

Financy

JUNE QUARTER 2023

Play
Time's
Over

Women's Index™

A United Nations Women's Empowerment Principles Signatory and aligned gender equality initiative: Measuring economic equality in Australia
Fearlessly supporting the financial progress of women



Acknowledgment of Country: Financy acknowledges Aboriginal and Torres Strait Islander people as the first peoples of Australia and Traditional Custodians of this land and 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, and Wurundjeri nations.

Update on gender financial equality

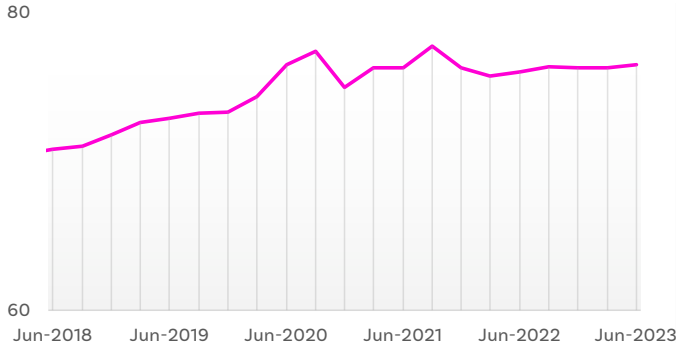
Key Findings

- **76.5 points** – The FWX rose 0.2 points in the June qtr to 76.5 points with a recovery in gender financial equality progress helped by improvements in the gender gap and ASX 200 Board Leadership.
- **139 years to gender equality in Education** – Unchanged and remains the worst performing area on timeframes to equality.
- **44 year wait** remains for equality in Unpaid Work – Unchanged from December qtr when the indicator improved as the gender gap narrowed.
- **26.8 year wait** for equality in Employment – Australian women remain more vulnerable to economic weakness.
- **21.2 year wait** for equality in Underemployment – Less Australian women than men are working to their desired potential.
- **5.7 year wait** for equality in Board Leadership – Women account for 36.4% of ASX 200 board directors.
- **24 year wait** for the Gender Pay Gap to close – The gap has improved but not by enough to change timeframes to equality.

Women’s financial progress down amid cost of living pressures

The Financy Women’s Index (FWX) rose to 76.5 points in June from a revised 76.2 points out of 100 in the March quarter helped by advancements in the gender pay gap and number of women appointed to ASX 200 board positions. The result signals a return of overall momentum in progress among the 7 gender financial equality indicators measured in the Women’s Index, since September 2022. Overall, the FWX has recovered from where it started the 2023 calendar year and is 0.4 points higher for the year to date. The combination of positive developments across all FWX indicators, except for employment, has helped to accelerate progress to gender financial equality over the past 12 months. It comes as Australia undergoes a broader cultural shift in the way we value women in society, helped by the influence of what can only be described as the Barbie and Matilda’s effect.

Chart 1: FWX annual pace of progress ticks higher



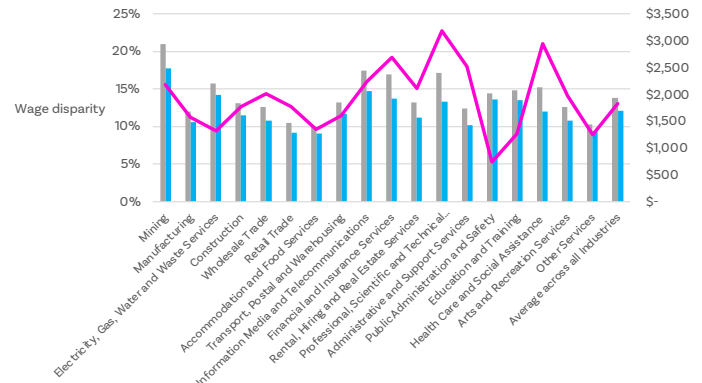
Source: Financy Women’s Index June 2023

Most notable change to the Index

The Financy Women’s Index (FWX) rose by 0.2 points to 76.5 points in the June quarter of 2023, up from a revised 76.2 points in March as records were broken in the number of women occupying ASX 200 board leadership positions and in the gender pay gap. The number of women appointed to ASX 200 directorships rose again in June to 36.4% compared to 36% in March. This helped the FWX Board Leadership sub-index gain by 3.4 points and was the most impressive improvement among all the FWX sub-indices. The gender pay gap also deserves a notable mention, as the gap fell to a historic low of 13% during the quarter – as reflective of May 2023 data as average weekly wages for women rose by 2% compared to 1.6% for men, helping to narrow the disparity. This helped the gender pay gap sub-index add 1.1 points and is an improvement on the 13.3% pay gap in the March quarter as captured in November 2022 data. According to the ABS Average Weekly Wages statistics, women now earn a full-time weekly wage of \$1,686 compared to \$1,938.30 for men, reflecting a gap of \$252 compared to \$253 in the March quarter. However despite improved wages growth for women, there is still a lot of work to be done at an industry level in closing the pay gap within the sectors that employ the most women. Female dominated industries are underperforming male dominated sectors on wages growth.

Health Care and Social Assistance, which is the largest employer of women, also has one of the biggest sector pay gaps at 21%, surpassed only by Professional, Scientific and Technical Services at 22.7%. Indeed average wages growth in female dominated sectors is 3.4% compared to 3.8% average wages growth in male-dominated sectors such as Construction, according to data crunched by independent economist Emma Grey.

Chart 2: Gender pay gap by % & average female earnings by industry



Source: Financy and ABS June 2023

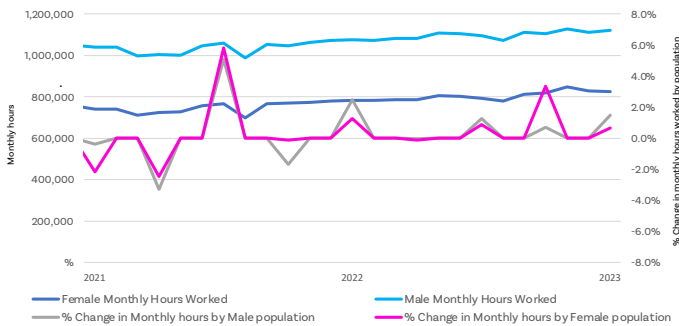
What’s happening in female employment?

Whilst progress is being driven by the pace of change taking place in corporate boardrooms, one of the biggest issues with achieving gender financial equality is bridging the gap that exists between women and men in top-tier leadership compared to non-managerial positions. We see a much greater thinning out of women in managerial and executive roles compared to men, in what is one of the underlying reasons we have a gender pay gap. What’s needed is greater support for women into managerial positions, combined with the removal of external obstacles to participation and a focus on career planning and development. This will ensure a more equal representation of the genders at sub-board level and in doing so this will also support the future pipeline of c-suite and board ready female candidates. Without tackling this divide as a key objective, targets that support more women on boards will primarily benefit a small elite group.

By contrast to the improvement seen in ASX 200 gender diversity, we appear to be seeing further evidence, as discussed in our March quarter report, that cost-of-living pressures are having a greater impact on the ability of women to work to their desired potential. While the gender gap in the underemployment rate improved (narrowed), it only did so as the male underemployment rate worsened by more than female (4% for men to 5.2% versus a 2% increase for women to 7.9%). Still the higher underlying female underemployment rate shows there are still more women who want to work additional hours than what’s available. Their ability to participate is likely to be restrained by primarily caring responsibilities, more so than it is for men, and the need to find more flexible work opportunities around those commitments. Men were able to work more hours than women in the June quarter with the growth rate in male monthly hours increasing to 1.5% in June, from 0.7% in March compared to 0.7% growth for women, down from 3.4% in March. Women struggled to find work in part-time employment more so than men, with the biggest job cuts in male dominated areas including Construction (-43%) and Electricity, Gas, Water and Waste Services (-37%) and Transport, Postal and Warehousing (-25%). Overall female part-time employment fell for another quarter by -1% to reflect 2.81 million compared to a significant rise in the number of men working part-time, which rose 4% to a record high of 1.37 million in the June quarter. Meanwhile, female and male full-time employment numbers rose to new record highs in the June quarter. The number of women working full-time rose by 1.3% to 3.9 million compared to 0.4% growth for men to 5.9 million. The most vulnerable female workers in full-time work were also the youngest with data showing a -1.2% drop in employment among those aged 15-24 years. Interestingly, it was older women who experienced the most improvement in full-time work with a 3.9% gain among those aged 65 years. This could be due to the need to work longer because of higher living costs and high probability of inadequate retirement (superannuation).

Update on economic gender equality

Chart 3: Monthly hours worked by gender and growth



Source: Financy and ABS June 2023

What impact will the Barbie / Matilda effect have on gender equality?

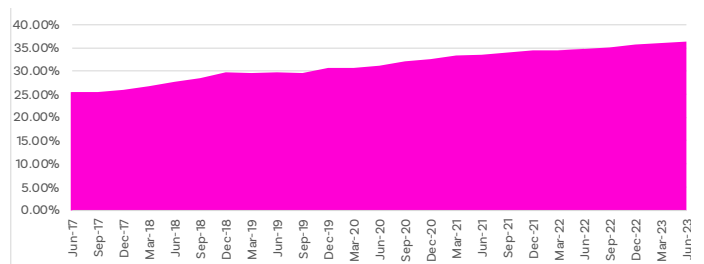
We are experiencing exciting times for gender equality and a changing of social attitudes thanks to the Barbie and Matilda's effect. The power of the Barbie movie is that it has made people think about how society views the roles of women and men, whilst the Matilda's and the FIFA Women's World Cup has shown what women can do and that they are as skilful and entertaining as men at sports. Together, the Barbie and then Matilda's effect provide a fresh, and indeed younger generational lens, on how society thinks about women and what it values. In many ways the events that are unfolding are like the 2017/2018 #MeToo and Times Up movements in terms of their impact on gender equality debate. There is of course one key point of difference in that the Barbie and Matilda's effect has been indicative of positive cultural sentiment, made possible by the joy of entertainment, whilst the #MeToo and Times Up movement stemmed from negative experiences and commonality in outrage as women and victims of abuse globally united and demanded action. In the two years that followed those movements, the FWX experienced its fastest pace of progress in 2019 and 2020, up 3%, then 4%, before the impact of the Coronavirus pandemic disrupted momentum in 2021 (1%) and 2022 (-1%). The number of women occupying ASX 200 board positions also improved by 14% to 29.7% from 26% in the year to December 2018 – the biggest improvement since 2012.

The Barbie and Matilda's effect could help support a resurgence in FWX progress towards gender equality, building on this latest June quarter result. It's also possible that the positive sentiment associated with the Women's World Cup could even provide a bit of a boost to the economy as Australia stares down the barrel of recession. In the short-term, this could alleviate further pressure on the country's most insecure workers – namely women and young people. We have seen this happen once before when Australia won the 1983 Americas Cup, and the feel-good factor helped gave the economy a kick. It's interesting to note that global box office sales for the Barbie movie have surpassed \$US1.2 billion with the movie now the highest grossing Warner Bros release in history. Meanwhile the Matilda's and the FIFA Women's World Cup have generated a \$7.6 billion economic boost for retail and travel industries across Australia, according to Airwallex global accountants.

The FWX areas to watch in the coming quarters will be whether we see a more rapid rise in gender diversity in Boardrooms – a notable feature of the Barbie movie as the CEO of Mattel played by Will Ferrell tries to deny any issue with their all-male board in selling a doll to mainly girls. We might also see a further narrowing of the gender pay gap if greater social pressure falls on companies and sporting bodies to do more to close the pay gap given that it was a notable issue surrounding the Matilda's and the World Cup. As it stands FIFA is offering a total of \$US150 million for the Women's World Cup, compared to \$US440 million for the Men's World Cup last summer. The biggest challenge to closing this gap has been changing public opinion on the value of women's sport as this influences where corporations see financial opportunities. But with stadiums sold out for the Women's World Cup and TV viewership records smashed, the hope is that this gap, and that affecting women's sports, will start to close with gusto. The Matilda's semi-final loss against England became the most watched program in recent history with 11.5 million Australians turning in. This may signal the start of a seismic shift in how society values women's sport.

That said, change of this magnitude will take time to manifest as it is realised in younger generations and will need ongoing momentum at a grassroots level for women's club sport, to help change hearts and minds for the long-term. What could help, are more Hollywood films like Barbie, that make us realise that change can be a win win for women and men, rather than the winner takes all.

Chart 4: Could we see a Barbie effect on Boardrooms?



Source: AICD and Financy Women's Index June 2023

Timeframes to equality in Australia

While the outlook is improving for gender financial equality in Australia, the biggest challenges remain in lagging indicators such as Education and Unpaid work.

Education (and Expected Earnings) has an alarming time frame to equality of 139 years. The fields of study selected by women are less linked to higher potential earnings and the pace of change in this area is slow moving.

Unpaid Work has a time to equality of 44 years in 2021, as reported in 2022, down from 59 years in 2020. Whilst 44 years is still a long time to wait for equality in housework and childcare, the improvement is due to men increasing unpaid work hours.

The median timeframe to equality among the 7 Index areas, remains the Gender Pay Gap at an unchanged 24.3 years. This is a slightly worse result than the 24.2 years in the June quarter 2023. However the recent improvement in the gender pay gap to 13% provides hope that this should start to come down if that change continues.

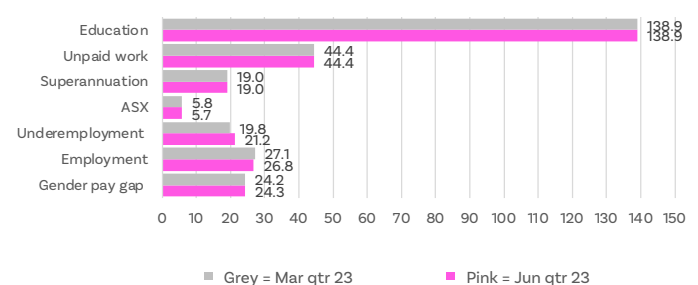
The time to equality in Underemployment also worsened in the June quarter as the annual rate of progress in this area declined further despite the recent narrowing of the gender gap. The years to equality rose to 21.2 years, from 19.8 years in March.

Superannuation experienced a reduced time frame in the gender gap of median lifetime balance to 19 years, based on the latest available 2019 data, compared to 33 years based on the previous data which captures the 2017 financial year. Superannuation data comes out every 2 years.

Employment improved its time to equality helped by a legacy of positive momentum in the annual growth rate. Time to equality fell to 26.8 years in June, from 27.1 years in December.

Board Leadership continues to be the best performing area of the FWX, and we are increasingly confident of seeing equality on ASX 200 boards by 2030. Years to equality fell to 5.7 in June, from 5.8 in the March quarter.

Chart 5: Timeframes to equality in Australia



Source: Financy Women's Index June 2023

Thought leadership piece for the quarter

From audits to action:

How businesses can be powerful agents of transformation

Shifting the gender equity dial in terms of pay, which leads to better retirement equity and greater financial independence, cannot begin and end in audits and data alone. But self-reflection is an ideal place to start, and the more businesses that hold a mirror up to their actions, policies, and data, the closer we will get to changing the landscape.

The gender pay gap is a multifaceted issue that requires a collective response from businesses, government, and society. While this quarter's Financy Women's Index shows a 0.2 point improvement compared to March, the truth is that our nation's gender pay gap unfortunately remains a glaring symbol of inequality and leads to a widening gender retirement gap.

Employers have a role to play, beyond providing equal pay for the same roles. Business leaders have an opportunity to drive meaningful change by understanding and improving internal practices but also helping to improve the financial literacy and wellbeing of their employees.

Why? Because CEOs and industry leaders have a unique vantage point from which to influence societal norms. For example, they are particularly well-placed to shorten the 26.8 year wait for women to achieve gender equality in employment. And the 24 year wait for the gender pay gap to close.

Companies stand as powerful agents of transformation, shaping norms and practices that have far-reaching societal effects. The gender pay gap is not an isolated issue; it is a reflection of deep-rooted biases and systemic structures. To create lasting change, business leaders must understand that these systems either enable or hinder progress.

The Matilda's will make history beyond the World Cup

When the idea first sparked in my mind to have my company, Seven Consulting, sponsor the Matilda's, little did I know that it would lead to a wonderful six-year journey, culminating in the first FIFA Women's World Cup in Australia and New Zealand.

Back in 2017, I read about the Matilda's' victories in beating the USA, Brazil and Japan in the USA. I learned these talented athletes earned \$35,000-\$45,000 annually at the time, and that the team had zero dedicated sponsorship.

Determined to explore the team further, my two sons and I trooped off to see Matilda's v Brazil in Penrith. A full house provided a great atmosphere, and I vividly remember my initial mistake, hastily dismissing a goal as a "miskick" just before halftime. Ten seconds later, I was corrected by the replay. A centimetre perfect instinctive volley from Lisa De Vanna from 20m was the corrected assessment. And Sam Kerr scored as well in a 2-1 win, followed by a similar 3-2 win over Brazil again a few days later in Newcastle. I was won over by the skills, effort and connection between the team and the fans.

With my passion ignited, I took the idea of becoming the Matilda's' first dedicated sponsor to our Seven Consulting staff. Despite the potential impact on profit share, an overwhelming 91% of staff voted in favour of the sponsorship.

What followed was six years of highlights including, meeting the parents of most of the players around games, having a few drinks and occasional round of golf with them, as well as hearing of the sacrifices made and joy achieved in each of the families.

The Financy Impacter – a tool to measure and track diversity, equity and inclusion performance – has created opportunities for organisations to both reflect and celebrate progress. We recently ran NGS Super's performance through the Impacter to test how we're pushing for more equity for our employees as well as the 115,000 Australians whose super savings we look after.

On one hand, NGS outperformed benchmarks for diversity on our board, as well as equity in gender diversity, pay reporting, parenting, types of leave, employment opportunities, and of course superannuation.

On the other hand, there is still space for us to continue to improve in terms of practices and strategies for improving equity overall.

Business leaders must hold a mirror to their own practices and acknowledge that progress is a continuous effort – we can't set and forget. It requires humility to admit where we fall short and the determination to rectify those shortcomings.

The future we envision is one where every woman is empowered by her earnings potential and can experience financial independence throughout her career and her entire life. Fortunately, it's within our reach to make this vision a reality. It just takes a willingness to hold that mirror up.

Natalie Previtara
CEO
NGS Super



A key milestone over these years was the work done by Football Australia and the player unions to create the pay parity deal with Matilda's and the Socceroos led by one of our interns, Elise Kellond-Knight.

Another lifetime memory will forever be the amazing scenes when Australia and New Zealand won the 2023 FIFA World Cup hosting rights. I stayed up late that Thursday night and proudly wore my Matilda's shirt to work the following morning.

When the Women's World Cup kicked off just weeks ago and the Matilda's had their first warm-up match it was a 50,000-person sellout stadium in a proud Aussie Rules town – that was the first sign that our world was changing for the better.

The CommBank Matilda's then doubled that crowd in Sydney a week later and then topped against Denmark and England. Viewing figures on television for sport have been smashed, toppling the Men's AFL Grand Final, NRL Grand Final, State of Origin.

The Matilda's are now truly Australia's team and the equal pay deal now looks to be the tip of the ice-berg in what's to come for women's sport. I just hope more sponsors see the brilliance that's captivated a nation.

Declan Boylan
Founder & Executive Chairman
Seven Consulting



Financy Women's Index[®]

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Data source of Financy Women's Index: Tertiary Education Data source: [Department of Education uCube service and Census 2021 data](#). Published annually and Census every five years. **Employment & Underemployment** Data source: ABS Detailed Labour Force (quarterly) and ABS Labour Force (monthly) seasonally adjusted figures. Industry data uses original figures. **Women On Boards** Data source: Australian Institute of Company Directors (AICD) Gender Diversity Report, quarterly. **Gender Pay Gap** Data source: Average weekly earnings Australian Bureau of Statistics, six monthly. **Women In Unpaid Work** Data source: [2021 Household, Income and Labour Dynamics in Australia \(HILDA\) Survey](#), published annually. **Superannuation Gap** Data source: the [ABS 6523.0 - Household Income and Wealth, Australia, 2017-18](#), data cube 12 superannuation by persons. Published every two years.

For information on the data contained in the report, contact Financy: Financy Women's Index[™]
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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 snapshot on gender equality progress across seven areas being education, employment, underemployment, wages, unpaid work, ASX 200 board gender diversity and wealth (superannuation.) The Index measures scores across the seven areas on a 0 to 100 scale. The scores are expressed as a percentage and reflect the portion of the gender gap that has been closed). The Index headline score is the average of the seven areas that have been converted to respective indexed series to track measurements of performance over a five-year period. Each of the key areas of the Index are not weighted. Seasonally adjusted data is used where it is available. The Index is written by Financy's Bianca Hartge-Hazelman and is supported by the FWX Advisory Committee members; Dr Shane Oliver, Simone Cheung, Roger Wilkins, Leonora Risse, Bruce Hockman, Rhiannon Yetsengsa and Nicki Hutley. The Index is fearlessly sponsored by Clime Asset Management, NGS Super, the Ecstra Foundation, Aspire Planning, Seven Consulting and Bespoke Co. Financy initiatives are also made possible with the partnership support of Tech For Good Group Pty Ltd and the University of South Australia's Centre for Workplace Excellence.

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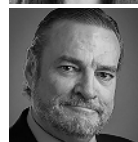
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