



# Women's Health East

## Women and Financial Security

Economic participation and financial security are key issues for women's health and wellbeing and "enhancing the economic participation of women...makes good public policy sense, not to mention good health sense".<sup>1</sup>

According to VicHealth, access to economic resources includes:

- Access to work and meaningful engagement;
- Access to education;
- Access to adequate housing; and
- Access to adequate financial resources.<sup>2</sup>

Adverse social conditions (being poor, unemployed and underprivileged) are important determinants of mental health, with research showing strong correlations between social class and mental health.<sup>3</sup> The World Health Organisation (WHO) suggests that "occupying a low social rank limits access to material and psychological resources, and affects individuals' ability to exercise autonomy and decision making over severe life events".<sup>4</sup> Specifically in relation to women, it is argued that "women's increased risks of adverse mental health outcomes are attributed to...poverty; discrimination; violence; socio-economic disadvantage; low social status; and traditional female gender roles".<sup>2</sup>

The Global Gender Gap Report provides a framework for capturing the magnitude and scope of gender-based disparities around the world<sup>5</sup> and for 2012, Australia ranked 25<sup>th</sup> out of 135 countries, down from its 23<sup>rd</sup> place ranking in 2011 and 17<sup>th</sup> in 2007. In the 2012 Global Gender Gap Report, Australia trailed behind the likes of New Zealand (6<sup>th</sup>), Philippines (8<sup>th</sup>), United Kingdom (18<sup>th</sup>) and Mozambique (23<sup>rd</sup>).<sup>5</sup>

"The Human Rights and Equal Opportunity Commission views the current structure of workplaces as inherently disadvantageous to women. Workplace structures have evolved around an 'ideal worker' norm of the traditional male breadwinner who is supported by a wife at home full time raising children... The Commission has identified a lack of access to family-friendly policies such as flexible working arrangements and paid parental leave as a key barrier to women's workforce participation."<sup>1</sup>

### Australia and Victoria

Pay equity refers to the achievement of "equal pay for men and women doing different but equivalent jobs".<sup>6</sup> In May 2012, the gender pay gap stood at 17.5%. The average weekly earnings of women working full time is \$1,193.50 per week, or \$252.80 per week less than men, who earned an average weekly wage of \$1,446.30 per week.<sup>7</sup>

Forty-five percent of working Australians are women. In Australia, women's employment is almost equally split between full-time and part-time positions (49% and 51% respectively).<sup>8</sup> In Victoria in 2012, 47.5% of employed females were engaged in part-time employment in comparison with 17.1% of employed males.<sup>9</sup> Women who are engaged in part-time employment are also often providing care and assistance to children and the elderly, hence having to balance their time between generally unpaid and paid work.

The 2012 Australian Labour Force Participation Rates (LFPR) illustrate that of those aged 20–74, 79.7% of males participated in the labour force in comparison to 65.3% of females. The LFPR for males have remained steady since 2001, while it has increased by 5% for women during this period, with most of the increase achieved in the older age groups. Specifically, since 2001, LFPR for women aged 65–74 years have more than doubled from 6% to 13%, indicating that women in this age bracket are continuing to work later in life due to the significant difference in men and women's superannuation savings.<sup>10</sup>

A recent Australian 2012 report has suggested that while women are more likely to obtain a Bachelor degree than men, women with post-graduate qualifications would earn only as much on average over their lifetime as men with a certificate or Year 12,<sup>11</sup> thus confirming that the Australian paid workforce is highly gender segregated and that female dominated industries remain severely undervalued.<sup>12</sup>

Women in leadership positions are virtually underrepresented in all sectors of the paid workforce. The 2012 Australian Census of Women in Leadership found that women only hold 12.3% of Board Directorships in the ASX 200<sup>11</sup> companies and 9.2% in the ASX 500<sup>12</sup> companies. There are only 7 female CEOs in the ASX 200 and 12 in the ASX 500 companies. Over 60% of both ASX 200 and ASX 500 companies do not have any women in executive key management personnel positions. The findings from this Census overwhelmingly demonstrate that women are still largely absent from leadership positions and furthermore, are absent from the important pathways which lead to these most senior positions.<sup>13</sup>

## Eastern Metropolitan Region (EMR)

Across the EMR, the gendered split of full-time and part-time employment is reflective of the Victorian data. Across each of the 7 Local Government Areas (LGAs) in the EMR, women make up the overwhelming majority of lone parent families with dependent children, ranging from 85.29% in Boroondara to 88.14% in Knox.<sup>14</sup> Of the 29,117 women lone parent households in the EMR, 8,174 of these women worked full-time and 9,787 worked part-time.<sup>14</sup> This statistic reflects that of Victorian and Australian women alike – women’s employment is often required to be balanced with family responsibilities and thus women make up a significant majority of those engaged in part-time employment.

Across the EMR in comparison to men, women were:

- 71.70% more likely to do unpaid domestic work
- 24.18% more likely to volunteer
- 27.46% more likely to have primary responsibility to care for children
- 37.13% more likely to assist a person with a disability.<sup>15</sup>

“The gender disparity in Australian workplaces simply perpetuates existing stereotypes about the role of women at work and in the wider society and further exacerbates gender pay inequity”.<sup>13</sup>

## Gender Gap in Finances in Older Years

Women tend to live longer than men, making it even more essential that they have adequate savings to support them in their older years. However women face unique challenges to saving which may include gender-based wage rates, lower average wages compared to men, increased likelihood of casual or part time employment rather than full time, periods out of the workforce to raise children or care for others, and managing single parent households. Australia’s superannuation system is disadvantageous for women as it is linked directly to earning, resulting in women’s superannuation payouts, being on average, a third of that of men. The gender gap in savings means that many women live their older years in poverty.<sup>16,17, 18</sup>

Of Australians aged 65–69 years, 64% of women and 43% of men had no superannuation coverage and these proportions increased to 87% for women and 69% for men in the 70 and over age range.<sup>14</sup> This may be attributed to the fact that the compulsory superannuation guarantee only came into effect in Australia in 1992 and for women in these particular age brackets, they would have worked the majority of their working lives outside of compulsory superannuation.

Women’s superannuation balances, as a proportion of men’s balances, decrease from 71% (for 25 – 34 year age range) to 46.1% (for 60 – 64 year age range) which demonstrates that the gender gap widens over a woman’s lifetime.

“Many women, after a life spent in unpaid caring work, face prospects of financial insecurity and poverty in retirement ... The current retirement income system needs urgent attention to redress the disadvantage experienced by women due to its link to paid work. [It needs to consider] how the system can recognise the value of unpaid work to the nation’s economy.”<sup>21</sup>

# References

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- <sup>2</sup> Vic Health 2005, *Access to Economic Resource: as a determinant of mental health and wellbeing*, Vic Health, retrieved 18 November 2012, [www.vichealth.vic.gov.au](http://www.vichealth.vic.gov.au)
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- <sup>8</sup> Australian Bureau of Statistics 2012, 'Understanding the Australian Labour Force using ABS Statistics', retrieved 2 November 2012, [www.abs.gov.au](http://www.abs.gov.au)
- <sup>9</sup> Australian Bureau of Statistics 2012, 'State and Territory Statistical Indicators, Cat No. 1367.0', retrieved 17 November 2012, [www.abs.gov.au](http://www.abs.gov.au)
- <sup>10</sup> Australia Bureau of Statistics 2012, 'Labour Force Key Series – Gender Indicators Cat. No. 4125.0', retrieved 1 November 2012, [www.abs.gov.au](http://www.abs.gov.au)
- <sup>11</sup> The ASX 200 index is the main benchmark for the Australian equity market. The index is made up of 200 of the top stocks, which make up almost 80% of the total value of the market.
- <sup>12</sup> The ASX 500 refers to the top 500 companies on the Australian stock by market capitalisation.
- <sup>13</sup> Equal Opportunity for Women in the Workplace Agency 2012, *Women in Leadership Census: Key Findings*, EOWA, retrieved 29 November 2012, [http://www.eowa.gov.au/Information\\_Centres/Resource\\_Centre/EOWA\\_Publications/EOWA\\_Census/2012\\_Census/census\\_summary\\_online\\_version.pdf](http://www.eowa.gov.au/Information_Centres/Resource_Centre/EOWA_Publications/EOWA_Census/2012_Census/census_summary_online_version.pdf)
- <sup>14</sup> Australian Bureau of Statistics 2012, 'Gender Indicators: Superannuation. Cat. No. 4125.0', retrieved 26 October 2012, [www.abs.gov.au](http://www.abs.gov.au)

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<sup>15</sup> Australian Bureau of Statistics 2012, '2011 Census – Community Profile', retrieved 3 November 2012, [www.abs.gov.au](http://www.abs.gov.au)

<sup>16</sup> Australian Human Rights Commission, 'The gender gap in retirement savings', retrieved 25 November 2012, [http://humanrights.gov.au/sex\\_discrimination/programs/gender\\_gap.html](http://humanrights.gov.au/sex_discrimination/programs/gender_gap.html)

<sup>17</sup> Australian Securities and Investment Commission 2012, 'Money Smart - Superannuation & women', retrieved 25 November 2012, <https://www.moneysmart.gov.au/tools-and-resources/information-for/women/superannuation-and-women>

<sup>18</sup> Warren, D 2006, *Women: Aspects of Retirements for Older Women*, Australian Government Office for Women, Commonwealth of Australia, retrieved 25 November 2012, [http://www.fahcsia.gov.au/sites/default/files/documents/05\\_2012/aspect\\_of\\_retirement\\_factsheet.pdf](http://www.fahcsia.gov.au/sites/default/files/documents/05_2012/aspect_of_retirement_factsheet.pdf)