

FACTS ABOUT WOMEN AND SUPER

When it comes to saving for retirement, some women can face a different set of circumstances, which can result in the average woman retiring with less super than a man. Here are some of the reasons why:

Women generally earn less than men

On average, women working full-time earn 14% less than men; that's a difference of over \$240 per week.

Even though the gender pay gap in some sectors is narrowing, with women working in public administration and safety earning 6.0% less than men, there's still work to be done to reduce the pay gap across all sectors.

An estimated 220,000 women miss out on \$125 million of superannuation contributions as they do not meet the requirement to earn \$450 per month (before tax) from one employer (as many women work more than one part-time job).

Source: Workplace Gender Equality Agency, 2020; Workplace Gender Equality Agency, 2020

More women are working part time

Many women take time out of their career to raise a family, and they often return to the workforce in part-time positions. While this provides flexibility, it does reduce their income and contributions to their super.

In Australia, around 32% of working women are in part-time or casual positions, while only 14% of men with jobs are working casually or part time.

Five years out of the paid labour force for a person in their early 30's and on an average income will reduce the eventual retirement account balance by over \$80,000 in today's dollars. If a person on average earning during their early 30s is out of the paid labour force for 5 years, their eventual retirement account balance will be reduced by over \$80,000 in today's dollars.

Source: HILDA survey, 2019

Women are living longer

Women are living longer than ever before. The average 65 year-old woman today will live another 22 years, close to three years longer than the average male.

While this is good news for women it also means that a woman may have to stretch out her retirement savings that little bit longer than the average man.

Source: ABS Life Tables 2016-18

Women are retiring with much less super than men

Career breaks, working part time and lower salaries mean that women retire with significantly less super. On average, women in the 60–64 age bracket are retiring with a super balance of around \$123,000, while men are retiring with balances of \$154,000, a difference of \$31,000.

This means that many women may have a much more modest retirement. Alternatively, they may need to work longer or contribute more to secure a more comfortable standard of living in retirement.

Source: ASFA, 2019

What can you do to boost your super?

There are a number of ways to boost your super. These include combining your super, salary sacrificing, spouse contributions, after-tax contributions, as well as government co-contributions if you are eligible.

However it does depend on your individual circumstances.

The best strategy is one that takes into account a range of factors including your level of income, whether you have a partner or not, and of course, your own retirement expectations.

A financial planner can help you explore what strategy is right for you.

So if you want to boost your super and achieve your long-term financial goals, give us a call on 1300 547 873 between 8.30am and 5.00pm, Monday to Friday.