

Financy

MARCH QUARTER 2022

FULL REPORT

Her Story
Has Evolved
But History
Holds Her Back

Women's Index™

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Fearlessly Supporting the Economic Progress of Women



Financy Women's Index.

Her Story Has Evolved But History Holds Her Back

JANUARY – MARCH 2022

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

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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.

About the Financy Women's Index

The Financy Women's Index™ (FWX) is a quarterly measurement of the economic progress of women and timeframes to gender equality in Australia.

The FWX provides a comprehensive snapshot on gender equality across seven critical areas being education, employment, underemployment, wages, unpaid work, ASX 200 board gender diversity and wealth (superannuation.)

Ultimately, the purpose of the Women's Index™ is to help drive fearless discussion and action among women and men, as well as key decision makers in the public and private sectors.

The Index is an independent initiative of Financy, which is a platform that helps organisations be part of the solution to equality. We would like to thank WISR, InvestSMART, Deloitte Australia, the Ecstra Foundation and Tech for Good Group, for supporting the production of this information.

The Index is written by Financy founder Bianca Hartge-Hazelman and would not be possible without the support of the FWX Advisory Committee. Quarterly data insights are also workshopped in consultation with Deloitte Access Economics.

FWX Advisory Committee



Bianca Hartge-Hazelman:
Author of the FWX and Managing Director of Financy



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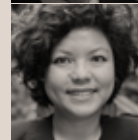
Joanne Masters:
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Make a difference to economic equality

Australia could be doing a lot more to support progress towards economic gender equality across many critical areas. Financy is an independent company with no vested interests or political alliances needed to keep operating. We reflect a group of employees, advocates, business, and economic advisors who are committed to keeping gender equality in the media and in the minds of organisational leaders and governments each quarter. Importantly, the Financy Women's Index is a free resource, and we intend to keep it that way to ensure that anyone can benefit from reading the latest snapshot on gender equality timeframes in this country! Funding from our sponsors keeps us going and it ensures that statistics on gender equality are not buried, or pink washed by the powers that be. Contact Bianca Hartge-Hazelman to become a sponsor today and show your support for gender equality.

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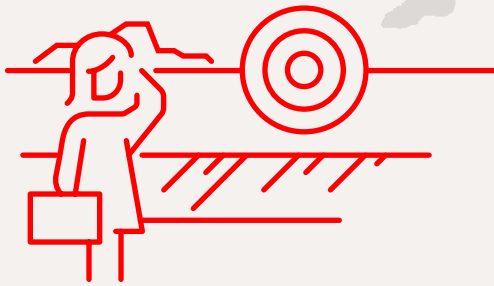
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Highlights

March Quarter Report – Released May 18th, 2022



72.2

points

The Financy Women's Index FWX has fallen to 72.2 points, down 1.6% in the March quarter, reflecting the weakest start to a calendar year in a decade.



15.5

years to equality in underemployment

By far the worst performing area in the March quarter in terms of seeing a gender gap widen. The timeframe to equality in the underemployment rate rose to 15.5 years, from 14 years.



28

years to equality in employment

The time to equality in employment improved to 28 years, down from 29 years as men experienced a larger fall in monthly hours worked compared to women.



22

years to equality in the gender pay gap

The national gender pay gap is at 13.9% and has fluctuated throughout the pandemic.



19

years until gender equality in superannuation balances

The time gender equality in superannuation has dropped to 19 years, down from a revised 31 years due to improvement in women's median lifetime balances.



6.5

years to gender equality on ASX 200 boards

The pace of progress in achieving greater gender diversity on ASX 200 boards has more than halved from 8.8% down to 3% over the past year.



59

years to gender equality in Australia

The total timeframe to gender equality stands at 59 years based on the worst performing indicator being unpaid work where women still do the lion's share in this area despite some improvement in the December quarter thanks to men taking on more domestic duties.



LEGEND

- BETTER
- WORSE
- STATIC



Update on economic equality

Has gender equality progressed?

Australians have made progress towards gender equality as women continue to challenge historical norms and the business case for diversity, equity and inclusion strengthens.

Despite this, women's progress slipped back a gear in the March quarter with the Financy Women's Index (FWX) down by 1.6% to 72.2 points, from 73.3 points in December. Year on year, the FWX is down 0.9%, taking some of the shine off a more progressive 2021 through the pandemic.

Whilst this latest result puts the Index back to December 2020 levels, it is important to interpret the data with some caution.

On the positive front, we have seen gender gaps narrow in the FWX Employment sub-index, in terms of monthly hours worked and in the FWX Superannuation sub-index, which improved significantly. The ASX 200 Boards sub-index and the Unpaid Work and Gender Pay Gap sub-indices all remained unchanged. But weighing on the FWX score was a widening of the gender gap in the FWX Underemployment Sub-Index, as the male underemployment rate improved at a rate that was five times faster than female underemployment.

What's worse

During the pandemic, employment conditions have been volatile, and in no area of the FWX has this been more pronounced than in the Underemployment sub-index.

The underemployment rate helps us to understand the extent to which a person can work to their full potential due to limitations on the availability of work, rather than so called "choice" around family or other personal decisions. Historically the female underemployment rate has been higher than male because there have been more women in part-time work and therefore likely to have greater capacity and willingness to want to work more hours.

This has remained the case over the pandemic, but more recently the improvement in the male underemployment rate has been more significant. The male underemployment rate fell 10 percentage points to 5.05% in March from 5.57% in December, compared to a 2-percentage point decline in the female underemployment rate to 8.03% in March from 7.85% in December.

Fluctuations in underemployment have been apparent most quarters as Australian workers have had to deal with many unprecedented factors such as public health warnings, business shutdowns, border closures and personal illness.

The FWX Underemployment sub-index fell to 63 points, from 71 points in the December, reflecting an economy that's been trying to recover from the impacts of COVID-19 and is facing skills shortages. The challenge now is supporting women, as much as men, to be able to work to their full potential.

What's improved

Australian women are making gains at closing the gender gaps in employment and superannuation.

The FWX Employment sub-index improved in the March quarter as men experienced a larger fall in monthly hours worked compared to women. This helped narrow the gender gap and the sub-index rose to 73.1%, from 71.9 in December as women's monthly hours worked fell only 0.1% compared to a 1.7% fall among men.

The FWX Superannuation sub-index also surprised with a significant improvement in the gender gap in median lifetime balances which fell to 25% in the March quarter, down from 31% in the December quarter.

The latest superannuation figures released by the Australian Bureau of Statistics (ABS) show that in the financial year to June 30, 2020, the median lifetime fund balance for women was \$50,000 compared to \$67,000 for men.

The superannuation gender gap is often attributed to several factors; firstly, women earning less than men, participating in the workforce to a lesser extent due to family and unpaid work commitments.

During the period where the superannuation gender gap improved, the gender pay gap narrowed from 13.9% in November 2019 to 13.4% in November 2020 – a decade low. That said, it's now back at 13.8% as of the March quarter. The unpaid work gender gap also narrowed to 67% in 2020, from 65% in 2019, as men's time spent in unpaid work increased.

What also appears to have had an impact has been the unprecedented COVID-19 withdrawals under the Federal Liberal government's Early Release Scheme in 2020.

Figures from the Australian Tax Office show that men were more likely than women to request withdrawal of up to \$10,000 of their savings in the period between 20 April – 31 December 2020. Indeed, men accounted for 56% of the 5.5 million applicants compared to 44% who were women. The total sum of requested withdrawals for this period was \$20.6 billion existing superannuation balances.

Update on economic equality

If we continue to see improvement in the gender gaps relating to employment, pay and unpaid work, this will support further progress in closing the superannuation gap. Policy measures such as providing super payments on government paid parental leave would also help close the gap.

Timeframes to equality in Australia

Australia is at least two generations away from calling itself a gender equal country and remains a laggard (ranked 50th) globally according to the World Economic Forum’s Global Gender Gap Index 2021 rankings.

The Financy Women’s Index shows that total gender equality remains 59 years away, down from 100 years in the December quarter of 2021. The result is based on the worst performing area of progress, being unpaid work, which experienced a positive shift in gender dynamics during the pandemic.

According to the latest Household, Income and Labour Dynamics in Australia (HILDA) Survey, which captures data collected between August to October of 2020 and released in December 2021, men spent 41% of their time in unpaid work, up from 40% in 2019, whereas women spent 61% of their time versus 62% over the same period. The change led to a 6.1% narrowing in the FWX Unpaid Work sub-index over the course of 2021 – the best improvement on record.

A notable mention for the March quarter relates to the improvement in the time to equality in superannuation, down to 19 years from a revised 31 years due to a narrowing of the gender gap in median lifetime balances. The time to equality in the gender pay gap remains at a stable 22 years, whilst in employment it’s 28 years, down from 29 years. The worst performing area in terms of change in time frames to equality was in underemployment, with the timeframe increasing to 15.5 years, from 14 years because of the widening of the gender gap in this area. The time to equality in ASX 200 Boards remains at 6.5 years as progress has been unchanged over the past two quarters.

Whilst the FWX includes Education as a critical area, we have not included it in our forecast chart on Years to Equality because progress has been in reverse for decades. Without progress we are unable to calculate a years to equality timeframe. This will be a key focus area of our June quarter report when Census data on education linked earnings is released.

The number of years to total gender equality in Australia across six critical areas of the FWX stands at 59 years, based on the worst performing area of progress in the Index, being unpaid work. The FWX Unpaid Work sub-index improved in the December quarter of 2021, reversing a pre-pandemic set back in 2019, in response to men increasing the number of weekly hours spent doing unpaid work relative to women.

CHART 1: Timeframe to Economic Gender Equality

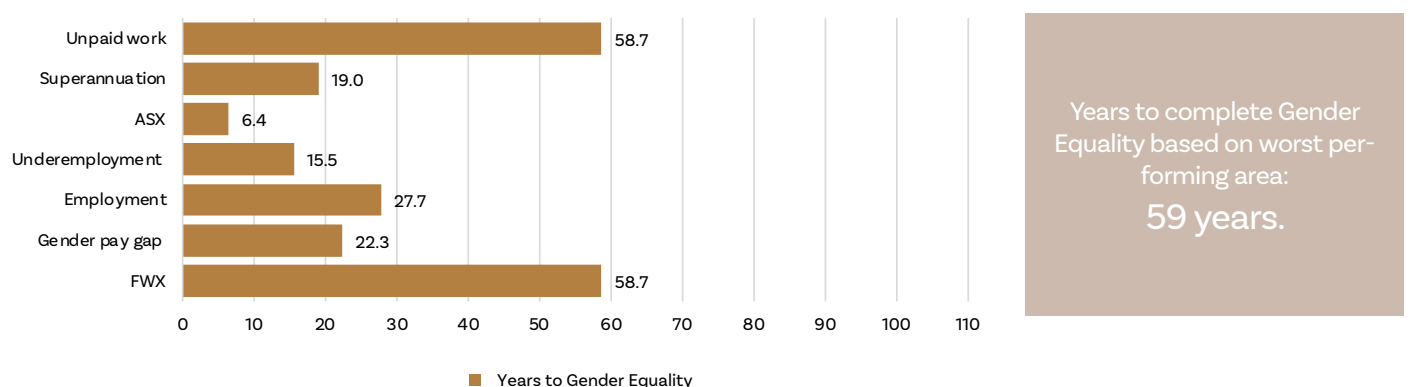
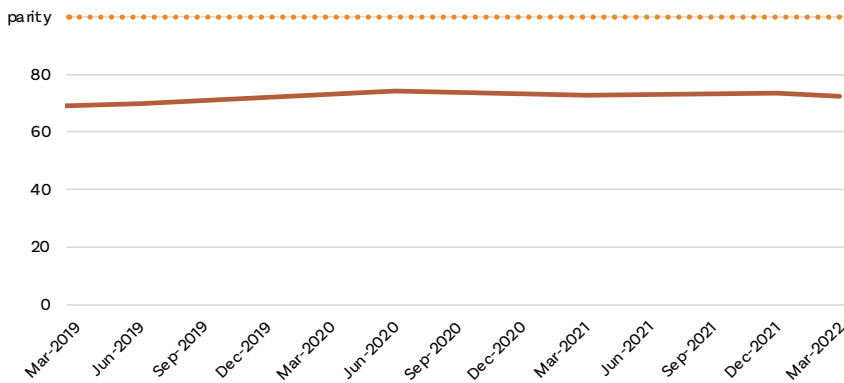


Chart 1 Source: Financy, March 2022.

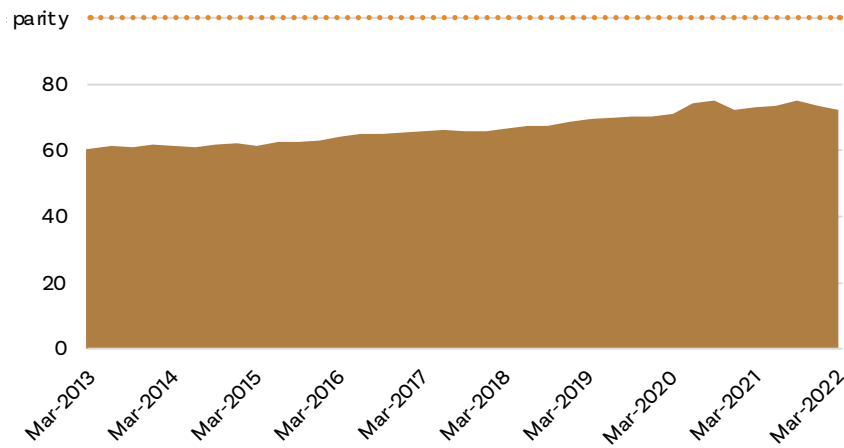
Update on economic equality

CHART 2: The Financy Women’s Index by Quarter



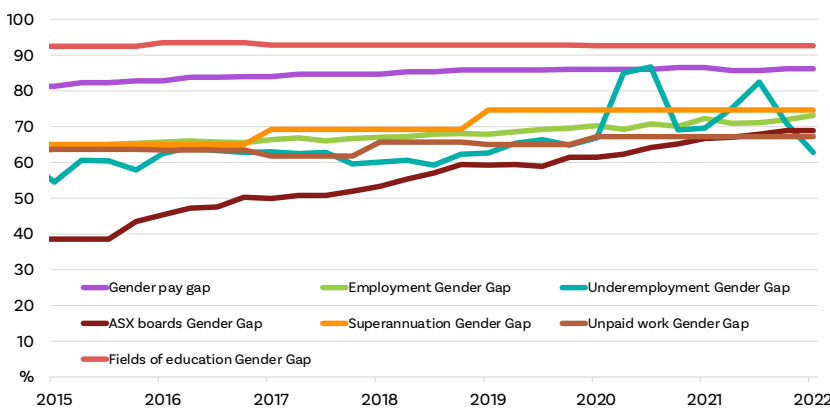
The FWX fell 1.8% in the March quarter, marking the most disappointing start to a year for gender equality outcomes in a decade.

CHART 3: The Financy Women’s Index by Year



The FWX fell 0.9% between March 2022 and March 2021, taking some of the momentum out of gender equality gains achieved in previous years.

Chart 4: Gender gaps across the 7 FWX areas



Most areas of gender inequality, except for education, have improved over the past decade

Over the past decade all but one area of Financy Women’s Index sub-indexes has shown signs of progress in terms of closing gender inequalities. However the FWX Education sub-index is the only area where for the past 20 years, progress has stalled in educational-linked earnings, and this is despite women being closest in this area to achieving parity (92.7 points with men at 100). What this data reflects is the tendency for men to be more likely to select better earning higher educational pathways than women. By contrast, the most impressive area of progress has been in the FWX ASX Boards sub-index, where the percentage of women occupying ASX 200 board positions sits at 34.5%. Gender diversity in this area has improved year on year since a voluntary target of 30% was set by the Australian Institute of Company Directors (AICD) in 2015. The most volatile area through the COVID-19 pandemic has been the FWX Underemployment sub-index due mostly to illness, homeschooling, boarder closures, business shutdowns and social restrictions.

Chart 2,3 & 4 Source: Financy, March 2022.

Thought leadership on gender equality progress

Improving but more to do on the superannuation gender gap.

The good news is the superannuation gender gap is narrowing. The reality is there is still so much more that needs to be done to actually close it.

The most recent data is showing that the superannuation gender gap has improved by 22% since the start of the Financy Index. The median lifetime balance for women is currently only around 75% of the lifetime balances of men and while this is an improvement from 53% sixteen years earlier there is still a significant gap remaining.

The challenge remains on how we continue to close the gap but it would seem that while superannuation remains intrinsically linked to employment, the solutions must first come from addressing the gender pay gap and consideration of the work patterns of women.

Clearly, the rise in the mandatory super guarantee (SG) rate to 12% is critical to improving retirement savings for everyone and importantly the women who are most at risk of poorer retirement outcomes. However, closing the gender gap necessitates more than this with a closer analysis of the work patterns of women and specific solutions directed to improving superannuation for women in those circumstances.

On the whole women earn less over their lifetimes. Women are still paid less for doing similar roles as men – the gender pay gap is still very real. Women tend to work in lower paying jobs, they are more likely to work in casual and part-time roles and they are more likely to have time out of the workforce. SG calculated as a percentage always gives a poorer outcome when multiplied by a lower wage.

The removal of the \$450 per month earnings threshold for SG to be paid from 1 July 2022 is a step in the right direction to improve superannuation for casual and part-time workers. Superannuation forming part of paid parental leave should be mandatory across the board. From there, we need to look at improving financial literacy for women, creative ideas for addressing the ways in which super can or should be paid as well as encouraging and removing barriers to voluntary contributions. Coming up with ideas and incentives that are decoupled from employment may make the difference.

We are trending in the right direction but we still have a way to go. Women are living longer than men so we must do better to ensure equity in superannuation balances.

Liz Westover
National SMSF Leader
Partner Deloitte Private



Thought leadership on gender equality progress

Transforming insights into actions.

Financy's Women's Index (FWX) shows we're making strides in improving financial gender equality. However, we need to expedite this growth to achieve this goal that we're all passionate about. To close the employment, superannuation, and gender pay gap, we need to turn discussions into action; in the workplace, legislation, and the societal and cultural expectations of all genders, not just women.

The gender gap is narrowing in superannuation and employment, two critical factors supporting women to establish financial security and equality. The superannuation gender pay gap, in particular, is a promising measure. We've identified that this has closed to 25%, and we're progressing in unpaid work and the gender pay gap.

We know that older women are currently the fastest-growing group of people facing homelessness¹. It's a critical issue for a wealthy, advanced economy and caring society like Australia. Closing the gender gap in superannuation will help reduce the gendered threat of homelessness, providing critical access to the social security that healthy superannuation was designed to offer. We also need more policy support for affordable housing for women. Let's keep the progress going!

Slowly (too slowly, I'd say), we are seeing more frank and raw discussions and re-evaluations of women's roles not only in the media and in the public sphere, but at work, at home, and hopefully within families and relationships. Grassroots cultural change starts with each of us in our conversations with friends, family, and colleagues at barbecues, dinners, the pub, and the park. I believe that cultural change that leads to genuine policy and institutional change across both public and private sectors has the power to create faster change.

Business too has a big part in changing the societal, economic, and financial expectations of both women and men - taking bigger steps toward gender equality and making sure it's measured and robust inside our organisations. I want to see more companies like Wisr offering full paternity leave and increased flexibility for a hybrid working environment, enabling parents (and not just mothers!) to better balance the great juggle of life.

Women need more freedom and support to continue their careers instead of being phased out of the workforce and cut short of financial opportunities. There is so much that organisations can creatively do to help push the conversation further, like talking about women's issues; unconscious bias and how we've all internalised patriarchy in different ways, the new science behind periods and other "women's issues" that previously were taboo to discuss in the workplace is how we can all evolve more. When brought into the workplace and made safe, these topics of conversation and others deemed 'taboo' can help everyone feel psychologically safe enough to deeply explore their own unconscious bias toward themselves, their teammates, and their families.

I believe that women's issues are not "other women's issues." They are my issues, our issues, and we, as individuals and as women looking to step into our power, all have a role to play in helping the index move faster toward equality. We're heading in the right direction, but I know we need to, and we can run a lot faster. Let's together have more honest, deep conversations about the roles of women and men, our expectations of each other and ourselves, and put these discussions into action in as many ways as we can - the time to change and look inside is now.

Dr Lili Sussman
Chief Strategy Officer
Wisr



¹<https://humanrights.gov.au/our-work/age-discrimination/projects/risk-homelessness-older-women>

Thought leadership on gender equality progress

It's time to close the gender super gap

When I first read the latest Financy Women's Index, I was excited to see women have started to close the gender super gap. Reading further, it was with a sense of dismay that I saw it will still take around three decades to achieve equality in our retirement savings.

It's no secret that one of the key reasons women are behind in the super stakes is because we are more likely to take time out of the workforce to raise a family. Yet we see no progress on women receiving employer-paid super while on parental leave.

A 2021 report by Industry Super Australia (ISA)¹ found adding super to Commonwealth Parental Leave Pay would leave a mother of two better off in retirement by \$14,000.

The same study shows fewer than 7 per cent of enterprise agreements include a provision to pay super on paid parental leave. If all employers were to follow this lead an additional 1.7 million women would benefit. I understand some businesses are doing it tough, and simply don't have the cashflow to add super to maternity leave. But hat's off to those employers who are making super contributions to women while they're raising children.

What of the case for government funding?

The Callaghan Review estimated that adding superannuation to government-funded parental leave pay would cost taxpayers \$200 million a year. I understand that, like household budgets, when governments spend more on one area, they need to make cutbacks in another. However, \$200 million annually is not a significant sum in the general scheme of things. So, the signal women can pick up is that super contributions as part of parental leave is not a priority.

¹ <https://www.industrysuper.com/assets/FileDownloadCTA/Paying-super-on-parental-leave-How-governments-and-employers-can-help-reduce-the-gender-gap-in-super.pdf>

² <https://data.gov.au/data/dataset/self-managed-superannuation-funds>

³ <https://qsuper.qld.gov.au/super/how-much-super-should-i-have>

⁴ <https://moneysmart.gov.au/how-super-works/superannuation-calculator>

Long story short, as Industry Super Australia notes, we must stop penalising Australian families – in particular women, for having children. On the plus side, there are positive signs women are taking control of their super.

The latest data from the Tax Office² shows close to one in two members of a self-managed super fund (SMSF) are women. Females outnumber men as SMSF members in key age groups from 35-69 years. It is really only among the 74-years-plus demographic that we see men significantly outweigh women in SMSF membership.

Of course, beating the super odds doesn't have to involve starting a DIY super fund. Something as simple as making small additional contributions to super can make a tremendous difference. Let's say a woman aged 35, earns \$50,000 annually, and has the average super balance for a woman her age of \$69,300³. By adding just \$1 extra to her super each day – that's 30 bucks a month, she can accumulate an additional \$148,389 in super by age 67⁴.

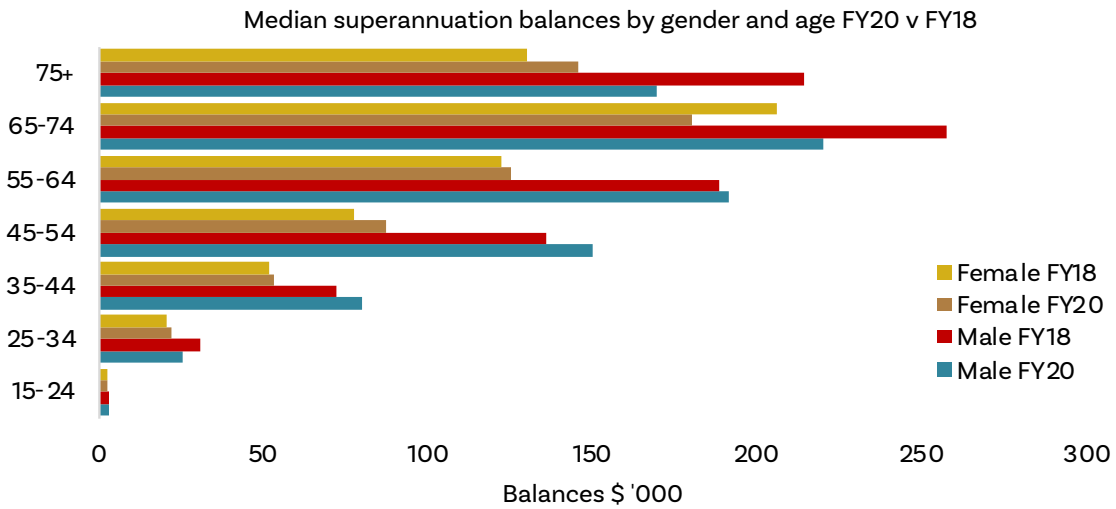
I encourage all women to head to MoneySmart's online super calculator to see how a few extra dollars added to your super – contributions you may be able to claim on tax, can help you bridge your own gender super gap.

Effie Zahos
Independent Director,
InvestSMART
Editor-at-Large – Canstar



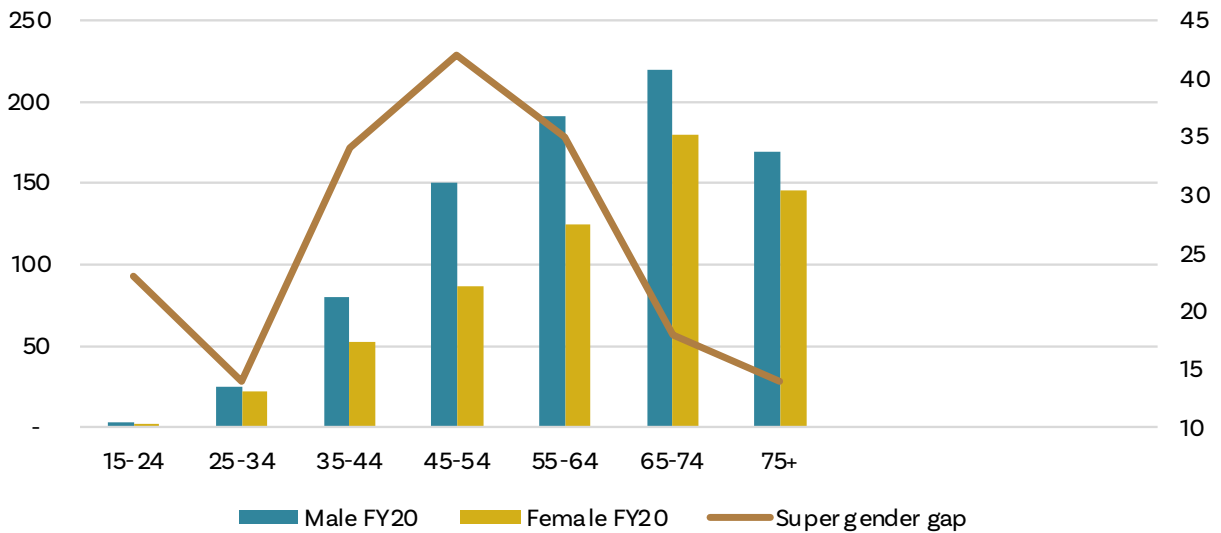
Charting progress

Chart 5: Superannuation by balances



The latest superannuation data gives us a glimpse into how the pandemic has affected the retirement savings of Australians and with it the wealth gap. Interestingly when we look at 25–35-year-olds, the median female balance increased in the 2020 financial year, from the 2018 result however for men it declined. This finding could be explained by a higher percentage of early super withdrawals under the government’s early access scheme.

Chart 6: Superannuation balances by age and gender gap



The gender gap in superannuation balances starts to widen around the age of 30, when women will typically reduce their paid work hours to give birth and primarily care for their first child. This trend has given rise to what is commonly known as the Motherhood penalty. Meanwhile we tend to see more of a Fatherhood bonus take shape around the similar time as men are either rewarded by employers or more motivated to increase their position as working Dads. Indeed a 2014 study by Michelle Budig, a sociology professor at the University of Massachusetts in the United States found that unlike Fatherhood was beneficial to the career trajectory of men. The divergent stories of the genders around the birth of a first child has a long-lasting impact on superannuation savings at retirement age.

Chart 5 & 6 Source: ABS & Financy, March 2022.

Charting progress

Table 1: How to fix the gender gap in superannuation

Baseline – a woman with no children	\$460,358
With children	\$417,342
Impact on superannuation	-\$43,016
POLICY IMPACTS	
With SG on Paid Parental Leave only	\$424,820
With Super Baby Bonus only	\$446,716
With both above	\$454,193
Impact on superannuation	-\$6,165

Impact on superannuation of time taking out of the workforce for one year, for each of two children.

Table 1 Source: ASFA, Financy 2022.

Notes: Case study is based on a woman who is 30 years of age on a salary of \$80,000 with \$30,000 in her super fund. She has her first child at age 30, and then her second child at age 33.

According to the Association of Superannuation Funds Australia (ASFA) taking one year off work for each of two children can lead to 10% less in superannuation at the time of retirement age of 67 years. ASFA analysis shows that the introduction of a \$5,000 Superannuation Baby Bonus together with payment of the Superannuation Guarantee on government funded 18 weeks paid parental leave would largely eliminate this deficit as the table below shows.

Chart 7: Employment perspective on monthly hours worked by gender

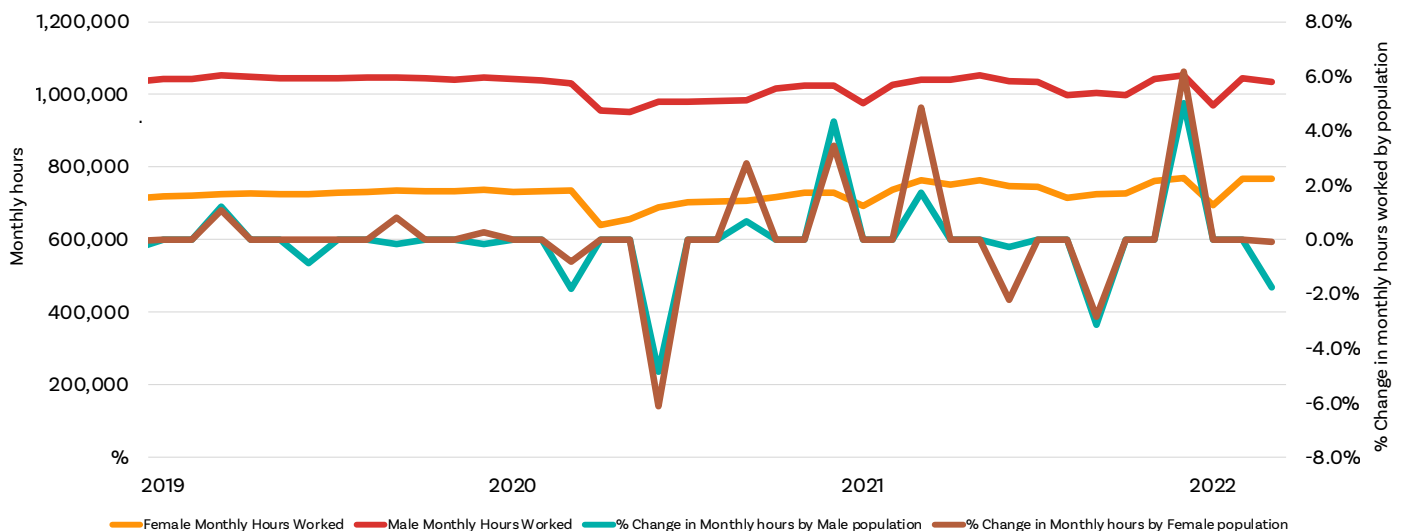


Chart 8 Source: ABS & Financy, March 2022.

Australians have experienced considerable employment shocks over the past two years in response to the pandemic but overall, female employment growth, whilst more volatile, has outpaced that of male. Early in 2020, women were hardest hit by nature of being overly represented as employees in services sectors such as Hospitality and Retail. That said, when there has been a recovery and restrictions were eased, female employment has often bounced back more strongly than male employment, in terms of monthly hours worked. Different waves of the pandemic such as the Delta and Omicron strain have also produced different employment impacts and at one point led to a slowdown in male dominated areas such as construction.

Charting progress

TABLE 2: Employment by industry, type and gender

INDUSTRIES	Employed full-time	Employed full-time	Employed part-time	Employed part-time	Quarterly	Quarterly	Quarterly	Quarterly
	(Males)	(Females)	(Males)	(Females)	Growth FT (Females)	Growth FT (Males)	Growth PT (Female)	Growth PT (Male)
Agriculture, Forestry and Fishing	166	51	39	46	-15%	-7%	40%	-51%
Mining	218	50	2	7	11%	1%	57%	-81%
Manufacturing	546	157	56	88	-5%	1%	35%	-63%
Electricity, Gas, Water and Waste Services	118	35	9	10	10%	23%	137%	-2%
Construction	894	94	111	57	0%	2%	-50%	-38%
Wholesale Trade	189	72	26	35	-18%	-8%	28%	-59%
Retail Trade	380	279	214	421	-1%	6%	88%	-67%
Accommodation and Food Services	193	173	191	337	16%	4%	68%	-63%
Transport, Postal and Warehousing	429	102	89	66	4%	4%	-32%	-41%
Information Media and Telecommunications	107	60	14	28	7%	18%	80%	-68%
Financial and Insurance Services	264	200	24	73	8%	4%	237%	-72%
Rental, Hiring and Real Estate Services	105	75	22	33	-1%	5%	37%	-61%
Professional, Scientific and Technical Services	631	391	81	180	7%	7%	110%	-70%
Administrative and Support Services	147	107	64	101	-10%	-3%	54%	-63%
Public Administration and Safety	431	316	42	105	-3%	-5%	173%	-70%
Education and Training	238	475	74	328	4%	-3%	287%	-83%
Health Care and Social Assistance	347	827	134	715	-2%	-52%	0%	2%
Arts and Recreation Services	82	43	39	68	-11%	5%	47%	-63%
Other Services	249	103	44	122	-4%	-2%	143%	-76%

Table 2 Source: ABS & Financy, March 2022.

Australians have experienced considerable employment shocks over the past two years in response to the pandemic but overall, female employment growth, whilst more volatile, has outpaced that of male. Early in 2020, women were hardest hit by nature of being overly represented as employees in services sectors such as Hospitality and Retail. That said, when there has been a recovery, and restrictions were eased, female employment has often bounced back more strongly than male employment, in terms of monthly hours worked. There continues to be a very large gap between the number of men and women working full-time. Without greater progress in this area, supported by greater workplace flexibility, it will be more difficult for women to achieve economic equality with men across pay, superannuation and other wealth areas. Whilst female enrolments in higher education have been higher than male for many years, men are still more likely to earn more than women on graduation from their studies.

TABLE 3: 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 3 Source: Dept of Education, Census data 2016, Deloitte Access Economics and Financy December 2021.

Charting progress

Chart 8: Female employment story by age group

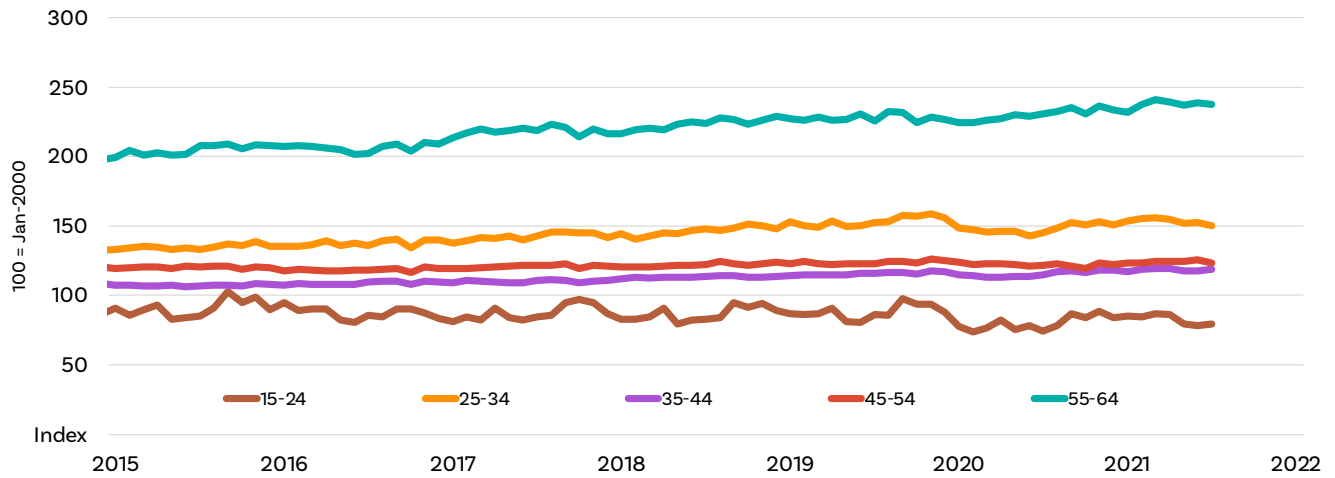


Chart 10 Source: ABS & Financy, March 2022.

Full-time employment growth of women aged 15-24 years appears to have finally recovered from the impacts of the pandemic (up 4% since January 2020). While this is good news for young women who were among the worst affected by the uncertainty of COVID-19 business shutdowns, only time will tell the extent to which this has set women back on pay or superannuation savings. Meanwhile women above 55 years of age have seen the fastest pace of growth since 2020, up by 12%. Inadequate savings for retirement, high cost of living pressures, including unaffordable housing has created a situation where older women are increasingly having to work beyond retirement age. It's often reported that single elderly women who don't already own their own homes are at greater risk of experiencing poverty, housing stress and homelessness in retirement than men. This is a point made by the 2016 Senate Economics References Committee Report— 'A husband is not a retirement plan, and it still rings true today despite the increasing actions of older women to participate in the paid workforce.

CHART 9: Female unpaid work story by age group

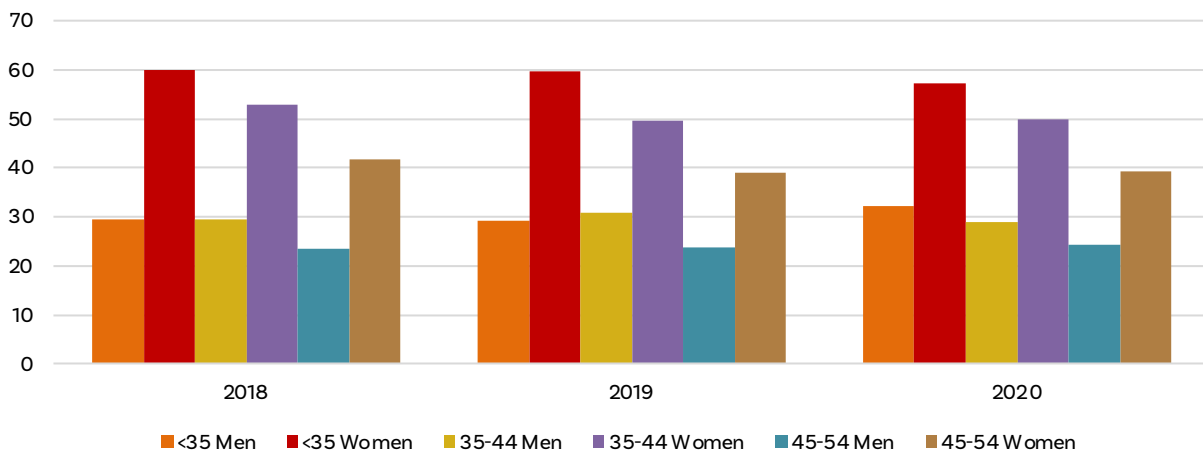


Chart 11 Source: HILDA Survey 2021 and Financy, December 2021.

There is a slow but positive shift taking place in unpaid work with men, particularly under the age of 35 years, increasingly doing more to share the load of domestic duties. Women in the same age group have been gradually doing less unpaid work. Meanwhile women over 45-54 years, whilst gradually doing less unpaid work, are met with little to no improvement among men in the same age group.

Charting progress

CHART 10: Gender pay gap by industry

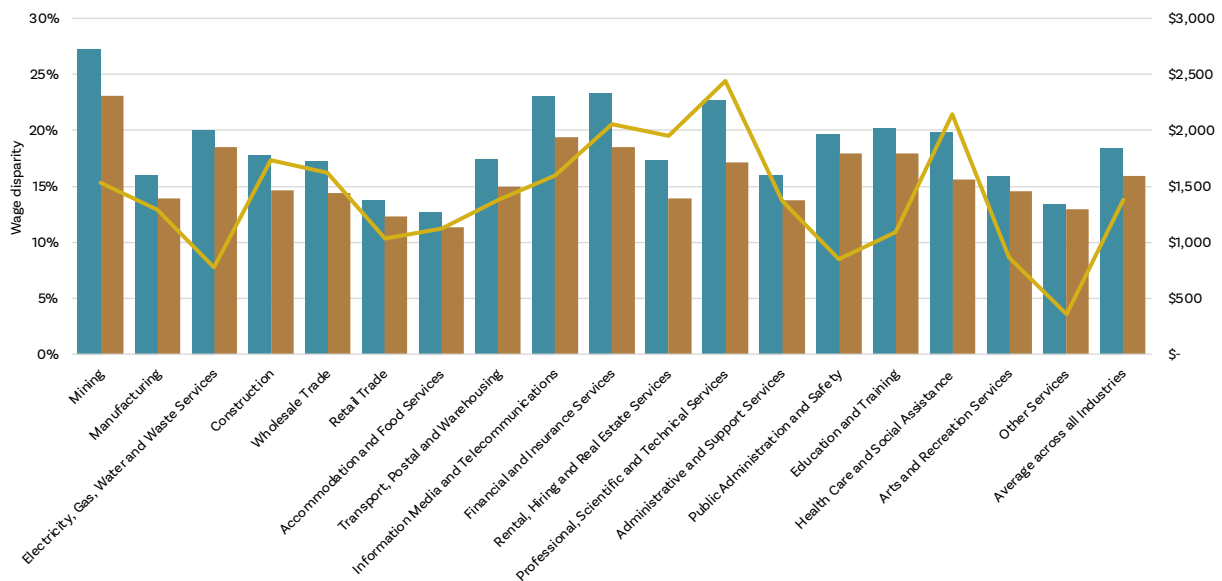


Chart 13 Source: ABS, Financy, February 2022

The national gender pay gap stands at 13.9% and despite greater awareness of it, there’s a gap between the average full-time weekly earnings of men and women across every single industry of the Australian economy. What’s particularly concerning is that Health Care and Social Assistance is the largest employer by industry of women and in the March, quarter employed 827,000 women and 347,000 men across full time roles. Still this industry has the third largest gender pay with women earning 20.7% less than men on average for full-time work. Part of the reason for this significant gap relates to the higher percentage of men in management positions relative to women as a proportion of the industry workforce. Indeed, this is an observation that can be seen across the economy and has a significant impact on gender pay gaps. According to the Workplace Gender Equality Agency (WGEA)’s Australian Gender Equality Scorecard, based on analysis of companies which report to the government agency, men are twice as likely as women to be earning \$120,000 and above per year, while women are 50% more likely than men to be earning \$60,000 and less.

CHART 11: ASX 200 female board representation as %

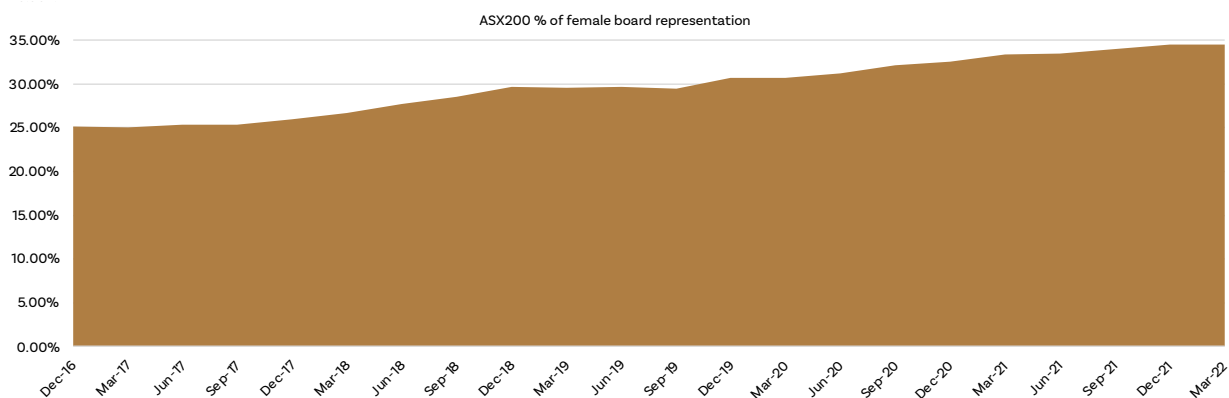


Chart 14 Source: AICD & Financy, March 2022.

Gender diversity on the boards of the country’s largest listed companies has been steadily improving in recent years although the pace of progress has slowed as more companies achieve the 30% target, set by the AICD. Women accounted for 34.5% of directors on ASX 200 boards at the end of February 2022. However, there are still 66 ASX 200 boards and 127 ASX 300 boards that haven’t reached 30 per cent. This time last year ten companies in the ASX 200 reached the 30% threshold in the first three months of 2021, taking the overall number to 123. By comparison, it has taken 12 months for that figure to rise to 134. If history is any guide, the setting of a new target at 40% may well be needed to stimulate further action among corporate Australia to ensure that “near enough” gender equality is not seen as simply “good enough.”

Methodology

FWX results

Chart 1, 2, 3 & 4 – Financy figures are the source of each of these charts. The Financy Women's Index calculates women's financial progress relative to men's by looking at areas most relevant to a person's working life cycle. This includes higher education and the correlation with career earnings, employment, underemployment, wages, unpaid work, ASX 200 board numbers and superannuation. Timeframes to gender equality are calculated using a line of best fit methodology across the key areas of the Index. In doing so we extrapolate the lines to predict how long it will take for each sub-index to reach the target value of 100. Manual adjustments are made to ensure that the data point reflects the actual data not the release date.

For example, Unpaid Work's timeframe to equality is based on the date cited for the analysis being the end of 2020, and not the published date which was the end of 2021. For Unpaid work and superannuation, the line of best fit uses an annual calculation as opposed to a quarterly calculation for more regular data releases such as ABS monthly employment figures. 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 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 to track measurements of performance over a five-year period. The FWX comparison chart reflects the sub-index scores over a select timeframe to show impact and divergence. 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.

Superannuation

Chart 5 & 6 – ABS Household Income and Wealth, Australia 2019-20. Superannuation with reference to the lifetime and age group super balance by gender looks at the median for those aged 15 to 70 years plus. The data available comes out once every two years. Table 1 – relates to modelling performed by ASFA and cited in research paper: Developments in account balances Superannuation account balances for various demographic groups, Ross Clare, Director of Research March 2022.

Women in The Workforce

Table 2, Chart 7 & 8 – ABS Detailed Labour Force (quarterly) and ABS Labour Force (monthly) figures released in December 2021 are cited here and are based on seasonally adjusted data. Where industry data is cited, original data has been used. The ABS Labour Force Survey is a weighted sample survey and asks information from 26,000 households (or 52,000) people every month. Financy is the source of modelling of monthly hours worked as a percentage of the working population.

Women in Education & Earnings

Table 3 – Higher education trends and earnings figures are the product of analysis conducted by Deloitte Access Economics and Financy using the Department of Education uCube service, VOCSTATS and Census data.

Women In Unpaid Work

Chart 9 – Unpaid work figures have been provided by 2020 Household, Income and Labour Dynamics in Australia (HILDA) Survey, published in December 2021. The figures cited here relate to a survey taken in the September quarter of 2020. The HILDA Survey comes out once a year.

Gender Pay Gap

Chart 10 – ABS Average Weekly Earnings, Australia tables 10a and 10b of the same series have been used to extrapolate data by gender and industry. The report comes out twice a year in February and August reflecting the November and May periods. ABS ABS Detailed Labour Force (quarterly) and ABS Labour Force (monthly) figures are also cited here.

Women On Boards

Chart 11 – The percentage of women on ASX 200 boards is based on monthly and quarterly gender diversity progress data published by the Australian Institute of Company Directors (AICD).

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

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