

Financy

DECEMBER QUARTER 2020

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Women's Index™

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Economic Progress of Women

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Over 100 years to economic equality

OCTOBER – DECEMBER 2020

A United Nations Women's Empowerment Principles Signatory and aligned gender equality initiative:
Measuring and reporting on women's financial progress and economic equality in Australia.

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The Financy Women's Index™ measures and reports each quarter on the financial progress of women and the timeframe to achieving gender equality in Australia.

The Index is produced by Financy founder Bianca Hartge-Hazelman and is reviewed by Advisory Board members; Dr Shane Oliver, Simone Cheung, Roger Wilkins, Joanne Masters, Bruce Hockman, Danielle Wood. Data is also reviewed by the Australian Bureau of Statistics and data modelling is provided by Deloitte Access Economics.

We thank Deloitte and AMP Services for their sponsorship support of this important measurement.

The purpose of the Financy Women's Index initiative is to measure and report on gender financial equality across seven critical areas being education, employment, underemployment, wages, unpaid work, leadership and wealth (superannuation).

This report is delivered each quarter in a comprehensive manner and aims to highlight the factors that are driving or holding back progress as well as the opportunities available to women, business and policy makers to create positive change.

This December update of the Financy Women's Index includes two methodology changes including revisions to our calculations of the time to economic gender equality (Years to Target estimates), which are higher than under the previous methodology but reflect a more accurate representation of how long it will take for each sub-index to reach parity. And secondly, a revised methodology for the fields of education sub-index, which provides greater insight into the relationship between educational choice and expected career earnings for women or men.

Ultimately, the purpose of the Women's Index™ is to help drive fearless discussion and action that supports and inspires women to live courageously & confidently – hence to be Fearless.

Fearless

Financy is a fearless provider of gender data, content and creative brand strategy. We advocate for financial gender equality through insights and seek to influence through action. We partner with business clients to improve their strategies and results in line with best practice actions and social responsibility guidelines.

EDITOR'S NOTE: Rethinking gender stereotypes is key to equality

“Not one single country in the world is on track to achieve gender equality and empowerment of all women and girls by 2030 as was set out in Agenda 2030,” says Josep Borrell Fontelles, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission.

For all the work that has been done, for all the conversations that have been had – 2020 will undoubtedly go down as the year where gender equality slipped further out of reach.

This is a major concern for me, particularly as I have three daughters of my own and I take the above mentioned commentary from the United Nations very seriously when considering their future.

However I and we, must not give up in trying to achieve gender financial equality in the short-term, rather what we need is to change our thinking about how it is that we get there.

For too long have we focused on improving the economic security of women once a person experiences financial disadvantage, rather than really educating and preparing them before that event happens.

It's a bit like the saying; if you fail to plan, you are planning to fail.

If we don't focus more on breaking the cycle of gender financial inequality early, through education, skills, opportunities, actions and leadership, then we will continue to fail in our grasp of achieving equality.

Right now Australian women are at risk of seeing their financial progress go backwards because of the Coronavirus and it's become more challenging to get a reading on the full extent of this, because the pandemic, government stimulus and control measures have caused distortions in key employment and wages statistics. This could result in a more sudden pressure to react in a responsive way rather than a strategically pre-emptive way. Hence this may increase the probability of seeing the focus remain on older women approaching retirement with little savings or on Mums who are struggling to participate in paid work because of unsupported unpaid work.

So what can we do? We must encourage mandatory awareness programs in schools that strive to bust stereotypes around financial literacy, financial independence, education, career and unpaid work choices.

Business leaders and governments must also make it easier for the primary carers of children, namely women, to leave and re-enter the workforce as well as normalise the provision of flexible workplaces.

In this Financy Women's Index™, we have changed our modelling on education and looked specifically at why there are more women than men undertaking formal educational qualifications and why this alone doesn't translate to success in income and leadership.

The problem is that our choices are not evolving with the times and supporting financial progress.

We need to question how these choices are being made and what they're influenced by, such as perceptions of workplace flexibility, employer bias and discrimination, gender stereotypes and social and family traditions.

For instance to what extent does the perception of flexibility for families influence the influx of women studying and working in the fields of Education and Health over Information Technology, which is considered the highest paying pathway for women.

At the same time, we as a society need to question why it is that certain female-dominated sectors and roles are so undervalued and underpaid relative to many male-dominated sectors and roles.

The key to changing our futures, is to focus more on future generations, equalise our thinking on gender and seize opportunities such as those learned through COVID in using technology to enable more flexible working.

Once we do this at a national level, we will provide a faster path towards equality and be able to say, that we are on track to achieving gender equality and empowerment of all women and girls, at a date not so far away.

Bianca Hartge-Hazelman
Founder of the Financy
Women's Index™



LEADERSHIP THOUGHTS: How will you #choosetochallenge?

“What if 2020 isn’t cancelled? What if 2020 is the year we’ve been waiting for? A year so uncomfortable, so painful, so scary, so raw – that it finally forces us to grow. A year that screams so loud, finally awakening us from our ignorant slumber. A year we finally accept the need for change. Declare change. Work for change. Become the change. A year we finally band together, instead of pushing each other further apart. 2020 isn’t cancelled, but rather the most important year of them all.”

Leslie Dwight

2020 was certainly a year to remember, or to forget. And the economic and financial impacts of COVID-19 were not gender-neutral. Dubbed the ‘pink recession’, women’s jobs, work hours and participation were affected disproportionately. Not only that, the already unfair share of domestic unpaid work exploded during the pandemic.

While this latest release of the Financy Women’s Index (FWX) has shown some improvements in since 2012, there is still some way to go – 101 years to be precise.

This is largely due to unpaid work still being one of the worst performing sub-index, and one that has barely improved over time. While unpaid work increased for both men and women as a result of COVID-19, women still did the majority of the work at home, including child caring.

It remains to be seen whether more flexible working arrangements in the ‘new normal’ for both men and women may finally pull the unpaid work sub-index in the right direction.

As the late Ruth Bader Ginsburg, one of the biggest advocates of gender equality and women’s rights, famously said: “Women will have achieved true equality, when men share with them the responsibility of bringing up the next generation.”

This latest release also includes a change to the education sub-index. Instead of capturing only enrolment differences between men and women, the FWX now also includes their fields of study and the expected future earnings.

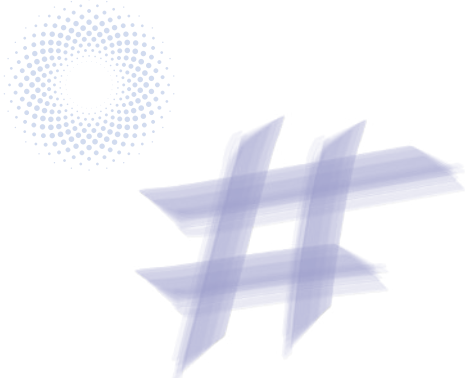
This has shown that women tend to ‘self select’ into fields of study that have lower expected pay such as in health care, social supports, hospitality and personal services.

On the one hand, there has been a push in recent times to encourage women into areas of science, technology, engineering and mathematics. However, the other side of the equation is the need to value traditionally female-dominated industries more.

As an example, the recent Aged Care Royal Commission found that Australia’s aged care system is understaffed and the workforce underpaid and undertrained. And, coincidentally, women make up over 80% of the residential care services workforce.

The Royal Commission found that the aged-care sector had difficulty attracting and retaining a well-skilled workforce due to low wages and poor employment conditions. And this is directly tied to the quality of care delivered. Is it time to reconsider the value we place on these sectors?

As Leslie Dwight so aptly put it, let’s use 2020 as the force needed to make, and become, the change needed in achieving gender equality. How will you #ChooseToChallenge in 2021?



Simone Cheung
Partner Deloitte
Access Economics



LEADERSHIP THOUGHTS: How are we going to accelerate equality?

I have always been a believer that when you walk into the door of your office - you should be seen as a business person first.

The path should be the same for everyone regardless of their gender, race, religion or any other label people try to apply.

The only thing you need to focus on is how to get from A to B in your career. Companies should also only focus on your individual capabilities and what you will bring to the business.

So why are we still seeing gender pay gaps and only a slight progression in the movement towards total equality? In my 25 plus career I am still hearing similar issues being discussed year after year. It reminds me of the argument for changing Australia day because many feel it is Invasion day.

Consistently every year, two to three weeks before January 26th there is a lot of debate to change the date – but nothing is solved; next year it will repeat. Are we going to keep talking about equality issues for the next 25 years or are we going to finally take action and put the processes in to effectively make change?

If there is going to be no gender bias at work, then many things need to change. Education needs to start at mid and high school level through to university; covering what respect means and appropriate behaviours, along with career options.

This will help prepare new entrants moving into their chosen field with the tools they need to handle certain situations. Many home environments are not equipped to train their children in preparation for work culture and may also have pre-conceived ideas based on outdated work practices. So the logical place for training is in the schools with a designated program.

Companies need to update their induction programs so new employees entering their workforce have a clear understanding of the rules of engagement. In addition, the more senior members of their team should take on an ethical responsibility to help support and guide new employees, especially the younger ones.

I also believe that Government could accelerate equality by providing financial incentives by way of tax reductions if targets are met for the number of women on their board and percentage of women reporting to the CEO/CEO included.

Incentives could be for companies 25 plus employees. Having a financial incentive could ensure the recruitment processes are more targeted to include a broader short list of candidates to achieve the diversity goals of the organisation.

Solving the inequalities for diversity of all kinds needs to be a strength in numbers approach by both women and men. It is not one gender's issue, it is everyone's issue.

Judith Beck

Author of *No Sex At Work*
and Founder of Financial
Executive Women



LEADERSHIP THOUGHTS: Rebuilding after early access to super

As optimism grows that the worst of COVID-19 might just be behind us, it bears reminding that in 2020 over 3 million Australians withdrew more than \$36 billion in retirement savings under the government's early release of super scheme.

Of which 220,000 AMP superannuation members alone, accessed their savings.

This money provided much needed assistance at a time of considerable financial uncertainty, but we mustn't lose sight of its impact on retirement savings, particularly for women.

We know women already have lower super balances. We also know they're more likely to find themselves living below the poverty line in retirement.

And, with this quarter's Financy Women's Index showing a revised timeframe to economic gender equality of 101 years, it should be no surprise that women are generally more anxious about their retirement outcomes – one of the key findings from AMP's latest Financial Wellness research.

While near-term COVID-19 challenges remain, the message I want to share for those women who have withdrawn funds as part of the early release program, is to take stock now, and start taking steps to rebuild your super balance.

Our super system is a purpose built, tax friendly way of building long-term retirement wealth. It's designed around the concept of 'compounding', which dictates that through a sensible investment strategy, a little now multiplies over the years into much more.

This can have a profound impact on the size of retirement nest eggs and quality of life in later years. Where do you begin to rebuild your super? While you might not have spare funds available now, you can start building your knowledge of the super and retirement system.

The system can be complex, but many funds, offer education, support, resources and tools to help members – take advantage of their insights, resources and expertise to build your own knowledge. AMP, for example, has created an Insights Hub, full of resources which anyone can access. Encouragingly, this site was visited more than 380,000 times last year.

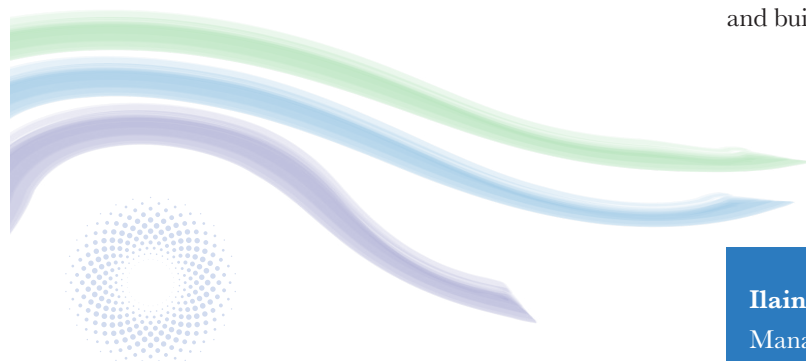
It's also important to understand the different types of strategies and options available to increase your super balance. These will differ based on your personal circumstances, but include:

- Making concessional (before-tax) and non-concessional (after-tax) contributions,
- Making spouse contributions and;
- Making use of government assistance.

Also, start the conversation about super and retirement with your family and friends... share your knowledge with your daughters, granddaughters and nieces.

On the surface there may be more interesting topics to discuss for those under 40 than 'non-concessional contributions', but let's help ensure the sometimes harsh reality of opportunity lost doesn't hit home for women when retirement is just around the corner.

In short, it's never too early to start planning for retirement, and building – or rebuilding – your super balance.



Ilaine Anderson
Managing Director
Superannuation, Retirement
& Platforms AMP Services



HIGHLIGHTS

December Report 2020 – Released Monday March 8, 2021 for International Women’s Day.

- The December quarter of 2020 has been the worst performing quarter in seven years for women’s financial progress towards equality in Australia with the Coronavirus causing a setback in employment.
- The timeframe to gender financial equality increased to a revised 101 years, due to a widening in the gender gap in unpaid work, the Financy Women’s Index shows.
- While year-on-year the Index shows women did make financial progress in 2020, momentum collapsed in the December quarter (-3%) due to a combined widening of the gender gaps in the underemployment rate, employment, unpaid work and education.
- Educational choice for women is more likely to be linked to lower paid careers, than it is for men.
- In better news, the pace of improvement in ASX 200 female board appointments doubled in 2020, from a year earlier.
- The gender pay gap improved to its lowest point in over a decade in November, although is at risk of reversing due to temporary government stimulus (Jobkeeper) impacting earnings.
- The gender gap in average superannuation savings stands at 29.1% with men holding higher average balances. Updated data is not yet released.

“Women will have achieved true equality when men share responsibility for bringing up the next generation,”

Ruth Bader Ginsburg



KEY MESSAGES

Are things getting financially better for women?

Australian women face a more challenging task of achieving financial equality with men as the Coronavirus distorts trends in employment and wages, while also exposing underlying structural problems holding back progress. The Financy Women's Index fell by 2.3 points to 74 points in the December quarter, but is 1.3 points higher for the year. The December quarter reflects the worst performing quarter since March 2013, (-3%) as women experienced a slower employment recovery than men. There was also little improvement in longstanding behaviours seen among men and women in unpaid work and education. The only exceptions of where we saw progress was in the appointment of more women to ASX200 board positions and the narrowing of the gender pay gap.

What key components contributed to the result?

The overall trend in women's financial progress is that it's slowly improving despite COVID-19 contributing to the December quarter collapse and little change in longstanding systemic inequalities. The gender gap in the underemployment rate widened by 3.2 percentage points (pp) in the period. The male underemployment rate is still higher than it was prior to the pandemic, while the female underemployment rate has returned to similar pre-COVID-19 levels. In terms employment, the gender gap widened as male employment growth improved faster than female in the December quarter. The number of monthly hours worked by males in paid employment outpaced that of females in the December quarter. In annual terms, it's males that are still playing catching up in the employment recovery, down 1.8% compared to a drop of 1% for females. The gender gap in unpaid work remains a lingering issue for families and society. Unpaid work worsened leading into the pandemic and throughout it as the amount of time spent each week on care and housework increased for women, relative to men. In the field of education, while the gender gap declined only marginally, there's been very little change in the relationship between course or subject selection and expected career earnings for women or men. Women are more likely than men to make educational choices that linked to lower expected career earnings.

What is the Index signalling for economic equality?

The Financy Women's Index December quarter result suggests that we are unlikely to see economic gender equality in Australia until the year 2,122. The timeframe for achieving equality increased to a revised 101 years, from a revised 100 years in the September quarter based on the worst performing sub-index (unpaid work) of the Women's Index. We have revised our methodology for calculating the timeframes to equality which reduce the likelihood of capturing noise in the data and produce a more accurate result. This '101 years' is an extremely distressing in any case but should not be compared to the timeframe used in the September 2020 FWX report. Please cite our revised figures. Unpaid work, be that due to choice or other factors of influence and circumstance, is considered a major obstacle to a person's ability to participate in the paid workforce. Without significant willingness for change in this area of measurement, it is likely that women will continue to participate in paid work at a reduced capacity to men and this will affect the picture of women's financial security and progress. If we look at the other sub-indexes, based on our revised methodology it is expected to take 21 years to achieve equality in the national gender pay gap, 33 years in employment, 18 years in underemployment, 7 years for women on boards and 38 years in superannuation. We exclude fields of education because it is difficult to calculate a timeframe to equality while progress is relatively unchanged. That said, while our modelling suggests that unpaid work is the worst performing sub-index, it is possible that fields of education could take even longer to reach parity if the estimates remain stagnant over time.

Which industries are faring better or worse for women?

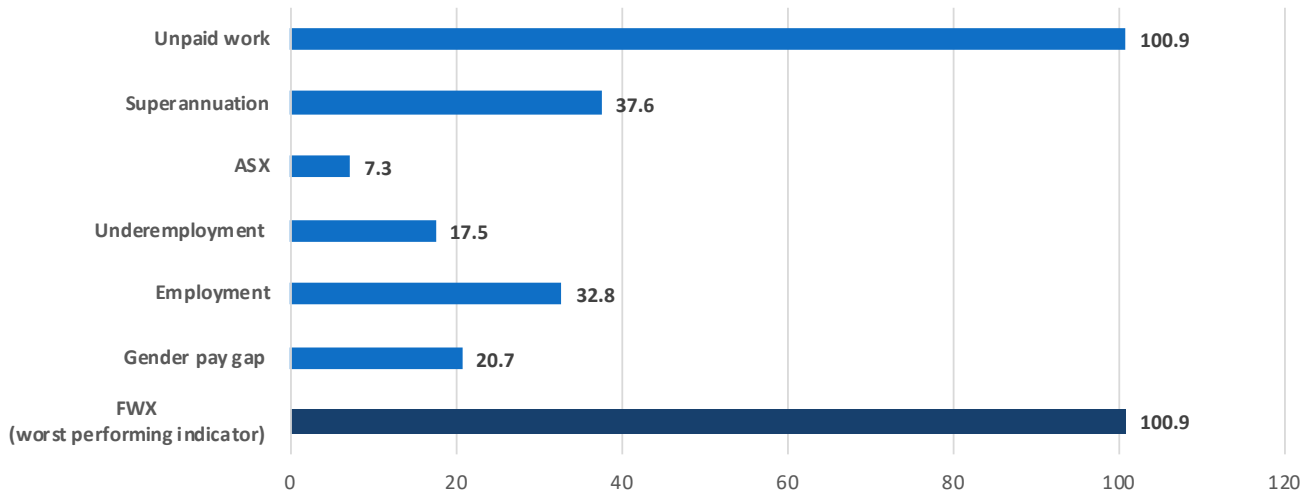
We continue to see a recovery in female-dominated sectors that were among the hardest hit by government introductions of COVID-19 lockdowns and social restrictions, such as Retail Trade and Accommodation and Food Services. That said, while both sectors hired 11% and 28% more women and men respectively in the December quarter, there's yet to be a full recovery of employment and this could be an opportunity as the economy improves. Health Care and Social Assistance, which is the biggest industry employer of women, has slightly less female employees than it did a year earlier with 1.34 million in December quarter versus 1.37 million a year earlier. However as the health recovery continues and vaccines are rolled out, we would expect this sector to increase its workforce, particularly given the aging population. In other opportunities for women, female-dominated Education continues to increase its employees across the industry (up 8% for women and 9% for men) and male-dominated industries like Construction (up 8% for women and -1% for men) and Mining (up 16% for women and men) now employ more women than they did prior to the pandemic.



FWX

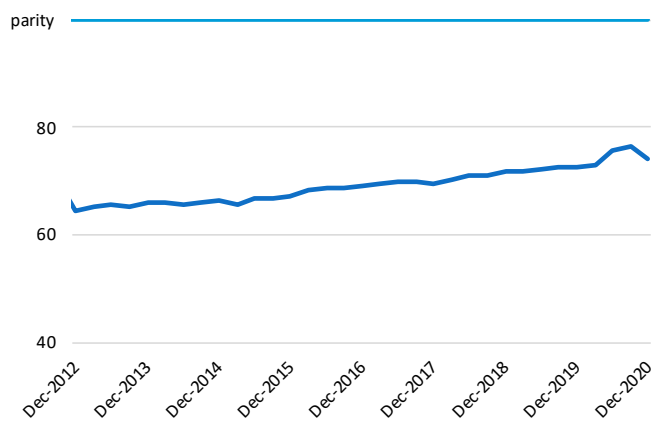
KEY MESSAGES

CHART 1: Timeframe to Economic Equality



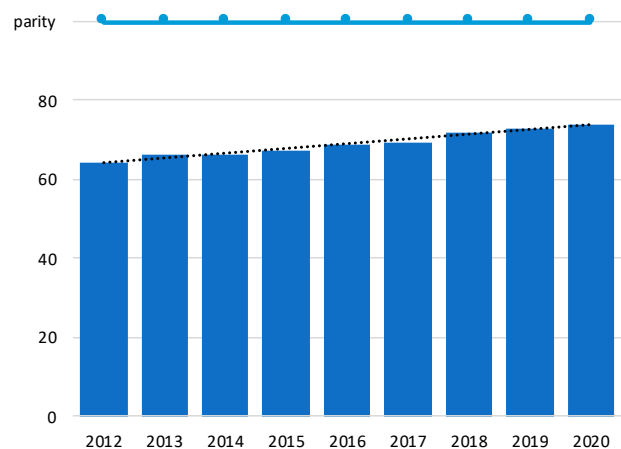
Based on current trends in the worst performing sub-index, it will take 101 years to achieve gender financial equality.

CHART 2: The Financy Women’s Index by Quarter



Women’s quarterly financial progress fell in the December quarter of 2020 due to the impacts of COVID-19.

CHART 3: The Financy Women’s Index by Year



In annual terms, women are slowly making financial progress.

Chart 1,2 & 3 Source: Financy, Deloitte Access Economics, December 2020.

Notes: Economic modelling for the Financy Women’s Index is produced by Deloitte Access Economics, drawing on a range of publicly available data sources, including the Australian Bureau of Statistics. The Financy Women’s Index calculates women’s financial progress by looking at the performance of women relative to men across seven areas; education, employment, underemployment, wages, unpaid work, ASX 200 board numbers and superannuation. The December update of the Financy Women’s Index includes revised years to target estimates. The new methodology uses a line of best fit to calculate years to target, and extrapolates this line to predict how long it will take for each sub-index to reach the target value of 100. The education index has been revised to focus on the relationship between degree choice and expected income, rather than the number of student enrolments by gender. We have renamed this sub-index fields of education and have not included it in the Years to Target estimates as it has been going backwards for many years and therefore difficult to show a trend. We have back cast the Index to 2012 to show a longer term trend in our measurement. Previously, yearly targets have been used. Revisions to the Financy Women’s Index are made in each quarter based on official data revisions and modelling enhancements agreed to in consultation with the Advisory Board and Deloitte Access Economics. Superannuation data is updated every two years based on the latest available information. In these cases we have carried forward the latest data each quarter to ensure that all data is considered in the calculation of each Index. The Index uses seasonally adjusted data where available.

DECEMBER QUARTER TALKING POINTS

We are witnessing extraordinary times for women's financial progress towards gender equality. On the one hand, it is encouraging to know that in 2020 women have not been left behind in the COVID-19 employment recovery, but on the otherhand, longstanding systemic and cultural issues remain barriers to lasting behavioural change.

Gender stereotypes persist in unpaid work and education regardless of the impact of the pandemic. These require a great deal of education and willingness to change while at the same time we need to ensure that the freedom to choose is maintained.

Australian women felt the brunt of the economic impact of the Coronavirus in the December quarter with the Financy Women's Index recording its biggest quarterly decrease since 2012.

The quarterly measurement of women's financial progress fell by 3% to 74 points in the three months to December 31 2020, from a record high of 76.3 points in the September quarter.

The December quarter was dragged lower by relative weakness in the COVID-19 recovery of women in the workforce, combined with an increase in unpaid work prior to the pandemic and a marginal worsening of educational choices linked to lower paying careers.

Despite that, the Women's Index increased by 1.3 points for the year to finish 2020 higher than where it started at 72.7 points, helped by improvements in the gender pay gap and the number of women occupying ASX200 company board positions.

Younger working women under the age of 25 years were the most affected by COVID-19 related job losses. This was particularly the case for those in part-time and casual employment working in industries such as Hospitality and Retail – which were hardest hit by limitations on social gatherings at the start of the crisis.

According to the Grattan Institute¹, if a young woman were to have taken just six months out of the workforce during the pandemic, the financial loss would equate to \$100,000 over her lifetime.

Indeed Australia's response to put the health of its citizens rightly first by introducing mandatory lockdowns, had the unfortunate but not unexpected outcome of plunging Australia into its worst recession since the Great Depression.

But unlike many historical crises, this one reinforced how the financial insecurity of women relative to men, left them more vulnerable and at risk to seeing inequalities further deteriorate.

EMPLOYMENT

2020 wiped out at least 20 years of positive momentum and behavioural trend in the progress of women in the paid Australian workforce.

Between 2000 and 2019, the number of monthly hours worked by women of employment age in Australia nearly double from 477,000 to 736,000.

However in 2020, that trend was disrupted by the pandemic triggering industry shutdowns and social restrictions which were introduced, eased and then repeated in many areas.

Early in the crisis, it was women who suffered the bulk of job cuts, namely in female-dominated industries like Food and Accommodation Services and Retail. We saw this in Payrolls data provided by the Australian Bureau of Statistics (ABS). But women also benefited from a swifter partial recovery that occurred in these sectors during the first three quarters of this year, relative to men.

But the recovery story was different in the December quarter and the number of monthly hours worked by women was outpaced by men (3.5% versus 4.1% respectively).

¹ Women's work: The impact of the COVID crisis on Australian women, Grattan Institute 2021.

DECEMBER QUARTER TALKING POINTS

Based on our analysis of population figures and monthly hours worked and available to work, Australian women were operating at a reduced work capacity of 56% in the December quarter, compared to 57% in December 2019.

Men were also working at a reduced, albeit a much higher capacity of 80% in the December quarter compared to 82% in the December 2019 period.

Overall the level of workforce participation declined through the pandemic and women remain less engaged than men.

The female participation rate stood at 61.4% in the December quarter, down 0.2% from 61.5% in January 2020. The male participation rate increased over the same period to 71.1% in the December period, up 0.4% from 70.8% at the start of 2020.

The number of females in full-time employment stood at 3.31 million in December, down by 1% from 3.34 million in December 2019. This change is the complete opposite to previous years where the annual growth rate in female full-time employment has been running at a minimum 1% increase a year.

Male full-time employment was at 5.45 million in December 2020, down 1% from 4.49 million a year earlier. It appears that as more men lost full-time employment, there was a bit of a move into part-time roles, up by 4.4% to 1.35 million in the December quarter, from 1.29 million in January 2020.

By contrast, female part-time employment stood at 2.77 million in the December quarter, down 0.3% from a year earlier. This appears to suggest that when women have lost jobs – for whatever reason such as employer/employee choice or other factors – many have remained out of the workforce.

Rising unpaid work responsibilities particularly caring for children and limitations on flexible at home work, are among the main reasons why many women may have been unable to reengage in the workforce to the same extent as prior to the health crisis.

Young women, aged 15-24 years, have been the most adversely affected by COVID-19 related job losses and are yet to bounce back.

There were 11% less women aged 15-24 years working full-time in the December quarter than there were in December 2019.

Older women were also more vulnerable to job cuts and are yet to recover. There are still 1% fewer women aged 55-64 years, working full-time than there were a year earlier and 2% less women 65 years and over.

However there are now more women aged 35-44 and 45-54 years working full-time than there were before the pandemic with gains of 2% and 3% respectively in these groups.

The female dominated sectors of Health and Education have remained relatively stable employers over the year to the December quarter in terms of the employment of their total respective female workforces. In many ways this benefit reflects the necessity of working in an essential services industry and the important role they play in supporting the population during a health crisis.

There are now 2% more women working in Education and 2% less in Health Care and Social Assistance than prior to the pandemic.

Male dominated industries of Transport, Postal and Warehousing and Construction did the most hiring of women in the December quarter as captured in November 2020 data.

Transport, Postal and Warehousing, which is now employing more women, increased its female full-time job numbers by 41% in the December quarter and part-timers by 50%. The sector remains overwhelmingly male dominated (81% men in full-time roles and 63% part-time.)

Construction, which is also employing more women than prior to the health crisis added 18% more women to full-time positions but reduced part-timers by 3% for women. Surprisingly, male full and part-time employment in Construction decreased by 1% and 5% respectively in the December quarter.

DECEMBER QUARTER TALKING POINTS

The biggest female job cuts at the outset of COVID were seen in Accommodation and Food Services and Arts and Recreation and these sectors are still lagging with 13% less and 10% less total employed women respectively across their industries.

The worst performing industry in terms of employing fewer women now than prior to COVID-19 is Information Media and Telecommunications, with 14% less compared to 5% fewer men.

UNDEREMPLOYMENT

The gender gap in the underemployment rate, which we measure because it captures spare and the desire to do more work, widened in the December quarter, as male employment improved faster than female.

The underemployment rate captures the number of people who are employed over the age of 15 years and who want to more work, than they are currently doing.

The female underemployment rate fell by 2.1pp to 10.35% while the male underemployment rate fell by 3.58pp to 7.19% in the quarter. A lower rate means less people who identify as being underemployed.

The underemployment rate helps us to understand the extent to which workforce engagement is due to availability of work, rather than so called “choice” around family or other personal decisions.

Prior 2014, the female underemployment rate had been in the single digits before steadily increasing.

The gender gap in the underemployment rate narrowed to just 1.69pp in the September quarter – the smallest margin in 20 years. This suggested there was little difference between men and women in the desire to work more than the number of hours available to them.

WAGES

The national gender gap, as measured by the ABS Average Weekly Earnings data, improved during the December quarter as we saw a small pick-up in women’s wages and a drop in men’s wages.

Average full-time weekly wages for females rose by \$3.60 to \$1,562 in November, reflecting a slightly smaller gap of \$242 with males who earned \$7.80 less to \$1,804 per week for the same period.

The gender pay gap fell to 13.4% in November 2020, as reported in February 2021, down 0.6pp from a seasonally adjusted 14% in May 2020, as reported in August 2020.

This result has been influenced by an increase in male employment in lower paid industries such as Accommodation and Food Services and Arts and Recreation. Men’s weekly average pay is also much higher than the government’s JobKeeper payments, which have been set at a maximum of \$1500 a fortnight, before reducing to \$1,200 a fortnight. Most of the recipients of JobKeeper were men as women were more likely to miss out under eligibility rules which excluded short-term casuals or higher education workers.

The gender pay gap is largest in Professional, Scientific and Technical Services, up 2.3pp to 24.4%, Financial and Insurance Services, up 1.4pp to 23.6% and Health Care and Social Assistance, down 1.1pp to 21.2%.

The Industries with the lowest gender pay gaps include Other Services, at 1.9%, reflecting a reverse wage disparity in favour of women.

Public Administration and Safety has a low comparative gender pay gap, at 6.3% in the December quarter. In recent years the gender pay gap between the public and private sectors has started to narrow and stands at 10.6% versus 16.65% respectively.

DECEMBER QUARTER TALKING POINTS

WOMEN ON BOARDS

One of the key drivers of women's financial progress towards equality with men over the past four years has been in leadership with the appointment of more women to ASX 200 boards.

The number of women occupying these board positions rose by 0.9% in the December quarter to 32.6%, from 32.1% in the September quarter. In annual terms, female appointments rose by 2 points in 2020, double that seen in 2019, but still trailing the 3.7 points recorded in 2018 - a standout year.

Women accounted for nearly 43% of all new board appointments in 2020, which is the best yearly result since record keeping began in 2011.

The continued improvement in female board appointments provides evidence that targets, and potentially quotas, for gender diversity in leadership are effective at achieving change.

A 2020 study by Bankwest Curtin Economics Centre and the Workplace Gender Equality Agency,² supports a growing body of research that's found greater workplace diversity is not just good for society and brand image but it helps improve company performance.

According to the Australian Institute of Company Directors (AICD) 113 company boards have reached the 30% gender diversity that it set as an organisation in 2015.

There are only two companies, Silver Lake Resources and Kogan with no female board directors and as of the December quarter, 18 companies have less than 20% female representation on their boards.

Auckland International Airport, Woolworths Group and Abacus Property Group are among a growing group of corporates with 50% or more female directors on their boards.

UNPAID WORK

The gender gap in unpaid work was getting worse even before the Coronavirus began, forcing many of us, particularly parents with dependent children, to adapt to a new way of life and schooling with social restrictions.

The latest 2019 Household, Income and Labour Dynamics in Australia (HILDA) data, which reflects the 2019 calendar year, shows that the gender gap in unpaid work widened to 61%, down from 62% a year earlier, as women in relationships with or without children were spending 37 hours a week on unpaid care and housework compared to 23 hours for men.

For the gender gap in unpaid work to improve, we need to see women either doing significantly less work in this area or men starting to do a lot more.

The reason the gender gap worsened in 2019 was because overall men did less paid and unpaid work, whereas women did more paid hours but less unpaid work.

The age group where women in relationships, regardless of whether they have children, tend to do the most unpaid work is 35-44 years, which is a period where many men and women are busy raising families. Of this age group women spent 45 hours per week on unpaid care compared to 27 hours per week for men. In this case, women actually did 3 hours a week less than they did in 2018, while for men it was unchanged.

Social restrictions due to the pandemic have placed greater strains on families to juggle both paid and unpaid work in 2020. In particular, we have seen more people than ever work from home and also having to homeschool children.

Data on unpaid work contained in the ABS Household Impacts of COVID-19 Survey taken in December 2020 and published in February of this year, found that women were twice as likely as men to have spent 20 or more hours a week on caring for and supervising children (27% compared with 13%).

DECEMBER QUARTER TALKING POINTS

Women were almost twice as likely as men to have spent five hours or more on unpaid indoor housework (54% compared with 28%).

The amount of time spent on unpaid work, regardless of why it comes about, is strongly linked to a person's ability to spend more time in paid work activities.

FIELDS OF EDUCATION

Education is the only indicator where financial-related progress has largely stopped as women continue to select pathways that lead to lower future expected earnings, relative to men.

The newly revised Education sub-index shows that since 2015 there has been little change in the behaviours of women and men when it comes to selecting fields of study. If anything the trend has been one of a marginal widening of the gender gap to 92.37% in 2019, from 92.42% in 2018 and 92.54% in 2015.

For the gender gap to improve in favour of women, we would need to see an increase in female enrolments into fields that have higher expected future earnings or see an increase in incomes for higher education fields that are female dominated.

While we saw a 14% increase in female student enrolments in Information Technology, which is linked to the highest female earnings in 2019, the actual number of female enrolments remains the lowest of all subject areas with 16,012 women versus 67,768 men.

Census data also shows the mean weekly earnings for women with Information Technology degrees is \$1,814, slightly higher than it is for men at \$1,782.

Of the five most popular female dominated fields of study, only two also share the highest expected earnings. By contrast of the five most popular male dominated fields, three are the highest earning for men.

Of the twelve fields of education, women earned less than men in 2019 with weekly mean earnings of \$1,495 versus \$1,600 respectively.

The most popular field of study for women remains Society and Culture (Humanities), which attracted 5% more female students in 2019 to 462,024. However the mean weekly female wage for all ages is \$1,390 – among the lowest paying.

Management and Culture is the most popular field of study for men despite a 1% decline in male enrolments in 2019. The subject is considered the fourth best paying degree for men with mean weekly earnings of \$1,679 versus \$1,644 for women.

The best paying field of study for men is Natural and Physical Sciences with male degree graduates earning a mean weekly income of \$1,822 versus \$1,761 for female degree holders.

Whilst we continue to see more women undertake formal education after high school relative to men, this trend has not translated into the financial progress of women in respect to workforce earnings.

Discussion around this is why we have remodelled the Education sub-index and look beyond enrolment numbers to better understand the most likely financial ramifications of choice.

SUPERANNUATION

The average woman is needing more money than ever to retire on but is still faced with a significant shortfall compared to men, and this could get worse because of the pandemic.

Women retire with \$45,000 or 31% less in their superannuation than the \$65,000 for the average man, according to the most recent superannuation account balance data from the ABS in 2017-18.

DECEMBER QUARTER TALKING POINTS

While this data is due for an update, it is unlikely that we will know for sometime what the full impact of COVID-19 will be and to what extent it has been affected by job cuts, reduced wages, or even the government's early release scheme.

According to the Association of Superannuation Funds of Australia (ASFA)³, couples aged around 65 living a comfortable retirement need to spend \$62,562 per year and singles \$44,224, both up by 0.9% on the previous quarter due to rising costs of living and financial pressures.

Data from superannuation funds and the Australian Tax Office shows that more men than women have accessed their super under the scheme, however the impact has been more profound in female balances.

ATO figures cited in a Parliamentary Hearing in July, showed that 2.18 million men had their withdrawal applications approved under the scheme compared to 1.73 million females.

3 ASFA's Retirement Standard December quarter 2020 figures

Wealth manager AMP said of its early withdrawals, 14% were made by women clearing out their balances, compared to 12% of men doing the same.

Colonial First State also said it recorded a 16% reduction in female balances compared to a 13% reduction in male balances.

One of the reasons given for there being more male than female withdrawals is to do with men having larger balances to withdraw from. It is also possible that due to increased awareness around the gender gap in retirement savings that women have been less inclined to access their account balances in these uncertain times.

According to the Australian Prudential regulation Authority (APRA) \$36 billion has now been withdrawn by members under the early release scheme.

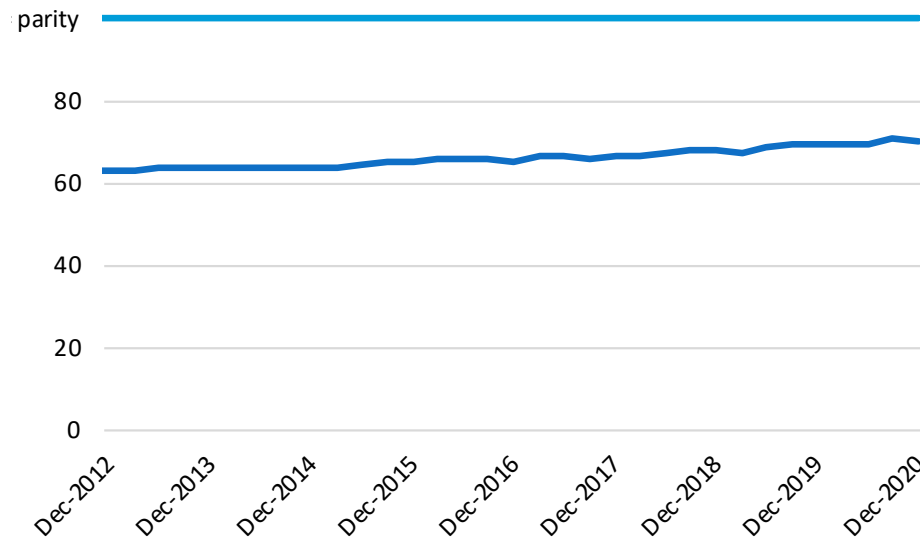
Reduced wages and a greater number of financial hardship withdrawals in 2020 could possibly help to or men and male wages and the increased number of men relative to women withdrawing their super under the government's early release program, that we could see an improvement in the gender gap in retirement savings.

“Despite more men than women withdrawing super under early release, the impact on female balances has been more profound.”

WOMEN IN THE WORKFORCE

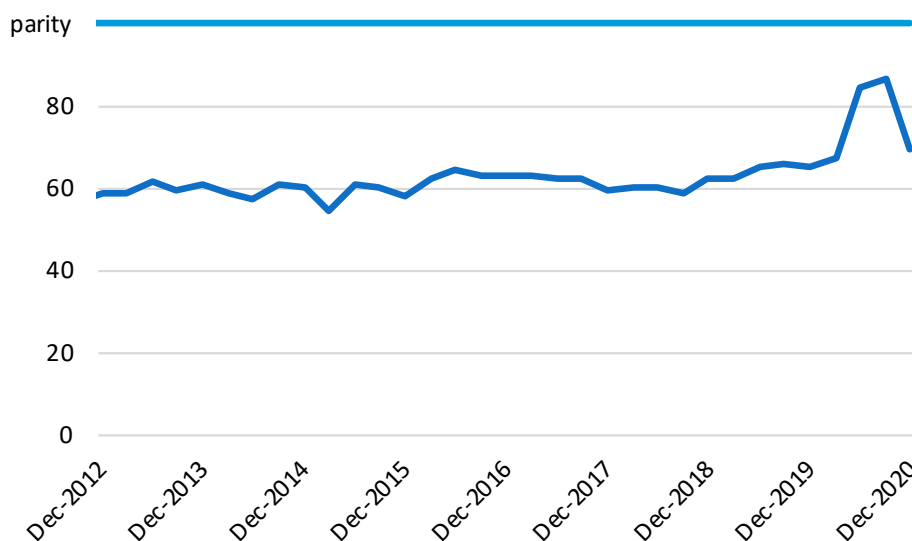


CHART 4: Progress to gender equality in employment, measuring hours worked, available by population numbers



Gender gap in employment widens in December qtr amid pick-up in male jobs growth

CHART 5: Progress to equality, measuring female to male underemployment



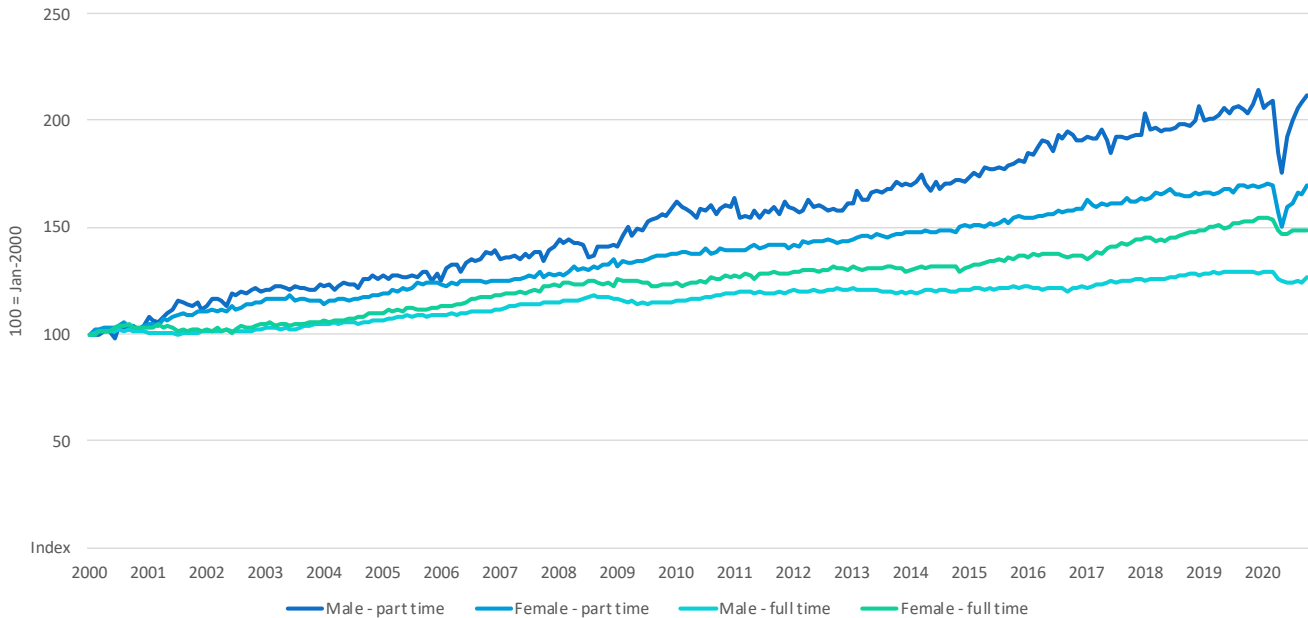
Significant widening of the underemployment rate gender gap hinders drags on progress.

Chart 4 & 5 Source: ABS, Financy, Deloitte Access Economics, December 2020.

WOMEN IN THE WORKFORCE



CHART 6: Employed persons by gender and full time / part time (Index, 100 = Jan-2000)



Female full and part time job numbers still short of pre-COVID levels.

Chart 6 Source: ABS, Financy, Deloitte Access Economics, December 2020.

TABLE 1: Employment by type, industry and gender

| August 2020 | Employed full-time (Males) | Employed full-time (Females) | Employed part-time (Males) | Employed part-time (Females) | Total Y-O-Y change (Females) | Total Y-O-Y change (Males) |
|---|----------------------------|------------------------------|----------------------------|------------------------------|------------------------------|----------------------------|
| Agriculture, Forestry and Fishing | 198 | 67 | 50 | 45 | -2% | 4% |
| Mining | 197 | 34 | 4 | 6 | 14% | 10% |
| Manufacturing | 551 | 161 | 49 | 82 | 0% | -10% |
| Electricity, Gas, Water and Waste Services | 102 | 31 | 11 | 7 | 19% | 13% |
| Construction | 873 | 85 | 112 | 83 | 13% | -3% |
| Wholesale Trade | 241 | 92 | 25 | 44 | -1% | -7% |
| Retail Trade | 335 | 258 | 207 | 396 | 0% | 8% |
| Accommodation and Food Services | 155 | 131 | 186 | 288 | -13% | -8% |
| Transport, Postal and Warehousing | 379 | 92 | 87 | 55 | 15% | -6% |
| Information Media and Telecommunications | 103 | 51 | 15 | 25 | -14% | -5% |
| Financial and Insurance Services | 236 | 183 | 15 | 47 | -2% | 7% |
| Rental, Hiring and Real Estate Services | 90 | 63 | 21 | 41 | -1% | -6% |
| Professional, Scientific and Technical Services | 561 | 301 | 92 | 165 | -7% | 7% |
| Administrative and Support Services | 134 | 87 | 74 | 105 | -5% | 4% |
| Public Administration and Safety | 386 | 329 | 35 | 113 | 12% | 0% |
| Education and Training | 239 | 434 | 88 | 350 | 2% | 1% |
| Health Care and Social Assistance | 278 | 671 | 119 | 704 | -2% | -2% |
| Arts and Recreation Services | 65 | 41 | 47 | 54 | -10% | -6% |
| Other Services | 197 | 84 | 41 | 116 | -4% | -7% |

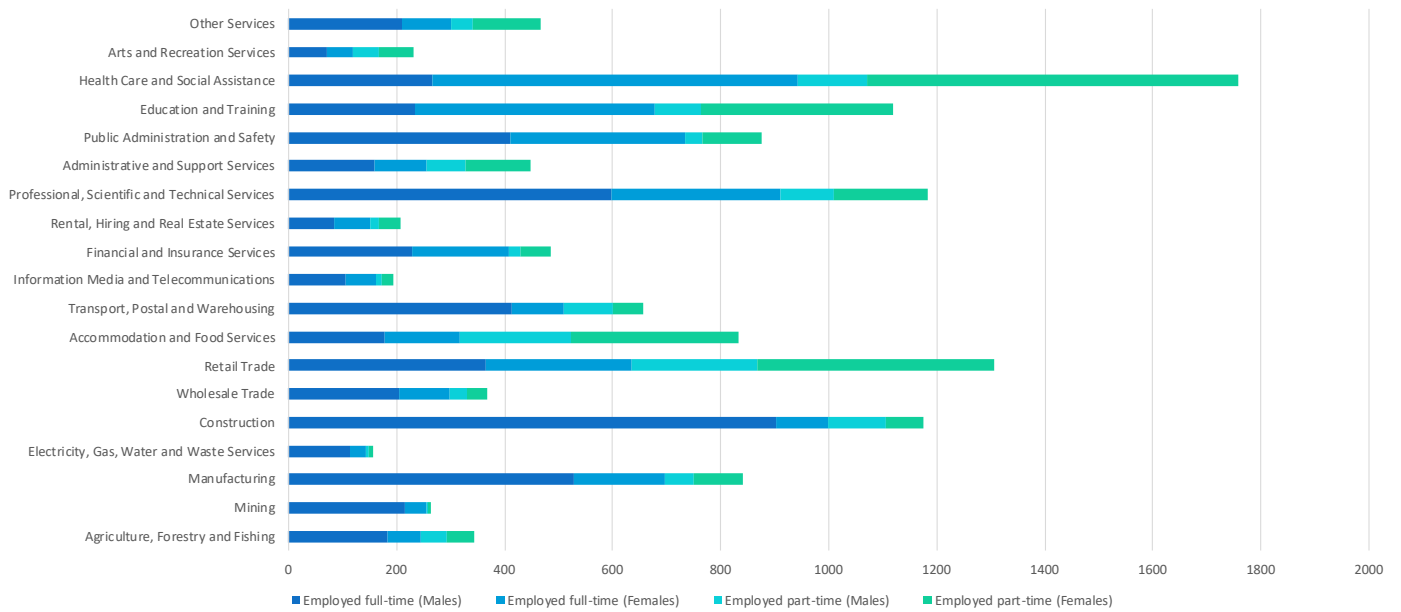
Table 1 Source: ABS, Financy, Deloitte Access Economics, December 2020.

WOMEN IN THE WORKFORCE



Spotlight on industries

CHART 7: Full and Part time work by gender and Industry



Health is the biggest employer of women, yet has one of the highest gender pay gaps.

CHART 8: Female share of full and part time workforce

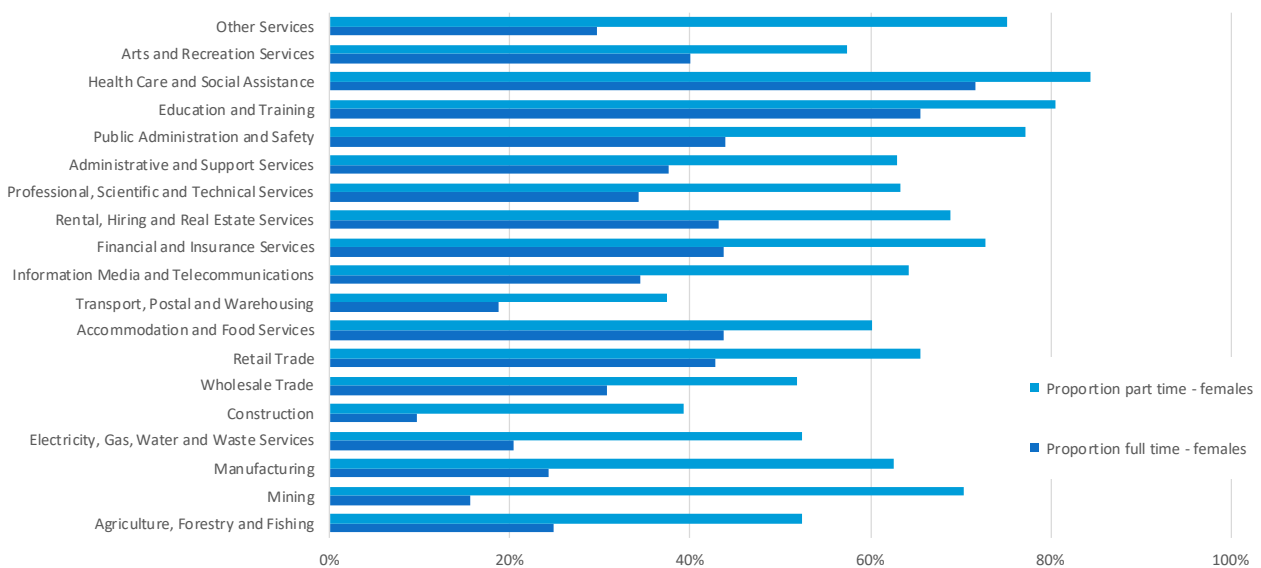


Chart 7 & 8 Source: ABS, Financy, Deloitte Access Economics, December 2020.

WOMEN IN THE WORKFORCE



CHART 9: Employment growth trend for women across age groups

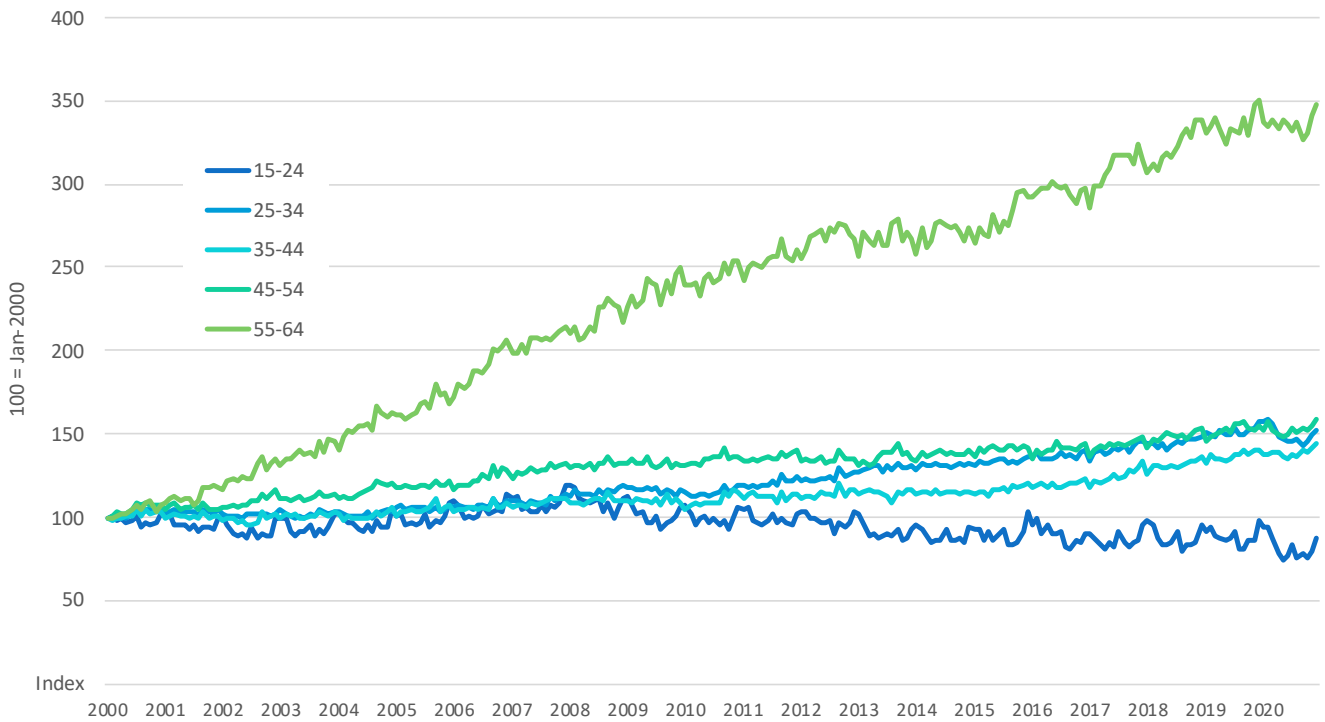


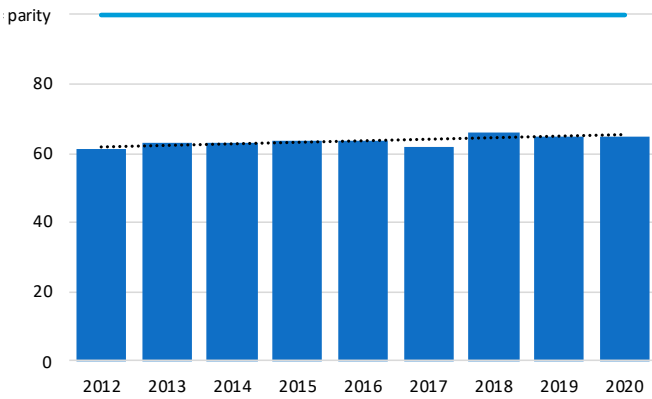
Chart 9 Source: ABS, Financy, Deloitte Access Economics, December 2020.



WOMEN IN UNPAID WORK



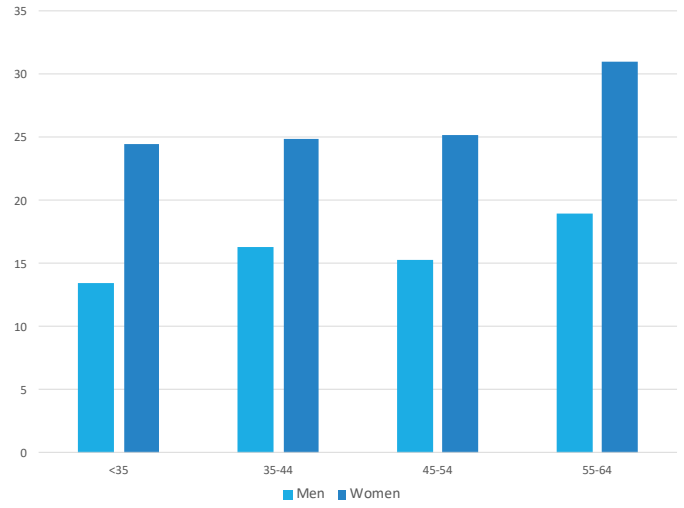
INSERT CHART 10: Progress to equality, measuring unpaid work gender difference



Progress slips backwards on closing the gender gap in unpaid work (care and housework) in couples with or without children

Chart 10 Source: HILDA Survey 2019 and Financy, Deloitte Access Economics December 2020.

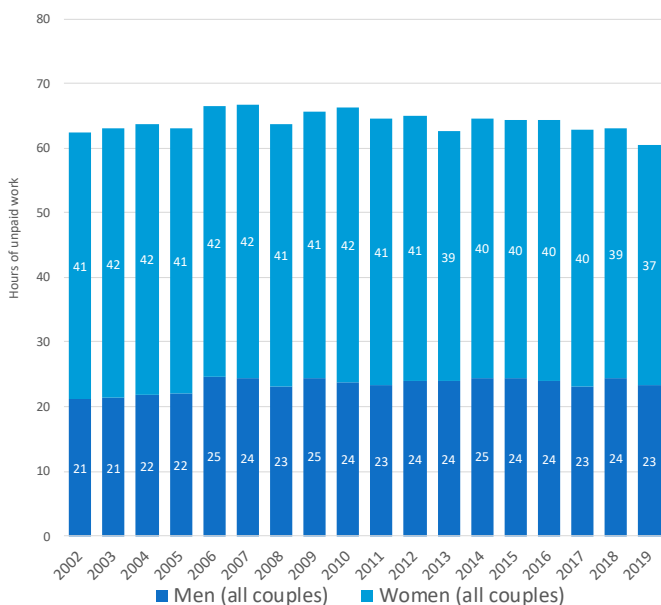
CHART 11: Hours spent on care and housework by gender for couples with children



The gender gap for time spent on care and housework is at its smallest for couples aged 35-44

Chart 11 Source: ABS, HILDA Survey 2019, Financy, December 2020.

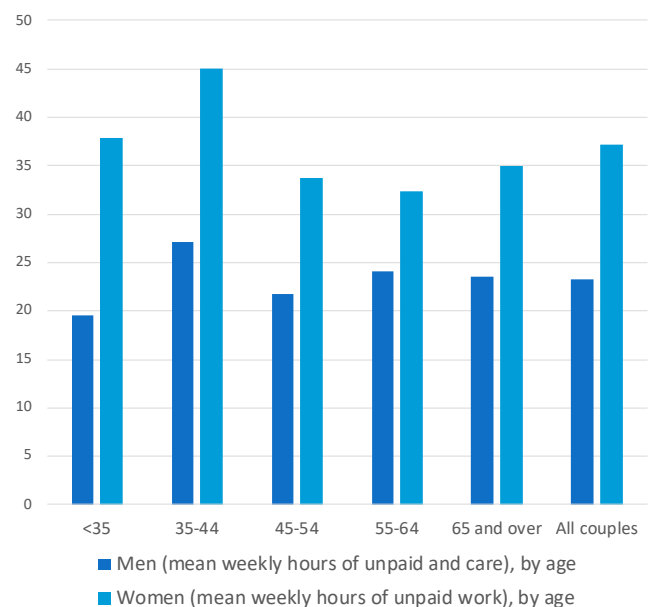
CHART 12: Unpaid work hours by couples in a relationship



Both men and women doing less hours of unpaid work, although women still do significantly more

Chart 12 Source: HILDA Survey 2019, Deloitte Access Economics and Financy, December 2020.

CHART 13: Unpaid work by hours, ages, gender, for couples regardless of children



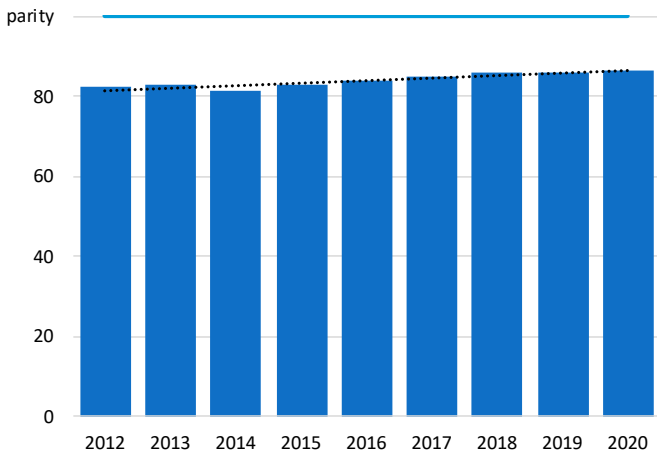
Women aged 35-44 years still doing the most unpaid work.

Chart 13 Source: HILDA Survey 2019 and Financy, December 2020.

GENDER PAY GAP



CHART 14: The gender pay gap

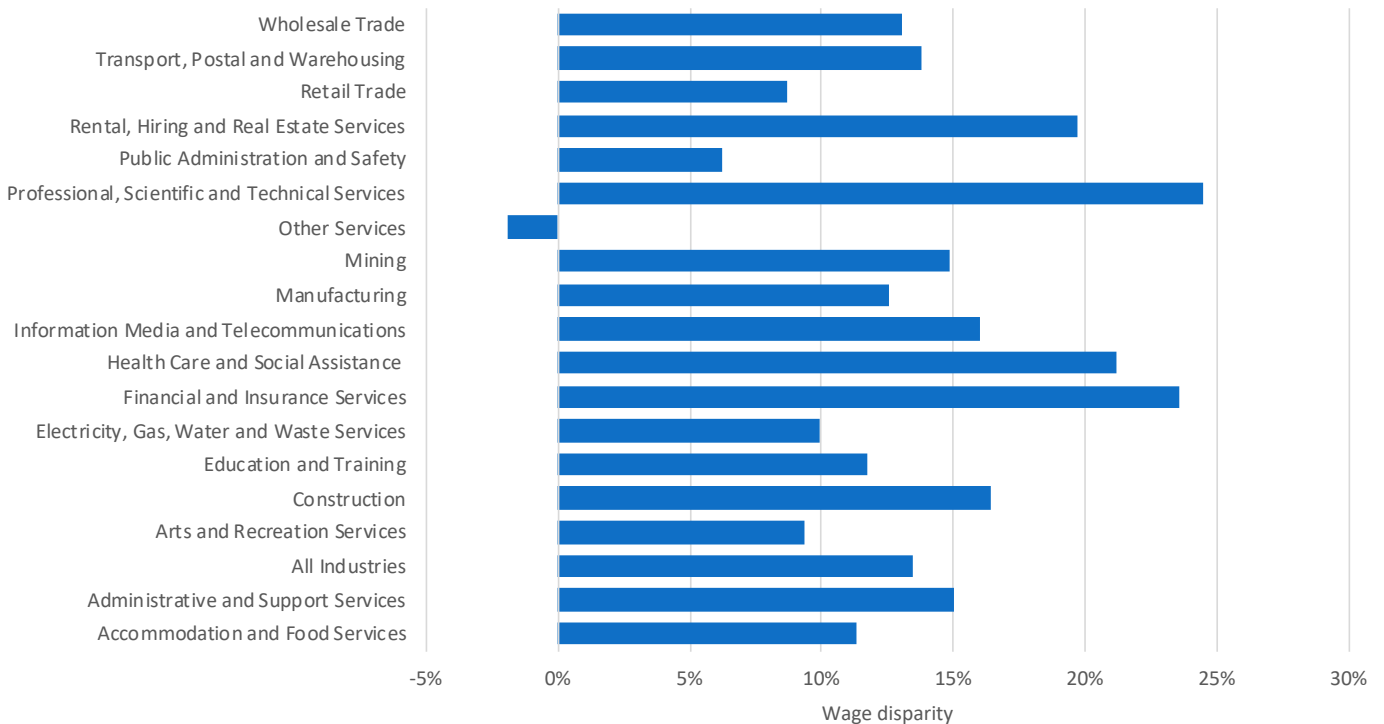


“The gender pay gap narrows to fresh low.”

The gender pay gap is slowly closing.

Chart 14 Source: ABS, Financy, Deloitte Access Economics December 2020.

CHART 15: Gender pay gap by industry



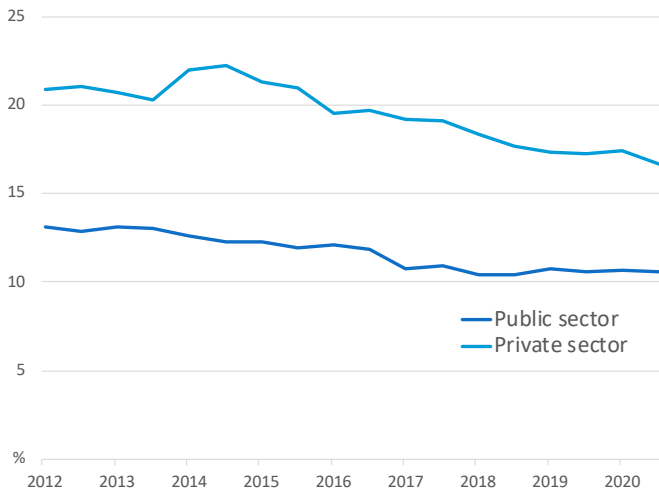
Financial Services & Professional, Scientific and Technical Services have the highest gender pay gaps.

Chart 15 Source: ABS, Financy, Deloitte Access Economics, December 2020.

GENDER PAY GAP



CHART 16: Gender gap between private and public sectors



“Public sector’s gender pay gap better than private.”

Public sector has a smaller gender pay gap than private sector but this it appears to be narrowing.

Chart 16 Source: ABS, Financy, Deloitte Access Economics, November 2020.

TABLE 2: Jobs breakdown by Industry and change on quarter

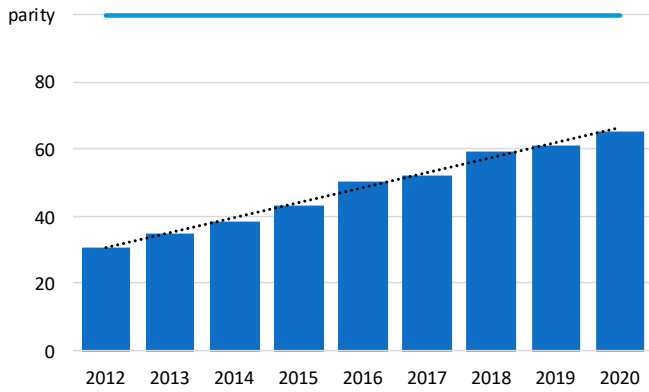
| INDUSTRY | Nov 2020 Earnings; Males; Full Time; Adult; Ordinary time earnings | Nov 2020 Earnings; Females; Full Time; Adult; Ordinary time earnings | Male % change | Female % change |
|---|--|--|---------------|-----------------|
| Accommodation and Food Services | \$1,217 | \$ 1,079 | 2% | 0% |
| Administrative and Support Services | \$1,629 | \$1,384 | -1% | -20% |
| Arts and Recreation Services | \$1,518 | \$1,376 | -5% | -3% |
| Construction | \$1,668 | \$1,394 | -3% | -4% |
| Education and Training | \$1,994 | \$1,760 | 0% | 1% |
| Electricity, Gas, Water and Waste Services | \$1,987 | \$ 1,790 | 2% | 2% |
| Financial and Insurance Services | \$2,273 | \$1,737 | 1% | 0% |
| Health Care and Social Assistance | \$1,969 | \$1,552 | 3% | 3% |
| Information Media and Telecommunications | \$2,158 | \$1,812 | 0% | 2% |
| Manufacturing | \$1,599 | \$1,398 | 3% | -1% |
| Mining | \$2,696 | \$2,296 | -2% | -1% |
| Other Services | \$1,314 | \$1,339 | -2% | 0% |
| Professional, Scientific and Technical Services | \$2,201 | \$1,663 | 2% | 2% |
| Public Administration and Safety | \$1,874 | \$ 1,757 | 1% | 1% |
| Rental, Hiring and Real Estate Services | \$1,678 | \$ 1,347 | -1% | -2% |
| Retail Trade | \$1,337 | \$1,220 | 2% | 3% |
| Transport, Postal and Warehousing | \$1,733 | \$1,494 | 1% | 3% |
| Wholesale Trade | \$1,642 | \$1,427 | -1% | -1% |

Table 2 Source: ABS, Financy, Deloitte Access Economics, November 2020.



WOMEN ON BOARDS

CHART 17: Progress to gender equality on ASX 200 boards



Progress continues in corporate board gender diversity.

Chart 17 Source: AICD, Financy and Deloitte Access Economics, December 2020.

CHART 18: ASX 200 female board representation as %

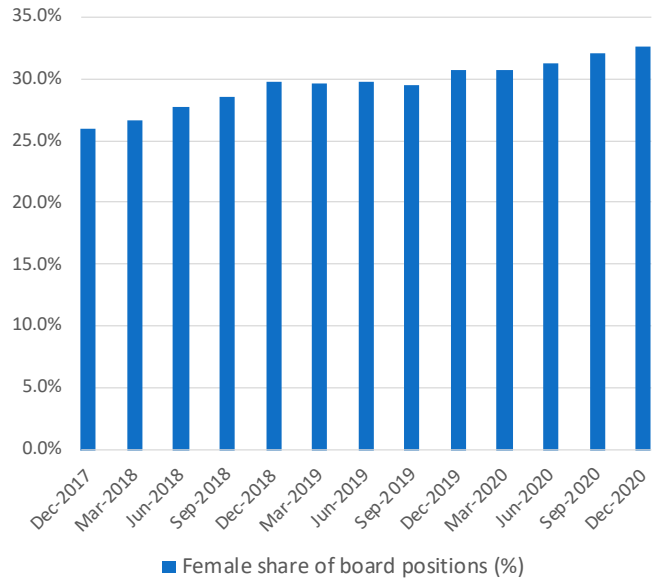


Chart 18 Source: AICD, Financy and Deloitte Access Economics, December 2020.

TABLE 3: ASX 200, the 20 standouts for improving gender diversity

| COMPANY NAME | Female |
|--|--------|
| Auckland International Airport Limited | 62.50% |
| Woolworths Group Ltd | 55.60% |
| Abacus Property Group | 50.00% |
| ADBRI Limited | 50.00% |
| Blackmores Limited | 50.00% |
| BlueScope Steel Limited | 50.00% |
| Clinuvel Pharmaceuticals Limited | 50.00% |
| CSR Limited | 50.00% |
| Incitec Pivot Limited | 50.00% |
| Lynas Corporation Limited | 50.00% |
| Medibank Private Limited | 50.00% |
| Spark New Zealand Limited | 50.00% |
| Unibail-Rodamco-Westfield N.V. | 45.50% |
| Ansell Limited | 44.40% |
| Atlas Arteria Limited | 44.40% |
| Bendigo and Adelaide Bank Limited | 44.40% |
| Commonwealth Bank of Australia | 44.40% |
| Fortescue Metals Group Ltd | 44.40% |
| Macquarie Group Limited | 44.40% |
| Mirvac Limited | 44.40% |

ASX 200 by highest % female director

TABLE 4: ASX 200, the 20 standouts for least amount of gender diversity

| COMPANY NAME | Female |
|-------------------------------|--------|
| Perseus Mining Limited | 0.00% |
| Silver Lake Resources Limited | 0.00% |
| Harvey Norman Holdings Ltd | 10.00% |
| CIMIC Group Limited | 12.50% |
| Vocus Group Limited | 12.50% |
| ARB Corporation Limited | 14.30% |
| IDP Education Limited | 14.30% |
| Magellan Financial Group Ltd | 14.30% |
| Mesoblast Ltd | 14.30% |
| Austral Limited | 16.70% |
| Avita Medical Ltd | 16.70% |
| National Storage REIT | 16.70% |
| Pro Medicus Limited | 16.70% |
| Sandfire Resources Limited | 16.70% |
| Service Stream Limited | 16.70% |
| Spark Infrastructure Trust | 16.70% |
| TPG Telecom Limited | 16.70% |
| Goodman Group | 18.20% |
| NRW Holdings Limited | 20.00% |
| Zip Co Limited | 20.00% |

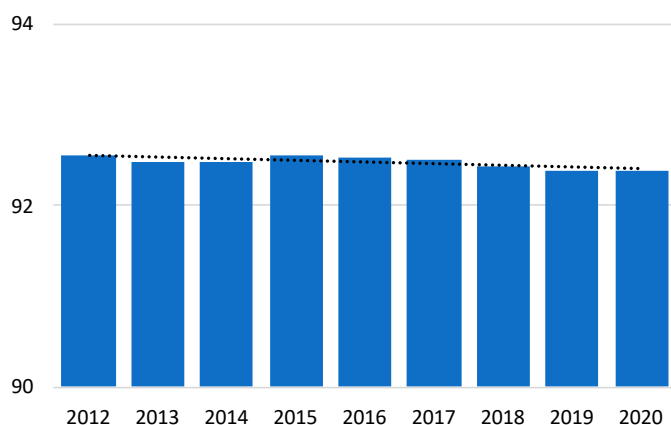
ASX 200 by smallest % female director

Table 3 & 4 Source: AICD November 2020, Financy and Deloitte Access Economics, December 2020.



FIELDS OF EDUCATION

CHART 19: Progress to parity in fields of education



“Progress going backwards in female educational choices.”

Little change in choices women are making in education and correlation to career salary

Chart 19 Source: Deloitte Access Economics and Financy December 2020.

TABLE 6: Breakdown of fields of study and mean income by age and gender

| Broad field of education | Mean income: all ages | | Mean income: aged 30-39 | |
|---|-----------------------|---------|-------------------------|---------|
| | Male | Female | Male | Female |
| Natural and Physical Sciences | \$1,823 | \$1,762 | \$1,751 | \$1,697 |
| Information Technology | \$1,783 | \$1,815 | \$1,781 | \$1,806 |
| Engineering and Related Technologies | \$1,663 | \$1,761 | \$1,732 | \$1,799 |
| Architecture and Building | \$1,463 | \$1,541 | \$1,554 | \$1,558 |
| Agriculture Environmental and Related Studies | \$1,328 | \$1,363 | \$1,352 | \$1,390 |
| Health | \$1,777 | \$1,565 | \$1,810 | \$1,600 |
| Education | \$1,611 | \$1,524 | \$1,578 | \$1,500 |
| Management and Commerce | \$1,680 | \$1,644 | \$1,686 | \$1,650 |
| Society and Culture | \$1,547 | \$1,390 | \$1,571 | \$1,399 |
| Creative Arts | \$1,348 | \$1,348 | \$1,429 | \$1,427 |
| Food Hospitality and Personal Services | \$1,121 | \$1,020 | \$1,148 | \$1,069 |
| Mixed Field Programs | \$1,132 | \$1,149 | \$1,195 | \$1,214 |

Table 5 Source: Dept of Education, Census data 2016, Deloitte Access Economics and Financy December 2020.



CHART 20: Growth in fields of study

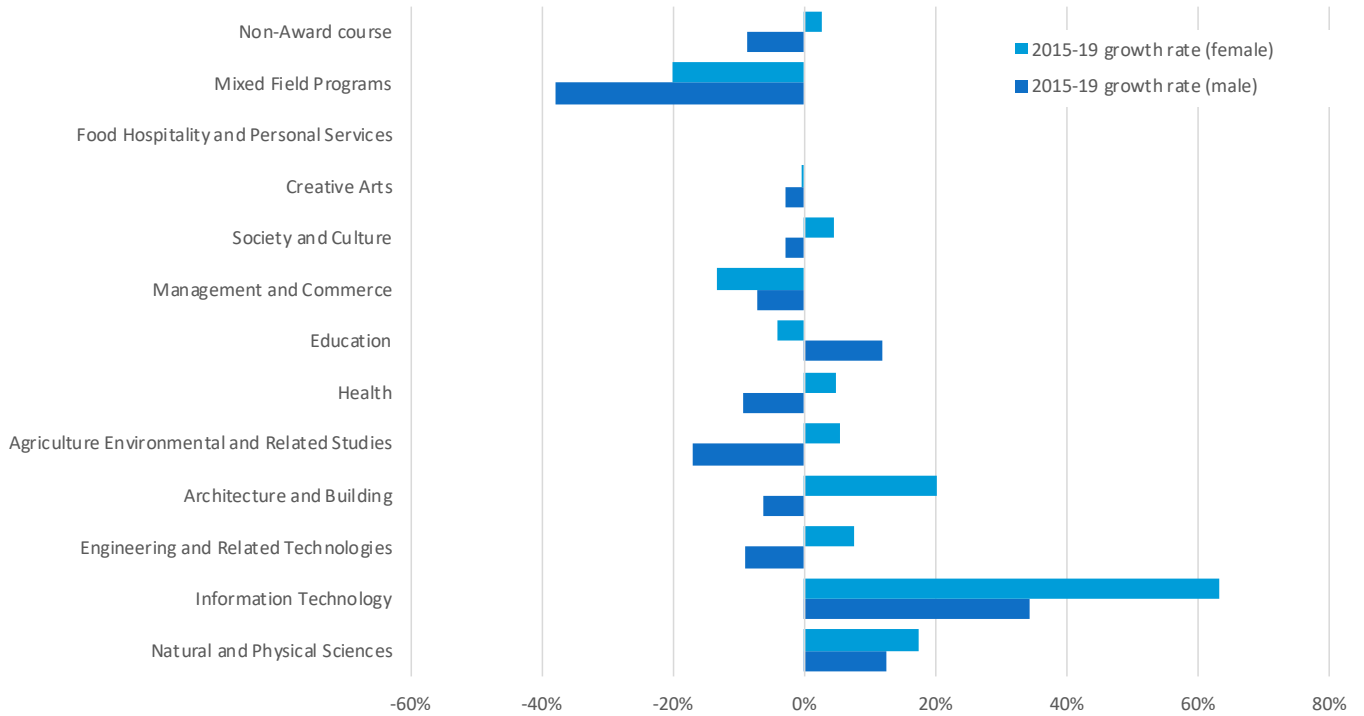


Chart 20 Source: Dept of Education uCube, Financy, Deloitte Access Economics, December 2020.

CHART 21: Bachelor attainment

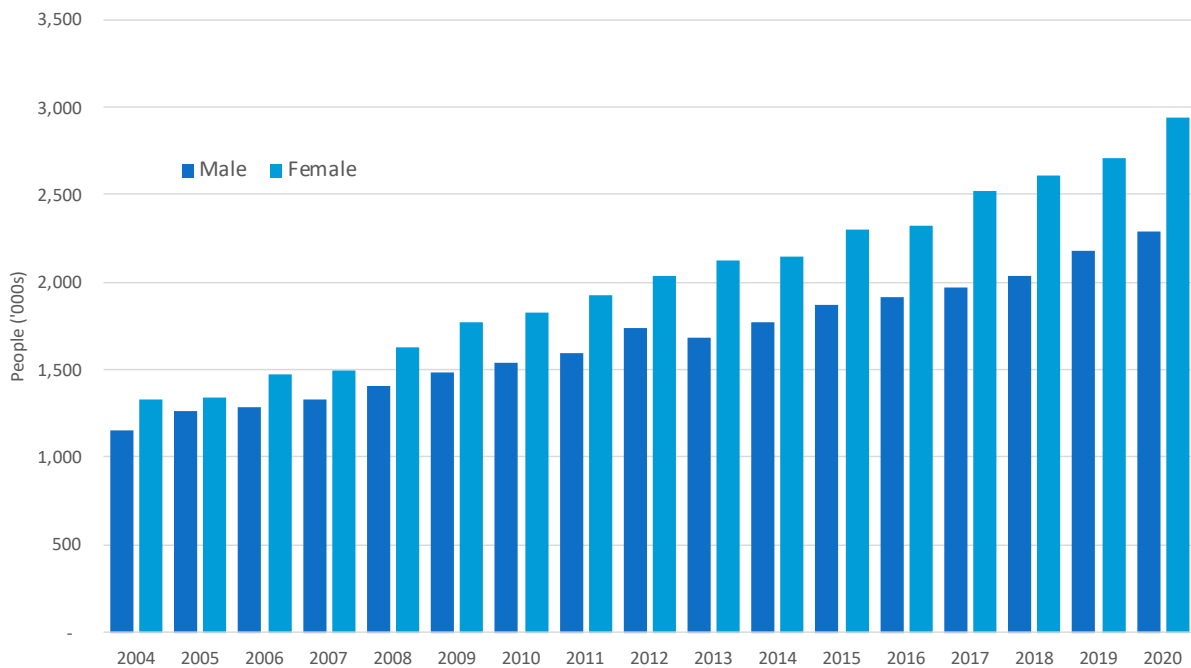


Chart 21 Source: Dept of Education uCube, Financy, Deloitte Access Economics, December 2020.

SUPERANNUATION GAP



CHART 22: Progress to equality in superannuation savings

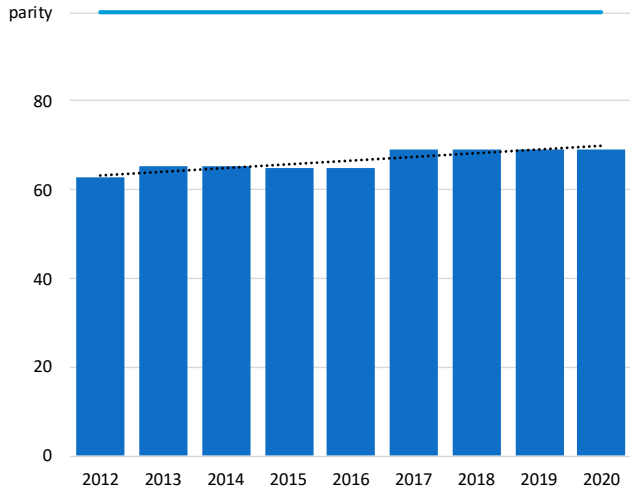


CHART 23: Average super balances by age and gender

| Age groups | \$'000 | \$'000 | Female % of male balance |
|--------------|-----------|-----------|--------------------------|
| | Male | Female | Gap |
| 15-24 | 3 | 2 | 73% |
| 25-34 | 30 | 20 | 67% |
| 35-44 | 70 | 50 | 71% |
| 45-54 | 132 | 75 | 57% |
| 55-64 | 183 | 119 | 65% |
| 65-74 | 250 | 200 | 80% |
| 75+ | 208 | 126 | 61% |
| Total | 65 | 45 | 69% |

The gap between men and women in superannuation had been narrowing prior to COVID-19.

Women consistently have less super than men across all age groups

Chart 22 & 23 Source: ABS 2017-18, Financy, Deloitte Access Economics, December 2020.

CHART 24: Superannuation by balances

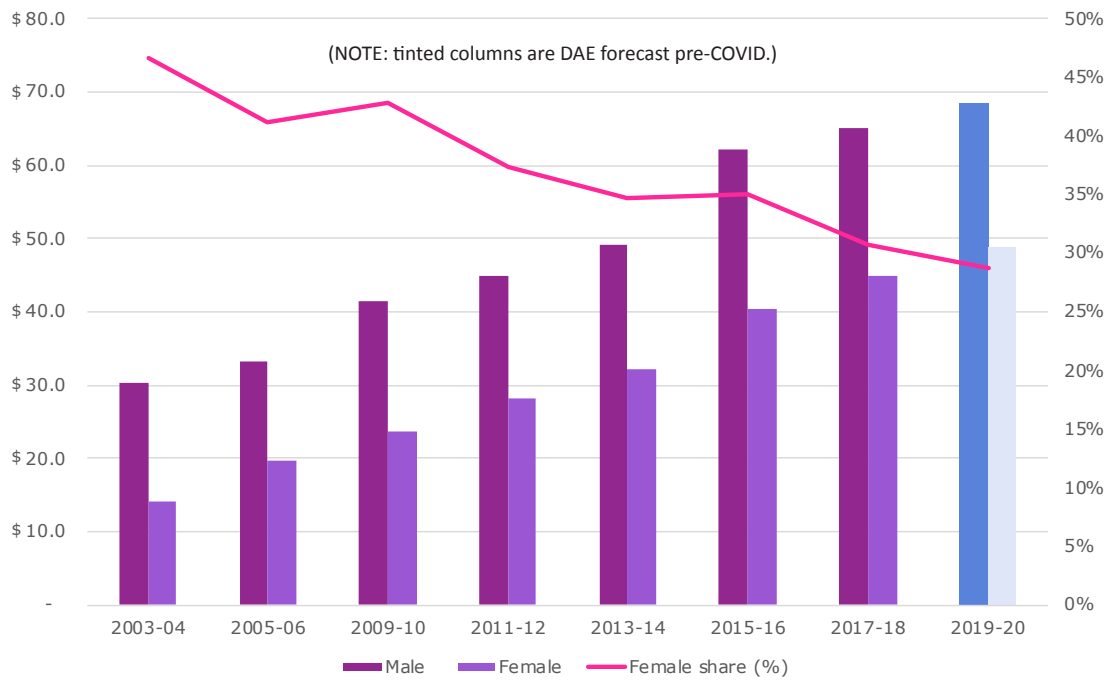


Chart 24 Source: ABS 2017-18, Financy, Deloitte Access Economics, December 2020.

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

THE WAY FORWARD

To help women, business and government take action towards financial progress and equality this International Women's Day, we have put together a to-do list and user guide for this Women's Index.

In coming with some of these recommendations, we have collected ideas on actions and reforms in discussion with many of our strategically aligned organisations including Economic Security for Women, Femeconomy and Advancing Women in Business & Sport.

For a more detailed strategy on achieving financial gender equality in the home and workplace, contact Financy.

THE WOMEN'S INDEX USER GUIDE FOR GOVERNMENT, BUSINESS & INDIVIDUALS

Key areas for government reform

Closing the Superannuation Gender Gap

- Introduce legislation that ensures all employers provide superannuation guarantee contributions to staff while on maternity and paternity leave.
- Introduce legislation that ensures anyone who has been granted early access to their superannuation under the federal government's scheme, is entitled to both; an enhanced tax concession to make additional catch up contributions to their super, plus free financial advice that would allow them to plan their catchup.
- Introduce a government funded media campaign that raises awareness about the gender gap in super and how it is caused.

Closing the Gender Gaps in Wages & Employment

- Mandatory pay reporting for all businesses to ensure that men and women are paid the same in like-for-like roles.
- Close gender pay gap through legislated wage increases skewed towards currently low paid sectors that have a high proportion of female workers.
- Improving access to affordable and subsidized childcare and paid parental leave will encourage a higher workforce participation rate for women will enhance their financial progress.
- Introduce legislation that ensures all employers who are able provide various flexible work arrangements such as part-time and work-from-home, to maintain staff regardless of gender.

Challenging Gender Dynamics in Education

- Financial literacy programs to start from a young age which includes making personal finance compulsory in secondary school, particularly among senior students.
- In addition, a compulsory national careers program across secondary schools with the aim of breaking gender stereotypes, raising awareness around pay outcomes and future proofing careers by looking at the jobs and skills needed for tomorrow.

Closing the Gender Gap in Unpaid Work

- Provide government funded carer incentives, which sees carers allocated benefits such as credits in the form of superannuation payments, pension top ups and other support services as a payment for the savings to the budget these carers implicitly accrue from their unpaid care.
- Introduce a government funded national awareness campaign that seeks to break stereotypes around unpaid work particularly in the home and workplaces.

Improving Gender Diversity in Leadership

- Introduction of government mandate to achieve a future target of 50/50 gender diversity in Australian political parties.
- Government support for a future target of 50/50 gender diversity of Australian company boards. In addition to which should be government incentivised training to support businesses in fostering diversity at all levels of leadership.

THE WAY FORWARD

Six steps for Business

- 1** Understand the growing importance of gender equality/diversity/inclusion to your employees and customers.
- 2** Have a gender diversity strategy and review it regularly.
- 3** Consider how your brand position is being impacted by your gender image.
- 4** Be honest about your position.
If it needs work, say it, and then state how you intend to take action.
- 5** Deliver targeted promotions of the actions you are taking internally and through your supply chains to improve gender diversity in your industry.
- 6** Be prepared to measure and report on your progress with pride.



“Greater workplace diversity is not just good for society and brand image but it helps improve company performance.”

THE WAY FORWARD

Six steps for Women

1

Education: Consider what field of study you have selected and how well it has assisted your career. Look at the Financy Women's Index table and consider if your field of study is linked to higher potential earnings. Are you ahead of the game or behind? Consider what you might need to do to boost your earnings through education.

2

Wages: Look at the average rates of pay for your industry and consider where you sit in respect to the average. Perhaps, map out the business case for your next pay rise discussion, and if you are knocked back, consider if this organisation is for you, or if there is a likely pathway there for you to increase your earnings.

3

Unpaid work: Consider how much time you spend doing unpaid work each week? Look at the charts and find where you sit compared to the average for your age group. Importantly, ask yourself if you are happy with this and if it affects your financial progress.

4

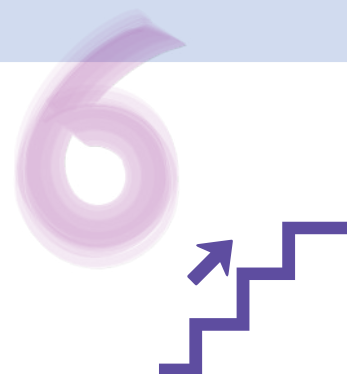
Employment: Ask yourself, are you with an employer that supports financial gender equality? What are their attitudes like when it comes to gender equality? What strategies do they have. Are you able to work and function to your capacity?

5

Leadership: What are your prospects for leadership? Is it something you want? Consider how you might get there within your desired career, such as mentor programs or educational pathways.

6

Wealth – superannuation: Consider where you sit in terms of average account balances for your age group. Ask yourself, what does your retirement horizon look like and are your savings likely to be enough?



METHODOLOGY

The Financy Women's Index is supported by Deloitte Access Economics, which provides economic modelling and analysis to assist with the development and creation of the Index and Reports.

The Index focuses on seven key areas aimed at reflecting a woman's working life cycle. These include unpaid work, tertiary education, employment, 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.

The way the Financy Women's Index captures gendered differences in education (Fields of Education) changed in this December 2020 report. So too did the way we calculate the timeframe to economic equality or otherwise known as the Years to Target.

Headline results

Chart 1, 2 & 3 - The Timeframe to Economic equality chart (Years to Target) uses a line of best fit to calculate the timeframe to equality and extrapolates this line to predict how long it will take for each sub-index to reach the target value of 100. Previously, years to target was calculated using the average annual growth rate, based on the latest available data point. This meant that there was a high degree of variability in estimates, due to fluctuations in the data quarter-on-quarter. In contrast, by relying on all previous data points (as opposed to the most recent data point), the new method for calculating years to target is expected to produce more accurate and smoother estimates over time, and reduces the likelihood the estimates are capturing noise in the data.

The headline quarterly and annual Financy Women's Index (The Index) is the average of seven key indicators that have been converted to respective indexed series so as to track measurements of performance over a five-year period.

Each of the key indicators of the Index are not weighted. Seasonally adjusted data is used where it is available. Data enhancements as well as underlying data revisions have also led to revisions of the Index. One notable change includes the carry forward of unavailable data each quarter, such as superannuation which is released every two years. We have done this to ensure that all data is considered in the calculation of each Index.

Women in The Workforce

Table 1, Chart 4, 5, 6, 7, 8, & 9 – ABS Labour Force participation data, age demographic data by gender and part-time to full-time job numbers by gender are based on seasonally adjusted data contained in the monthly data set 6202.0 - Labour Force, Australia, Jun 2019. Also cited in this section has been Australian Taxation Office Single Touch Payroll (STP) data. As at 6 April 2020, approximately 99% of substantial employers (those with 20 or more employees) and 71% of small employers (those with 19 or less employees) were reporting through STP. This captures on average 4.7 million records every week. The ABS Labour Force Survey is a weighted sample survey and asks information from 26,000 households (or 52,000) people every month.

Women In Unpaid Work

Chart 10, 11, 12 & 13 – Unpaid work figures have been provided by 2019 Household, Income and Labour Dynamics in Australia (HILDA) Survey, published in 2020. Chapter 5 - The division of paid and unpaid work among couples - contains some of the data featured in this Report where it relates to gender and hours worked. Unpublished HILDA Survey data in relation to age groups has also been analysed for this Report. The HILDA Survey comes out once a year.

Gender Pay Gap

Chart 14, 15, 16 & Table 2 - Average weekly earnings charts are based on table 2 of the Australian Bureau of Statistics series 6302.0, using seasonally adjusted data due to COVID-19. 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 in February and August.

Table 3 - 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 Labour 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 average wages as well as the wage disparity.

Women On Boards

Table 3 & 4 & Chart 17 & 18 - The percentage of women on ASX200 boards is based on board diversity data that is published monthly by the Australian Institute of Company Directors (AICD). Analysis of ASX20 is provided by Financy.

Fields of Education

Table 5 & 6, Chart 19, 20 & 21 - This edition of the Financy Women's Index includes a revised methodology for the fields of education sub-index. Analysis of this sub-index shows that there has been virtually no change in the sub-index value since 2012. The line of best fit for the fields of education sub-index therefore has a very flat (marginally negative) slope. With a negative slope, it is not possible to extrapolate the linear trend to determine at what point it will reach the target value, as it is trending downwards.

Tertiary studying trends are the product of analysis conducted by Deloitte Access Economics and Financy using the Department of Education uCube service and Census data. Enrolment growth and percentages are calculated citing various percentage changes. The annual data is updated once a year. Tertiary Education Attendee figures are derived from ABS Labour Force data category 6202.0 Table 15.

Superannuation Gap

Chart 22, 23 & 24 - Superannuation with reference to the average lifetime super balance by gender looks at the median for age groups that span 15 to 70 years plus. The data source is the ABS 6523.0 - Household Income and Wealth, Australia, 2017-18, data cube 12 superannuation by persons. The data available comes out once every two years.

Financy
**Women's
Index™**

ABOUT THE WOMEN'S INDEX

FWX ADVISORY COMMITTEE

The Financy Women's Index is supported by an Advisory Committee, who believe in the importance of measuring women's progress to financial equality. The Committee meets regularly to discuss the data findings and the best way forward for the Women's Index to ensure it is as reliable and informative as possible.



Danielle Wood :
CEO of the Grattan Institute



Simone Cheung:
Partner at Deloitte Access Economics



Dr Shane Oliver:
Chief Economist & Head of Investment Strategy at AMP Capital



Bruce Hockman:
Former Chief Economist, Statistical Services Group, Australian Bureau of Statistics



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Professor Roger Wilkins:
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ABOUT US

Financy Women's Index®

The Financy Women's Index™ is authored by Bianca Hartge-Hazelman, who is also the Founder and CEO of Financy, a fearless provider of data insights, content and creative brand strategy. Financy is also a signatory to the United Nation's Women's Empowerment Principles.

Bianca is a data analyst, media commentator and journalist specialising in women's financial matters. She holds a Communications Degree, Master's Degree in Journalism and Graduate Diploma in Applied Finance.

The Index was launched in March 2017 on International Women's Day.

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