

# The Care Factor

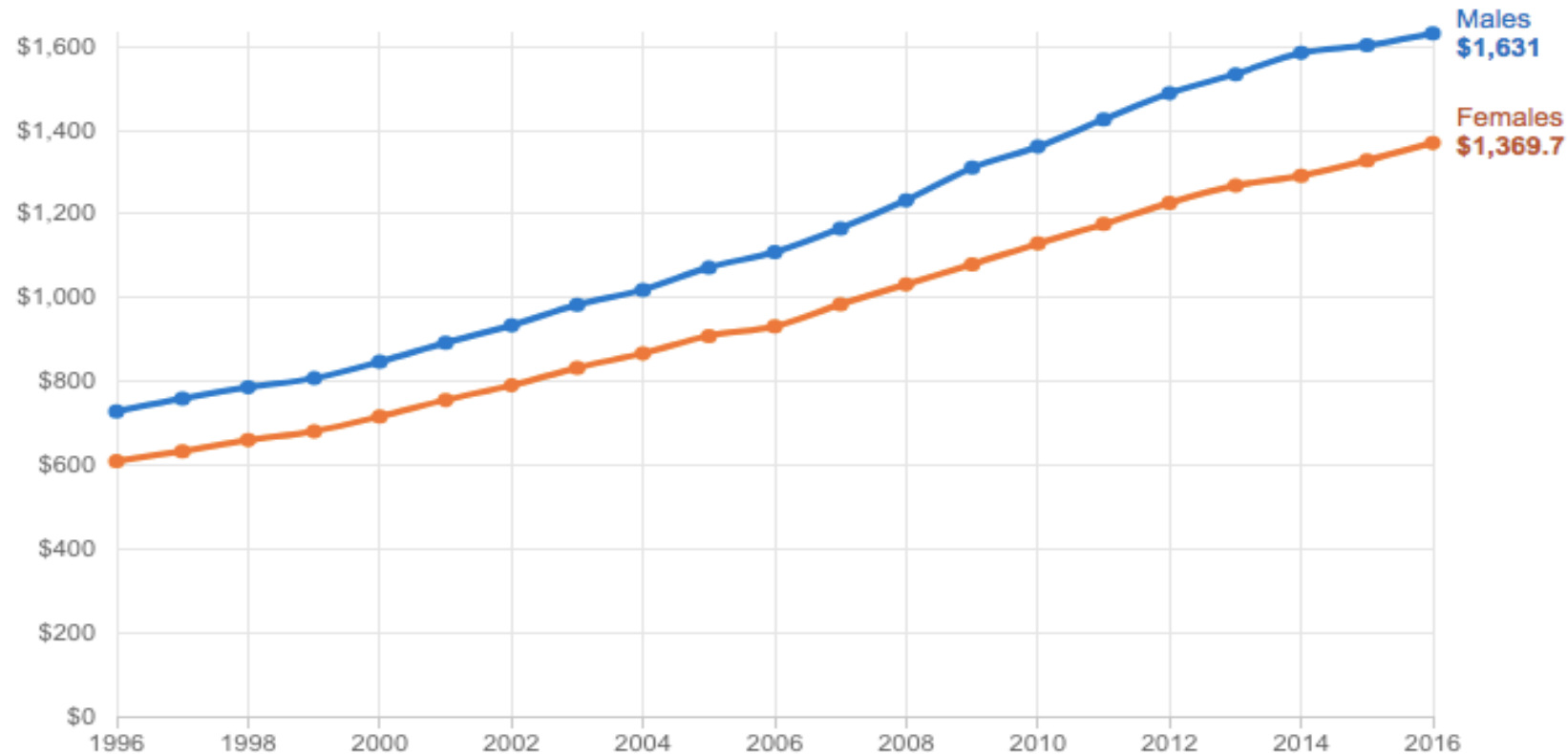
*Why we won't close the gender pay gap until we recognise the value of care*

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**percapita**  
FIGHTING INEQUALITY IN AUSTRALIA

# Average Full Time Weekly Earnings Male and Female 1996 - 2016



## Notes

Data points are taken from November of each year.

Source: Australian Bureau of Statistics

# Impact of gender pay gap

The impact of the gender pay gap on women is multifaceted and significant. It affects:

- Their financial independence and security
- Their ability to provide for themselves and their children
- Their capacity to contribute to society to the full extent of their abilities.



# Impact on retirement savings

Over a lifetime, the reduced level of income attributable to their gender results in a compound impact that sees women retiring with significantly less individual wealth than men.

Per Capita research in 2016 found that women's superannuation balances at retirement are 47% lower than men's.



# Australian Policy Responses

Focused on reducing the gender pay gap for women who receive less pay for doing the same work as men, including:

- Gathering accurate data on the gender pay gap within and between industries
- Requiring companies to record and report on the gender pay gap in their business
- Setting targets for equal gender representation on government and corporate boards



# Who is really suffering from the GPG?

Not the wealthiest members of our professional class.

Women at the lower end of the income scale suffer real poverty and disadvantage as a result of reduced lifetime earning capacity due to factors related to their gender.



# It's a wicked problem

Solutions are complex.

Not just about ensuring the same pay for the same job, regardless of gender.

Problem goes to the very nature of the society we live in, one which devalues the worth of the work women do to care for other people.

Put simply, *care doesn't pay.*



# The Care Factor – issues & approach

- The historical and continuing relegation of women's work to the hidden sphere of domestic life
- The value and distribution of unpaid care work in the domestic realm
- The remuneration and structure of work in industries dominated by female workers who provide paid personal care for children and adults.





# The Care Factor – issues & approach

- Relationship between the availability of high-quality, paid care for children and adults and women's ability to undertake paid work outside the home.
- The future of work in care industries, where jobs are growing when others are disappearing due to automation
- How policy makers might respond to the changing nature of the workforce and invest in a care economy.



# Feminised industries pay less

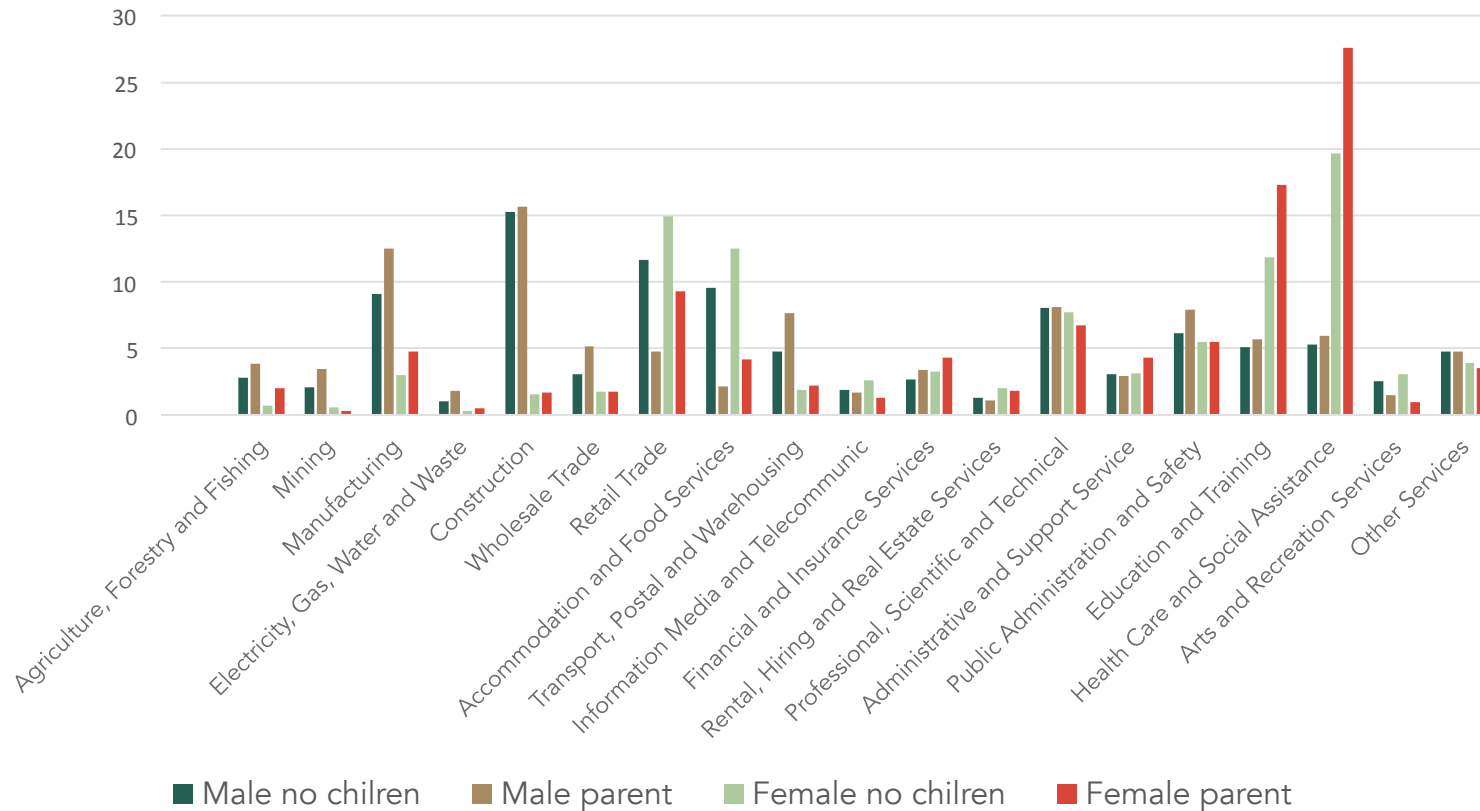
KPMG's *She's Paid Less* calculated that, controlling for specific industries and occupations, each 10 per cent increase in the ratio of men to women in an industry increases the average wage by 1.9 per cent.

A woman working in a female-dominated industry will, on average, earn almost \$40,000 less in total remuneration than a man in a male-dominated industry.

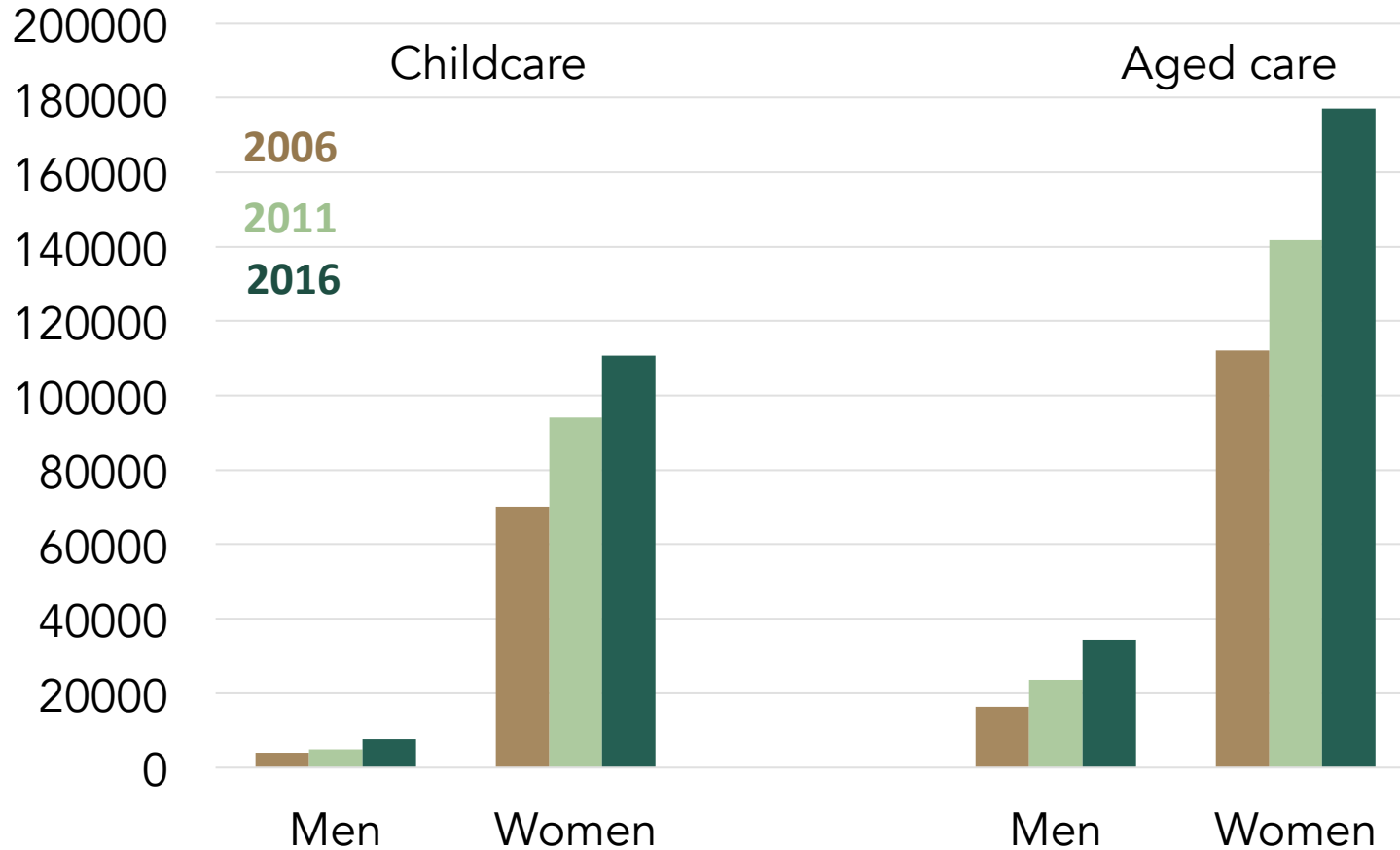


# Women work in low paid jobs

Occupations by gender and parental status



# Most care workers are women



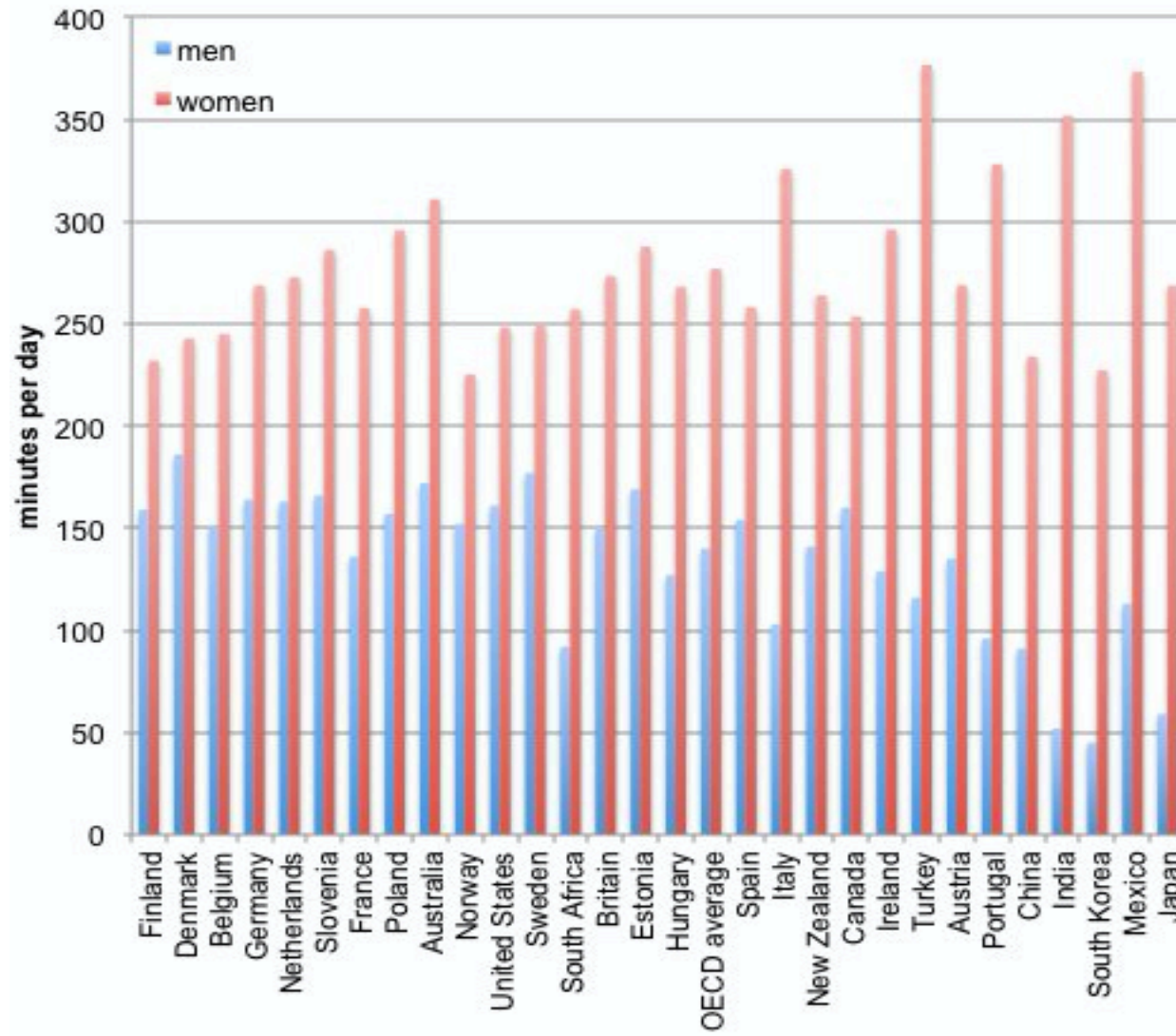
# Women do most of the unpaid work

It remains predominantly women who take significant time out of the workforce to undertake unpaid care work at home, for children or other relatives, and often to support a higher-earning partner.

This is a significant element in women's inability to achieve higher rates of pay throughout their careers, across all sectors and income brackets.

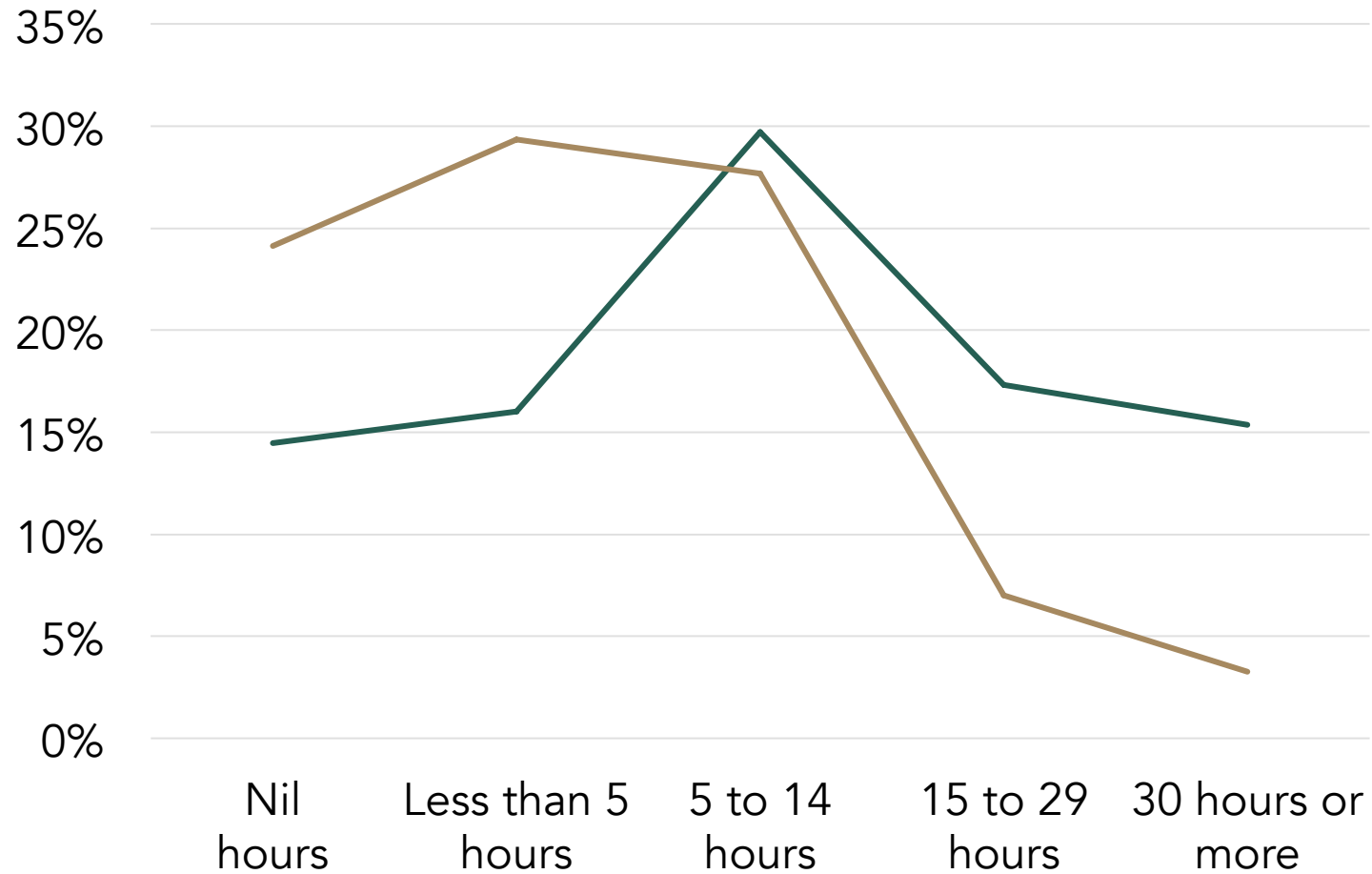


# Minutes per day in unpaid work



# Hours spent in domestic work

Percentage of Australian men and women, aged 18 - 69



# The Motherhood Penalty

Significant international evidence that men experience a “fatherhood bonus”, earning more money and being promoted to higher duties than before.

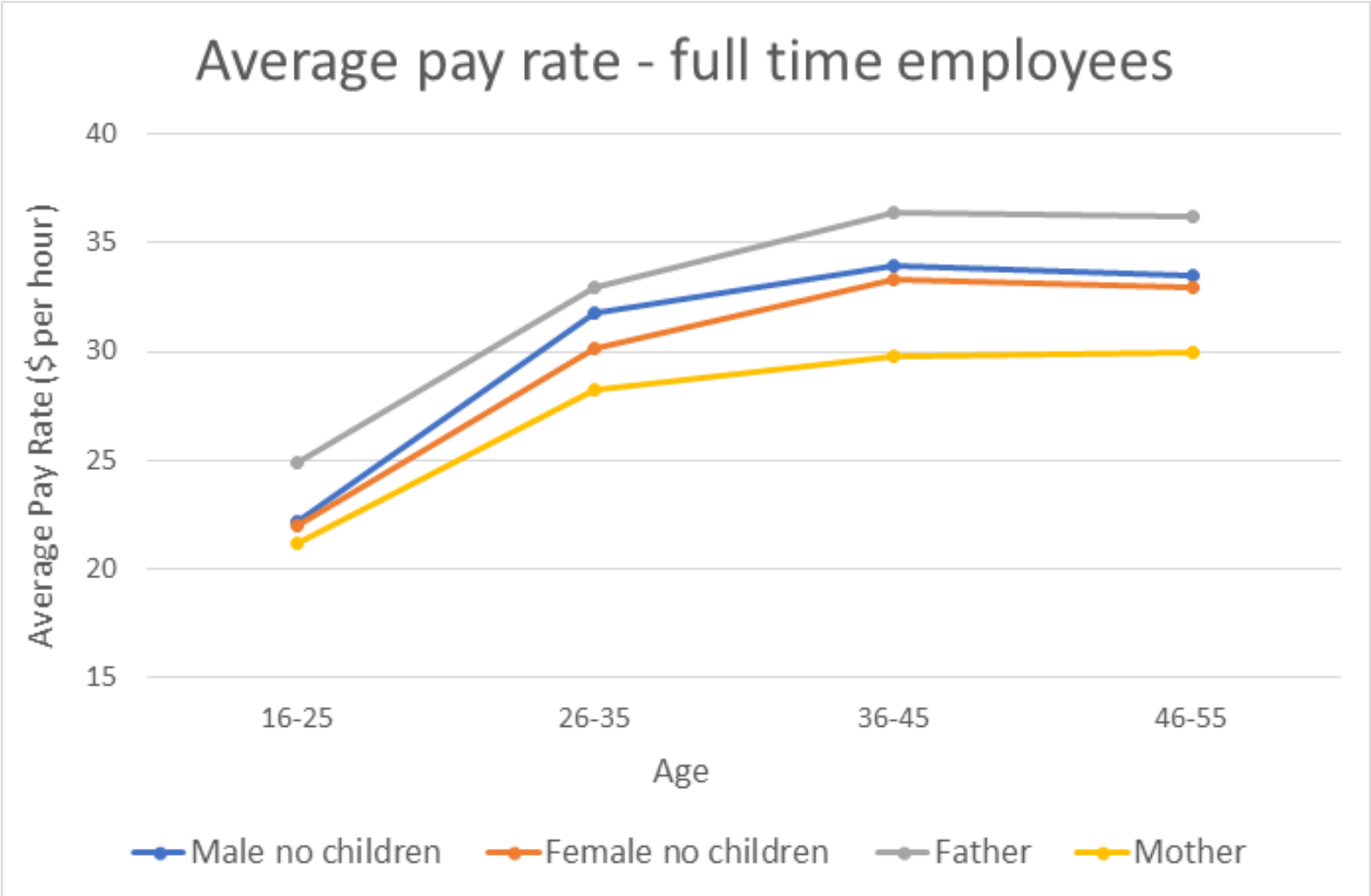
Women experience a “motherhood penalty”, earning less than both men and women without children and are often unable to progress up the career ladder.

We found this holds in Australia.





# The Motherhood Penalty



# Impact on retirement savings

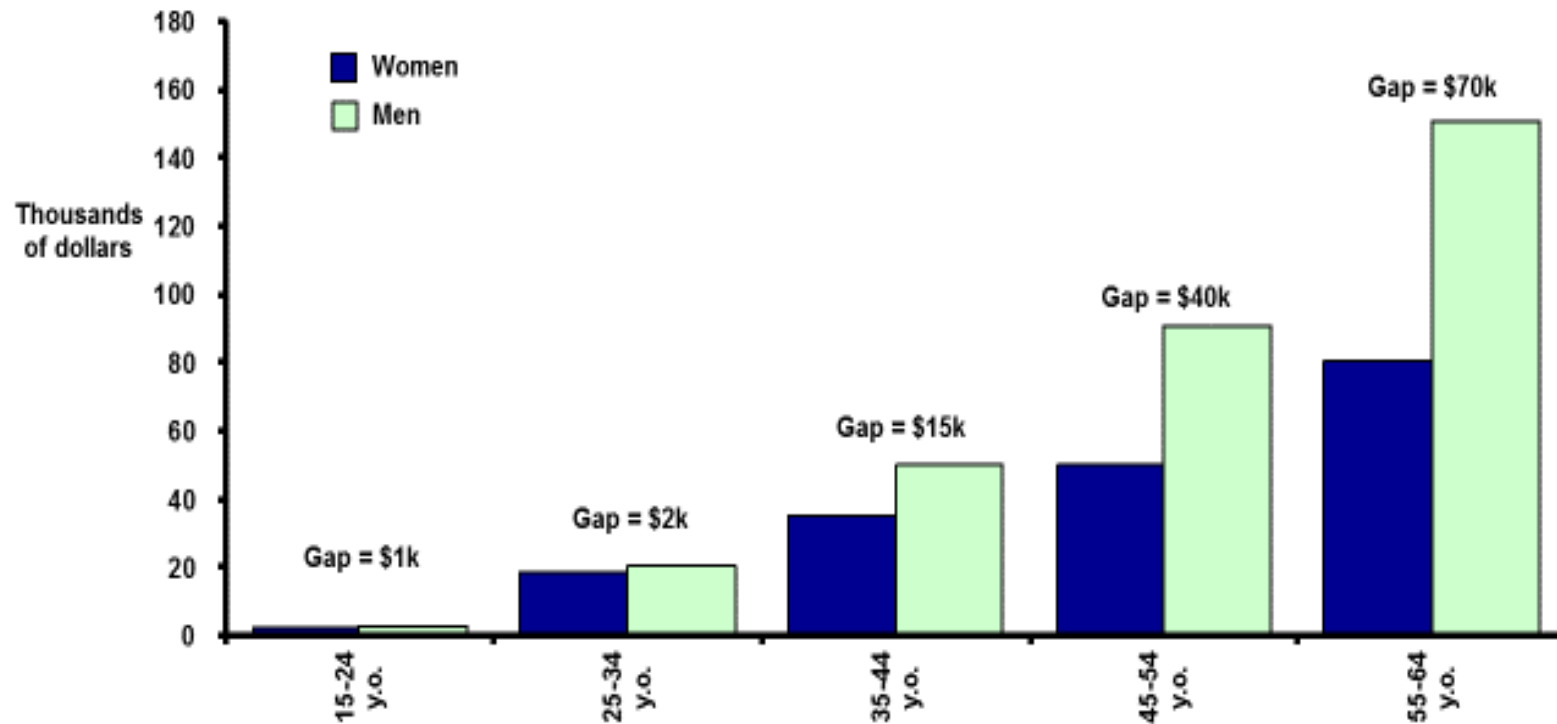
Per Capita's previous research into the superannuation gap demonstrates the impact of the gender pay gap on the retirement incomes of women in Australia.

This is particularly acute for women in low-paid industries, who often retire in poverty, without home-ownership and fully reliant on the age pension.



# Impact on retirement savings

Median Australian superannuation account balances by age bracket and gender (2013-14)



Source: ABS "Household Income and Wealth – Australia, 2013-14", Series no 6523.0



# Growth in care work is an opportunity

While jobs in manufacturing and trades are declining due to the impact of automation, jobs in care are growing.

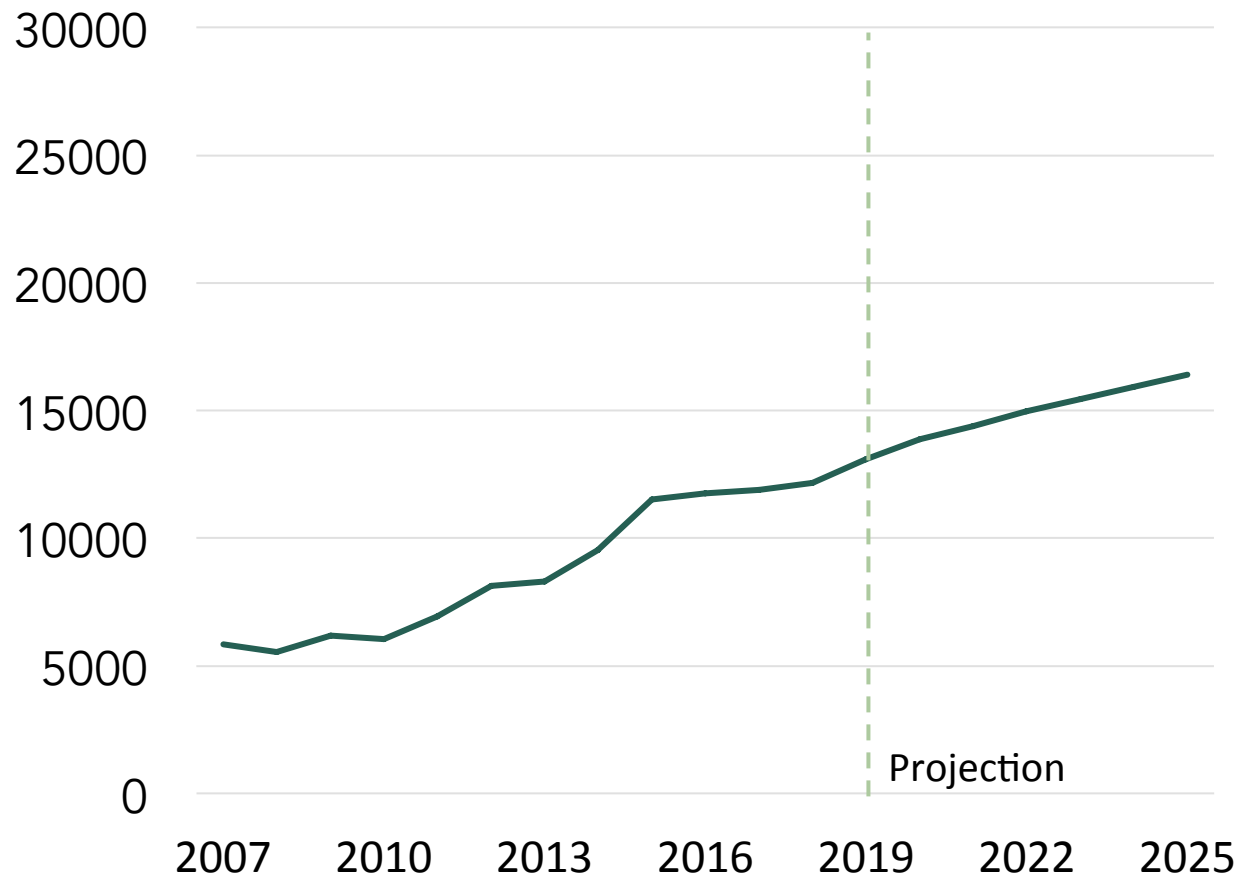
Many economists argue that the growth in care work as a proportion of so-called low-skilled work will exert ongoing downward pressure on wage growth.

This does not have to be so, if we reconsider how we value care.



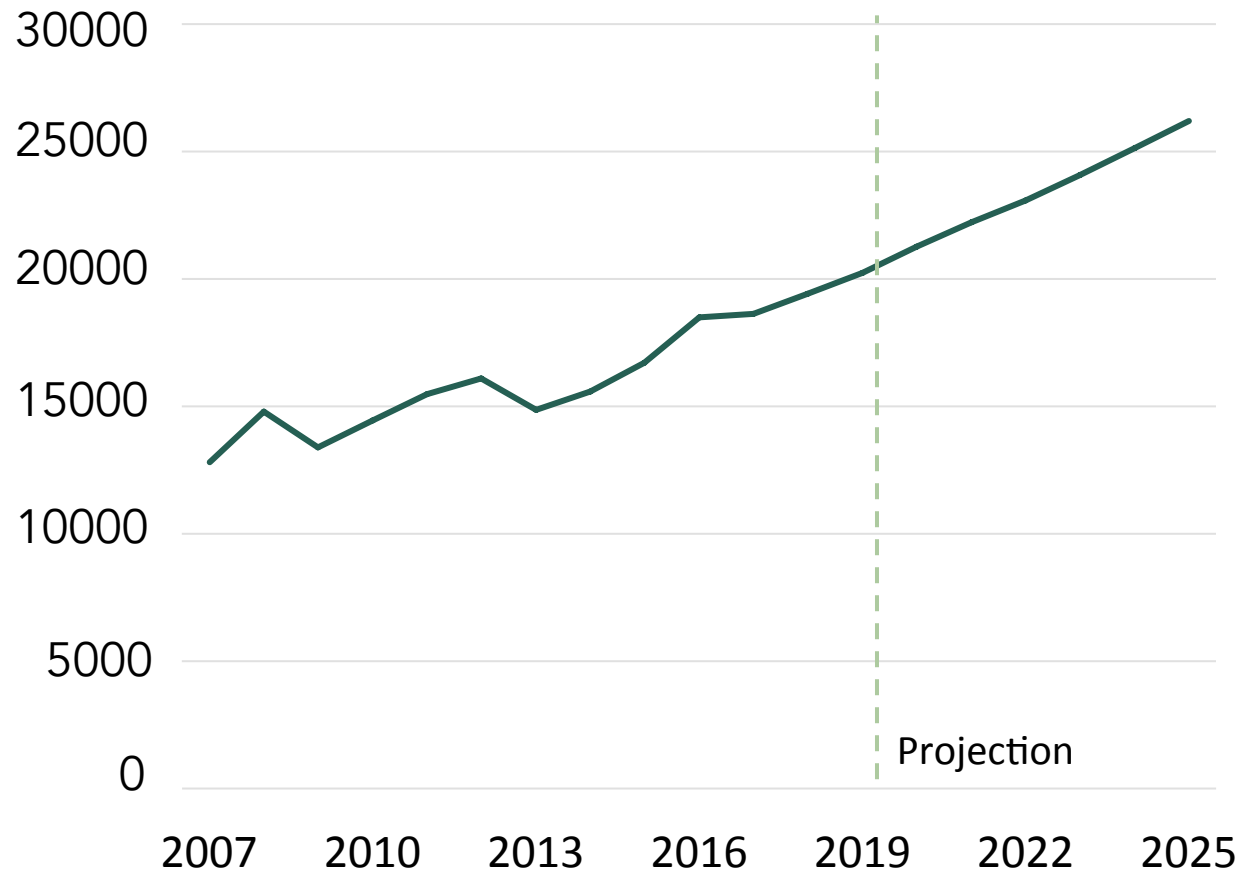
# Growth of child care services

Revenue in \$millions



# Growth of aged care services

Revenue in \$millions



# Shift to a Care Economy

The inherent gender bias in economic and fiscal policy worldwide limits our ability to respond to the changing nature of work and the growth in care work.

A shift in thinking could have real benefits not only for female workers but for the future of all work in the face of technological change.



# Shift to a Care Economy

De Henau et al (2016) have shown the benefits of shifting stimulus spending away from physical infrastructure towards social infrastructure spending.

Investment of around 2% of GDP in care work could increase both economic growth and employment growth, while offsetting the loss of low-skilled jobs in other industries due to the impact of automation.





# Thank you

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