

The Gender Pay Gap OVER THE LIFE CYCLE

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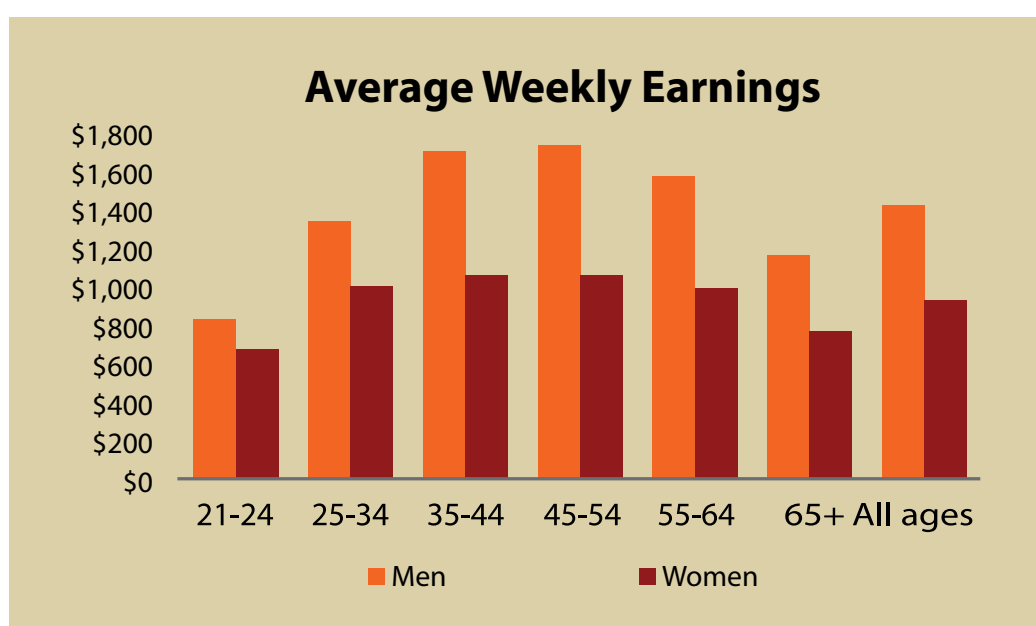
The gender pay gap adds up to women losing more than a one million dollars over a life time. It's a cumulative process that occurs at each stage of a woman's life. It includes gender-specific factors, discrimination and is evidence of deeply entrenched inequality in Australia.

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. This not only significantly affects their pay packets, but also their ability to negotiate in the workplace and can result in fewer workplace rights compared to men. For example, [one in five working mothers have no access to paid leave](#), including annual leave and carers leave. In retirement women have significantly less savings in their superannuation funds, or often nothing at all.

We have generations of women earning less than men despite working just as hard over their lifetimes. They might have taken time off to raise children, become trapped in low paid or insecure work, lost a job due to pregnancy discrimination or they could have been 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 average weekly earnings for ordinary working hours. In November 2015, [the wages gap was 17.2%](#), meaning women earn on average 82.8% of male earnings or \$276 less per week than men. When bonuses, overtime and part-time earnings are included, the difference in take home pay is in excess of 30%.



The gender pay gap can be attributed to:

- Women doing the same work as men, but earning a lower salary - including less penalty rates, overtime, performance payments, bonuses and superannuation contributions;
- The difference in pay between industry sectors and jobs with a lower value placed on traditionally female dominated work;
- The effect of breaks in employment and part-time work largely due to their unpaid caring responsibilities;
- Barriers women face in career development and access to leadership positions - such as discrimination, sexual harassment and bullying.
- While differences in education, work experience and seniority contribute to the gender wage gap, [60% of the difference between male and female wages is simply due to being a woman.](#)

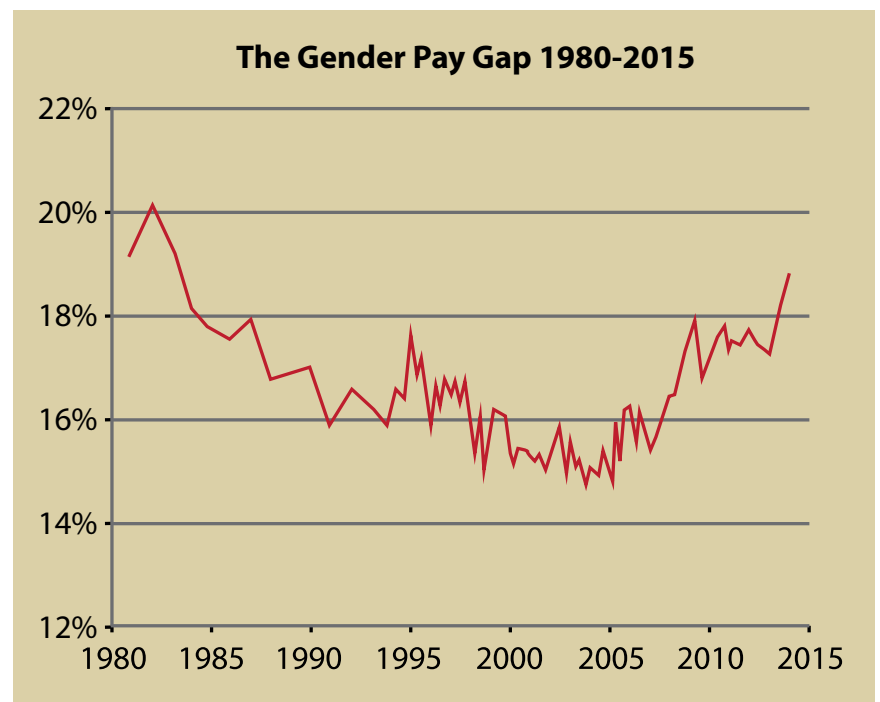


Have we made any progress?

The gender pay gap has grown steadily over the last decade from 14.9% in 2004, to a [record high of 18.8% in February 2015](#) before falling slightly in 2016. As a result women are earning less on average compared to men than they were 20 years ago.

Australia has declined in the Global Gender Gap Index from 15th in 2006 to 36th in 2015, placing us below developing countries such as Rwanda and Mozambique.

There is indisputable evidence that women are underpaid relative to men doing the same work, yet only around a [quarter of large businesses have conducted a gender pay gap analysis](#) and only 20% have a gender equality strategy in place.





Childhood

The gender pay gap begins early in life. [Girls receive 11% less pocket money than boys.](#)

Girls consistently out-perform boys in many of the key achievement indicators at school and [more girls than boys complete secondary school.](#)

Studies show that boys enjoy more [challenging interaction with teachers](#), dominate classroom activities and receive more attention than girls through criticism, praise, constructive feedback and help. This impacts on girls confidence and self-esteem.

Less than one in [20 girls considers a career in science, technology, engineering or mathematics \(STEM\)](#) compared to one in five boys, despite similar performances in the OECD's PISA science test. This matters because careers in these fields are in high demand and among the most highly paid.

Parents are much more likely to expect their sons to work in STEM careers than their daughters, even if they show the same ability.



Working Life

Since 1987 women have outnumbered men graduating from higher education, [comprising 60% of graduates](#) in recent years. Despite this:

- Female graduate salaries [are 95% of male graduate](#) salaries (a difference of \$2000 per annum);
- Female post-graduate salaries are only 82% of male post graduate salaries (or \$15,000 per annum).

Gender stereotyping about career options deemed 'suitable' for young women, coupled with their negative experiences in male-dominated industries, impacts on career choices of young women. This results in fewer women working in non-traditional, higher-paid occupations such as science and engineering.

Women make up 46% of the total workforce, yet:

- They make up 60-70% of workers in three lower paid occupations – clerical and administration, community and personal services and sales;
- They make up 60-80% of workers in lower paid health and social assistance and education and training industries.



Pregnancy, motherhood and caring

Australia is one of the most unequal countries in the first world when it comes to sharing the domestic workload. The same imbalance happens when it comes to sharing care responsibilities. It is during women's child bearing years (25-44) when many are balancing paid work with unpaid care responsibilities in the home. This is when the gender pay gap widens considerably.

[Women spend twice as much time doing unpaid work](#) including caring for children, older people or people with a disability, housework, preparing meals and volunteering in their local community. When all work (paid and unpaid) is accounted for, women work longer hours than men.

On average, [women aged 25-34 earn 25% less than men in the same age group](#) (\$52,500 per annum compared with \$70,290 for men). The total earnings gap (including part-time income, bonuses and overtime payments) is nearly 40% for women aged 35-44 (\$55,320 compared with \$90,850).

Discrimination towards pregnant employees and working parents remains a widespread problem:

- Mothers who return to work after 12 months parental leave following the birth of their first child suffer a wage penalty during the first year back at work of almost 7%. This jumps to almost 12% in the following year.
- [Half of all mothers \(49%\) experience workplace discrimination](#) at some point during pregnancy, parental leave or on their return to work.
- One in three (32%) mothers who are discriminated against look for another job or resign.
- One in five (18%) mothers who are discriminated against are dismissed or made redundant.

Women's [workforce participation has grown steadily](#) in Australia however female participation rates remain lower than in other advanced economies such as Canada and New Zealand, especially for women of child-bearing age.

While flexible work arrangements are commonly used by both men and women to care for children or dependents, men are more likely to access alternative work hours while remaining in full time employment, and women are more likely to work part time. Women are also more likely than men to take unpaid leave to fulfil care requirements.

Seventy per cent of part-time work is undertaken by women. Part-time work is associated with lower pay and fewer career development opportunities.

Juggling work, family and other commitments remains a persistent challenge for women despite changes in childcare, parental leave and access to flexible work arrangements. Nearly [70% of mothers frequently feel chronically time pressured](#) compared to 55% of fathers.





Retirement

The gender pay gap translates into significantly lower lifetime earnings and high levels of economic insecurity for women in retirement.

A 25 year old man with a bachelor degree can expect to earn a [total of \\$3.66 million](#) over the course of his lifetime, more than 1.7 times the prospective earnings of a woman with equivalent qualifications. This equates to \$1.52 million extra in wages.

Women have just under half as much superannuation as men. [The average superannuation balance for women at retirement is \\$138,150 compared with \\$292,500 for men.](#) Around 60% of women aged 65-69 report having no superannuation at all.

The majority of women will not save enough to achieve a comfortable retirement standard. Single women are particularly vulnerable. It is estimated that 63% of single women retiring [in 2035 will not achieve a comfortable standard of living](#) and 38.7% of single women will retire in poverty.

While some women's superannuation balances are growing, there has not been any improvement in the overall share of superannuation assets held by women relative to men since 2009/2010.

Women live longer than men with fewer financial resources. [The average life expectancy for women is 84.4 years](#) compared to 80.3 for men. In retirement, [55.6% of people relying on the aged pension are women](#) and 60.8% of women pensioners rely on the full rate of pay.

[Twice the amount of superannuation tax concessions from government flow to men than to women,](#) despite women clearly needing the most financial support.

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