

Women and retirement savings

- There is a significant disparity between the superannuation balances of men and women.
- Half of all baby boomer women (i.e. those aged 45-59) have \$8 000 or less in superannuation (compared to \$31 000 for men). (Simon Kelly, National Centre for Social and Economic Modelling – NATSEM, 2006)
- Current payouts for women are one third of men's – 37K compared with 110K. (Association of Superannuation Funds of Australia – ASFA – 2007)
- This can be explained by lifetimes spent providing a high level of unpaid care work, in addition to ongoing pay inequity, occupational segregation, etc.
- Only 58 per cent of women are employed (compared with 72 per cent of men), and 45 per cent of women workers work part time. (ABS Labour Force Australia, annual average 2006-07, ABS Yearbook 2008)
- The current system disadvantages those who spend large amounts of time out of paid work in order to provide care to family members – currently it is women who are more likely to do this.
- A single person requires an annual income of \$35 000 pa to have a comfortable lifestyle, yet for all except for those in early age groups (up to age 34), the female average is less than half the male average. (Westpac/ASFA Retirement Living Standard Calculator/Kelly, NATSEM, 2006)
- Single women are most likely to be reliant on the full Age Pension as their main source of retirement income. 58.3% of all Age Pensioners are women and 73% of those receiving the single rate of the Age Pension are women. (FAHCSIA)

Summary of key research

Association of Superannuation Funds of Australia (ASFA), Are retirement savings on track? ¹

- There is a significant disparity between men and women in superannuation savings. The average superannuation *balances* are **\$56K** for men and **\$24K** for women. The average retirement *payouts* are **\$110K** for men and **\$37K** for women (ABS 2004 figures).
- The fact that women's time in paid labour is disrupted by family and caring responsibilities and working part time at the later stages of the life cycle is recognised as a factor contributing to this disparity.
- The report notes the positive effect of the super co-contributions on low income women who were working in increasing their superannuation savings.

¹ Ross Clare, *Are retirement savings on track?* Association of Superannuation Funds of Australia, June 2007.

- The report also notes the benefit to women of the 2005-06 one-off doubling of the super co-contribution to \$3 000, and notes that permanently doubling the co-contribution would be of enormous benefit to the women who take up this scheme.
- Outcomes will improve as the compulsory super system matures, however this does not address the core gender disparity. On the basis of current balances and average income of those aged 35-44 and the assumption of only compulsory super contributions being made, the average payout for a male aged 60 would be **\$183K** for a female it would be only **\$93K** – half of the male figure.

AMP & Access Economics, The AMP Superannuation Adequacy Index

Released in June 2007 this index is based on data from 320,000 AMP corporate superannuation clients. Access Economics, has used this data to measure the implications of current super data for individual members' future retirement incomes. This data also revealed a significant disparity based on gender, particularly in the higher age brackets².

Age	Balance (\$)		
	Males	Females	Average
20-24	\$5,828	\$4,528	\$5,246
25-29	\$13,886	\$12,142	\$13,131
30-34	\$25,567	\$21,754	\$24,076
35-39	\$37,999	\$28,259	\$34,486
40-44	\$52,471	\$30,116	\$44,233
45-49	\$67,113	\$35,083	\$54,991
50-54	\$86,298	\$42,020	\$69,025
55-59	\$97,533	\$53,749	\$81,257
60-64	\$108,096	\$61,630	\$93,331
65-69	\$96,336	\$59,622	\$86,927
Average	\$46,663	\$27,642	\$39,663

² AMP & Access Economics, *The AMP Superannuation Adequacy Index report*, 2007