

Defining the concept of economic security for all women

Policy recommendations to boost women's economic security

Boosting Economic Security for All Women

OBJECTIVE: To raise awareness and contribute effectively to development and implementation of policy that impacts all women living in Australia and ensures women's equal place in society, in the Government's policy priority area of improving women's economic independence and financial security.

The current policy approach to childcare, superannuation, education, jobs and financial literacy is not keeping up with changes in social attitudes, structural changes in the economy and demographic changes.

The paper brings together research and analysis of specific issues that feed into the overarching issues of economic and financial security for women. We are grateful for the efforts, thoroughness and insightful nature of that work. This paper highlights some of the policy reforms that will be needed if women's financial and economic security is to be enhanced.

It is a next step in the process that will inevitably be built upon as steps are taken to improve economic security for women.

Economic Security for Women

One of the well-established and central platforms of economic and social policy is to deliver economic and financial security for all members of society.

Economic security entails a number of basic conditions, but has as a central underpinning an ability, throughout life, to afford to have shelter, food and basic living expenses covered. Financial security also means opening access to opportunities not only at these basic levels of living standards, but to also achieve higher levels of security and well-being through education, training and employment opportunities.

Paid employment is one of the benchmarks for financial security, but in the circumstances where many women have either sporadic or minimal opportunities to engage in paid work throughout their adult life, a government provided, broadly based, financial safety net is essential if economic security for women is to be enhanced.

Why economic security for women?

Enhancing economic and financial security for women will not be achieved by undermining and lowering economic security for men. This is not about the tradeoff.

Rather, this important issue identifies areas where women's economic security is lower or more precarious than for men, it uncovers reasons why this is likely to have occurred and canvasses policy and other issues that can be put in place to lift the economic status and financial well-being of women.

The case for women and issues of lower economic security than men

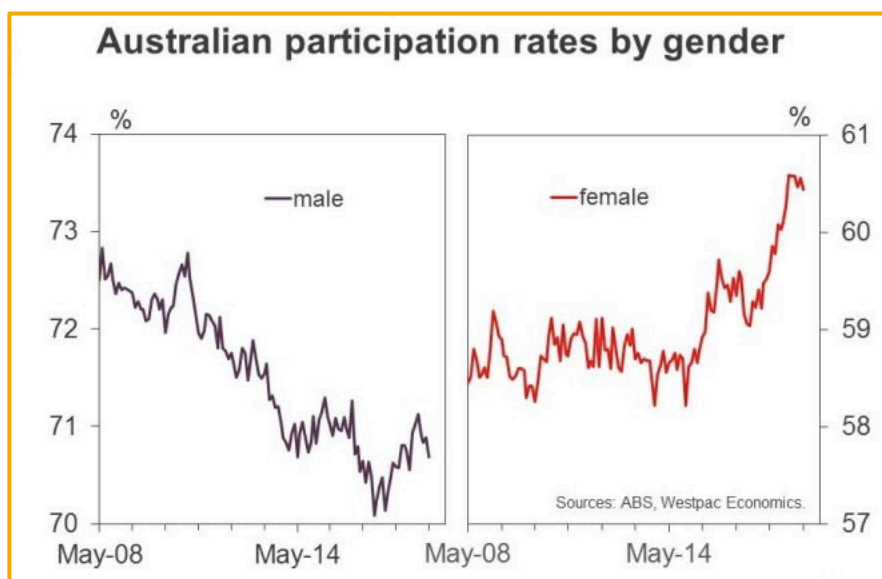
Australia is a high-income country, with most measures of lifestyle and well-being amongst the highest in the world. Continued economic growth and rising wealth have been the hallmarks of the economy over many decades.

The benefits of these favourable economic fundamentals have not been evenly shared, with women continuing to lag men in terms of jobs, incomes and superannuation balances. There is qualitative evidence that women have a lower level of awareness and understanding about personal finances, including superannuation, than men.

The evidence for Australia confirms that women are persistently and overwhelmingly less economically secure than men.

One area where some tentative progress has been made in addressing women's financial security is in paid employment where the workforce participation rate for women has been trending higher while for men it has been trending lower. Lifestyle, social and demographic changes have driven these changes where more women are engaged in paid employment.

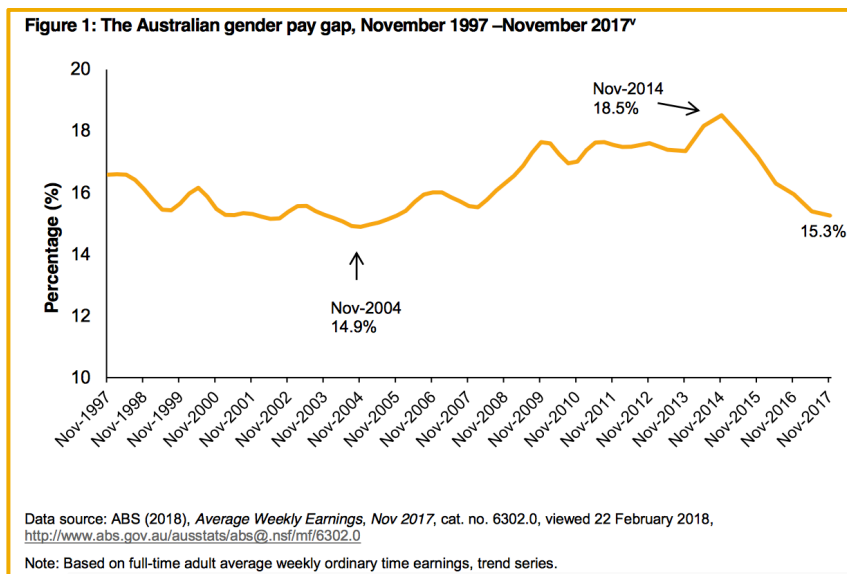
That said and even with the recent progress, women still have a significantly lower workforce participation rate than men. Of those Australians aged 15 years and over, approximately 71 per cent of men and 60 per cent of women are in paid employment or looking for paid work. Over the past 20 years, this represents a fall of 3 percentage points for men and a rise of 7 percentage points for women.



Source: Westpac

In terms of pay, women still lag men in full-time equivalent wage levels by a significant amount. There has been little net change in the gender pay gap over the past 20 years. Of those women in paid employment, the difference in the average full-time equivalent wage for women relative to men has been approximately 15 to 18 per cent lower, a ratio little changed since the 1980s.

The recent decline to the ratio, to a fraction below the 20-year average, is linked to the slump in mining sector employment which has a high concentration of male workers and relatively high average wage level. In other words, the graph has narrowed marginally because of a relative cyclical decline in wages in male dominated industries rather than a material improvement in female wage conditions.



Source: Workplace Gender Equality Agency <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf>

The differences in workforce participation and wage rates mean that not only are a smaller proportion of women in the paid workforce, but those who are, are on average, getting paid less.

The composition of employment

A fundamental element of the gender pay gap is evident in the industries and occupations that have a high ratio of female employment and overwhelmingly have lower pay rates than industries where males dominate employment.

One element that emerges when examining why this is so and what to do about it, boils down to what are largely arbitrary long-run societal judgments about the value of work, including how this impacts on economic security for women.

In terms of the contribution to society, questions can be asked:

- is a carer of older people or those with disabilities more valuable than a school teacher?
- Is a school teacher more valuable than a mining engineer? or
- Is a mining engineer more valuable than someone working in a senior leadership role?

Society, as shown in the current wage levels, suggests no with carers paid less than teachers who are paid less than mining engineers who are paid less than senior leaders.

Based on wages paid to people working in these professions, someone in a senior leadership role is more 'valuable' than a teacher who in turn is more valuable than someone working as a carer in an aged care facility.

The annual salaries of each of those occupations (full time equivalent) are of the order of \$50,000 for a carer of older people, \$90,000 a teacher and \$150,000 for someone in a senior leadership role. Women make up the vast majority of those involved in caring and teaching, while men make up the vast majority of workers in senior management, which is at the core of the gender pay gap.

The obvious impact on the economic security of these differences in the value of work are clear.

There are two main ways to address this imbalance:

- Having more women employed in the industries and occupations where relative pay rates are high and above average.
- Increasing the pay rates, through arbitration and awards, in sectors that have a higher ratio of women engaged.

The first point, of encouraging more women in higher paying industries can be influenced through education and training. Having the skills compatible with high income occupations will create greater opportunities for women to have a higher representation in those sectors which will have some impact on lowering the gender pay gap.

Having quotas, as in the case for CEO and Board positions in Australian Securities Exchange listed companies for example, will also see a higher proportion of employment opportunities go to women. With the glass ceiling broken and opportunities opening, women could plot their career path and ambitions towards achieving these goals.

In terms of the second point, a policy prescription may be to ensure wage rates in the currently undervalued and underpaid occupations increase more rapidly than wages in other sectors. It may be difficult to implement such a policy goal, but many of the female dominated occupations tend to have wages set by the government sector in direct enterprise bargaining agreements with unions and / or have wages set through arbitration at the Fair Work Commission.

Implementing a strategy where over the medium term, say 10 years, wages in teaching, nursing, aged care, child care and health increase faster than in other occupations would 'revalue' the financial rewards to those working in these sectors and would work to close the gender pay gap. If implemented, the structural increase in wages would remain proportional to the skill level of each sector.

Gender participation by occupation

Occupations that have a high concentration of women in the workforce tend to have lower incomes. The ‘carer’ occupations including health and social assistance and education and training are generally dominated by full time equivalent wages in the middle to lower quartiles. Women also make up around 56 per cent of those employed in retail trade and accommodation and food services, which also are generally low wage sectors.

If wage levels in these sectors increase at a pace above the average, progress would be made in reducing the gender pay gap.

FEMALE SHARE OF WORKFORCE BY INDUSTRY

Industry	Female employees 1997 percentage	Female employees 2017 percentage	Gender dominance (2017)
Health care and social assistance	77.2	78.6	Female-dominated
Education and training	66.2	71.3	Female-dominated
Retail trade	55.2	56.2	Mixed
Accommodation and food services	53.4	56.3	Mixed
Financial and insurance services	45.1	50.3	Mixed
Rental, hiring and retail services	46.4	52.7	Mixed
Administrative and support services	51.7	52.5	Mixed
Public administration and safety	41.7	44.9	Mixed
Arts and recreation services	48.5	46.4	Mixed
Information media and telecommunications	39.5	44.0	Mixed
Other services	37.7	44.5	Mixed
Professional, scientific and technical services	42.7	45.0	Mixed
Agriculture, forestry and fishing	30	30	Male-dominated
Wholesale trade	31.6	30.8	Male-dominated
Manufacturing	27.7	26.1	Male-dominated
Transport, postal and warehousing	22.1	21.7	Male-dominated
Electricity, gas, water and waste services	16.5	21.4	Male-dominated
Mining	10.8	16	Male-dominated
Construction	12.6	10.6	Male-dominated

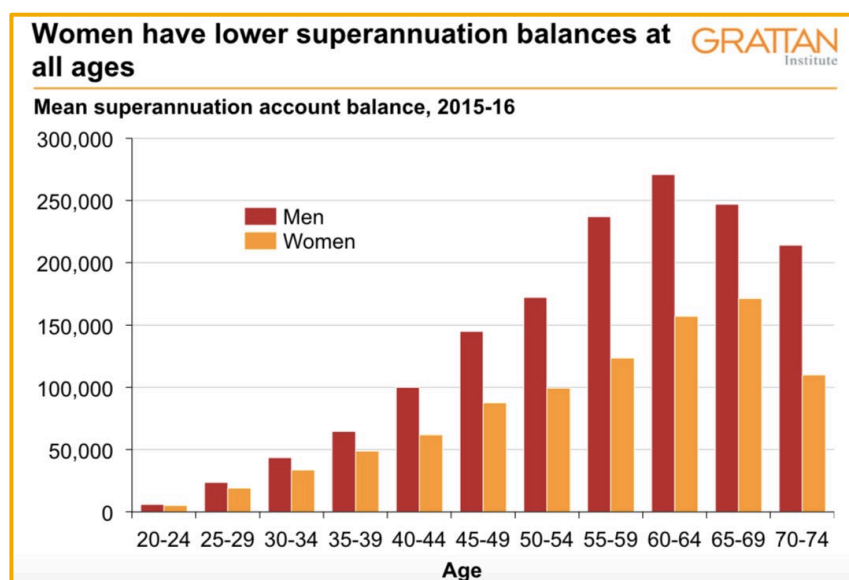
Source: ABS (2017) *Labour Force, Australia, Detailed, Quarterly*, Nov 2017 cat no. 6291.0.55.00, viewed 6 February 2018

Superannuation and the pension

Superannuation savings levels provide another stark contrast in the economic and financial security of women relative to men. According to estimates from the Association of Superannuation Funds of Australia, the average superannuation balance of a 50-year-old woman is \$99,520, some 73 per cent below that of a 50-year-old man. For a 65-year-old entering retirement, the gap is still a wide 44 per cent with the slight narrowing attributable to women rejoining the paid workforce after having and caring for children.

According to Industry Super Australia, current trends in wages and workforce participation will mean that by 2030, men will retire with an average superannuation balance of \$432,000 which is 39 per cent above the \$262,000 average balance for women. (Source: Women, Finance and Money » Industry Super <https://www.industrysuper.com/understand-super/women-and-superannuation/>)

According to research from The Grattan Institute, the superannuation balances of women is below men in all age groups.



Source: Bcec.edu.au <http://bcec.edu.au/assets/AGEW-2018-Brendan-Coates-Whats-the-best-way-to-close-the-gender-gap-in-retirement-incomes.pdf>

The shortfall is driven by a number of factors:

- The gender pay gap (with women earning less than men, the dollar value of compulsory superannuation contributions will be lower)
- A complete absence of superannuation contributions for periods outside the paid workforce – having and caring for children is a prime example that impacts women more than men
- A lower participation rate in the paid workforce.

There are a number of policy changes, some inter-related, that can address this imbalance which reduces women's financial security. Closing the gender pay gap and further increases in workforce participation have already been canvassed.

Other important issues to close the superannuation balance gap is to remove the rule where those earning under \$450 a month do not get paid superannuation. Women who work for several different employers on a casual basis are paid little superannuation if each paid short-term task and engagement is below this threshold.

Another is to structure superannuation policy to ensure there are contributions to superannuation when women (and men for that matter) are not in paid employment, be this for bringing up children, unemployment or caring for aged relatives among other possible issues.

This latter aspect of improving financial security for women is a more complex area of policy reform. It is likely to require government intervention in a way that allows for, and in some cases fund, contributions when workers temporarily leave the workforce.

An all-encompassing issue for superannuation is to ensure management fees are kept at a reasonable price and provide value to fund members. This involves the superannuation funds detailing the fees that are paid by fund members and allowing relatively easy portability of superannuation holdings to a more appropriate fund for the individual. Low fees over a lifetime of contributions can deliver many tens of thousands of dollars in extra retirement savings from the same level of risk.

To maximise the effect of any such changes, greater financial awareness and literacy will be needed.

Awareness of superannuation savings – financial awareness and education

While policy makers can set the framework that will enhance the opportunities for women to enhance their economic and financial security, a complementary part of such an agenda will be to have women increase their awareness of such policies and what they can do themselves to take advantage of these policies to build their economic well-being.

Financial awareness is a critical aspect of the strategy to improve the economic security of women. Being aware of financial opportunities, exploitation and long run strategies to boost income and wealth will improve financial security.

Polling indicates that women have a relatively poor awareness of their financial circumstances. This leaves them open to exploitation from inappropriately high fees, interest rates on their borrowings and underpayment of their wages, superannuation and other employment entitlements. For instance, it is difficult to restructure one's superannuation if you are unaware of the fees, the balance of the fund or even whether it will be the main source of income in retirement.

Essential Vision recently undertook a poll where it asked respondents what they expected to be their main source of income in retirement.

The government age pension was cited by 29 per cent of women, compared with 25 per cent of men. More men than women expected their superannuation to provide their main source of retirement income (38 per cent to 31 per cent), while more men were of the view that other investments would be their main source of income (21 per cent to 18 per cent for women). Slightly more women than men said they did not know what their source of retirement income would be (17 per cent compared with 16 per cent for men). **Source: The Essential Report** <http://www.essentialvision.com.au/tag/superannuation/page/2>

The differences, at face value, do not appear substantial. Yet there is a clear skewing towards women relying on the age pension or not knowing what their source of income will be in retirement relative to men who appear more confident that superannuation and other investments will fund their retirement. This is not all that surprising given the fact that men have substantially higher superannuation balances than women, which enhances their economic security going into retirement.

In addition to the importance of ensuring superannuation shortfalls for women are addressed by policy and other structural changes in the nature of work, these results confirm an imperative that the age pension be set at a rate that delivers financial security in retirement. The effect of a higher age pension would favour women and help enhance financial security for women as more women than men rely on the pension for their retirement income. It also means that women's superannuation shortfall should be addressed (see above) to reduce the dependence on the age pension once they reach retirement age.

Knowledge – It is not just financial education and literacy, although that is important

The most fundamental aspect of financial security is knowledge.

Knowing what you earn, knowing what you spend, knowing what your debt and interest rates are, knowing what fees you pay for insurance, financial planning and superannuation.

It is not just these largely measurable factors that can be used to enhance financial security but knowing and acknowledging the risks that are ahead.

Clearly some of those financial risks or life events that will have a huge impact of financial security include the cost of children, caring for aged parents, divorce or separation, losing a job and working fewer hours, changes in interest rates or an unexpected big-ticket cost that inevitably comes along from time to time.

Knowing how financial security will change if or when these events occur is part of the so-called contingency planning that can help to deal with financial security in advance which in turn can help to improve economic security.

The problems associated with financial awareness extend well beyond superannuation.

Many Australians have little detailed understanding of their current financial status and even less when it comes to the risks to their financial security when they take on debt, meet financial hardship or indeed, when they leave the paid workforce for any period of time either by choice or ill-fortune. This is across both genders.

This general lack of financial awareness is an important factor undermining economic security. The current Banking Royal Commission is suggesting that some of the misguided and unscrupulous practices being undertaken by financial institutions which included some people in areas of our community who are financially unaware and therefore some customers maybe susceptible to exploitation in agreeing to financial services that were in fact inappropriate for their circumstances.

This is not to blame the victims for the unconscionable behaviour of those institutions. Far from it.

But the fact that so many customers chose to sign up to some financial products which may have been inappropriate for the individual's financial circumstances, including some with exorbitant fees and conditions, confirms that legislative protections need to be tightened to help ensure these practices are stamped out of the financial sector. These would be basic consumer protection laws that would assist women.

In addition to stronger rules and regulations, there is also a case for additional consumer financial awareness and education to help avoid an erosion of economic security. Had more banking customers been aware of what was being offered, they may not have signed up to these inappropriate products and as a result, they would be better off financially.

Linked to this, an Essential Vision poll indicated a general lack of understanding of retirement planning, with women less aware than men about the steps needed to plan for a successful retirement. 18 per cent of women did not know which the best way was to prepare for retirement, compared with 12 per cent of men.

In terms of the fees their superannuation funds were charging, a staggering 44 per cent of women did not know the fees they paid to manage their retirement finances, compared with 36 per cent of men. The scope for superannuation holdings to be eroded by high fees clearly increases if such a large proportion of superannuation fund holders are unaware of the fees they pay. **Source:** The Essential Report <http://www.essentialvision.com.au/tag/superannuation>

Just as it is important that superannuation holders are aware of how to prepare for a financially secure retirement, but that they are protected through the law from having their accumulated savings eroded by high fees and keeping their money in poorly managed funds.

Understanding their financial position

How do non-financial specialists (the bulk of the population) get to understand their financial position?

Given the inequality in wages, superannuation balances and workforce participation of women relative to men, with many women seemingly unsure about the short, medium and long term financial well-being, financial education needs to start at an early age.

Community standards demand that our young people pass exhaustive learning and tests before we let them drive. Issues relating to speeding, drink and drug driving, staying alert, giving way, wearing seat belts are drummed into our youngsters before they get their permit to drive.

Yet little or nothing is taught at school about personal finances.

When young people enter the paid workforce from their late teens and early 20s, many living independently from parental guidance, they are left to balance the often-conflicting financial objectives of earning an income, saving for the future, spending on essentials and having some fun with spending on discretionary items.

Many manage these financial challenges well, but many struggle and in their young adulthood to establish prudent habits and this can undermine financial security.

While circumstances are vastly different from woman to woman in terms of income, savings, age and other personal circumstances that impact their financial security, a simple to use and understand platform that takes account of the individual circumstances to determine financial security would be useful to pursue. It could be framed around each person using their personal data on items such as income, spending, age, debts, current superannuation balances and financial objectives to assess economic security. This rating or assessment could then feed into the remedial action needed to enhance financial and economic security in the future.

Starting young with financial literacy

A simple illustrative time-line outlining age and personal financial landmarks may help to frame an educational strategy to give women great insights into their financial position and journey through life.

A woman in her early 20s, just out of university and in her first full time job, by way of example, will have different financial needs and circumstances to a woman in her 40s who may have had her children and returned to the paid workforce in a part-time capacity. A woman in her mid-50s, perhaps single and caring for aged parents will be different again.

The following examples try to look through some of these stages of life issues for women and touch on some of the financial matters that are likely to be important to a woman at each stage.

While it does not capture the circumstances of every woman, it is aimed to allow a woman to assess what financial issues are likely to be confronting her now but will also allow her to think into the future to see where she may need to plan if she it to enhance her financial security.

Case study examples

Following are two hypothetical, but illustrative, examples of the financial and economic issues confronted by two different women. The examples aim to highlight financial security issues for women who experience different opportunities and income streams. It can be argued that both women are prone to bouts of economic and financial insecurity which can be addressed by a diverse range of policy settings.

One key aspect of both examples is a need for individual knowledge of the financial position and risk each faces.

Life stages in economic and financial life milestones for a moderately well-off woman living in Australia



Life stages in financial and economic milestones for a low income woman living in Australian



Prevalence of greater financial abuse impacting women

Financial ‘abuse’ is an emotive but very real term, but it has been identified as an issue which predominantly impacts women.

According to research conducted in the United States from the Battered Women’s Support Service, financial abuse in a relationship focuses on some or all of the following:

- Controlling how the household money is spent
- Withholding money or ‘giving an allowance’ to the female partner
- Withholding basic living resources, medication or food
- Not allowing their partner to work or earn money
- Stealing their partner’s identity, money, credit or property
- May justify behaviour as cultural

Source: Understanding Financial Abuse & Safety Planning | BWSS

<https://www.bwss.org/resources/economic-empowerment-strategies-for-women/understanding-financial-abuse-safety-planning/>

The first two of these items are in some ways most pervasive. They are sometimes subtle and not an obvious infringement of economic security but are behaviours that clearly undermine financial wellbeing and flexibility. There may be a perception of reasonableness about these issues, particularly if the male partner is the sole or main income earner, but that masks problems that severely constrain women from having financial independence and importantly, an ability or opportunity to build their economic security.

Such behaviours quite clearly undermine the economic and financial security of women. There is no flexibility or an ability to improve her financial status in the case of a change in circumstances if they have never managed household finances nor had access to larger amounts of money.

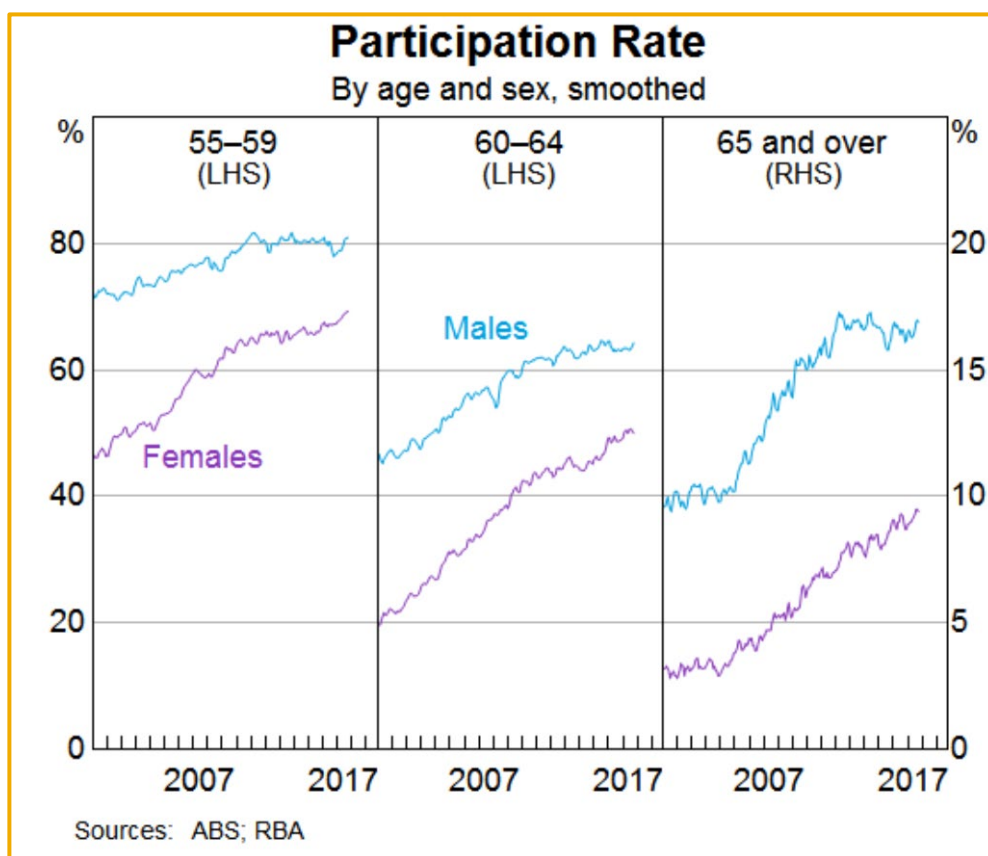
Addressing financial abuse of women involves both a path of financial education and for women as well as the implementation and enforcement of legal safeguards in the more extreme circumstances.

Financial education would encourage women in a relationship to ensure they were equal participants in decisions about how the household money is spent and would help them to fully acknowledge the abuse being perpetrated when they are ‘given’ allowances from the household income.

Working longer as the population ages

With life expectancy increasing and quality of life also being enhanced for older Australians, the workforce participation rate of those aged 55 years and older is increasing. The increase is especially evident for women.

In terms of workforce participation rates for older Australians, there has been a marked increase for women aged 55 years and older. For women aged 55 to 59 years, workforce participation has increased from 45 per cent in 2000 to 70 per cent at present. For women aged 60 to 64 years, the rise in participation rate has been from 20 per cent to over 50 per cent while for women aged 65 years and over, the participation rate has increase from just 3 per cent in 2000 to nearly 10 per cent at present.



Source: Where is the Growth Going to Come From? | Speeches | RBA
<http://www.rba.gov.au/speeches/2017/sp-ag-2017-11-15.html>

By engaging in paid work, these older Australians, and women in particular, will be supplementing their incomes, keeping engaged in the community and promoting their well-being. It is a welcome trend that is likely to continue as life expectancy and quality of life issues continue to improve.

Any additional government policies that encourage employers to employ older female workers are likely to enhance their economic security. In the 2018-19 Budget, the

government announced a series of policies that was aimed to boost the jobs and skills for mature age Australians. This positive step aimed to further boost workforce participation “will help older Australians to remain in the workforce, have flexibility in their later working years and retire with security”. **Source:** 2018–19 Budget Jobs and Small Business Overview <https://www.jobs.gov.au/2018-19-budget-jobs-and-small-business-overview>

There are several aspect to this strategy for mature age Australians, including access to skills development and training, career transition to new roles, helping older Australians to become their own boss, making job change easier and financial incentives for employers to hire more staff.

These are important steps that will enhance the workforce participation and will help to build the economic security of mature age women who participate in the programs.

Policy changes that involve the relaxation of the incomes test for those relying on the age pension to supplement their income which would encourage workforce participation.

Additional policy progress along these lines will assist women to build their financial and economic security.

Childcare

There has been a plethora of research on the importance of childcare services as a direct and effective means of ensuring more women engage in paid employment when their children are young.

This is a direct way of enhancing economic security for women as they not only have an obvious ability to earn an income when returning to paid work, but they continue to add to superannuation balances, maintain seniority and experience and attachment to the labour market. When in the workforce, women are also likely to be more aware and alert to promotions or more favourable employment opportunities as opposed to time at home caring for children.

Affordable and easy to access childcare, including a comprehensive paid parental leave scheme, will encourage greater female workforce participation which has the broader overarching economic benefits for the economy. Greater access to childcare and parental leave for men is an important aspect of reform as a stay-at-home male partner will allow women to return to paid employment.

With economic security driven strongly by a women’s ability to maintain paid employment and childbearing and rearing factors that take women out of the workforce, a lack of access to affordable and widely available childcare is a factor undermining women’s financial security.

Much has been written and researched on childcare and this paper will not add more to that, other than to reiterate the importance of childcare as a means to deliver economic security for women.

Suffice to say, a policy imperative is to ensure the structure on childcare is developed to encourage an affordable and timely return to the workforce for mothers.

The parental pay gap? Adding to the case for affordable and accessible childcare

Parents, both male and female, earn less than childless males and females.

The reasons for this pay disadvantage for parents as opposed to childless workers is linked predominantly to issues associated with workplace flexibility.

Those without children are clearly more able to enhance their careers and incomes by being able to work longer hours, change jobs geographically without compromising their children’s education and by having more time to focus on work objectives. Allowing for these facts, men with no children still earn more than women with no children, while fathers earn more than mothers.

These pay gaps undermine women’s economic security for reasons noted earlier.



Source: CEDA

It is not clear whether there is a specific policy prescription to this phenomenon with the issue most likely addressed through the childcare spectrum.

Progress in education

Since the late 1980s, the proportion of women enrolling in university has exceeded that of men, with women accounting for around 55 per cent of university enrolments.

This is an important development in ensuring that, over time, women in the paid workforce will have the skills, knowledge and expertise to undertake the middle to high income, high profile and usually economically secure jobs in the future.

That said, the courses which generally lead to higher pay are generally under-represented by women, including information technology, engineering and architecture, while women tend to have a higher proportion of enrolments in lower paid professions such as education, health, society and culture and creative arts. **Source:** Selected Higher Education Statistics – Time Series Data | Department of Education and Training <https://www.education.gov.au/selected-higher-education-statistics-time-series-data>

The evidence suggests that previous attempts to encourage women to enrol into the STEM courses, which will generally lead to higher incomes and great economic security, have been effective.

It will take time for the success of this strategy to show up in a great number of female graduates and then for there to be greater representation in related occupations in the workforce and in incomes, especially in the higher ranks.

Progress in educational equity will only yield benefits in terms of financial and economic security for women if the other aspects that erode that goal – childcare, superannuation, financial education and workforce participation – are successfully addressed.

Migrant women and economic security

Australian women of culturally and linguistically diverse backgrounds face a range of specific challenges which often impact negatively on their economic and financial security. These challenges are over and above the other issues women in Australia face in terms of economic security.

Many recent immigrants have difficulty having their foreign qualifications recognised in Australia which often means highly skilled and talented women fall back on low skill, low income and low status jobs, rather than maximising their income in their vocational expertise.

According to research undertaken by the Federation of Ethnic Communities' Councils of Australia (FECCA), many immigrant women find it extremely difficult to engage in paid employment due to specific issues relating to childcare. Many have little or no extended family to assist with childcare and other home duties when women seek to engage in paid employment. **Source:** Fecca.org.au

<http://fecca.org.au/wp-content/uploads/2018/04/FECCA-submission-Senate-Standing-Committees-on-Community-Affairs.pdf>

FECCA have also found that English proficiency, employer discrimination with regards to accent, discrimination, including racism; are issues that hold back many migrant women from employment in the first instance and higher-level jobs further on. A lack of familiarity with the Australian workforce, employment systems and culture are also constraints.

Many migrant women face difficulties gaining employment because of a lack of local references and the absence of local contacts and networks.

Indigenous women

Indigenous women confront all of the issues raised earlier in this report as they relate to financial and economic security. There are additional matters that are specific to Aboriginal and Torres Strait Islander Women.

According to the National Aboriginal & Torres Strait Islander Women's Alliance (NATSIWA), "the nature, history and context of family violence in Aboriginal and Torres Strait Islander Communities is different to domestic violence experiences in mainstream communities and populations".

This undermines economic and financial security of Aboriginal women with physiological and safety issues undermining an ability to gain and retain paid employment. NATSIWA also note the fact that Aboriginal women are subjected to racism and prejudice when accessing services, including wanting to rent a house, getting and holding a job or striving for a promotion.

Aboriginal women are also underrepresented in the workforce, education institutions and overrepresented in the prison system, and measures of poor health and incomes.

Source: Natsiwa.org.au

http://natsiwa.org.au/wp-content/uploads/2017/01/NATSIWA_Domestic-Violence-and-Gender-Inequality-Senate-Inquiry_Submission-20160331.pdf

CONCLUSION AND RECOMMENDATIONS

The recommendations in this report are deliberately broad. As the report indicates, some moderate progress has been made in addressing shortfalls in the economic and financial security for women and there are issues currently in the policy mix which if implemented, will help further improve women's economic security. That said, there are some clear and high impact policy changes that are essential if the economic security of women is to improve over the medium term.

It is important to note that there are no quick fixes. Many recommendations are made with the full awareness of the time needed to allow the policy changes to have their impact. That said, the policy changes should be implemented as soon as practical to ensure the early steps in addressing economic security for women commences.

Superannuation and the pension

Introduce legislation that ensures all employees continue to provide superannuation guarantee contributions to staff while on maternity and paternity leave.

Increase the superannuation contribution to at least 12 per cent with the express purpose of reducing the future call on the age pension. This is important as it would then allow for those who still fall through the cracks without adequate superannuation to receive a higher pension. Increase the level of the age pension for those with insufficient superannuation savings.

Remove the rule where those earning under \$450 a month do not get paid superannuation by ensuring anyone who is going to be affected with a lower marginal tax rate than 15 per cent is not impacted.

Gender pay gap

Close gender pay gap through legislated wage increases skewed towards currently low paid sectors that have a high proportion of female workers. Further ensure that women reach senior management positions through skill and educational attainment and proactive appointment of women to these senior roles.

As women's wage levels catch up to men's, it will encourage workforce participation.

Childcare and parental leave

Improving access to affordable childcare and paid parental leave will encourage a higher workforce participation rate for women. Subsidies for childcare could be an important step.

Financial education

Financial literacy and education needs to start from a young age which includes having personal finance taught at school. Work with banks, superannuation firms and all other financial service providers to present clear, easy to read and understand statements of all products. Allow for easy portability of these accounts to punish poor performers. Further enhance a government website to allow women to input key financial data so that they can better assess their financial position and objectives.

Greater financial awareness will allow women to be more alert to cases of financial abuse and put in place strategies to protect their financial interests in such circumstances.

Carer credits

Provide a government funded “carer credit” which sees carers allocated credits in the form of superannuation payments, pension top ups and other government services as a payment for the savings to the budget these carers implicitly accrue from their unpaid care for dependent family members. This would also put a value on the work of carers and could further encourage such care which would be a partial saving to the budget.

This paper was prepared by

Stephen Koukoulas, Market Economics, for and in consultation with economic Security4Women.

economic Security4Women

economic Security4Women (eS4W) is a national women’s alliance, funded by the Australian Government through the Office for Women in the Commonwealth Department of Prime Minister and Cabinet. eS4W is one of five National Women’s Alliances.

It is an alliance of women’s organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.

A key function of eS4W’s remit is to source the views, issues and concerns of Australian women on matters that affect their lifelong economic wellbeing and financial security.

economic Security4Women

W: www.security4women.org.au

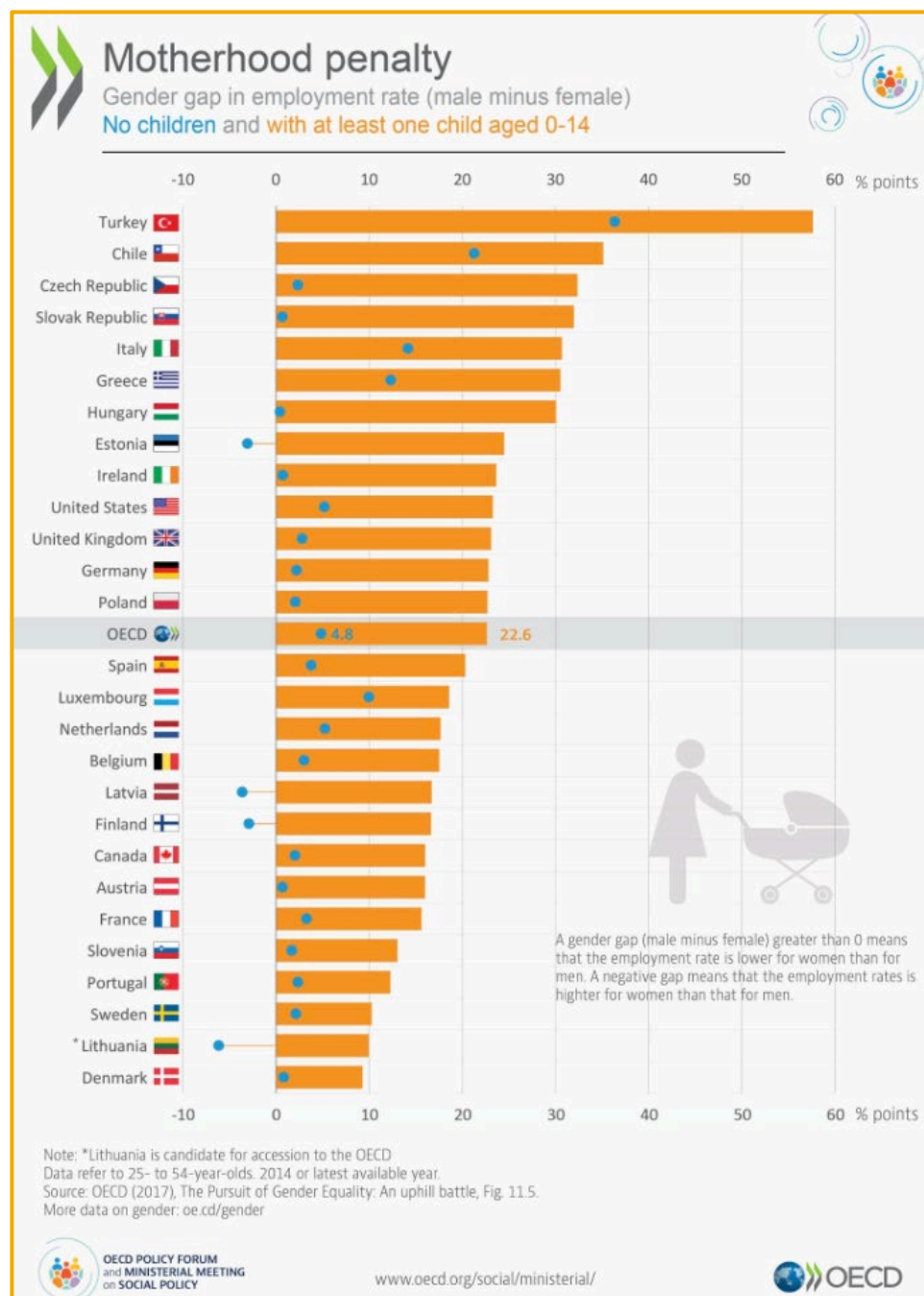
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APPENDIX:

The following encapsulates a range of issues that examine and analyse financial and economic security for women.

Australia is not in this survey, but it shows that women with no children have a markedly lower gender pay gap than women with at least one child aged 0 to 14 years. In four countries, women with no children have a gender pay advantage.



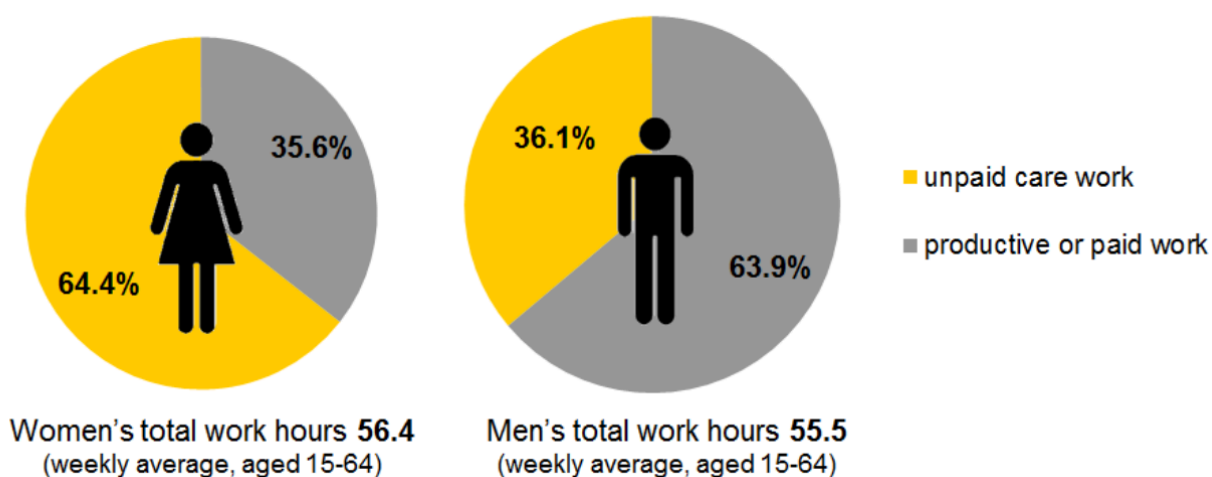
Source:

Social Policy Ministerial 2018 - Organisation for Economic Co-operation and Development
<http://www.oecd.org/social/ministerial/>

Hours spent in paid and unpaid work

According to data compiled from the Gender Equality Agency, women spend 64.4 per cent of their average weekly working time on unpaid care work, compared with 36.1 per cent for men.

Table 1: Paid and unpaid care work in Australia



Source: Wgea.gov.au

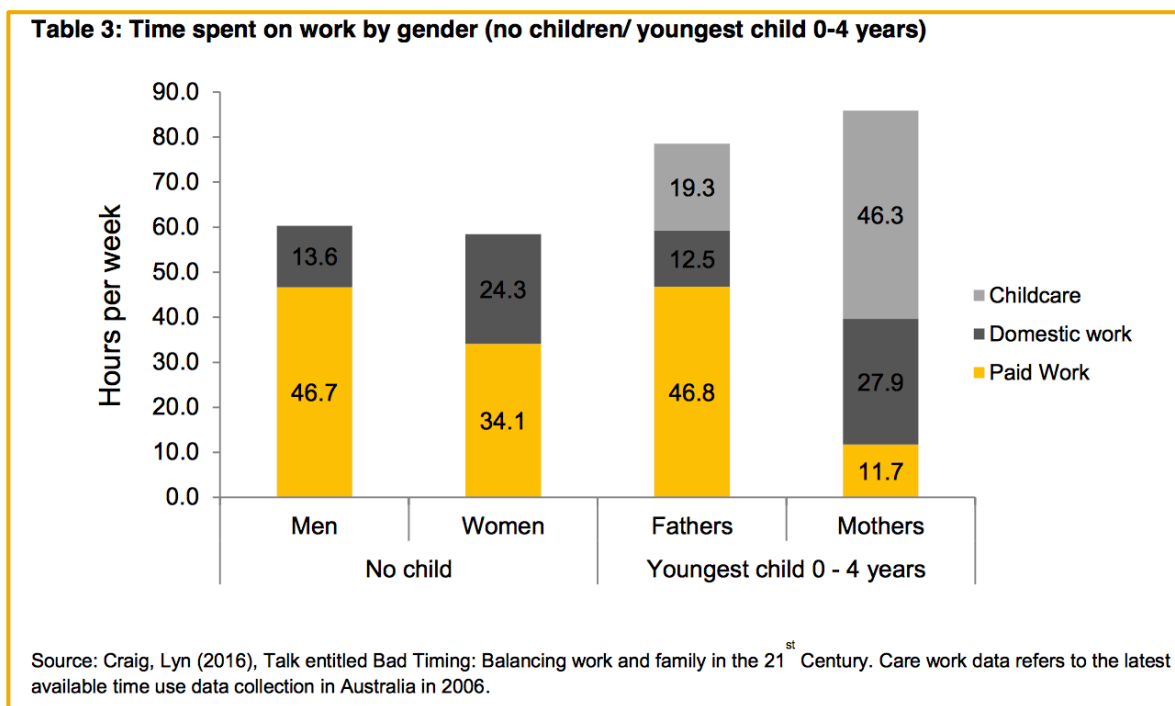
<https://www.wgea.gov.au/sites/default/files/australian-unpaid-care-work-and-the-labour-market.pdf>

Men do more paid work and less domestic work when they become fathers.

When men become fathers, hours in paid work actually increases, while it falls by 66 per cent for women when they become mothers.

Men also do less domestic work, while it increases for women when they become mothers.

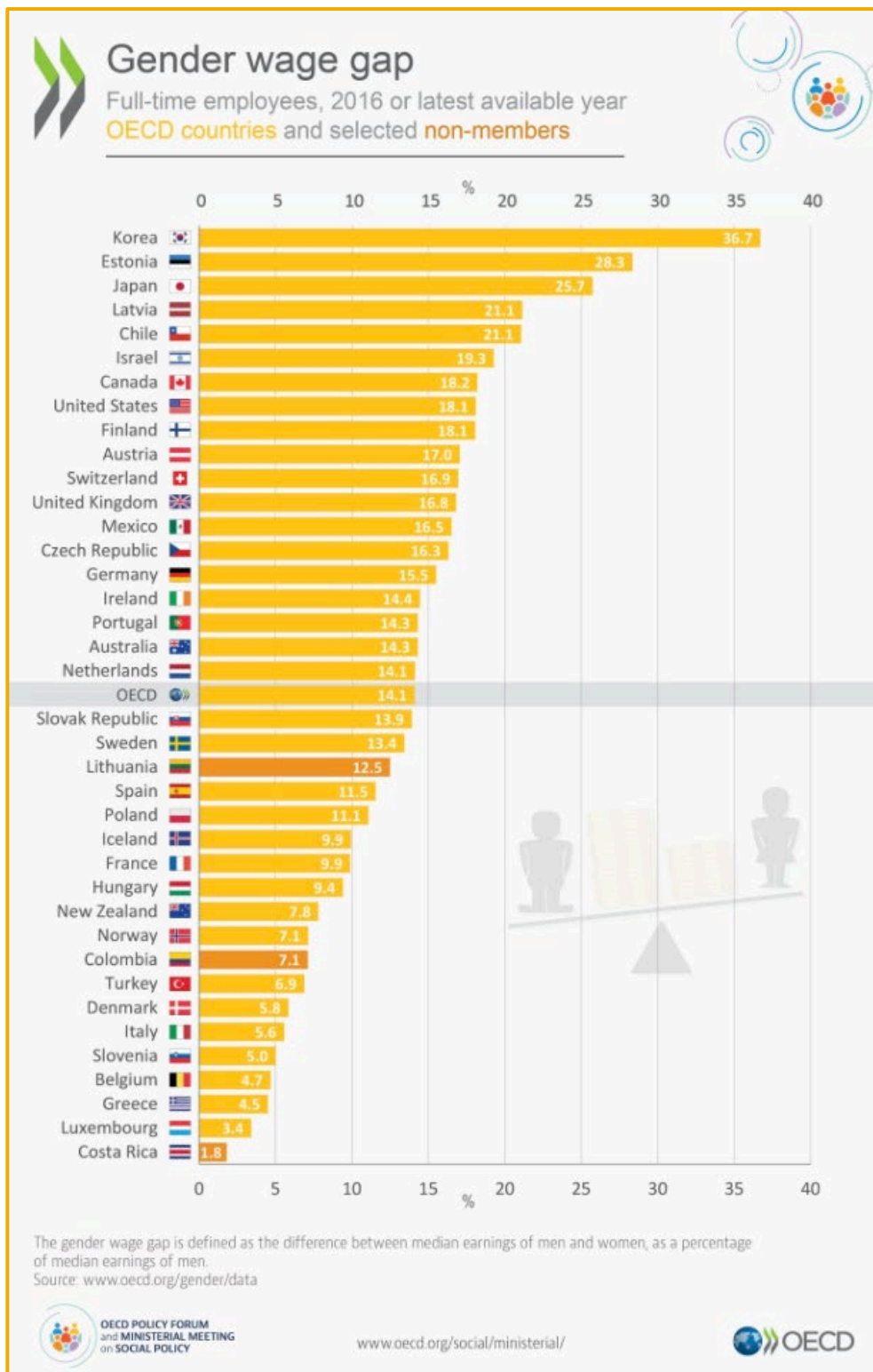
As fathers, men spend 19.3 hours a week undertaking childcare, while women spend 46.3 hours a week on childcare when they become mothers.



Source: Wgea.gov.au

<https://www.wgea.gov.au/sites/default/files/australian-unpaid-care-work-and-the-labour-market.pdf>

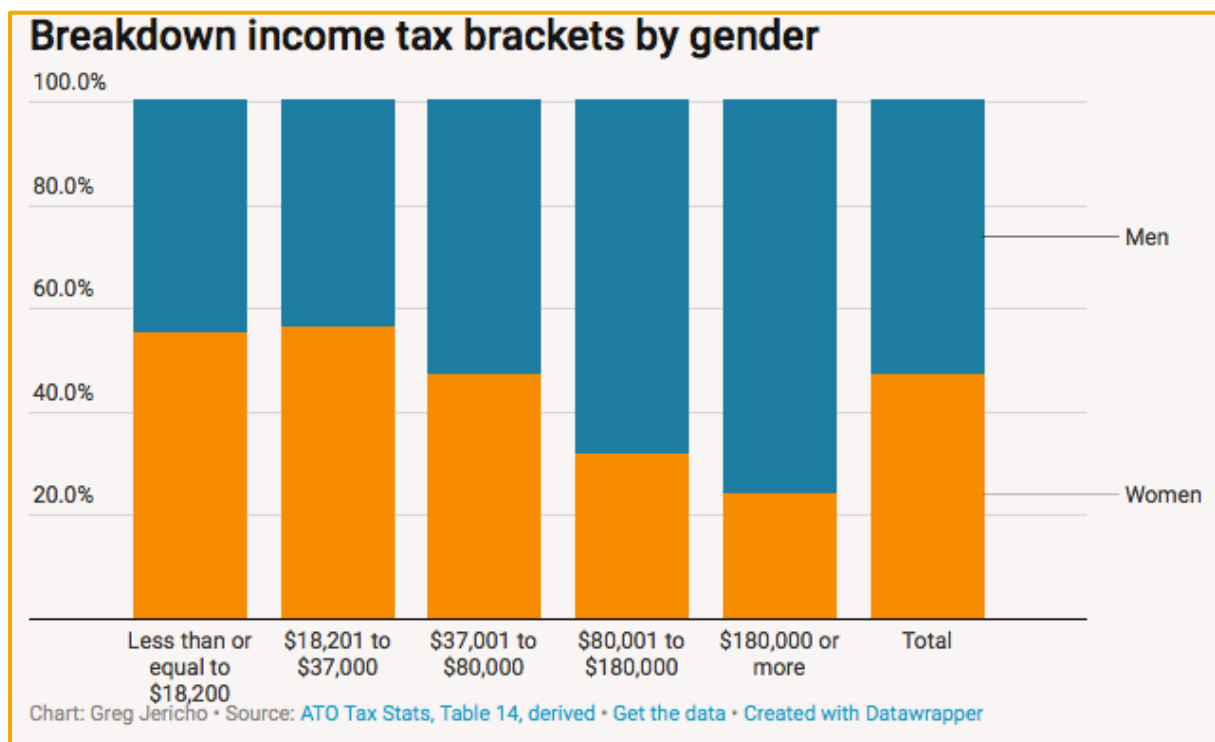
OECD data confirm Australia's gender pay gap is slightly above the OECD average



Source:

Social Policy Ministerial 2018 - Organisation for Economic Co-operation and Development
<http://www.oecd.org/social/ministerial/>

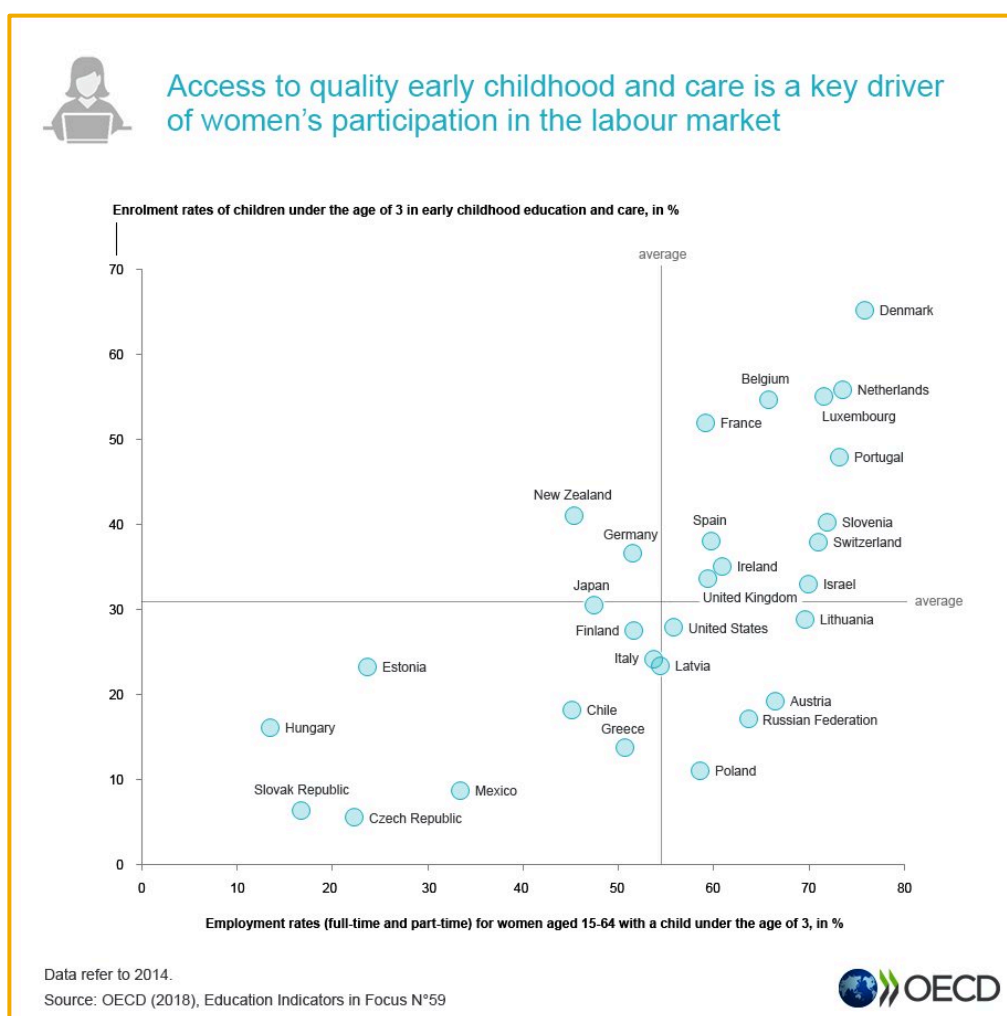
The gender pay gap by income tax bracket



Source: Who is middle Australia? Not your average woman | Greg Jericho

<https://www.theguardian.com/inequality/grogonomics/2018/may/03/who-is-middle-australia-not-your-average-woman>

Female employment rates and children in early childcare and childhood education



Source: OECD iLibrary | Education Indicators in Focus
https://www.oecd-ilibrary.org/education/education-indicators-in-focus_22267077?utm_source=pbtw&utm_medium=social&utm_campaign=pbsm

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