

Economic security for women

Policy position paper

Key Facts

- Women and girls face gender-specific challenges to their economic security.
- To enable the economic security of women, policy and practice responses must recognise both structural and individual elements.
- As at 2012-2013, 62.2 per cent of women were in the workforce, as opposed to 75.3 per cent of men.¹
- Women make up 82 per cent of Australian single parents.²
- In 2016, the gap between men and women in relation to pay was at 23.1 per cent, up from 17.6 per cent in 2013.³
- Women retire with less than half the average superannuation payouts received by men.
- A further 2.8 million women aged over 15 years in Australia are not covered by superannuation at all, compared to 1.6 million men.⁴
- 41.7 percent of women feel uncomfortable thinking about their long-term financial future compared with 37.4 per cent of men.⁵

Economic security for women is about ensuring they and their children have sufficient resources to meet their material needs so that they can live with dignity.

Enabling economic security for women requires access to appropriate and well paid work, adequate social protection, reasonable costs of living, the capacity to absorb financial shocks and the resources to maintain an adequate standard of living over their life course.⁶

Unfortunately, “poverty in Australia has a feminised face.”⁷ Women experience poorer economic outcomes than men and this is consistent throughout their life course. Policy responses need to recognise the gendered nature of economic insecurity as a human rights concern and place the issue clearly on the public policy agenda.

Women, work and superannuation

The gendered pay gap remains a significant issue in Australia. In 2016, the gap between men and women in relation to pay was 23.1 per cent, up from 17.6 per cent in 2013.⁸ There are also other multiple gender divides in the work arena.

Women participate in paid employment at a lower rate than men⁹ and are also more likely than men to undertake unpaid care work for children or relatives. Of the 56.4 hours a week a woman works on average, nearly 65 per cent is unpaid (caring work or household chores). For men, 64 per cent of their weekly work time is paid, with only 36 per cent spent in unpaid work.¹⁰ Further, nearly 70 per cent of part-time workers in Australia are women.¹¹ Women are also much more likely to be in insecure and precarious employment.

The combination of the gendered nature of care, women's lower rates of paid work and the gender pay gap means on average, women retire with less than half the average superannuation of men. A further 2.8 million women aged over 15 years in Australia are not covered by superannuation at all, compared to 1.6 million men.¹²

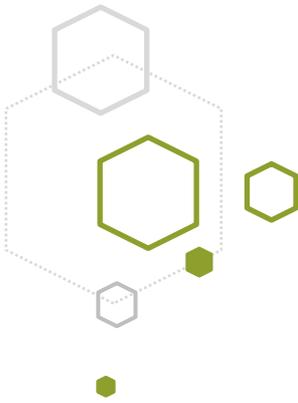
Gender inequities in employment, pay and working conditions continue to disadvantage Australian women and threaten their economic security.

The impacts of women's economic insecurity

Precarious employment contributes to poor physical and mental health outcomes for women through overwork (created by the combination of paid and unpaid work), conflicting commitments between work and family life, a lack of work-related autonomy and the stressors that come from the reduced pay of part-time work.

Women's economic insecurity also negatively impacts on women's overall financial confidence - 41.7 percent of women feel uncomfortable thinking about their long-term financial future compared with 37.4 per cent of men.¹³

There is also a link between women's economic insecurity and family violence. Lack of money is an often cited reason women stay in, or return to, violent relationships. They are often faced with the 'choice' of violence or poverty.¹⁴



Addressing structural inequities

Regulatory and legislative frameworks must support equitable outcomes for women and girls, and ensure their rights are protected. Certain regulatory frameworks in banking, essential services and credit can impede women's financial security: for example, financial regulations do not prescribe a capacity to sever debt when that debt has occurred as a result of family violence. This means that women can inherit debt from a relationship and/or through economic abuse, increasing their risk of economic insecurity.

The child support system places the burden of non-payment of child support on women caring for their children. This is a gap that needs to be remedied.

Income support payments must be set at a level adequate for women and children to meet their material needs, and the conditionality of welfare must allow for the specific challenges sole supporting mothers face in finding and retaining paid work. The existing government requirement that sole supporting mothers receiving income support participate in paid work when their youngest child is eight years of age is impractical and unworkable.

Addressing the gender pay gap is imperative. Government and employers should continue to set and monitor targets to reach this aim. Workplace policies, culture and conditions must encourage women's participation in paid work. Employment standards must recognise the gendered nature of care, and this includes paid superannuation for employees on parental leave.

A holistic approach

While it is important to build women's individual skills and knowledge, in the absence of appropriate regulatory frameworks, better economic conditions and changing social norms, women will continue to experience poorer economic outcomes than men. The only way to improve the financial capability of women is to address both individual and structural barriers.

References

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⁹ ABS (2012) *Op. Cit.*

¹⁰ Workplace Gender Equality Agency (n.d) Unpaid care work and the labour market: Insight Paper. Accessed 10 February 2017 at <https://www.wgea.gov.au/sites/default/files/australian-unpaid-care-work-and-the-labour-market.pdf>

¹¹ *Ibid.*

¹² Australian Human Rights Commission (2009) *Op. Cit.*

¹³ Financial Literacy Australia (2008) *Op. Cit.*

¹⁴ Corrie, T (2016) *Op. Cit.*

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