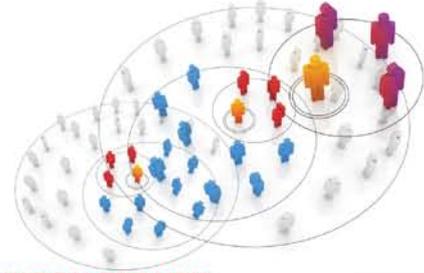




Institute of Actuaries of Australia

BIENNIAL CONVENTION 2011

BEYOND THE MANDATE



10 – 13 APRIL 2011 • HILTON SYDNEY

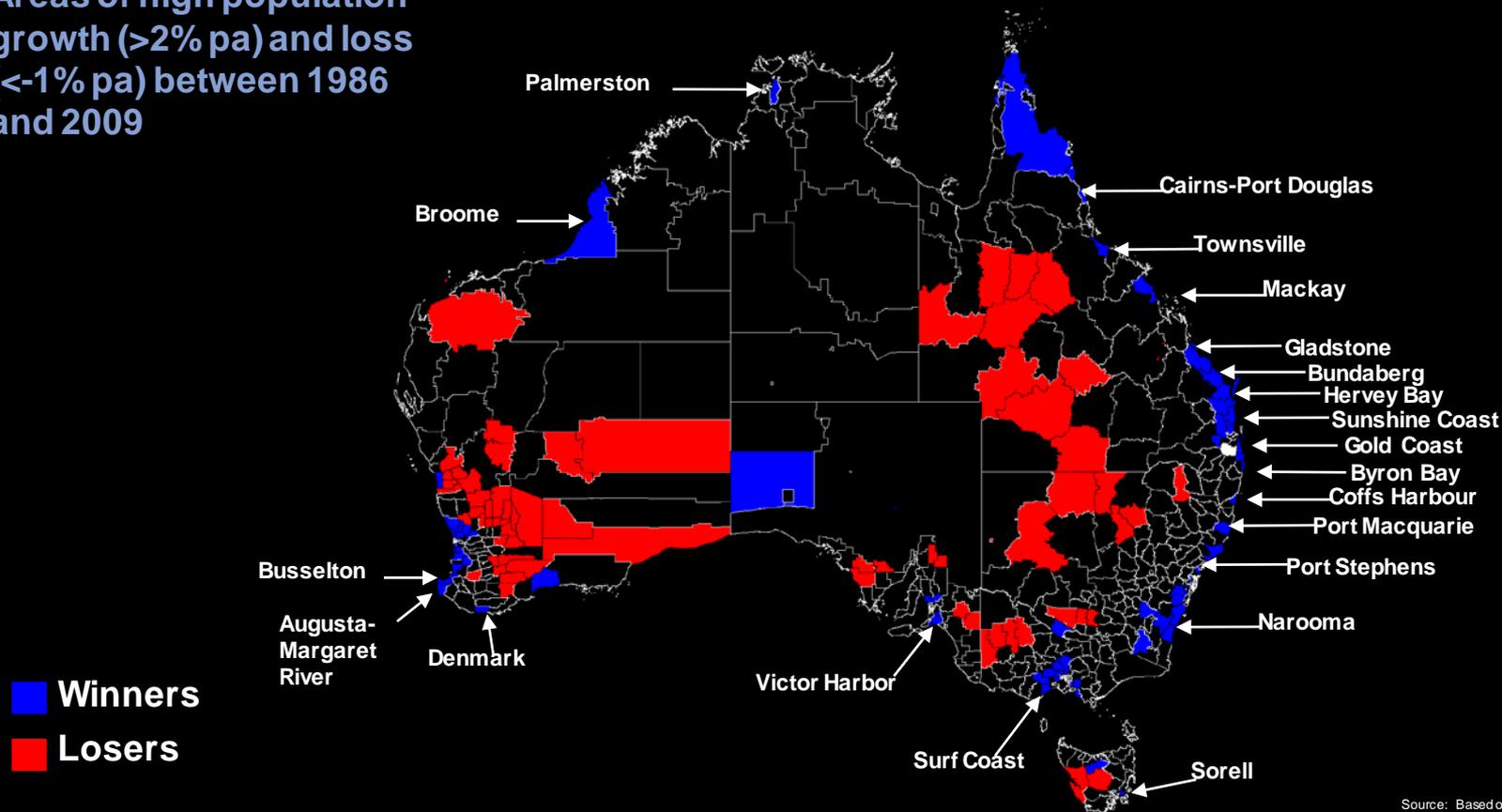
Implications of Social Change in the 2010's

Bernard Salt

12 April 2011

Australians are on the move ... to the coast

Areas of high population growth (>2% pa) and loss (<-1% pa) between 1986 and 2009



Australia is shifting its ethnic base from Mediterranean to Asian influences

Growing

	Extra	2009
1. India	217,470	308,540
2. China	209,640	350,980
3. New Zealand	179,930	529,180
4. South Africa	74,230	149,020
5. Philippines	60,410	168,500

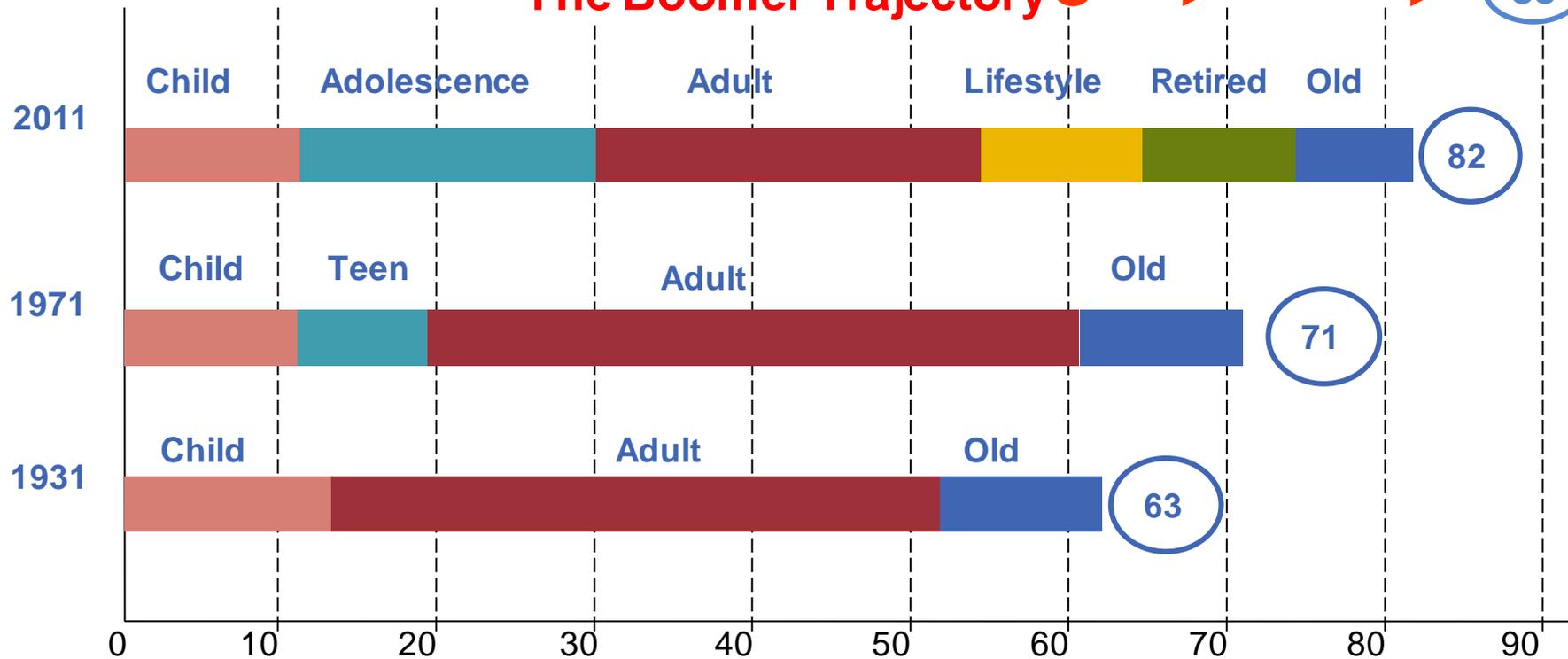
Contracting

	Loss	2009
1. Italy	-27,670	219,340
2. Greece	-8,010	128,610
3. Poland	-7,750	59,330
4. Malta	-3,560	49,530
5. Hungary	-3,120	22,950

- Most growth and loss by place of birth in Australia, 1999 - 2009

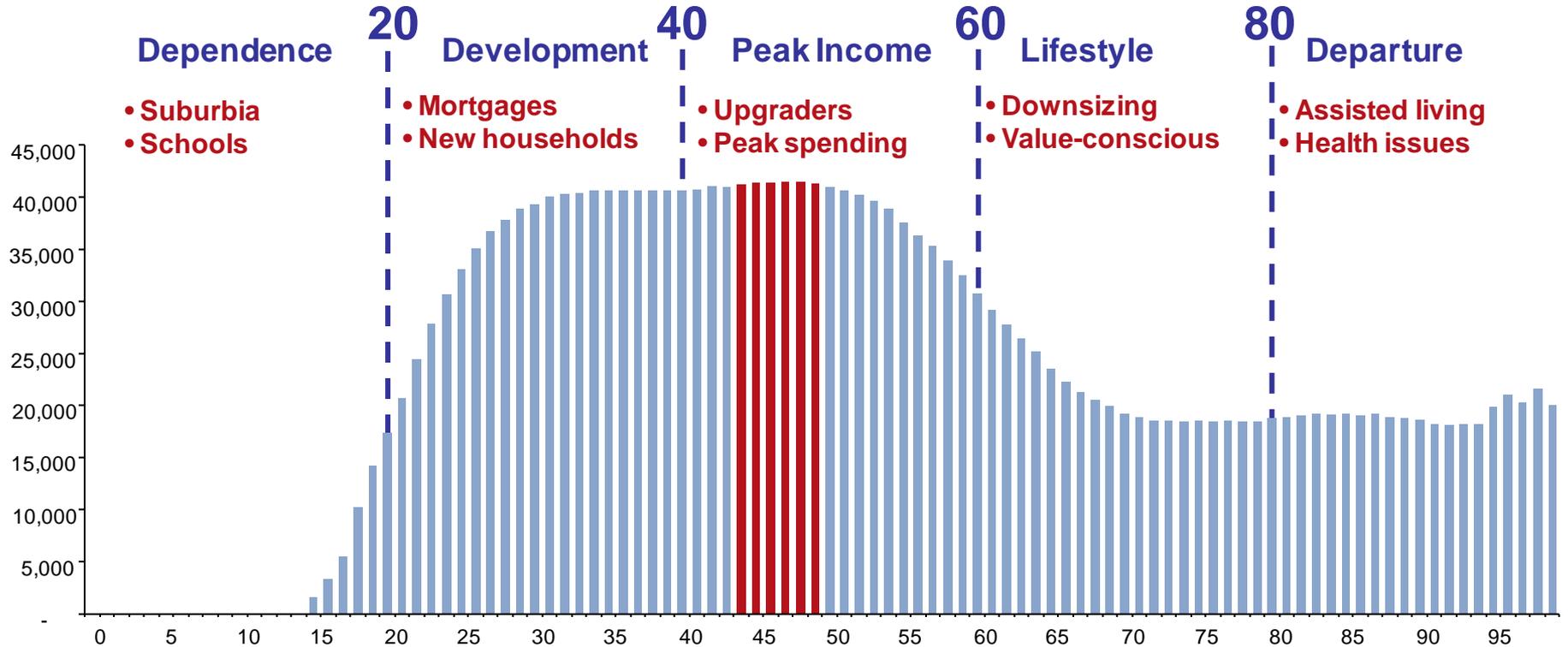
The increase in life expectancy is creating new segments at different stages of the lifecycle

The Boomer Trajectory →



- Change in life expectancy over 80 years in Australia

Australians peak in income earning capacity in their late 40s



● Average annual income per income-earner by single year in 2006

The GFC has prompted the rise of the 'moral consumer'

Then 1997 - 2008

- Era of high consumerism ... and of 'corporate high-flyers'
- 'Live for the moment' ... pay in the future
- Plasma TVs, McMansions, Manolo Blahnik shoes
- Easy credit ... rising house prices
- Celebration of the individual ... confidence in the future and in ourselves

**Consumers driven by
"Aspirationalism"**

Recession

- Rise of the moral consumer ... the new Wowserism
- Anti-drinking, smoking, speeding, gambling, junk-food (obesity) ... concern about corporate excess
- Rise of Green, ethical & traditional values ... celebrities
- Fear drives a retreat to the security of the herd, the tribe, the family, familiar brands?

**Consumers driven by a "New
Morality"**

Now 2009+

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