

## Valuing Women's Worth

Speech to the Older Women's Network NSW

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There is one measure on which Australian women hold a distinct advantage over their male compatriots: life expectancy. A girl born in Australia today can expect to live four or five years longer than a boy.

But that's where the good news ends, for on every other measure of economic and social wellbeing, older women experience significant disadvantage compared to men.

Too often in our wealthy country, women who have worked all their lives, many in low-paid feminised industries, others without the opportunities for advancement in their professional fields afforded to men, and who repeatedly take time out of the paid workforce to care for children or other adults, see their retirement savings and assets eroded to the extent that they are forced to live in penury in their older age.

There are multiple causal factors leading to women's comparative disadvantage in older age including the gender pay gap, high effective marginal tax rates and child care costs, carer responsibilities and unpaid domestic work.

Even legislated minimum wages, under our highly regulated award wage setting system, display bias towards women: pay rates are typically 10 per cent lower for workers in feminised industries such as education, care, social services, retail and hospitality than they are in so-called 'blue collar' jobs for men.

This is largely because most of this work – the education and care of children, the preparation and provision of food, cleaning, caring for the ill or the elderly - was once the domain of the home. It was, essentially, women's work.

In our capitalist market economy, such work is largely dismissed as unskilled, uninspiring and unworthy of investment. Instead, economic orthodoxy dictates that investment should be targeted to innovation, to adding monetary value to raw materials and to building wealth through the creation of new products and services that we didn't know we needed. To men's work.

Feminist economists have characterised the way capitalist economies value work as the "sexual division of labour": that is, men's work is seen as productive, while women's work is reproductive<sup>i</sup>. Much reproductive work remains unpaid, and still occurs in the home, but, as women have entered the paid labour force in greater numbers over the last half century, an increasing amount of previously unpaid domestic work has been outsourced to paid workers.

In fact, it is in these basic care and services jobs that an increasing majority of Australians of all genders are employed, and it is the work they do that brings meaning and security to our lives. This work is quite literally the foundation of our way of life: it is the work of the foundational economy.

Most work in the foundational economy involves a complex mix of physical and psychological abilities, but it is too often dismissed as "unskilled labour", and accordingly is underpaid. Over recent years, the wages and conditions for many of these jobs have been further eroded by their excision from the standard labour market into the so-called gig economy, or reduced through cuts to penalty rates and overtime payments.

The COVID-19 pandemic has exacerbated many of the causes of women's financial insecurity. It has exposed a crisis in Australia's systems of social care, for the elderly, for children and for people with disabilities, where workers and recipients of care were more likely to be exposed to the virus, and have not been adequately protected by the vaccine rollout.

At the same time, women have been disproportionately affected by the loss of jobs and hours of work as the most severe recession in a century has had an immediate impact on many jobs in the services and education sectors, a not inconsiderable number of which are unlikely to return.

A side-effect of the temporary closure of schools and limitations on access to early childhood care and education due to the pandemic was, of course, an increased need for at-home child care. As a result, a significant number of women

stopped trying to find work altogether, or voluntarily reduced their working hours, as a result of the early impact of COVID-19 on home life.

ABS Labour Force data from the early months of the pandemic showed that women were 50% more likely than men to have stopped looking for work. Further, the ABS found that while men had reduced their hours of work by 7.5% in response to the pandemic, women did so by 11.5%.

These statistics almost certainly reflect the fact that women are taking on a disproportionate amount of additional unpaid work at home as families adjust to living in isolation. Studies into the Australian experience of sharing unpaid work during the pandemic are underway, but international research shows that women have taken on more of the extra care work needed during lock-downs, as children engage in online learning and adult family members work from home.

Given women in Australia already did 80% more unpaid work than their male partners before the pandemic struck - a significantly higher proportion than in comparable developed nations - it is unsurprising that women are the ones giving up paid work to cater to the needs of their families.

While for many low-income women, who are often the "second income earners" in their households, this may mean exiting the labour force altogether for some time, even higher income women with secure jobs are more likely than are their male partners to cut back on hours to pick up the load at home.

Taken together, the outcome of this unusual and unparalleled health and economic crisis is an unprecedented loss of jobs held by women, a widespread reduction in hours worked by those still employed, and a significant reduction or loss of trust in many of the outsourced care services women rely on in order to participate fully in the workforce. This is why some have dubbed this a "pink collar recession".

Despite this, government policies in response to the pandemic and associated recession so far have overwhelmingly favoured male-dominated industries such as construction and manufacturing, displaying a traditional bias to investment in hard infrastructure and the jobs that create tradeable goods, over social infrastructure and the growing number of jobs that provide services.

Anger with the government came to a head just over a year ago, when Treasurer Josh Frydenberg handed down a much-delayed federal budget that paid a woeful lack of attention to women's workforce participation, economic security and safety.

After early childhood education advocate and journalist Georgie Dent published an article in *Women's Agenda* pointing out that the biggest-spending budget in history had allocated roughly one-third of one per cent of its funds for women's economic security (citing a figure I tweeted from the Per Capita account during the budget presentation), she received a call from the PM's office to complain that "no-one credible" was making such a complaint, and that "nothing in the budget is gendered".

To quote one famous working woman: Big mistake. Big. Huge.

Within a couple of hours, the hashtag #CredibleWomen was born, and soon trending second in Australia. Twenty-four hours later, over one thousand very angry, and highly credible, women and men had joined the fray, including prominent journalists and commentators, business leaders, former federal politicians, economists and sociologists, and even the family members of former Prime Ministers, both Labor and Liberal. So much for no-one credible.

As for the claim that nothing in the budget was gendered – that was the point. Proudly declaring that no gender analysis was done on the budget reveals a disturbing ignorance of the inherent bias in our economic system, and a fundamental confusion between the concepts of equality and equity. A budget that treats everyone equally, ignoring the fact that women start from a place of significant disadvantage on almost every meaningful economic measure, simply entrenches gender inequality and, in light of the disproportionate impact of the current recession on women, actually risks sending us backwards.

Even a year later, following the incredible women's marches across the country earlier this year, there is little by way of meaningful action from this government. Its recent 'Women's Safety and Security' summit came just a week after the government rejected all but six of the 55 recommendations in Sex Discrimination Commissioner Kate Jenkins' Respect at Work Report, and excluded women from the union movement, the Council of Single Mothers and their Children and other leading advocacy bodies.

Australian of the Year, the remarkable Grace Tame, was singularly unimpressed.

Sadly, the evidence so far is that real efforts to address the multiple causes of women's comparative economic insecurity in older age look to be quite far away. But women have never achieved any rights equal to men's without a fight. There are thousands of very credible women across Australia, of all political stripes, who won't give up that fight, for ourselves, our sisters, our daughters and our mothers.

And fight we must, because too many older women in Australia live lives of quiet desperation and despair.

There are around 1.6 million women over the age of 65 living in Australia; on average, they can expect to live for another 22 years. Forty-six per cent of these women re married, 38% widowed, 10% are divorced, and 5% have never been married. The majority of older women in Australia, then, are single – and more than a third of them live in permanent income poverty.

The higher incidences of poverty among older women are rooted in discrimination and disadvantage they face during their working lives, and that fact that they are the ones who take time out of work to care for children and others, and then return to work part-time to accommodate the unpaid domestic work that keeps society ticking over.

When they retire, rather than escaping the disadvantage caused by unequal work patterns, that disadvantage comes home to roost, and further forms of discrimination emerge.

The superannuation system is systematically biased against women. It was designed around the 'male breadwinner' model of reliable, full-time employment that, even when compulsory superannuation was introduced in the early 1990s, was rapidly disappearing.

As we noted in our 2016 report, *Not So Super For Women: Superannuation and Women's Retirement Outcomes*, the assumption when the superannuation system was established was that implicitly, the benefits of superannuation would largely flow to women through their male partners.

What's happened since is that many more women have entered the workforce to earn and save independently, but the nature of work available to them has been more intermittent and lower paid than that of their male counterparts.

This combined with the fact that women still do the overwhelming majority of unpaid housework, caring and parenting, means that the benefits of super, which move in direct proportion to pay, have not flowed to women as hoped.

The result is that women in Australia currently retire with 47% less superannuation than men. The inevitable result of a lifetime of interrupted careers and lower paid work for women is that fewer of them can expect to enjoy a 'self-funded' retirement with an income that provides a comfortable standard of living than can men.

And so far more women than men rely on the age pension in Australia, and this is especially so for the 53% of women who find themselves single in older age.

Overall, 24.2% more women than men are in receipt of the age pension; there are 31.5% more women than men on the full rate age pension and 13% more on a part pension.

Fewer women in couple relationships rely on a full or part pension than do men, but more than twice as many single women rely on either the full or part pension than men.

More than half a million single women in Australia - around a third of all women aged 65 and over - rely on the full age pension as their sole source of income.

That is, 60%, or three in five, single women in Australia rely on the full age pension. More than half of them live in permanent income poverty, and housing stress is a significant cause of this.

The number of single older women experiencing housing stress has grown exponentially over the past ten years. Many women have never owned property, others are forced into private rental as a result of family breakdown and sole parenting, or family violence.

## VALUING WOMEN'S WORTH

For single women relying on the age pension, renting in the private sector is a key determinant of poverty. A significant cause of housing insecurity is the dearth of appropriate housing for older women, especially an undersupply of social housing, leaving women reliant on the private rental market.

Research Per Capita conducted with older women who define themselves as experiencing disadvantage or financial insecurity, suggests that their relationship to home is a social one: it is a place to connect with others, somewhere they can sustain meaningful relationships and build a community.

Secure housing mitigates other vulnerabilities we experience in older age, particularly social isolation and loneliness, and recent research shows housing insecurity negatively affects the health of older people.

It is alarming, then, that the fastest growing group of homeless people in Australia are women over the age of 55. According to the 2016 Census, there were 6,866 homeless older women, an increase of 31% since 2011. We expect to see a further increase when the recent census figures are released.

The most recent report on the state of homelessness amongst older women was published by the Australian Human Rights Council in April 2019. The paper noted that, beyond the 6,866 women currently experiencing homelessness, “[a] further 5,820 older women were living in marginal housing and may be at risk of homelessness.

Homelessness for older women doesn't necessarily look like the typical picture of someone sleeping on the street: older women's homelessness is often hidden. Women look to 'self-manage' their homelessness through strategies such as partnering up, moving between family and friends, and looking to take on jobs that provide housing.

Because of this, and the statistical methods used to count homelessness, official figures understate the true extent of the issue of homelessness among older women, particularly for women experiencing family or domestic violence, or Aboriginal and Torres Strait Islander women, or older women with a disability. Another form of discrimination that works against older women's security.

And after a lifetime of grappling with discrimination based on their gender, women now have to deal with that other pervasive form of discrimination, that based on age.

Western culture is one that celebrates youth. Ageing is seen as a decline, with little to recommend it. Of course, other cultures – not least that of our First Nations people – are much better at valuing and respecting elders, but white, European culture has almost completely lost the ability to recognise the positive aspects of ageing.

It's rare for us to hear stories in the national media or public debate about the benefits of ageing – the getting of wisdom, the accumulation of experience, the growth of resilience.

The sense of contentedness that comes with raising a family or ticking off career goals. The leaving behind of the race to prove oneself to people who really don't matter.

These are all things that people gain as they age, and – with the exception of a few enlightened social commentators – we don't hear much about these things at all.

Instead, we hear about the things people LOSE as they age: their looks; their agility; their memories; their independence; their productivity.

The fact is, we live in a political system that lauds economic productivity as the most important contribution humans can make to society. And, as I outlined earlier, reproductive labour is not valued in our economic system. Women suffer for this throughout their lives, but it becomes particularly acute in older age.

When a group of people is repeatedly dismissed as declining in productivity by virtue of the fact that they are getting older, we end up with a pervasive narrative that older people are an economic burden on the rest of us.

This infiltrates economic and social policy making. The assumption that older people are a burden on society creates an economic system in which older people are, in many interrelated ways, forced into BEING a burden – prevented by

systematic prejudices from contributing to their full capacity, from fully exercising their right to live a self-determined, self-reliant life – and from having the contributions they do make recognised and valued as they should be.

Our public policy framework is fixated on this view of ageing as a decline and a burden. The Intergenerational Report released every five years by the Department of Treasury and Finance focuses on the economic impacts of an ageing population for Australia's federal budget. This year's IG Report included dire warnings that, on current policy settings, we face, quote, "an unequivocal deterioration in fiscal sustainability". Same warning as the 2015 report, and the 2010 report....

In other words, too many older people will send Australia broke unless we change our policy settings to adapt to an ageing population.

A big part of this challenge will be reframing how we view ageing, and removing Ageism and the concept of older people as a burden from the policy process and our economic systems.

So let's take an honest look at the cost and contribution of older people to Australia's society and economy.

It's true that, at just over 45 billion dollars annually, the age pension is the largest social security spending measure on the government's books. Yes, it's a lot of money.

But consider this. The Australian Institute of Family Studies estimated the value of unpaid caring and other voluntary work by people aged over 65 at around **39** billion dollars each year – and those figures are 15 years old. The figure is likely to be significantly higher today.

There isn't nearly enough analysis of the value of unpaid work done in our society, but on those 15 year old figures alone, and assuming the likely increase in the years since, we can see that the cost of the age pension is easily offset by the unpaid work older people contribute to our economy.

And just as women undertake the vast majority of unpaid care work throughout their lives, older women, and men as well, make a disproportionate contribution to our society and economy by caring for grandchildren, caring for spouses and other relatives, and volunteering in their communities.

Of course, the costs of age pensions and aged care services are likely to rise in line with a greater proportion of people aged over 65, and especially over 85, in future.

Under current policy settings, Australian Government expenditure on Age and Service pensions is projected to rise as a per cent of Gross Domestic Product, or GDP, from 2.9 per cent in 2015 to 3.6 per cent in 2055 – that's 165 billion dollars annually in today's dollars.

But the Intergenerational Report also notes that, in the near future, not only will Australians live longer, but improvements in health mean they are more likely to remain active for longer.

So the overwhelming likelihood is that the voluntary contribution of older people will increase at least in line with, but probably in excess of, the costs of caring for older people. Yet we measure one and not the other. That's a pretty poor effort at a cost-benefit analysis from the Treasury!

There's a theme that you may have noticed throughout this address. It's about what we value and what we don't. Almost every structural cause of women's relative disadvantage and financial insecurity in older age comes down to the same thing: we do not value women's work. We do not value reproductive labour, and we do not value care.

Yet if the pandemic showed us anything, it was surely that the truly invaluable work in our economy – the foundational work - is done not by the captains of industry, who, we have been told, create our jobs and drive our precious economic growth.

## VALUING WOMEN'S WORTH

No, the people who keep society ticking over are those we take for granted every day: those who care for our kids and our elderly, who pick our vegetables and stock our supermarket shelves, who nurse us when we are sick and clean up after us as we go about our lives. The women and retirees whose unpaid and volunteer work contributes more than half of the value of Australia's gross domestic product, but is not counted towards it.

Surely this crisis has revealed that there are more important values than productivity: that we should measure our success as a society around the concepts of care, sustainability and wellbeing, rather than of growth, profit and material wealth.

As we rebuild our economy in the wake of COVID-19, we have the opportunity to fix broken systems, and to rethink what we value, and what kind of country we want to be. Rather than a gas-fired recovery, we should aim for a care-led recovery, in which we focus on the things that really matter to Australians: the health and wellbeing of their families and communities, the time they have to spend with one another, the security of their work and the recognition of the value we find in caring for one another.

We need a new social compact for Australia, centred on the concept of care: care for each other, care for our communities, care for our environment, care for our future.

Such a social compact would value women's work and women's worth, and create a society in which we could thrive until our last breath.

Thank you.

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