

Financy

JUNE QUARTER 2024

**Breaking Records
but Gender Norms
Stall Us!**

Women's Index™

A United Nations Women's Empowerment Principles Signatory and aligned gender equality initiative: Measuring economic equality in Australia

**ngs
Super**

ecstra ●●●

HeirWealth

**SEVEN
CONSULTING**

PritchittBland
Communications

ASPIRE

Acknowledgment of Country: Financy acknowledges Aboriginal and Torres Strait Islander people as the first peoples of Australia and Traditional Custodians of this land its waters. We pay our respects to Elders, knowledge holders and leaders both past and present. We respectfully acknowledge Traditional Owners whose country Financy's office and key collaborators are located including Bundjalung, Gadigal, Wurundjeri and Ngunnawal nations.

June Qtr Report 2024 – Released September 5, 2024

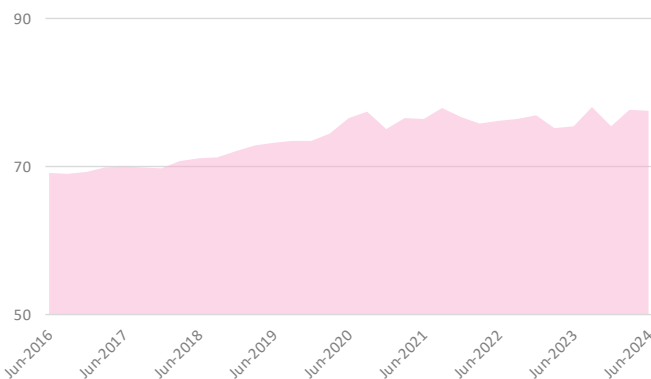
Highlights

- Progress to gender financial equality stalled in the June quarter of 2024 with the FWX slipping by 0.2 points to 77.5 points out of a score of 100, from a revised 77.7 points in the March quarter.
- The Index is tracking 2 points higher for the year to date and also 2 points above what it was in June 2023.
- Overall the result reflects a strong start to the 2024 calendar year and is supportive of a long-term trend in progress towards gender financial equality.
- A record improvement for the Gender Pay Gap and a steady result for ASX 200 Board Leadership helped to offset relative gender weakness in Employment, as measured by monthly hours worked and the Underemployment Rate.
- As we look at the long-term trend in progress towards gender financial equality, it's interesting to note that whilst gender norms remain challenging in the workforce, and indeed a major barrier to progress acceleration, women's sport provides us with good reason for optimism as evidenced most recently by the Paris Olympics.
- FWX Timeframes to gender equality include a best case 5.2 years for ASX 200 Board Leadership, 17.7 years in Superannuation, 20.2 years in Underemployment, 22.6 years in the Gender Pay Gap (as the median timeframe to gender equality) and 24.6 years in Employment, 45.5 years in Unpaid Work and, a very pessimistic, 389.2 years in Education.

Summary

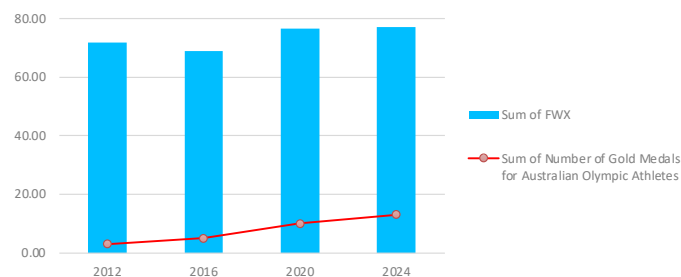
The June quarter Financy Women's Index (FWX) shows that Australia is not doing enough to successfully challenge outdated gender norms which are contributing to a two steps forward and one step back rate of progress on gender financial equality. Despite improvement in the national gender pay gap and the female participation rate, the quarterly FWX, which measures timeframes to equality in Australia, shows that progress slipped to 77.5 points (-0.2 points) in the June quarter from a revised 77.7 points in March. Over the latest June quarter, the headline score was indeed helped by a record breaking improvement in the pay gap to 11.5% in August, reflecting data captured in May and published in the Australian Bureau of Statistics Average Weekly Earnings data set (seasonally adjusted). However the weight of a setback in employment outcomes for women relative to men, as measured by monthly hours worked, as well as a worsening underemployment rate, have stymied progress. What we are seeing is that despite all the gains that women are making to increase labour market participation, persistent gender norms still hold back female progress relative to male. Like we saw during the Coronavirus pandemic, women are once again bearing the brunt of economic uncertainty largely because they still tend to occupy the most insecure forms of employment such as part-time and casual. Longer term though, the FWX has improved over the past 12 months (+2.36 points) from 74.8 points in June 2023, which shows that Australian women continue to make incremental progress across all the seven FWX indicators. The Paris Olympics also gives us good reason to feel optimistic about the future when it comes to challenging long-standing gender norms around the roles and influence of women in positions of power. Australian women won a historic number of Gold Medals, building on the pace of progress from previous years. These wins are impressive, but they also help to shift the narrative and gender norms over the longer term, which we believe should in turn drive greater progress across all of our indicators.

Chart 1: FWX progress rebounds in the June quarter



Source: Financy June 2024

Chart 2: Gender equality progress v Australia women Olympic medal tally



Why closing the gender pay gap is not enough

Australia's gender pay gap is on the way down, helping to improve the FWX Gender Pay Gap sub-index to 88.5 points in the June quarter, from 88 points in March. The underlying pay gap fell to a record low of 11.5% in May, as reported in August helped by a combination of increases in the minimum wage, pay increases for early childhood educators and aged care workers. The pay gap, which shows that the average woman earns 89 cents for every dollar earned by a man, has been gradually decreasing for the past two years. Over this time, female average weekly earnings have increase by 11% to \$1782.80 compared to 8% for males at \$2014.30 – a difference of \$231.50.

Australian women will still need to work an extra 50 days (or around 7 weeks) a year to match the average earnings of men according to calculations made for the recent "Equal Pay Day" by the Workplace Gender Equality Agency.

While our achievements as a nation in closing the gender pay gap are worth celebrating along with all of our gold medals, action in this area alone is not enough to achieve gender financial equality, as can be seen by the setback, albeit slight, in the FWX this June quarter.

Employment is a critical area in need of focus in times of economic weakness because business uncertainty can often stifle employment growth and lead to a reduction in hours to those in more insecure forms of employment such as part-time work - where women dominate roles.

To understand this better, it's important to look beyond the participation rate, which paints a picture of record improvement at 63.2% for women, up 13% since June 2004. For men, the participation rate is unchanged at 71.2% over the same timeframe despite minor quarterly fluctuations.

The capacity of women to engage in paid work, as measured by the available working-age population numbers and monthly hours worked, remains at an unchanged level of 64% compared to 85% for men.

As a result, the FWX Employment sub-index, which reflects the gender gap in monthly hours worked, fell to 75.4 points in the June quarter, from 75.6 in March as female hours declined (-0.3%) at a faster pace than male (-0.1%).

If we look at part-time employment, where there are now close to 3 million women, compared to 1.5 million men, much of the appeal relates to job flexibility and desire for balance around work, study and family dynamics. Female part-time employment growth rose by 2% between July and the March quarter and was unchanged for males.

The FWX Underemployment sub-index, which reflects the underlying gender gap, worsened in the June quarter to 71.2 points, compared to 72.2 point in the March quarter. The result was due to the female underemployment rate deteriorating whilst for males it improved. The female underemployment rate increased by 1 percentage points (ppt) to 7.71% in July from March, compared to a -6ppt drop to 5.22% for males.

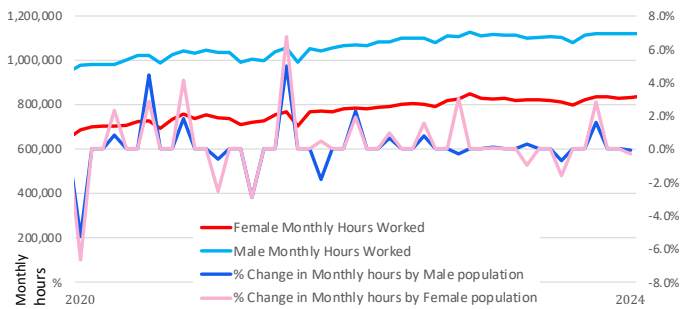
The underemployment rate is an important indicator for observing gender norms among women and whether they are shifting because it is typically used to measure spare capacity. The rate captures the number of people who would like to and are available to work more hours. The improvement in the Underemployment gender gap suggests that more women are working to their desired potential.

Economic equality update

The industries which saw the biggest jumps in full-time female employment growth for women in the June quarter included Electricity, Gas, Water and Waste Services - up 42%, versus 20% growth for men. The Construction industry was the second best performer with a 9% increase in female full-time employees versus a 5% increase for men.

The industries which saw the biggest reduction in female full-time employment were Arts and Recreation Services (-16%) whilst for men it was Health Care and Social Assistance (-59%).

Chart 3: Monthly hours worked by gender and growth.



Source: ABS and Financy June 2024

Timeframes to equality in Australia

Australia is set to achieve gender equality in ASX 200 Board Leadership by 2030 with the latest Financy Women's Index showing that the wait for this is now 5.2 years, compared to 5.7 years 12 months ago. This is one of the best performing areas for gender equality progress and we expect that the continued influence of board gender diversity in large Australian companies, due to pressure among investors and industry groups, will also help drive greater gender representation in leadership across Australian workplaces.

The Gender Pay Gap is the other best performing area in terms of reduced timeframes to economic equality. It is now expected to take 22.6 years to close this gap, an improvement from the 24.3 years in June 2023. This is still a painfully high gap that will take a generation to close despite the historical low in the gender pay gap to 11.5%.

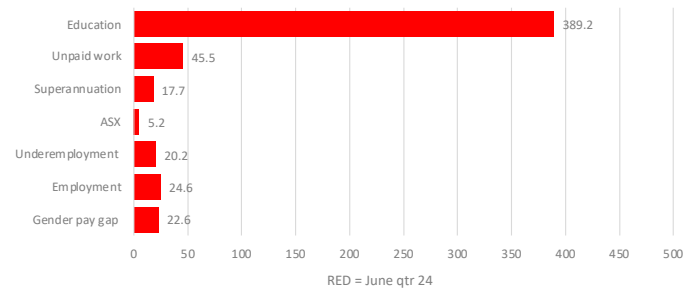
Superannuation remains the second most achievable timeframe with a 17.7 year wait for equality based on the annual rate of progress achieved in closing the gender gap in lifetime retirement savings. We are eagerly awaiting new Superannuation data to be able to update these figures as these already have a 2 year lag and have been delayed this year.

The timeframe to close the gender gap in the Underemployment Rate remains steady at a revised 20.2 years as does Employment at 24.6 years. The Underemployment gender gap is perhaps the most volatile area of the Women's Index measurement as it is very much affected by seasonal factors and economic conditions.

Unpaid Work has a 45.5 year wait for gender equality and remains perhaps the most significant area to watch in terms of changing gender norms that influence economic equality outcomes.

Education is still the most troubling area with little progress made over the past decade and an alarming wait of 389.2 years. The December quarter report saw a correction to how we calculate the years to equality in this area and this is a very long time should be treated with some caution. The result reflects the fact that the primary education fields of study selected by women are less linked to higher potential earnings than they are for men. However in the forthcoming education data releases we should see some improvement in sectors such as Health and Education and Training due to recent pay increased for aged care and childcare workers.

Chart 4: Timeframes to equality in Australia



Source: Financy Women's Index March 2024

“Dated thinking spoils progress in Pay, Participation & Sports”



Thought leadership

Not all that glitters is gold

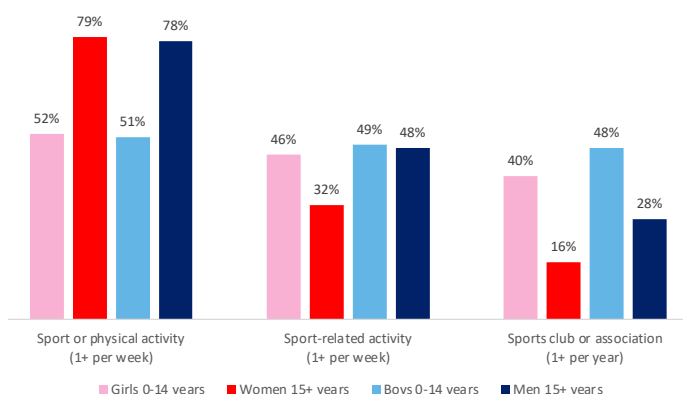
Women won 13 out of Australia's 18 gold medals at the 2024 Paris Olympics – that's 72%.

The Paris Olympics were also the most gender equitable games in history, with an equal number of men and women competing for the first time. There are also great signs at a grassroots level that sport is becoming more gender equitable. In 2022-23, 46% of girls aged 0 – 14 years undertook a sport-related activity at least once per week; only slightly lower than 49% of boys aged 0 – 14 years. Audiences are increasingly turning to women's sports. Nearly 2 billion people globally watched the 2023 FIFA Women's World Cup, making it the most viewed women's sport event in history.

Despite these positive strides, there's an uncomfortable disconnect between the amazing feats of our women Olympians, and the ongoing battle for gender equality. A recent Women in Economics Network webinar explored this with the help of an experienced panel of sports researchers, advisors, athletes and coaches, who I have quoted throughout this article. Some of the answers lie in the specific environment of the sports world – at the community, grassroots level as well as at the elite, professional level – while broader gender norms in our society and culture also make a significant contribution.

Starting with community sports, even though many girls participate in sport, and women enjoy exercise as much as men do, girls typically drop out of sport by the age of 15 – particularly organised or club sport.

Chart: Gender differences in sports and physical activity participation, by age



Source: Clearinghouse for Sport (2022-23).

Research indicates that girls drop out of sport for a range of reasons – fears about safety, they don't have women role models, are concerned about inequality in sport, have fewer opportunities (like women's teams), and are worried about body confidence and having time for studying.

For those women who manage to push past the barriers in community sports and seek a career in professional sports, unfortunately the picture isn't much rosier.

Professional sports organisations are overwhelmingly run by men. Of the 65 National Sporting Organisations funded by the Australian Sports Commission (ASC), 22% of CEOs are women. And even though 56% of workers in the Sports and Recreation Activities industry are women, 14% of CEOs are women (compared to 22% nationally), and 13% of Board Chairs are women (compared to 19% nationally).

Women athletes still typically earn significantly less than their male counterparts, and can struggle to balance motherhood with the high demands of elite sport, like time and travel.

Taken together, there's clearly a lot to do to translate the hope and success of the Olympics podium to the everyday lives of women athletes. Much can be done at a systemic level, as articulated by Annabelle White (Coaching Advisor at the ASC): "It's just not about elevating women, we need to address the environmental factors holding them back"

Notably, many of the barriers facing women in sport reflect those in the broader fight for workplace and economic equality – participation, pay, leadership, unpaid work, all underpinned by traditional gender norms. But with seven out of ten people now watching women's sport, and sponsorship and prize money in women's sport starting to catch up to that in men's sport, there is every chance that women's sport can lead the way.

Hopefully the 2028 Olympics see the successes of our exceptional women athletes reflected in the everyday experiences of women in community and professional sports.

Actions to improve gender equality in sport

- Properly commercialise the women's game and pay women athletes properly (salaries, sponsorship, prize money).
- Establish the evidence base on women's physical development as athletes, including in the teenage years, and translate this into coaching and fitness programs for women athletes.
- Develop coaching career paths and supports for women coaches, both in community and elite clubs.
- Share authentic stories of women and girls in sport, including in the media.
- Give women's sports more airtime.
- Work on making the sporting environment and culture safer and more accessible for a diverse array of athletes and leaders.
- Call out gender stereotypes and have active allies including men who can step up and who also know when to step back and give women an opportunity to be heard.
- Shift the traditional structure of professional sports roles and competitions such that parents can balance looking after children with the time and travel demands of the jobs.
- Fund reporting and support mechanisms for violence and harassment in sport (alongside preventive programs).
- Implement best practice workplace equality actions in sporting organisations, such as targets for women in leadership (including in coaching, officiating, and judging).

Evie Fox Koob
 Manager
 Deloitte Access Economics



¹The full panel included Dr Hannah Altman (Lecturer at QUT, PhD in Health & Sports Economics), Annabelle White (Coaching Advisor, Australian Sports Commission), Cassie Dover (Basketball Coach, Indigenous Basketball Association volunteer and Yugambeh woman), Brian Canavan (NRL consultant, Senior coach professional development), and Courtney Pascoe (Powerlifting referee).

Thought leadership

A Golden Opportunity for Advancing Gender Equality

Historically, wealth has been concentrated in the hands of men, with women often relegated to secondary roles in financial decision-making. But the tide is turning and just as women continue to break all sorts of records in sports, leadership and pay, we're also on the cusp of witnessing one of the largest economic events of our time – the intergenerational wealth transfer which has the potential to significantly advance gender equality.

As the baby boomers among us age, a large portion of our wealth is set to be transferred to spouses, daughters, and granddaughters. This is something that I am personally very conscious of as a husband and Father. This shift is particularly significant in Australia, where women are projected to inherit up to 65% of the wealth.

This transfer of wealth into the hands of women has profound implications. It places women in a stronger position to influence financial decisions, invest in their futures, and support causes that matter to them. Moreover, it challenges the long-standing gender norms.

But despite this promising shift in wealth distribution, the latest findings from the Financy Women's Index (FWX) highlight that Australia still has a long way to go in achieving true gender financial equality. Over the past year, the FWX has improved by 2.36 points, reflecting the incremental progress Australian women continue to make across key indicators. Moreover, the historic achievements of Australian women in the Paris Olympics demonstrate the potential for shifting gender norms in other areas of society.

However, the intergenerational wealth transfer presents an opportunity to counteract these setbacks. With more financial resources and digital tools at their disposal, women can assert greater control over their economic futures. This newfound financial power can be used to challenge outdated gender norms, support gender equality initiatives, and invest in businesses that prioritise diversity and inclusion.

Moreover, as women take on more prominent roles in wealth management and financial decision-making, they are likely to prioritise issues that have traditionally been overlooked, such as pay equity, workplace flexibility, and social responsibility. This shift could lead to broader societal changes that benefit not only women but also the economy as a whole.

The intersection of the great wealth transfer and gender equality presents a transformative opportunity for women to shape the future. By challenging outdated gender norms and investing in a more equitable society, women can ensure that this wealth transfer benefits everyone. As we continue to monitor progress through indices like the FWX, it is clear that while the road to equality is long, the destination is within reach.

Ray Tubman
CEO
HeirWealth



Gold on and off the podium: Lessons from our girls' goldrush in driving female financial security

The 2024 Paris Olympics were a dazzling display of athletic brilliance. Women did the heavy lifting for Australia's medal haul, winning an amazing 13¹ out of our 18 gold medals.

But as our nation celebrates, official statistics² from AusPlay show that women in sport, like in many other industries, are under-represented in leadership and governance roles – including everything from board appointments and executive leadership to high performance coaching.

Why is this important? Because seeing is believing. Decades of research show that visible female leadership has an impact in helping other women thrive. Role models matter and, according to the evidence³, have an amplified benefit for women and girls. Role models inspire, motivate, and provide tangible examples of what's possible.

This is equally as true on the sports field and in business as it is in the context of driving financial security and independence for women. We can't be what we can't see. So, we need to find more ways to for women to feel financially empowered, to shift the dial on the current disparities in financial and social equality.

In my role leading NGS Super – an industry super fund dedicated to supporting education and community-based professionals, 70% of whom are women – I am acutely aware of Australia's persistent gender gap when it comes to work, income, superannuation and retirement.

The June quarter Financy Women's Index (FWX) highlights the persistent disparity in superannuation, with women projected to reach equality in this area in 17.7 years – and that's in a best-case scenario.

This gap is a driver of one of my primary goals: to empower women to reach their full potential in every sense of the word – but specifically in terms of financial literacy and long-term financial security.

This means advocating for national policies that help narrow Australia's gender financial gap, such as paying super on paid parental leave, and promoting education programs that helps to build female financial literacy. At NGS, we offer educational resources and personalised advice, helping women demystify financial jargon and build confidence in managing their money.

In business mentorship has a key role to play in tackling gender inequality in the workplace. Empowerment goes beyond individual actions – it's about creating a network of support. Research by Deloitte points to the transformative power of mentorship for women in the workplace. When women leaders share their experiences and knowledge, they equip others with the tools they need to overcome hurdles and achieve their goals. Mentorship programs are shown to significantly increase retention⁴ and promotion rates for women as well as minorities.

The journey towards true financial equality and security for women is ongoing, but the 2024 Paris Olympics offer a powerful metaphor. Just as female athletes shattered records and dominated the podium, we can break down the barriers that hinder women's progress in leadership and finance, and have a reality where women are more empowered to achieve financial independence. By continuing to promote and drive financial literacy, and supporting women leaders, we can create a more equitable and prosperous future for all.

Natalie Previtara
CEO
NGS Super



¹Source: Olympics by Numbers: How Aussie Women Won Paris| Marie Claire

²Equity | Clearinghouse for Sport

³Seeing Is Believing: Female Role Models Inspire Girls to Think Bigger (forbes.com)

⁴Women Need Mentors Now More Than Ever (forbes.com)

Financy Women's Index[®]

Important note: Financy gives no representation, makes no warranty, nor takes any responsibility as to the accuracy or completeness of any information contained herein, or by third parties' resources used in producing this report, and will not be liable in contract, tort, for negligence or otherwise for any loss damage arising from reliance on any such information. The Financy Women's Index presents the findings of official statistics together with the professional analysis and insights of Financy. Statistical data insights do not necessarily coincide with those of Financy. The information presented in this report has been carefully reviewed by members of the FWX Advisory Committee but any issues with the data remains the responsibility of Financy. Any comments on the Financy Women's Index report by members of the Committee or external thought leaders that appear in this report are their own and are not a reflection of the companies that they work for. Financy and the Women's Index are registered trademarks which provides Financy Pty Ltd with exclusive rights to use, license, and sell the marks. This report is copyright 2024. Apart from any fair dealing for the purposes of study, research, criticism, or review, as permitted under the Copyright Act, no part may be reproduced without written permission.

Data source of Financy Women's Index: Tertiary Education Data source: Department of Education uCube service and Census 2021 data. **Employment & Underemployment Data source:** ABS Detailed Labour Force (quarterly) and ABS Labour Force (monthly) seasonally adjusted figures. Industry data uses original figures. **Women On Boards Data source:** Australian Institute of Company Directors (AICD) 2024. **Gender Pay Gap Data source:** Average weekly earnings Australian Bureau of Statistics, May 2024, published in August 2024. **Women In Unpaid Work Data source:** 2022 Household, Income and Labour Dynamics in Australia (HILDA) Survey, published in December 2023. **Superannuation Gap Data source:** the ABS 6523.0 - Household Income and Wealth, Australia, 2017-18, data cube 12 superannuation by persons.

For information on the data contained in the report, contact Financy: Financy Women's Index™
Mobile: **0403 656 399** Email: **biancahh@financy.com.au**



Bianca Hartge-Hazelman:
CEO of Financy

The Financy Women's Index™ (FWX) is a quarterly measurement of the economic progress of women and timeframes to gender equality in Australia. The FWX provides a snapshot on gender equality progress across seven areas being education, employment, underemployment, wages, unpaid work, ASX 200 board gender diversity and wealth (superannuation.) The Index measures scores across the seven areas on a 0 to 100 scale. The scores are expressed as a percentage and reflect the portion of the gender gap that has been closed). The index headline score is the average of the seven areas that have been converted to respective indexed series to track measurements of performance over a five-year period. Each of the key areas of the Index are not weighted. Seasonally adjusted data is used where it is available. This Financy Women's Index is written by Financy founder and CEO Bianca Hartge-Hazelman and is peer reviewed by Advisory Committee members, Dr Shane Oliver, Simone Cheung, Roger Wilkins, Dr Leonora Risse, Bruce Hockman, Nicki Hutley and Rhiannon Yetsenga. The Index is proudly sponsored by NGS Super, the Ecstra Foundation, Seven Consulting, HeirWealth, Aspire Planning and PritchittBland Communications. Creative Agency, We Are Why is entrusted with bringing our data to life through creative expression.

FWX Advisory Committee:



Dr Shane Oliver:
Chief Economist at AMP



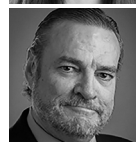
Simone Cheung:
Partner at Deloitte Access Economics



Professor Roger Wilkins:
Deputy Director of the Melbourne Institute of Applied Economic & Social Research at the University of Melbourne



Dr Leonora Risse:
Associate Professor in Economics at the University of Canberra



Bruce Hockman:
Former Chief Economist, Statistical Services Group, Australian Bureau of Statistics



Rhiannon Yetsenga:
Manager at Deloitte Access Economics



Nicki Hutley:
Economist & Social Impact Consultant

Fearlessly supported by:



In partnership with:

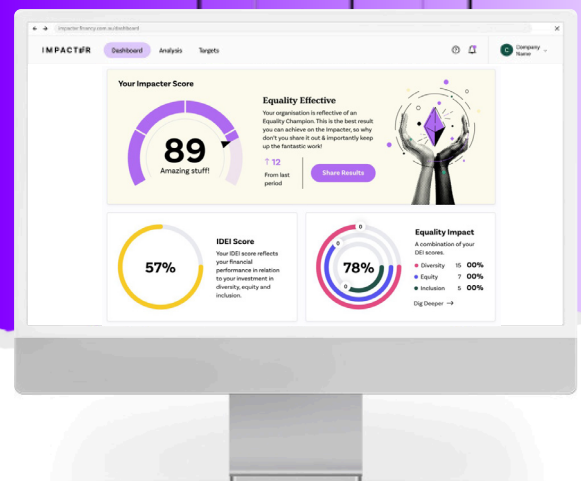


Prepared by: Chief Creative Strategist: Neil Hazelman | 0407 702 633



IMPACTER

The Essential Equality Platform
BOOK A DEMO: Impacter@Financy.com.au



Improve “Gender Equity Performance” in your business

F'IN-ANCY ABOUT EQUALITY
Investor Opportunity

Contact:

Bianca Hartge-Hazelman:
Mark Hodge:

0403 656 399 | Biancahh@financy.com
0402 334 394 | mark@andovergroup.com.au