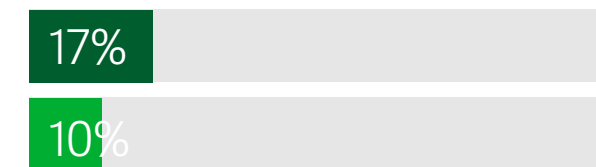


### Advice Propensity

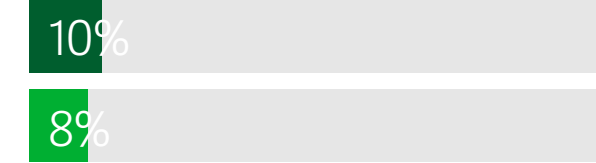
Currently use



Likely to use



Possibly use

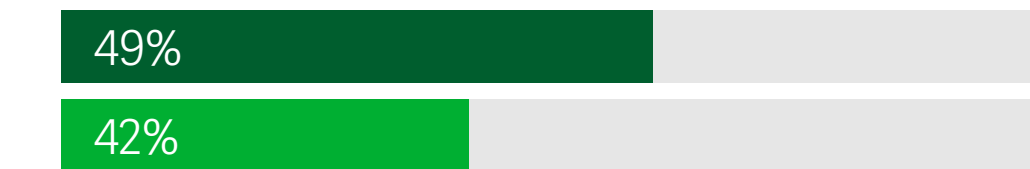


Unlikely to use



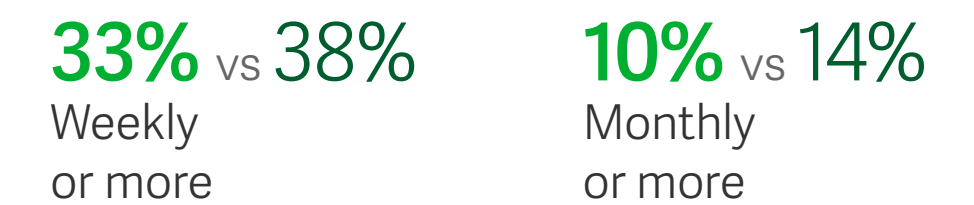
### Low to medium levels of technology adoption

I largely understand new technologies, but wait for others to try them first before I do

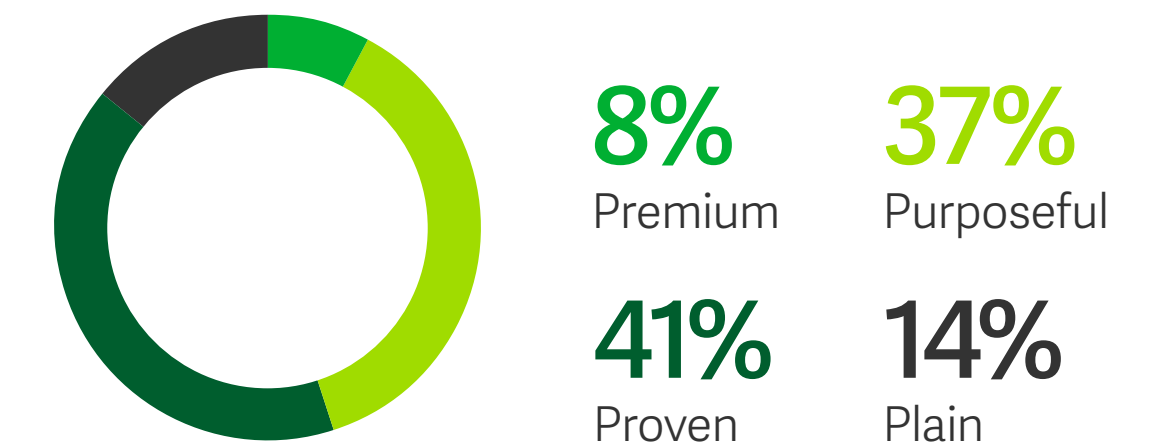


### High levels of financial wellbeing

How frequently do you worry about money?



### Attitudes to business



### Top three brands admired:

1. Woolworths
2. Coles
3. Bunnings

Emerging Affluent

# Profile

**Demographics**

**33**  
Average age

Gen Z 18%  
Gen Y 67%  
Gen X 15%

**46% 54%**  
Female Male

**70%**  
Degree or post-grad qualification

12% 16% 69% 3%  
In a relationship Single Living with partner/married Separated/divorced/widowed

Employed **90%**  
Self-employed/own a business **5%**  
Retired **1%**  
Not employed **4%**

**Wealth**

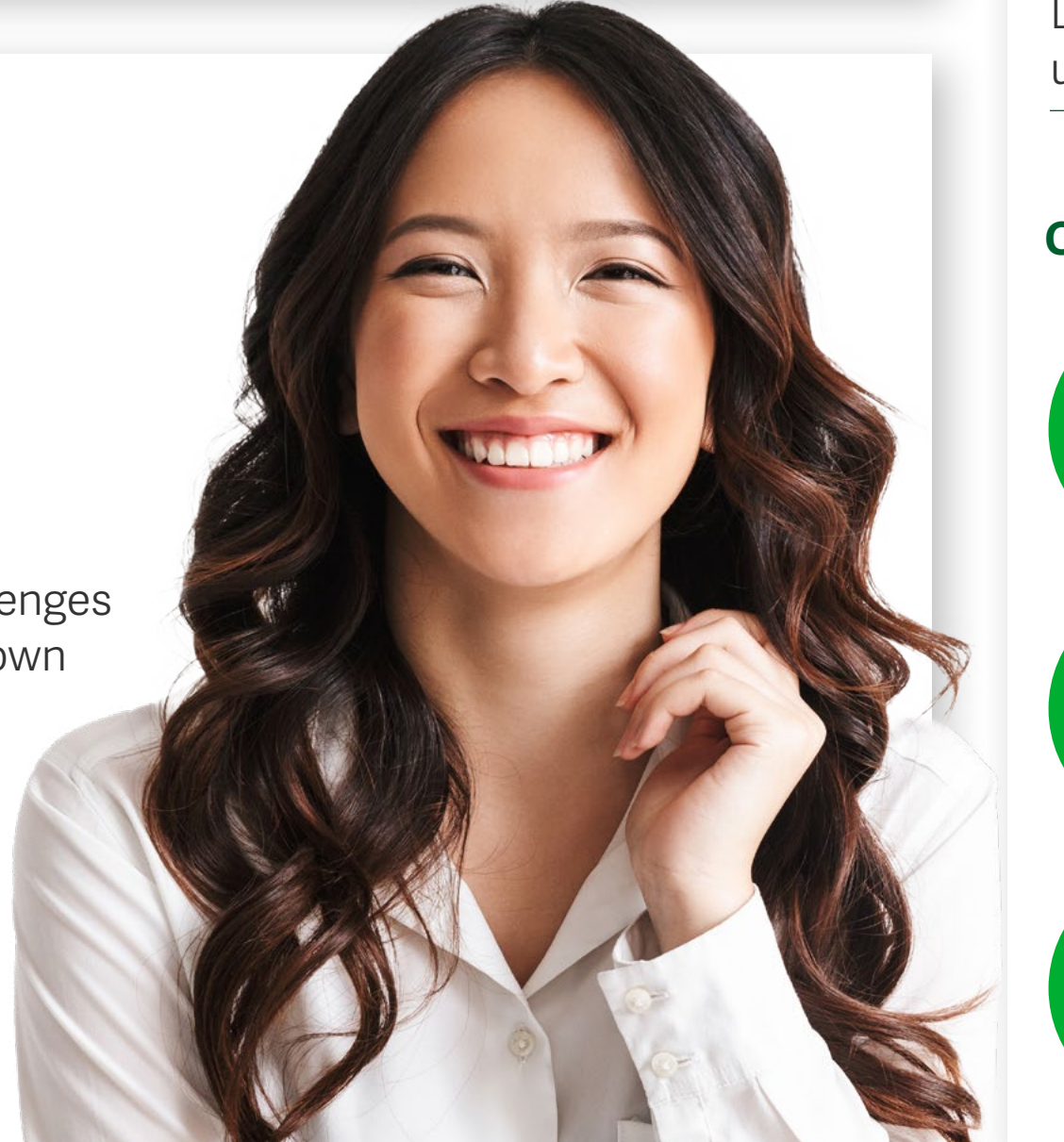
**\$305,189**  
Average household income

**\$482,311**  
Average household super

**\$1,027,632**  
Average residential property value

**\$716,352**  
Average investment portfolio

**Personality**



45% Risk taker

65% Cares about social issues

46% Plans things in advance

67% Cares about environmental issues

45% Faces challenges on their own

62% Driven by clear goals

58% Focused on the future

39% Optimistic about the future

**Attitudes to technology**

**Very tech savvy**  
The first to try new technologies **45%**

**Understand it**  
Wait for others to try new technologies first **50%**

**Overwhelmed by it**  
Wait for most to try new technologies first **4%**

**Avoid it**  
Do not try new technology until they have to **1%**

**Online habits**

**40%** Mostly on mobile

**47%** Same on mobile and desktop, laptop & tablet

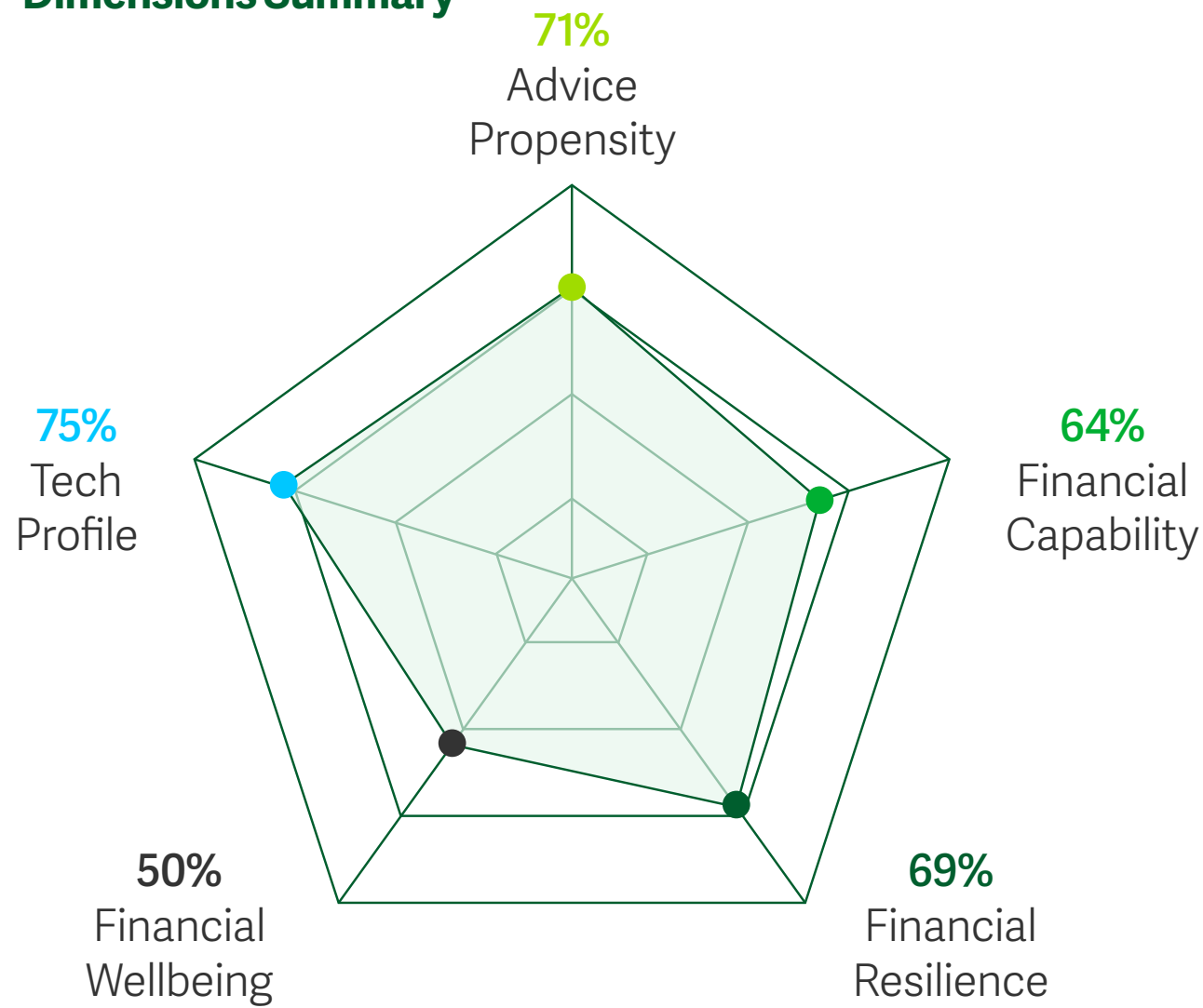
**14%** Mostly on desktop, laptop & tablet

Emerging Affluent

# 6 Dimensions framework

● Emerging Affluent ● Overall

### Dimensions Summary



### High to very high levels of financial capability

My understanding of the relationship between risk and return is good or very good



I strongly agree or agree that I feel engaged with my investments

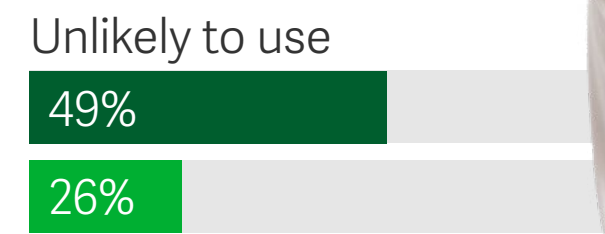
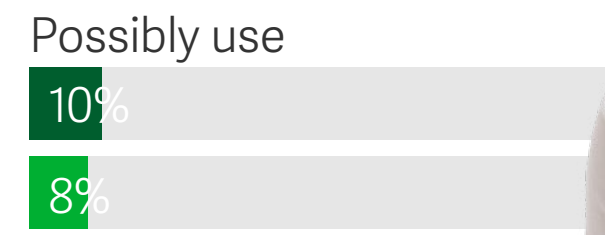
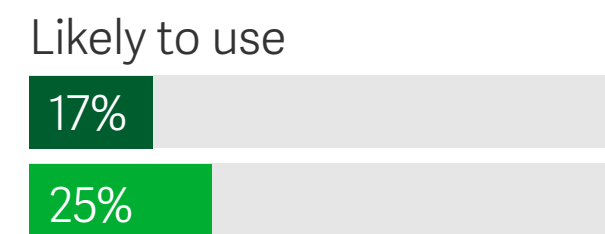
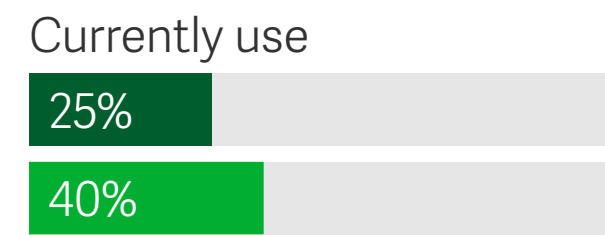


### Medium to high levels of financial resilience

Could live off their savings (with no income) for more than a year

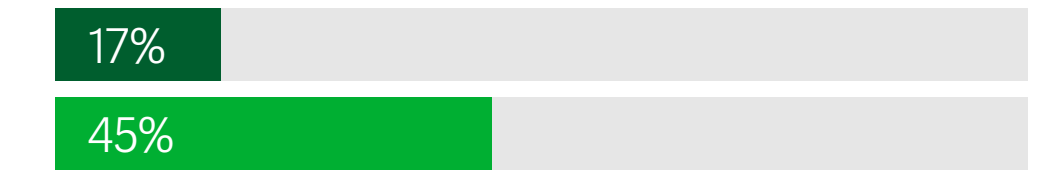


### Advice Propensity



### Very high levels of technology adoption

I am very tech savvy and always see myself as one of the first to try new technologies

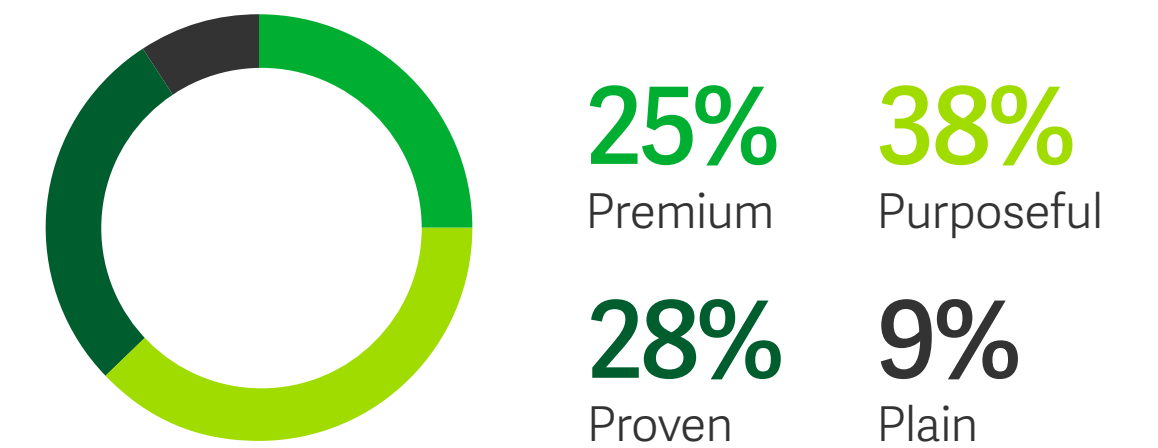


### Medium levels of financial wellbeing

How frequently do you worry about money?



### Attitudes to business



### Top three brands admired:

- Apple
- Google
- Nike





# Profile

### Demographics

**32**  
Average age

Gen Z 26%  
Gen Y 64%  
Gen X 10%

**74%** Female   **26%** Male

**44%**  
Degree or post-grad qualification

18% In a relationship   31% Single   47% Living with partner/married   4% Separated/divorced/widowed

**75%** Employed   **6%** Self-employed/own a business   **0%** Retired   **14%** Not employed

### Wealth


**\$106,816**  
Average household income

**\$121,839**  
Average household super

**\$654,659**  
Average residential property value

**\$67,343**  
Average investment portfolio

### Personality



**32%** Risk taker

**48%** Plans things in advance

**41%** Faces challenges on their own

**48%** Focused on the future

**39%** Optimistic about the future

**54%** Driven by clear goals

**66%** Cares about environmental issues

**56%** Cares about social issues

### Attitudes to technology

**Very tech savvy**  
The first to try new technologies **26%**

**Understand it**  
Wait for others to try new technologies first **56%**

**Overwhelmed by it**  
Wait for most to try new technologies first **15%**

**Avoid it**  
Do not try new technology until they have to **3%**

### Online habits

**57%** Mostly on mobile

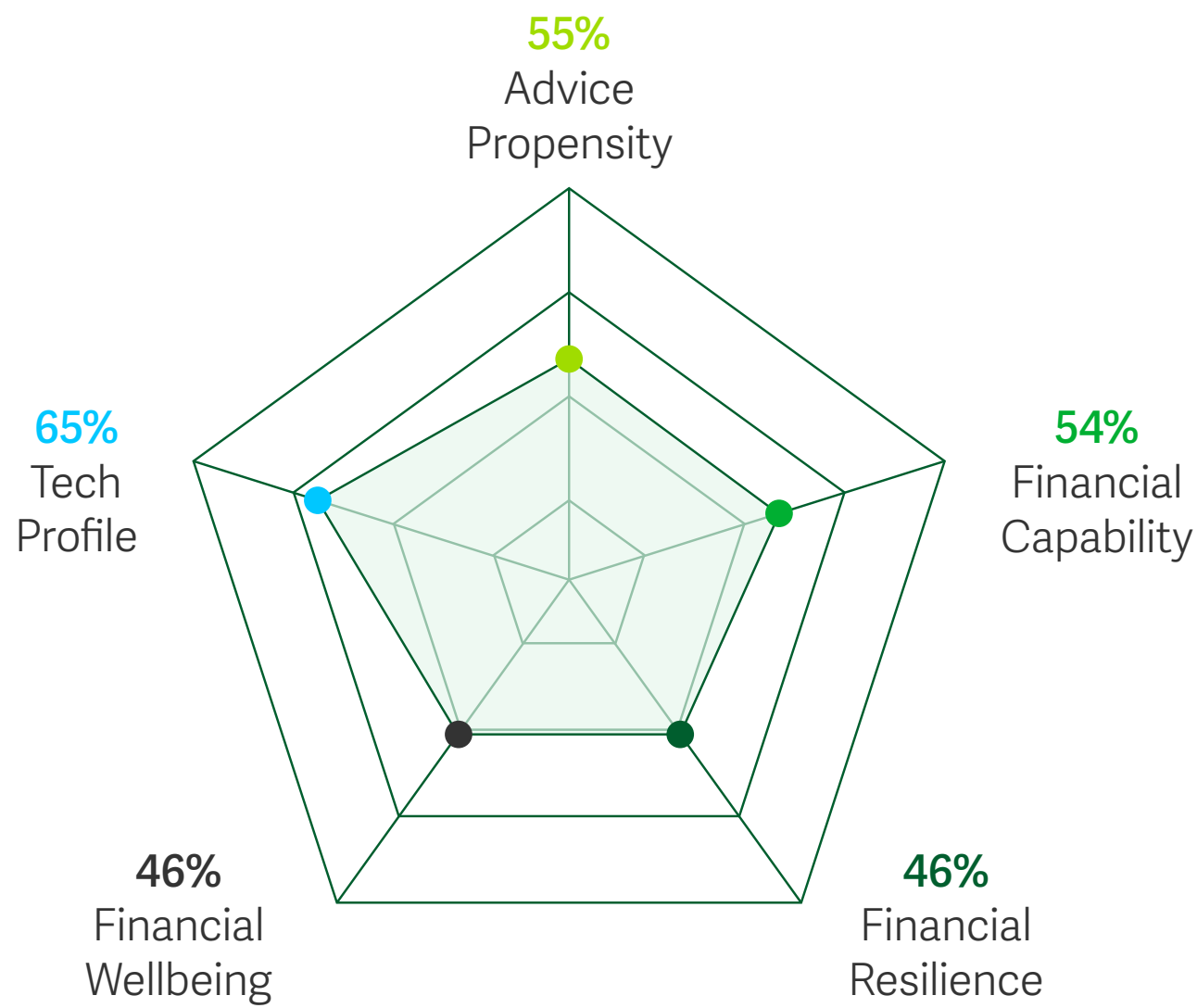
**35%** Same on mobile and desktop, laptop & tablet

**7%** Mostly on desktop, laptop & tablet

# 6 Dimensions framework

● Emerging Mass ● Overall

## Dimensions Summary

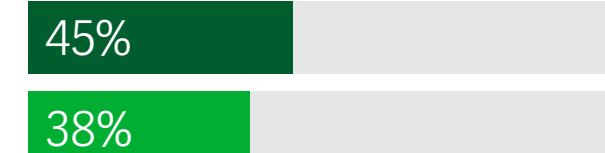


### Medium levels of financial capability

My understanding of the relationship between risk and return is good or very good



I strongly agree or agree that I feel engaged with my investments



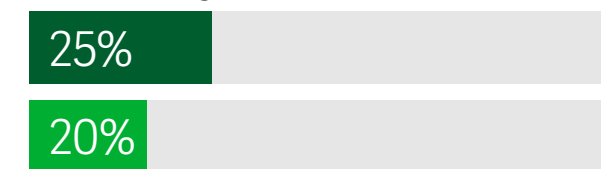
### Low to medium levels of financial resilience

Could live off their savings (with no income) for more than a year

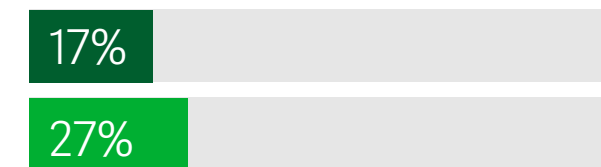


### Advice Propensity

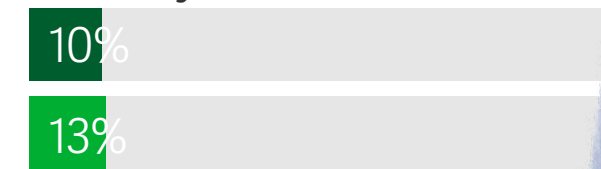
Currently use



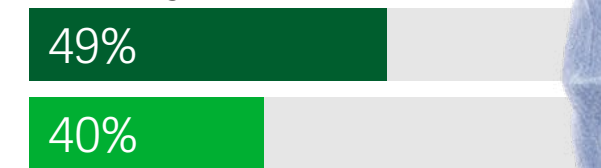
Likely to use



Possibly use

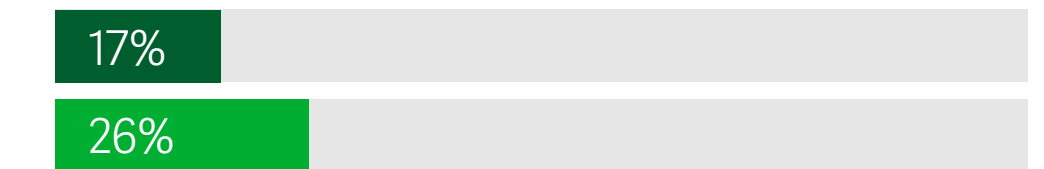


Unlikely to use



### High levels of technology adoption

I am very tech savvy and always see myself as one of the first to try new technologies

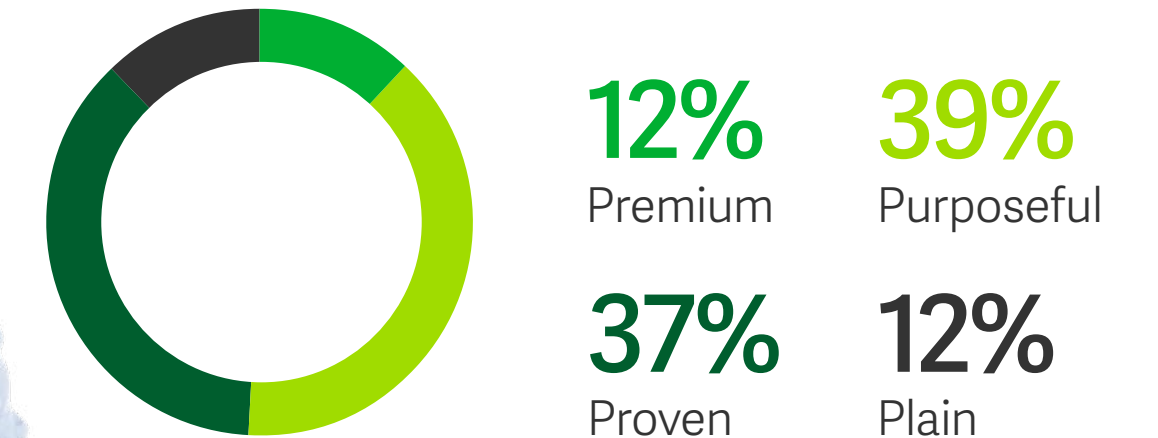


### Low to medium levels of financial wellbeing

How frequently do you worry about money?



### Attitudes to business



### Top three brands admired:

- Apple
- Google
- Commonwealth Bank



# Methodology

The Advisable Australian 2022 Report – The Established Affluent surveyed Australians 18 and over. The survey was in field from October 28 to November 23, 2021 and received 1,616 valid responses, consisting of 403 who are currently advised from a financial planner, 426 who would consider advice from a financial planner and 787 unadvised and not considering a financial planner.

The sample was then segmented into the four Advisable Australian segments based on age and wealth:

Segment	Definition	n
Emerging Mass	Under 45, mass market	431
Emerging Affluent	Under 45, high net worth	651
Established Mass	45 and over, mass market	159
Established Affluent	45 and over, high net worth	225

\*Note does not add up to 1,616 due to some individuals unable to be classified into a segment (chose not to disclose wealth information)

## Data presented in the report

The focus of this year’s report is on the Established Affluent segment. Data reported throughout the report is for the Established Affluent group only, unless otherwise stated.

## Advisable Australian Segment formation

The methodology for deriving the four persona segments is as follows:

Emerging versus Established = 45 years and under versus over 45 years

Affluent versus Mass Market = Combination of:

- Personal income
- Household income
- Value of residential property relative to debt
- Household investment portfolio
- Household super

Income versus assets comes into consideration for wealth as individuals may have a lower income but substantial assets and vice versa. The starting point is everyone being considered mass market unless they reach a certain threshold on any of the following wealth measures i.e., they are affluent if:

- Personal income is greater than \$100,000, or
- Household income is greater than \$150,000, or
- Household investment portfolio is greater than \$250,000, or
- Residential property equity is greater than \$650,000 (this is determined by subtracting outstanding household debt from residential property value), or
- Household super is greater than \$100,000 if aged under 35 years, or greater than \$250,000 if aged 35 to 45 years, or greater than \$500,000 if aged over 45 years.

## Key dimension formation

The six key dimensions were formed using an index based on related questions in the survey. With the exception of the “Attitudes to Business” dimension, the rest were given a score from 0 – 100 and then split into four groups.

1. Advice Propensity was based on questions related to a person’s likelihood to use advice, their propensity to restart advice and their reasons for not using advice.

2. Financial Capability was based on questions related to a person’s confidence in managing their day-to-day finances and investments, plus their level of understanding of key financial concepts such as risk and diversification.
3. Financial Resilience was based on questions related to a person’s household wealth and insurance, relative to their age.
4. Financial Wellbeing was based on questions related to the impact that financial issues have had on certain aspects of a person’s life in the last three years plus how frequently they worried about money.
5. Technology Adoption was based on questions related to a person’s attitude to technology plus the frequency of use of selected digital and online services.
6. Brand affinity was based on questions related to what attributes of a business a person would admire most.

# Speak to Netwealth

**Netwealth Investments Limited**  
Level 6, 180 Flinders Street, Melbourne, VIC 3000

**Freecall 1800 888 223**  
**Email [contact@netwealth.com.au](mailto:contact@netwealth.com.au)**  
**Web [netwealth.com.au](http://netwealth.com.au)**



Disclaimer: This information has been prepared and issued by Netwealth Investments Limited (Netwealth), ABN 85 090 569 109, AFSL 230975. It contains factual information and general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of any individual. The information provided is not intended to be a substitute for professional financial product advice and you should determine its appropriateness having regard to you or your client's particular circumstances. The relevant disclosure document should be obtained from Netwealth and considered before deciding whether to acquire, dispose of, or to continue to hold, an investment in any Netwealth product. While all care has been taken in the preparation of this document (using sources believed to be reliable and accurate), no person, including Netwealth, or any other member of the Netwealth group of companies, accepts responsibility for any loss suffered by any person arising from reliance on this information.