



She works hard for the money

Australian women and the gender divide



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Foreword

She works hard for the money

Australian women have achieved significant milestones over the past century but large gaps still remain between women and men in both paid and unpaid work, and areas of wealth, income and superannuation.

The *22nd AMP:NATSEM Income and Wealth Report* found that over the past 20 years there has been increased pressure on women to balance work, motherhood, households and families.

While the participation of women in the workplace increased considerably during this time, up 10 per cent to 58.2 per cent in 2008, Australian women face an ever-increasing juggling act. While the gender gap has narrowed there is still much to be done.

This report focuses on women today and how their social and economic status has changed and evolved over time, and what differences can be seen between them and their male counterparts.

Women and education

The report found that women have made great inroads toward achieving equal opportunity - high-school retention rates for women now outstrip men, women's enrolment at university is higher than men's and young women are now more likely than ever before to hold a post-school qualification than men. Over 50 per cent of women with a post-school qualification, aged 25 to 34 years hold a bachelor degree or higher, compared with around 43 per cent of men in the same age group.

The increase in women's educational attainment is reflected in their greater presence in higher status occupations. Over the past 20 years women's employment in professional occupations has increased by over 10 percentage points and they currently outnumber men, at 52.6 per cent.

Employment gaps

While women's participation in the workplace has risen, the women's employment rate in Australia is still 19 per cent lower than men's. And compared to other OECD countries with similar tertiary education levels, Australia has the fifth highest employment gap.

While the gap between the employment of women and men remains substantial some things have changed. Women now are more likely to be working in highly skilled occupations than ever before, 35 per cent of all employed women are employed as professionals and associate professionals compared with 29 per cent of men.

But despite this shift the report shows that men still dominate senior leadership positions.

Division in wages and retirement

Despite major advances for women in the workforce there is still a significant wage gap for Australian women. In 2005-06 women possessed around 37 per cent of total Australian income, a slight improvement from 1982.

Women are receiving less income than their male counterparts and men and women who share the same workforce skills are actually paid differently.

Not surprisingly the wage gap for Baby Boomer women is the highest of all generations, at over 13 per cent, Gen X women have a much lower wage gap of around 3.5 per cent and for Gen Y women it is just 0.6 per cent. The small gap for Gen Y women was not unexpected as they have exceeded their male counterparts in the educational and employment stakes, but this is likely to change as they start a family later in their working lives.

The report also looked at the superannuation gaps for men and women finding that while superannuation balances in the seven years from 2001 to 2007 have improved, overall men of all generations typically have larger superannuation balances compared with women. So while women's superannuation balances have improved they are still not coming close to that of men.

Even for Gen Y, women are still behind men in accumulating superannuation, with 18 per cent of men having a super balance between \$25,000 and \$100,000, compared with only 14 per cent of women.

Gaps in expected lifetime earnings

The disparity between lifetime earnings between men and women in some circumstances is huge.

The report shows that a 25-year-old man is likely to earn a total of \$2.4 million over the next 40 years, more than one-and-a-half times the \$1.5 million prospective earnings of a woman. Meanwhile men who hold a bachelor degree or higher and have children can expect to earn around \$3.3 million over their working life, nearly double the amount for women in the same category at \$1.8 million.

The balancing act

The report findings highlight the challenge for women to maintain a “work life balance” and it found that women are still doing the majority of the child rearing and housework.

Women with children employed full-time spend on average 78 hours a week in paid and unpaid work while full-time men with children spend only 74 hours a week. The differences can be found in the amount of time men pitch in to help with the kids and housework. Full-time women with children spend 15 hours per week doing the cooking and cleaning compared with only six hours per week for men.

For a part-time mother the reality is even harsher - a part-time woman averages 74 hours a week in paid and unpaid work, 23 hours are spent with the kids and 20 hours on the housework, while part-time men with children work 58 hours in paid and unpaid work, and 14 hours of that is spent with the kids and nine hours is dedicated to the housework.

So it's little wonder really that the report found that half of employed women feel rushed or pressed for time compared with only a third of employed men.

Women and babies

Not surprisingly women are choosing education and career and then “maybe baby”, which has seen an increase in the age of first time mothers to 29. Fertility has declined considerably since the Baby Boomer generation, however, more recently there has been a slight improvement in total fertility - rising to 1.9 children in 2007 from 3.5 children per woman in the Baby Boomer generation.

Despite advances in equal opportunity in the workplace 22 per cent of pregnant working women said they faced a workplace difficulty in relation to their pregnancy and some said they had missed out on training, development and promotion.

The report found that once the baby is born women are taking all the paid leave available to them and they are even resorting to taking unpaid leave. Results show that over half of professional women took paid maternity leave compared with just eight per cent of elementary clerical, sales and services workers. And 76 per cent of public sector women having babies took paid maternity leave, in contrast to 25 per cent of women in the private sector.

Conclusion

It seems the catchphrase of the 21st century “balancing work and family” continues to ring true for Australian women today despite them achieving significant milestones over the past 100 years.

More women are participating in the workforce and the increase in women's educational attainment is reflected in their increasing presence in higher status occupations but they are also increasingly juggling the responsibilities of work with child rearing and in most cases they are doing the lion's share of the housework.

While large gaps still exist between women and men in both paid and unpaid work and areas of wealth, income and superannuation this report, gives some encouragement that inroads in the gender divide will continue to be made, with the wage gap results showing that Gen Y women are almost on par with Gen Y men. But the concern is that this closing of the gender divide could be lost when women enter their child rearing years.

So while progress has been made in some areas there is still more work to be done to narrow the gender divide particularly in the child rearing years, so that when women choose to re-enter the workforce they don't fall behind their male counterparts.



Craig Meller
AMP Financial Services Managing Director

Introduction

Australian society has come a long way since women gained the right to vote in an Australian Federal Election in 1902. Since that historic occasion, there have been many significant social changes that have shaped how women participate in society and contribute to the Australian economy. In the most general terms, a woman's role in society has shifted from primary caregiver only, to caregiver and breadwinner.

Significant milestones have been reached for women over the past 100 years in Australia, which have helped put them on the path towards an equal standing in society. In particular, important pieces of legislation (all of which are the outcome of relentless political advocacy); such as the Matrimonial Causes Act (1961), the Federal Family Law Act (1975), The Federal Sex Discrimination Act (1984) and The Affirmative Action Act (1986) have been pivotal pieces of legislation that have improved social justice for women and enhanced their economic and personal freedoms.

The introduction of the contraceptive pill in 1961, coupled with the "flower power" and feminist movement of the time have also been pivotal moments in history that have helped shape Australian society as it is now, and given women the choice of direction in life. Women were no longer resigned to marriage, pregnancy and child rearing; but could now participate in education and the workforce, and put off childbearing until later in life.

In the 1970s, women's rights were legally enforced and legislated, with the introduction of the Federal Family Law Act, which included a no-fault divorce system and gave economic value to women's work in the home in the division of assets upon divorce. And in 1974 Gough Whitlam abolished university fees, opening doors for further education for women that were previously closed.

By the 1980s, women were gaining more and more ground, with Australia ratifying the United Nations Convention on the elimination of all forms of discrimination against women, and Mary Gaudron became the first woman justice of the High Court of Australia. The foundations for the facilitation of women gaining workforce skills and acquiring higher education had been laid, and women were now participating more in the paid labour force.

The 1990s saw an increase in women holding high profile leadership positions, with Jennie George becoming the first woman to be appointed President of the Australian Council of Trade Unions and Carla Zampatti the first woman appointed as Chair of SBS.

At the turn of the century, the ageing population dilemma and the need for skilled labour was high on political agendas, and is almost certainly one of the most powerful forces forging the way for Australian women now, with a new found focus on barriers to work for women; focusing on the need for appropriate childcare options in order to facilitate workforce participation, the concentration of policy in lowering effective tax rates for working women and the increased bounty of government payments for working families.

Today, many milestones of great magnitude have been achieved by Australian women, with Julia Gillard becoming the first woman to be appointed Deputy Prime Minister of Australia, Quentin Bryce Australia's first woman to be appointed Governor General, and Virginia Bell, the fifth woman appointed Justice of the High Court of Australia.

However, have women really gained equal standing in Australian society today? Do they have equal opportunities in employment, the acquisition of wealth and income and educational attainment? And if they do, do they have to achieve this by juggling two kids, a household and a career? Have women gained equality, or are they just doing more?

This issue of the *AMP:NATSEM Income and Wealth Report* focuses on women today and how their social and economic status has changed and evolved over time, and what differences can be seen between them and their male counterparts.

Significant Milestones for Australian Women, 1902 - 2009

2009	Virginia Bell is the fifth woman to be sworn in as a Justice of the High Court of Australia.
2008	Quentin Bryce is the first woman to be appointed Governor-General of Australia.
2007	Julia Gillard MP is the first woman in Australia to be appointed Deputy Prime Minister.
2000	Margaret Jackson becomes the first woman to Chair a top-50 publicly listed company - Qantas.
1999	The Equal Opportunity for Women in the Workplace Amendment was introduced into Parliament.
1987	Mary Gaudron became the first woman Justice of the High Court of Australia.
1986	The Affirmative Action (Equal Employment Opportunity for Women) Act was passed in Federal Parliament.
1984	The Federal Sex Discrimination Act was passed, based on the United Nations Convention on the Elimination of All Forms of Discrimination Against Women.
1980	Women were admitted to the Surf Life Saving Association of Australia.
1976	Pat O'Shane was admitted to the Bar, becoming Australia's first Aboriginal barrister.
1975	The Federal Family Law Act introduced a no-fault divorce system and legislative recognition of the economic value of women's traditional work in the home was given in the division of assets on divorce.
1973	Elizabeth Reid was the first Women's Adviser to the Prime Minister: the first woman to hold such a position in the world.
1966	The bar on married women as permanent employees in the Federal Public Service was abolished.
1961	The first oral contraceptive pill became available in Australia.
1921	Edith Cowan was the first woman elected to an Australian Parliament.
1902	Non-indigenous Australian women gained the right to sit and vote in a Federal Australian election.

Source: Office for Women, www.ofw.facsia.gov.au

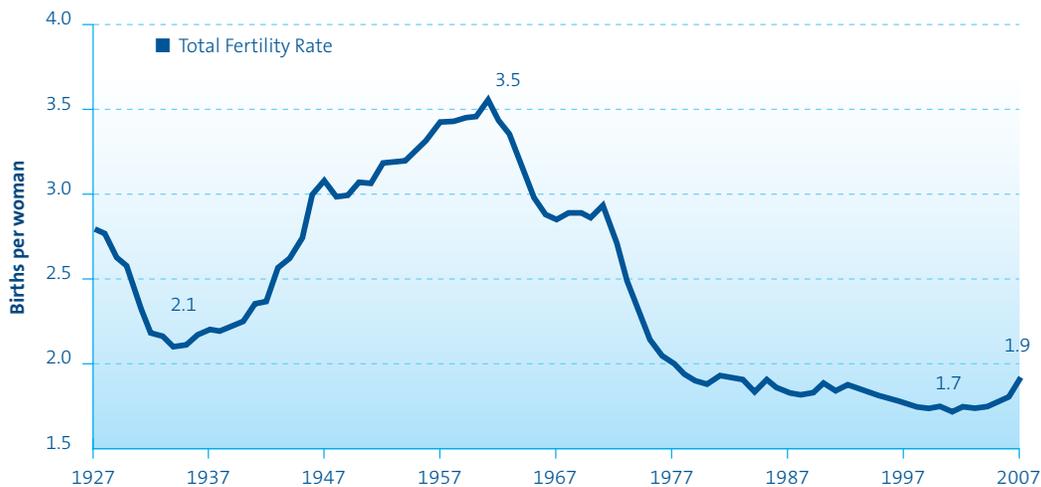
1. The changing times of women

Women ≠ babies

Any issue related to women, goes hand in hand with issues of having and raising children, however today we have seen a decrease in fertility and delayed fertility for women as it becomes too difficult to maintain the structure of mum, dad and the three kids. Figure 1 shows total fertility trends of Australian women over the past 80 years. Total fertility peaked in Australia in the post-war period of the 1950s, which saw the Baby Boomers spawned, at 3.5 children per woman.

Fertility has been decreasing since the 1960s - a response to the introduction of the contraceptive pill and feminist movement, and reached below replacement level in 1975, and its lowest level of 1.7 births per woman, in 2001. More recently we have seen a slight improvement in total fertility, rising slightly to 1.9 births per woman in 2007, with strong economic growth and increased government support to families such as the childcare rebate and the baby bonus helping this along (Drago *et al*, 2009).

Figure 1 - Total fertility, 1927-2007



Note: Total fertility is the sum of age-specific fertility rates (live births at each age of mother per female population of that age). It represents the number of children a female would bear during her lifetime if she experienced current age-specific fertility rates at each age of her reproductive life.

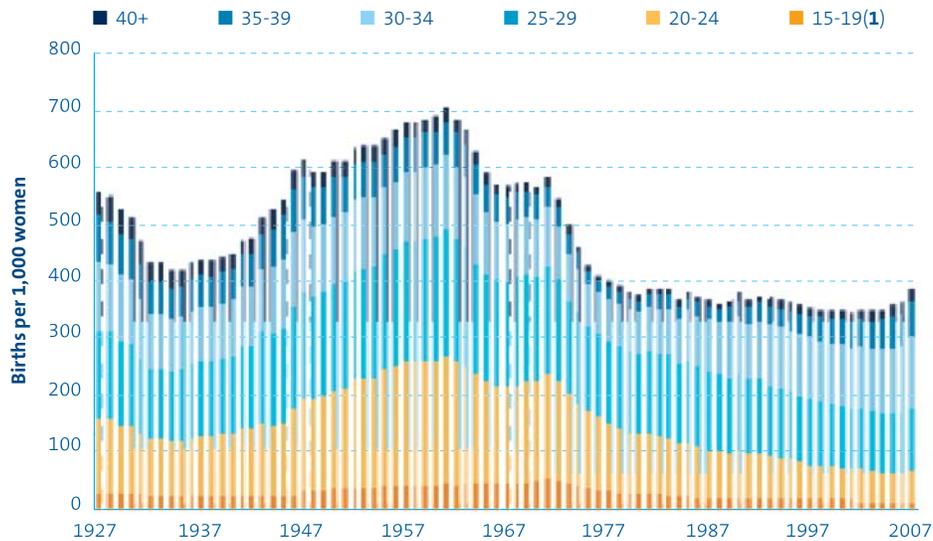
Source: *Australian Historical Population Statistics, 2008, ABS Cat No. 3105.0.65.001.*



The dramatic changes in the age structure of mothers over time can be seen in Figure 2, which, since the 1970s, shows a narrowing of the number of births per 1,000 women aged in their early 20s, and an expansion of the number of births for women in their 30s. In particular, women aged 30 to 34 have experienced the largest increase in fertility since the 1970s, with an average of around 74 births per 1,000 women in this age group in 1977, increasing by almost 60 per cent to 127 in 2007. By contrast, it is rare these days to find a woman in her early 20s with a child, with only around 56 in every thousand Australian women aged 20 to 24 having had a child in 2007, compared with 226 women for every thousand aged 20 to 24 in 1961.

Women are now choosing education and career, and then possibly baby, increasing the median age of first time mothers to 29, and the median age of all mothers to almost 31, as shown in Figure 3. The number of women in their 40s having babies has more than doubled over the past 20 years, from around five per 1,000 women aged above 40, to almost 14 births per 1,000 women in this age group in 2007. However it is important to consider that over the past 80 years, the highest recorded births for women in this age group was almost 39 births per 1,000 women in 1961. But, these women were likely to have already had children in their 20s and 30s, and were in the final stages of fertility, rather than the beginning. Now, it is more common for women in their 40s to be first time rather than last time mothers.

Figure 2 - Age specific fertility rates, 1927-2007

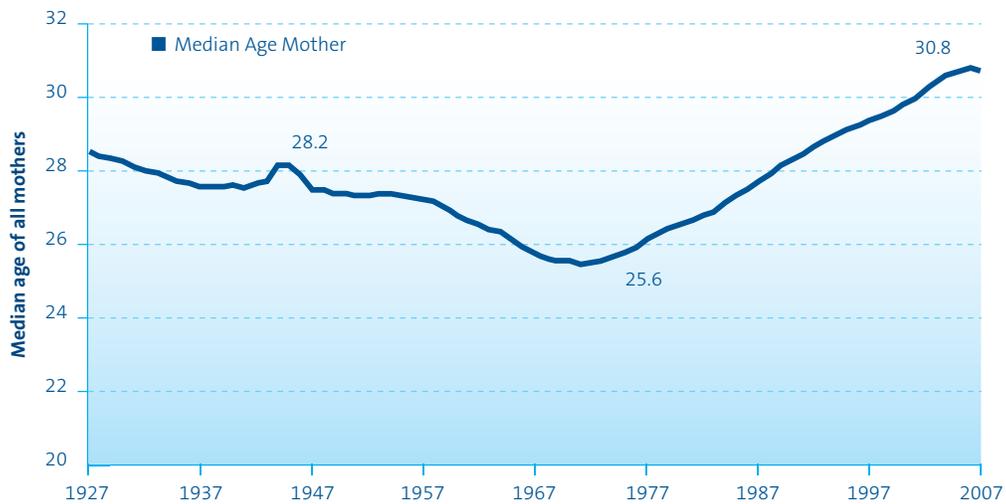


1 Includes births to women below 15 years of age.

Source: Australian Historical Population Statistics, 2008, ABS Cat No. 3105.0.65.001.

The median age of mothers at childbearing is now 31 years.

Figure 3 - Median age of women at childbearing, 1927-2007



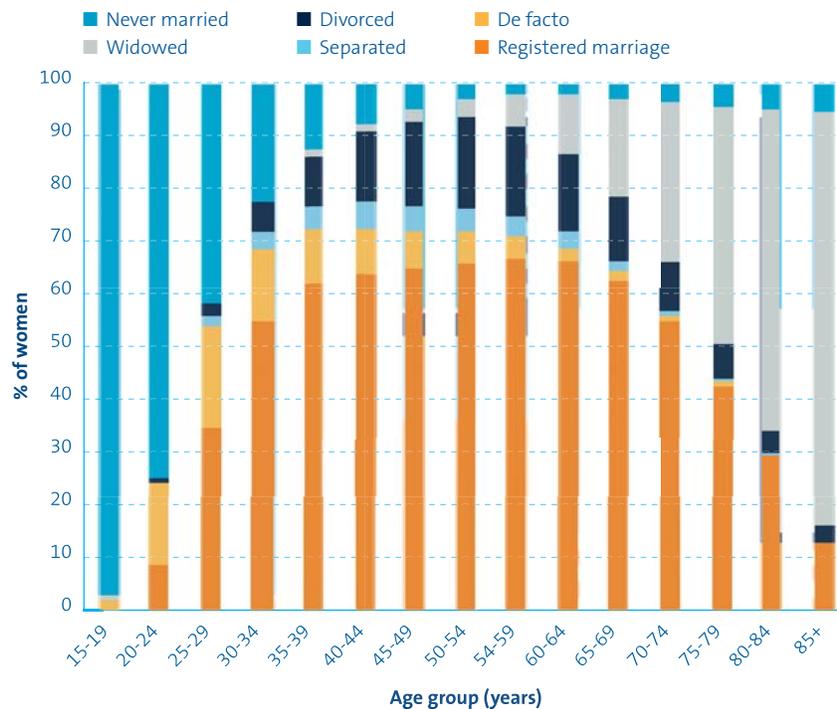
Note: Median age at childbearing refers to the age at which approximately one-half of the females in a population have their children, either for a birth of particular birth order or for all births. It measures the age at childbearing within the female population, as distinct from the median age of mother at confinement which measures the median age of the females who gave birth in a particular year.

Source: *Australian Historical Population Statistics, 2008, ABS Cat No. 3105.0.65.001.*

Coupled with the decreasing and delayed fertility trends seen in Australia and throughout the developed world, are the changes in how men and women are partnering up, with increasing rates of de facto relationships, decreasing rates of registered marriages, and increasing probabilities of divorce. Figure 4 shows the social marital status by age group for Australian women in 2006. Not surprisingly, women in their 20s and 30s are more likely to be in a de facto relationship

than other generations, with less social importance given to traditional marriage and the legal acknowledgement of de facto relationships. Gen Xers (those currently aged 34 to 48 years) and the Baby Boomers (those currently aged 49 to 63 years) are more likely to be in a registered marriage, however they also have the higher rates of divorce and separation. And sadly, for women aged 75 and above, they are more likely to be widows than anything else.

Figure 4 - Social Marital Status of Australian Women, 2006



Note: Cannot determine those that were previously in a de facto relationship and are now separated due to data restrictions.

Source: ABS 2006 Community profile series, Census 2006, Time series data, ABS. Cat No. 2003.0.

What have women been doing?

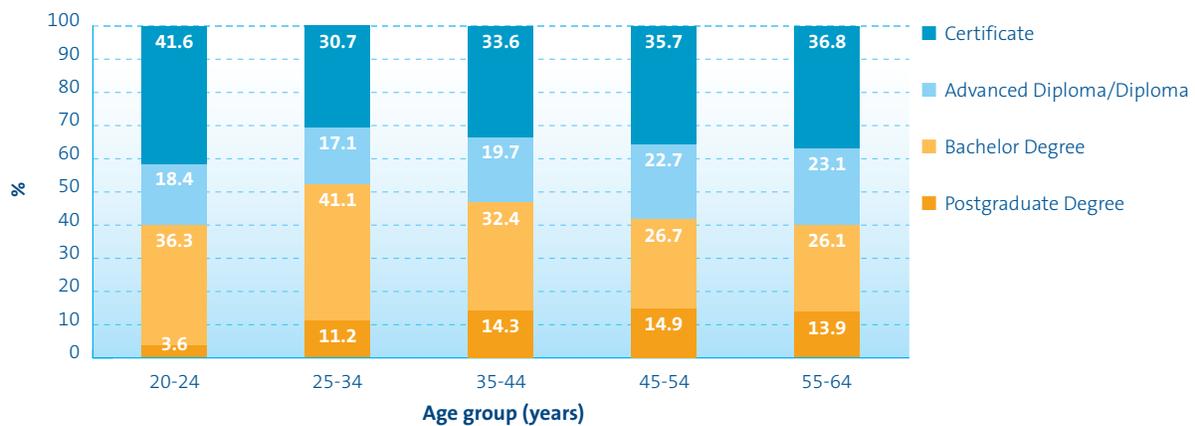
So, what have women been doing if they haven't been getting married and having babies? Well, they've been working and obtaining skills and qualifications, with women's labour force participation climbing since WWII, high-school retention rates for women outstripping men's and women's enrolment at universities now higher than men's. Overall slightly more men than women possess a post-school qualification - 55 and 53 per cent respectively, however recent research has shown that Gen Y women are now more likely to possess a post-school qualification than Gen Y men - 46 per cent compared with 42 per cent (Cassells & Harding, 2007, page 14). Currently, there are around 493,000 women enrolled in a bachelor degree course or higher, compared with around 412,000 men. The increased focus on women's education can be seen in Figures 5 and 6, which shows persons with post-

school qualifications by gender and age group. For those with post-school qualifications, a higher proportion of women possess a bachelor, advanced diploma or post-graduate degree than men across all age groups. In particular, over 50 per cent of women aged 25 to 34 years with post-school qualifications hold a bachelor degree or higher, compared with around 43 per cent of men in the same group. There are also a larger proportion of both women and men in the youngest age group holding a certificate qualification, compared with the other age groups; 55.2 per cent and 41.6 per cent respectively. The "New Apprenticeships" scheme, introduced in 1998, which transformed traditional apprenticeships and introduced many new types, along with increased commencement and completion incentives for employers, and the positive growth in the Australian economy are all likely contributors to this trend.



Currently there are around 80,000 more women than men enrolled in a bachelor degree course or higher.

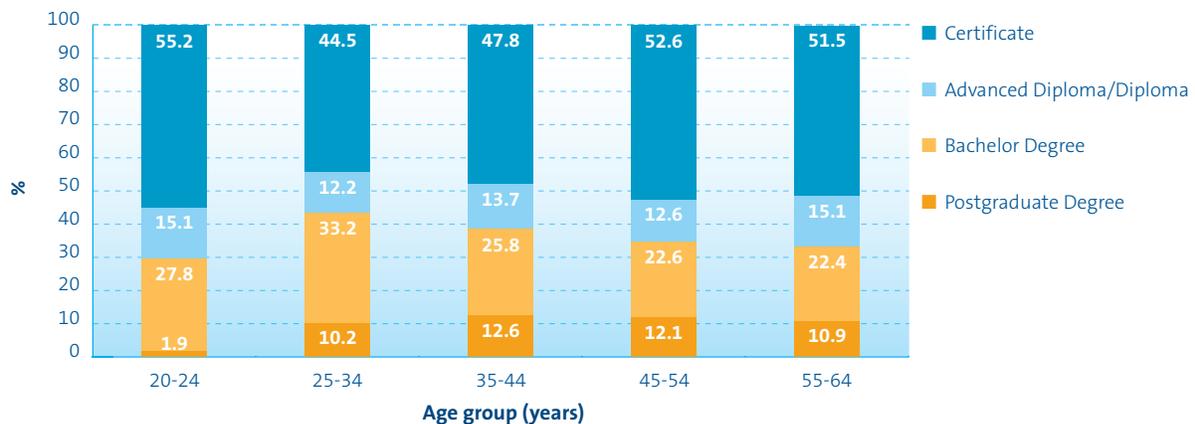
Figure 5 - Women with post-school qualifications, by age group and level of qualification, 2006



Note: Certificate includes persons with Certificate I, II or III, and those persons with Certificate not further defined. Postgraduate Degree includes those persons with a Graduate Diploma/Certificate and those persons with a Postgraduate Degree.

Source: ABS Education and Work Data Cube, 2008, ABS Cat No. 6227.0.

Figure 6 - Men with post-school qualifications, by age group and level of qualification, 2006



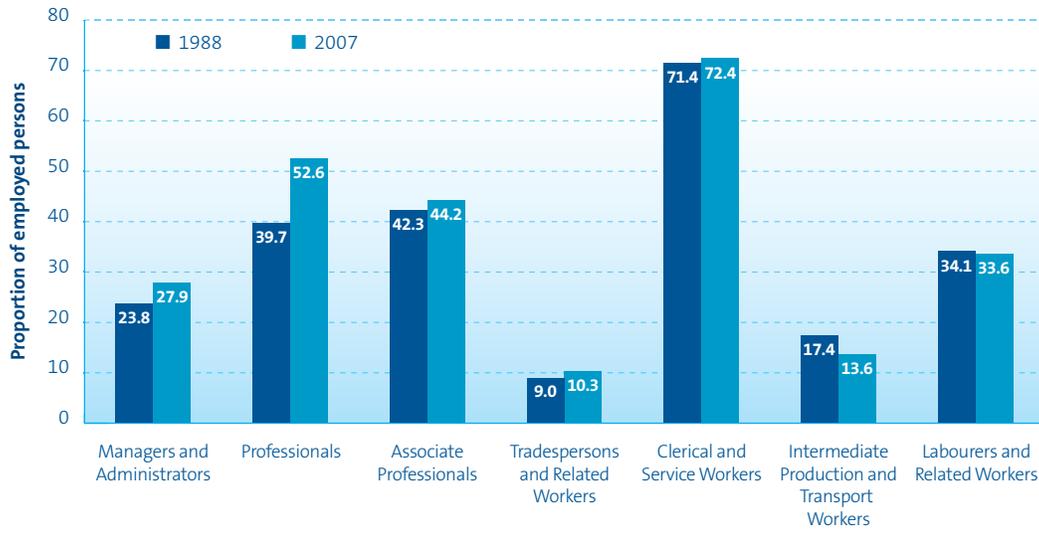
Note: Certificate includes persons with Certificate I, II or III, and those persons with Certificate not further defined. Postgraduate Degree includes those persons with a Graduate Diploma/Certificate and those persons with a Postgraduate Degree.

Source: ABS Education and Work Data Cube, 2008, ABS Cat No. 6227.0.

This increase in women's educational attainment base is reflected in their increasing presence in higher status occupations. Figure 7 shows an overall increase in the proportion of women employed in higher occupational fields over the past 20 years. Women's employment in professional occupations has increased by over 10 percentage points in the time period, and

currently they outnumber men, at 52.6 per cent. The proportion of women employed as managers and administrators, associate professionals and tradespersons and related workers has also improved over the period. Employment in the lower occupation grades such as intermediate production and transport workers and labourers has decreased slightly.

Figure 7 - Women's occupation as a proportion of all employed persons, 1988 and 2007



Note: The classification of occupations follows 1 digit Australian Standard Classification of Occupations, 2nd edition; see Technical Notes for further information.

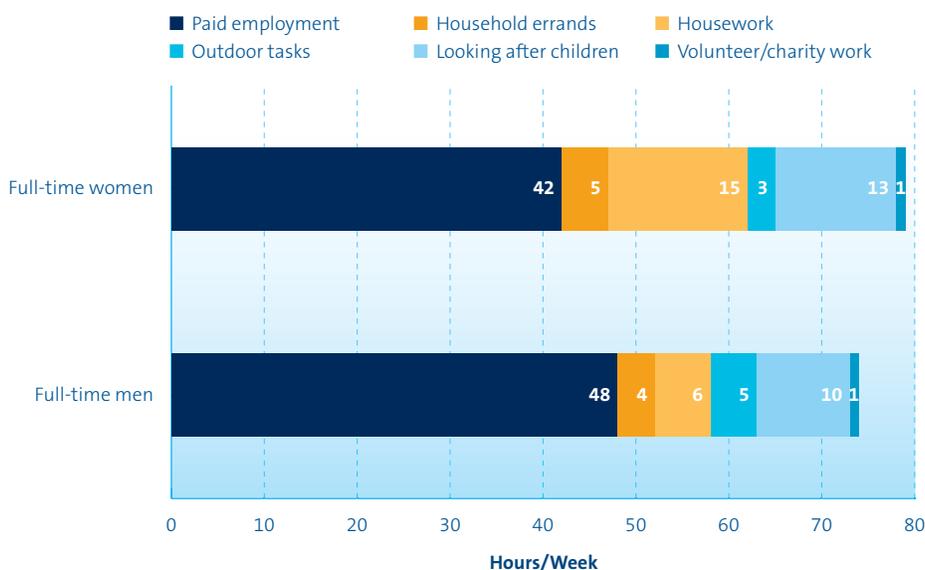
Source: ABS Labour Force, Australia, Data cube, ABS Cat No. 6291.0.55.001.

2. The balancing act



Full-time working women with children spend 15 hours per week doing the cooking and cleaning compared with only six hours per week for full-time working men with children.

Figure 8 - Average hours per week spent on selected activities for full-time workers with dependant children, by gender, 2006



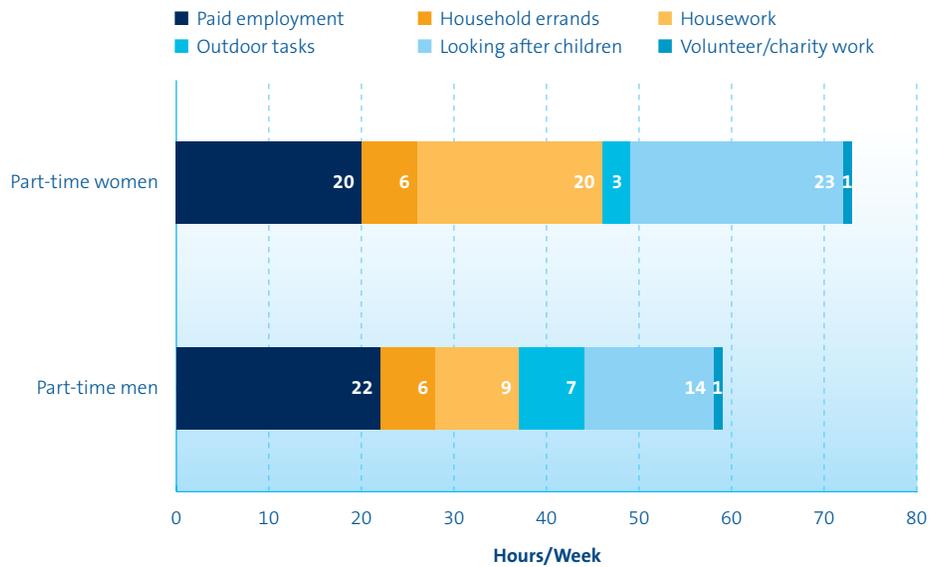
Note: Population is persons aged 15-64, employed full-time with dependant children. Looking after children includes, playing with children, helping children with personal care, teaching, coaching, or actively supervising them or getting them to child care, school or other activities.

Source: NATSEM calculations from Household, Income and Labour Dynamics in Australia (HILDA) Survey, Wave 6 unit record data.

For part-time workers with children, the gender division in paid and unpaid work is even more pronounced, with part-time women averaging around 74 hours per week, and part-time men only managing 58 hours (Figure 9). Part-time men with children are averaging slightly higher paid hours per week - 22 compared with 20, but the big differences can be seen between hours spent doing housework and looking after children. Women engaged in part-time work spend on average 20 hours per week

doing the housework (which includes cooking), while men spend less than half the amount of time of women, at only nine hours per week. These large differences could be for many reasons including differing attitudes towards these types of work. Figure 9 also shows that part-time men with children spend on average 14 hours per week caring for their children, compared with 23 hours per week for part-time women.

Figure 9 - Average hours per week spent on selected activities for part-time workers with dependant children, by gender, 2006



Note: Population is persons aged 15-64, employed part-time with dependant children. Looking after children includes, playing with children, helping children with personal care, teaching, coaching, or actively supervising them or getting them to child care, school or other activities.

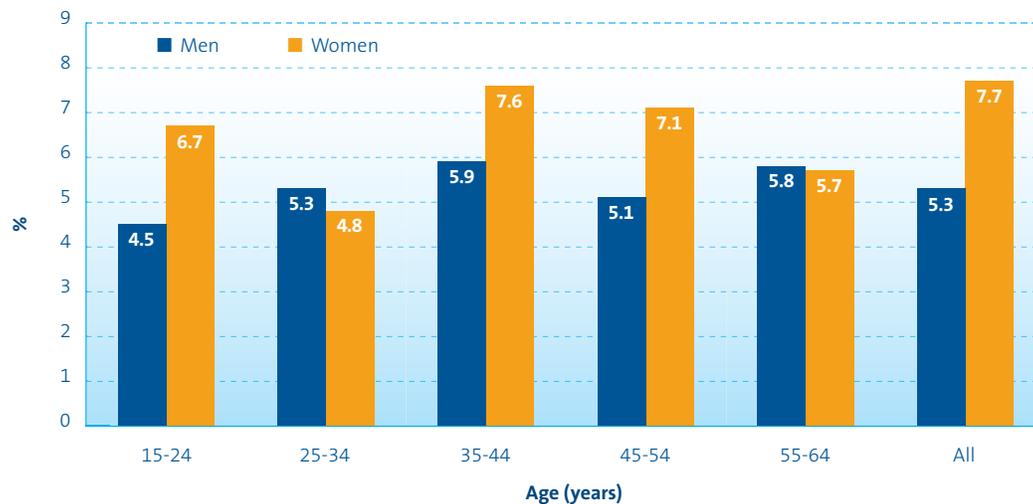
Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Women are more likely to be working two jobs

While women spend less time in paid employment compared with men, they are more likely to be working more than two jobs. Figure 10 shows a higher proportion of women working two or more jobs than men - 7.7 per cent of women compared with

5.3 per cent of men. The higher proportion of women who work in two jobs or more may reflect the greater likelihood of women working part-time compared to men - 46 per cent compared with 16 per cent. While the majority of men work full-time in one job, the requirement to balance work and family may encourage more women to work part-time in two jobs or more.

Figure 10 - Working in two jobs or more, by gender and age, 2007



Note: The reference period of work is “last week”.

Source: ABS Survey of Employment Arrangements, Retirement and Superannuation, Datacube, 2008.

This same pattern can also be found across different age groups particularly among the 15 to 24, 35 to 44 and 45 to 54 age groups. For the younger age group (15 to 24), a higher proportion of women working in two jobs or more than men, may in part reflect a higher proportion of women combining university studies and part-time casual employment, where more men are gaining a trade and working full-time. For women aged 35 to 44 years, a young family may mean they are more likely to combine motherhood with working part-time in two jobs or more, giving them the flexibility to both work and care for children. This may also be the same pattern for women aged 45 to 54, although possibly less so due to this age group having older, and more independent children. By age 55 to 64, this difference between men and women working two or more jobs has nearly disappeared.

Women have greater caring responsibilities

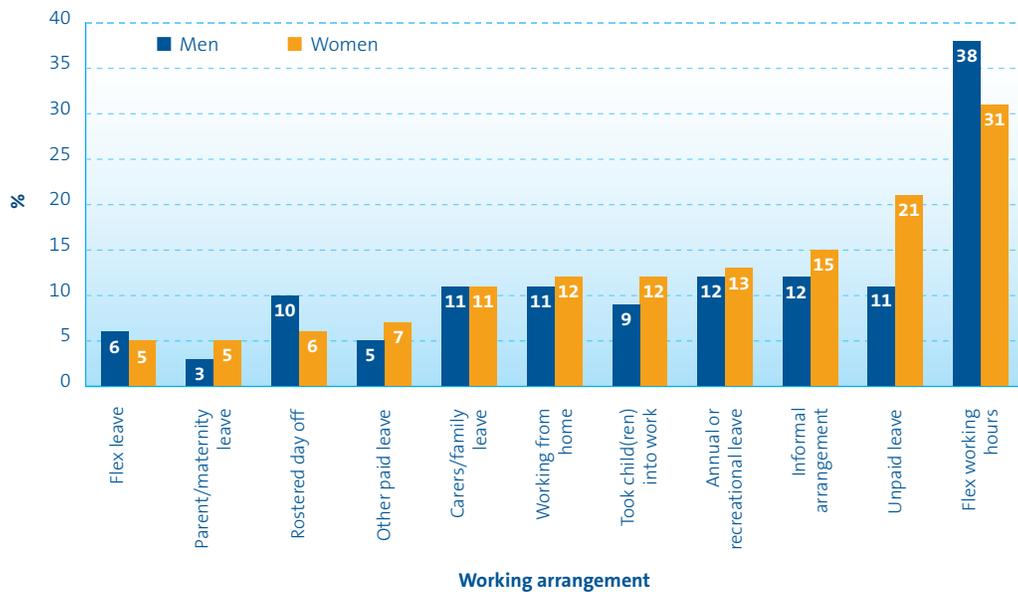
As life becomes more demanding for men and women, the pressure to combine work and a family’s caring needs can be quite intense, and today an assortment of working arrangements are used in order to meet the demands placed upon them. Figure 11 presents the working arrangements of employed persons with dependant children who provide care

to someone. Previous research argues that flexibility in the workplace is crucial to allow both men and women to balance work and family needs (see for example HREOC, 2007), and it appears that this is becoming the most predominant working arrangement for parents. As shown in Figure 11, flexible working hours are the most common working arrangement used by both women and men with dependant children, to care for someone - 31 and 38 per cent respectively. Flexible working hours is likely to be the most common work arrangement used by men to care for children as they are more likely to be engaged in full-time work, making these arrangements more accessible. However, women who are more likely to be working part-time, are likely to have less access to these flexible arrangements, as often part-time work has fixed hours that cannot be renegotiated. Surprisingly, for women, unpaid leave ranks as the second most frequent working arrangement to care for others, with over a fifth of employed women engaging in this arrangement, compared with only 11 per cent of men.

The high proportion of women taking unpaid leave to provide care indicates that women may have to sacrifice financial reward to meet the family’s caring needs.

Over a fifth of employed women take unpaid leave in order to care for someone.

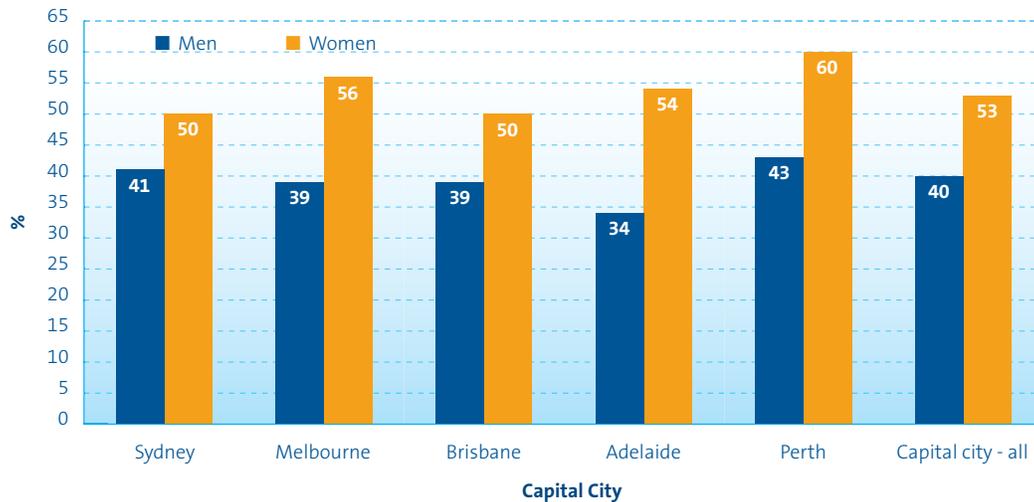
Figure 11 - Working arrangements for employed persons with dependant children in order to care for someone, by gender, 2007



Note: The estimates for parental/maternity leave, flex leave and other paid leave, have a relative standard error of 25% to 50% and should be used with caution. Data excludes owner managers of incorporated enterprises. Respondent may choose more than one working arrangement. For a definition of "provide care", refer to the Technical Notes.

Source: ABS Survey of Employment Arrangements, Retirement and Superannuation, Data Cube, 2008.

Figure 12 - Employed persons who feel “almost always” or “often” pressed or rushed for time, by gender and capital city, 2006



Note: Population is those employed persons aged 15-64 in 2006. The graph includes respondents who provided “almost always” and “often” as answers to the question: “How often do you feel rushed or pressed for time?” The breakdown between capital city and rural areas is not available for TAS, NT and ACT.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Do women feel pressed or rushed for time?

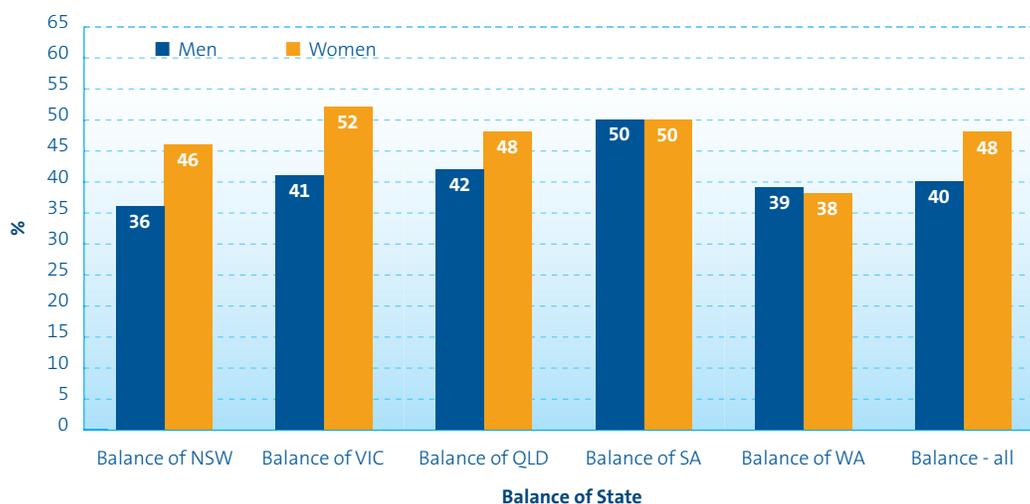
So, how are women feeling about all of this extra work? According to data from the Household, Income and Labour Dynamics in Australia Survey (HILDA), which asked whether people felt pressed or rushed for time, 51 per cent of employed women stated that they often or always felt rushed or pressed for time, compared with 39 per cent of employed men. Research has shown that the struggle to balance work and family is the main reason people feel rushed or pressed for time (ABS, 2008).

As displayed by Figure 12, a comparison between genders shows that a higher proportion of employed women living in Australian capital cities are feeling rushed or pressed for time than men in all capital cities. Perth is the capital city with the highest proportion of employed women feeling rushed or pressed for time, at 60 per cent, however Adelaide is the capital city with the largest difference between men and women feeling rushed or pressed for time, with only 34 per cent of employed men expressing this feeling compared with 54 per cent of employed women.

A similar trend in the differences between men and women feeling rushed or pressed for time, can also be found in the balance of each state and territory, except for South and Western Australia, which have similar proportions of men and women feeling rushed or pressed for time (Figure 13).

Sixty per cent of employed women living in Perth feel “almost always” or “often” rushed or pressed for time, compared with 43 per cent of employed men.

Figure 13 - Employed persons who feel “almost always” or “often” pressed or rushed for time, by gender and balance of state, 2006



Note: Population is those employed persons aged 15-64 in 2006. The graph includes respondents who provided “almost always” and “often” as answers to the question: “How often do you feel rushed or pressed for time?” The breakdown between capital city and rural areas is not available for TAS, NT and ACT.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Overall, a higher proportion of employed women living in capital cities feel pressed for time than their balance of state counterparts in every state. This difference is the most striking for employed women who live in Western Australia, with 60 per cent of employed women in Perth reporting feeling pressed or rushed for time, compared with only 38 per cent of employed women living in the balance of Western Australia. In contrast, for employed men, only Sydney and Perth have higher proportions of men feeling pressed for time compared with men in their respective balance of state.

Living in capital cities for employed women brings more pressures, as women are more likely to face more challenges in the capital cities to juggle their paid and unpaid work. For employed men, except for South Australia, there is no substantial capital city - regional difference, which may in part reflect that work in regional areas is as tough as working as employees in the capital cities.

Pregnancy, birth and work: do women have enough support?

Given there are more women in the workforce than there were 20 years ago, how has the workforce adjusted to pregnancy and maternity leave once a child is born? What support is there for pregnant women? And what support is there once the baby is born? This section looks into the difficulties faced by pregnant women, the types of support available, and what types of support are being used.

Figure 14 shows the types of difficulties faced in the workplace by pregnant working women. Almost one in every five pregnant working women face at least one difficulty in their workplace in relation to being pregnant (22 per cent).



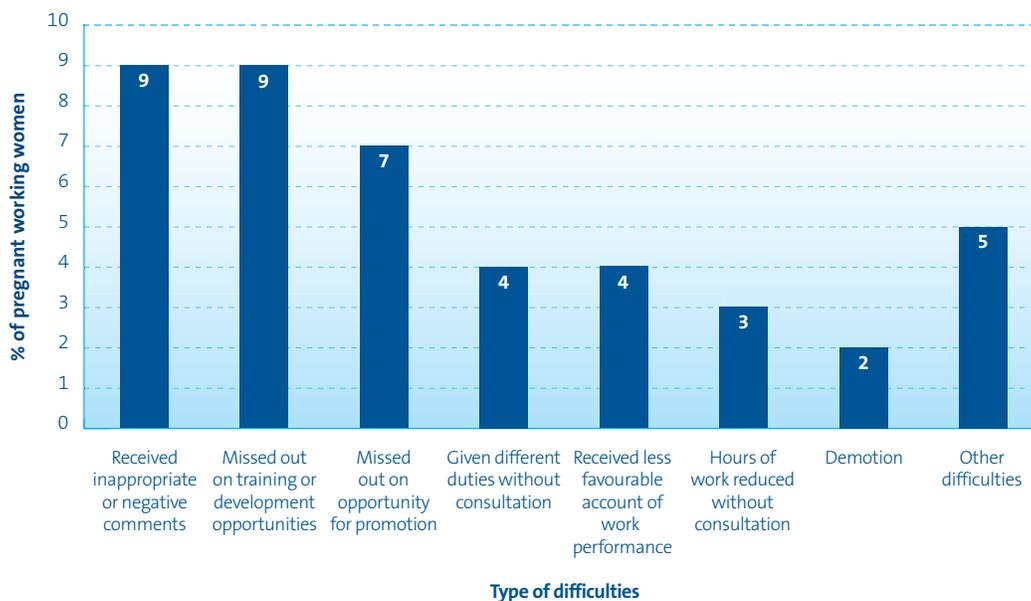
Twenty-two per cent of pregnant working women face a difficulty in their workplace in relation to being pregnant.

Among those pregnant working women, the top two difficulties faced by them are “missing out on training or development opportunities” and “receiving inappropriate or negative comments” (both are 9 per cent), followed by “missing out on opportunities for promotion” (7 per cent). As well as the immediate effects these difficulties have on women, they will also have longer-term effects for a woman’s career path and their earnings potential.

As the due date approaches, there are decisions to make about the type of leave to take - if any is available. Leave from work for birth is important to the health of mothers and babies.

For mothers, suitable leave for birth will not only help them to recover from the birth and develop a strong bond with their babies, but will also help to maintain their career path (see HREOC, 2002 and Productivity Commission, 2008 for existing evidence on the benefits of maternity and parental leave). The amount of leave given can be influenced by the length of time the woman has been with an employer; the status of their job (permanent or casual); and the value the employer places on the woman’s work. Most often, women will combine several types of available leave in order to gain the best economic position.

Figure 14 - Difficulties experienced by working pregnant women, 2005



Note: The estimates for type of difficulties of “hours of work reduced without consultation” and “demotion” have a relative standard error of 25% to 50%, therefore they should be used with caution. Respondent might face more than one type of difficulty.

Source: ABS Survey of Pregnancy and Employment Transitions, Data Cube ABS 2006b.

There are some legislative requirements for parental leave, and the Workplace Relations Act 1996 covers entitlements to unpaid parental leave. Permanent employees with at least 12 months continuous service with their current employer are entitled to 52 weeks of unpaid parental leave following the birth or adoption of a child. Some casual employees are also eligible for unpaid parental leave, if they have been working with their employer on a regular and systematic basis for at least 12 months with a reasonable expectation of ongoing employment. Further, some private corporations, universities and the

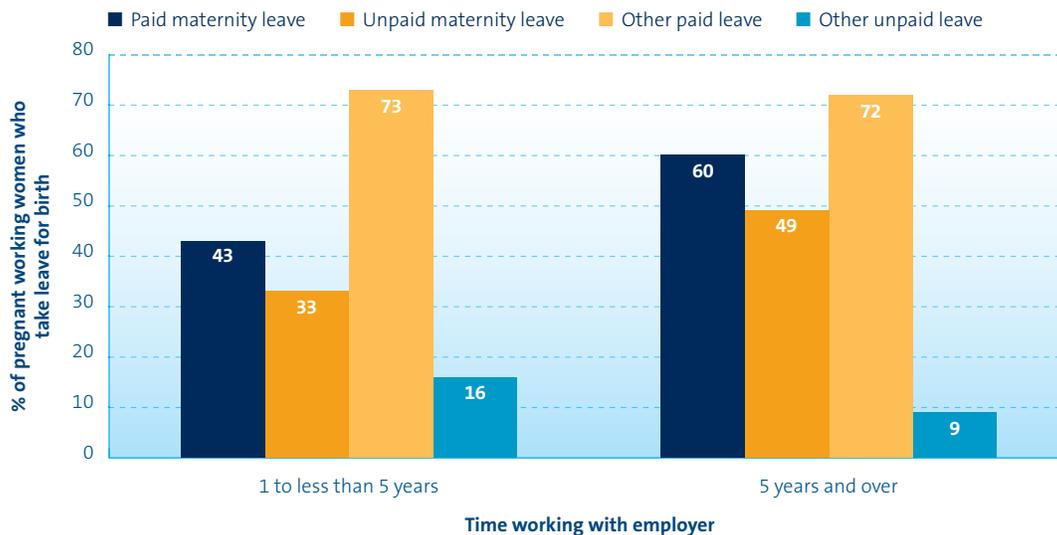
Australian Public Service already offer paid maternity/parental leave recognising the importance of this type of leave in the workplace. For example, AMP offers 14 weeks parental leave at full pay, and the University of Canberra offers 20 weeks at full pay or 40 weeks at half pay. In contrast, currently there has not been any nationally legislated paid maternity leave entitlement in Australia, and Australia is only one of two OECD countries without statutory paid maternity leave. In 2008, the Federal Government asked the Productivity Commission to undertake a public inquiry into paid parental leave which focuses on

support for parents of newborn children and recommends 18 weeks paid parental leave, however, given the current slump in economic growth, it is now uncertain as to whether this policy will be included in the next budget.

Figure 15 shows the leave taken by working women for child birth by the length of time working with an employer to examine what sort of support a workplace gives to mothers, and how this changes according to the length of employment.

Not surprisingly, the longer the tenure with an employer, the more likely that there is some type of paid maternity leave available, with 60 per cent of pregnant women with job tenure of over five years taking paid maternity leave, compared with only 43 per cent of pregnant women with job tenure of between one and five years. Regardless of job tenure, similar proportions of women take some type of paid leave (recreation leave, long service leave, etc) for birth - around 70 per cent, whereas a smaller proportion of them take other unpaid leave.

Figure 15 - Leave taken by pregnant working women for birth, by length of time with employer, 2005



Note: Respondents may choose more than one type of leave. "Unpaid maternity leave" includes those pregnant working women who take time away from their own incorporated business. Data excludes those employed for less than 1 year, as most of these employees are not entitled to have paid/unpaid maternity leave.

Source: ABS Survey of Pregnancy and Employment Transitions, Data Cube 2006b.

Interestingly, only around a third of women with job tenure between one and five years take unpaid maternity leave, suggesting that this option may not be available to most. And 16 per cent of pregnant women in this category are taking other unpaid leave in order to have a child. These results are indicative of the multiple leave arrangements that women have to use in order to have a baby.

In results not shown, looking at these data by occupation, 56 per cent of professional women having babies took paid maternity leave, compared with only eight per cent of elementary clerical, sales and services workers. And 76 per cent of public sector women having babies took paid maternity

leave, in contrast to 25 per cent of women employed in the private sector. This could be influenced by the casual nature of work in the private sector, and the unavailability of maternity leave for most short term casual workers, whereas public sector employment is renowned to have superior working conditions.

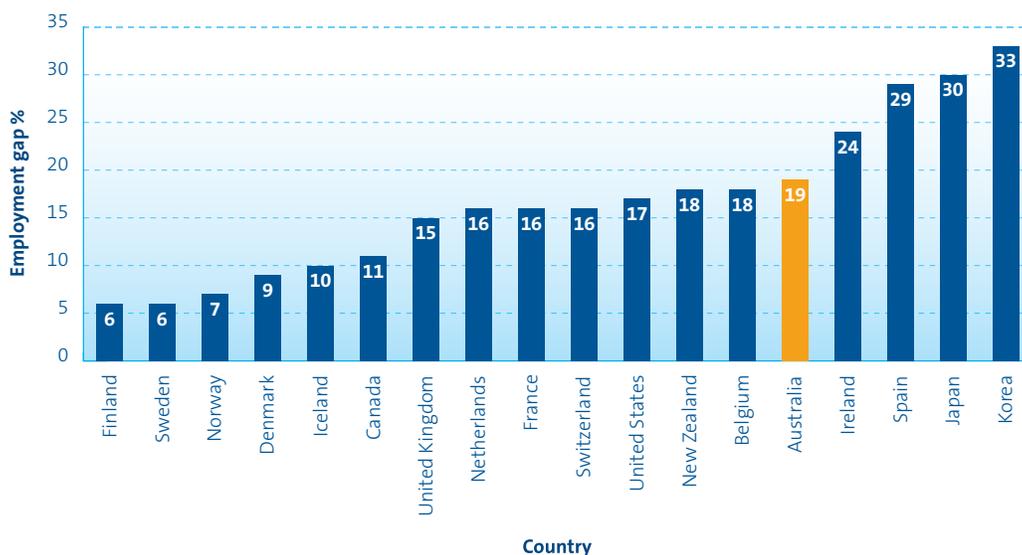
The same data showed that among those pregnant working women who did not take paid maternity leave, the main reason was because paid maternity leave was not available/not offered by their employer. For those who did not take unpaid maternity leave, the main reason for not taking it was because they usually left their job permanently.

3. The employment gap

Despite women’s educational achievements and improved opportunities to pursue careers, women still face a lot of challenges in the workforce as shown in the previous section. This section further examines the characteristics of working women in comparison to men. While women’s labour force participation is rising, the question is - how are women participating? What kind of occupations are women working in? Are they participating in full-time or part-time work? And how many hours per week do they usually work?

Figure 16 shows the employment gap for selected OECD countries with similar tertiary educational levels to Australia. As can be seen, among these countries with a highly educated population, the Australian women’s employment rate is still 19 per cent lower than Australian men’s. The employment gap in these OECD countries ranges between 6 and 33 per cent. The smallest gap is recorded for Finland, while the highest employment gap is in Korea. As highlighted by Immervoll *et al.* (2008), the women’s employment rate is still low in many OECD countries, including Australia.

Figure 16 - Gender employment rate gap of selected OECD countries, 2005



Note: These selected countries have been chosen from all OECD countries, based on a similar proportion of the adult population having a tertiary qualification. The gender employment gap is calculated as the difference between male and female employment rates as a percentage of the male employment rate

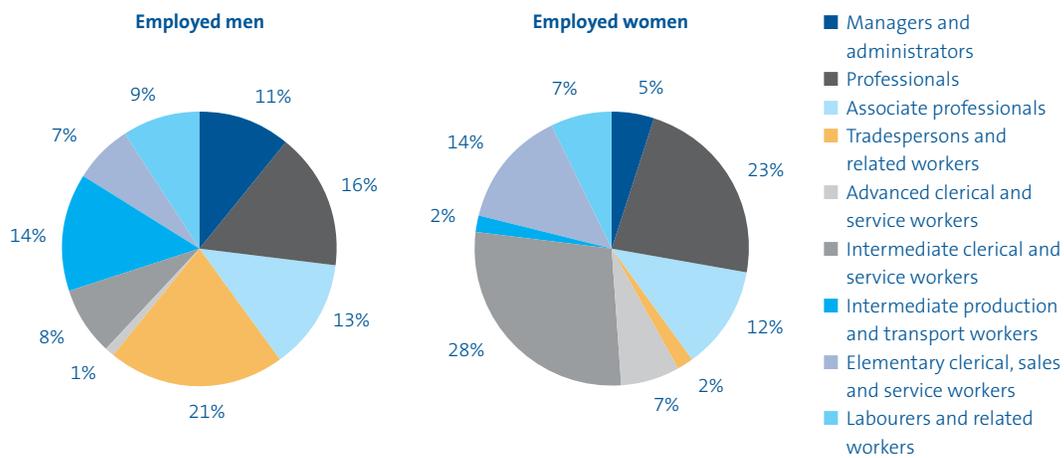
Sources: OECD, *Employment outlook 2008*; OECD, *Education at a glance, 2008*.

How are women working?

As seen in section one, the increased educational attainment has seen the distribution of women’s occupations change over the past 20 years and women are now more likely to be working in highly skilled occupations than ever before. But how does the employment of men and women compare?

Figure 17 compares the occupation distributions of men and women. The most common occupational category for men is tradespersons and related workers with over a fifth of men working in this occupation, while for women the most common occupational category is intermediate clerical and service workers, with 28 per cent of women falling into this group.

Figure 17 - Occupation by gender, 2006



Note: The classification of occupations follows 1 digit Australian Standard Classification of Occupations, 2nd edition; see Technical Notes for further information.

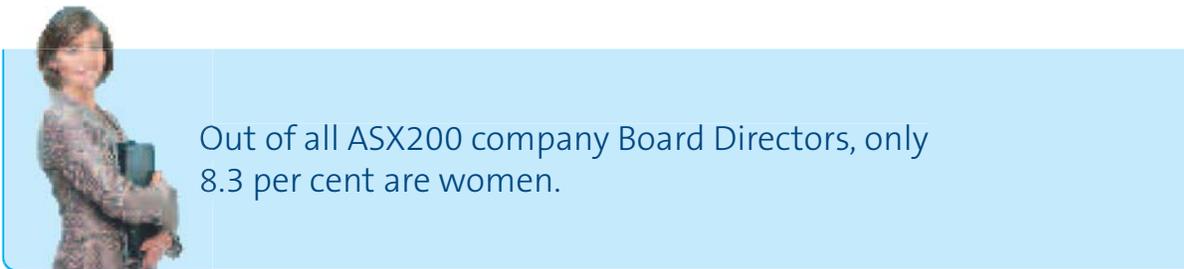
Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Although men have a higher employment rate than women, there are a higher proportion of women than men employed as professionals and associate professionals (35 per cent compared with 29 per cent). The increasing trend in the proportion of women working in more skilled occupations has been apparent since 1987, while in contrast the proportion of women working in less skilled occupations such as labourers and related workers has decreased (ABS 2006a).

Despite the increased representation of women working in highly skilled occupations, recent evidence from the Australian Census of Women in Leadership shows that men still dominate senior leadership positions.

Figure 18 shows that only 8.3 per cent of Board Directors out of all ASX200 companies are women. Comparing this with the 2006 data, the Equal Opportunity for Women in the Workplace Agency argues that while the overall number of board leadership seats increased, the number of seats held by women has not (EOWA, 2008). A similar trend can be found in other leadership categories. For example, only 21 per cent of Federal Ministry members are women, and only 21 per cent of University Vice-Chancellors are women.





Out of all ASX200 company Board Directors, only 8.3 per cent are women.

Figure 18 - Women in senior leadership, 2008



Note: ^{**3}. Federal Ministry comprises Cabinet, Outer Ministry and Parliamentary Secretaries. ². University Vice-Chancellors refer to Australian Vice-Chancellors Council (<http://www.universitiesaustralia.edu.au>). ⁴. Managerial and Professional Positions refer to ABS (2008).

Source: *EOWA Australian Census of Women in Leadership, 2008* (figure 1, pp.4). Reproduced with permission from the *Equal Opportunity for Women in the Workplace Agency*.

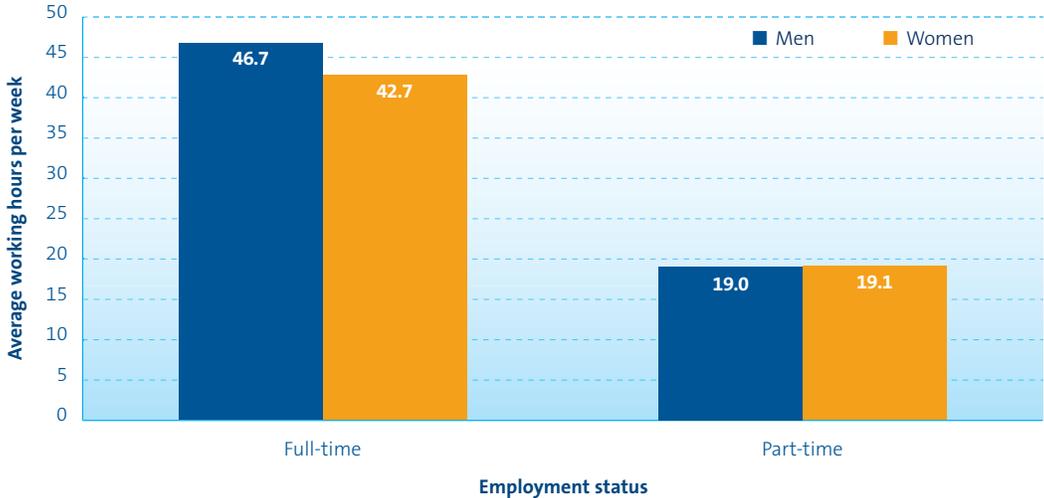
Average hours of work

Gaps in employment are not only about occupation and whether women are in the workforce or not. Part-time employment and lower average hours per week in the labour force are significant factors that will influence a person's capacity to earn wages and accumulate wealth.

The over-representation of women in part-time work is not a new story, with around 70 per cent of all part-time jobs held by women. While part-time work can enable the caring needs of families to be met and provide much needed income, it can also be an inferior form of work, often with little or no benefits.

As mentioned, hours of work are also important and can also influence progress in one's career. Figure 19 shows the average working hours per week by employment status and gender. On average, full-time men worked around 46.7 hours per week, four hours more than full-time women. However, full-time women are still working more than the standard Australian working week of 40 hours, and with the extra hours women do unpaid work, no wonder women are feeling more stressed. There is only a slight difference in terms of the average working hours per week between part-time men and women (around 19 hours per week).

Figure 19 - Average working hours per week by employment status and gender - all employees, 2006



Source: NATSEM calculations from HILDA, Wave 6 unit record data.

4. Division in wages, wealth and retirement

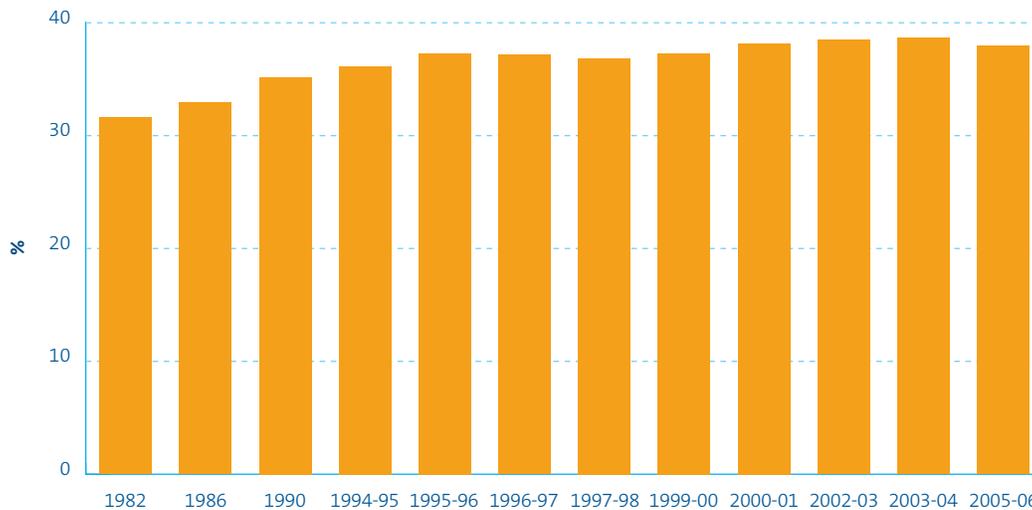
The wage gap

The gender wage gap is an issue that has not reared its head in the Australian political and social arena of late. Indeed, research has shown that the wage gap has decreased over time, with the help of important pieces of legislation such as the Federal Sex Discrimination Act and the Equal Employment Opportunity for Women Act, along with social reforms, including increased educational participation and attainment for women, the introduction of changes that have aided the labour force participation of women such as childcare, and periods of high employment and growth.

Even withstanding these movements towards equal pay and the increasing labour force participation and skill acquisition by women shown earlier, there still remains a wage gap for Australian women.

Figure 20 shows that at an aggregate level, despite women's labour force participation increasing substantially over the last 20 years, this increase has not been reflected in women's share of total income. In 1982, women possessed only around a third of total Australian income and by 2005-2006, this proportion had increased only slightly to around 37 per cent.

Figure 20 - Women's income as a proportion of total income



Note: Gross personal income comprises income from all sources (government pensions and allowances, earnings, investment income, and private cash transfers) attributed to individuals before income tax or the Medicare levy are deducted for persons aged 18-64 years.

Source: *Australian Social Trends 2008*, ABS Cat No. 4102.0, p1.

Not only are women receiving a smaller cut of the income pie, but comparisons between men and women with similar workforce skill and characteristics indicate a significant wage gap. This division in gross wages between men and women of each generation shows average gross weekly earnings for men and women across a range of characteristics, and the derived wage gap is presented in Table 1.

Overall, Gen Y women have the lowest wage gap amongst the generations, with all Gen Y women receiving on average 85 per cent of the average Gen Y men's wage, Gen X women receiving 62 per cent and Baby Boomer women around 64 per cent. This is not surprising as Gen Y women have exceeded their male counterparts in the educational and employment stakes as shown in *AMP NATSEM Income and Wealth Report 17*, and are also unlikely to have started a family. It is likely that Gen X women have a slightly higher wage gap than Baby Boomer women due to their life stage, and would more than likely be juggling work and family.

Interestingly, Gen X and Baby Boomer women, each have similar wage gaps for each of the characteristics shown in Table 1, with the exception of part-time workers and those employed in the private sector. For part-time Gen X women, the wage gap is reversed, with Gen X women working between 1 and 34 hours per week earning 13 per cent more than Gen X men. This difference is likely to be due to the small number of Gen X men working part-time, and less part-time hours per week, as opposed to the larger number of Gen X women working part-time and higher part-time hours per week. Private sector Baby Boomer women have less of a wage gap than private sector Gen X women, possibly because of fewer family caring needs inhibiting their capacity to work extra hours and take on extra responsibilities.

Table 1 - Wage gap by generation and selected employment characteristics, 2006

	GEN Y			GEN X			BABY BOOMERS		
	MEN	WOMEN	WAGE GAP	MEN	WOMEN	WAGE GAP	MEN	WOMEN	WAGE GAP
	GROSS AVERAGE WEEKLY EARNINGS			GROSS AVERAGE WEEKLY EARNINGS			GROSS AVERAGE WEEKLY EARNINGS		
	\$	\$	Ratio	\$	\$	Ratio	\$	\$	Ratio
Bachelor+	1,020	858	0.84	1,587	1,025	0.65	1,590	1,088	0.68
Certificate/Diploma	825	594	0.72	1,147	693	0.60	1,149	711	0.62
Year 12 or below	670	560	0.84	1,043	601	0.58	1,048	654	0.62
1-34 hours/wk	404	374	0.93	462	520	1.13	637	509	0.80
35-40 hours/wk	726	714	0.98	1,059	891	0.84	1,092	851	0.78
40+ hours/wk	988	913	0.92	1,427	1,115	0.78	1,438	1,176	0.82
Public sector	764	617	0.81	1,253	733	0.58	1,231	698	0.57
Private sector	876	824	0.94	1,209	818	0.68	1,250	956	0.76
Other employee	796	724	0.91	1,108	779	0.70	1,152	763	0.66
All	775	657	0.85	1,231	760	0.62	1,225	784	0.64

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

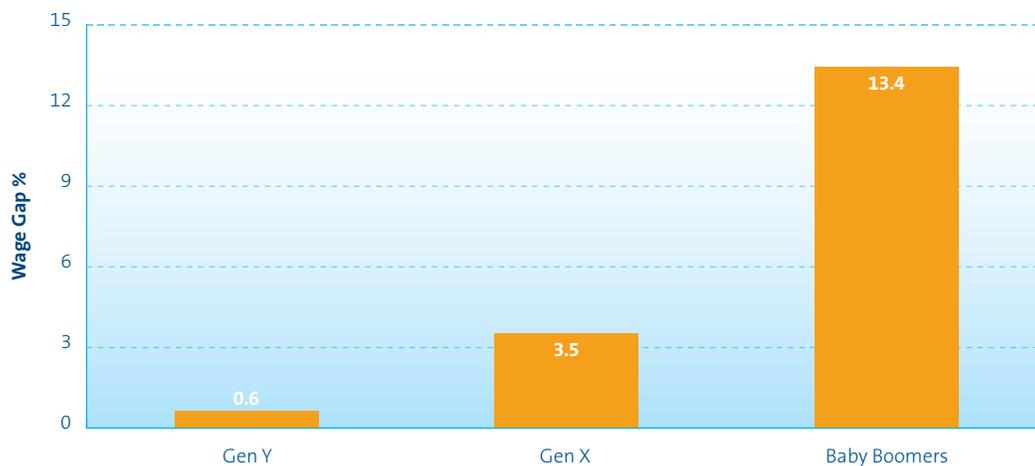
The wage gap for Baby Boomer women is around 13 per cent, for Gen X women - 3.5 per cent and for Gen Y women, it is almost non-existent.

Following on from this wage gap analysis, Figure 21 shows the adjusted wage gap for each generation, when accounting for numerous observable characteristics that affect income, including hours of work, number of children ever had, occupation and industry of employment and work experience. These adjusted wage gaps are calculated using a complex, robust statistical technique known as ordinary least squares regression. The details of this statistical technique can be found in the Technical Notes at the end of this paper. Our results show that Baby Boomer women have the highest wage gap of all generations, even when accounting for differences in the observable characteristics discussed earlier. The wage gap for Baby Boomer women is over 13 per cent, that is, Baby Boomer women are earning around 87 per cent of what their male counterparts earn, when all observable factors influencing wages are held equal. Gen X women have a much lower adjusted wage gap of around 3.5 per cent, and the adjusted wage gap for Gen Y women is almost non-existent

at 0.6 per cent. This gap in wages could be attributed to factors we haven't been able to measure such as initiative, drive and the desire to work, but could also be due to discrimination against women. The higher wage gap for Baby Boomer women, compared with the other generations could be evidence of a "glass ceiling", particularly as these women are likely to be nearing the end of their careers and approaching retirement. The advancement of these women's careers may have fallen short, while their Baby Boomer peers have made it to the top spot such as partner, director or CEO.

The question here is, will the wage gap for Gen Y remain almost non-existent throughout their working life, or will they, at age 55, mirror that of their Baby Boomer mothers? Although they may have excelled in educational attainment and early career steps, they will have also had to take on the major responsibility for child rearing, as well as dealing with the occasional entrenched discrimination in some industries and occupations.

Figure 21 - Adjusted Wage Gap for Generations, 2006



Note: These wage gaps have been calculated using multiple regression techniques that account for a number of factors determining wages, including hours of work, number of children ever had, occupation and educational attainment. For a full description of the methodology and variables used to derive these figures please refer to the Technical Notes in this report.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

The wealth gap

One of the products of gender gaps in incomes are gaps in the capacity of men and women to accumulate wealth. This gap is evident when looking at Table 2 which shows the average net worth per person by asset class and household type. It is important to note when looking at the following table, that each asset component is collected at a household level, and consequently divided equally between couples in households, as would generally happen in the event of a divorce or separation. Consequently there are no differences in the amount of assets held by men and women living as couples. However, this does not mean that there is equality if you partner up, as with the increasing likelihood of divorce, the accumulation of assets at the couple rate is likely to be reduced significantly once single.

Lone females are the households with the highest total net worth on average, with a large chunk of this reflected in their home equity - averaging around \$204,000 each. These households are most likely to be the widows we saw earlier in section one, still living in the family home. Lone males have similar amounts of total net worth to lone females, however, more of this wealth is held in the form of other assets such as super and financial assets. Single female parent households are the worst off amongst the group, averaging only around \$191,000 in total net worth, and a large portion of this is in the form of other wealth. Superannuation for single female parents is only a third of those in couple only households, a consequence of lower labour force attachment.

Table 2 - Average net worth per person by household type and asset class, 2006

HOUSEHOLD TYPE	AVERAGE NET WORTH PER PERSON				
	HOME EQUITY	SUPERANNUATION	OTHER FINANCIAL ASSETS	OTHER WEALTH	TOTAL NET WORTH
	\$	\$	\$	\$	\$
Couple only*	144,390	60,400	113,220	109,630	367,230
Couple with children*	145,780	55,290	103,680	98,570	348,030
Single male parent	140,170	51,150	91,510	66,480	298,160
Single female parent	92,930	19,060	38,460	59,910	191,300
Lone male	133,730	44,940	109,980	130,360	374,070
Lone female	204,600	35,810	90,920	91,620	387,140
All	147,720	53,060	103,840	102,740	354,290

*As wealth is collected at a household level, assets for couple households have been equally divided between male and female partners.

Note: Mixed households and group households are excluded from this analysis. "Other financial assets" comprises the value of accounts held with financial institutions, the value of other property, trusts, shares, debentures and bonds, and own incorporated business (net). "Other wealth" comprises contents of the family home, vehicles and other assets not included earlier. Numbers have been rounded to the nearest \$10.

Source: NATSEM calculations from the ABS 2005-2006 Survey of Income and Housing unit record data.

The retirement gap

In retirement, the gap in incomes does not dissipate for men and women, with differences in average weekly disposable personal income ranging from 18 to 40 per cent depending on each age group (see table 3). The biggest gap in personal incomes can be seen in the 55 to 64 year age group, with men receiving on average \$507 per week and women only around

\$300 per week. This gap is likely to be more prominent for this age group as these men are among the first recipients of the superannuation guarantee, which was introduced in 1992. This is reinforced in Table 4, showing that 15 per cent of retired men rely on superannuation amounts as their principal source of income, compared with only around seven per cent of women.

Retired men aged between 55 and 64 years have around 1.7 times the disposable weekly income of retired women in this age group.

Table 3 - Average weekly disposable income of retirees aged 55+ by gender, 2006

AGE GROUP	AVERAGE WEEKLY DISPOSABLE INCOME		GAP
	MEN	WOMEN	
	\$	\$	Ratio
55-64	507	306	0.60
65-74	423	321	0.76
75-84	366	301	0.82
85+	434	328	0.76
All	430	312	0.73

Note: Population is all persons aged 55+ that have retired.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Table 4 also shows that similar proportions of retired men and women rely upon government pensions and allowances as their principal source of income upon retirement, however over

double the proportion of women have either nil or negative personal income when retired, suggesting that these women may be relying on their partner's income.

Table 4 - Principal source of income of retirees by gender, 2007

PRINCIPAL SOURCE OF PERSONAL INCOME	MEN		WOMEN		PERSONS	
	'000	%	'000	%	'000	%
Own unincorporated business income	6.8	0.5	12.2	0.7	19.0	0.6
Government pensions and allowances	879.3	65.2	1,202.9	66.9	2,082.2	66.2
Superannuation/annuity/allocated pension	202.2	15.0	129.0	7.2	331.2	10.5
Other income	156.4	11.6	218.3	12.1	374.7	11.9
Nil or negative income	55.9	4.1	176.9	9.8	232.8	7.4
Not determined	48.1	3.6	58.5	3.3	106.6	3.4

Note: Population is those persons aged 45 years and over that have retired from the labour force. Other income includes income from dividends, rental property, worker's compensation, child support and maintenance and any other regular source.

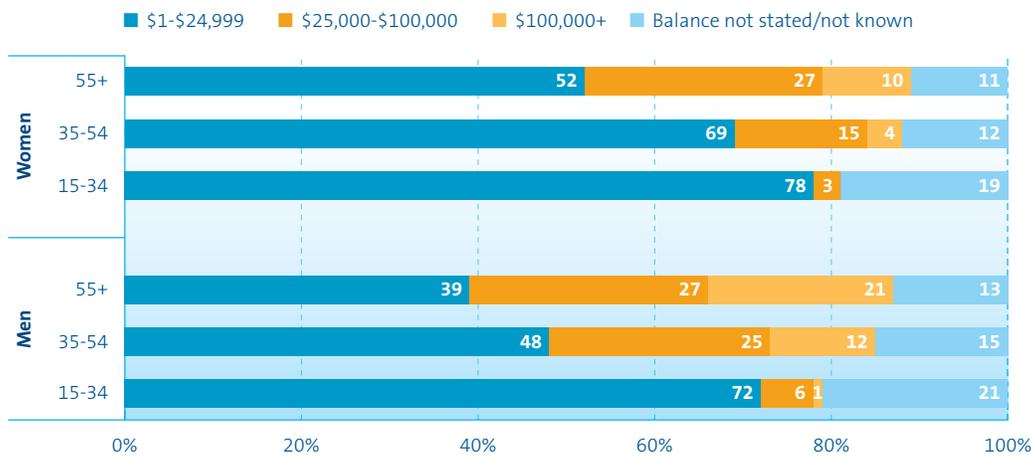
Source: ABS Survey of Employment Arrangements, Retirement and Superannuation Data Cube, Cat No. 6361.0.55.002.

So, will the discrepancies in retirement incomes be rectified by the time Gen X or even Gen Y retires? Figure 22 and Figure 23 show a vast improvement in all superannuation balances over the seven years from 2000 to 2007, with the proportion of women aged 55 years and over having super balances of over \$100,000 increasing from 10 to 31 per cent. Men in this age group had a similar increase, from around a fifth with balances of \$100,000+ to more than double (44 per cent) in 2007. However, overall, men in each age group and for each time period had a higher proportion with large super balances than women. For the age group closely associated with Gen Y (those aged 15 to 34), men have gained more ground over the

seven years, with 18 per cent of Gen Y men with super balances of between \$25,000 and \$100,000; compared with only 14 per cent of Gen Y women in 2007. This may be because there are a greater proportion of women in this age group studying, so not earning any or as much superannuation. Women in the 35 to 54 year old age group made impressive ground by achieving a 19 percentage point increase of super balances between \$25,000 and \$100,000, however it wasn't enough to match the 14 percentage point increase for 35 to 54 year old men with super balances above \$100,000. It appears that, even though women's super balances are on the rise, they are still not coming close to that of men.

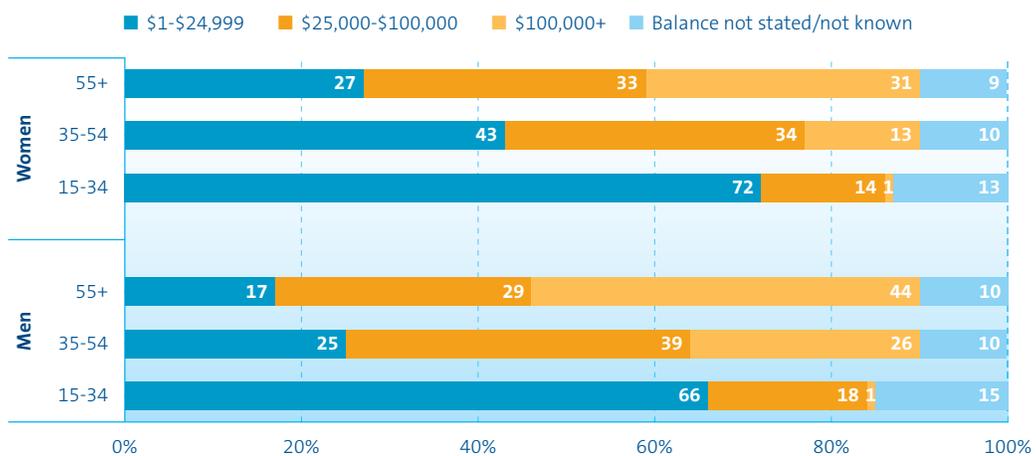
Even though women's super balances are on the rise, they are still not coming close to that of men.

Figure 22 - Total superannuation balances by age group and gender, 2000



Notes: Population is all persons with superannuation in the accumulation phase. See Technical Notes for a definition of accumulation phase.
Source: ABS Survey of Employment Arrangements, Retirement and Superannuation Data Cube, Cat No. 6361.0.55.002.

Figure 23 - Total superannuation balances by age group and gender, 2007



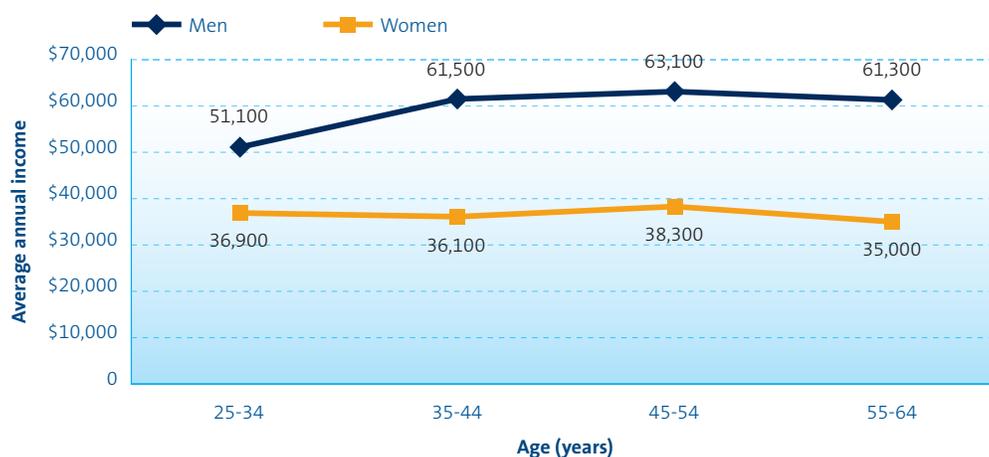
Notes: Population is all persons with superannuation in the accumulation phase. See Technical Notes for a definition of accumulation phase.
Source: ABS Survey of Employment Arrangements, Retirement and Superannuation Data Cube, Cat No. 6361.0.55.002.

5. Gaps in expected lifetime earnings

As we have seen, there are notable gaps between men and women in terms of their employment and earnings. This can mean significant differences between the incomes of men and women over their lifetime, so we now turn to compare prospective incomes of men and women calculated over their 40 year working life (25 to 64 years). This period was chosen

as it is considered to be the period of life when the bulk of individuals finish schooling and begin to work. The lifetime income estimates are synthetic estimates based on the current schedule of age-specific average annual gross income from wages and salaries (see Technical Notes at the end of the report for more detail).

Figure 24 - Average annual income of working men and women aged 25 to 64 years, 2006



Source: NATSEM calculations from HILDA, Wave 6 unit record data.

Average annual income

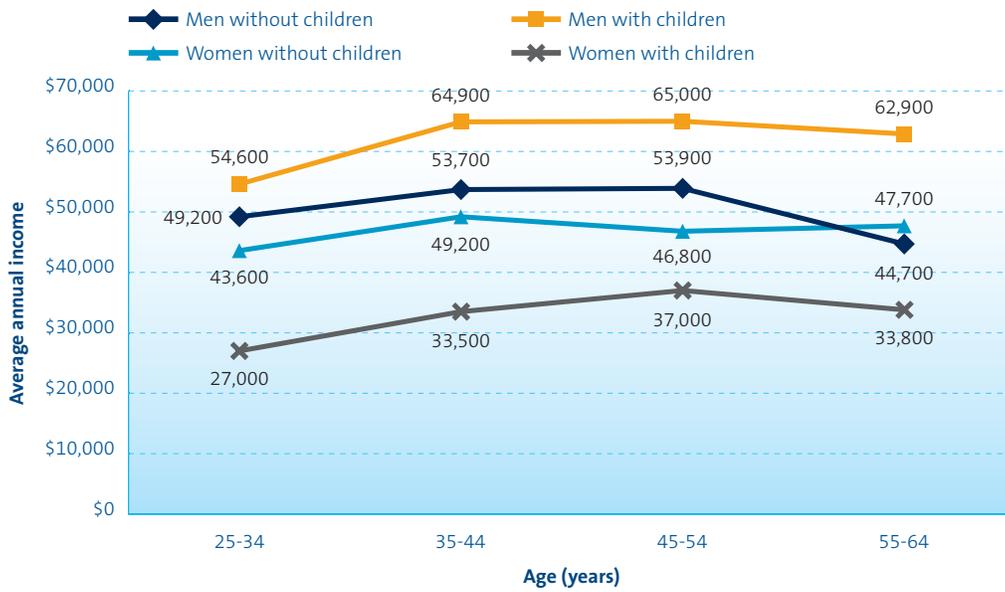
We begin with a snapshot of average annual gross income from wages and salaries. Figure 24 shows that men earn more than women do across all age groups. In the age group of 25 to 34 years, an average woman earns \$37,000 annually, or about 72 per cent of an average man's in the same age group (\$51,000). The income gaps are wider at the older age spectrum, with women's income staying at only around 60 per cent of men's.

The presence of children is highly influential in determining men's and women's annual earnings, as shown in Figure 25. Of the four categories considered, men with children have the highest gross annual income across all ages.

In contrast, women with children have the lowest average annual income. Men aged 25 to 34 years who have children earn nearly \$55,000 on average, more than twice the annual income of their female peers, and this gap remains throughout the working life.

Among those without children, men tend to earn more than women in the early phase of their working life, but then women tend to outperform men at the later stage of their working life, but only slightly. Income gaps for men and women without children are not as large as those with children. As the presence of children has important implications for gender gaps in income, we take account of this fact in the calculation of lifetime earnings.

Figure 25 - Average annual income of working men and women with and without children, 2006



Source: NATSEM calculations from HILDA, Wave 6 unit record data.



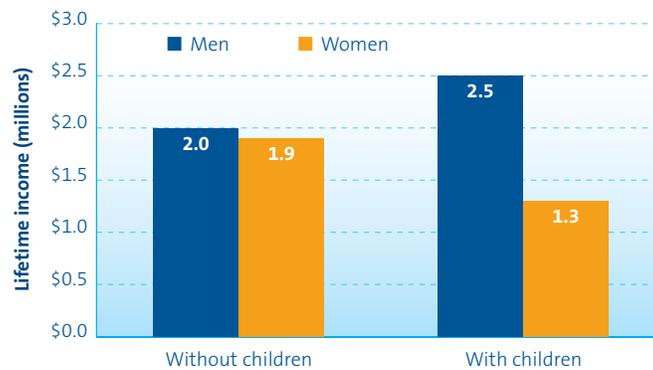
Lifetime earnings

Building on the age-specific pattern of income shown above, we present lifetime earnings of men and women broken down by selected major characteristics. Overall, if the current patterns of age specific earnings prevail into the future, a 25-year-old man would earn a total of \$2.4 million over the next 40 years, whereas the prospective earnings of a 25-year-old woman is only around \$1.5 million (results not shown). Figure 26 compares the lifetime earnings of a 25-year-old man and woman over the 40 years of their working life.

It shows that if they have children, the lifetime earnings over the working life for a man would be double that for a woman (\$2.5 million compared to \$1.3 million). But, if they spent their remaining lives childless, men and women would earn nearly the same amount over their working life.

Among men, those with children would earn nearly half a million, or about 23 per cent, more than men without children over their working life. In contrast, women without children would earn over half a million more (43 per cent), than those with children over their working life.

Figure 26 - Lifetime earnings over the working life of men and women age 25 years by presence of children, 2006



Notes: Earnings are in 2006 dollars. For a detailed explanation of the calculation of lifetime earnings see Technical Notes.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

While it is true that the higher the educational achievement, the better the prospect of lifetime earnings, this is compromised by gender and children. In general, the gender gap in prospective lifetime earnings is pervasive across all educational groups, and more pronounced among individuals with children (Figure 27). At the top of the earnings ladder are men with a bachelor degree or higher education who have children, whereas at the bottom are women with an educational attainment of Year 12 or lower and have children.

The gender gaps are again much wider across educational classes where there are children. For example, at age 25, men with a bachelor degree or higher education who have children would earn more than \$3 million over their working life, nearly double the amount expected by women in the same category. If they do not have children but have a bachelor or higher degree, men would earn only 20 per cent more than women (\$2.8 million vs. \$2.3 million).

Figure 27 - Lifetime earnings over the working life of men and women at age 25 years by presence of children and educational attainment, 2006



Notes: Earnings are in 2006 dollars. For a detailed explanation of the calculation of lifetime earnings see Technical Notes.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

The previous finding that lifetime earning is higher for men than women in general is not the case for single, childless individuals, with both men and women in this category potentially earning nearly the same amount (\$1.9 million) over

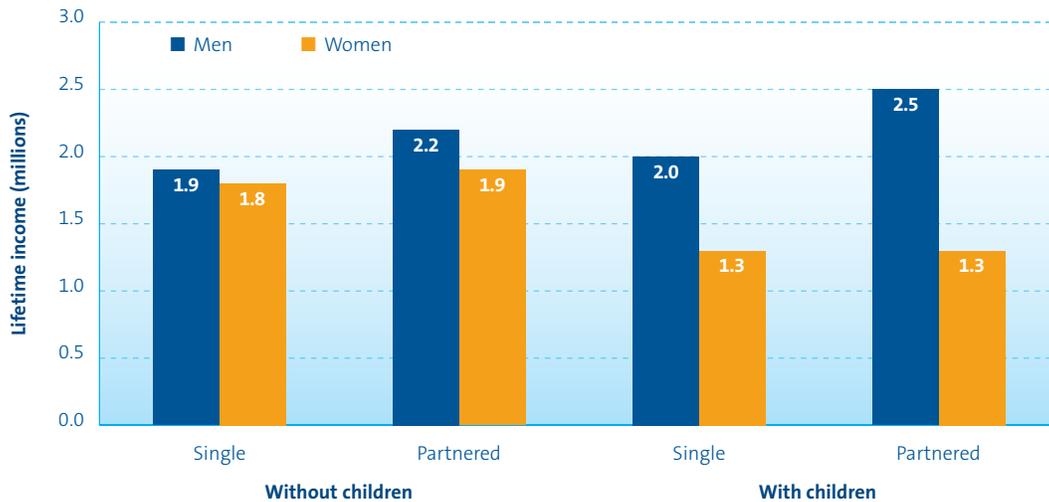
their working life as shown in Figure 29. And for partnered men and women without children, the gap is not as large as those with children - \$2.2 million compared with \$1.9 million.

Partnered men with children can expect to earn around \$2.5 million over their lifetime, whereas partnered and unpartnered women with children will only earn around \$1.3 million.

But, as expected, the gender gap in lifetime earnings is wider between men and women with children. In particular, the gap is very wide among couples with children; with potential earnings of partnered men with children being almost double that of the earnings of women with children. Among singles, earnings of men would be about one and a half times the earnings of women.

It may appear that educated men with children are the big winners when it comes to lifetime earnings, however these men also have to share their earnings between a family, and with estimated costs of raising children at over \$500,000¹ their standard of living is potentially lower than single childless men and women. Regardless of women's level of education, relationship and child status, they will still earn less than men over their lifetime, and in some circumstances this disparity is huge.

Figure 28 - Lifetime earnings over the working life of men and women at age 25 years by presence of children and partnership, 2006



Notes: Earnings are in 2006 dollars. For a detailed explanation of the calculation of lifetime earnings see Technical Notes.

Source: NATSEM calculations from HILDA, Wave 6 unit record data.

1. AMPNATSEM Income and Wealth Report No. 18, (2007), "Honey, I calculated the kids.....it's \$537,000".

Conclusions

The social changes experienced by Australian women over the past decades have been profound. As a result of these changes, women are now engaged more in the paid workforce, are better educated, are becoming mothers later in life and having fewer babies, and yet are still taking on the lion's share of the housework and child rearing.

Women have gained substantial ground in areas of education, employment, income and wealth, however, this report provides strong evidence that there is still much ground to be made up. Large gaps exist between women and men in both paid and unpaid work, and areas of wealth, income and superannuation.

Women report a much greater sense of being rushed and pressured for time than do men, with women in the capital cities experiencing this sense of pressure the most. Working women with children are labouring away for more total hours each week in paid and unpaid work than working men with children, and on the whole, Australian women are more likely to be working two or more jobs than Australian men.

The wage gap results gave us hope that we are seeing an end to the gender wage gap, as Gen Y women are almost on par with Gen Y men yet the risk remains that as these women progress through their careers and life choices they will still experience the same dilemmas and "glass ceilings" currently faced by their Baby Boomer mothers.

Only a handful of Australian women hold esteemed, high ranking positions in top Australian companies, even though similar proportions of men and women hold post-school qualifications and a higher proportion of women have bachelor or postgraduate degrees. Yet, Gen Y women can see some progress to inspire them with women recently reaching some of the most prominent positions within Australian society recently, including Julia Gillard and Quentin Bryce.

On the wealth front, women seem to be comfortable if they are partnered, however, given the increased likelihood of divorce, women should not become accustomed to such standards of living, as research has shown that the "good life" does not continue after separation (see AMP.NATSEM Income and Wealth Report No.10).

In retirement, when it comes to disposable income, large gaps exist between men and women and it is unlikely that these gaps will completely close as the generations of today reach retirement, as shown from their super balances.

These gaps come about as a consequence of existing wage and employment gaps, and are increased with time spent out of the labour force to have and care for children, or gain a qualification. The projected lifetime earnings reflect these conditions that are placed upon women, with partnered and un-partnered women with children earning only around half as much over their lifetime as partnered men with children - \$1.3 and \$2.5 million respectively.

And if women want to have babies, well, at least a fifth of them can expect to face some type of difficulty with working conditions or career opportunities due to their pregnancy. What is more, there are slim pickings for financial support after the birth, and if they need to care for their children while still working, a lot of them will have to do so in unpaid time.

It now seems that the quest for a woman to participate in the paid workforce equally has really become the quest to add this role to all the "work" women have always done before and still end up with less money than men do.

So the answer to the question raised in the introduction of this report - "Have women gained equal standing?" - would be "no, not yet" and are unlikely to while they are faced with the current circumstances when they try to balance career and baby. Australian women have come far but at the price of doing more.

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Technical notes and definitions

ABS data

Much of the data used in this report is sourced from the Australian Bureau of Statistics. We have used data from ABS Data Cubes, publications and Confidentialised Unit Record Data. Please refer to “source” at the bottom of individual tables and figures, in order to determine what data source has been used.

Accumulation phase

A person accumulates superannuation balances over a period of time in order to support their future retirement. Accounts accumulate from a mix of personal and employer contributions, and investment earnings. Accounts are considered to accumulate even if contributions are not currently being made to them, or if there are negative investment returns. For some people, it is possible to accumulate benefits, as well as to draw on superannuation, at the same point in time. Definition is sourced from ABS Employment Arrangements, Retirement and Superannuation, Australia, ABS Cat No. 6361.0.

Australian Standard Classification of Occupations

The Australian Standard Classification of Occupations (ASCO, 2nd edition, 2007), is used by HILDA in order to classify occupations of persons. We have used the broadest occupation group available in this classification - the major (1-digit) ASCO group. Occupations are classified, based on the level of skill. Skill levels are determined by the level of formal education and/or training and previous experience usually required for entry to the occupation. For example, major groups 1 and 2 (managers and administrators and professionals) would normally have a level of skill commensurate with a bachelor degree or higher qualification or at least five years relevant experience in addition to the formal qualification. Definition is sourced from ABS Australian Standard Classification of Occupations, second edition, ABS Cat No. 1220.0.

HILDA data

This paper uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and is managed by the Melbourne Institute of Applied Economic and Social

Research (MIAESR). The findings and views reported in this paper, however, are those of the author and should not be attributed to either FaHCSIA or the MIAESR.

Adjusted wage gap

We have adopted the standard methodology used to examine the gender wage gap based on the earnings regressions developed by Mincer (1974). Using semi-logarithmic wage equations, we estimate the earnings equation for each gender in 2006 as:

$$Y_i = \alpha + X_i\beta + \epsilon_i$$

where Y_i is the natural log of the wage for individual i , α is an intercept term, X_i is a vector of regressors capturing the individual characteristics expected to impact on wages, and ϵ_i is a residual term. Explanatory variables used to estimate earnings include age, marital status, number of children ever had, highest educational attainment, tenure in current occupation, tenure with current employer, years in paid work, type of work schedule, industry and occupation of employment, number of employees at place of employment, whether a member of a union, sector of employment, employment contract type, and area of residence (capital city or balance of state).

Persons who provided care

Care is provided by any person in Australia aged 15 years or over who:

- had their own child(ren) aged under 15 years living with them, or who:
- looked after their own child(ren) aged under 15 years who do not usually live with them,
- looked after a child other than their own child aged under 15 years of age,
- helped or supported a frail aged person in day-to-day activities,
- helped or supported any person aged 15 years or over with a short or long term sickness, injury or condition with day-to-day activities where this care was not done as part of paid or voluntary work.

It is possible for a carer to provide care to more than one person. It is also possible for more than one person in a household to provide care to the same person. Definition is sourced from ABS Employment Arrangements, Retirement and Superannuation, Australia, ABS Cat No. 6361.0.

Net worth

Net worth is defined as the difference between assets and liabilities. It is defined on a household basis (including children's assets) and includes the value of accounts held with financial institutions, owner-occupied dwelling, other property, trusts, shares, superannuation, debentures and bonds, own incorporated business (net), contents of dwelling, vehicles and other assets less liabilities such as the principal outstanding on loans and amounts owing on credit cards.

The Generations

GENERATION	BORN	AGE IN 2009
Generation Z	1992-2009	0-17
Generation Y	1976-1991	18-33
Generation X	1961-1975	34-48
Baby Boomers	1946-1960	49-63
Builders	1906-1945	64+

Calculation of lifetime earnings over the working life (25 to 64 years)

Lifetime earnings in this report are synthetic estimates derived by summing up the age-specific average annual earning from wages and salaries for people aged 25 to 64 years. The resulting total suggests what individuals could expect to earn, on average, in 2006 dollars, during a 40-year working life. We assumed that the period of life between 25 and 64 years best represents the working life, although some people start working before 25 years, or stop working after or before 65 years. The data is derived from the Household, Income and Labour Dynamics in Australia (HILDA) Survey Wave 6 (2006). In view of possible small sample sizes, annual income was calculated for 10-year age groups. Only those men and women who reported non-zero income from wages and salaries are included in the analysis. They represented 73 per cent of the population aged 25 to 64 years.

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