



## COVID-19 pushes out timeframe to gender economic equality by 4 years

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### **Key results**

- The timeframe to economic equality in Australia has blown out to 36 years, up from 32 years.
- The Financy Women's Index rose by 2.4 points in the June quarter to a revised 73.7 points but largely as a result of male underemployment conditions deteriorating faster than female.
- The Index was helped by an increase in the number of women on ASX 200 boards which rose to 31.3%.
- The Index was held back by gender gaps widening in the participation rate, full-time employment numbers and the gender pay gap.

The Coronavirus pandemic has prolonged the timeframe for achieving economic gender equality in Australia to 36 years due to a decline in female workforce participation in the June quarter.

The Financy Women's Index shows that in just four months of the COVID-19 health crisis, four years had been added to the estimated time it will take to achieve economic equality. During the period, the gap between the number of men and women in full-time employment has widened.

“As the Financy Women's Index shows, COVID-19 has only exacerbated the divide between men and women in paid and unpaid work,” says Nicki Hutley, Partner at Deloitte Access Economics. “Even if we return to the path of improvement seen before the pandemic, we remain a full generation away from achieving equality.”

The Financy Women's Index improved in the June quarter (up 2.4 points, or 3.3%, to 73.7 points) but this was largely as result of male employment conditions worsening at a faster rate than female.

The June quarter result provides an indication of what's happened to women's financial progress in light of COVID-19 by looking at the performance of women compared to men across education, employment, participation, underemployment, wages, unpaid work, ASX 200 boards and superannuation.

"Unfortunately, the June quarter's Financy Women's Index isn't one to celebrate because, while there was some good news in terms of the number of women on ASX 200 boards, overall we have seen female progress get dragged down in paid work," says Bianca Hartge-Hazelman, Founder of The Financy Women's Index.

"The one area where positive progress has occurred is in the number of women in ASX 200 board positions, which increased to 31.3% in the June period, up from 30.7% in March, according to data company OpenDirector.com.au."

The biggest change to the Index during the June quarter was in the underemployment rate, with the gender gap narrowing by 17.2 points as male underemployment rose more sharply than female.

The Index was also affected by a 1 point widening of the gender gap in the participation rate and a 0.8 point increase in the gender gap in full-time employment.

In terms of job cuts in the June quarter, the most significant were in female dominated sectors such as Accommodation and Food Services and Arts and Recreation.

"The volume of cuts to full-time female employment in 2020 has reversed two years of female employment growth and has derailed a multi-decade trend which saw female workforce participation steadily expand," says Ms Hartge-Hazelman.

The gender pay gap\*, measured by average full-time weekly wages, widened slightly to 14% in May as reported in August, up from 13.9% at the start of the year.

The industries where the gender pay gap widened the most were Mining, Professional, Scientific and Technical Services and Accommodation and Food Services.

Financial and Insurance services, Health and Professional, Scientific and Technical Services still have the biggest gender pay differences of any sectors with gaps around 22%.

Connie Mckeage CEO of OneVue says given the impact of the pandemic on Australians, business leaders need to be mindful that it's not just financial progress that is suffering.

"We need to ensure that inputs such as mental health get as much focus as financial outcomes," she said. "Any man or woman suffering from mental health issues hurts productivity so let's make sure that we are not turning a blind eye to the uncomfortable so we can give every man and woman the ability to perform at their best regardless of the circumstances."

Other Services, which includes personal and professional services, religious, civic, maintenance and private household employment, has become the only sector where the gender pay gap has been reversed and women are paid more than men on average.

Ms Hartge-Hazelman said equality has also been achieved in formal higher education and vocational studies.

"Despite this, gender stereotypes persist in traditionally female dominated areas such as Health and Education. Women also continue to dominate fields of study which have lower pay outcomes to many male dominated areas.

"That said, the second highest paying sector for women – Information and Technology – is the fastest growing of any field of study, followed by Natural and Physical Sciences and Architecture and Building. This would suggest that gender norms are starting to shift and it could have an impact on pay outcomes in younger generations of women."

While the official gender gap in superannuation remains unchanged at this point, data provided by Australia's largest superannuation fund, AustralianSuper, shows that the average gender gap in the retirement savings of its members widened to 26% in June compared to 25% at the start of this year.

Ms Hartge-Hazelman said that figures highlighted by the June Index also suggest that the gender gap in unpaid work is likely to widen further.

"The gender gap in unpaid work shows that in normal times, women in relationships are doing 60% more than men. This disparity is widely considered a significant barrier to increased female work participation and therefore financial progress.

*\* All gender pay gap data has been revised to take into account a recent change by the Australian Bureau of Statistics in reporting Seasonally Adjusted numbers instead of the usual Trend because of the pandemic.*

## About the Finance Women's Index:

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

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

The Report is peer reviewed by the Women's Index Advisory Board; Dr Shane Oliver, Nicki Hutley, Roger Wilkins, Joanne Masters and Bruce Hockman. Index data 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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