



Financy Women's Index[®]



Women's financial progress hit by early impact of COVID-19

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Key results

- The Financy Women's Index rose by 0.4 percentage points in the last quarter to a revised 71.3 points.
- The quarterly pace of progress is the weakest since September 2018 and the slowest start to a calendar year since 2015.
- A slowdown in full-time employment growth among women and rising female unemployment relative to male weighed on the Index result and likely reflects the early impact of COVID-19 shutdowns and containment measures.
- The Index shows that women are 32 years from achieving economic equality with men but this timeframe could expand depending on the long-term impact of COVID-19.

Australian women are bearing the brunt of the initial economic impact of the Coronavirus (COVID-19) pandemic as job cuts start to mount.

The scorecard of women's financial progress, the Financy Women's Index, recorded its weakest start to a calendar year since 2015 and rose by just 0.4 percentage points (ppt) to a revised 71.3 points in the March quarter up from 71 points in the December period.

The Index result for the March quarter means that based on the rate of progress, economic equality in Australia is at least 32 years away.

"For women, the risk is that some of the recent economic progress slides backwards," said Joanna Masters Chief Economist Ernst & Young Oceania. "This is not because we care less about gender equality but reflects economic consequences and perhaps diverted focus," she said.

The Index was most affected by a slowdown in female employment growth with full-time job numbers up only 0.1% to 3.35 million over the March quarter while male full-time employment rose by 0.9% to 5.49 million.

"If the initial impact of COVID-19 continues to hit female employment harder than male in an economic sense, it could exacerbate gender gaps in wages and superannuation," said Bianca Hartge-Hazelman Founder Financy Women's Index.

There is also the risk that the gender gap in unpaid work could get worse in light of isolation, home-schooling and less women in paid work.

"My primary concern is that women will get financially crushed by the collision of work and care," said AFA Inspire National Chair, Kate McCallum. "My research suggests that we could still be grappling with this in six months. I truly worry for the women in our world."

Prior to COVID-19, full-time employment growth for females was stronger than males. Today it is not only the opposite but men's full-time employment growth is close to ten times that of women's employment growth.

Connie Mckeage, CEO of OneVue said while the entire world has been affected by COVID-19, there are clear effects that occur along gendered lines.

"This is not the time to become complacent, nor to create excuses as to why women continue to suffer financially more than men during difficult economic periods. We must look at how COVID-19 will have a material and lasting effect on women's retirement outcomes."

The female unemployment rate also rose by 5ppt to 5.2% in March from February while the male unemployment rate remained steady at 5.3%.

"A key concern is through the labour market, with where and how women work likely leaving them more exposed to job and income loss today, but also in years to come as economic scarring impacts opportunity," said Ms Masters.

COVID-19 job statistics released by the Australian Bureau of Statistics and the Australian Tax Office also show that in 14 of the 19 sectors of the economy, women took the biggest percentage hit on job losses compared to five sectors which affected men the most.

"The initial impact of Coronavirus related shutdowns is likely to fall harder on women than men because the industries that will bear the brunt of the initial impact - Accommodation and Food Services, Arts and Recreation and Retail in particular - have a higher representation of female employees," said Dr Shane Oliver Chief Economist and Head of Investment Strategy at AMP Capital.

"This is all very different to past economic downturns which have tended to disproportionately impact males - particularly older men - harder because the

economic hit was primarily to cyclical sectors like construction and manufacturing with the services sector holding up much better,” said Mr Oliver.

About the Finance Women’s Index:

The Financy Women’s Index measures and tracks the financial progress of Australian women on a quarterly basis. The Index is supported by Deloitte Access Economics, which provides economic modelling and analysis to assist with the development and creation of the Index and Reports.

It is made possible with the sponsorship support of OneVue holdings, AMP Services and the Association of Financial Advisors.

It is peer reviewed by the Women’s Index Committee members; Dr Shane Oliver, Nicki Hutley, Roger Wilkins, Joanne Masters, Heidi Sundin and Bruce Hockman. The Index is also reviewed by the Australian Bureau of Statistics.

For media enquiries or information on the data contained in the report, please contact:

The logo for Financy, featuring the word "Financy" in a stylized, cursive script font with a registered trademark symbol (®) at the end.

Financy® is dedicated to improving the economic wellbeing of Australian women.

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