

MEDIA RELEASE

What women really think about the 'super gender gap'

New survey reveals just 18% of women believe they will have enough retirement savings for a comfortable retirement.

Melbourne 21 October 2013: A new national survey¹, commissioned by AustralianSuper, shows that 86% of Australian women believed that they are more likely to retire with less super than men.

AustralianSuper's General Manager, Growth, Rose Kerlin, said that the results reflected women's own understanding of the issue and its causes as well as their suggestions for addressing the situation.

Women cite the demands of caring for family, less than full-time work and earning less than men for the same work as the main reasons they are more likely to retire with less super than men (the super gender gap).

"Women are well aware of the situation they are facing and over seventy per cent are quite concerned or very concerned that they are retiring with a little more than half the retirement savings of men," Ms Kerlin said.

"Having enough savings for retirement is a much greater issue for women than for men as they tend to earn less during their lifetime, and therefore have lower super savings, and they live longer, on average, than men.

"When it comes to the best way to address the situation, the most commonly cited solution, by forty four per cent of women, was ensuring women received equal pay for the same work as men. A further twenty eight per cent said super should be included in maternity leave entitlements," Ms Kerlin said.

Separate analysis of AustralianSuper's membership has revealed the industries that show the largest gap between men and women's retirement readiness include repairs and maintenance, professional, scientific and technical services and mining. The cleaning services industry has the lowest level of retirement readiness² for women and the mining industry the highest.

Ms Kerlin said despite the gap between men's and women's retirement savings, there were still many things women could do to improve their final retirement outcomes.

"Millions of women should be able to access the Low Income Super Contribution which refunds up to five hundred dollars, of tax paid on super contributions to people who earn less than thirty seven thousand a year. Five hundred dollars a year extra into super will make a big difference to many women.

¹ Galaxy Poll, September 2013

² AustralianSuper Retirement Readiness Index, September 2013 – a measure of what proportion of the amount of income a person needs for a comfortable retirement, they are likely to have when they retire. RRI calculations are based on age, gender, current super and salary and use the ASFA Retirement Living Standard for a 'comfortable retirement' as the benchmark.

“Combining super into one account to reduce fees, making sure you are in the right investment option, spouse contributions and, if you’re over fifty five, the transition to retirement pension, are all ways women can improve their retirement savings.

“Making extra contributions to your super can also make a big difference to your savings down the track, especially if you can salary sacrifice with pre-tax dollars. Even small amounts can add up over a lifetime.

“And of course, getting good advice is important. There are a range of options from free phone-based and limited advice to a full financial plan. The key is to make sure it’s in your best interests and you know what you’re paying for,” Ms Kerlin said.

AustralianSuper is raising awareness of ‘the super gender gap’ with a range of information and calculators on their website, a series of ‘Super Makeover’ events in Sydney, Brisbane and Melbourne, targeted emails to women members, free phone based limited personal advice and a national advertising campaign.

- Ends -

The top four reasons³ cited by women for being behind in the super stakes are:

- Women take breaks from the workforce to raise children or look after elderly parents or others as a carer (81%)
- Women often work part time or casual (67%)
- Women often earn less than men for same job (58%)
- Some women work in professions or jobs that are lower paid (56%)

The gender pay gap⁴

The gender pay gap is calculated by comparing the Australian Bureau of Statistics (ABS) average full time weekly earnings of men and women before tax, excluding any overtime or salary sacrificed pay. For almost two decades, the gender pay gap in Australia has remained around 17.5 per cent – that is, for every dollar earned by a man, a woman earns 82.5 cents.

Links:

Get a Super Makeover ([link](#))

Super Gender Gap [link](#)

³ Galaxy Poll, September 2013

⁴ The Australia Institute, July 2013 What's choice got to do with it? Women's lifetime financial disadvantage and the superannuation gender pay gap.