

SUPERANNUATION GENDER IMBALANCE

ISSUE

Ensuring all women retire with a superannuation nest egg that allows for a decent standard of living in retirement. This is and remains one of the fundamental objectives of retirement incomes policy.

For the bulk of Australian women, their superannuation balance on retirement falls well short of this basic objective. Retirement is often accompanied by financial pressures and in a worst case, severe hardship. The average superannuation balance of a 65-year-old women on retirement is \$150,000. These women have, on average, more than 20 years of living expenses to fund. This saving is insufficient to fund the most basic of living expenses.

RECOMMENDATIONS

There is an array of reforms needed to fix the problem with women's superannuation. These have been covered in earlier eS4W Whitepapers and in research from other thought leaders. Eliminating the gender pay gap, raising the superannuation guarantee charge and superannuation contributions for carers are reforms that will further enhance the accumulation of retirement savings.

Some 'non-mainstream' solutions can also contribute to women's superannuation balances. Fintech companies can help. In particular, having superannuation contributions paid in the form of a shopping rewards scheme is one such innovation. One fintech, Super-Rewards, sees cash payments to a women's superannuation fund according to spending in retail partners.

RATIONALE

Rewards schemes are popular. In the case of Super-Rewards, regular day-to-day spending with partner retailers will see contributions made to the card holder's superannuation fund according to the amount spent. Modelling shows that spending of \$15,000 per annum in Super-Rewards retailers will add around \$32,000 to a women's superannuation balance in 30 years. Superannuation is accumulated even when people are not in paid work and not earning work-related super.

IMPLEMENTATION

The Super-Rewards innovation is rapidly gaining members and further awareness will further build the scheme, adding to women's superannuation balances.

CONCLUSION

Super-Rewards can help make the government's message regarding superannuation more powerful, creating better financial outcomes for citizens at retirement, leading to less reliance on government in the future. It is part of the financial education and literacy challenges that are needed to help women manage their finances over their lifetime. From the retailer perspective, solutions such as Super-Rewards help bolster sales and strengthen the retail economy – another key plank in the government's economic strategy.

Resources:

[Superannuation & the Casualisation of Work Discussion Paper](#) & [Super-Rewards](#)