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Financy Women's Index©

A DATA DIGGER SCOOP

DECEMBER QUARTER 2017

A joint initiative of Financy & Data Digger, supported by OneVue

Financy Women's Index©
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ABOUT THE FINANCY WOMEN'S INDEX©

Why question whether progress is happening for women, when you can measure and track it

The Financy Women's Index powered by Data Digger is the country's first and only Index which tracks and benchmarks the economic progress of Australian women on a quarterly basis.

The Index is now celebrating its first birthday after it was first launched on International Women's Day in March 2017.

The Index differs from other economic measures, such as official wages and jobs data, because it focuses on women. Whereas most of the headline data reported in the media reflects an average for the Australian population but these figures are skewed towards male outcomes as a result of there being more men in the workforce.

Because of this difference we believe there is a need to drill down and focus on the trends and behaviors of women as a means to help better inform business, policy makers and individuals on the areas where female economic progress is being made and where the weakness is.

To come up with the quarterly progress score, the Index aggregates five years of gender specific data from Australia's major statistical agencies across six key indicators as well as over 700 company reports.

The Index is designed to highlight trends among working women; from the courses they study once they leave high school, to what industries they work in, their earnings and savings in superannuation, through to those occupying top company board positions.

The Index is a joint initiative of women's money publication Financy and data company Data Digger.

The Index also helps to cut through much of the noise reported around gender equality and pay gaps in the domestic economy.

The Index is based on monthly, quarterly, biannually, and two-yearly data and methodology from the Australian Bureau of Statistics (ABS), the Australian Securities Exchange (ASX), the Australian Tax Office (ATO) and the Australian Government Department of Education and Training.

Just like key economic indicators there are times when data is unavailable so we carry forward measures and make revisions when the latest data becomes available.

The Financy Women's Index is made possible with the support of fintech company OneVue.

Strength in numbers ONEVUE

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KEY RESULTS

Released at 6am Wednesday, March 7, 2018

Key findings

- The Financy Women's Index rose 0.8 percentage points to 111.7 points in the December quarter 2017, compared to 110.9 points in the September quarter 2017

- Despite this, the annual pace of female economic progress slowed by 3.4 percentage points in 2017

- A record number of women working full time and participating in the workforce drove the Index higher

- Little change in female representation on ASX Top 20 boards

- The gender gap in superannuation savings and full time wages also narrowed slightly

- More women undertaking tertiary studies linked to higher paying industries, although there remains a large group who are still pursuing more traditional paths.

For the first time since its inception, the Financy Women's Index for the December quarter shows a strong correlation and growing trend between women choosing educational courses linked to higher paying industries.

This in turn appears to be helping to narrow the wage disparity in higher paying and mostly male dominated sectors of the economy. Furthermore improving employment outcomes are being borne out in a narrowing of the superannuation savings gender gap.

KEY RESULTS

The Financy Women's Index Index powered by Data Digger improved 0.8 percentage points to 111.7 points in the three months to December 31, compared to a revised 0.2 percentage point gain in the September quarter.

The December quarter result was largely driven by a record number of women in the paid workforce, and a slight narrowing of the gender gaps in wages and superannuation savings.

Superannuation balances of women are now at fresh highs, but continue to lag men by an average of 27% in retirement savings.

The gender pay gap fell marginally to 15.27% in the December quarter with the narrowing trend suggesting it could yet to fall below the 15.2% record previously set in 2004.

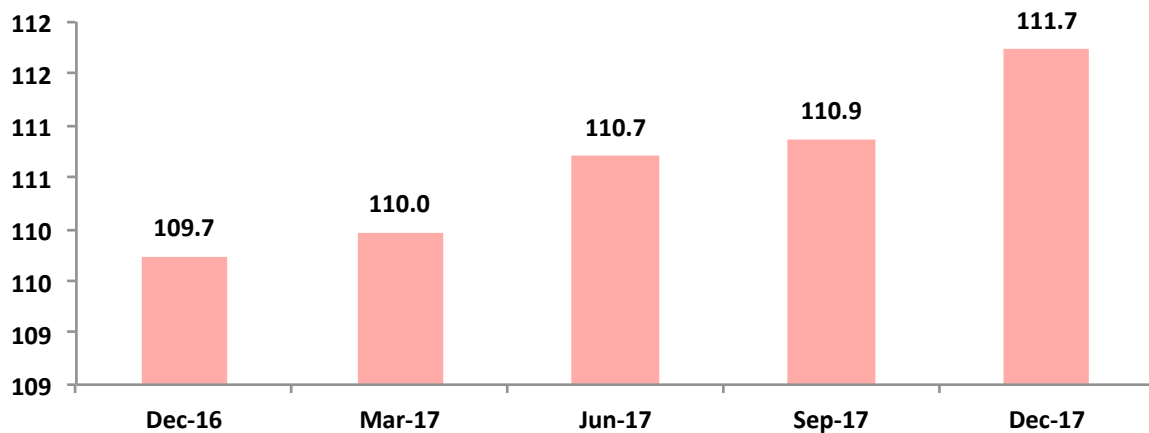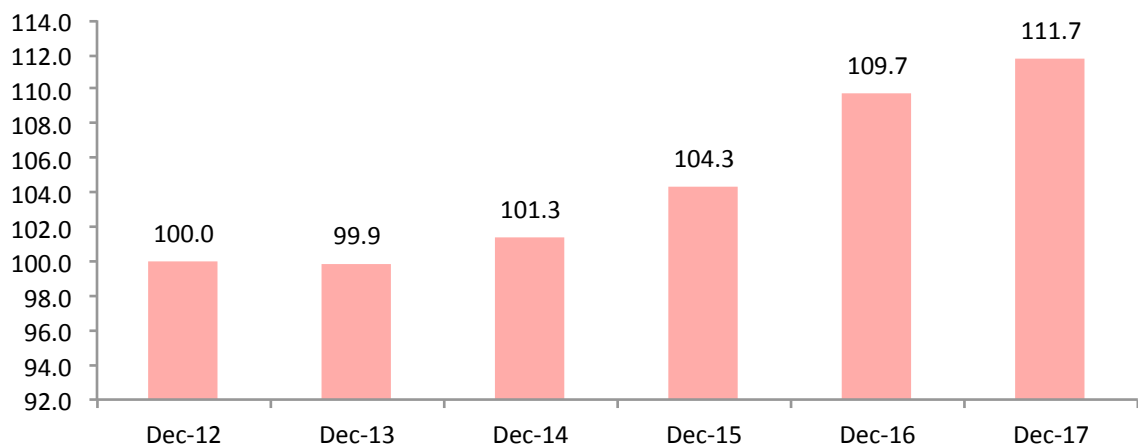**CHART 1: Financy Women's Index quarterly**

Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
109.7	110.0	110.7	110.9	111.7

CHART 2: Financy Women's Index year-on-year

Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17
100.0	99.9	101.3	104.3	109.7	111.7

Source: Financy, Mar. 2018

Note: The Financy women's index tracks progress of economic indicators affecting women on a quarterly basis from Dec. 2016. Previously, yearly targets have been used to expand the Index out to 2012. Revisions to the Financy Women's Index are often made based on official revisions that underpin the report.

KEY RESULTS

Women are enrolling at a faster pace in tertiary studies than men, and particularly so when it comes to courses that align with higher paying careers such as information technology (IT) and engineering.

But the annual pace of female economic progress has slowed as the country's biggest listed companies did not improve on the number of females represented on boards beyond a key 30% target.

The Financy Women's Index rose 2 percentage points in the 12 months to the December quarter 2017, compared to a 5 percentage point rise in the year to December 2016, and a 3 percentage points improvement in the year to December 2015.

TABLE 1: Financy Women's Index Breakdown

Quarter	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Financy Women's Index	**109.7**	**110.0**	**110.7**	**110.9**	**111.7**
Female & Male Average Salary Disparity	101.8	101.8	102.8	102.8	102.8
Employment - Full Time Work	105.4	106.6	107.9	108.3	111.0
Employment - Participation Rate	101.1	101.6	102.2	102.4	103.4
Education - Tertiary Index*	115.0	n/a	n/a	n/a	n/a
Asx Top 20 Board Representation Index	129.4	130.1	130.1	128.4	130.5
Superannuation**	104.3	n/a	n/a	n/a	n/a

Note:

* Tertiary education statistics observes the most recent data available, which according to education.gov.au is Dec. 2016.

** The Australian Bureau of Statistics provide average superannuation balances by gender every two years, including for the most recent reporting period of 2014/15. These balances also include self-managed super funds.

WOMEN ON TOP BOARDS

There's been little change in the number of women represented on the boards of the top 20 companies listed on the Australian Securities Exchange (ASX).

The Index found that female board members occupy 30.9% of positions in the top 20 companies, which has been relatively stable for the past two years.

Despite some board members retiring, companies like Westpac ensured that outgoing female members were at least replaced with new female members. This was seen when Elizabeth Bryan retired and was replaced by Nerida Caesar last year.

There are 60 women holding positions in ASX top 20 boards, while men hold 134 board positions. This includes the March appointment of former New Zealand Prime Minister John Key to the board of ANZ.

December 2015 remains a watershed period for the way corporate Australia reacted to the need for improvement in the number of women on boards.

At that time female board representation rose from 24.7% in 2015 to 31% as reported in the inaugural Financy Women's Index released March 2017.

Of the top 20 listed ASX businesses examined for this report, 13 companies have already met a key 30% female board member target set by the Australian Institute of Company Directors (AICD) by the end of this year.

Among the companies, which have exceeded the 30% target, are Telstra (45%), Woolworths (44%) and AMP (40%), which have four or more directors on their respective boards.

Outside of the top 20 listed companies, women remain under represented in the top 200 ASX listed companies.

Indeed the pool of women coming through in senior positions also needs greater focus with the latest data from the Organisation for Economic Co-operation and Development (OECD), showing that only 36.2%* of women hold managerial positions in Australia.

CHART 3: The percentage of women on boards
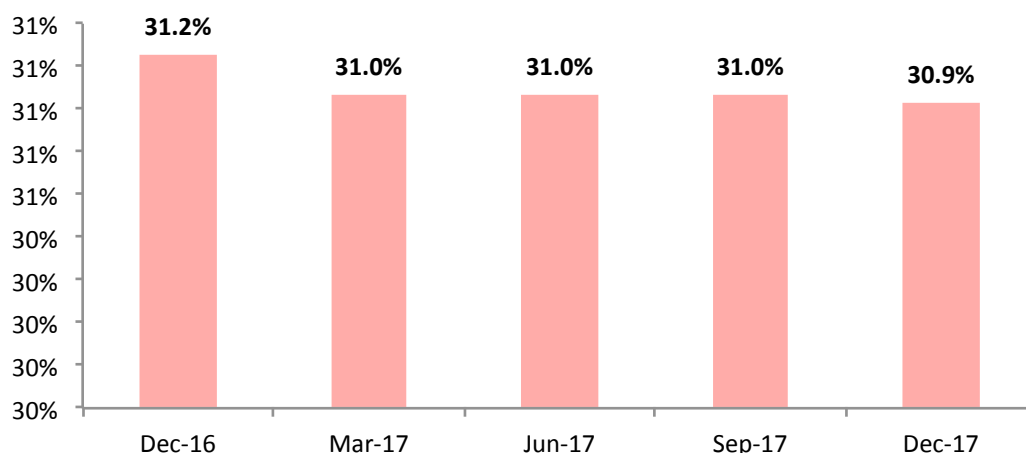
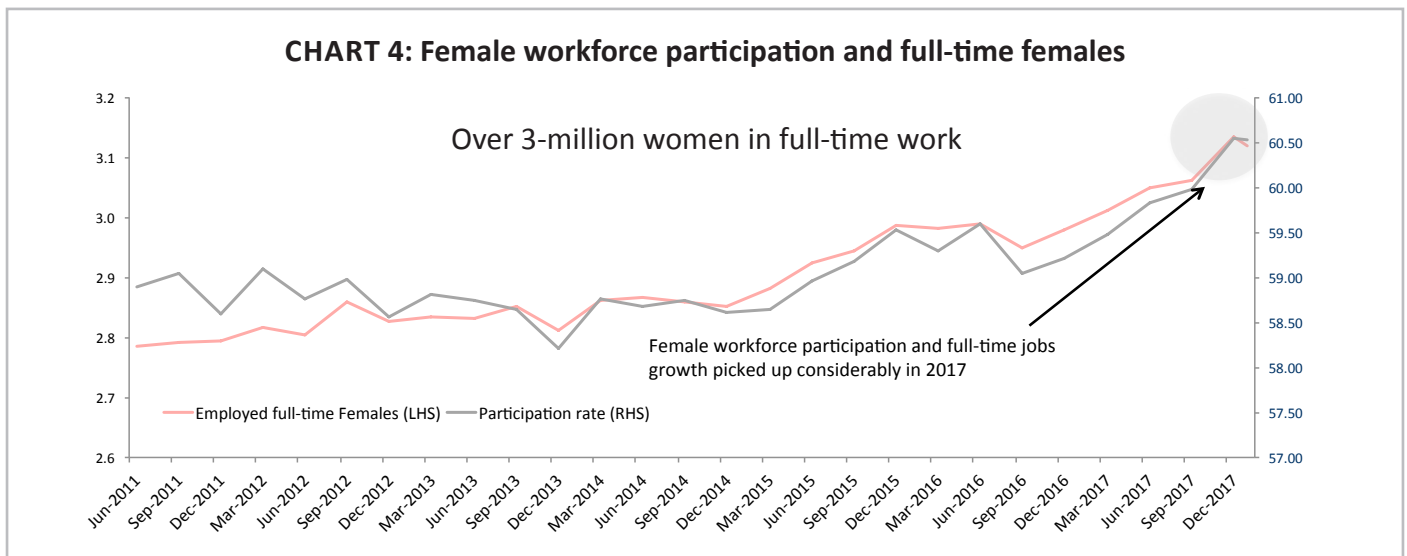*Source: Company data, Financy and Data Digger, Mar. 2018*
Note: OECD data source: (https://www.oecd.org/australia/Gender2017-AUS-en.pdf).
Board appointment data extends beyond the December quarter for this Index to reflect the current snapshot of available information.

WOMEN IN WORKFORCE

CHART 4: Female workforce participation and full-time females

Over 3-million women in full-time work

Female workforce participation and full-time jobs growth picked up considerably in 2017

Employed full-time Females (LHS) — Participation rate (RHS)

Source: ABS, Financy, Data Digger, Nov. 2017

There is a record 3.138 million women employed in full-time jobs, which has led to another record being broken in the overall participation rate of females in the workforce.

The pace of growth among women in the paid workforce is outpacing that of men with the female participation rate at 60.5% in December 2017 versus 60% in September 2017.

Part-time work remains largely dominated by women with 2.7 million females employed versus 1.2 million males. In the last five years the Australian economy added on 5,200 female part-time workers per month versus 4,500 full-time positions.

Female workforce participation has steadily increased since the late 1970s as women started to forge careers for themselves outside of the traditional Australian household model, which saw men as the main breadwinners.

Cost of living pressures, changing family structures, ambition, available childcare and the pursuit of financial freedom are likely to be among the many factors which have driven more women into the workforce over the decades.

As more women continue occupy new and existing jobs in the workforce, the number of men in jobs has held relatively steady in recent years.

The number of men in full-time work increased slightly to 5.34 million in the year to December from 5.23 million a year earlier.

The total male participation rate stands at 71% for the December period, compared to 70.8 in September 2017.

It was not uncommon to see the male participation rate at 72% during the early 2000s. Indeed in 1978 it stood at 79.5%.

Of the total number of individuals engaged in the Australian workforce, approximately 53% are men compared with 47% who are women as of December 2017.

GENDER PAY GAP

Women are earning about $255 less than men on average across all sectors of the economy with the national gender pay gap improving only slightly to 15.27% in November 2017, from 15.31% in May 2017.

Overall, the gender pay disparity has narrowed to the lowest level it has been since May 2006.

The average woman working full-time is earning $1410 a week, compared to $1665 for a man.

The financial services, professional, scientific and technical sector has the gender pay gap at 26.1% between the sexes despite it employing more females overall.
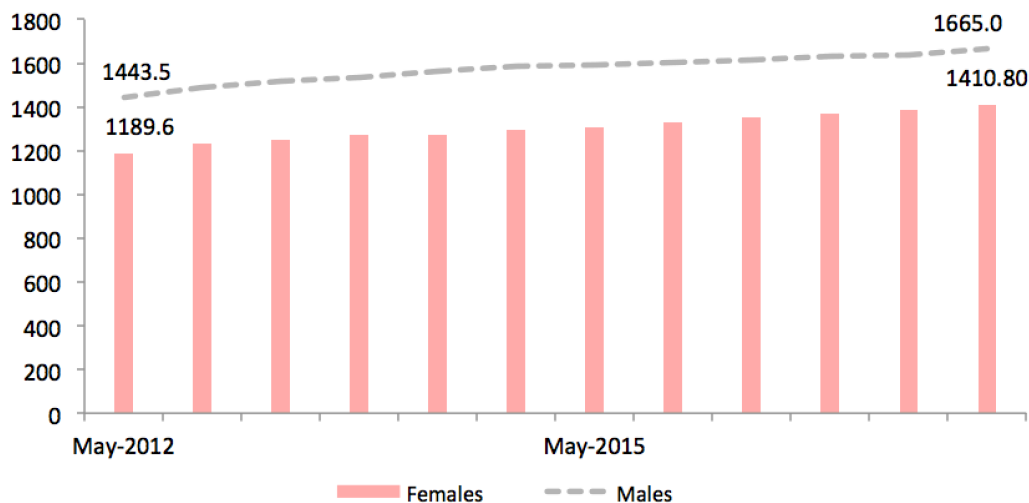
CHART 5: Average full-time weekly earnings

1443.5
1665.0
1189.6
1410.80

May-2012   May-2015

■ Females   - - - Males

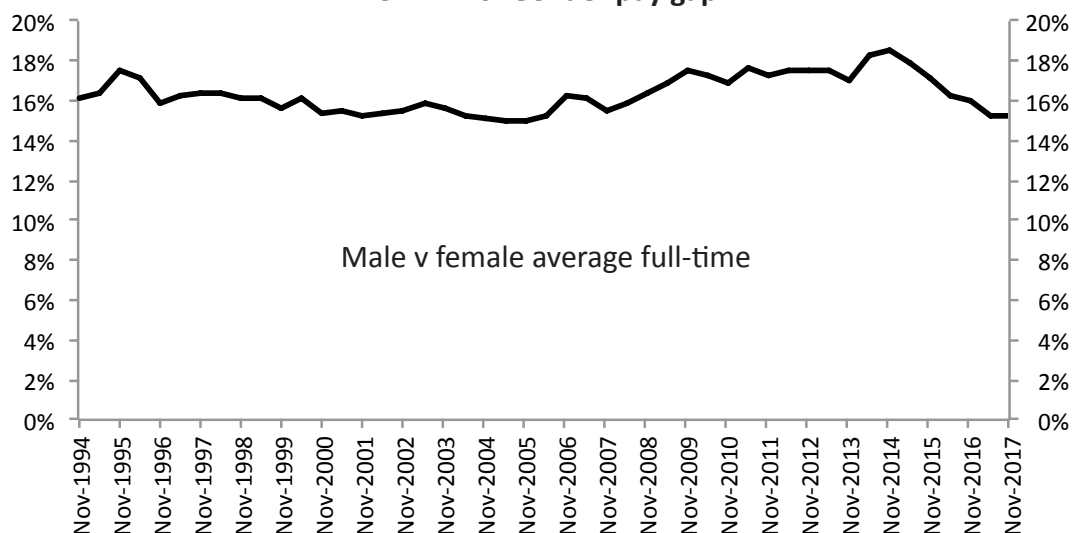**CHART 6: Gender pay gap**

Male v female average full-time

Nov-1994 ... Nov-2017

Source: ABS, Financy, Data Digger, Feb. 2018

Note: Data for the index observes seasonally adjusted data. For the graph listed above original data is used from the ABS (cat. 6302 - tables 10a & 10d). The ABS reports on the wage disparity every six months.

GENDER PAY GAP

In the financial services sector, about 37% of managerial roles are held by women, according to 2014 data obtained by the Workplace Gender Equality Agency (WGEA).

The sector which employs the most women, health care and social assistance, also has the second largest gender pay gap at 22.8%.

The highest paying industry is mining which has a 16% pay gap between men and women, which has narrowed slightly from the 16.6% gap recorded in the June quarter 2017 Financy Women's Index.

The lowest paying sector is accommodation and food services, which has a gender pay gap of 11.6% versus 11.8% in the June quarter. It employs about half a million women.

The gender pay gap has increased in the education and training sector, which is the biggest employer of women. It has risen to 11.7% in the December quarter from 10.9% in the June quarter.

Mining is still the highest paying industry for both men and women. Over the past 20 years the number of women working in mining has quadrupled.

The gender pay gap in the public administration and safety sector is one of the smallest but it has widened to 6.8% in the December quarter from 5.9% in the June quarter.

The public sector continues to attract nearly double the number of women than men to its ranks. Aside from the perception that the public sector is more family friendly for employees, it has consistently had one of the smallest gender pay gaps.

The number of females in the public sector grows on average at 2% per quarter versus 0.4% for men. Indeed, there was also a 5% decline in the number of men working in the public sector last quarter.

The gender pay gap is influenced by many factors including women taking career breaks or working part-time to care for children and loved ones, discrimination, the type of industry and work performed, and a lack of workplace flexibility in senior roles which tend to see many women occupy lower paying and more flexible positions, according to WGEA.

CHART 7: Public sector workers by gender
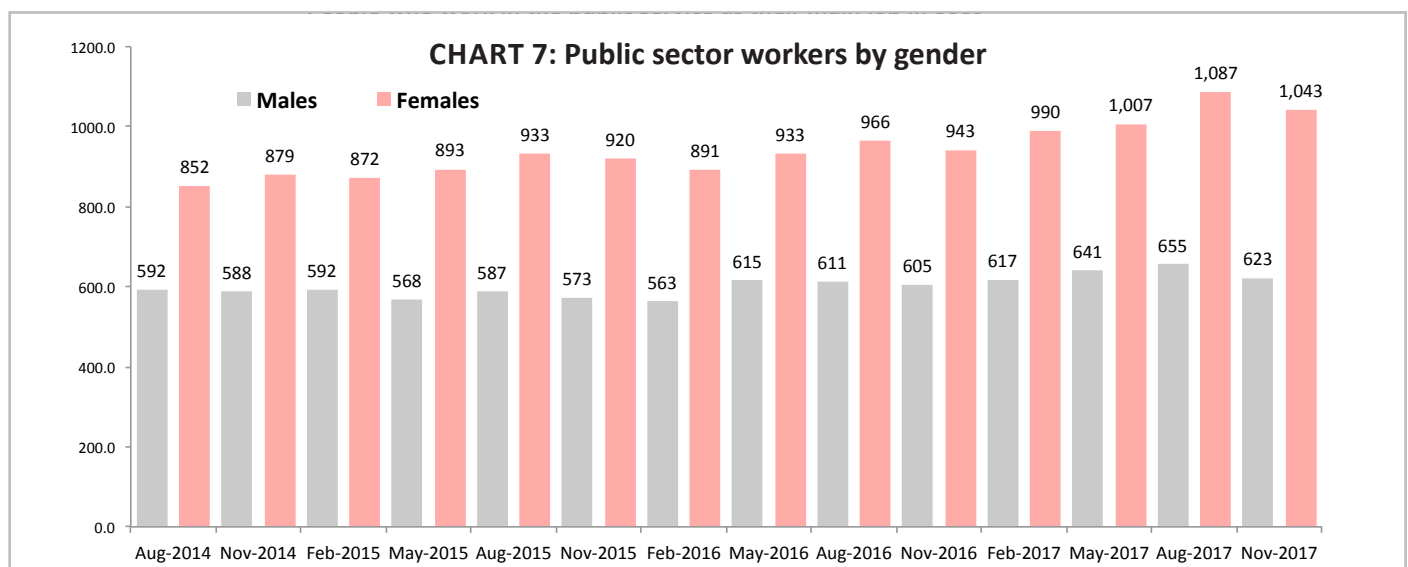
Source: ABS, Financy, Data Digger, Nov. 2017

GENDER PAY GAP

TABLE 2: Jobs by industry

Gender	Male			Female			Wage disparity
	Avg Wkly Earnings	Full-time (000s)	Part-time (000s)	Avg Wkly Earnings	Full-time (000s)	Part-time (000s)	
All Industries	**$1,665**	**5,399**	**1,208**	**$1,411**	**3,138**	**2,700**	**15.3%**
Mining	$2,631	180	3	$2,210	28	7	16.0%
Agriculture, Forestry and Fishing	n/a	189	36	n/a	48	51	n/a
Electricity, Gas, Water and Waste Services	$1,866	106	6	$1,670	24	6	10.5%
Information Media and Telecommunications	$2,041	104	15	$1,652	67	28	19.1%
Education and Training	$1,837	218	81	$1,630	403	339	11.3%
Public Administration and Safety	$1,681	371	35	$1,567	240	92	6.8%
Financial and Insurance Services	$2,126	193	17	$1,572	156	57	26.1%
Professional, Scientific and Technical Services	$1,986	497	65	$1,536	294	165	22.6%
Health Care and Social Assistance	$1,821	252	102	$1,406	687	617	22.8%
Transport, Postal and Warehousing	$1,660	426	85	$1,363	97	45	17.9%
Wholesale Trade	$1,579	226	25	$1,343	79	33	15.0%
Arts and Recreation Services	$1,657	81	51	$1,276	47	67	23.0%
Manufacturing	$1,401	593	54	$1,222	156	73	12.8%
Construction	$1,595	932	107	$1,273	62	62	20.2%
Administrative and Support Services	$1,501	132	62	$1,256	102	112	16.4%
Rental, Hiring and Real Estate Services	$1,606	90	13	$1,228	78	38	23.6%
Other Services	$1,282	241	54	$1,195	112	125	6.8%
Retail Trade	$1,182	369	210	$1,086	298	443	8.1%
Accommodation and Food Services	$1,173	201	188	$1,037	160	341	11.6%

Source: ABS, Financy, Nov. 2017

Note: Due to seasonality and type of work there are no average weekly wages available for agriculture, forestry and fishing. Figures have been rounded to 1 decimal place.

SUPERANNUATION IMBALANCE

CHART 8: Female superannuation balances as a percentage of male
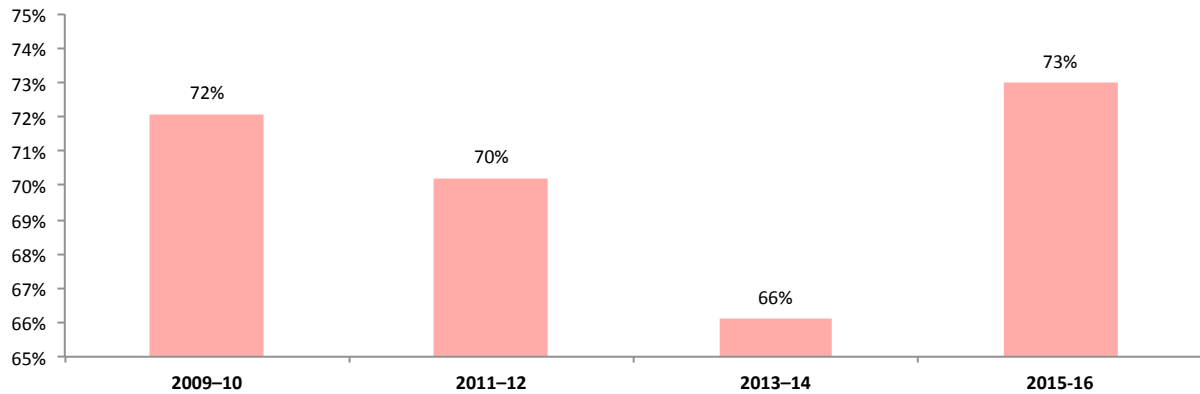
SOURCE: ABS, Jun. 2016.
Note: superannuation balances include all funds including retail, industry and self-managed super funds. ABS Cat. 6523 in Table 15.3.

The superannuation gap in lifetime balances between men and women narrowed by 6 percentage points in 2016 financial year and means that the average woman has about 27% less in her retirement savings than men.

While this is an improvement on 2015 financial year, when the superannuation savings gender gap stood at 66%, it is still only 1 percentage point better than in the 2009/10 financial year when the average lifetime female super balance was 72% of the average male.

Based on the average balance per age category provided by the ABS, the average female superannuation balance is 73% of a male superannuation balance in the 2016 financial year.

The ABS across all age groups lists the overall weighted average superannuation balance as $216,821 for women and $297,001 for men. But we caution that this average figure also takes into account the balances of self-managed super funds, which are higher on average and inflates the result.

The Association of Superannuation Funds of Australia (ASFA) estimates that for the same period the average balance is $68,499 for women versus $111,853 for men.

ASFA bases its findings on the same ABS data however it also includes those people will nil balances aged between 15 years and 85 years plus.

Overall, the ABS data shows that the superannuation savings gap is smallest when a woman is under 35 years of age. The obvious life-stage considerations of having a family, factor into a slowing of savings for women in super during this period.

Anecdotal evidence suggests that improved investor returns and continued contributions have helped female accounts balances to grow and narrow the gender savings gap in the most recent period.

Growth in the number of females working full time over the past five years has also helped to grow the average woman's superannuation balance.

WOMEN IN TERTIARY EDUCATION

Women are continuing to outpace men when it comes to enrolling in tertiary education. We are also seeing a strong correlation in females studying courses which provide educational pathways to higher paying careers.

The most recent 2016 data from the Department of Education shows there were over 807,000 female tertiary enroilments, compared to 650,000 males.

Overall this represents 55% of students being women, compared to 45% men and suggests that an increasing number of females are undertaking some form of study beyond high school.

Mixed field programs, information technology (IT) and engineering and related technologies have shown the greatest gains in female enrolments.

Mixed field programs account for less than 1% of total enrolments and are considered to be enabler or bridging personal development courses.

Analysis of the average five year growth rate of female enrolments in IT courses jumped 33% in 2016, compared to a 32% rise in male enrolments.

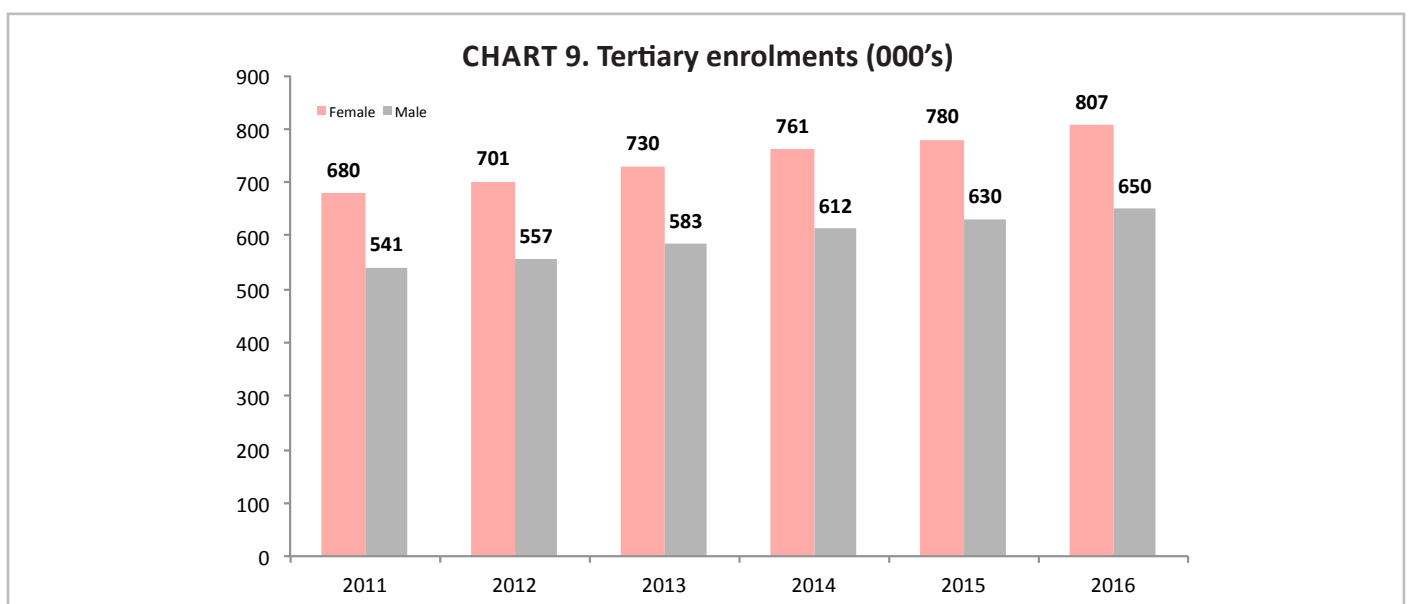The rate of females IT enrolments is three times higher than what it was in 2015.

That said, females represent only 19% of total student enrolments in IT courses, with men making up 81% of students.

The third fastest growth field for females is engineer and related technologies, which experienced a 30% rise in enrolments among females compared to a 19% increase in males.

Again the growth in engineering courses is coming off a very low base with only 17% of the 111,000 total students enrolled being women.

Education, which is now the fifth best paying sector for women, remains the most popular subject for women to study with around 75% female enroments compared to 25% men.

Health, which is about average in terms of female wages, is the second most popular with 72% females studying versus 28% men.

CHART 9. Tertiary enrolments (000's)

	2011	2012	2013	2014	2015	2016
Female	680	701	730	761	780	807
Male	541	557	583	612	630	650

Source: Dept of Education, Financy and DataDigger.com.au, Nov. 2016

WOMEN IN TERTIARY EDUCATION

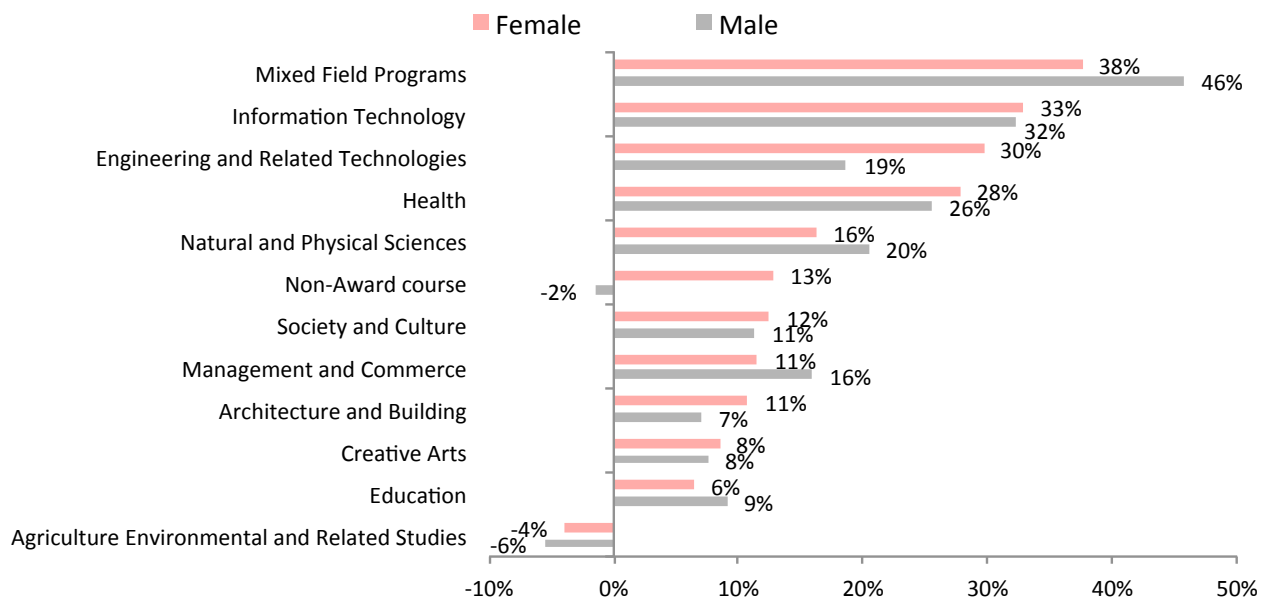**CHART 10. Average five year growth in course enrolments**

■ Female   ■ Male

Course	Female	Male
Mixed Field Programs	38%	46%
Information Technology	33%	32%
Engineering and Related Technologies	30%	19%
Health	28%	26%
Natural and Physical Sciences	16%	20%
Non-Award course	13%	-2%
Society and Culture	12%	11%
Management and Commerce	11%	16%
Architecture and Building	11%	7%
Creative Arts	8%	8%
Education	6%	9%
Agriculture Environmental and Related Studies	-4%	-6%

TABLE 3: Female v male enrolments in tertiary courses

	2012		2016		% Gain/Loss	
Course	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
Agriculture Environmental and Related Studies	10,258	9,323	9,856	8,802	-3.9%	-5.6%
Architecture and Building	11,972	17,591	13,255	18,838	10.7%	7.1%
Creative Arts	53,154	33,770	57,655	36,327	8.5%	7.6%
Education	90,344	29,490	96,174	32,173	6.5%	9.1%
Engineering and Related Technologies	14,811	77,418	19,202	91,862	29.6%	18.7%
Health	132,935	51,818	169,831	65,059	27.8%	25.6%
Information Technology	9,723	40,433	12,918	53,468	32.9%	32.2%
Management and Commerce	166,634	168,092	185,752	194,813	11.5%	15.9%
Mixed Field Programs	5,649	3,328	7,770	4,849	37.5%	45.7%
Natural and Physical Sciences	51,410	49,358	59,734	59,467	16.2%	20.5%
Non-Award course	10,433	7,729	11,762	7,609	12.7%	-1.6%
Society and Culture	178,436	100,415	200,645	111,713	12.4%	11.3%
Total	**701,182**	**556,540**	**806,681**	**650,098**	**15.0%**	**16.8%**

Source: Education.gov.au Ucube, Financy, Nov. 2016
Note 1: Food and service sector is not included in this study due to the small sample size of students.
Note 2: Mixed Field Programs make up a very small proportion of the broader higher education system, comprising less than 1% of all enrolments in 2016.

METHODOLOGY

The Financy Women's Index powered by Data Digger is designed to provide an accurate and up-to-date quarterly measure of the economic progress of working women in Australia.

The Index focuses on tertiary education, full-time work, workplace participation, wage disparity, board representation of Australia's largest companies and superannuation balances of women compared to men.

Points to note:

Chart 1, Chart 2 and Table 1 - The headline Financy Women's Index is the average of six key indicators that have been converted to respective indexed series so as to track measurements of performance over a five year period. A quarterly chart and year-on-year chart have been provided.

Chart 3 - The percentage of women on boards was an analysis undertaken to aggregate data over female representation on Australia's top 20 ASX listed companies. Considerable care has been taken to provide an accurate reflection of the makeup of various boards accounting for new appointments and retiring directors. The analysis was undertaken by Data Digger. Data is current as of March 5, 2018.

Chart 4, 5 and 6 - Average weekly earnings charts are based upon table one of the Australian Bureau of Statistics series 6302.0 citing table one and using trend data. Tables 10c and 10f of the same series have been used to extrapolate data for earnings by industry. The report comes out twice a year.

Table 2 - The detailed jobs by industry table is an aggregation of data used in the ABS detailed quarterly labour report series, 6291.0.55.001 and the aforementioned average weekly earnings data.

Chart 7 - Public sector workers by gender. This chart applies to those workers who identify the public service or private sector as their primary source of income.

Chart 8 - Superannuation data with reference to the average lifetime super balance utilises an weighted index methodology in referencing an average superannuation balance for age groups that span 15-24 year to 70 years plus. It is not the average super balance of an individual at 65 (i.e. the end of their working life). The table is used to provide the average total superannuation balance across all age groups so as to provide a statement, 'women on average have 73% of a male's super balance.' The data source is the ABS category 6523 sub-table, Superannuation of Persons, table 15.3. The data available comes out once every two years.

Chart 9, 10 and Table 3 - Tertiary studying trends are the product of analysis conducted by Data Digger using the Department of Education Ucube service. Enrolment growth and percentages are calculated citing annual year on year percentages.
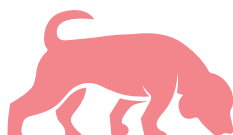
ABOUT FINANCY & DATA DIGGER

Financy®
is dedicated to improving female financial literacy, equality and independence Australia.

Financy is an online publication that puts women's money matters first and in 2017 launched the Financy Women's Index to track and measure economic progress for working women.

By producing daily articles on financy.com.au, in a weekly newsletter and discussion on both mainstream and social media channels, the content provides readers with a distinct sense of confidence around money.

Financy was born in 2016 around the same time that its founder Bianca Hartge-Hazelman was eye-ball deep in nappies with her second daughter.

A third daughter later, Financy is now two years old and has grown organically as a brand and credible data source.

Data Digger®
is a business that specialises in all things Australian economic data.

Data Digger was founded by former Bloomberg economic data editor, Dan Petrie and is aimed specifically at demystifying the statistics that surround our wider economy. Data Digger offers bespoke reporting and specialises in finding trends in large data set.

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The Financy and DataDigger Women's Index presents the findings of analysis of over 1100 annual reports issued by companies listed on the Australian Stock Exchange (ASX) together with the professional analysis and insights of Financy and DataDigger.

These analysis and insights do not necessarily coincide with those of Financy and DataDigger.

For information on the data contained in the report contact Financy or DataDigger on the numbers provided below.

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