

# International Women's Day 2022: Work, Wealth and Financial Equality



**A Finder report**  
March 2022

## Introduction

International Women's Day is a time to celebrate and reflect on the status of women. It's a time to look at the steady but slow progress that has been made towards equality and an opportunity to highlight the issues women face that still need addressing. In the past 12 months we have seen many brave Australian women speak up and call for change and reform. With the extra pressure the pandemic has had on women's finances, this year has also been a sobering reminder of the road ahead.

All too often, International Women's Day can be a reminder of what women are lacking – women earn less, own fewer properties and retire with lower superannuation balances. While these are critical points, and ones that need reinforcing to achieve progress in financial parity, we choose to focus on the positives, too.

Women are better at saving and paying off debt. They perform better as investors. They know more about money than they often give themselves credit for. Understanding these nuances can give us more insight into how we approach gender equality. We find the underlying issue is not that women are not as talented or as interested in money as men, but that they lack access and suffer from structural inequality which can affect their confidence with their finances – something that is deeply rooted in traditional gender roles and the expectations that come with those roles.

In this report, we focus on three major elements of the gender gap: household finances, wealth and work. We delve into the impacts of COVID-19 and speak to Finder's female experts who share their thoughts and advice on how to overcome gender inequality in money. Using Finder's Consumer Sentiment Tracker, an ongoing survey of more than 34,000 Australians, we build on our insights from previous years and make historical comparisons on the wealth gap.



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## Snapshot: Gender-based personal finance differences in Australia

	Average man	Average woman	Gender gap in 2022 <sup>†</sup>	Gender gap in 2021 <sup>§</sup>	Year-on-year change in the gender gap
Salary*	\$84,521	\$60,679	39%	45%	-6 pp
Amount in savings	\$38,932	\$21,233	83%	71%	+12 pp
Monthly savings	\$948	\$622	52%	47%	+5 pp
Value of shares owned	\$22,449	\$10,434	110%	N/A	N/A
Own cryptocurrency	29%	13%	16 pp	N/A	N/A
Credit card debt <sup>†</sup>	\$1,741	\$1,499	16%	N/A	N/A
Could manage their finances without a credit card <sup>†</sup>	80%	74%	6 pp	4 pp	+2 pp
Time needed to pay off credit card debt <sup>†</sup>	6.0 months	6.7 months	0.7 months	0.4 months	+0.3 months
Buy-now-pay-later debt	\$473	\$347	33%	N/A	N/A
Have used pay on demand services	12%	4%	8 pp	N/A	N/A
Have paid late fees in the past 12 months	31%	28%	3 pp	2 pp	-1 pp
Have been rejected for financial products	28%	18%	10 pp	8 pp	+2 pp
Report being happy	79%	76%	3 pp	2 pp	+1 pp

\* Based on ABS earning data for all full-time and part-time employees. The difference in the average salary between men and women is not the same as the gender pay gap (14%), which compares full-time employees only. The comparison period is May 2018 and May 2021.

<sup>†</sup> Data on credit card use and debt is taken from a sample of credit card users and is not representative of the entire population. While the data suggests female credit card holders may be more reliant on their cards and take longer to pay them off, they are also less likely to own a credit card in the first place (50%) compared to men (66%).

<sup>‡</sup> pp refers to percentage points.

<sup>§</sup> Compares the periods of March 2021 - February 2022 and March 2020 - February 2021, with the exception of salary, which compares May 2018 to May 2021 due to a lack of more recent data. A negative change indicates the gap between men and women has decreased. A positive change indicates the gap has increased.

## Household finances

Women may have less money in savings than men, but they are typically better at paying off debt and avoiding late fees on their bills.

### Women are better at saving and managing debt

One of the most recurring trends in our research is that women are less likely than men to rely on credit. Nearly half (45%) of men say they rely on credit to pay for essentials – even if infrequently – compared to 31% of women, according to a Finder survey.<sup>1</sup>

On average, male credit card holders are carrying \$1,741 in debt accruing interest, which is 16% more than women.<sup>2</sup> Men (12%) are also more likely than women (4%) to have used pay on demand services such as Beforepay.<sup>3</sup> Despite having higher average incomes, men take on more debt. One possible explanation for this is that women take less financial risk and have a stronger preference for saving.

### Average credit card debt

**\$1,741** Men

**\$1,499** Women

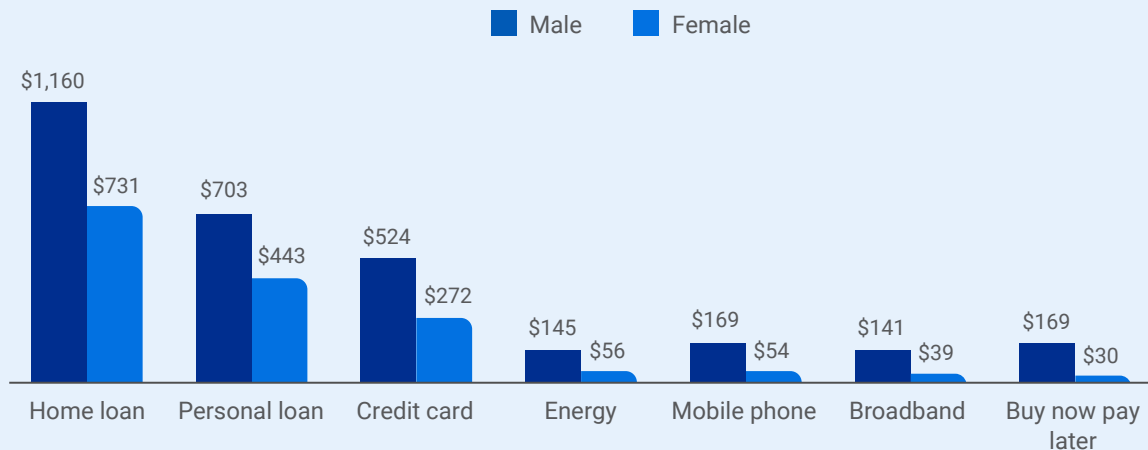


Research proves this to be true. Analysis of customer data from Voya Financial, an American financial firm, found women are saving more than men in relative terms. Despite earning less money, women in the study had the same savings rate as men up to a US\$90,000 salary. Beyond US\$90,000, they had a higher savings rate.<sup>4</sup> Finder's Consumer Sentiment Tracker shows the trend also exists in Australia; our survey of more than 12,000 respondents over the past 12 months found the average woman had a savings rate of 38%, compared to 20% for men.<sup>5</sup>

Men have been shown to have a higher tolerance for debt. In Australia, male-led households have more debt than female-led households on average, with non-housing personal and business debt comprising a higher percentage of their overall debt than for women.<sup>6</sup>

An American University study found women were more likely to say taking on debt is acceptable during periods of hardship, such as when they are between jobs. Men were more likely to say debt is acceptable to buy luxury items.<sup>7</sup> When it comes to meeting bill deadlines, the story follows a similar pattern. Men (31%) are only slightly more likely than women (28%) to have faced a late payment fee, but among those who have, they pay considerably higher late fees than women. The average credit card late fee among men is \$524, compared to \$272 for women. When it comes to buy now pay later, the difference is even starker, with men paying \$169 and women paying \$30.<sup>8</sup>

## Average late payment fees incurred by gender



Average among those who have incurred late payment fees.  
Source: Finder Consumer Sentiment Tracker, March 2021 - February 2022

These comparisons are not to say men are naturally more irresponsible with money, because debt is not always inherently bad. However, the research highlights the key differences in how men and women approach saving and spending. The other side to this story is how these behavioural differences and risk tolerance levels impact men's and women's approach to investing, which we explore later in this report.

### Women are often in control of household finances

In male-female couple households, men have traditionally been assumed to be in control of money matters. However, there is research to show this is not necessarily true. A US study found both men and women agreed the female partner is more likely to take care of household bills and make short-term spending and saving plans.<sup>9</sup> In Australia, a Sunsuper survey found both genders agree women are better at managing household finances.<sup>10</sup> Because women typically have a lower propensity to take on debt and make less impulsive financial decisions, this puts them in a good place to take care of family finances.

### But they have less money in savings

Despite diligent financial habits, women are still at a disadvantage and this has increased in the past year. With \$38,932, the average man has 83% more money in savings than the average woman – a difference that has increased from 71% just 12 months ago. Similarly, men save 52% more per month than women, up from 47% one year ago.<sup>11</sup> It is also important to note the differences in wealth distribution. Women are considerably more likely to have no savings at all (23%) than men (13%).<sup>12</sup> COVID-19 has had a disproportionate impact on women, who were more likely to lose their jobs and take time off to care for others, which has significantly impacted their ability to save.

However, despite the impact of COVID-19, the long-term gap is still narrowing. Between 2007 and 2019, the average net wealth of Australian women grew from 80% of the male average to 89%.<sup>13</sup> When property, shares and savings are all taken into account, the wealth of Australian women is growing at a faster rate than for men, which is a promising step towards financial parity.

## Small steps to build savings

- **Don't set and forget.** Women report having a lower savings interest rate (1.0%) than men (1.3%) according to a Finder survey, and unfortunately that difference can have a huge impact on long-term wealth accumulation.<sup>14</sup> Check your savings rate every few months to make sure you're getting a good deal. While interest rates are relatively low right now, they will increase at some stage – and that's when you need to score a high rate.
- **Set up an emergency fund.** Life is full of expensive surprises – unexpected hospital bills, losing your job or crashing your car can cost thousands of dollars. Instead of digging into living expenses or going into debt, having an emergency savings fund can protect you when the unexpected happens. Aim to have three to six months' worth of expenses saved up, and don't touch this money until you really need it.
- **Build a budget.** Finder research found women have a higher saving rate than men, which is impressive given their lower average incomes. However, if you don't have a budget, you're probably not saving as much as you could. Start by monitoring your income and expenses and figure out where you could be saving money, whether that's switching to a cheaper energy plan or cutting down on restaurant meals. A general rule of thumb is to save 20% of your income each month, but what matters more is you do the best you can and keep yourself accountable. Consistency is key when it comes to savings.

Men  
have  
**83%**

more money in savings  
than women

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Men  
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**52%**

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per month

## Wealth

Women have lower superannuation balances, lower rates of home ownership and lower rates of investing than men. Structural inequality, lower incomes, higher rates of part-time work due to caring and parenting duties, and the investing confidence mean women are a long way behind men from early on in terms of building wealth.

## Superannuation

### Women retire with lower superannuation balances

Superannuation is one of the most important contributors to financial independence and security. Compared to men, women are less likely to have super, and those that do have lower balances overall. On average, men retire with 26% more super than women.<sup>15</sup> To make up for this discrepancy, the average woman would have to supplement an extra \$236 per month into her super, or alternatively, work an extra 11 years – options that are not necessarily available to low-income earners.<sup>16</sup>

Men tend to benefit more from superannuation because superannuation is structured to suit those who earn an income. Women typically earn less than men, and fall further behind if they take time off work to have children or to care for others. If they return to part-time jobs, their super balances suffer. But aside from the financial difference in super balances, there is also a gender gap when it comes to understanding superannuation. Women (80%) are less likely than men (87%) to be aware you can make additional super contributions, and they are half as likely (13%) as men (27%) to do so regularly.<sup>17</sup>



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Women (23%) are also more likely than men (11%) to say they don't know the risk profile of their super fund.<sup>18</sup> Not knowing the risk profile of one's fund likely makes them worse off because they are missing crucial information about how their money will grow; young women in conservative funds could be missing out on greater long-term returns, while women nearing retirement could find themselves in high-risk funds that threaten their financial security.

### Motherhood puts women at a disadvantage

Alongside the gender pay gap, one of the biggest factors contributing to lower superannuation balances for women is choosing to become a parent. Primary carers are entitled to 18 weeks of government paid parental leave and up to 12 months of unpaid parental leave, but employers are not required to pay super during this period. Many women take up to a year or more off work, which can have an exponential impact on long-term super balances.

Finder analysis found taking just one year of parental leave from full-time work will cost the average female \$16,800 in lost super. If the mother also chooses to work a four-day week for the first two years of the child's life, that figure increases to \$39,500 in lost super.<sup>19</sup> Women are more likely than men to reduce their working hours to take care of children for a range of reasons, from personal choice to the unaffordability of child care, and as a result they constitute 67% of part-time workers in Australia.<sup>20</sup> Considering the average career break for women is six years, and many women have more than one child, a woman's lost super could be even greater than our estimates.<sup>21</sup>



## The impact of childcare and part-time work on women's superannuation balances at retirement



Superannuation balance at retirement for various childcare and part-time work scenarios.

Source: Finder • Source: Finder, ABS, MoneySmart

### COVID-19 disproportionately affected women's wealth

Increased unemployment rates and reduced working hours among women during the pandemic will have long-term effects on retirement outcomes. Women who lost their jobs or left work to take on caring responsibilities have missed out on superannuation contributions. Those who have drawn down on their super early may see even larger effects. While men were more likely to withdraw money from their super during the pandemic, women withdrew more as a percentage of their balances. As of June 2020, women aged 25 to 34 who had used the scheme had withdrawn 35% of their balance on average, compared to 29% for men.<sup>22</sup>

Women's poverty in retirement was already a major issue before the pandemic, but COVID-19 has raised more concerns. Women are often left with less money in their old age, because statistically they live longer than their partners and may run through their superannuation before the end of their lives.<sup>23</sup> While the average man can survive off his super for 23 years, women can only last 12 years – and this can have devastating effects.<sup>24</sup> Sadly, more than one-third (34%) of single women over 60 are living in income poverty, according to Monash University.<sup>25</sup>

**1 in 3** single women over 60 are living in income poverty

### Small steps to financial security in retirement

- **Make monthly contributions.** One in six Australians (17%) are not aware you can make extra super contributions, and only 20% do so regularly.<sup>26</sup> You can supplement your super with up to 25% of your annual income to help save for retirement, and it reduces the income tax you pay.
- **Top up your partner's super.** Only 8% of men have contributed to their partner's super, and 10% didn't know this was an option.<sup>27</sup> This is a great way to reduce the gender super gap and help out your partner if they take maternity leave. If your partner doesn't work or is on a low income you can receive a tax offset for your contributions – making you both better off.
- **Consolidate your funds.** More than one-quarter (26%) of Australians with superannuation have more than one account.<sup>28</sup> This can make it difficult to grow your balance, because multiple smaller balances do not compound as well as one consolidated balance, and paying several sets of account fees will eat into your returns. Choose one high performing super fund and transfer all of your assets over.

# Home ownership

## Women are less likely to own a home

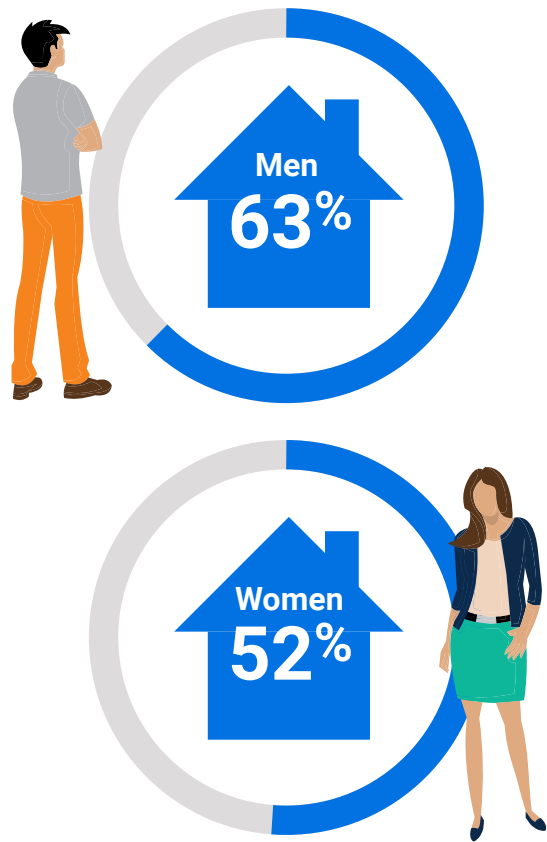
Wealth inequality is growing in Australia, and property ownership is a major enabling mechanism. According to the Australian Council of Social Service (ACOSS), the top 20% of households have 90 times the wealth of the bottom 20%.<sup>29</sup> Property comprises more than half (51%) of household wealth, making it a crucial ingredient in overall wealth.<sup>30</sup> As property prices rise relative to incomes, home ownership becomes a growing barrier for those who cannot afford a deposit.

Wealth inequality in property has significant consequences for gender equality. Because women have lower incomes and bank balances on average, they are less likely to be able to afford a home. Over time, the inability to enter the market and build equity can have a significant impact on savings and retirement. Just over half of women (52%) own a home, compared to 63% of men, and in July 2021, 19% of men said they were planning to buy a house in the next six months, compared to just 9% of women.<sup>31, 32</sup> Meanwhile women (43%) are more likely than men (32%) to rent.<sup>33</sup> Over a 30-year period, the average renter would experience a net loss of over \$720,000. On the flip side, the average homeowner can expect to be around \$390,000 better off overall after paying off their mortgage.<sup>34</sup>

## Women may receive less financial help from their parents

Despite women being at a financial disadvantage, there is evidence to suggest that young men may receive more financial help from their parents than young women. A Merrill Lynch study in the US found 62% of men aged 30–34 receive some form of financial support from parents, compared to 49% of women. Among all young adults aged up to 34, men (33%) are twice as likely as women (15%) to receive parental support to pay rent.<sup>35</sup> This is in line with local research from the Australian Institute of Family Studies which shows young men are more likely to continue living with their parents than women. Among 20- to 24-year-olds, 47% of men live with their parents, compared to 39% of women. This gender discrepancy persists with 25- to 29-year-olds (21% compared to 14%) and 30- to 34-year-olds (9% compared to 5%).<sup>36</sup>

## Home ownership rates



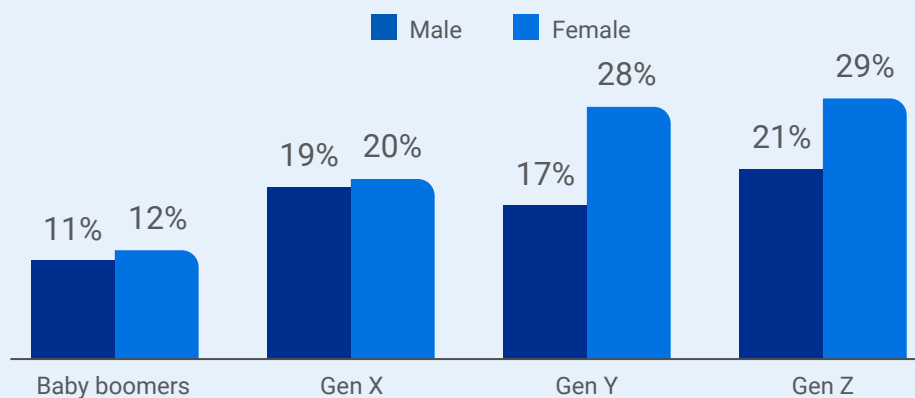
## COVID-19 has increased property affordability concerns for women

House prices have soared through the pandemic, and while homeowners have benefitted from equity gains, property affordability is becoming a major financial hurdle for the next generation of buyers. One in four gen Z Australians (26%) feels extremely negative about their ability to buy a home, compared to 11% of baby boomers. However, what is not commonly discussed is the gender gap hidden behind these numbers. Among gen Z, 29% of women feel extremely negative about their ability to purchase a property, compared with 21% of men. Among millennials the gender contrast is even greater, with 28% of women and 17% of men extremely negative about their prospects.<sup>37</sup>

Percentage of 25 to 29-year-olds living with their parents

21% Men | 14% Women

## Australians who feel 'extremely negative' about their ability to afford a property

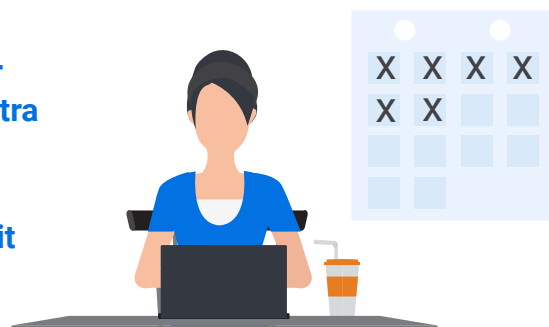


Source: Finder Consumer Sentiment Tracker, March 2021 - February 2022

These concerns are entirely valid. Based on the average property price today, a full-time female worker would need to work an additional 2.3 years to save enough for a 20% deposit.<sup>38</sup> In the housing market, that is a long period of time, and she would likely see prices increase even further during that time. According to CoreLogic's Women in Property report, there are only seven regions in Australia where there are more female-owned homes than male-owned homes.

These regions, including Melbourne's Inner South and Sydney's Eastern Suburbs, have higher than average household incomes and property prices.<sup>39</sup> This suggests gender parity in home ownership increases with women's incomes. In fact, research has found that women actually have a higher propensity than men to buy property at equal incomes.<sup>40</sup> However, in the absence of income equality, women miss out on this opportunity.

A full-time female worker  
would need to work an extra  
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to save for a home deposit



### Small steps to home ownership

- **Take advantage of grants and concessions.** The First Home Owner Grant gives buyers up to between \$10,000 and \$30,000 depending on their state, and the First Home Loan Deposit Scheme lets buyers purchase their first home with a 5% deposit without paying lenders mortgage insurance. There are a number of government support schemes available to first home buyers, so make the most of them.
- **Get on top of your debt.** Having a large amount of credit card or personal debt reduces the chances of being approved for a home loan, and will also make

it more difficult to afford repayments when you do buy. Consolidate your debt – prioritising high-interest debt first – and pay off as much as you can before purchasing a home.

- **Ask for help.** Our research found men receive more parental support in early adulthood than women, which can make it easier for them to save for a home. If you can, living with your parents for a few extra years can save you thousands of dollars in rent and help to fast-track your savings goals. Or, if your parents own their home, asking them to be the guarantor on your loan will let you bypass lenders mortgage insurance.

# Investing & cryptocurrency

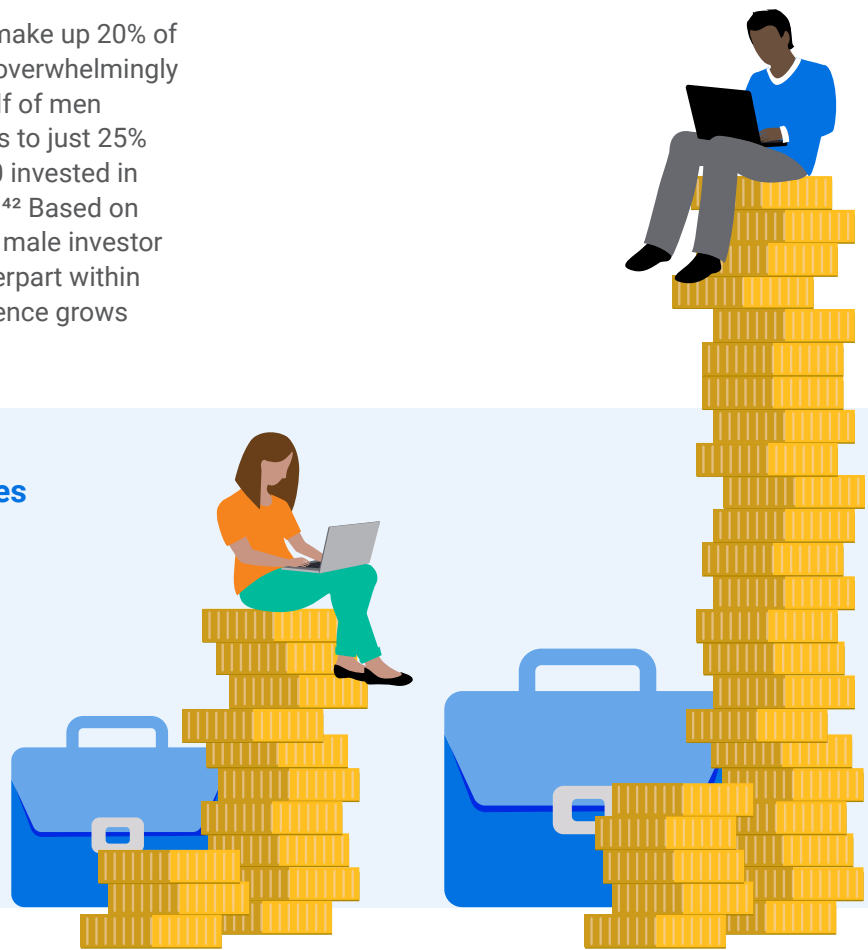
## Women are reluctant to invest

Investments in shares and other assets make up 20% of the average household's wealth, but it is overwhelmingly men who are investing.<sup>41</sup> While nearly half of men (44%) are invested in shares, this declines to just 25% of women. The average man has \$22,500 invested in shares, compared to \$10,700 for women.<sup>42</sup> Based on historical ASX returns, this would leave a male investor \$24,300 better off than his female counterpart within just 10 years.<sup>43</sup> Over a lifetime this difference grows exponentially in favour of men's wealth.

### Average amount invested in shares

**\$22,500** men

**\$10,700** women

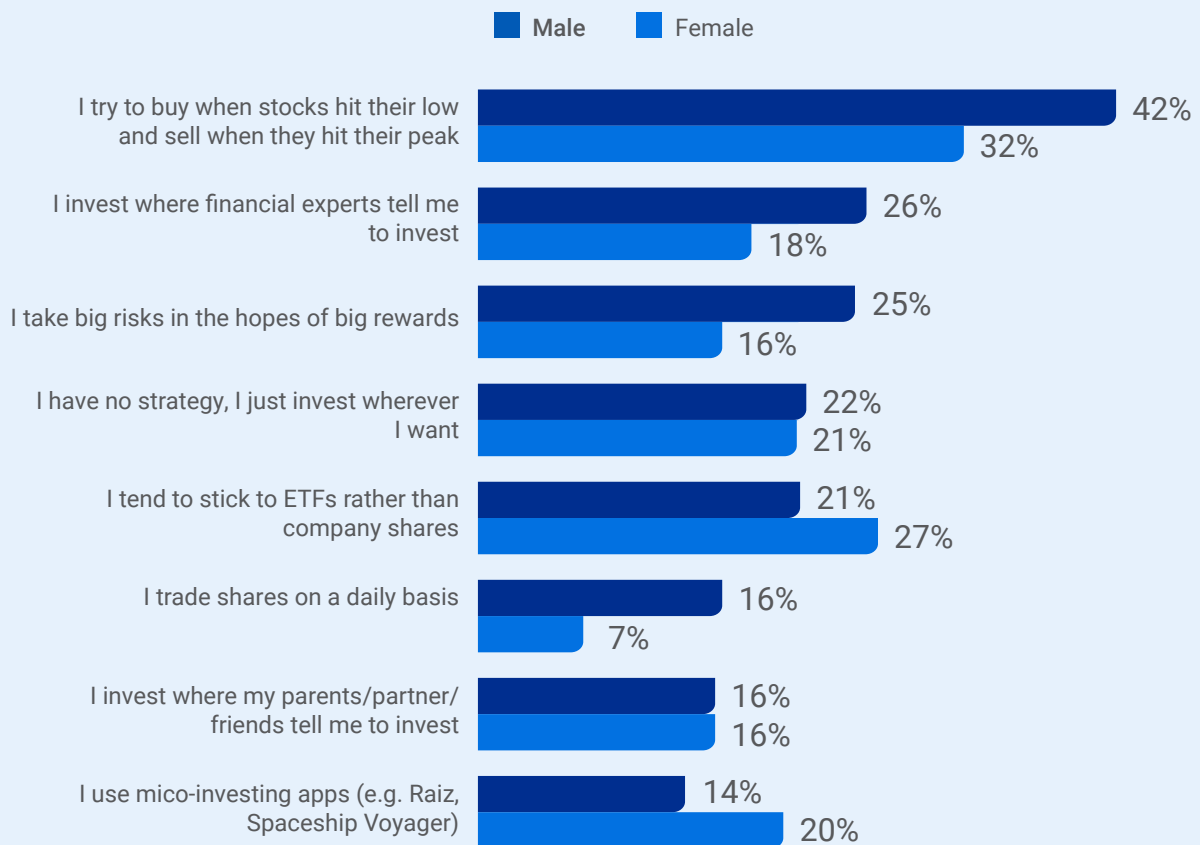


Because women have lower incomes and savings on average, they typically have less money available to invest in the first place. There are signs the investing gap is narrowing; across all investments – including shares, property and cryptocurrency – 41% of women plan to invest in 2022, compared to 57% of men.<sup>44</sup> However, it will take time to reach gender parity – not just in the percentage of people investing, but in the share of assets – and research reveals behavioural differences play a major part in this.

There are very different psychological drivers that determine how men and women invest. Whereas female investors are more likely to stick to long-term investing strategies through exchange-traded funds (ETFs) and

micro-investing apps, men are more likely to attempt a “buy low and sell high” strategy (42% compared to 32%), “take big risks in the hopes of big rewards” (25% compared to 16%) and trade on a daily basis (16% compared to 7%).<sup>45</sup> This illustrates the difference in risk appetite between the genders, which has been consistently demonstrated through research. In fact, the same mechanism that makes women better at saving and managing debt is what makes them more cautious about investing.

## Which of the following best describes your strategy when trading shares?



Only asked to investors. Respondents could select all that apply.  
Source: Finder Consumer Sentiment Tracker, July 2021

### Men could benefit from investing like women

A study from the University of Florida found male investors who believe they are highly capable are more likely to take financial risks than female investors with the same belief about their capability. Men are theorised to be more driven by self-interest, and therefore focused on maximising their gains, whereas women are believed to be more driven by community goals and prefer to minimise losses – a nuanced but crucial distinction.<sup>46</sup> It is important to note these gender differences are not necessarily hard-wired from birth, but may be a product of a lifetime of social conditioning and gender norms. For instance, one study from the University of California, Berkeley even found that simply reading about the concept of masculinity caused men to take greater risks, suggesting social context and environment play some role in how we approach risk.<sup>47</sup>

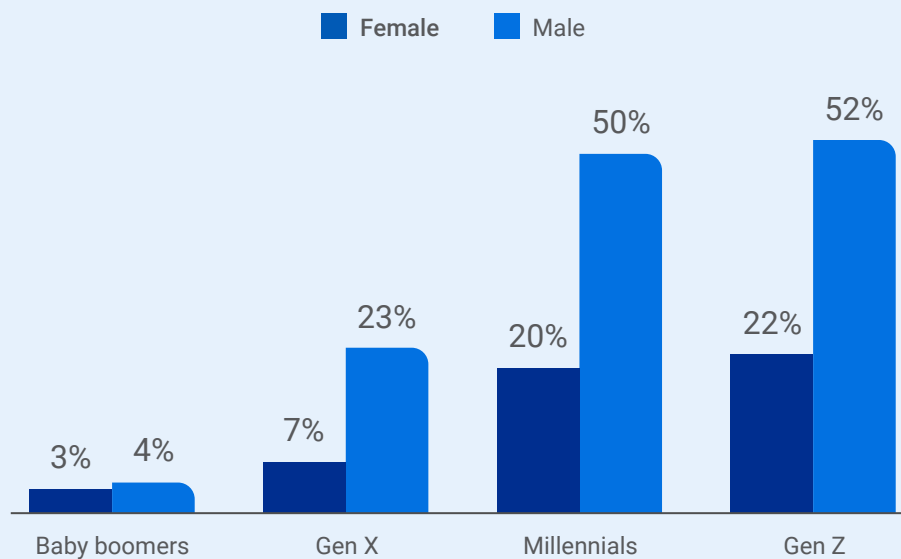
Nevertheless, this difference in trading strategy actually benefits female investors. In fact, several studies have found women earn better returns on their investments than men. A 10-year analysis of Fidelity customers found women earned 0.4 percentage points more per year than men.<sup>48</sup> The difference is attributed to trading patterns: women trade half as frequently as men. By avoiding risky trades, minimising trading fees and being more selective in their investments, women perform better.

**Female**  
investors outperform male  
investors by an average of  
**0.4** percentage points per year

## Cryptocurrency wealth is skewed towards men

When it comes to cryptocurrency, the gap is even greater than with shares. Men (29%) are more than twice as likely as women (13%) to own cryptocurrency, according to a Finder survey of over 6,000 Australians.<sup>49</sup> This difference is even starker with younger generations: half (50%) of millennial men report owning cryptocurrency, compared to 20% of millennial women.

### Cryptocurrency ownership by gender and generation



Source: Finder Consumer Sentiment Tracker, September 2021 - February 2022

While many remain sceptical about the benefits of cryptocurrency, the ownership gap is a problem for several reasons. In the long term, building a new financial ecosystem requires diverse voices to make it equitable for all those who partake in it. But perhaps most importantly, a major wealth gap is emerging as men benefit disproportionately from cryptocurrency investment returns. In 2021, Forbes' Billionaires List included 12 names who earned their wealth from cryptocurrency, all of whom were men. This figure was up from just four male billionaires the previous year.<sup>50</sup> Individuals are accumulating wealth through cryptocurrency at an astronomical rate, and it is overwhelmingly men who are benefitting.

### Women benefited less from stock market gains through COVID-19

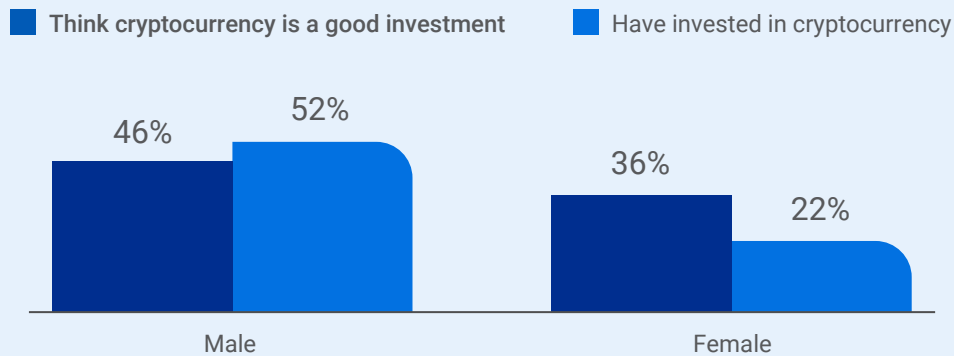
Despite an initial crash in early 2020, the stock market quickly recovered and delivered impressive returns through the pandemic. In 2021, the ASX 200 delivered a return of 17%.<sup>51</sup> Because men make up a higher percentage of investors, they benefit disproportionately from share price growth. According to Finder's Consumer Sentiment Tracker, 39% of men invested in shares during the pandemic, compared to 29% of women. Of those who did invest, men (83%) are more likely than women (71%) to say their portfolio was up since the pandemic started.<sup>52</sup> However, it is impossible to distinguish actual performance from reported performance in this data – and it turns out confidence is a central component of the investing gap.

## The “confidence gap” explains lower rates of investing in women

A large part of the investing gap between men and women can be attributed to confidence. Finder research has found men are more likely to invest even if they don't believe in the investment, whereas the contrary is true

for women. For instance, more than one-third (36%) of gen Z women think cryptocurrency is a good investment, but only 22% own any cryptocurrency. On the other hand, 52% of gen Z men invest in cryptocurrency, which is more than the 46% who think it is a good investment.<sup>53</sup>

### Gen Z perceptions and rates of cryptocurrency investment



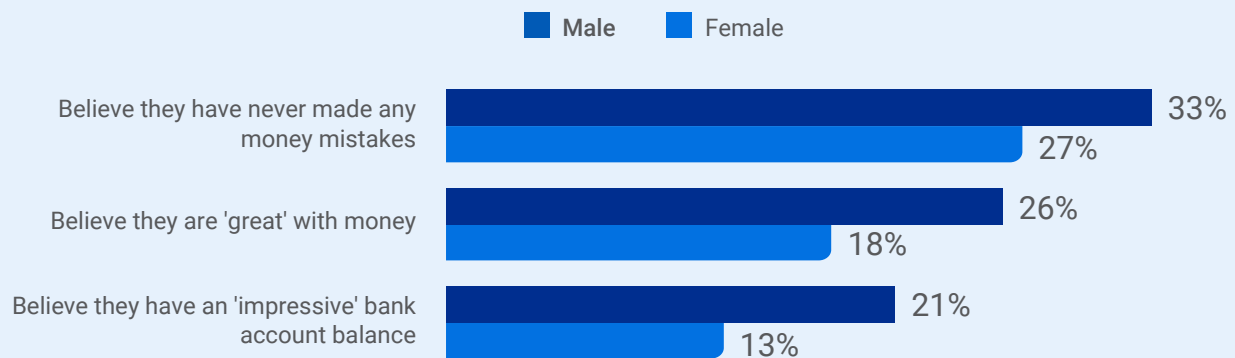
Source: Finder Consumer Sentiment Tracker, September 2021 - February 2022

On top of this, a Finder quiz found women actually knew more about cryptocurrency than men. On questions of Bitcoin's value, how long it has been in existence, its digital presence and its origins, women scored more highly than men, and yet they are less likely to invest.<sup>54</sup>

Even outside of investing, women are less confident in their overall financial skills. Men (33%) are more likely than women (27%) to say they have never made any money mistakes. They are more likely to think they have an “impressive” bank account balance (21% compared to 13%) and to believe they are “great” with money (26% compared to 18%).<sup>55</sup>

Research from the University of Groningen found in financial literacy tests, women are more likely than men to select the “I don't know” option. However, when there is no “I don't know” option, they are more likely to choose the correct answer.<sup>56</sup> The researchers propose one-third of the financial literacy gap can be explained by lower confidence levels among women. Women actually know more than they think, and would benefit from trusting their financial capabilities.

## Gender-based differences in financial confidence



Source: Finder Consumer Sentiment Tracker, September 2021

### Small steps to investing with confidence

- **Start slow.** Investing can seem intimidating at first, but you don't need to understand all the complicated jargon to get involved. Try starting with exchange-traded funds (ETFs) – these are funds that contain a large number of company stocks. Once you start to understand the stock market a little better, you can start buying individual stocks.
- **Don't be afraid of cryptocurrency.** Cryptocurrency is painted as a man's world, but more than one in 10 Australian women (13%) own cryptocurrency.<sup>57</sup> There are plenty of apps and platforms that simplify buying and selling cryptocurrency for beginners. If you are unsure about cryptocurrency but still curious, try investing just \$50 or \$100 to begin with to test it out – you can always add more as you gain confidence.
- **Read the news.** Knowing what is going on in the world can help you understand which companies and industries are doing well – and which ones may be headed for a crash. Arming yourself with the right information will help you make smarter investments and earn better returns. Just remember it's all about balance – trading shares every day because of what you read in the news can be stressful, and might cost you more in trading fees than you make in returns



## Work & pay

Women ask for pay rises just as often as men, but are less likely to receive them. The pay gap is persistent in Australia and COVID-19 slowed progress as more women left the workforce to care for others.

### Pay parity is still a long way off

It is impossible to discuss gender equality without considering the pay gap, which is one of the largest and most quantifiable examples of gender inequality that exists to this day. On average, men earn 14% more than women in full-time roles, and if the part-time workforce is taken into consideration this gap widens to 31%.<sup>58</sup> The gender gap starts small at entry-level roles, but because pay raises are often based on a percentage increase from current salary, this gap compounds over time and can prove incredibly difficult to address.

In full-time roles, men earn  
**14%** more than women



### The “negotiation gap” is part of the problem

It is not surprising to learn the pay gap varies by state or industry, but what is interesting is how much influence an organisation’s method of setting pay has on the pay gap. Among employers where salary is pre-defined by award or collective agreement, the pay gap is smaller (13.9%) than among employers where salary is individually arranged (18.4%).<sup>59</sup> Higher levels of individual pay negotiation are correlated with higher salaries, and the industries with the highest levels of pay negotiation are the most male dominated.<sup>60</sup>

The reason for this is the “negotiation gap”: men are more successful in negotiating their salary, and not necessarily because they are more deserving of a raise or even that they are more likely to ask. The historical assumption has been that women are not receiving salary increases because they are not asking for them. However, research has found women ask for pay rises just as often as men but are less likely to achieve a positive outcome. A study from the University of Warwick found no difference in the rate of asking for a pay rise between men and women, but that women were less likely to receive one.

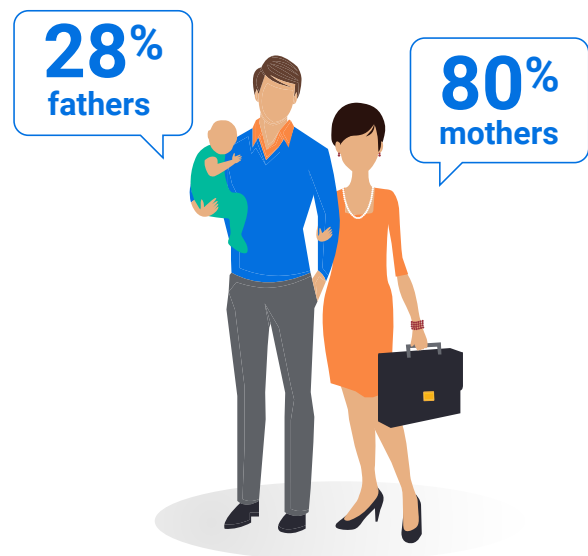
A Harvard study of 4,100 Australians found the same result (albeit with the promising finding that among younger men and women, the difference in receiving a pay rise after asking was smaller).<sup>61</sup> Women are asking for more money, but not receiving it.

One explanation for this is women face unconscious biases in the workplace that make it more difficult for them to progress their careers. Research has found female employees who say “no” to requests at work are criticised more harshly than men, and in the job application process, a study found men who displayed confidence were more likely to be perceived positively, while women who displayed confidence were more likely to be seen as lacking social skills.<sup>62, 63</sup> Women are also penalised more heavily than men for initiating pay negotiations, and are more likely to be perceived as “demanding” when doing so.<sup>64</sup> In the workplace, women are punished for exhibiting ambition when the reverse is true for men. Research also shows women are more likely to volunteer for, be asked to perform and accept “low-promotability” tasks.<sup>65</sup> Women are believed to behave more communally than men, but their willingness to help their team can hinder their personal career development.

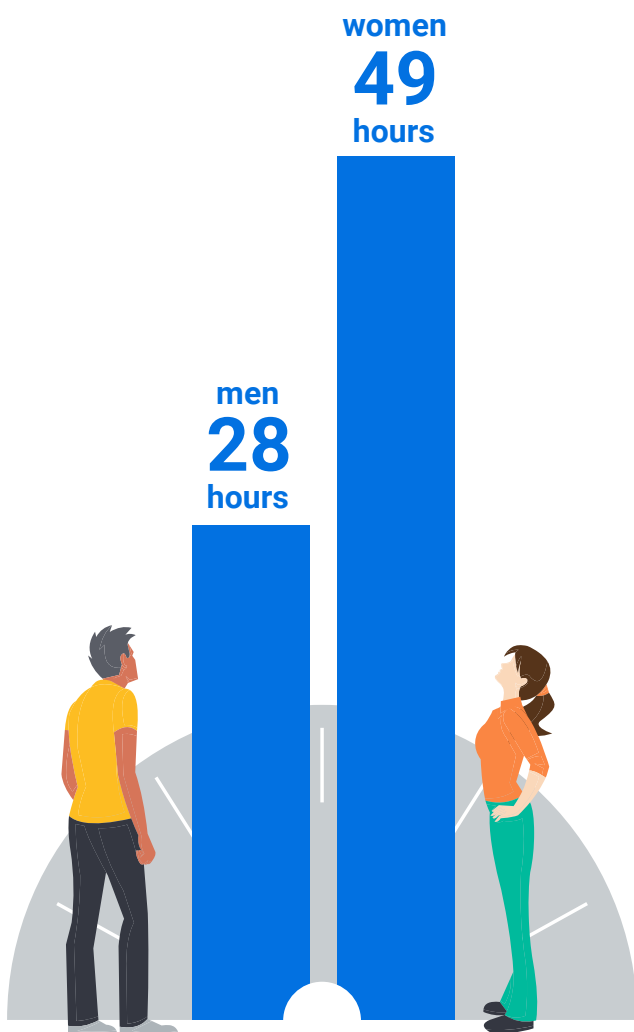
## Women are more likely to work flexibly

Research shows mothers typically switch jobs less frequently and place a higher value on workplace flexibility than men. Instead of seeking out job opportunities with higher wages, they are more likely to build up job tenure which is required for paid parental leave in many jobs. Four in five mothers with a child under the age of two (80%) have returned to work with a flexible working arrangement, compared to just 28% of fathers.<sup>66</sup> This can make it difficult for women to achieve high salaries, but can also make it challenging for fathers to take on caretaking roles at home. The Workplace Gender Equality Agency found men are twice as likely as women to have their flexible working arrangement requests rejected, highlighting the societal expectation that women take on the majority of childcare responsibilities, and showing gender inequalities can also be a detriment to men.<sup>67</sup>

## New parents who have used flexible working arrangements



## Time spent on unpaid work per week



## Unpaid labour hinders women's ability to earn more

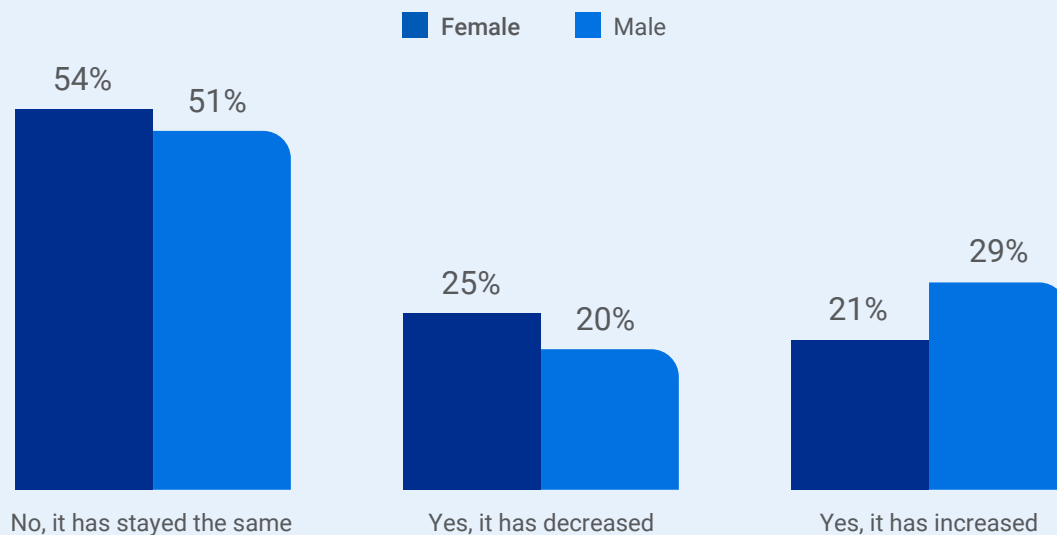
Unpaid labour – including housework, errands and child care – remains overwhelmingly burdened to women, and is one of the causes of inequalities in pay and superannuation between men and women. Among couples with dependent children, women spend significantly more time on unpaid work each week (49 hours) than men (28 hours), according to Household, Income and Labour Dynamics in Australia (HILDA) data.<sup>68</sup> Even when paid and unpaid work are both taken into consideration, women do more work overall than men, particularly in couples with children under the age of six. Since 2002, there has been a slow downward trend in the amount of unpaid work by women and an increase in unpaid work by men, but the gap is still significant.

## COVID-19 saw more women leave the workforce

The COVID-19 pandemic and recent earnings growth in male-dominated industries like construction have only thickened the wedge between men and women. A Finder survey in November 2021 found men (29%) were more

likely than women (21%) to say their income had increased over the past 12 months, whereas women (24%) were more likely than men (20%) to say their income had decreased.<sup>69</sup> In April 2020, nearly 8% of women lost their jobs – double the 4% of men who became unemployed.<sup>70</sup>

### Has your income change over the past 12 months?



Source: Finder Consumer Sentiment Tracker, November 2021

On top of losing more jobs, women were less likely than men to receive government support during the pandemic. Women are more likely to be employed in short-term casual work than men, and the hardest-hit industries – including hospitality and the arts – are majority-female. Universities – where 59% of employees are women – were excluded entirely from the wage subsidy program.<sup>71</sup>

Women also shouldered the burden of caretaking. Data shows there were 40,000 fewer women with bachelor degrees or higher employed in November 2020 than at the beginning of 2020, with researchers suggesting women were more likely to leave work to care for children.<sup>72</sup>

A study of unpaid labour during COVID-19 found the gender gap in unpaid child care actually decreased as men took on more responsibility at home, but labour force participation statistics show mothers were far more likely than fathers to have left work to care for children.<sup>73, 74</sup> The consequences of these impacts on wage growth and the pay gap will likely be felt for years to come.

## Young boys receive more pocket money than girls

The pay gap starts long before men and women enter the workforce. While young girls receive an average allowance of \$9.30 per week, boys earn \$10.30, according to a Finder survey of over 1,000 parents of children under 12.<sup>75</sup> That is a difference of \$52 per year, which is a significant sum of money to young children. Most importantly, it instils the belief early on that men should earn more than women.

## Small steps to eliminate the pay gap

- **Talk about money.** More women (47%) than men (39%) say they don't feel they can talk about money freely, particularly when it comes to salary and debt.<sup>76</sup> Keeping money topics like salary taboo keeps the pay gap hidden from view. Don't be shy – chat to your friends and family about your money concerns and successes. You can also ask your employer to make pay bands more transparent – this is an important way for companies to keep themselves accountable in eliminating pay inequality.
- **Know your worth.** Women have lower salary expectations than men at all stages of their career.<sup>77</sup> Before you go into salary negotiations, do your research and benchmark yourself against similar roles in similar industries. This will give you an idea of what you should be earning, and is far more important than your salary history. Take this research to your manager and ask for it to be considered when negotiating your salary.
- **Take parental leave.** If you're a new father, don't let your parental leave go to waste. Taking time off work to care for your children is not only a lovely way to spend more time with them, but it also supports your partner in getting back to work and earning an income sooner. It's also a small step towards normalising male parental leave within organisations.

## Insights from Finder's experts



### **Sarah Megginson**

**Senior editor, Money**

My life would not exist if I was born in my mother's generation. After I finished school, I went to university and when I graduated, I became a finance journalist. It's a path that just wasn't an option for women 50 years ago. Back then, my mum wasn't even allowed to apply for a home loan because she was married... and I have literally built my career off the back of dissecting the mortgage market!

This report outlines the challenges and highlights the gradual but impactful changes we're making. While there is still so far to go in terms of pay parity, workplace equality, general respect and pushing back on misogyny and sexism, on International Women's Day I think it's also important to appreciate how far we've come in cultivating opportunities for women to flourish, in work and in life.



### **Kate Browne**

**Editor-at-large**

Each year as International Women's Day rolls around, I am part inspired, then tired, then optimistic, then pessimistic.

Why? Well, while I am so grateful that the life I have today is so much better in terms of equality than my mother's, the road to true gender equality remains clearly and frustratingly out of reach.

Gender equality benefits everyone in Australia and should be seen as an issue to be solved by all of us, not a niche issue that women need to tackle on their own.

As US former first lady Eleanor Roosevelt once said "When it's better for everyone, it's better for everyone." Women's equality is everyone's responsibility and I hope with more research and information like in this report, we can all continue to learn and to do better, together.



**Kylie Purcell**  
**Editor, Investments**

The report confirms what I already know – that women make great investors. There's just too few of us actually doing it.

Lack of confidence is something I relate to well. I wrote about the stock market for years before I finally found the courage to buy stocks. It's easy to say I'm not ready or I don't understand it enough.

But studies show that women tend to make more considered choices than men when they invest and that they're less likely to make high-risk trades. This approach has proven to be successful, with women found to outperform men over a longer period.

Unfortunately, it can still very much feel like a man's world. Rather than lack of skill, women on average have less disposable income to invest, are more time poor and are less likely to be taught about investing at school than males. I still remember the shock I felt when I first realised some of my male friends actually learned about stock trading through their high school. I've not yet met a woman who was offered the same opportunity at their school.

The great news is that times are changing. There are now many more resources dedicated to educating girls about investing. There are more female-focused investment apps on the market and the data proves we're heading in the right direction.



**Amy Bradney-George**  
**Editor, Credit Cards**

These insights show how far we have come, and where we can go from here. A big part of it comes down to confidence. This research shows only 18% of women think they are "great" with money – compared to 26% of men. What could we achieve if we developed that confidence?

When I was younger, I was unsure of myself financially. I let my employers choose my super accounts, never asked for a pay rise (or any change to my work conditions) and always felt on the back foot. But after more than 13 years writing about money, I am confident in most of my financial decisions – and I know where to go or who to ask if I need help. So the more we talk about money matters and support women around us, the more empowerment and possibilities there are.



**Alison Banney**  
**Editor, Banking & Superannuation**

For me, if there was just one thing to take away from this report it's that the inequality between women and men's finances isn't because women are any less savvy with managing money. In fact, these findings show women are better at saving, better at investing and have less debt compared to men. But due to the outdated structure of our wealth system, women earn less money, have less in savings and have much less in superannuation.

The superannuation system overwhelmingly favours men in its design. It's tied to work and paid as a percentage of your income and, for a number of reasons, men are earning more money than women. It's not paid on domestic work such as caring for family members and, most notably, raising children. This unpaid domestic work is hugely undervalued in Australia which is evident in the structure of our retirement saving system. A lot needs to be done to level the superannuation playing field in Australia, and I really hope we see the government include superannuation on its paid parental leave policy soon. This would be a good first step in the right direction.



**Shynyn Payne**  
**Chief people officer**

The report highlights that women are much less likely to negotiate their salary at the hiring stage and throughout their careers. However, I believe companies need to be doing more; it shouldn't be seen as "women don't negotiate hard enough", this is an issue that companies should take responsibility for. Has your company recently done a gender pay gap analysis? Do they regularly track salary offers and promotion increases? If not then they could be exacerbating the problem and you may not be getting paid what you deserve. It's worth finding out.

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## Methodology

Finder's Consumer Sentiment Tracker is a nationally representative survey of more than 30,000 Australians. The survey has been running on a monthly basis since May 2019. The survey is owned by Finder and operated by Qualtrics, an SAP company

## **Author**

**Sophie Wallis**

Insights Analyst at Finder

[aupr@finder.com](mailto:aupr@finder.com)