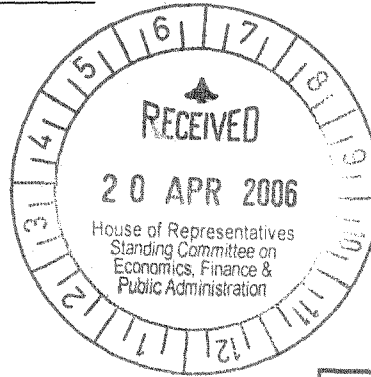




Australian Government
Office for Women

SUBMISSION NO. 73



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Ms Sharon Bryant
Inquiry Secretary
House of Representatives Standing Committee on
Economics, Finance and Public Administration
Parliament House ACT 2600

House of representatives Standing Committee on Economics, Finance and Public Administration	
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Secretary:	<i>JS</i>

Dear Ms Bryant

Thank you for providing the Office for Women with an opportunity to speak at the *Inquiry into Improving the Superannuation Savings of People Under Age 40* hearing on 10 February 2006.

The Committee sought further advice about possible strategies to assist women in accumulating superannuation savings and noted that women's experiences of saving for retirement and the accumulation of superannuation are greatly impacted on by life events. On average, when women retire from the paid workforce they will have half as much superannuation as men.

This occurs as a consequence of a number of factors, but most significantly is due to the nature of the labour market in which women are primarily employed. Women also require time-out of the workforce to bear and/or care for children and family, and they might withdraw from the labour force to raise children or perform other caring roles for long periods of time.

As indicated in our submission to the inquiry, a recent survey of women conducted by Security for Women (S4W) shows that many women know little about superannuation and the importance of saving for retirement. In addition, a recent ASFA survey into the attitudes of Australians towards saving for retirement found that women were most likely to expect to receive Age Pension in retirement.

The Office for Women has welcomed the new superannuation initiatives, however, to increase awareness about superannuation and retirement savings a financial literacy education package targeted specifically for women needs to be developed. The challenge is that such a package would need to specifically target women during the various life stages, for example, the information needs of a 35 year old single parent will differ significantly to those of a 55 year old partnered woman.

It is also important to consider the overall financial literacy of women. Sole parents for example are a particularly vulnerable group as they have often built joint assets with a partner, and on separation their economic wellbeing may be compromised. It is

important to educate this group about financial planning more generally, rather than only focusing on superannuation.

There are also women who are marginalised and who face difficulties accessing information about superannuation. This Office is currently undertaking a research project that is looking at financial literacy among marginalised women. Preliminary findings from the study point to the need for programs that consider the requirements of the specific target groups and which are resourced through partnerships between financial institutions, government and community organisations, and work with participants over a period of time. I have attached a copy of preliminary findings for your information.

In summary, there is a difference between simply providing information about superannuation and providing a targeted education package. The latter requires a combination of information, knowledge and motivation to change behaviour and will have a positive impact on the longer term financial understanding and wellbeing of women. It is important to integrate financial planning into counselling and support services for women particularly during life transition/crisis points.

This Office would be keen to work with organisations such as the Financial Literacy Foundation to conduct a targeted marketing/education campaign for women under 40 years of age. This Office would also support programs designed to address the needs of marginalised women and where indicated research into effective education strategies specifically targeted at women.

The hearing also sought further advice about statistics for the average length of time that women are taking off in terms of maternity periods. 2002 ABS data suggests that two thirds of women return to work less than 12 months after the birth of their youngest child and 18% of women ceased work altogether after having a child but returned at a later stage¹. This further highlights the importance of educating women about the significance of superannuation contributions as often women balance work and family responsibilities and as a result are employed in lower paid or casual positions.

I hope this information assists the Inquiry and I look forward to seeing the report.

Yours sincerely



Kerry Flanagan
Executive Director
Office for Women

13 April 2006

¹ Career Experience, ABS, 2002