

Media release

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It's not a choice – women's super disadvantage

The financial disadvantage Australian women will face in retirement has nothing to do with whether they have a family, according to new research by The Australia Institute.

The paper *What's choice got to do with it?* found that women retire with substantially less savings than men, even if they don't have children or care for elderly parents and stay in full time work.

The analysis uses hypothetical examples to illustrate how the life course and work patterns of four different women, a nurse, a lawyer, a finance analyst and a retail worker will likely impact on their superannuation earnings.

"We found that these four women were earning between 44 per cent and 88 per cent of the superannuation of a male of the same age earning the average wage," report author Prue Cameron said.

The report shows that a woman working in commerce, with no children and who doesn't need to care for elderly parents still ends up with around 9 per cent less superannuation than the average male on retirement.

Meanwhile a woman who works in retail all her life, has two children and cares for her elderly parents will retire with less than half of the retirement savings of an average male of the same age.

"There's been a lot of discussion from key figures like Julia Gillard and Julie Bishop about how women make choices which impact on other areas of their lives," Ms Cameron said.

"The reality is that most often choice doesn't come into it. The fact that women continue to earn on average 17.6 per cent less than men is not a result of their choices. Nor is the fact that many women continue to be the primary carers simply a matter of individual preference, but the consequence is that women end up poorer.

"The uncomfortable facts are that women earn less than men and spend more time out of the workforce caring for children and elderly parents. All of these facts ensure that women will retire with less money than men and, bizarrely, receive far fewer taxpayer contributions to their superannuation than men."

Note for editors:

A copy of the report is available for free download at www.tai.org.au.

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