



# The Gender Pay gap over the life cycle

**We** know that the gender pay gap adds up to women losing as much as a million dollars over a life time. But how does this break down and what gender-specific factors are at play at different stages of a woman's life?

For a variety of reasons, each life stage costs women significantly. Graduating women begin their careers earning less than their male colleagues. In pregnancy and throughout motherhood women are juggling multiple responsibilities and pressures and what usually suffers is their pay-packets. And in retirement women have significantly less savings in their superannuation funds.

We have generations of women earning less than men despite working very hard over their lifetimes. They might be raising children, in low paid work and insecure work, pregnancy discrimination might have caused job loss or they could be under promoted in their workplace. Either way, Australia has a long way to go before we have wage equality between men and women.

## What is the Gender pay gap and why does it persist?

The Gender Pay Gap is the difference between men and women's income for work that is of either equal or comparable value. In 2013 the gap is 17.5%, meaning women earn on average 82.5% of men's earnings. The gender pay gap is attributed to:

- 1** Women doing the same work as men but earning a lower salary, including less penalty rates, overtime, performance payments, bonuses and superannuation contributions;
- 2** The difference in pay between industry sectors or occupations with a lower value placed on traditionally female dominated work;
- 3** The effect of breaks in service and part-time work on mother's and carer's earnings and careers; and
- 4** Barriers women face in career development and access to leadership positions.



These women earn on average  
85% of men's income.

## The Graduate

- There are now more women finishing secondary education, enrolled at University and in professional jobs than men. Despite this:
  - o Female graduate salaries are 90.9% of male graduate salaries.
  - o Female post-graduate salaries are 85% of male post-graduate salaries.
- Women make up 46% of the total workforce, yet:
  - o They make up almost 70% of workers in 3 lower paid occupations- clerical and administration, community and personal services and sales.
  - o They made up almost 75% of workers in the lower paid health, social assistance and education and training industries.
  - o In three out of the four most female dominated industries, women working part-time make up a third or more of the workforce.



## These women earn 62% of men's income.

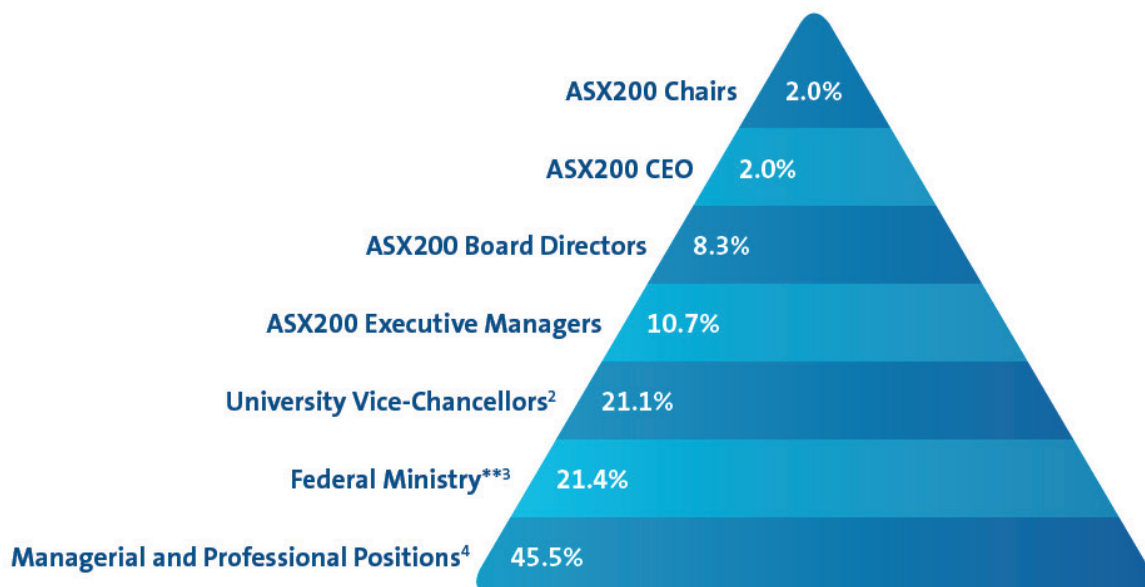
### Pregnancy and Motherhood

- Men aged 25-34 who have children earn more than twice the annual income of their female peers and this gap remains through their working life. A woman returning to work from one year of parental leave experiences a reduction in her hourly wage of nearly 5%. This figure leaps to 10% after a 3 year break.
- One third of working women with a child under age of two leave the workforce permanently while pregnant or after having a child.
- One in five women report having faced discrimination in the workplace whilst pregnant:
  - o 1 in 10 receive inappropriate or negative comments;
  - o 1 in 15 miss out on training, development and promotion;
  - o 1 in 35 have their roles or responsibilities changed without consultation;
  - o 1 in 60 are retrenched, dismissed or felt obliged to resign as a result of their pregnancy, parental leave or upon return to work; and
  - o 1 in 80 are demoted as a result of their pregnancy, parental leave or upon return to work.
- Women's, particularly mothers', workforce participation rate in Australia is 19% lower than men's- the fifth highest gender workforce participation gap in the OECD.
- Whilst flexible working arrangements are the most common arrangement used by both women (31%) and men (38%) to care for children or dependents, men are more likely to access alternative work hours whilst remaining in full time employment whilst women more likely to work part time.
- 70% of part time work is undertaken by women. Part time work is associated with lower pay and fewer career development opportunities.

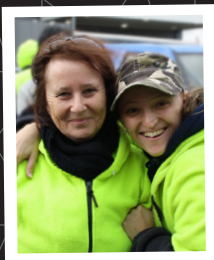
- The second most common way to balance work and care for women is unpaid leave (20%) compared to men (11%).
- Women employed part time or full time still perform the majority of unpaid caring and domestic work.

## Career Development

- The income gap for men and women without children is still significant, with women without children aged 45-54 earning 69% of what men without children earn (\$37,000 p.a. compared to \$53,900 p.a).
- This is attributed to barriers women face to career progression and access to leadership positions:
  - o Nearly one quarter of women and men do not believe that women are treated equally to men in their workplace;
  - o Nearly half of all employees believe a boys' club exists in their workplace; and
  - o Nearly 40% of women and 30% of men say that men in their workplace progress more quickly than women.



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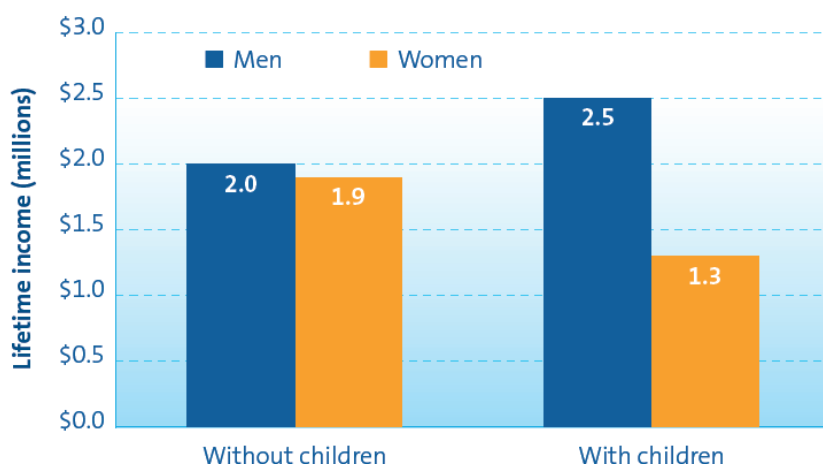
Women in the 55 to 64 year age group earn on average 64% of men's incomes.

## Retirement

- Men receive on average \$507 per week and women only around \$300 per week. Retired men have around 1.7 times the disposable weekly income of retired women.
- Average superannuation payments for women (\$63,412) are 42% less than men's (\$109,609).
- Despite women's superannuation savings improving over the past decade, men have gained the most ground in all age groups.
- 15% of men rely on superannuation as principal source of retirement income compared to only around 7% of women.
- 56.5% of people aged 65 years and older relying on the old age pension are women.

### Over a lifetime:

- A 25 year old man is likely to earn a total of \$2.4m over the next 40 years, more than 1 ½ times the \$1.5m prospective earnings of a woman.
- Men who hold a university qualification and have children can expect to earn around \$3.3m over their working life, nearly double the amount for women in the same category at \$1.8m.
- The gender pay gap in prospective lifetime earnings is pervasive across all age groups, but is most pronounced between men and women with children.



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\*Note: This document was collated from data sources including the AMP / NATSEM Income and Wealth Report 2009, the Australian Bureau of Statistics and the Workplace Gender Equality Agency. Specific references are available on request.