



## Media Release

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### **THE CHANGING FACE OF THE AUSTRALIAN RETAIL INVESTOR – ASX AUSTRALIAN INVESTOR STUDY 2017**

More than one in three adults in Australia have investments in shares or other ‘on-exchange investments’ outside of institutional superannuation, beating investment property and cash savings as the most popular retail investment choice, according to the latest Australian Investor Study.

ASX’s 2017 study, the 16<sup>th</sup> in a series begun in 1986, was prepared by Deloitte Access Economics. It highlights the changing face of the Australian retail investor, finding that growth in young investors, self-managed superannuation funds (SMSFs) and a DIY-attitude are driving challenges and opportunities for the investment industry.

**Key findings** from the Australian Investor Study 2017, based on a survey of 4,000 Australians, include:

- 60% of adult Australians (11.2 million people) hold investments outside their institutional super fund, such as cash, property and on-exchange investments
- 37% of adult Australians (6.9 million people) hold investments available through an exchange such as ASX – up slightly on the 36% from the last survey in 2014
- Ownership is higher among men (44%) than women (31%), and greater in metropolitan (40%) than regional areas (32%)
- Over the last five years, the proportion of 18-24 year-olds investing has doubled from 10% to 20%, and the proportion of 25-34 year-olds has increased from 24% to 39%
- 15% of adult Australians claim to have a SMSF and 30% of those that don’t are planning to set one up
- 81% of investors under 35 seek guaranteed or stable investment returns, while 41% of investors over 55 are comfortable with some variability in their returns
- 60% of all investors use some form of professional advice (financial planner, full-service broker, accountant and/or lawyer) to help them make investment decisions, and 45% use some form of financial advice (no accountant or lawyer involved).

**ASX Managing Director and CEO Dominic Stevens** said: “Australia remains a nation of investors and with increasingly diverse portfolios. The ASX Australian Investor Study 2017 highlights that retail investors are strongly aware of the benefits of investing through a financial exchange such as ASX. On-exchange investing is important to our economy, and vital to millions of people looking to earn income or build wealth for retirement.

“These studies have provided valuable insights into the profile of retail investors in Australia for over 30 years. The latest study points to shifts in attitudes and behaviours, and the emergence of new technologies, to which the investment industry, including ASX, as well as investors themselves, should understand and respond.

“We must ensure that the industry continues to serve the needs of the millions of Australians who are already investing on-exchange across different stages of their lives. And, as importantly, we should look at ways to show the value of on-exchange investing to lapsed investors or those who are unsure about how to begin.”



**Deloitte Access Economics partner and ASX Australian Investor Study 2017 author John O’Mahony** said: “Some of our survey findings may challenge existing industry perceptions of investors, and our report identifies some food for thought for the finance and investment industry, including the importance of finding ways to better engage with non-investors and helping more people achieve the financial outcomes that they want.

“Investing is important for so many Australians, whether it be saving for a comfortable retirement outside the institutional superannuation system, or saving for a housing deposit.

“A common conclusion of investor research has been the importance of investors seeking more advice. They sometimes find that investors rely too much on their family and friends and their own research. But our study shows that financial advisers need to be offering the right products and services to suit the market. For example, increasing economic and political uncertainty at home and around the world is making risk management and portfolio diversification an increasingly important consideration.”

### **Category analysis**

**Younger investors:** In just five years, the proportion of young investors has almost doubled, and the research shows they have different objectives to other investors, such as saving for a home deposit or travel. And they have a lower-tolerance for risk, with four in five preferring guaranteed or stable investment returns. Consistent with their tech-savvy image, they also have a greater interest in robo advice and other innovations.

**Do-it-yourself:** Australians have a DIY-attitude to investing, given the way they research and make decisions. As many rely on internet searches for information (48%) as use professional financial advisers (45%), and nearly two in three investors that don’t use professional financial advice say that they don’t see the value in it.

**Self-managed super:** Many Australians are taking charge of their superannuation arrangements with SMSFs, and this is expected to grow, with one in three adults that do not use one considering joining the trend.

**Return and risk:** Australians have big expectations when it comes to investment returns. Many (21%) with little tolerance for risk still expect annual returns over 10%, which is unlikely in the current low-interest rate environment.

**Diversification:** Most investors stick with shares. Even though most say they understand what diversification is, less than half have diversified portfolios.

An infographic depicting highlights from the **ASX Australian Investor Study 2017 and the full report** are available here: [asx.com.au/ASXInvestorStudy](http://asx.com.au/ASXInvestorStudy)

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