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NEW RESEARCH SHOWS SUPER GENDER GAP NEEDS A PUBLIC POLICY SOLUTION

New analysis by Women in Super (WIS) based on modelling of four million industry superannuation member accounts commissioned by WIS from Rice Warner Actuaries, gives insight into the gender super gap and the retirement outcomes the current system will deliver for the young women of today.

The unprecedented analysis has revealed that the super gender gap and poor retirement outcomes will persist for the majority of women unless there are significant improvements in superannuation policy settings.

Cate Wood, National Chair of Women in Super, says, “The average projected income in retirement for women across all ages is no more than \$30,000, and that assumes she retires with no debt, good health and has no other expenditure needs.”

“So today’s average thirty year old receiving 9.5% SG across her whole working life would experience a less than comfortable or dignified retirement.”

“The women who fall below the average will likely continue the trends of today where 40% of retired single women live in poverty and older single women is the fastest growing cohort of the homeless “

The projections reveal that only around 2.5% of women currently aged between 30 and 40 years old will reach an income in retirement at or above \$43,317 per year (The ASFA comfortable standard).

“There is nothing in this analysis of member data that provides hope that the young women of today will experience better outcomes in retirement unless the superannuation guarantee (SG) increases to 12%- and lower-income earners receive a government contribution early in their working life,” said Ms Wood.

“Introducing a targeted government contribution early on will disproportionately benefit women and takes full advantage of compounding interest – it’s an efficient approach to finally taking action on the gender super gap.”

“It is also crucial to ensure that women receive SG payments whenever they work and when they are on parental leave.”

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

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