



Women and Superannuation

Women are 'super disadvantaged'

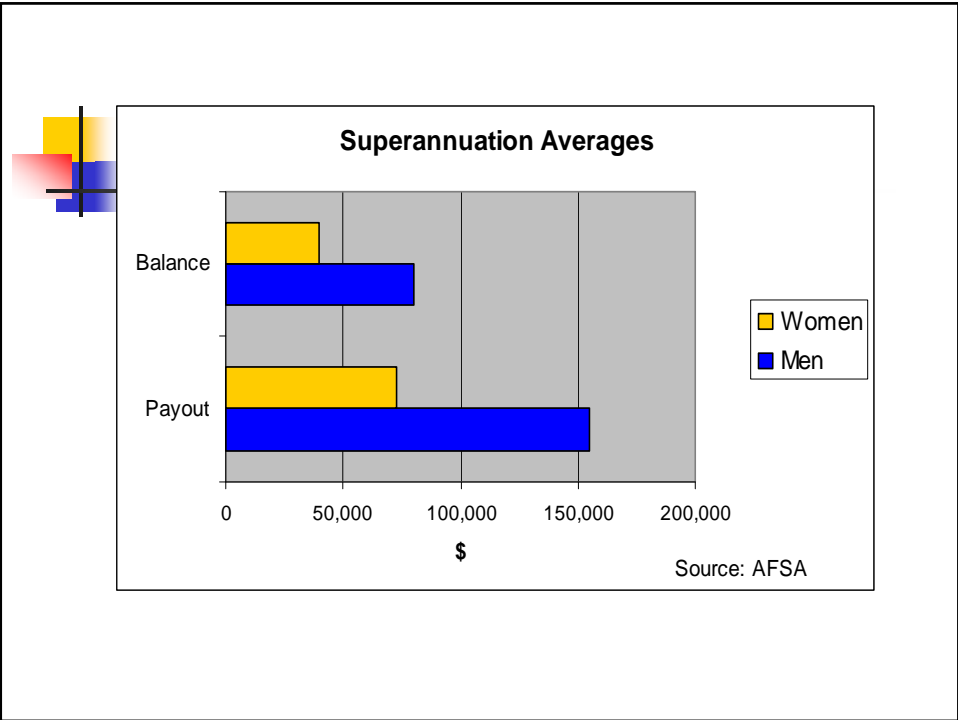
Why?

What can be done?



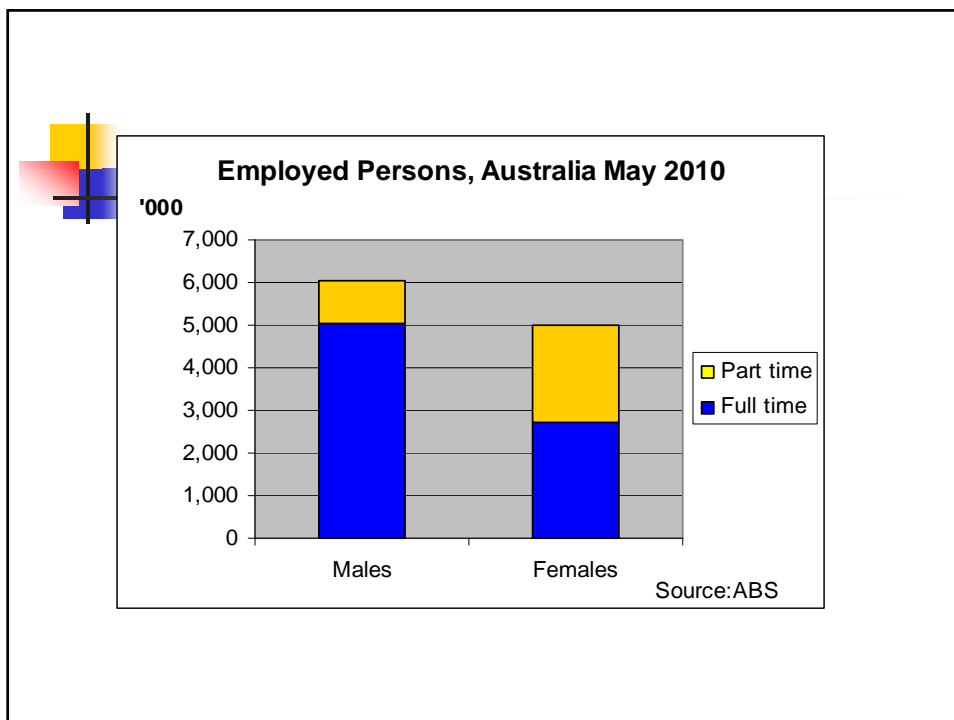
Women are super disadvantaged

- The average super payout for women is less than half that for men
- The average superannuation balance for women is about half that for men
- Men hold 66% of superannuation assets compared to 34% for women



Women are super disadvantaged Why?

- Our system is based on continuous full time employment in paid work
- Women have uneven work patterns
- Nearly half working women are part time



Women are super disadvantaged Why?

- Women earn less
- Incentives favour those on higher incomes
- Divorce impacts more
- High level of disengagement
- Women have low levels of trust with financiers



Women's needs are different

- Women
 - live longer
 - bear and raise children
 - have significant family responsibilities
 - have more conservative attitudes to risk

Q: What can be done?

A: Women need to save more

- A young woman working today and retiring at 67 needs to save 13% more than a young man
- If she has a career break for 5 years, she will need to save 26% more
- Many more women than men rely on the age pension



Women need to to save more

- More personal contributions are needed
- Due to uneven work patterns raising the superannuation guarantee will not close the gap
- How can women be motivated and engaged?



Policy solutions

- Financial literacy programs specific to women
- Focus on level of super account not level of income
- Extend incentives to those temporarily out of work force eg co-contribution
- No penalties for late savers if balance is low
- Discourage lump sum withdrawals



Product solutions

- Accumulation phase- Lifecycle investments
- Joint/family accounts
- Decumulation phase - lifetime/capital stable annuities - not market linked
- Market to women and tailor products to their needs