



BUSINESS SCHOOL

Retirement Policy and Research Centre

A picture of gender inequality in Australia and the UK

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Australian XX Chromosome Cost:





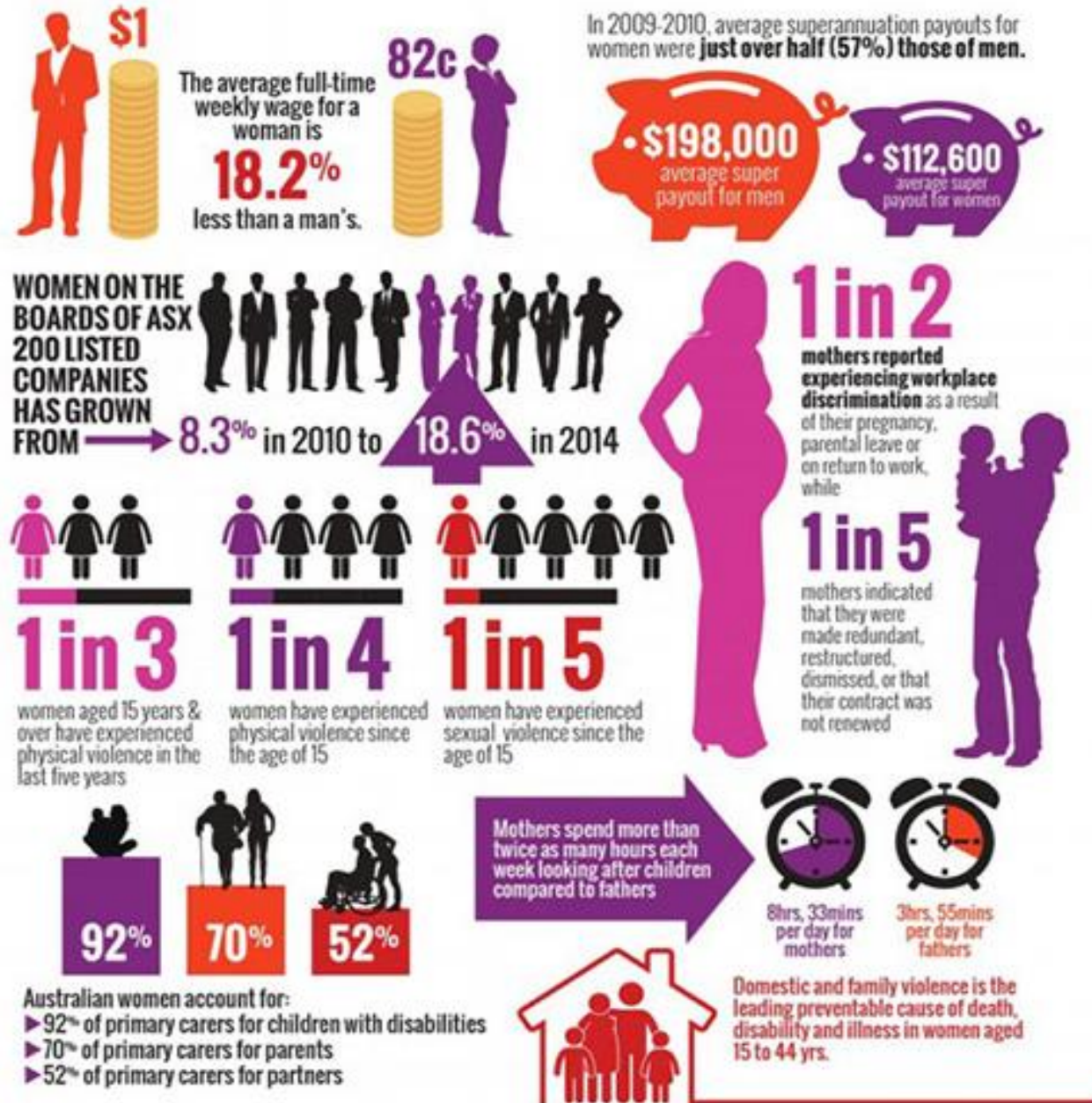
Australian
Human Rights
Commission

Some facts and statistics

- 1984 [Sex Discrimination Act](#)
- Women comprise roughly 46% of all employees in Australia, but full time workers take home on average \$283.20 less than men each week.
- The national gender “pay gap” is 18.2% and it has remained stuck between 15% and 18% for the past two decades.
- Women account for 92% of primary carers for children with disabilities, 70% of primary carers for parents and 52% of primary carers for partners.
- On a global index of gender equality, Australia fell from 15th in 2006 to 24th in 2013.

Positive developments:

Gender Equality



Barriers to gender equality

- Women are over-represented as part-time workers in low-paid industries and in insecure or casual work:
 - 69% of all part-timers, 36% of all full-timers, and 55% of all casuals.
- Women are underrepresented in private & public sector leadership roles.
- *More than smoking or obesity, domestic and family violence is the leading preventable cause of death, disability and illness in women aged 15 to 44 years.*

Australian retirement system



Primarily of 2 parts:

- the means-tested Age Pension, and
 - the compulsory workplace saving scheme, the Superannuation Guarantee.
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- The hopefully mortgage-free family home should be described as a third part of that mix.

Home ownership

- Between 75% and 80% of couples with or without children own their own home;
- 62% of single women without children own their own home vs 52% of single men without children;
- 36% of single mothers achieve home ownership vs 44% of single fathers;
- BUT just 2.5% of single mothers own homes in the most expensive quintile (7.1% of 36%), compared to 10.4% of single fathers; and
- the average single man has 23% more asset wealth than the average single woman.



Australian Age Pension (means-tested, fortnightly amount shown)

Pension rates per fortnight	Single	Couple each	Couple combined	Couple each separated due to ill health
Maximum basic rate	\$794.80	\$599.10	\$1,198.20	\$794.80
Maximum Pension Supplement	\$65.00	\$49.00	\$98.00	\$65.00
Energy Supplement	\$14.10	\$10.60	\$21.20	\$14.10
TOTAL	\$873.90	\$658.70	\$1,317.40	\$873.90

For comparison – New Zealand Superannuation rates

Category		Weekly rate		Fortnightly payment (net)
		Gross	Net	
Single, living alone		\$443.43	\$384.76	\$769.52
Single, sharing accommodation		\$407.53	\$355.16	\$710.32
Married person or partner in a civil union or de facto relationship		\$335.74	\$295.97	\$591.94
Married or in a civil union or de facto relationship, both qualify	Total	\$671.48	\$591.94	\$1,183.88
	Each	\$335.74	\$295.97	\$591.94

Superannuation Guarantee

compulsory workplace scheme

- 2009-10, **average** Superannuation Guarantee payouts for women \$112,600 were 57% those of men \$198,000
- 2013/2014 **average** Superannuation Guarantee payouts for women were \$138,150, 47% of men's \$292,500
- 2015, **median** balances were \$100,000 for men and only \$28,000 for women
- As the years pass, the % gap is slowly narrowing, but the \$ gap grows.....

Year Starting	SG Rate (%)
1 July 2013	9.25%
1 July 2014	9.5%
1 July 2015	10%
1 July 2016	10.5%
1 July 2017	11%
1 July 2018	11.5%
1 July 2019	12%

Women's economic insecurity in retirement

- Australian women experience higher rates of poverty than men at age 65+ (28.9% vs 24.6%)
- Women are more reliant on the age pension as their primary source of income
- Average woman runs out of capital at age 86
- 2015: older women are the fastest growing group of homeless Australians

United Kingdom XX Chromosome Cost

Theresa May is U.K. Prime Minister, July 2016





- **2010 Equality Act**
- Covers equality and the right to be free from discrimination on many grounds, including gender.
- Contains provisions for positive action which may be taken, in respect of some individuals, to redress potential discrimination or inequality of opportunity.

Gender pay gap, April 2015

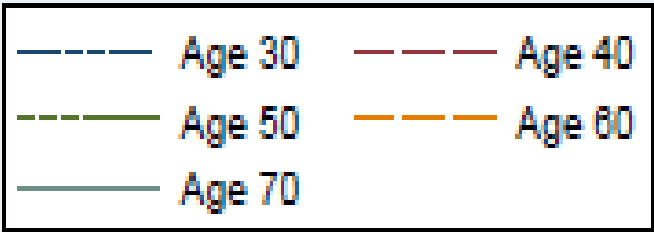
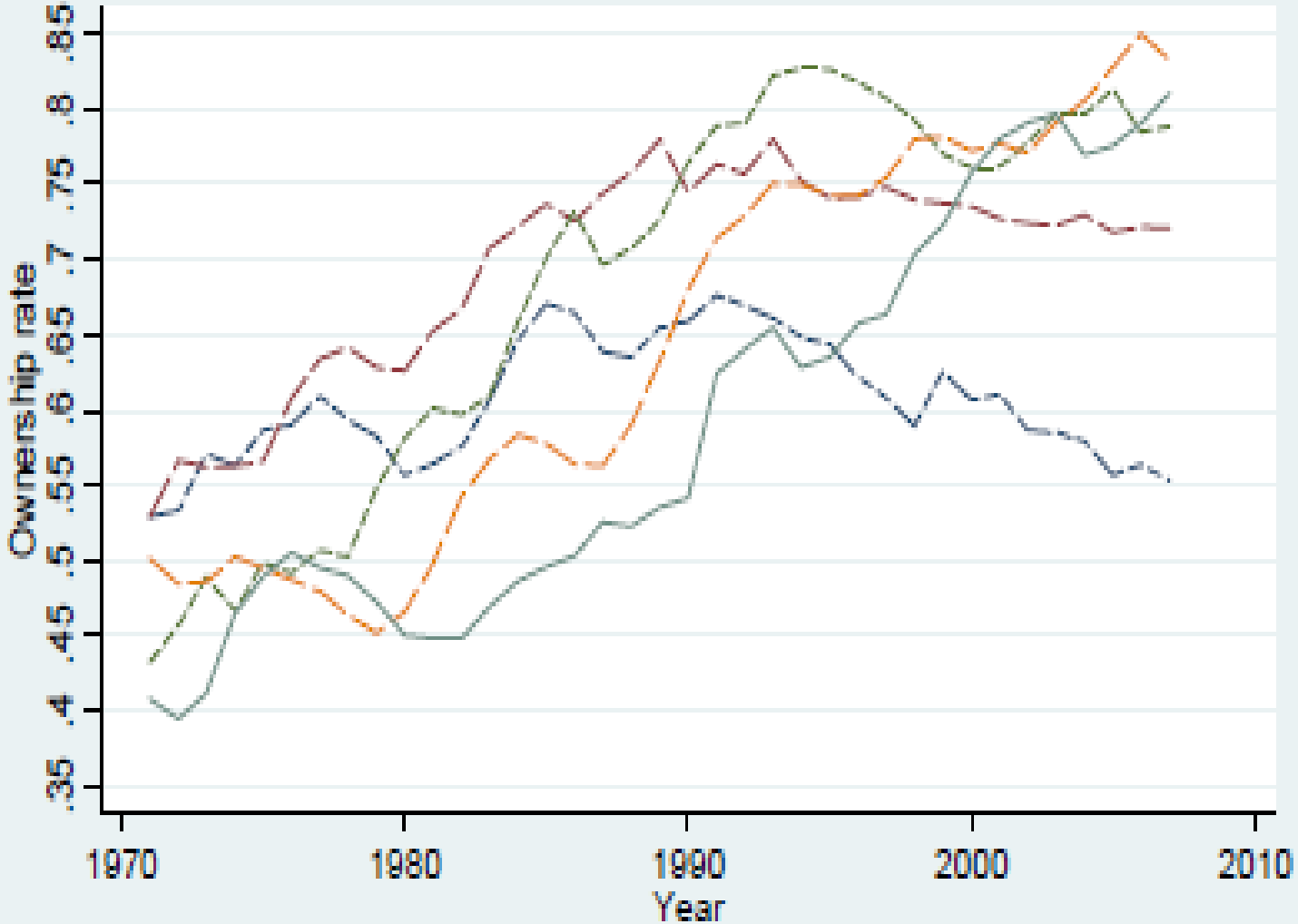
- Gender gap in earnings has remained relatively consistent since 1997 at around £100
- Gender pay gap for full-time employees in the private sector is around 17.5%
- Public sector gender pay gap around 11.0%
- Gap for full-time employees in top decile around 20%.
- By occupation, the gender pay gap ranges from 4.3% for sales and customer service, to 24.6% for skilled trades occupations

Pension system UK

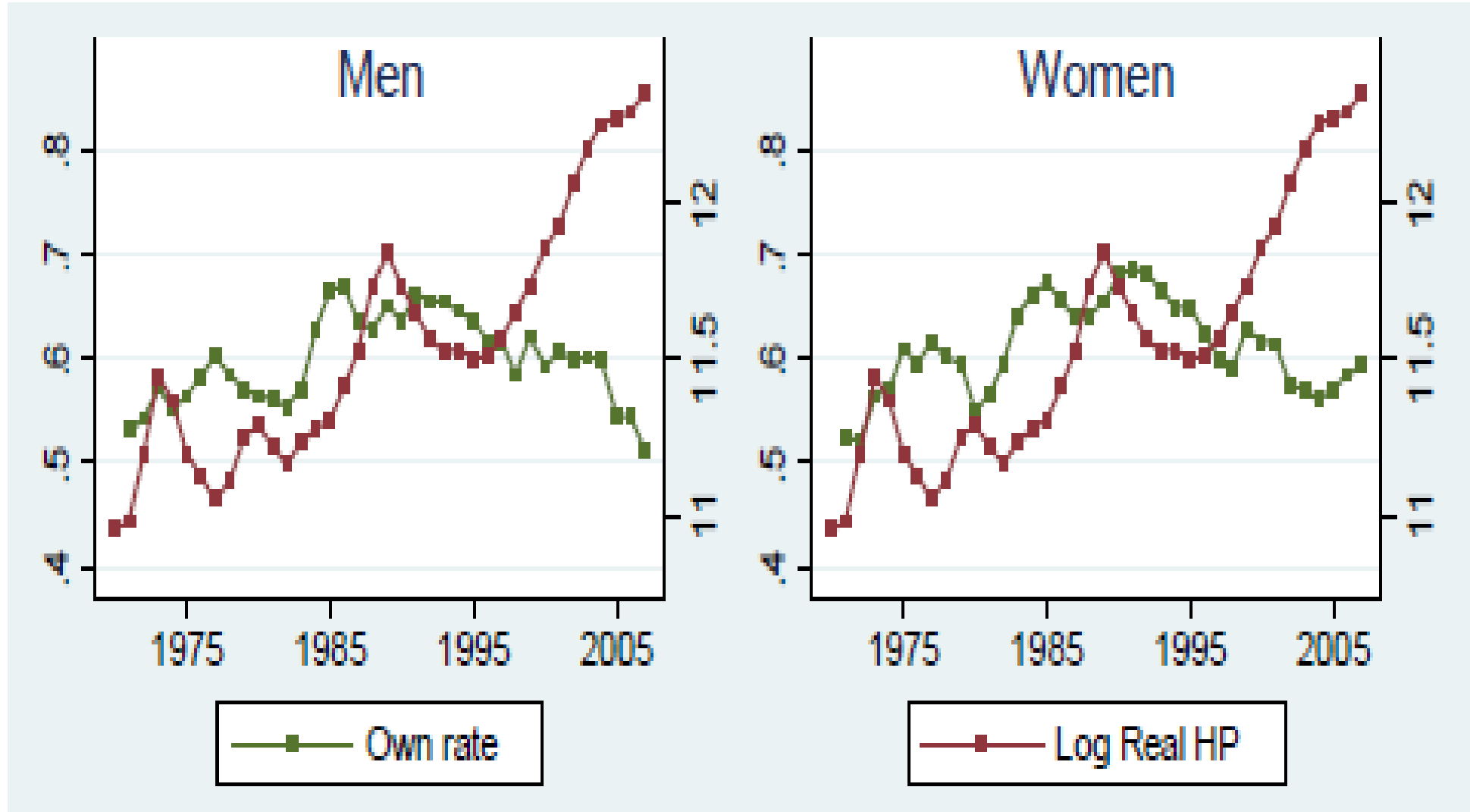
- As in New Zealand and Australia, this is a combination of, informally, home ownership, and formally
- A state Age Pension, and
- A workplace-based retirement savings scheme



Home ownership UK



Home ownership by gender 1971 - 2007



UK State Pension (SP)

- Eligibility for new State Pension: minimum **10 years contribution to National Insurance ie in paid work or some carer roles**, and:
- a man born after 6 April 1951, a woman born on or after 6 April 1953
- State Pension under the [old rules](#) applies for those reaching State Pension age before 6 April 2016
- **The full new State Pension is £155.65 per week.**
- [National Insurance contribution](#) determines \$ amount of SP.
- Need **35 qualifying years to get the full new State Pension.**
- Might have to [pay tax on State Pension](#).
- By 2020 SP age men and women: 66 years

UK Workplace Pension

A new law means every employer must automatically enrol workers into a workplace pension scheme if they:

- are aged between 22 and State Pension age
 - earn more than £10,000 a year
 - work in the UK
- The employer **may** add money into the pension scheme, and you get [tax relief](#) from the government.
- Access to pension pot depends on pension scheme's rules - it's usually [55 at the earliest](#).
- When collecting pension pot, 25% is tax free but rest is taxed.

The UK Pensions Gap 2014

- Women save around 40% less into their pensions pots than men
- In the EU, the poverty rate among elderly women is 37% higher than among men.





World Economic Forum (WEF) Global gender gap report update 2015

https://www.youtube.com/watch?v=jUi4eiD_Fuc

Thankyou

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