



# Economic Security

The persistent gender pay gap, workplace gender segregation, and reduced time women spend in the workforce due to caring responsibilities, compounds throughout their lives resulting in restricted income, career progression and savings.

- The gender pay gap in Australia, the difference between women and men’s average full-time base salary, is 15.5% (\$15,176 p.a.).<sup>i ii</sup>



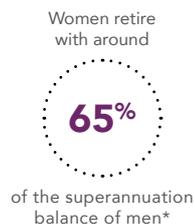
Gender pay gap: the difference between women and men’s average full-time base salary.



The gap widens for total remuneration when superannuation, bonuses and other additional payments are factored in.

- Women around the age of 45 tend to have lower average superannuation balances compared to males of similar age and income level due to breaks from paid work for family responsibilities.<sup>iii</sup>

- In 2017-18, the median superannuation balance for retiring women was around 65% of the median balance for men - \$119,000 for women (at or approaching 55-64 years) and \$183,000 for men.<sup>iv</sup>



\* Based on the median superannuation balance at, or approaching, preservation age (55-64 years).

- The Australian labour market is highly gender-segregated by industry and occupation, a pattern that has persisted over the past two decades.<sup>v</sup> Women often take on under-valued roles in our society.

This economic disadvantage leaves women at greater risk of poverty and less equipped to cope during times of crisis. The type of work that women tend to engage also means they are more likely to face unemployment during economic crises such as COVID-19.

The concentration of women in insecure employment and casual work, and in low paying industries and occupations, means their jobs are more vulnerable and less likely to have adequate leave provisions. Globally, 740 million women work in the informal economy. In Australia, women are more likely to work casual jobs than men<sup>vi</sup>, often due to accommodation of flexibility to undertake caring responsibilities.

Occupational gender segregation leaves women more likely than men to experience unemployment during COVID-19 based on their overrepresentation in more vulnerable sectors. In many countries, the services sector is seeing large numbers of lay-offs, including in retail, hospitality and tourism, where women are over-represented. <sup>vii</sup> In Australia, women make up 57.7% of the retail industry, and within that 84.2% of the fashion industry, 66.1% of department stores staff and 71.3% of furnishing and homewares industry. <sup>viii</sup>

In Australia, the Health Care and Social Assistance industry has the highest proportion of women in their workforce (78.2%) and a gender pay gap of 22.3%. <sup>ix</sup> This is also reflected globally, with women representing 70% of the health and social sector, and an average gender pay gap of around 28%. <sup>x</sup> Research by the World Health Organisation shows that in the global health workforce, men hold the majority of higher-status roles and female health workers are clustered into lower-status and lower-paid roles. <sup>xi</sup>

CEW welcomes the Federal Government's JobKeeper Wage Subsidy, which will help keep more Australians connected to employment during this crisis and assist with recovery.

As Australia rebuilds the economy, we have an opportunity to address income inequality, attribute greater social and economic value to traditionally feminised roles (such as nursing and other healthcare workers who have been vital in supporting the continued function of our nation and economy), and improve women's ongoing financial security in line with priorities in the Australian Government's 2018 Women's Economic Security Statement.

## Summary

The cumulative impact of the gender pay gap, accumulation of superannuation and gender segregation by industry and occupation, results in women being disadvantaged economically. We need interventions and long-term planning to support women's economic security during this crisis and over the longer term.

i Workplace Gender Equality Agency (WGEA) (2019), *Gender Equality Scorecard*, <https://www.wgea.gov.au/sites/default/files/documents/2018-19-Gender-Equality-Scorecard.pdf>

ii WGEA data is based on reporting from non-public sector employers with 100 or more employees. Note the ABS states the national gender pay gap as 13.9% for full-time employees, which includes public sector and smaller organisations.

iii Association of Superannuation Funds of Australia Limited (ASFA) (2019), *Better Retirement Outcomes: A snapshot of account balances in Australia*, Ross Clare, <https://www.superannuation.asn.au/ArticleDocuments/359/1907-Better-Retirement-Outcomes-a-snapshot-of-account-balances-in-Australia.pdf.aspx?Embed=Y>

iv Australian Bureau of Statistics (2019), *Gender Indicators Australia: Economic Security*, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4125.0~Nov%202019~Main%20Features~Economic%20Security~4>

v <https://www.wgea.gov.au/data/fact-sheets/gender-segregation-in-australias-workforce>

vi As above

vii United Nations (2020), *Policy Brief: The Impact of COVID-19 on Women*, [https://www.un.org/sites/un2.un.org/files/policy\\_brief\\_on\\_covid\\_impact\\_on\\_women\\_9\\_apr\\_2020\\_updated.pdf](https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf)

viii WGEA Data Explorer, Retail Trade, Accessed March 2020, <https://data.wgea.gov.au/industries/76>

ix <https://www.wgea.gov.au/data/fact-sheets/australias-gender-pay-gap-statistics>

x World Health Organization (2019), *Gender Equity in the Health Workforce: Analysis of 104 countries*, <https://apps.who.int/iris/bitstream/handle/10665/311314/WHO-HIS-HWF-Gender-WP1-2019.1-eng.pdf?sequence=1&isAllowed=y>

xi World Health Organization (2019), *Delivered by Women, Led by Men: A gender equity analysis of the global health and social workforce*, [https://www.who.int/hrh/resources/en\\_exec-summm\\_delivered-by-women-led-by-men.pdf?ua=1](https://www.who.int/hrh/resources/en_exec-summm_delivered-by-women-led-by-men.pdf?ua=1)

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