

MEDIA RELEASE

New figures point to widening gender retirement savings gap

5 October 2015

New figures suggesting a widening of the gender savings gap at retirement – particularly for women on low incomes – highlight the need for urgent policy action, **the Australian Institute of Superannuation Trustees (AIST) and Women in Super (WIS) said today.**

Newly-released Australian Bureau of Statistic (ABS) figures show that the gap between male and female median super balances in the 55-64 year age group was 47% in the financial year 13/14, compared to a gap of 39% in the previous survey period.

In the 2013-14 financial year, the median balance for Australian women in the 55-64 age group was \$80,000, compared to \$150,000 for Australian men. This compares to balances of \$64,900 for women and \$107,000 for men in that same age group in 2011/12.

| Median super balance by 55-64 age group | | | |
|---|-----------|----------|------------|
| Year | Male | Female | Gender Gap |
| 2011/12 | \$107,000 | \$65,000 | 39% |
| 2013/14 | \$150,000 | \$80,000 | 47% |

Source: ABS 4125.0 Gender Indicators, Australia, August 2015. Superannuation balance at, or approaching, preservation age (55-64 years)
Please note: excludes people with zero super balance.

AIST CEO Tom Garcia said the latest figures indicated that the gender savings gap was a persistent flaw in Australia’s superannuation savings system that would not be fixed without a genuine commitment to major reform – including super tax reform – from all political parties for major reform.

“While it’s good to see that the value of super balances for older men and women have grown quite significantly over the last two years, it’s very concerning that year after year Australian women are still retiring with nearly half the savings of their male counterparts and that the gap in median balances – which provides a more accurate picture of the retirement outlook for most women- appears to have widened,” Mr Garcia said.

Women in Super Chair, Cate Wood, said a range of policy measures were needed to improve the super savings gap.

“While there seems to be a growing consensus of the need to reform the super tax concessions, the savings made must be redirected towards improving the retirement outcome for women if we want to make the system more equitable,” Ms Wood said.

“There are too many holes in the current retirement savings system that women fall through,” Ms Wood said. “This is a complex problem of structural impediments in the super system and elsewhere that will require a collaborative and holistic approach to fix.”



Ms Wood said both the upcoming Senate Inquiry into Women’s Economic Security in Retirement and the Government’s tax inquiry were timely opportunities to examine how redirecting generous tax benefits received by high income earners could benefit women.

Ms Wood said WIS would be arguing that any tax reform measures needed to be assessed through a gender lens.

Both WIS and AIST are appearing before the Inquiry which begins next week in Adelaide.

Additional background:

The median super balance is more likely to represent the typical super balance because it shows the balance for a person in the middle of the super system. (Median balances represent the amount at which half the balances are below the median and half the balances are higher than the median).

However, the average super balance figures are also provided below for comparison purposes.

| Average super balance by 55-64 age group | | | |
|---|-----------|-----------|------------|
| Year | Male | Female | Gender Gap |
| 2011/12 | \$253,000 | \$144,000 | 43% |
| 2013/14 | \$322,000 | \$180,000 | 44% |

Source: ABS 4125.0 Gender Indicators, Australia, August 2015. Superannuation balance at, or approaching, preservation age (55-64 years)
Please note: excludes people with zero super balance.

About the Australian Institute of Superannuation Trustees (AIST):

AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.

About Women in Super (WIS):

Women in Super is a national advocacy and networking group for women employed in the superannuation and financial services industries, and lobbies on behalf of its members and women generally to improve women’s retirement prospects and access to superannuation.

Further media enquiries:

AIST Executive Manager, Media and Corporate Communications, Janet de Silva: 0448 000 499

AIST Media & Communications Officer, Sarah Goodwin: 0401 769 296

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