



# *Worth Noting*

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*Worth Noting is the fortnightly management journal of research and conferences company L21. It is focused on management strategy issues of relevance to senior executives.*

## **Australian Snapshot**

The word “demographics” sounds good when a marketer is trying to appear well informed. Invoke it and you can’t lose – the research has obviously been done! Marketers know the nation that they are selling to intimately, right? It’s always the case that massive amounts of money are only spent on marketing campaigns after careful analytical studies are completed, right? Nobody ever pretends to know a little more about Australian consumers than they actually do, do they? No need to read any further then.

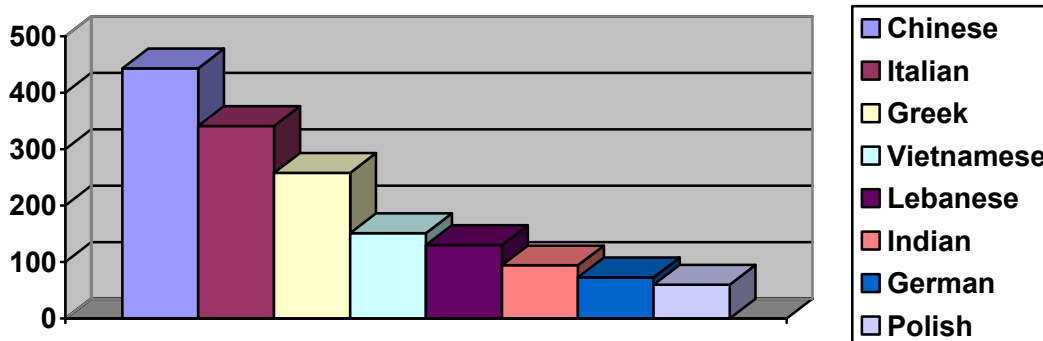
## **Just the facts**

We thought it was worth presenting a package of facts on Australians today. Less analysis than usual in this edition of *Worth Noting* – we simply aim to present demographic information of genuine use to marketers and other senior executives.

## **Languages**

To us, data about ethnic background is most interesting as it pertains to languages spoken at home other than English. Marketers should spend more on foreign language campaigns than they do – look at the number of households speaking languages other than English at home.

### People speaking languages other than English at Home by Nationality, 2001 ('000)



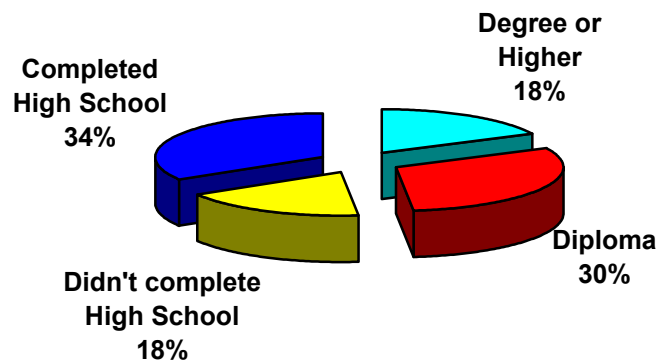
Source: ABS

The interesting analysis to do here would be the ratio of foreign language media spend to all media spend, compared to the ratio of foreign language speaking homes to all homes. There is a Masters thesis in there somewhere – and no prizes for guessing what the outcome would be.

### Education

Education levels influence a person's outlook and consumer profile more than almost any other factor. It is worth taking a look at the current levels of education in Australia.

### Australians aged 15-64, Education Profile 2001



Source: ABS

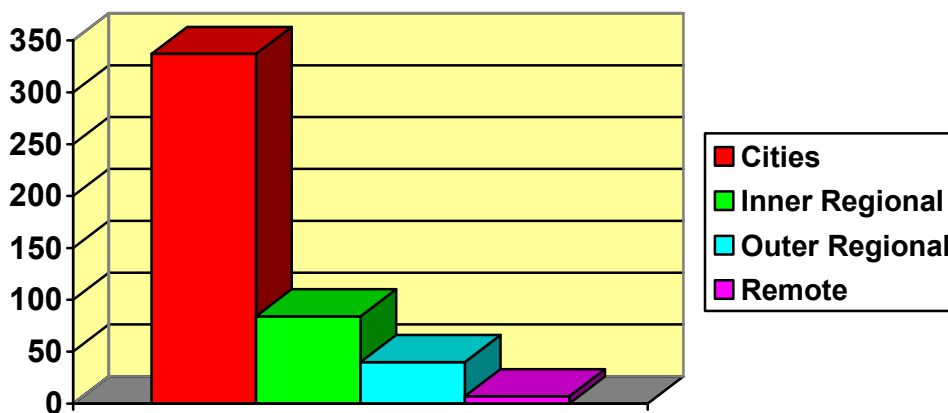
We are getting better educated, but slowly - less than 1 in 5 Australians have a degree. Some other facts of interest:

- 32% of students attend non-government schools
- The number of apprentices and trainees more than doubled between 1996 and 2002, to 357,000
- Overseas represent a large market, at more than 18% of total tertiary students in 2002
- Unemployment rates fall with education – in 2002 only 2.7% of people with degrees were unemployed, compared with 5.1% of people with diplomas, 7% of people who completed Year 12, and 10.3% of people who did not complete Year 12

## Income

It is useful to look at household income in aggregate by area – to us, the following chart is more meaningful than discussions of average weekly wages and so on.

**Total Household Income by Area, 2001 (\$B)**



Source: ABS

Australia's urbanisation is self-evident.

Some other useful information on income:

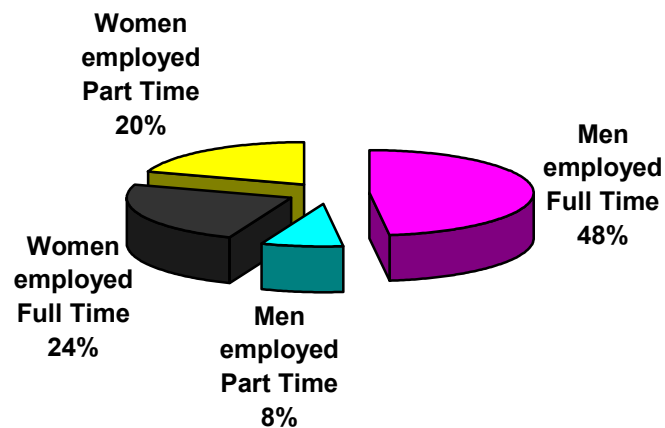
- Women in non-managerial jobs earn on average 89% of the amount earned by men in non-managerial jobs
- Average weekly earnings of full time non-managerial employees was \$800 in 2002

- Among Australian states, Tasmanians earn the largest proportion of their incomes from government payments (37%), while people in the ACT rely least on government payments (16% of total household income)

## Work

It might surprise some to learn that there are still twice as many men in the full-time workforce as women.

### Workforce by Participation Type, 2002



Source: ABS

Some other facts of interest:

- The average full time employee works 44 hours per week
- 35% of men employed full time work more than 50 hours
- 23% of all employees are trade union members

## Families

Perhaps the biggest area of change in recent years.

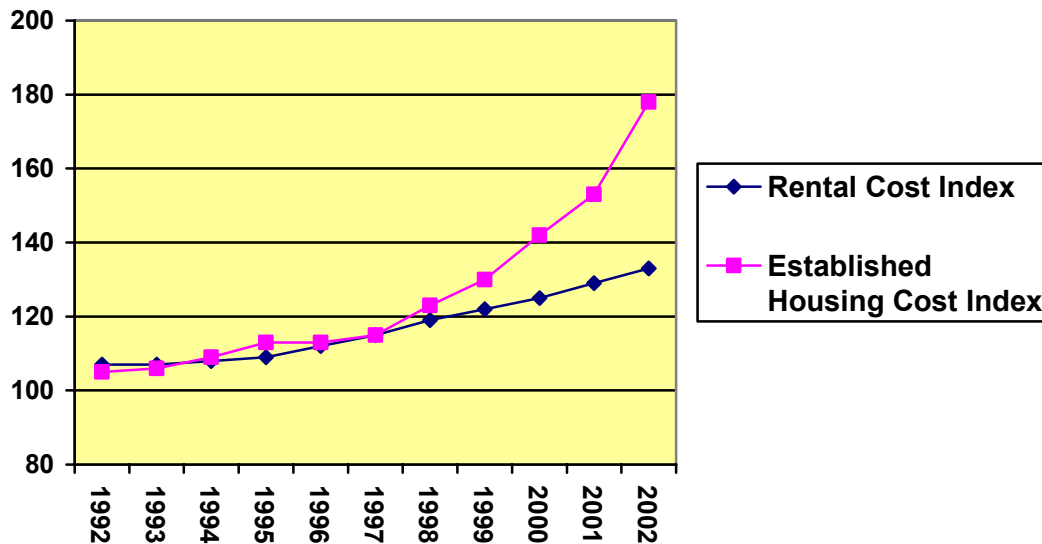
- 72% of couples now live together before marriage
- The median age of mothers is 30, for fathers the median age is 32
- The median age of women at their first marriage is 27, for men the median age is 29
- There are only marginally more couples with children than couples without children (2.3M as against 1.8M)

- The marriage rate has fallen by more than 25% over the last 15 years

## Housing

An important fact overlooked in the (incessant) discussion about the increase in housing asset values has been the continuing affordability of rental accommodation. Rents have not increased at anything like the pace of housing sale prices, making the business of being a landlord less attractive than a decade ago. The improved relative affordability of rental property is shown by the following chart.

**Comparison of Rental Cost to Purchase of Established Housing Cost, 1992-2002**



Source: ABS

It is noteworthy that the indexes are very closely correlated until 1998, when the purchasing index begins to increase at a much more rapid rate than rental costs. There are three clear conclusions from this evidence:

- New home owners have less disposable income than people who purchased even five years ago
- Young renters are likely to have a higher disposable income than young home owners
- The declining rental returns for property investors provide a sound basis for concluding that housing prices cannot continue to accelerate at current rates – the business of being a landlord is becoming increasingly marginal in much of Australia

This brief summary of some key facts about Australian life is presented to stimulate thought among marketers and others about their customers. High level data is always worth noting.