

**The high-cost chromosome - XX retirement: lower
pay, less savings, longer lives**

Implications of discriminatory policies for women:

**‘The within gender gap’
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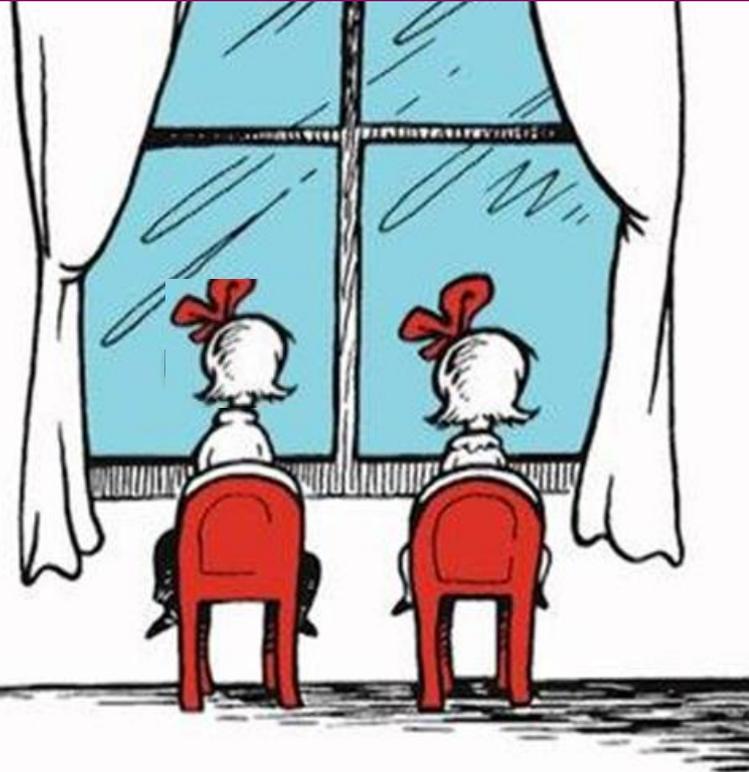
The high-cost chromosome - XX retirement: lower pay, less savings, longer lives

XX retirement:
er lives



The University of Auckland Business School | Retirement Policy and Research Centre forum | Centre for Applied Research in Economics (CARE)

And we did not like *it*.
Not one little bit.



Apologies to Dr Suess

- Marriage-like relationships *can* ensure economic security.



- Marriage-like relationships *can* ensure economic security.
- Widowhood can be good for a woman's wealth
- Divorce is usually adverse (esp if kids involved)

*Happiness in
marriage is
entirely a
matter of
chance.
Jane Austen*



“Alicia is unfortunately married (for money, naturally) to the gouty and morally upright Mr Johnson, a man who is too old to be agreeable, and too young to die”.

The things I wish my mother had
told me...

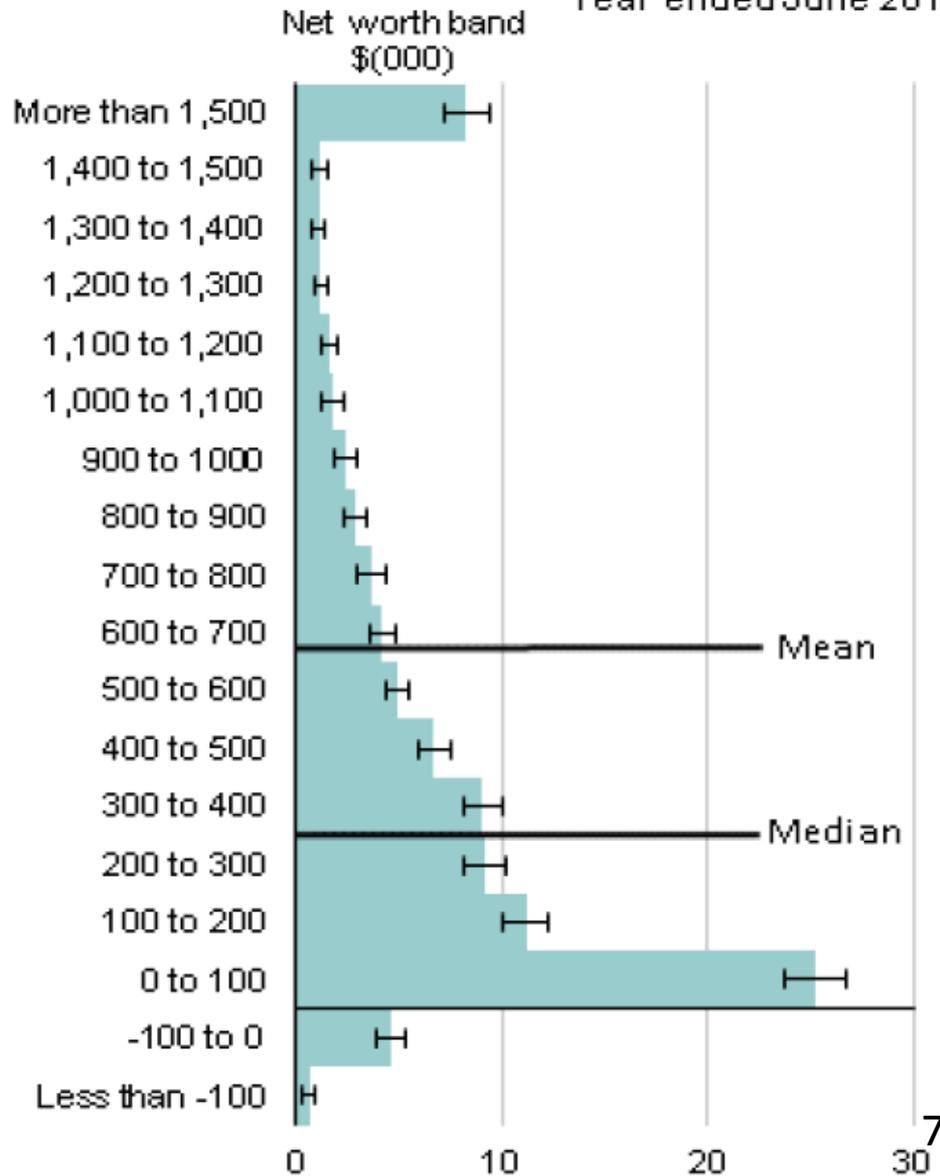
What do women really *really* want



'Women want the power to decide for themselves' Gloria Steinem
6

Distribution of net worth

By net worth bands
Year ended June 2015



Very little gender analysis in NZ

- **Household Net Worth Statistics: Yr June 2015**

characteristics		Median \$	Mean \$
Household	Couple only	489,000	989,000
	Couple 2+ kids	258,000	617,000
	One-person	229,000	408,000
	Sole parent+kids	26,000	164,000
Tenure	Family trust	657,000	1,445,000

Very little gender analysis in NZ

- **Individual Net Worth Statistics: Yr June 2015**

characteristics		Median \$	Mean \$
Sex	Male	88,000	332,000
	Female	86,000	264,000
Age	55-64	278,000	555,000
	65+	288,000	534,000

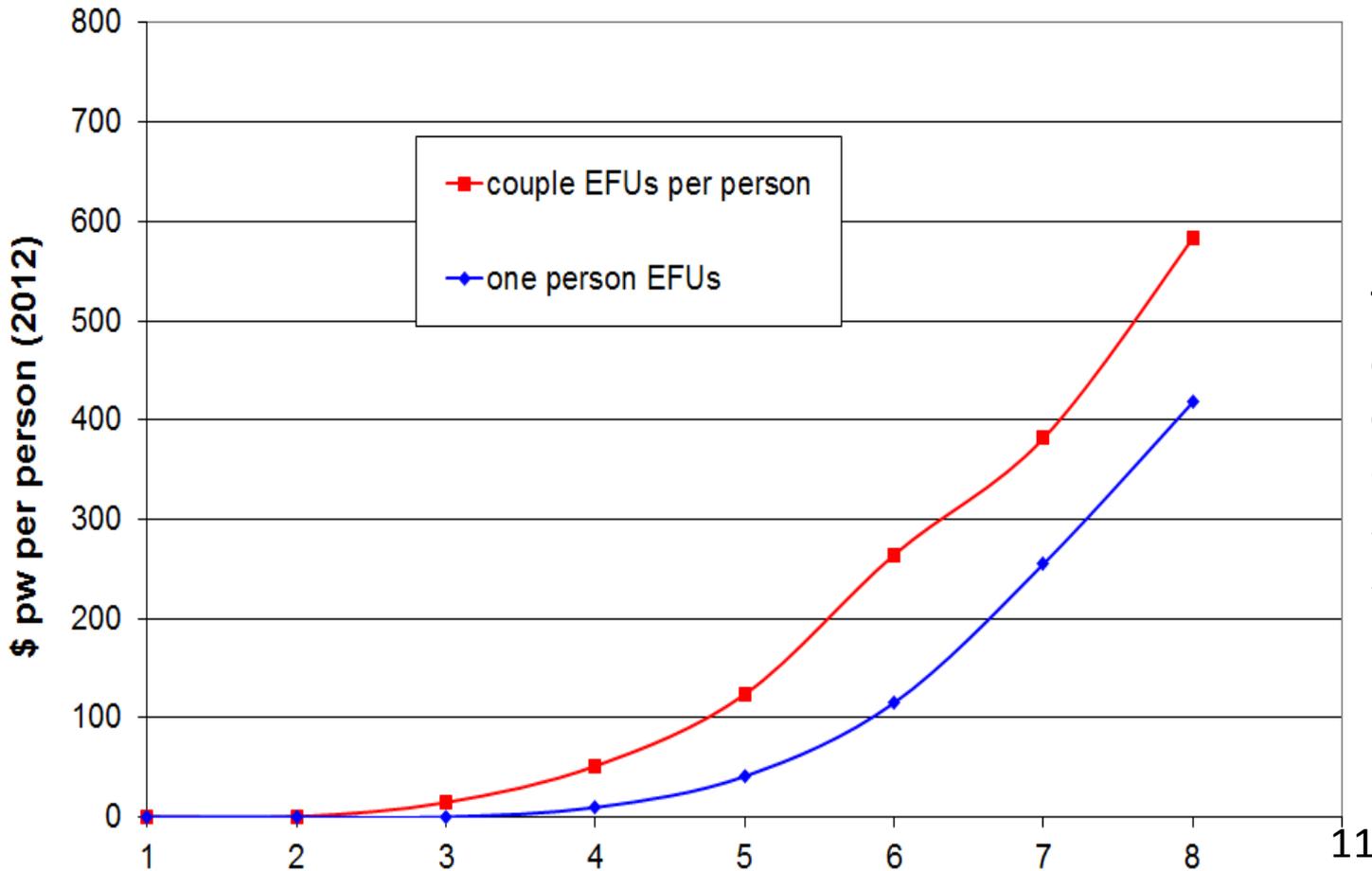


**“Here’s our new retirement plan —
At age 65, we’ll get divorced then marry
other people who planned better.”**

Individuals in a couples do better for non NZS income

Figure I.11

Income from non-government sources for one person and couple EFUs (66+): weekly amounts per person, decile upper boundaries, deciles 1-8, HES 2012



The top two deciles are omitted to enable a sensible vertical scale to be used

How many women are income poor?

Whole pop	HES 2014	
	Total	“Poor”
Female	1.81m	280,000
Male	1.72m	240,000
TOTAL (15+)	3.53m	520,000

About 55,000 of those over 65 are “poor”

“There is very little difference in poverty rates for females and males” MSD 2015

New Zealand Superannuation the great equaliser of incomes at 65

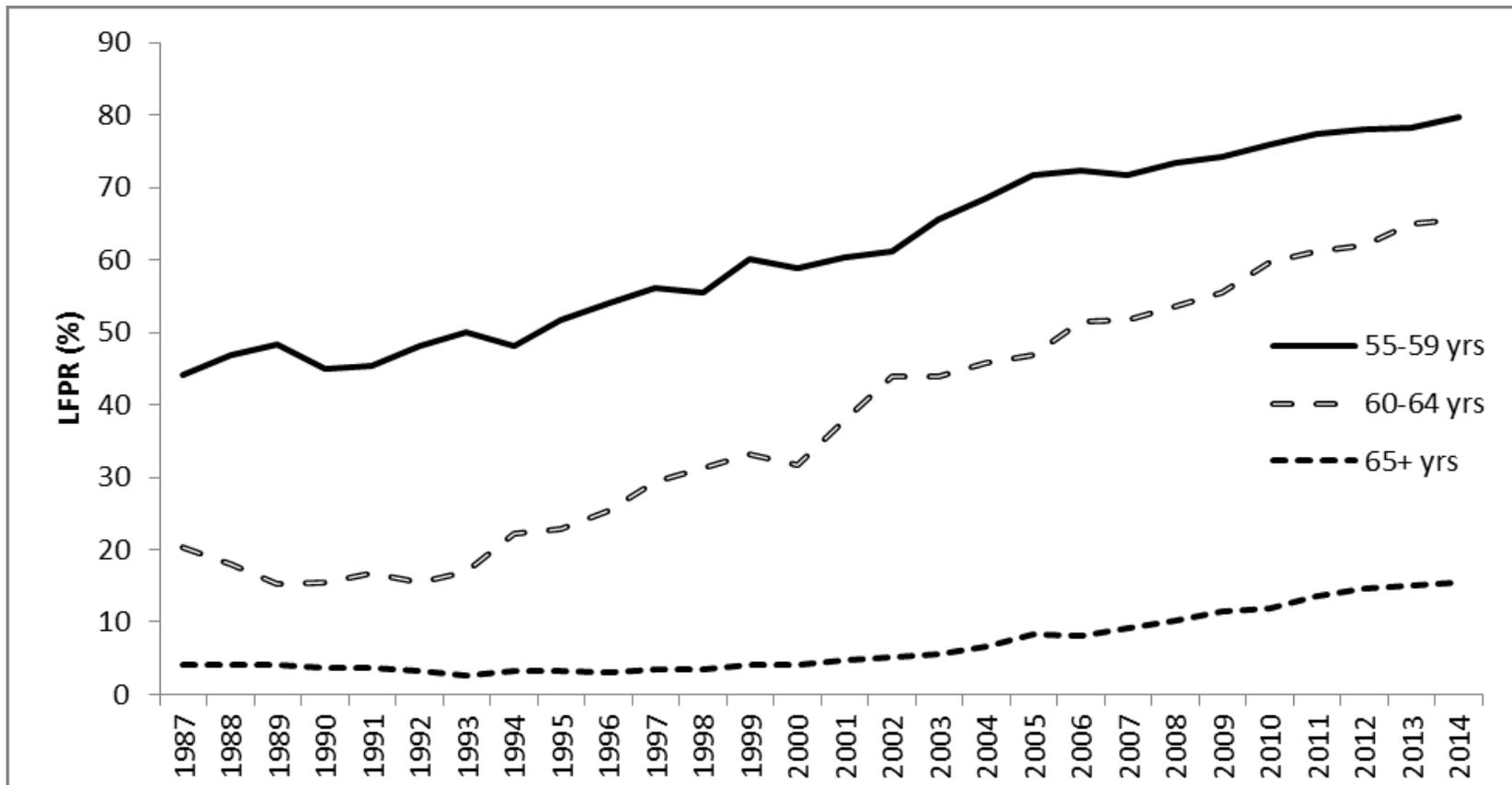
Pension type	Net weekly rate (after tax at "M")	Gross annual
Single, living alone	\$385	\$23,036
Single, sharing	\$355	\$21,164
Married, civil union, or de facto couple, both qualify (each)	\$296	\$17,472



No disincentive to earn

- Prototype of a basic income
- High and growing labour force participation of 65+

Labour force participation for older female workers from 1987 – 2014
(Statistics New Zealand, Household Labour Force Survey)



Equalisers of the 'within gender gap'

What is good for all women is

- NZS
- progressive tax,
- flexible work
- individual entitlement
- Sharing of roles

Wideners of the 'within gender' gap

- The 'within gender' gap is worsened with punitive welfare
- And, when social provisions are tied to paid work-- eg
 - Student debt repayment
 - KiwiSaver employer subsidy
 - Paid parental leave
 - Working for families

Relationship traps



Kathryn's story

Policy forces sole parents and single women to declare relationships so they can be paid less.

The complexities of relationship in the welfare system and the consequences for children (Dec 2014)

Hidden bias #1 KiwiSaver:

Better than (fairer than) many other countries' systems, but it's still tied to paid work

-employer's contribution -lower if your pay is lower (women more often in part-time, low-paid jobs).

The member tax credit is not paid to women at home unless they make minimum voluntary contributions.

Hidden bias # 2 Paid parental leave

New baby support is tied to paid work.

PPL is higher for high paid women

Parents get the full Working For Families only if they are working sufficient hours and not on benefits..

State funded Paid parental leave is a bonus for middle /high income households

