

*F*WX

Supporting the economic progress of women

Financy Women's Index.®



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DECEMBER – MARCH 2019



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Financy Women's Index[©]


A DATA DIGGER SCOOP

DECEMBER – MARCH 2019

A Financy initiative supported by OneVue, AMP Financial Planning & AFA

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Fearless

Inspiring women through insights
to live more courageously & confidently
– to be *FEARLESS*

International Women's Day March 8 is a time to celebrate the achievements of women and the economic progress they're making in Australia.

In this Financy Women's Index for the March quarter, the following report presents fresh insights on employment, wages, leadership, education and wealth as they relate to women. It also compares how far we've come since the Index launched in March 2017.

In an exciting new development, we have introduced the underemployment statistics captured by gender through the Australian Bureau of Statistics. The reason we have done this is to present a clearer picture on the unrealised economic potential of women in the workforce.

The impact of this new addition has been both needed and profound in that it has made financial equality more distant and has warranted a full revision of the Women's Index.

The Women's Index report now features expert commentary around seven pillars that feed the quarterly progress score, and provides suggested actions to support the progress of women, while noting the economic disadvantages at play.

The Women's Index analyses government and industry statistics on tertiary education, employment, underemployment, workplace participation, wage disparity, superannuation and data on the board representation of Australia's largest companies.

Ultimately, the purpose of the Index is to help inspire women to live more courageously and confidently – to be Fearless.

HELPING WOMEN WITH CHOICE IN 2019

Choice. It's the one word that's often used to rationalise the gains and set backs women experience in pursuit of financial equality and on International Women's Day, it's the one word that's frustrating me.

While the March quarter produced the best pace of women's economic progress since the Women's Index began two years ago, economic equality remains distant and choice is a big factor.

It's the choices that women make which can act as a critical enabler of their financial wellbeing. From what courses they study, whether they take career breaks, change work patterns, rise to leadership positions or even add a little extra to their superannuation.

But choice can be complicated. It is influenced by many factors such as history, barriers to entry, expectations, stereotypes, bias, obligation and a lack of information.

With three daughters of my own, it's correcting this information shortage around choice which drives me in my quest to know more.

For instance, as it stands, women account for 95% of the primary care giving in this country and when they are not doing that at home for children or other loved ones, they are doing the bulk of it in the workforce.

Health is the country's biggest employer of women, although they are seriously underrepresented at management level. As a sector Health Care and Social Assistance, pays on average below the national average weekly wage, having one of the worse gender pay gaps which start straight out of tertiary studies.

Compare this to Information Technology, which is mostly male-dominated, and is the second highest paying sector after Mining. The gender pay gap is above average but not nearly as bad as in Health.

When faced with these two options on paper, the choice, if it were purely financial would be that IT is far more attractive, but life is not all about finance. For many us, it's about living purposefully to achieve that sense of wellbeing.

What's encouraging is that data tells us that female IT enrolments have accelerated by 71% over the past five years, providing a pathway to higher earnings.

So on this International Women's Day, it's important to reiterate just what the Financy Women's Index does, in that it provides women with useful information and it prompts employers and policy makers to ask themselves: *Am I doing the best I can for gender equality?*

Ultimately, by helping women make more informed choices it enables them to consciously choose pathways that are more likely to enhance their financial wellbeing and importantly do so without fear.

Bianca Hartge-Hazelman

Founder of the Financy Women's Index



LEADERSHIP THOUGHTS

What the Financy Woman's Index does is provide us with important and timely facts. Facts that help us make life choices.

We need to know if there are still wage disparities between men and women in the same roles or if women are unrepresented in management or boardrooms across Australia.

But let's not confuse our right to earn equal pay for the same role, or the need to have diversity on boards and in management with our ability to choose sectors that might not be the highest paid but that we are happy to work within.

I found it very interesting to read that health is the country's biggest employer of women, although they are seriously underrepresented at management level.

This made me start thinking about what we value and how we reward people for the work that they do.

This was top of mind for me as two weeks ago I attended a funeral. My friend's brother died, he was only 52.

As I sat in the Church and watched his family and saw their pain, to my immediate left were two beautiful young people who sobbed throughout the ceremony.

When we got up to leave I tapped one on the shoulder and asked, how do you know Sammy? The young women were Sammy's carers. And for the next 15 minutes I heard how much they loved him. He had a wicked sense of humour, he was so strong, he never complained.

I thought to myself if I were to find myself in this position how lucky would I be to have people looking after me who not only cared for me but cared about me.

How much value would I put on that?

Then I thought about Financial Services and I wondered about a sector where people often made millions compared to the health care sector, one of the worse paid and highest growth sectors with female enrollments up by 36% compared to 29% for men.

There is much good news in this quarter's Financy Women's Index, but for Financial Services and Health Care and Social Assistance the gender pay gap remains unacceptable and actually rose to 26.9% and 25.8% respectively in November.

So let's get the basics right and fight for equality of pay across all sectors and let's continue to get these facts so that we know what we are aiming for and how we are progressing or not.

However first and foremost let's really strive to overcome these wage disparities so that we can encourage those we care about, men or women, to pursue work that makes them happy.

Connie McKeage
CEO
OneVue



ECONOMIC EQUALITY

The FWX Progress Target is an aspirational guide of what economic equality might look like in Australia if we keep the rate of progress up.

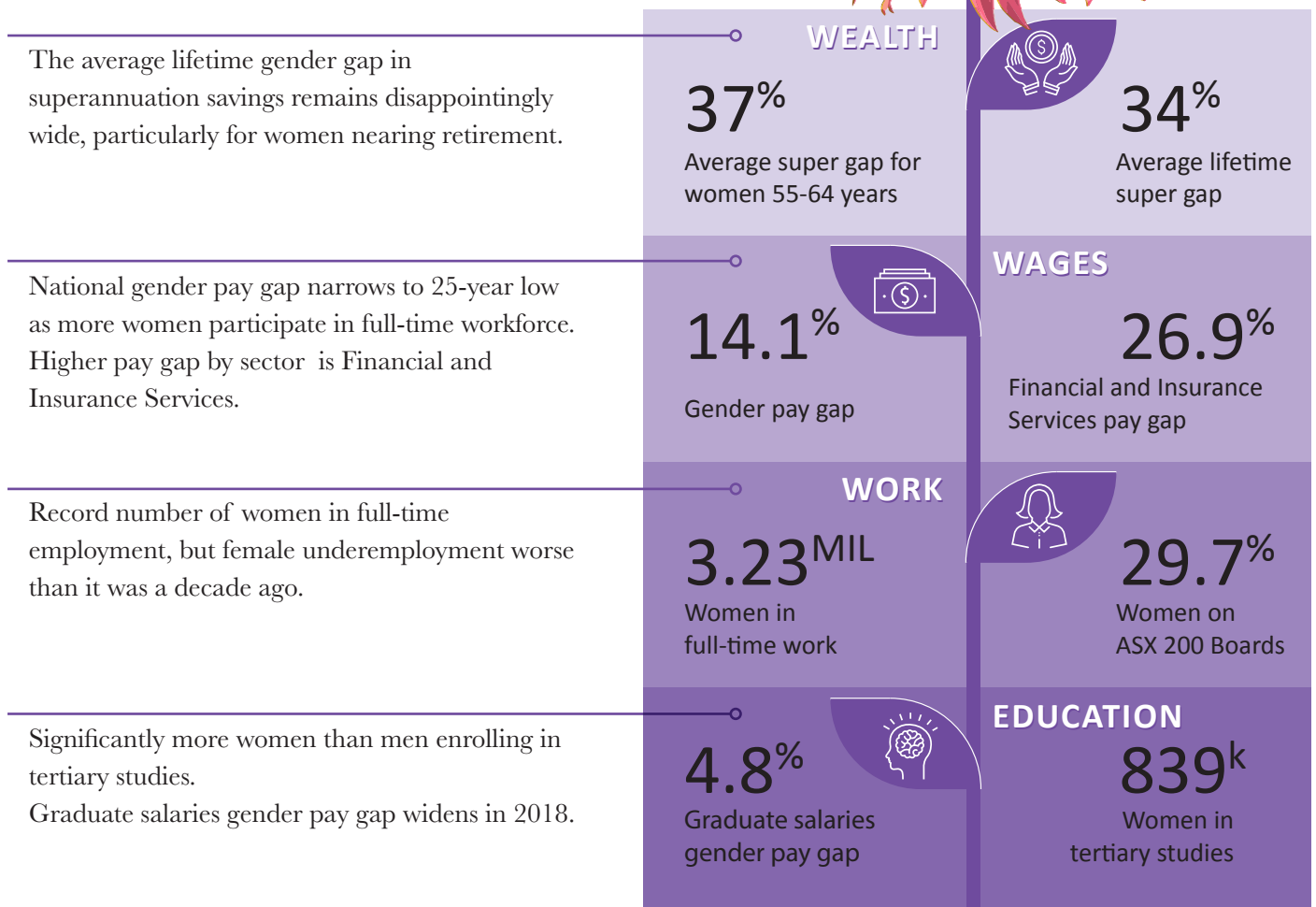
The 161.6 point FWX Target is based on there being no gender gaps in wages and superannuation, as well as gender equality on ASX 200 boards, increased female workforce participation and full-time employment, lower underemployment, and continued relative growth in tertiary education.

Progress Target
161.6
POINTS

March Qtr result is 34% below FWX Progress Target



March Result
122.7
POINTS



KEY RESULTS

March report 2019 – Released Friday March 8

Key findings

- **The Financy Women's Index records its biggest quarterly jump in economic progress since the report launched two years ago.**
- **The Index rose 1.9 points to 122.7 points in the March quarter, up from a revised 120.8 points in the December quarter.**
- **The March quarter result was helped by record female full-time employment, less women underemployed and a 25-year low in the gender wage disparity.**
- **Little improvement in female ASX200 board representation and a lagging gender gap in superannuation weighed on the results.**
- **Australian women are 34% short or on current trends, 12 years away from achieving financial equality.**

The economic progress of Australian women grew at its fastest quarterly pace in two years with the help of a record number of women in full-time employment and a 25-year low in the national gender pay gap.

The Financy Women's Index (FWX), supported by Data Digger rose 1.9 points in the March quarter to 122.7 points, up from a revised 120.8 points in the December period.

The result reflects an 8.4 percentage point improvement over the two years from March 2017, when the economic progress score was 114.3 points.

The key drivers of women's economic progress in the March quarter have been around employment, educational enrolments and improved earnings growth relative to men as reflected in a lower gender pay gap.

Based on current rates of improvement, economic equality, as measured by the FWX Progress Target of 161.6 points, could be here in 2031 as it is 34% short of being achieved.*

However, it is more likely that the current rate of progress will slow as we head closer to parity relative to men.

The number of women in full-time employment hit a high of 3.23 million at the start of this year as the female underemployment rate fell by 0.2 percentage points to 10.5% in January, from 10.7% a year ago. Despite this underemployment is still worse than it was a decade ago.

Overall female workforce participation rose to a record high of 60.7% in January 2019, up from 60.5% in December 2018, and stands 1.2 percentage points higher than the 59.5% in March 2017.

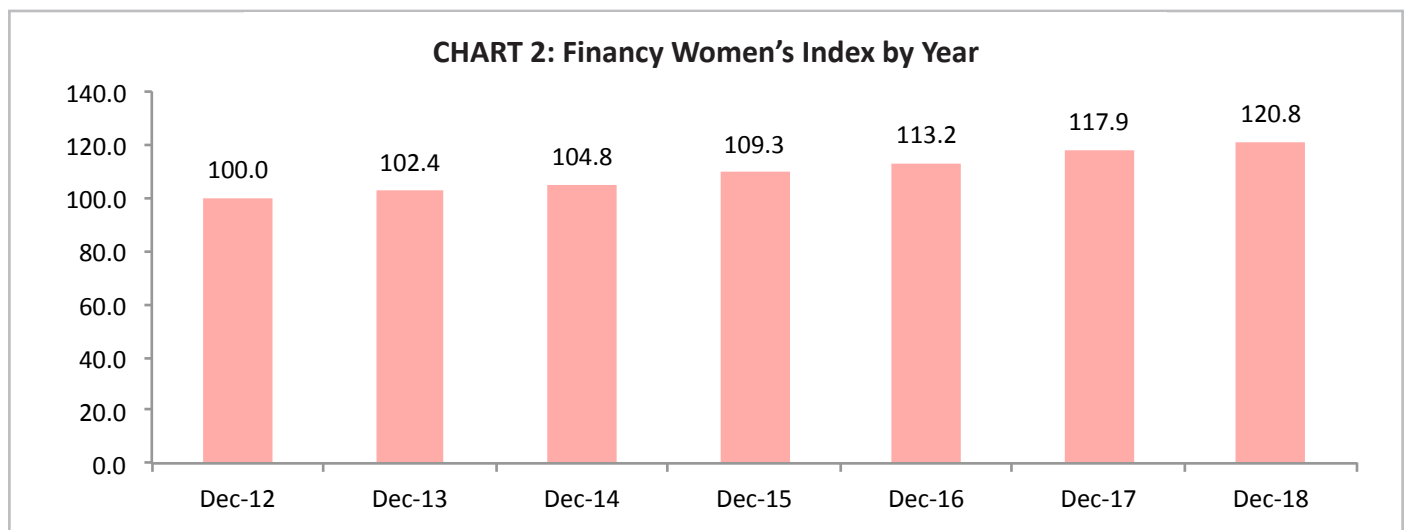
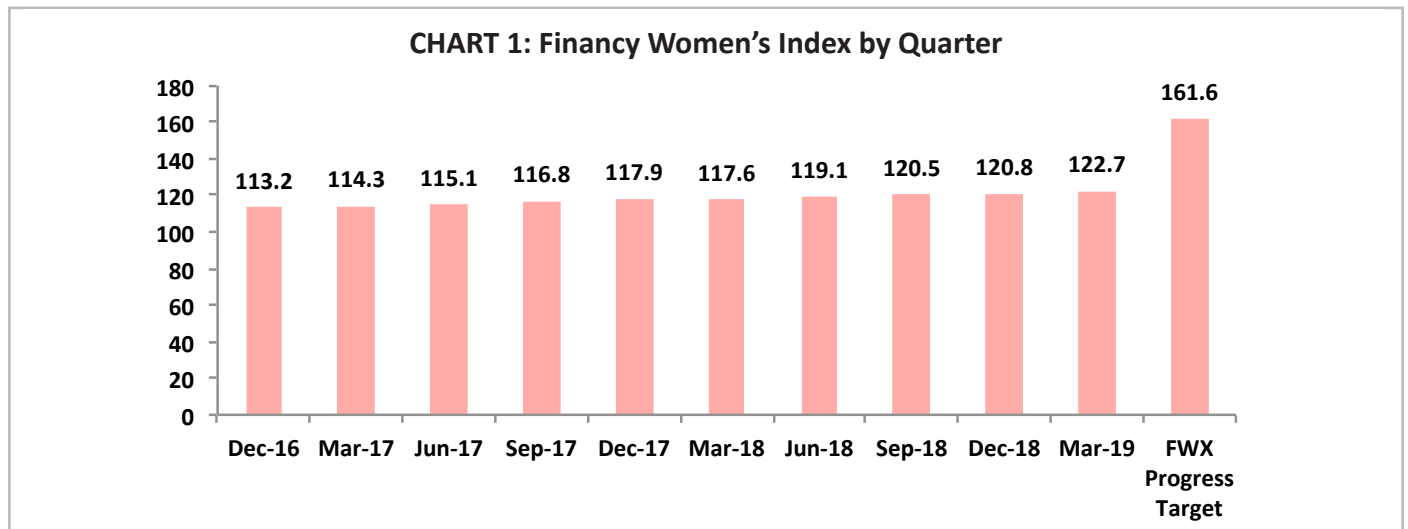
Improved wages relative to men and full-time employment opportunities for women in the six months to November 2018 helped the national gender pay gap fall to a new record low of 14.1% in February 2019, down from 14.6% in August 2018.

The average full-time working woman earned \$1455.80 a week as of November last year, which is about \$240 less than the \$1695.60 average man's full-time weekly wage.

KEY RESULTS

The sectors that recorded the biggest drop in their gender pay gaps are male-dominated and include Construction and Transport, Postal and Warehousing with respective declines of 2.6% to 12.5% and 2.1% to 15.7%.

Financial and Insurance Services and Health Care and Social Assistance, which is the most female dominated, continue to be the worst performing industries for the gender pay gap, which rose to 26.9% and 25.8% respectively in November.



Source: Financy, March 2019.

The Financy Women's Index tracks progress of economic indicators affecting women on a quarterly basis from March 2017. Revisions to the Financy Women's Index are made in each quarter based on official data revisions and corporate board actions that underpin the report. Data enhancements may also lead to revisions of the Women's Index.

*The FWX Progress Target is an aspirational guide on economic equality and may undergo fine tuning in line with data revisions of the Index. It calculates economic equality on the basis of there being zero gender pay gap, a zero gender gap in superannuation savings, 50% gender diversity on ASX 200 boards, equality with males on workforce participation and underemployment, which have been running at rates of 71% and 6% respectively, female full-time employment is 70% of current male full-time employment, and tertiary education enrollments are maintained in relative growth terms. We acknowledge there needs to be caution, and indeed is likely to be some debate around the FWX Progress Target. To that point, we still feel it is important to set the FWX Progress Target to help bring further context to quarterly benchmarking.

KEY RESULTS

Education data shows that more women than men are enrolling in tertiary studies to better their qualifications but the overall gender gap in graduate salaries widened in 2018.

The median undergraduate salary for women was \$60,000 in 2018, which is \$3,100 less than the \$63,100 annual salary for male undergraduates. This appears to reflect more women graduating from fields that pay lower starting salaries.

Technical course areas, such as Information Technology, Mining and Engineering, which remain male dominated and generally higher paying, are becoming increasingly sought after by women.

Little change in the number of women occupying board positions on the top 200 Australian listed companies held back the progress score.

The number of women occupying ASX 200 board positions was 29.7% in February, which is unchanged from December.

A significant gender gap in retirement savings also continues to act as a drag on the Women's Index, and new data provided by the country's biggest superannuation funds suggests little improvement.

TABLE 1: Financy Women's Index breakdown

Quarter	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Financy Index	114.3	115.1	116.8	117.9	117.6	119.1	120.5	120.8	122.7
Female & Male Average Salary Disparity	101.9	101.9	102.8	102.8	102.8	102.8	103.7	103.7	104.2
Employment - Full time work	106.9	108.3	108.9	111.1	110.7	111.3	112.7	114.3	114.5
Employment - Participation Rate	101.6	102.2	102.7	103.5	103.2	103.5	103.0	103.3	103.6
Education - tertiary index*	115.1	115.1	123.1	123.1	n/a	n/a	n/a	n/a	n/a
ASX Top 200 Board representation index	162.3	164.9	164.9	168.8	173.4	179.9	185.1	184.4	192.2
Superannuation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Underemployment	97.8	98.1	98.2	98.1	98.1	98.0	98.1	98.3	98.3

*Note: * Due to the differences in the timing of data, certain parts of the Women's Index will be carried forward each quarter.*

TERTIARY EDUCATION

More women than men are enrolling in tertiary education but the gender gap in graduate salaries has widened.

The latest Department of Education figures for the year to the end of 2017, which were released in November 2018, show that 839,278 women (55%) and 673,401 men (45%) enrolled in tertiary courses, representing a 4% increase in total yearly enrolments for women.

Tertiary education captures university and vocational courses. Over the last decade, women aged 18–64 years have been consistently more likely than men in this age group to have attained a Bachelor Degree or above, according to the November 2018 ABS Gender Indicators Report.

More women are enrolling in technical fields at a faster pace than men, however female students still only represent about one-fifth of enrolments in Information Technology (IT) and Engineering fields.

Female enrolments are mostly concentrated in the Health and Education, where they represent nearly three-quarters of enrolments, and in Society and Culture fields, where they represent two-thirds of enrolments.

The number of women who enrolled in IT courses rose 28% in the 2017 calendar year, compared to a 19% increase for men.

By contrast, female Education course enrolments fell 1% over the year but rose by 3% in male student enrolments.

The growth in women enrolling in IT studies has now become a trend over the past five years with female enrolments up a significant 71%, compared to 57% for male students in this period.

While the rate of growth in IT enrolments is coming from a low base of only 16,580 female students compared to 63,581 male students in 2017, it's a 68% improvement on 2011 when there were only 9,891 women enrolled in IT.

This jump suggests that efforts to encourage more girls and women to study Science, Technology, Engineering and Maths (STEM) subjects is having an impact and we expect to see more women working in industries related to these fields in the years ahead.

In Computing and Information Systems studies, the median undergraduate salary for females rose to \$60,000, from \$58,000 in 2017 and has since equalised with that of male undergraduate salaries (\$60,000 in 2018 and 2017), according to the 2018 National Graduate Outcomes Survey (GOS) from the Australian Government Department of Education funded organization, Quality Indicators for Learning and Teaching (QILT).

Overall, a gender gap persists in undergraduate salaries and is partly attributed to the tendency among women to study areas within fields like Education and Health, which on average attract lower salaries compared to higher remunerated male-dominated fields like Engineering.

The GOS Survey shows that in 2018 the average female undergraduate earned \$60,000 and while her male peer earned \$63,100 on completion of their studies.

The gender gap in undergraduate salaries is \$3000 or 4.8% in 2018, compared to a narrowing of the gap in 2017 when the disparity was \$1,100 or 1.8%.

The gender gap in undergraduate salaries is attributed to many factors including choice, type of occupation, age, experience, personal factors and possible inequalities within workplaces.

TERTIARY EDUCATION

The widening of the gap may have also been affected by a growing disparity in the highest paying study area, Dentistry, which recorded a 2018 gap of \$24,000 compared to \$19,500 in 2017. Female graduates earned \$78,000 in 2018, compared to \$102,000.

Health remains a popular subject for women although the annual pace of female enrolment growth dipped to 6% in 2017 compared to 7% in 2016.

However over the past five years to the end of 2017, Health has been the third fastest growth area with female enrolments up by 36% compared to 29% for men.

Health has roughly double the number of female enrolments than it does male students with 180,400 women studying in this field and making up 73% of total enrolments.

While we have already noted the gender pay gap in Dentistry, in Medicine the median undergraduate salary for females in 2018 was \$72,000, compared to \$73,100 for males.

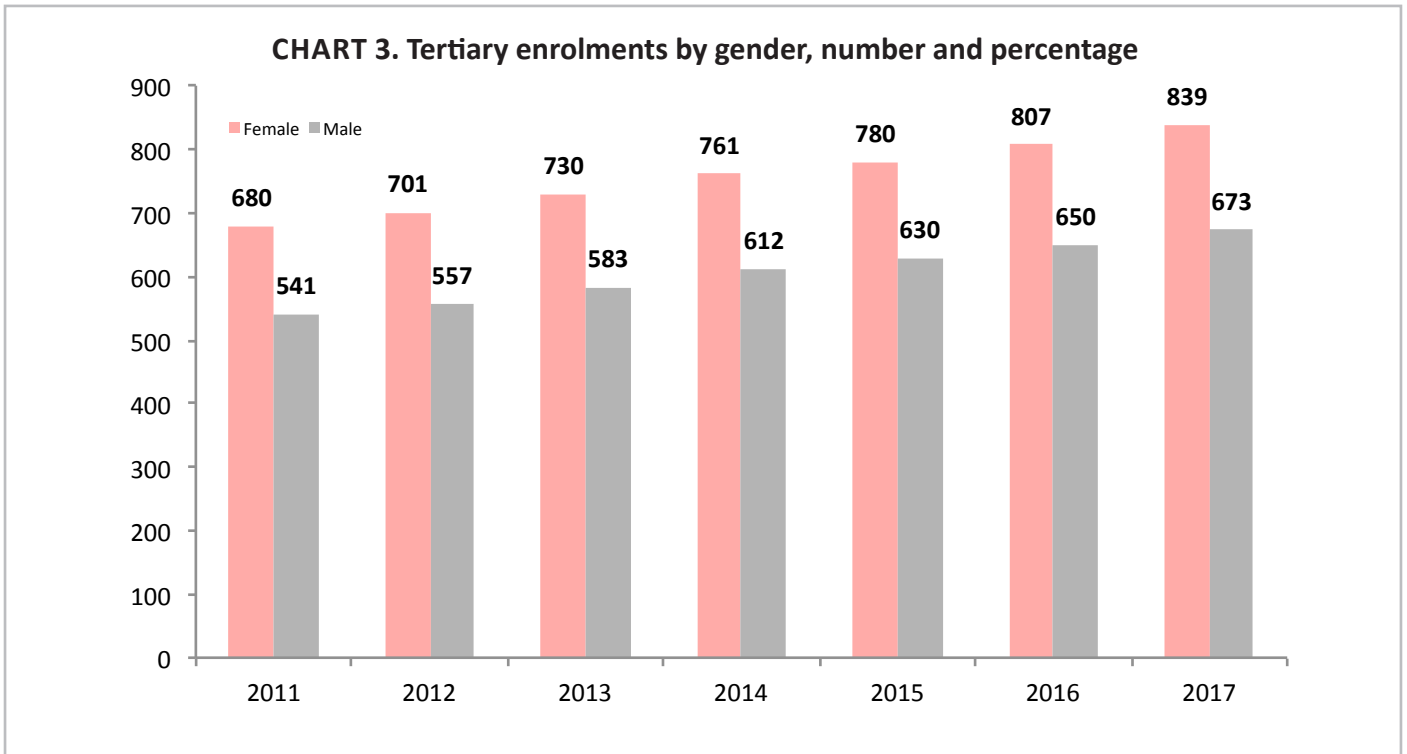
While in Nursing, the median undergraduate salary for females was \$61,500, compared to \$62,600 for males.

Society and Cultural Studies continues to have the biggest concentration of women with 208,300 female students, up 4% on 2016, compared to 114,000 male enrolments, up 2% over the same period.

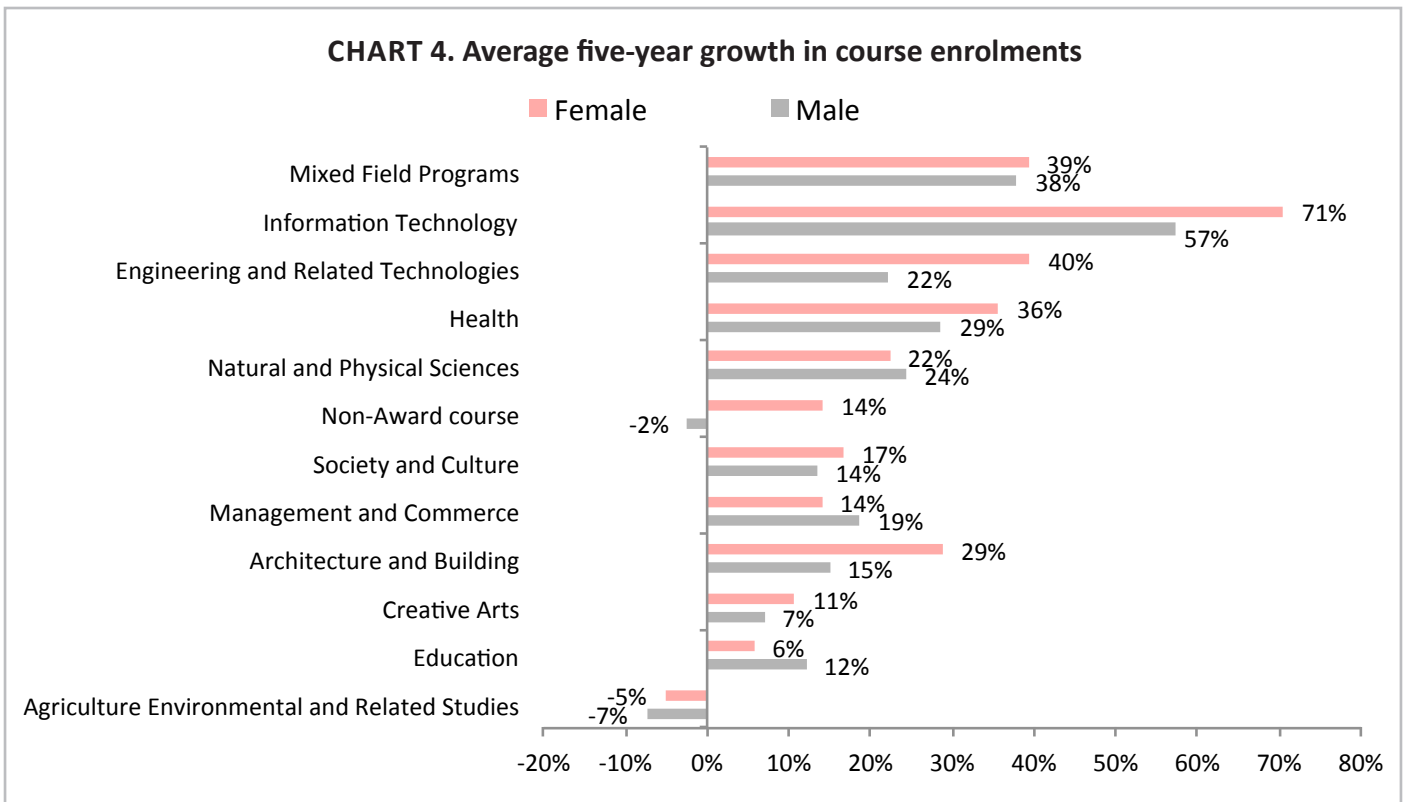
Management and Commerce has seen a 2% increase in female enrolments to 190,000 in the year to December 2017. By contrast, there were 200,000 male enrolments in this field over the same period, also reflecting a 2% increase.



TERTIARY EDUCATION



Source: Dept of Education, Financy and DataDigger.com.au, November 2017, reported November 2018.



Source: Education.gov.au Ucube, Financy, November 2017 data reported November 2018.

TERTIARY EDUCATION



Suggested actions to improve the progress of women's tertiary education:

There is a long way to go in better supporting women to enhance their educational qualifications, particularly where it relates to studying while working, and undertaking courses that provide higher paying career pathways.

Measures to increase awareness of expected graduate and workforce salaries among prospective female tertiary, and high school students remain needed to ensure that women consider and are informed of the potential financial aspect of their decisions.

In addition, greater awareness raising of trending and new career opportunities, plus enhancing potential incentives to attract more women into less traditional career pathways that may be linked to higher paying industries.

Roger Wilkins Deputy Director of the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne said for much of the past two decades, educational progress for women has not delivered nearly the same degree of labour market progress.

Government, education bodies and business need to consider supportive measures that ensure the pool of women obtaining higher educational qualifications are moving through to the labour market and are also encouraged to return after career breaks to have children.

Mr Wilkins adds that policies and awareness campaigns that promote men taking a greater role in raising the children, and undertaking other household work, and which increase use of child care will probably help address out dated but persistent gender norms.



WOMEN IN THE WORKFORCE

2019 started with a record number of women in full-time employment and participating in the workforce and slightly less women who consider themselves to be underemployed compared to 12 months ago.

The number of women in full-time employment rose by 0.2% to 3.23 million in January, up from 3.22 million in December 2018.

This is a disappointing outcome given that the number of males in full-time employment increased by 1.1% to a record high of 5.51 million in January, from 5.45 million in December.

However, the monthly data are volatile and to put it in perspective, over the past two years, the pace of growth in female full-time employment climbed 8.8%, compared to 5.6% growth in male full-time employment.

At the same time, the number of women who identify with being underemployed, which means they generally work part-time, less than 35 hours a week, but are available to and want to work more hours, improved by 0.2% in January to reflect 10.5% of the total female workforce, compared to 10.7% in January 2018.

By contrast the underemployment rate for men aged 15-64 years is much lower and has recently improved at a faster pace. The rate stood at 6.3% in January, down 0.3 percentage points from 6.6% January last year.

Over the past decade the underemployment rates for both genders have deteriorated, and for women the situation is much worse than it is for men.

In January 2009, the female underemployment rate was 8.8%, which is 1.6 percentage points better than it is today, while for men, the rate was 5.2%, which is a 1.1 percentage point improvement on today.

The higher female underemployment rate suggests there are more women today who are conscious of being unable to realise their economic potential.

There are likely to be many reasons for this such as there being more women who work part-time as a result of their primary caring roles, which could restrict their ability to find suitable work that fits in with family commitments.

There were 650,500 women who identified as being underemployed in January, compared to 651,600 in January 2018.

By comparison, there were 426,200 men underemployed in January, down from 483,800, a year earlier.

Female part-time employment increased by 0.6% to 2.75 million in January, from 2.74 in December.

By contrast, male part-time employment is down 3.3% to 1.26 million in January, from 1.3 million in December.

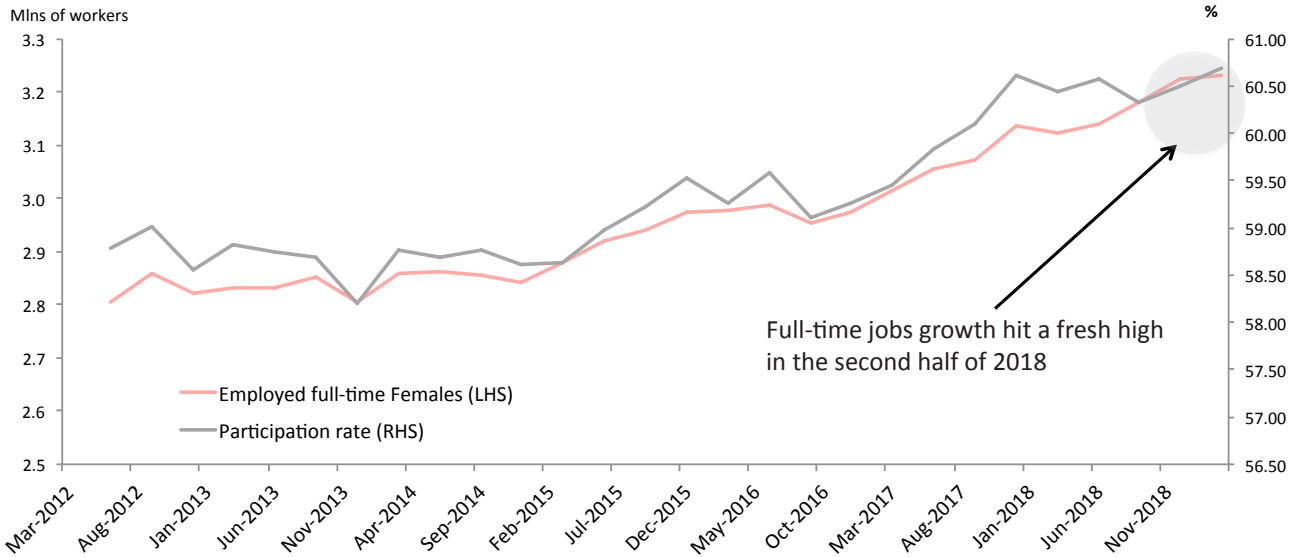
Growth in male part-time employment has outpaced that of women over the past two years and is up 4.1% compared to 2.4% for women in January 2017.

This may be the result of more men taking on primary caring responsibilities and wanting to work flexibly.

The total male participation rate held steady at 70.9% in January and is up only slightly from where it was nearly two years ago at 70.5% in March 2017.

WOMEN IN THE WORKFORCE

CHART 5: Female participation rate up as full-time numbers hit record high



Source: ABS, Financy, Data Digger, March 2019.

CHART 6: Underemployment has increased over past decade for women and men



Source: ABS, Financy 2019.

WOMEN IN THE WORKFORCE

The female participation rate rose to 60.7% in January, up from 60.5% in December and 59.5% in March 2017.

Over the past decade, the female participation rate has increased by 1.9 percentage points, reflecting increased engagement among women in the workforce.

By contrast, the male participation rate has decreased by 1.5 percentage points since March 2009. Again this may be the result of men taking on primary caring roles and possibly older generations retiring from the workforce.

The biggest employer of women by industry is Health Care and Social Assistance, which hired 0.9% more women resulting in 674,500 full-time female employees in the latest quarter, up from 668,000 in December. Growth in this sector is expected to continue to increase over the long term.

The steady increase in women working full-time is likely to reflect changing workforce, social and family dynamics as well as a greater emphasis on flexible working. Women today are also more likely to work into motherhood and utilize childcare services.

It also suggests that some industry-wide initiatives aimed at encouraging more women into the workforce, together with the introduction of incentives and greater childcare assistance, are

having an impact. Examples include promotion and payment of superannuation while on maternity leave.

Higher cost of living pressures, particularly in housing, utilities, and health, have also led to a rise in dual income families.

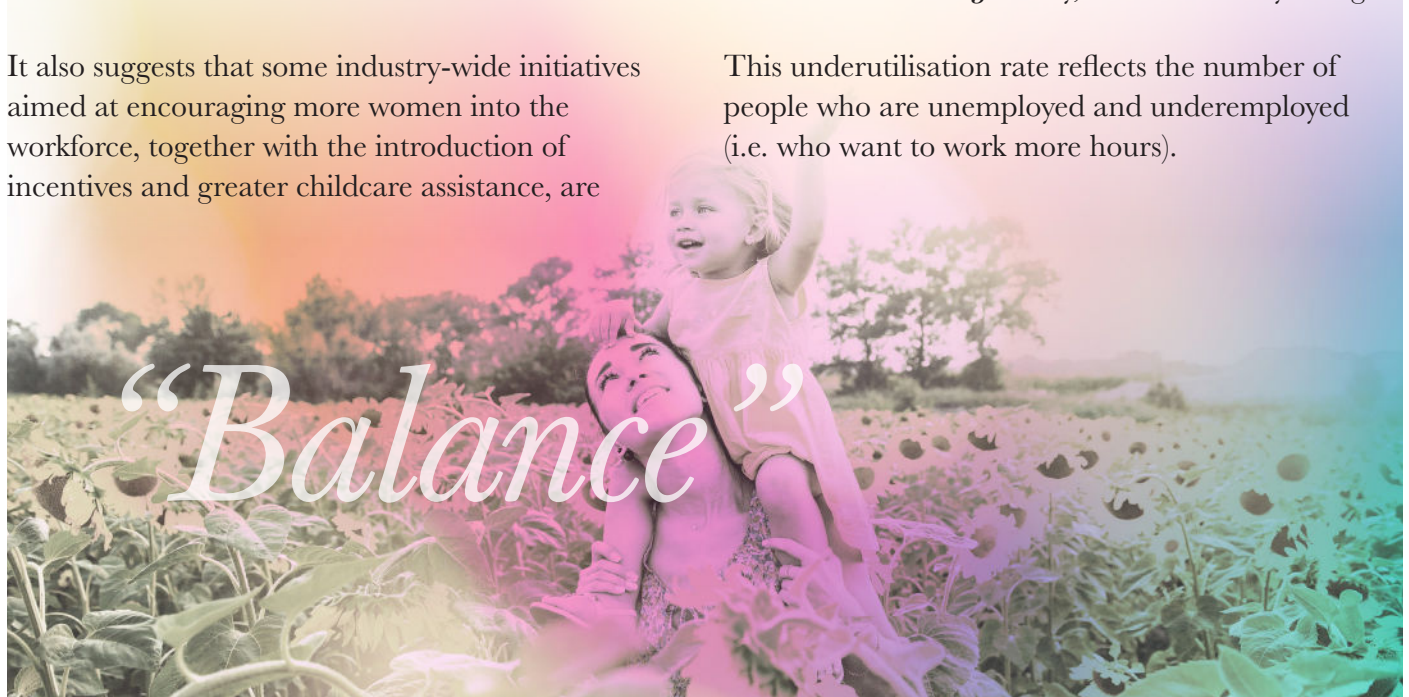
Recent data suggests there are an increasing number of women, more so than men, who are considered “underutilised”, who want to work but who either cannot find a suitable job or have a job but want to work more hours. This may be due to many factors notwithstanding finding work that doesn't conflict with parental responsibilities.

This underutilisation and underemployment are problems for women because they suggest there are forces holding women back from improving their financial security and progression.

The underutilisation rate for women aged 15-64 years fell to 15.9% in January, from 16.6% in January 2018.

The underutilisation rate for men aged 15-64 years old fell to 11.6% in January, from 12.3% a year ago.

This underutilisation rate reflects the number of people who are unemployed and underemployed (i.e. who want to work more hours).



WOMEN IN THE WORKFORCE



Suggested actions to improve the progress of female employment growth:

Action should continue to be taken at the organisational, industry and government level to encourage and support more women's participation in the workforce, and in senior levels of employment. Organisations can set targets on the number of women employed across businesses, and at senior leadership levels; and develop specific strategies to achieve these targets.

Heidi Sundin Founder, The Agenda Agency, says strategies may involve changing mindsets and culture around women and men in the workplace; building capability in inclusive leadership; normalising flexible work; encouraging more men to take up flexible work and parental leave; making more part-time roles available; and developing pathways for women into senior leadership roles.

In addressing the issue of underemployment, an important step is asking if employees are interested in additional opportunities rather than assuming they are not; and consulting with employees to fill roles internally first. Again, offering flexible work such as compressed work weeks or working from home arrangements may enable people to engage in more work, where the traditional 9-5 week may be restrictive.

In addition, continued support is needed by employers to enable women and men to play active roles in parenting and other caring roles, through paid parental leave, payment of superannuation while on leave; and well thought out return to work programs.

Industry initiatives may include; co-funding school and university scholarships for women; developing industry tools and resources to support gender equality capability; development of industry wide employee value propositions; showcasing women in the industry; and providing women's networking opportunities.

GENDER PAY GAP

The wage disparity between women and men working full-time has narrowed to a 25-year low helped by wages growth and record female workforce participation.

The gender pay gap as measured by the ABS Average Weekly Earnings data fell to 14.1% in November (as reported in February this year), down from 14.6% in May 2018 (as reported in August). This data is updated every six months.

The national gender pay gap is the difference between women and men's average weekly full-time earnings, expressed as a percentage. Trend data is used here.

The preferred but less frequent measurement of the Australian Bureau of Statistics, in calculating the gender pay gap is to use the non-managerial adult hourly ordinary time cash earnings. However this data is only available every two years.

Using this method, women earned \$36.80 per hour compared to \$42.20 per hour for men in 2018.

This equates to a gender pay gap of 12.8% in 2018, compared to 11% in 2016 and 13% in 2014, according to the 2018 ABS Gender Indicators report.

The average full-time working woman earned \$1455.80 a week as of November last year, which is about \$240 less than the \$1695.60 earned by the average full-time working man each week.

In this March quarter, if we look at the gender pay gaps across all industries, we can see that eleven have managed to narrow their gender pay gaps, while in five sectors it has widened and three remained unchanged.

The sectors which have recorded the biggest reduction in their gender pay gaps are male-dominated and include Construction and Transport, Postal and Warehousing with respective declines of 2.6 percentage points to 12.5% and 2.1 percentage points to 15.7%.

Financial and Insurance Services continues to be the worst performing industry in terms of the gender pay gap, which rose to 26.9% in November, from 26.6% in May.

Health Care and Social Assistance, which is the most female dominated, is the second worst performer for its gender wage disparity, with the gap widening to 25.8% in November from 25% in May.

The Health sector employs over 1.32 million full and part-time female employees compared to 367,000 men. The average full-time working woman earns \$1,380 a week, while the average full-time man earns \$1859.1 a week.

While the sector pays the average full-time female employee less than the national average wage at \$1,585.2 and is well short of the highest paying for women. However it must be noted that the Health sector covers a wide range of occupations and wages from lower earning junior nursing staff to higher paid neurosurgeons.

The five best paying sectors for women are Mining, followed by Electricity, Gas, Water and Waste Services, Information Media and Telecommunications, Education and Training and Public Administration and Safety.

GENDER PAY GAP

Education and Training (11.5% gender gap), Electricity, Gas, Water and Waste Services (10.1% gender gap), Accommodation and Food Services (8.4% gender gap), Public Administration and Safety (5.1% gender gap) and Retail trade (5.2% gender gap) each have below average gender pay gaps.

In the two years that the Financy Women's Index has been published, Mining has remained the highest paying sector for women with an average full-time weekly wage of \$2,218, which is \$17 higher than the \$2,201 six months earlier.

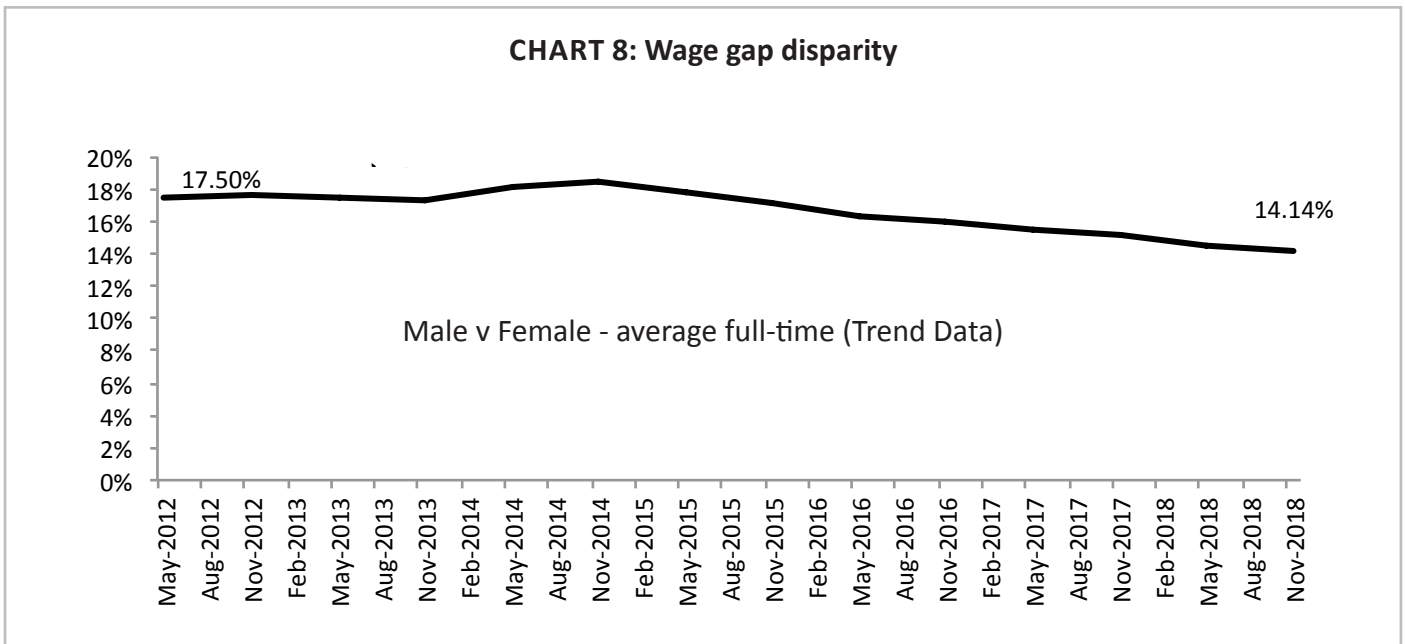
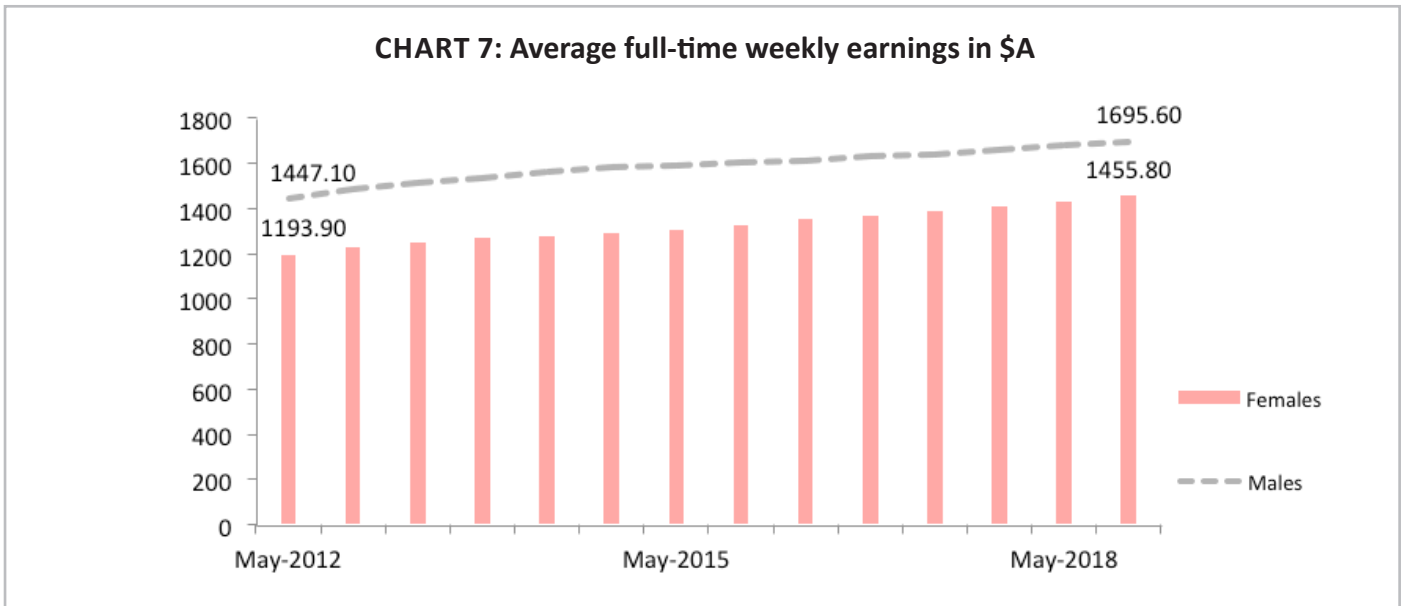
The average man working in Mining earned \$2,670.4 a week in November, which is \$21 more than \$2,649 in May.

The gender pay gap in Mining has held steady at 16.9% for the past two quarters despite a gradual increase in female recruitment.

There are now 34,500 women working in Mining full time, with 0.3% more female employees added as of November 2018.



GENDER PAY GAP



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

Note: Data for the Index observes seasonally adjusted data. For the graph listed above trend data is used from the ABS (cat. 6302.0 – table 1).

The ABS reports on the wage disparity every six months with May data released in August and November data released in February. Original data is used to calculate industry average gender wage disparity from ABS (cat. 6302.0 – tables 10A and 10D).

GENDER PAY GAP

Information Media and Telecommunications is the second highest paying sector for women but continues to pay men more on a quarterly basis.

The sector hired 4.3% less women in November than in May, and has an 18.5% gender pay gap.

Administrative and Support Services delivered female full-time employees with the biggest weekly earnings boost as of November last year.

The average full-time female employee earned \$1351.2 a week in November, up \$65 from \$1286.1 in May. The gender pay gap is 15.6%.

The 2018 national minimum wage increase is likely to have partially affected the gender pay gap because more women than men are paid the minimum.

In recent years minimum wages have been increasing faster than average wages, which is likely to be another factor helping to reduce the gender pay gap.

The Electricity, Gas, Water and Waste Services, which employs the least amount of women, managed to lower its gender pay gap to 10.1% in November, from 10.7% in May.

The national gender pay gap is influenced by many interrelated work, family and societal factors, among which include gender stereotypes about work and the way women and men should engage in the workforce, according to the Workplace Gender Equality Agency (WGEA).



Suggested actions to improve the progress of gender pay gap:

Greater transparency and reporting around pay rates for like-for-like roles would provide much needed detail on the gender pay gap and the way it is reported.

Measures to increase the number of women in management/leadership roles across Australian sectors, not just boards, particularly where women dominate sectors such as in education would greatly assist average wages growth and pay disparity.

It is often assumed that women chose lower paying careers, industries and roles. However, there are many societal factors that influence choice. Such factors could be addressed by encouraging more girls and women to enter Science, Technology, Engineering and Mathematics (STEM) disciplines, greater role modeling of senior women in these industries, and more dedicated strategies to attract women.

WGEA says that employers can address pay equity in their organisations by reviewing their payroll data, doing a pay gap analysis, understanding the key issues, taking action to close the gap and reporting the results to the executive and board.

Specific actions employers can take include transparency to promotion, pay and reward processes, setting targets for the number of women in leadership, normalising flexible working arrangements in their workplace, introducing shared care parental leave policies and paying superannuation on parental leave. All of these actions will help to remove barriers to women's full participation in the workforce and contribute to reducing gender pay gaps and the overall gap in women's lifetime earnings.

GENDER PAY GAP

TABLE 2: Detailed Jobs breakdown 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	\$1,697	5,513	1,248	\$1,255	3,230	2,754	14.1%
Mining	\$2,670	212.2	9.3	\$2,218	34.5	3.0	16.9%
Agriculture, Forestry and Fishing	n/a	198.3	41.0	n/a	49.3	44.0	n/a
Electricity, Gas, Water and Waste							
Services	\$1,866	109.4	5.5	\$1,678	29.8	11.9	10.7%
Information Media and							
Telecommunications	\$2,115	111.5	20.9	\$1,724	56.8	33.0	18.5%
Education and Training							
Public Administration	\$1,879	214.0	85.4	\$1,663	439.4	323.6	11.5%
and Safety	\$1,723	373.4	38.3	\$1,636	315.7	105.3	5.8%
Financial and							
Insurance Services	\$2,223	207.8	16.8	\$1,626	155.7	60.4	26.6%
Professional, Scientific and							
Technical Services	\$2,031	522.1	85.1	\$1,601	292.1	173.4	22.3%
Health Care and							
Social Assistance	\$1,859	268.9	98.3	\$1,380	674.5	644.4	25.0%
Transport, Postal							
and Warehousing	\$1,666	431.2	85.9	\$1,404	85.1	55.4	17.8%
Wholesale Trade							
Arts and Recreation	\$1,618	247.1	26.6	\$1,401	87.4	45.9	14.5%
Services	\$1,701	75.2	46.6	\$1,342	50.1	68.8	19.3%
Manufacturing							
Construction	\$1,471	596.7	56.5	\$1,303	162.6	85.9	11.3%
Administrative	\$1,528	915.4	103.3	\$1,337	73.9	64.3	15.1%
and Support Services	\$1,601	133.0	54.6	\$1,351	115.1	109.7	16.5%
Rental, Hiring and							
Real Estate Services	\$1,616	98.9	15.9	\$1,250	64.1	34.5	24.1%
Other Services							
Retail Trade	\$1,329	228.3	38.4	\$1,209	106.7	112.0	8.7%
Accommodation and	\$1,210	352.0	211.0	\$1,147	276.2	457.5	6.3%
Food Services	\$1,201	204.4	216.0	\$1,100	154.5	329.8	9.1%

Source: ABS, Financy, March 2019.

Note: Headline job numbers reflect ABS 6202.0 - Labour Force, Australia, Jan 2019. Job numbers by industry reflect ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, Nov 2018. Full-time average wages data reflect ABS 6302.0 - Average Weekly Earnings, Australia, Nov 2018. Agriculture, Forestry and Fishing is not available given the seasonal and casualised nature of work across this sector of the economy.

WOMEN ON BOARDS

The number of women occupying board positions on the country's largest listed companies recovered in February despite a dip at the start of 2019.

Women occupied 29.7% of ASX 200 board positions in February, up slightly from 29.6% in January and back in line with December 2018. The result is an improvement on 28.4% in October.

By contrast, the level of female representation on ASX 20 boards has not improved beyond 34.8%, which was reached in December.

Data analyzed by Financy found there were 65 women and 119 men occupying board positions in the ASX 20 in February. The smaller size of this cohort means that even one additional woman can make a statistical difference.

The small recovery in female board appointments at the start of this year for the broader ASX 200 follows a disappointing end to 2018, which saw progress stall in the second half. The key 30% target for female board members, set by the Australian Institute of Company Directors (AICD), was therefore missed.

That said, the January ASX 200 result reflects a 4.7 percentage point improvement on the 25% recorded in March 2017, when the Women's Index began, and represents the best level of female representation for the boards of the top 200 listed companies.

Data provided by the AICD reflecting January appointments shows there were 442 women and 1044 men listed as board members for the ASX 200.

In February, there were five female ASX 200 board appointments, including AMP's appointment of former Managing Director and CEO of the SMSF Association Andrea Slattery.

Importantly, it means that the financial services giant will no longer be without a woman on its board.

Other companies which appointed women were Seven Group Holdings, WorleyParsons, Ansell and Beach Energy.

That leaves TPG Telecom, ARB Corporation and Emeco Holdings as the only ASX 200 companies without any female board members.

Bapcor Limited stands out in the ASX 200 as having the highest level of female representation on its board, at 60% women and 40% men.

NIMB Holdings and Metcash also have a high number of female directors with both showing 57.1% female representation on their respective boards.

Commonwealth Bank of Australia is the country's largest listed company by market value with the most female board members with equal representation of women and men.

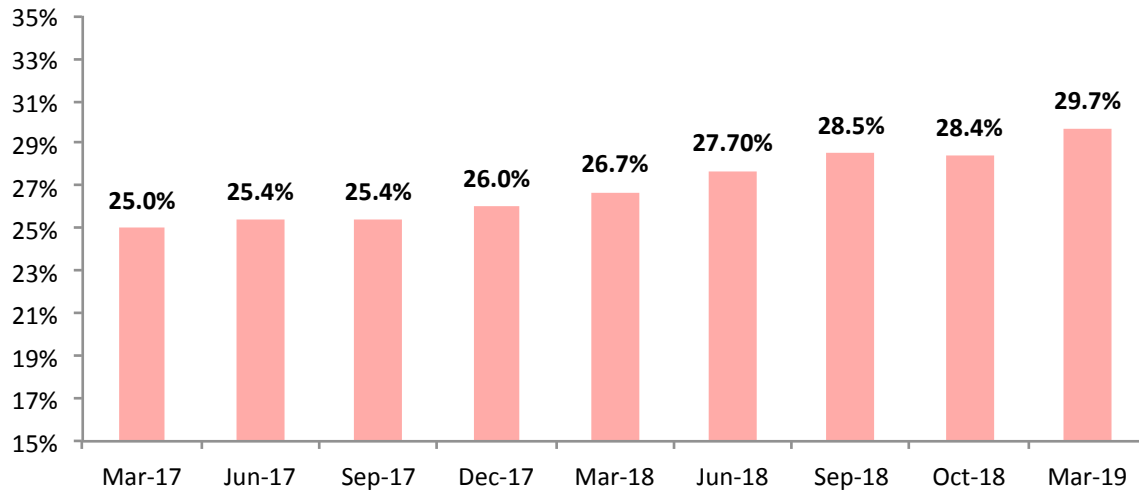
Women represented 39.1% of overall managerial positions in 2017-2018 compared to 35.9% of across an estimated 4,000 employees in the 2013-2014 reporting year, according to WGEA.

Based on current growth patterns, female CEOs will have to wait another 80 years until 2100 before achieving equal representation with their male counterparts, according to a new report titled, *Gender Equity Insights 2019: Breaking through the Glass Ceiling*, by Bankwest Curtin Economics Centre (BCEC) and the Workplace Gender Equality Agency (WGEA).

The 30% target set by the AICD in respect to female board representation for the ASX 200 by December 31 2018, is now likely to be surpassed in the coming months given the momentum underway in support of improving leadership gender diversity.

WOMEN ON BOARDS

CHART 9: The percentage of women on ASX top 200 boards



Source: AICD, Financy and Data Digger, March 2019.



Suggested actions to improve progress of women on ASX 200 boards:

Continued support and focus on the AICD target, together with education around the benefits of gender diversity on boards and in leadership teams, including the improved outcomes for stakeholders and for shareholders, as well as the value added to innovation, questioning and profitability.

AICD Managing Director and CEO Angus Armour said while “more work needs to be done” the AICD will continue to encourage corporate Australia to see the benefits of its 30% target. He added that he strongly believes this target “must represent the floor and not the ceiling for gender diversity on boards. While the AICD will continue to report on 30% and encouraging all ASX 200 companies to meet this target, we are turning our mind to what gender parity looks like in a boardroom context. This includes looking at gender diversity beyond the ASX 200 and in other sectors.”

Actions that also could be taken also include potential sponsorship for women directors, improved and transparent board recruitment processes, which could greatly assist in growing the number of women occupying board positions.

Connie McKeage CEO of OneVue said one action that employers can take to create genuine gender diversity and inclusion into work environments, particularly in senior leadership and board positions, is to ensure that every executive search firm they deal with puts forward an equal number of men and women (50/50) for any role needing to be filled. This process allows diversity to happen naturally because talent is found equally in men and women.

SUPERANNUATION GAP

Australia women continue to leave the workforce with significantly less in their retirement savings than men as new data shows the disparity might be getting worse, not better.

Account balance figures provided to the Financy Women's Index by the country's largest superannuation provider suggests the gender gap has widened despite earnings growth for women relative to men, and record female full-time employment.

AustralianSuper said the gap in lifetime balances (50-65 years) between its male and female membership had widened to 32% in the December quarter, compared to 21% in June 2018 and 44% in 2017.

AustralianSuper said that of its 2.2 million members, of which 40% are female, the average woman retiring today would have \$82,374 in superannuation retirement savings, compared to \$120,818 for the average man.

While calculations of the gender gap in superannuation may differ, based on the underlying data used, these numbers correlate with official statistics showing that, for the past decade the average super balance for retiring women has been 36% - 44% less than that for men.

There is a two year lag on data released by the Australian Bureau of Statistics (ABS), which shows superannuation balances by gender, with the next report due mid-2019.

Based on the most recent 2016 ABS data the average superannuation balance for those aged 15 and over was \$101,700 for women, compared to \$153,000 for men.

This means the average woman retires with 34% less than the average man, compared to 38% in 2014, 39% in 2012 and 37% in 2018.

The gender gap in superannuation remains wide due to women spending more time out of the full-time workforce caring for children and loved ones, without superannuation payments, and earning less than men on average.

An estimated 25 per cent of men and 32 per cent of women aged 15 and over, have no superannuation. This is particularly high among the self-employed and small business owners.

The ABS data includes self-managed super funds but not those with nil balances.

This gender gap is however much worse the older a woman gets. Using the latest 2016 data, the average superannuation balance for people approaching retirement age, otherwise known as preservation age (55–64 years), was \$196,400 for women and \$310,100 for men.

This creates a gender gap of 37% in 2016, compared to 44% in 2014, 43% in 2012 and 26% in 2010.

The significant variation in the gap is likely to be partly affected by annual asset market performance. The bigger the rise or fall in any year, the greater the gap.

The national pool of superannuation stood at \$2.653 trillion in the December quarter, down from \$2.759 trillion in the September period, according to the Australian Prudential Regulation Authority (APRA).

SUPERANNUATION GAP

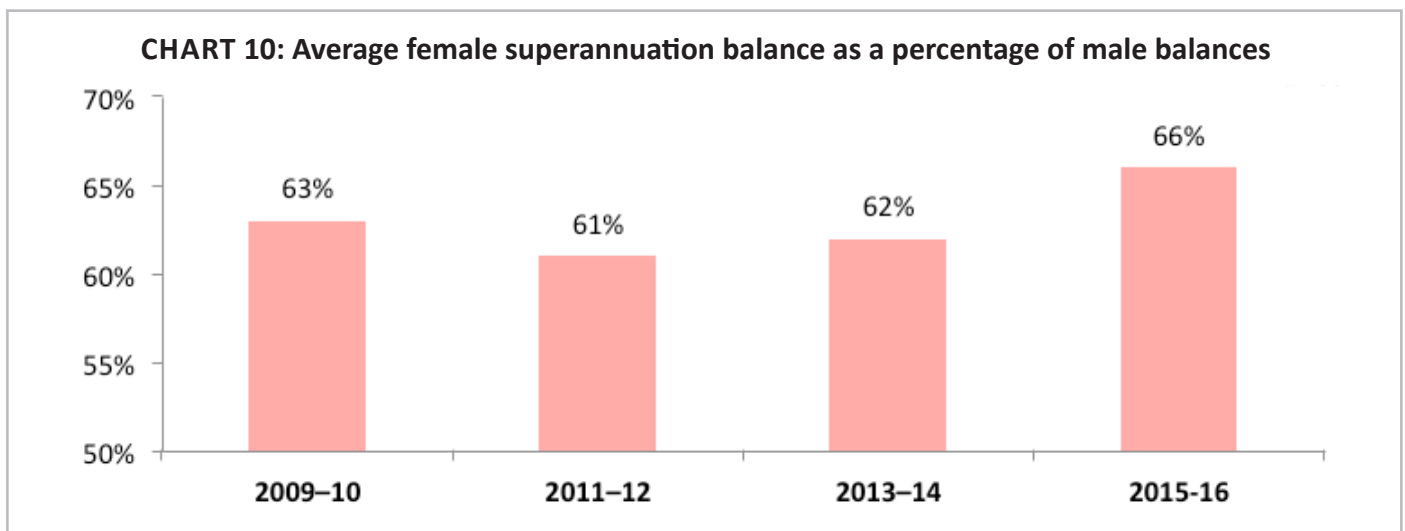
But year-on-year the value of superannuation assets have increased by 1.3% in the 12 months to December 2018.

Because so many women have no super, the Association of Superannuation Funds of Australia (ASFA) includes those with nil balances and calculates the gender gap to be at 39%.

By using ABS data that for the same 2016 period, ASFA estimates that the average balance for the entire population aged 15 and over is \$68,499 for women versus \$111,853 for men.

The recent narrowing in the ABS superannuation gender gap is likely to be influenced by improved earnings and employment growth among women relative to men, but also we are seeing an increasing number of organisations starting to offer improved superannuation benefits for women and those on paid and unpaid parental leave.

Such measures are likely to be effective in helping to retain women in the workforce and supporting their transition back to work after children.



Source: ABS.

Note: ABS data also includes life-time balances of self-managed super funds.

SUPERANNUATION GAP



Suggested actions to improve the gender gap in superannuation:

Measures to improve wage disparity as discussed earlier, along with government requirements/incentives for businesses to pay superannuation on paid and unpaid parental leave, as well as introducing measures to encourage more women, and primary carers to more easily make catch up payments when back at work after children.

For women who want to take action now, there were some important measures introduced or which took effect in 2018 that have the potential to significantly boost superannuation savings.

From July last year, a new measure kicked in which allows for unused concessional super contributions to be accumulated over 5 years, provided the individual's total super balance is less than \$500,000. While the annual limit on concessional contributions is \$25,000, individuals can make use of up to 5 years of previously unused contributions.

Dianne Charman, AMP Financial Planning adviser says this measure could help women returning to the workforce after taking time off to have children, giving them the ability to “catch-up” on super by making higher concessional contributions without breaching the annual cap.

2018 was also the first calendar year that women can use the extended ‘spouse contribution tax offset’. The tax offset allows the higher earning partner in a relationship to make tax reduced super contributions on behalf of their lower earning partner, as long as the lower earner has an income below \$40,000. The full tax offset will now apply up to an income of \$37,000, an increase from the previous \$10,800.

Women in retirement who need to boost their super may also benefit from the ‘downsizing into superannuation’ rule change that took effect in July 2018. This makes it possible under certain conditions for over 65s to top up their super by up to \$300,000 by using the proceeds from the sale of their home.

METHODOLOGY

The Financy Women's Index, supported by Data Digger, and reviewed by the Advisory Committee is designed to provide a reliable and up-to-date quarterly measure of the economic progress of Australian women.

The Index focuses on seven areas aimed at reflecting a woman's working life cycle. These include tertiary education, full-time work, workplace participation, underemployment, wage disparity, board representation of Australia's largest companies and superannuation balances of women compared to men.

The Index result is revised to reflect any changes in official statistics and developmental amendments aimed at improving the depth of research into the economic progress of women.

Chart 1 and 2, plus table 1 - The headline quarterly and annual 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. These indicators are not weighted. The Financy Women's Index (FWX) economic progress target is based on a zero average wage disparity and zero gap in superannuation savings, the male and female participation rates being equal, female full-time employment being 70% of current male full-time employment, 50% gender diversity on ASX 200 boards and steady tertiary education numbers given that women already outnumber men on enrollments. We caution that the FWX Progress Target is a tentative guide on what economic equality might look like in Index form and it will be revised in time as the Index undergoes revisions and weighting into the future.

Chart 3 and 4 - Tertiary studying trends are the product of analysis conducted by Data Digger and Financy using the Department of Education Ucube service. Enrollment growth and percentages are calculated citing annual year on year percentages. The annual data is updated once a year. Tertiary Education Attendee figures are derived from ABS Labour Force data category 6202.0 Table 15.

Charts 5 and 6 – Participation rate chart and Underemployment chart reflects data from ABS 6202.0 - Labour Force, Australia, Jan 2019. Tables 1 seasonally adjusted and 22 trend data respectively.

Charts 7 and 8 – Average weekly earnings charts reflect ABS 6302.0 - Average Weekly Earnings, Australia, Nov 2018 citing table 1. and using trend data.

Table 2 - The detailed jobs by industry table is an aggregation of data used in the ABS detailed quarterly labour force report series, 6291.0.55.001, 6291.0.55.003, 6202.0 ABS Labor Force data monthly and the aforementioned average weekly earnings data. Original data is used in respect to the industry breakdown and trend data is used for full-time average wages as well as the wage disparity. Seasonally Adjusted data is used for the participation rate and for full-time and part-time workers.

Chart 9 - The percentage of women on ASX200 boards is based on monthly data published by the Australian Institute of Company Directors (AICD), while analysis of ASX20 is provided by Financy. Previously analysis was undertaken by Datadigger.com.au to aggregate data over female representation on Australia's top 20 ASX listed companies. This data has now been revised to match that contained in the AICD's reports dating back to 2012.

Chart 10 - 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. The data source is the ABS category 4125 table 1, sub table 25. The data available comes out once every two years.

FWX ADVISORY COMMITTEE

The Financy Women's Index is supported by an Advisory Committee, who are helping to grow the Women's Index as a credible and reliable data source on the economic progress of Australian women, while also ensuring the overall integrity of each report is maintained and strengthened over time.



Bruce Hockman is the Chief Economist, Statistical Services Group, Australian Bureau of Statistics. Bruce has an economics degree from Adelaide University and he also did post-graduate studies at Macquarie University. Prior to joining the ABS Bruce worked at the RBA, Deutsche Bank and as CEO of the Anglican Diocese of Newcastle. He joined the ABS in 2005 as Director of Quarterly Economy Wide Surveys and Prices in Sydney, the team provides around 60% of the data used for the quarterly national accounts. Bruce was appointed as Assistant Statistician of National Accounts Branch, in Canberra, in 2010. Bruce was promoted to First Assistant Statistician in February 2012 and was the Division Head of the Business, Industry and Environment Statistics Division. In July 2015 he transferred to Macroeconomic Statistics Division as the General Manager.



Nicki Hutley is a partner at Deloitte Access Economics and a highly experienced economist. Nicki has worked for both public and private sectors, and in financial markets, investment management, and economic consulting. In addition to macroeconomic modeling and forecasting, Nicki is particularly skilled in the application of economic modeling and analysis in addressing policy issues relating to urban renewal, social and economic infrastructure investment, affordable housing, climate mitigation and adaptation, and social impact investing. Nicki is a sought after keynote speaker and she appears regularly on Sky Business and ABC's The Drum, as well as other media.



Joanne Masters is Chief economist for EY Oceania region.

Jo has been an active part of the economic debate in Australia for the last 15 years. Passionate about driving discussions around the traditional and disruptive forces that shape the economy. Jo is a well-regarded thought leader across economic and policy issues in Australia and the global economy more broadly. Prior to joining EY, Jo was a Senior Economist in the Australian Economics Research team at ANZ. Prior to that, Jo spent over a decade at Macquarie Bank in Economic Research and Foreign Exchange. As a leading female in economics, Jo works to champion women's equality in the workforce and be a driving voice for better gender outcomes.



Dr Shane Oliver is Chief Economist and Head of Investment Strategy at AMP Capital.

Shane has extensive experience analysing economic and investment cycles and what current positioning means for the return potential for different asset classes such as shares, bonds, property and infrastructure. Shane is Co-Head of the Investment Strategy and Dynamic Markets team, responsible for the provision of economic and macro investment analysis and more importantly the management of the Dynamic Markets Fund and the determination of AMP Capital's asset allocation policy which is applied across more than \$65 billion invested in multi-asset funds. Shane is a regular media commentator on economic and investment market issues and engages regularly with investors at public events and forums.



Heidi Sundin is the Founder and Director of The Agenda Agency.

Heidi is a specialist in corporate transformation and diversity and inclusion strategy. In the area of diversity and inclusion Heidi's clients include corporates across industry sectors, various Australian Government Agencies, not-for-profits and a number of Australian universities. Heidi is also an affiliate of Mercer Australia's Diversity and Inclusion Practice. Heidi's most recent roles included Group Manager, Transformation, Strategy and Renewal at Coates Hire; Executive Manager Education and Innovation, Workplace Gender Equality Agency; Director of the Office of the CEO, KPMG and various client facing roles at KPMG. Heidi was a lecturer at the UTS Business School and has worked for the World Business Council for Sustainable Development.



Professor Roger Wilkins is the Deputy Director of the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne.

Roger is also the Deputy Director (Research) of the HILDA Survey. His research interests include the nature, causes and consequences of labour market outcomes; the distribution and dynamics of individuals' economic wellbeing; and the incidence and determinants of poverty, social exclusion and welfare dependence. Roger produces the annual HILDA Survey Statistical Report. He has also produced the Australian income component of the World Inequality Database (WID) since 2014. Roger is a member of the ABS Labour Statistics Advisory Group, the Australian Housing and Urban Research Institute (AHURI) Research Panel, and the Department of Social Services 'Building a New Life in Australia' Survey Technical Reference Group, and is a Policy Adviser for the Australian Council of Social Service. He is also a Research Fellow at the IZA Institute of Labor Economics.

ABOUT THE WOMEN'S INDEX




The Financy's Women's Index is authored by its founder Bianca Hartge-Hazelman, who is also the publisher of women's money website Financy®

The Index was launched in 2017 and brought to life with special thanks to Data Digger's Dan Petrie.

The Women's Index measures the economic progress of Australian women on a quarterly basis and is reviewed by members of the Advisory Committee and the Australian Bureau of Statistics.

The purpose of the Index is to help inspire women to live more courageously and confidently – to be Fearless.

The Financy Women's Index provides valuable insights, trends and opportunities to enhance women's economic progress.

The Index is a free report made possible with the help of corporate sponsorship and goodwill partners. The report is sent to Financy newsletter subscribers first and can be later downloaded from financy.com.au.

Bianca is a journalist, educator, commentator and influencer who specialises in women's money matters. She holds a Communications Degree, Master's Degree in Journalism and Graduate Diploma in Applied Finance.

Data Digger® is a business that specialises in Australian economic data and chart building

Data Digger is a statistics aggregator created by former Bloomberg journalist, Dan Petrie.

Dan also currently heads up media and industry for the Chamber of Commerce and Industry Queensland (CCIQ).



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The information presented in this report has been carefully reviewed by members of the Advisory Committee but any issues with the data remains the responsibility of Financy.

Any comments on the Financy Women's Index by members of the Committee are their own and are not a reflection of the companies that they work for.

For information on the data contained in the report contact Financy.

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