

Equal pay day will deliver equal super future

BY SALLY LOANE

The fastest growing group of homeless Australians are women over 55.

Recently, on Jenny Brockie's excellent *Insight on SBS* program we met several of them. Middle class, articulate, smartly dressed and calm, they could have been anyone's mothers or aunts or sisters.

Except these women were homeless. They slept in their cars or on friends' couches or in transitional accommodation. Most were too proud to impose on their children.

With tears running down her face, Kath spoke with clarity and courage about living in her car, of often sitting by the ocean chatting to people and patting their dogs, pretending she was just like them, there for a visit. To be a homeless older woman in our wealthy country is deeply shameful.

The women had virtually no superannuation savings. Doris, a self-confessed "workaholic" who ran her own small business for decades, retired with only \$15,000 in super and worried she hasn't set a good example for her grandchildren – "all that hard work and nothing to show for it."

Di, whose divorce settlement left her with \$8000, travels constantly in her old campervan, one of many single older women she says are literally living "on the road" as permanent grey nomads.

Social media lit up, from black humour – "better make sure I hang onto my car" – to determinations to save more and plan financial futures.

The over-riding theme was a pledge to put more into superannuation.

"This has left me reeling" said one young woman in the *Insight* audience. "It's now at the forefront of my mind, not just a niggle at the back." Another Tweeted: "I'm going to find all my random super accounts tomorrow and roll them over." And another: "Every young woman should watch this episode – makes you focus, think and plan."

Today, on average, women retire with almost half the superannuation of men.

The gender wage gap, currently 15.3 per cent, is directly responsible for the descent into poverty for too many older women.

The gender pay gap begins when young women get their first paid jobs in their 20s or earlier. It starts as a crack and widens to a chasm across the next 40 years.

It's material. ANZ Wealth found that women earn four percent less than men in their first graduate job, and during their working life that gap increases to almost 20 per cent by the time they retire – this can be as much as \$700,000 less than men over the course of a career.

Not only do women get paid less than men for equal work, they spend more time in the casual and part-time workforce, in lower paid jobs, and they have broken work patterns because they take time off to have children, and often later, to care for elderly parents.

Increasing divorce rates for older couples is leaving women even worse off, financially stranded after dividing assets like the house, car and super in half.

The gender pay gap is inching down, still too slowly. The superannuation gap which is affected by compound interest, needs some serious attention and there are many fixes we can apply now:

- Equal pay. Can anyone really mount a case for women to be paid less than men for equal work?
- Pay superannuation guarantee contributions on the existing Commonwealth Paid Parental Leave scheme.
- Remove barriers in the Sex Discrimination Act to allow employers to legally pay women a higher superannuation guarantee rate to help narrow the gap.
- Superannuation policy must change to help increase engagement with super, particularly from younger women. The protected, industrialised default system we have now condones apathy.
- Increase the superannuation guarantee to 12 per cent of pay.
- Encourage women to seek financial advice – it's a fact that women who get financial advice are more likely to own their home, mortgage free.

At the most basic level, we should all have a conversation with the young women and girls in our life about their superannuation from the first time they get paid for work.

Financial independence should be a key goal for girls and women. We need to constantly remind the women in our lives that a man is not a financial plan.

If we fail, sadly, more women will end up living in their cars.

As Mary-Ann Harris tweeted after the *Insight* program: “these women are real. It could happen to any one of us.”

*This article was first published in **The Age** on 4 September 2017.*