

Women and Financial Security

Introduction

Economic participation and financial security are two important factors that influence women's health and wellbeing. For a range of reasons, women have fewer opportunities than men when it comes to paid work or other forms of income¹. As a result, women also find themselves less financially secure than men.

The economic participation and financial security of women is not determined by sex differences, but rather gender.

Gender Influences

In Australia, men's work is often more valued than women's work. Despite changes in women's work status in the last few decades, women continue to carry the bulk of duties attached to the role of primary carer of families and households². This limits women's capacity to participate in paid employment.

While the rate of women participating in the paid labour force increased from 42% in 1968 to 59% in 1998, this trend reflects increases in part-time rather than full-time employment³. In Victoria, women currently comprise around 33% of people employed full-time and 71% of people employed part-time⁴.

Women are still paid less than men for jobs of comparable worth. Reasons include a labour market that concentrates women in occupations and/or industries which limit their access to higher pay, over-award payments, and bonuses⁵.

Women do not receive recognition of the unpaid work undertaken daily within families and homes, the assumption being that this is 'free' or not real work.

Limited economic participation means significant income differences between women and men. In 2006:

- Women earn less in relation to men than a decade ago. Since 1996, the gap between women's and men's average weekly earnings has increased from \$229.10 to \$311.80⁶.
- In Victoria, women's average weekly earnings are 18.9% lower than that of Victorian men⁶.
- Women have less than half the superannuation savings of men⁶.

Lower incomes throughout life mean women are vulnerable to:

- financial dependency on higher earning partners or other income sources (benefits and pensions)⁷
- relative poverty, especially in the later years of life
- food and housing insecurity
- homelessness.

Implications for the Future

Economic participation and financial security are key issues for women's health and wellbeing. Enhancing the economic participation of women – an under-utilised part of the paid labour market – makes good public policy sense, not to mention good health sense. Issues worth considering in health policy and planning include:

- Addressing barriers to economic participation/career progression e.g. lack of work/family balance, affordable and accessible childcare, and paid maternity leave.
- Removing pay differences for jobs of comparable worth.
- Improving financial knowledge amongst disadvantaged groups of women.

- Addressing the realities for women entering their older years with limited superannuation, as superannuation is increasingly viewed as the dominant income source.

¹ Doughney J, Macdonald F, Pyke J, Lyon A, Leahy M & Rea J for Security 4 Women (2003) Lifelong Economic Well-being for Women. Summary Paper: What Women Want. Security 4 Women, Fitzroy.

² Australian Bureau of Statistics (2004). Disability, Ageing and Carers, Australia: Summary of Findings, 2003, Cat. 4430.0. Australian Bureau of Statistics, Canberra.

³ Australian Bureau of Statistics (1998) *Australian Social Trends: Trends in Women's Employment*. <http://www.abs.gov.au/ausstats/abs@.nsf/2f762f95845417aeca25706c00834efa/42e23011aaf49548ca2570ec001971c8!OpenDocument> Accessed on 2/06/2006.

⁴ Department for Victorian Communities, Office of Women's Policy (2006) *Facts About Women and Men in Victoria*. [http://www.women.vic.gov.au/web12/rwpgslib.nsf/Graphic+Files/VicWomenFactsJan06/\\$file/VicWomenFactsJan06.pdf](http://www.women.vic.gov.au/web12/rwpgslib.nsf/Graphic+Files/VicWomenFactsJan06/$file/VicWomenFactsJan06.pdf) Accessed on 2/06/2006.

⁵ Victorian Pay Equity Working Party (2005) Advancing Pay Equity – Their Future Depends on It. http://www.business.vic.gov.au/busvicwr/assets/main/lib60047/85_pay-equity-final-4-3-2005.pdf Accessed on 2/06/2006.

⁶ Women's Health in the North (2005) *Women in Melbourne's North: A Data Book for Program and Service Planning in Health*. Women's Health in the North, Thornbury.

⁷ Jefferson T (2005) Women and Retirement Incomes in Australia: A Review. *The Economic Record* 81(254): 273-291.