



## MEDIA RELEASE

### Inequalities continue to hinder financial progress of Australian women

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Australian women made further financial progress in the September quarter but continue to be held back by a 193-year wait for gender equality in unpaid work.

The latest measure of women's progress the Financy Women's Index rose 0.6 points to 124.8 points in the September quarter, from a revised 124.2 points in June 2019.

The Financy Women's Index (FWX) tracks and measures the economic progress of Australian women on a quarterly basis.

The latest result means that Australian women are making progress in addressing financial inequalities but the pace of improvement varies across eight key areas measured by the Index, including education, employment, underemployment, the participation rate, unpaid work, wages, boards and superannuation.

#### **Key results Financy Women's Index Sept Quarter**

- The Financy Women's Index rose 0.6 points to 124.8 points in the Sept qtr.
- The pace of progress slowed quarter-on-quarter, largely due to a dip in female directorships on ASX 200 boards.
- Index was helped by record highs in the female participation rate and female full-time employment numbers.
- Inequalities in the workforce may take up to 37 years to resolve and nearly 200 years to achieve gender balance in unpaid work.

"There's no doubt that equality in the workplace has come a long way in the last 50 years but there's still a long way to go before financial parity between men and women will be achieved," said Bianca Hartge-Hazelman Founder of the Financy Women's Index.

The September quarter gain was helped by record female full-time employment and a rise in the female participation rate as well as improvements in the gender pay gap and in superannuation.

However the pace of progress in unpaid work and the number of female board appointments weighed on the September result.

2019 is set to be the worst year in a decade in terms of the pace of progress for improving gender diversity on boards, with women occupying 29.5% of ASX 200 board positions in September, compared to 29.7% in June and in December 2018.

“Considering the focus in Corporate Australia on achieving board diversity, this is a very disappointing result and one that suggests that the next leap from 30% to 50% board diversity could really test the pace of progress,” said Ms Hartge-Hazelman.

“Overall, in the year to September, the Women’s Index climbed 4.7 points, which is a solid result, although not as strong as the 7.1 point gain in the 12 months to September 2018, which reflected a better period for Corporate Australia on board diversity,” said Ms Hartge-Hazelman.

The September Women’s Index quarterly result benefited from record highs in the number of women employed full-time (3.31 million) and the participation rate rising to a seasonally adjusted 61.2% in September from 60.9% in June.

Australia’s gender pay gap fell to a fresh low of 14.02% in the quarter, helped by increased full-time workforce participation among women.

“Fixing the pay gap is where we can make the biggest difference to improve women’s economic equality,” said Kate McCallum, AFA Inspire National Chair. “We need to change business practices, not just policies, to make the pay difference go away.”

The average Australian woman is also likely to retire with 28% less in superannuation savings than the average man, according to the Australian Bureau of Statistics (ABS) superannuation balance data for the 2017-18 financial year. This is an improvement on the 34% gap recorded in the 2015-16 financial year.

The September quarter result means that Australian women are making slow but steady progress in addressing financial inequalities across eight key areas measured by the Index, including tertiary education, full-time employment, underemployment, the participation rate, unpaid work, wages, boards and superannuation.

“But the problem is economic equality is looking more difficult to achieve in our, or even our daughters’, lifetimes, given significant variance in the pace of progress across many areas like unpaid and paid work,” said Ms Hartge-Hazelman.

In unpaid work, the average annual rate of progress is 0.25% over the past seven years, as measured by the Financy Women's Index, which means it could take nearly 200 years before gender equality is achieved.

"It's great to see how well we are progressing on female workforce participation, including at the Board level. However, without greater equality in the home, this is actually placing greater stress on women as they juggle work and family commitments," said Nicki Hutley, partner at Deloitte Access Economics.

"Women continue to do the majority of unpaid work," said Connie Mckeage, CEO OneVue. "This contribution to society and indeed our economy needs to be better recognised, and valued, if financial equality is to be achieved."

The pace of progress towards 50/50 gender diversity on the boards of the top 200 listed Australian companies stands at 10%, which means that board equality could be achieved in 5.5 years time if the current momentum continues.

Meanwhile, it is likely to take between 20 to 37 years before gender equality is achieved in the Australian workforce, based on the average annual rates of progress across the participation rate (0.77%), underemployment (1.81%) and in full-time employment (1.39%).

A slow moving pace of annual progress in the gender pay gap (0.63%) over the past seven years means that parity may not be achieved for another 24 years.

However women may not have to wait nearly as long for equality with men in superannuation savings, with the current growth rate (3.06%) suggesting that it could be achieved in 10 years if the current pace of progress persists.

"To achieve true economic equality as the ultimate destination of women's financial progress, greater gender balance and equality is needed across each of the eight key areas measured by the Financy Women's Index," said Ms Hartge-Hazelman.

*For media enquires or the FWX report, please contact Financy on the details below:*



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

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