

Financy

SEPTEMBER QUARTER 2021

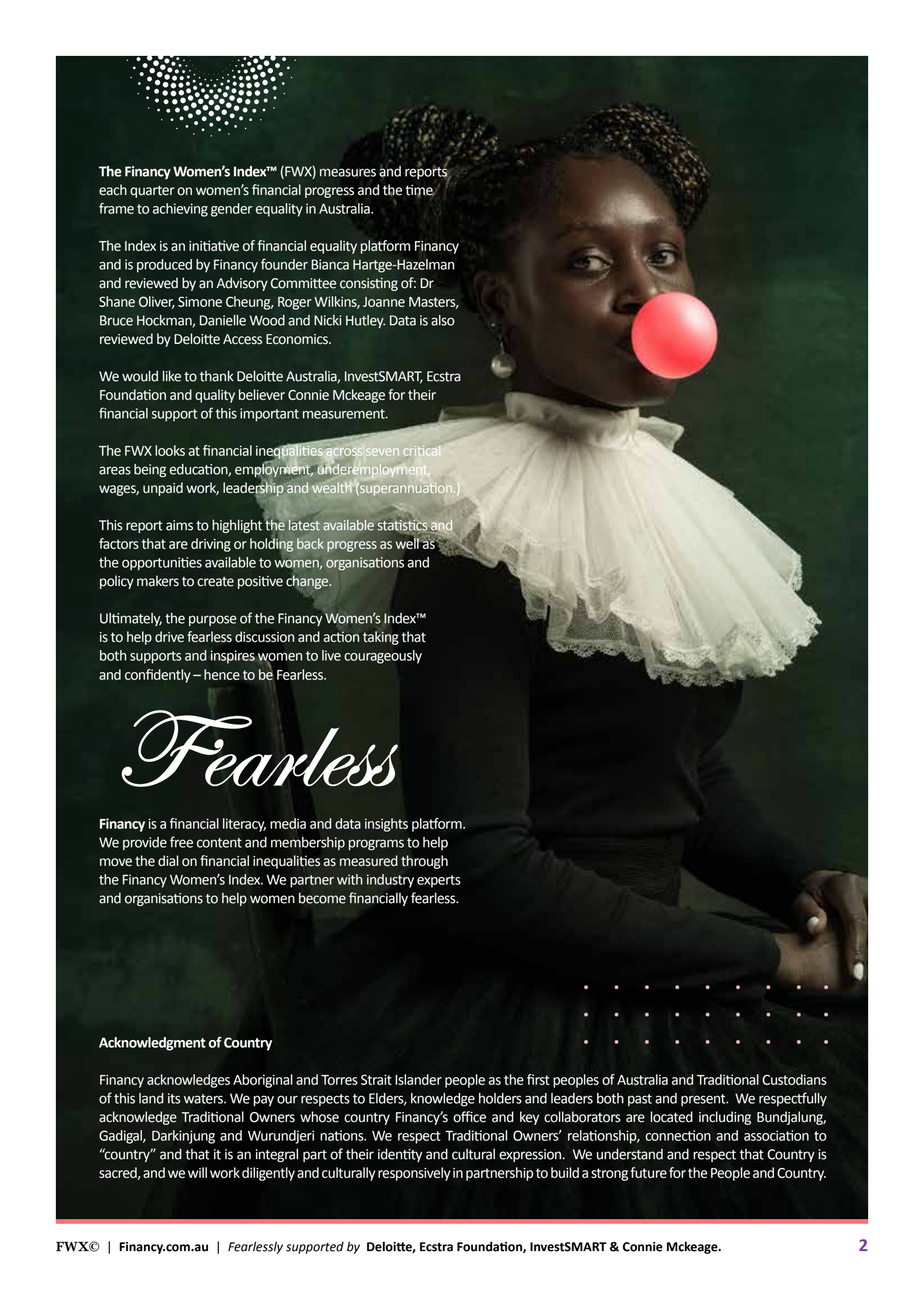
HEADLINE RESULTS

ARE YOUNG WOMEN
BEING LEFT BEHIND?

Women's Index™

Deloitte. INVESTSMART ecstra

Fearlessly Supporting the Economic Progress of Women



The Financy Women's Index™ (FWX) measures and reports each quarter on women's financial progress and the time frame to achieving gender equality in Australia.

The Index is an initiative of financial equality platform Financy and is produced by Financy founder Bianca Hartge-Hazelman and reviewed by an Advisory Committee consisting of: Dr Shane Oliver, Simone Cheung, Roger Wilkins, Joanne Masters, Bruce Hockman, Danielle Wood and Nicki Hutley. Data is also reviewed by Deloitte Access Economics.

We would like to thank Deloitte Australia, InvestSMART, Ecstra Foundation and quality believer Connie Mckeage for their financial support of this important measurement.

The FWX looks at financial inequalities across seven critical areas being education, employment, underemployment, wages, unpaid work, leadership and wealth (superannuation.)

This report aims to highlight the latest available statistics and factors that are driving or holding back progress as well as the opportunities available to women, organisations and policy makers to create positive change.

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

Fearless

Financy is a financial literacy, media and data insights platform. We provide free content and membership programs to help move the dial on financial inequalities as measured through the Financy Women's Index. We partner with industry experts and organisations to help women become financially fearless.

Acknowledgment of Country

Financy acknowledges Aboriginal and Torres Strait Islander people as the first peoples of Australia and Traditional Custodians of this land its waters. We pay our respects to Elders, knowledge holders and leaders both past and present. We respectfully acknowledge Traditional Owners whose country Financy's office and key collaborators are located including Bundjalung, Gadigal, Darkinjung and Wurundjeri nations. We respect Traditional Owners' relationship, connection and association to "country" and that it is an integral part of their identity and cultural expression. We understand and respect that Country is sacred, and we will work diligently and culturally responsively in partnership to build a strong future for the People and Country.

HIGHLIGHTS

September Report 2021 – Released November 16th, 2021

- **The Financy Women’s Index (FWX) rose 2% in the September quarter to 73.6 points helped by a closing of the gender gaps in the underemployment rate, monthly hours worked and women on ASX 200 boards.**
- **While the result is an improvement on the June quarter, it’s not genuine progress for women on the equality front because it came about as male outcomes deteriorated faster than female.**
- **The number of monthly hours worked by women fell 2.8% versus 3.2% for men in the quarter, while the female underemployment rate fell 11% versus a 22% fall for males.**
- **The FWX is down 0.1% in the 12-months to September 2021 but is up 6% on September 2019 figures, showing progress has still been made over the duration of the COVID-19 pandemic.**
- **It will now take 29.5 years for women to achieve equality with men in the paid workforce, down from 30 years in June, 2021.**
- **The total timeframe for equality stands at 101 years based on the worst performing area (unpaid work).**

Are things getting financially better for women?

In terms of achieving financial gender equality, the latest Financy Women’s Index (FWX) suggests that outcomes for women have improved however it’s a cautionary tale only as the underlying data shows that the progress is not all genuine and that young women are at a particular disadvantage. The FWX rose by 2% to 73.6 points in the September quarter from 72.2 points in June, driven by a narrowing of the gender gaps in the Employment and Underemployment sub-indexes.

The result shows that men have borne more of the gendered brunt of COVID-19 related job cuts during the September quarter than women, as lockdowns, namely in Victoria and New South Wales, had more of an impact on male dominated industries such as Construction during the quarter. The data also shows that women aged under 25 years continue to be left behind with employment numbers down 17% since the start of the pandemic. The number of monthly hours worked by women is down by 1.3% compared to December 2019, while for men, it’s down by 2.4%, showing that whilst the pandemic has had a negative impact on women, men have fared slightly worse. Female workforce participation fell to a 12-month low in the quarter and the female Underemployment rate rose to a 9-month high and remains above the male Underemployment rate.

KEY MESSAGES

What key components contributed to the result?

The biggest driver of the FWX in the September quarter was in the Underemployment Sub-Index, which climbed 9.7% as the gender gap narrowed. However, whilst this suggests improvement towards equality, the underlying data tells a different story. The female underemployment rate hit a fresh high of 10.23%, up by 11% during the quarter and is more than 1.8 percentage points higher than the male underemployment. The latter of which rose to 8.44%, up by 22% during the quarter – double the growth rate seen in female underemployment. The spike reflects the impact of the COVID-19 pandemic and ongoing volatility in the data. For example, during the June quarter, the female underemployment rate fell to its lowest point since January 2013 as women surveyed by the Australian Bureau of Statistics (ABS) indicated they were not available or looking for additional work hours. By contrast, men were looking for more work and so the male underemployment rate increased. Whilst a smaller gender gap in the underemployment rate is desirable, how we get there matters, and so a more rapid deterioration of male underemployment compared to female, is not an ideal picture of progress. We've also been here before, and what followed in the December quarter of 2020 was a collapse in women's progress. Also helping the Women's Index gain in June was a 0.3% improvement in the Employment Sub-Index. This result reflects a 2.8% drop in the number of monthly hours worked by women, which was slightly better than the 3.2% fall seen in men's monthly hours worked. The number of women on ASX 200 boards also rose to a fresh high of 34% at the end of September, helping the Women on Boards Sub-Index rise 1.5% for the quarter. It's important to note that other sub-indices of the Women's Index such as superannuation, gender pay gap, unpaid work and education were carried forward and will be updated with new data in the December quarter.

What is the Index signalling for economic equality?

The biggest risk moving forward is that women, particularly those aged under 25 years, emerge from the pandemic in a far worst financial position than when it began. As it stands, there are increased structural barriers that prevent many women from participating in paid work to their desired capacity and these affect the immediacy at which a person can take advantage of opportunities such as returning to work once appropriate childcare or suitable hours have been negotiated. Whilst we have seen key gender gaps narrow in the September quarter as employment outcomes for men deteriorated at a faster rate, women with children and young women left out of critical work experience, remain in a more vulnerable position to take advantage of the recovery when it does finally take hold. That said, it is important to note with some optimism that the closing of the gender gaps in the Underemployment, Employment and Women on Boards sub-

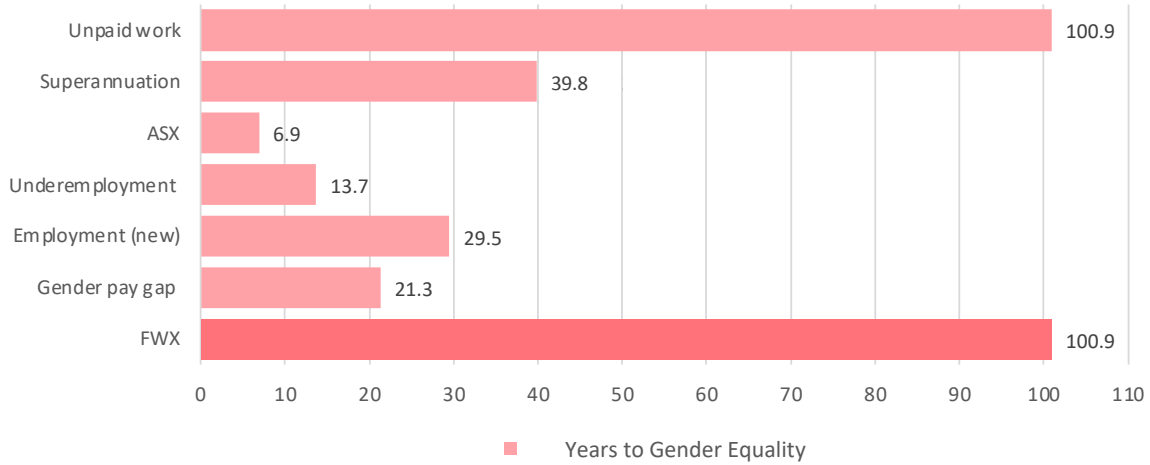
indexes helped to marginally reduce the timeframes to achieving gender equity in these areas. It will now take 29.5 years for equality in employment, down from 29.8 years and it will take 13.7 years in underemployment, down from 16.1 years. It will take 6.7 years of sustained progress at current rates to reach 50/50 gender diversity on ASX 200 boards. As we last updated the gender pay gap data in the June FWX report, it stands at 21.3 years for equality to be achieved in average wages. The remaining areas of the Index will be updated in the December report and currently stand at 39.8 years to close the superannuation gender gap and 101 years to close the unpaid work gender gap. While many commentators have been hopeful that the unpaid work gender gap will improve as those in couple relationships share the workload at home, various bodies of research suggests that women are still doing the lion's share of unpaid work and that this might be increasing.

Which industries are faring better or worse for women?

The latest ABS Detailed Labour Force data for August shows that of the 19 key industries, female employment declined in only 5 sectors however male employment fell across all of them. If we look at the total number of men versus women employed across these sectors, there was a 28% drop in male employees versus a 13% increase in females between May of this year and August. The biggest drop in male full-time employment occurred in the female dominated sector of Education and Training and was down 55% versus an improved 49% in female full-time employment – reflecting the best result for women by industry. By contrast the biggest drop in female employment occurred in Construction, down 28% versus a drop of 11% for males. The female dominated sectors of Retail Trade and Accommodation and Food Services experienced a 32% and 22% increase in female employees versus falls of 45% and 51% for males respectively. In terms of opportunities, job vacancies in August show that these sectors expect to hire significantly more people as lockdowns ease and businesses prepare for the Christmas holiday season. Job vacancies in Retail Trade were up 78% in August, and up by 87% for Accommodation and Food Services. Arts and Recreation Services, which consists of 44% women and 56% men, saw job ads increase by 96% in August suggesting that the sector which was hard hit by the pandemic is making a comeback.

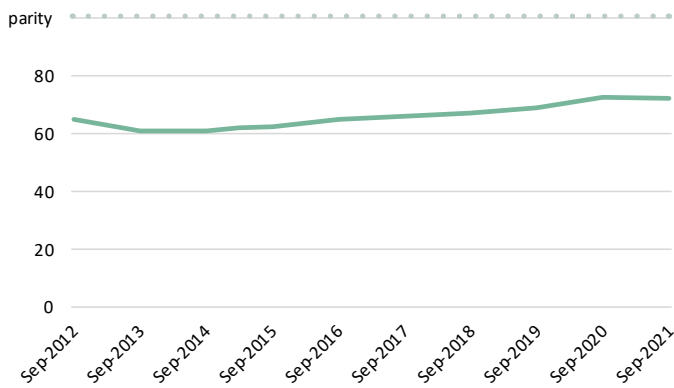
KEY MESSAGES

CHART 1: Timeframe to Economic Equality



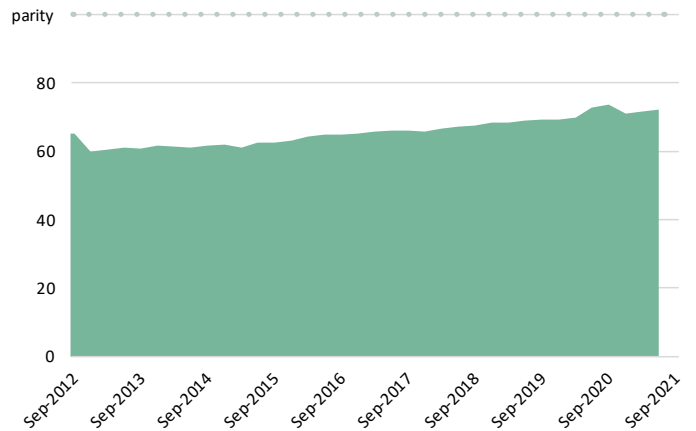
Years to complete Gender Equality based on worst performing area: 101 years.

CHART 2: The Financy Women’s Index by Quarter



FWX rose 2% in September

CHART 3: The Financy Women’s Index by Year



FWX y-o-y result weakest since 2013

Chart 1,2 & 3 Source: Financy, September 2021.

Notes: Economic modelling for the Financy Women’s Index is produced with 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 Years to Target methodology use a line of best fit to calculate years to economic gender equality and extrapolates this line to predict how long it will take for each sub-index to reach the target value of 100. Revisions to the Financy Women’s Index are made in each quarter based on the availability of official data revisions and corporate board actions that underpin the report. Data enhancements may also lead to revisions of the Women’s Index. The Index uses seasonally adjusted data where available.

THE ECONOMIC EQUALITY PACT 2030

Signatories are invited.

1

Closing the Education gender gap

- Employers work to encourage equal participation of men and women in education and mentor programs that support career development.
- Employers work to provide internship or mentoring programs to girls in years 11 and 12 and at university to support diverse career choices.

2

Closing the Employment gender gap

- Employers work to provide flexible or remote work arrangements for all staff.
- Employers have documented policy to support zero tolerance for gender discrimination or violence against women in the workplace.
- Employers work to have a diverse supply base that includes introducing or adding women-owned businesses as an additional supplier evaluation criteria.

3

Closing the Superannuation gender gap

- Employers work to provide Super Guarantee payments on parental leave regardless of gender.
- Employers provide information or incentives to help female employees contribute more to their balances to help close the gender gap.

4

Closing the Leadership gender gap

- Employers work to ensure equal representation of at least 40% women in leadership positions the workplace.
- Employers have a proactive internal policy in place to improve gender diversity in leadership.

5

Closing the Unpaid Work gender gap

- Employers offer non-gendered and equal paid parental leave to both parents.

6

Closing the Gender pay gap

- Employers have a proactive and documented policy to support reducing gender pay gaps where they exist within an organisation.

Proud Signatories to the Economic Equality Pact 2030



Femeconomy.



METHODOLOGY

The Financy Women's Index (FWX) 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 that reflect financial gender inequalities across a woman's working life cycle. These include unpaid work, fields of education, employment, underemployment, the gender pay gap, women on boards and the superannuation gender gap.

The FWX 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 FWX 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 although we are reviewing this as a future development. 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.

Financy
**Women's
Index™**

The Full Report Financy Women's Index (Available to Financy Members)

Women in The Workforce

Table 1, Chart 4, 5, 6, 7, 8, 9 & 10 – 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. 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 11, 12, 13 & 14 – Unpaid work figures have been provided by 2020 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. ABS Household Impacts Survey Covid-19 release, February 2021 report also tabled here in respect to hours worked by gender and task.

Gender Pay Gap

Table 2, Chart 14, 15, 16 & 17 - Average weekly earnings charts are based on table 1 of the Australian Bureau of Statistics series 6302.0 citing table one and using trend data. Tables 10c and 10f of the same series have been used to extrapolate data for earnings by industry. The report comes out twice a year 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 18 & 19 - The percentage of women on ASX 200 boards is based on board diversity data that is published monthly by the Australian Institute of Company Directors (AICD).

Fields of Education

Table 5 & 6, Chart 20, 21 & 22 - Tertiary studying trends are the product of analysis conducted by Deloitte Access Economics and Financy using data from the Department of Education uCube service, VOCSTATS - National Centre for Vocational Education and Census data for course related earnings. 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. Graduate salaries data is provided by the Australian Government Department of Education funded organization, Quality Indicators for Learning and Teaching (QILT), and contained in the 2021 (Longitudinal).

Superannuation Gap

Chart 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.

ABOUT THE FINANCY WOMEN'S INDEX

The Financy Women's Index is supported by an Advisory Committee, who are helping to grow the Women's Index as a 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.

Advisory Committee



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CEO of the Grattan Institute



Simone Cheung:
Partner at Deloitte Access Economics



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Statistical Services Group,
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Economist & Social Impact Consultant

ABOUT US

Financy Women's Index.

The Women's Index™ is authored by Bianca Hartge-Hazelman, who is also founder and CEO of Financy, a platform which helps women and organisations be part of the solution to gender financial equality.

Bianca is a journalist specialising in women's money matters. She holds a Communications Degree, Master's Degree in Journalism and Graduate Diploma in Applied Finance.

The Financy Women's Index was first launched in March 2017 on International Women's Day and is published quarter to help expose data insights and awareness around financial inequalities.

For information on the report contact:

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

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

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

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

Any suggested actions raised in this Report to help the economic progress of women have not been provided by and do not necessarily reflect the views of the members of the Committee or sponsors of the Financy Women's Index.

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

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Prepared by



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