

Superannuation: 'Women are having nightmares about their retirement'

At the age of 56, Lisa Kerr has just found her superannuation. After a lifetime of working, she's saved \$3,400.

"I was expecting a little more," she told 7.30.

"The little car I was hoping to buy, that's not going to happen."

Ms Kerr has been divorced and worked in half a dozen different jobs, but she's spent years out of the workforce caring for her family.

Two of her four children have had cancer, she's nursed her dying mother, and she's now the primary carer for her 86-year-old father, who has dementia.

She's spent her life caring for others without tending to her own financial future.

"I think it's that mother instinct. As great as dads are, women just automatically step up for the job," she said.

"You don't even think about it. You just do it."

Ms Kerr is too young to access the old age pension and when her father dies, she'll no longer get a carer's pension.

"I mean I worry about it on a day-to-day basis when bills come, but I've never thought about my retirement and when I get old," she said.

"It never even entered my realm of thinking. One day I was going to get old, but I never thought about how I was going to fund that."

'More women are going to be in poverty in retirement'

7.30 has examined yet-to-be released research that shows Ms Kerr's lack of savings is common for women as they approach retirement.

The research, by industry body ASFA, shows just 18 per cent of Australian women aged between 55 and 59 have saved more than \$200,000 for their retirement. Yet that figure has been reached by 37 per cent of men.

Half of all women in this age bracket will retire with less than \$50,000 in their super and they are 50 per cent more likely than men to face that scenario.

ASFA chief executive Martin Fahy said it is a nightmare scenario.

"Super is a narrative we tell ourselves so we can sleep at night, and at the moment women are having nightmares about their retirement," he said.

Of the \$2.6 trillion that Australians have saved in the superannuation system, 60 per cent is held by men and 40 per cent is held by women.

"That really speaks a volume about our inability to create policy settings that build comfortable and dignified retirements for women," Dr Fahy said.

"The worry is if we don't address this, more and more women are going to be in poverty in retirement."

The number crunching reveals the key indicators for women who have saved very little in their superannuation include part-time work, low-paid caring work, breaks from the workforce and divorce.

'One of those mythical things'

And the factors behind that imbalance start early.

Bethany Corrigan is 27 years old and in the second-year of her teaching career.

"My job doesn't stop from eight in the morning till six or seven at night, and then I work again when I get home," she said.

"You've got to love what you do if you're a teacher."

While working these hours, sorting out her superannuation is the last thing on Ms Corrigan's mind.

"My mum says it's something that I need to have, and I need to pay into, but it's just one of those mythical things that exists and takes some of my pay," she said.

She has already encountered the gender pay gap earlier in her working life while doing cash-in-hand casual work as a student.

"I know that when I worked in casual jobs, I was being paid less than men doing the same job," she said.

"It was part of working that you got paid what your employer was willing to give you, and I was willing to do whatever to get a job at the time."

Ms Corrigan has two superannuation accounts, but they hold thousands of dollars less than the average savings for women her age.

'Hasn't really been a priority'

Caring for children is a major factor, as many women take time out of the workforce and return to paid work on a part-time basis.

Erika McInerney is 42 years old. When she had her two children she took time off from her job managing an advertising agency, before returning to work part-time.

A few years ago she quit her job and started her own business, teaching digital marketing and social media to businesses in the Victorian region of Gippsland.

But she's yet to pay herself any superannuation.

"I am very conscious that I've got a sort of a seven-year gap in my super now, and I don't really know how that's going to affect me down the line when I need to retire," she said.

Despite these worries, staying at home with her children has been Ms McInerney's biggest priority.

"It's overwhelming being a new parent and you're just learning so much and teaching so much to your child, and I wanted to be a part of that," she said.

But as her new business takes off she's hoping to make some contributions to her superannuation account.

"I'm hoping to be able to put a little bit aside for my super before the end of the financial year," she said.

"It hasn't really been a priority. I guess it's just not something I really have thought about.

"It hasn't really been a part of my world for the past seven years, so I probably need to put it back on the agenda."