



Are women facing a financial crisis?

Despite many advances towards gender equality over the years, the statistics show that when it comes to our finances most women are not equal to men – not even close.

Don't believe it? Let's take a look at the facts.

There are several key ways women's finances are negatively affected compared to men's.

Take this scenario for instance:

If your employer asked you to work for 62 days more than the guy sitting next to you, for exactly the same pay, would you do it?

Don't answer – if you're a woman you probably already are.

Or, to look at it another way, would you be happy to take a 15 per cent pay cut to do the same job as the guy sitting next to you, simply because you're a woman?

How women are worse off: the numbers

As of August 2018, the Workplace Gender Equality Agency says women working full-time earn on average 14.6 per cent – or \$244.80 a week – less than their male counterparts.

The only good news is that this figure is currently at a 20-year low.

"Women lead different working lives to men," says Kate Lee, engagement executive manager at the Workplace Gender Equality Agency.

"They work part-time at three times the rate of men and take more time out of the workforce for unpaid caring responsibilities."

The average break women take from paid work to have a family is six years. According to a report by advocacy group Women in Super this equates to \$77,000 worth of lost super for a woman in her 30s earning a salary of \$50,000.

In combination, these factors compound negatively over time, meaning women retire with 47 per cent less superannuation than men, according to Women in Super.

Data from corporate regulator ASIC reveals the average male super balance at retirement is \$197,054, compared to \$104,734 for the average female.

That's even more worrying when you consider women tend to live around five years longer.

The causes of financial inequality

"The statistics for women are pretty grim, from an objective perspective," says Claire Mackay, director of Quantum Financial and a Certified Financial Planner.

"The pay gap has remained stubbornly high, around 14-to-20 per cent over the last 10 years, so women earn less than men every year. This is compounded by the fact that women still do the bulk of unpaid domestic work, and are more likely to act as carers or take unpaid leave to look after their families. Things like childcare and flexible working also have a financial impact."

Historical discrimination is partly to blame, as is unconscious bias in the workplace.

But Mackay also notes that industries dominated by female employees tend to be undervalued and pay considerably less than traditionally male roles.

"Female-dominated industries like allied health or childcare are also typically low pay industries," Mackay says.

"Then at certain critical points in some careers there is a drop off in women. And, in professions like my own, such as accounting or law, where we have had gender parity for 20 years or more on university graduates, we still aren't

seeing it being translated in high level positions.

"All of this has a financial impact on women."

Women can also be deterred from engaging with their finances by the traditional underlying masculine bias of the finance industry as a whole, and the lack of female financial advisers.

Slipping into poverty

If that's not enough, a 2017 HILDA survey found single women over 60 years old are the lowest income earning family group and are at the greatest risk of poverty of any family group. Mackay says that this is something she sees frequently in her work.

"Single women in their 50s and 60s are some of the most economically vulnerable," she explains. "When you're a young professional woman and you have expectations of what your life may look like and you see this, you don't want it to be you – but it can happen so easily."

That's why the choices we make earlier in our lives matter so much when it comes to our finances later in life. It's a personal decision to work part-time, take time off to raise a family, or choose a career based on love and interest rather than income.

But it's clear from the figures that women should bear in mind the potential long-term financial ramifications of any lifestyle decisions (or balancing acts) and work out a plan to counter them.

This includes taking time to understand your finances, topping up your superannuation as and when you can, and fighting for a better deal from your employer. There are also many small, practical things women can do to gain better control of their financial future.

Taking the solution one step at a time

Mackay believes we need to avoid sensationalising the problem, and approach our financial inequality as individuals, to work towards changing the bigger picture.

"As a whole it's a bit overwhelming, and if we call it a 'crisis' it becomes too difficult for individuals to look at their own circumstances," she explains. "It's like starting at Mount Everest – let's start with Mount Kosciuszko first."

"Women need to think they can take control: I can talk to my own employer about me."

But gender inequalities cannot be resolved by women alone. We all need to challenge gender stereotypes around work and money.

"This is an issue for both men and women," says Kate Lee. "One way to address the gender imbalance around money is for women to ask their employers to take action on pay inequity. But employers also need to address flexible working – many men want the ability to share in caring responsibilities but are not being supported to do so."

And women can also draw on other sources of support. For instance, Vic Super's Super Woman Money program provides free financial fitness seminars for women in Melbourne.

Financial institutions are also addressing the issue and helping women take control of their finances and investments in an attempt to attract female customers.

CBA commissioned research into women's financial security, ANZ established ANZ Women and NAB are backing Start Counting, a personal development scheme for women that covers finances.

There's certainly a groundswell pushing for change, but it's up to each woman to take control of her financial future – and the key message is that it's never too late to do it.