



Her
Financial
Journey

THE GENDER WEALTH GAP

THE RISE IN WEALTH
INEQUALITY IN AUSTRALIA
REMAINS A KEY THREAT TO
FINANCIAL SECURITY,
FREEDOM, AND PROSPERITY
FOR WOMEN IN AUSTRALIA.

02

ABOUT THE GENDER WEALTH GAP

The gender wealth gap stands as a significant barrier to women in Australia from achieving financial equality and liberty. The Household, Income, and Labour Dynamics in Australia (HILDA) survey is currently the only database in Australia that can estimate the wealth gap between men and women. Even then, due to the data collection method of interviewing households rather than individuals, we can only examine the difference in wealth between single female households and single male households, which excludes women in all other circumstances.

WHY DOES IT MATTER?

Wealth is the cornerstone of a person's financial security, yet in Australia, there is a lack of understanding of the wealth disparities between men and women. From what has been researched, the longstanding differences in wealth between men and women are sustained by;

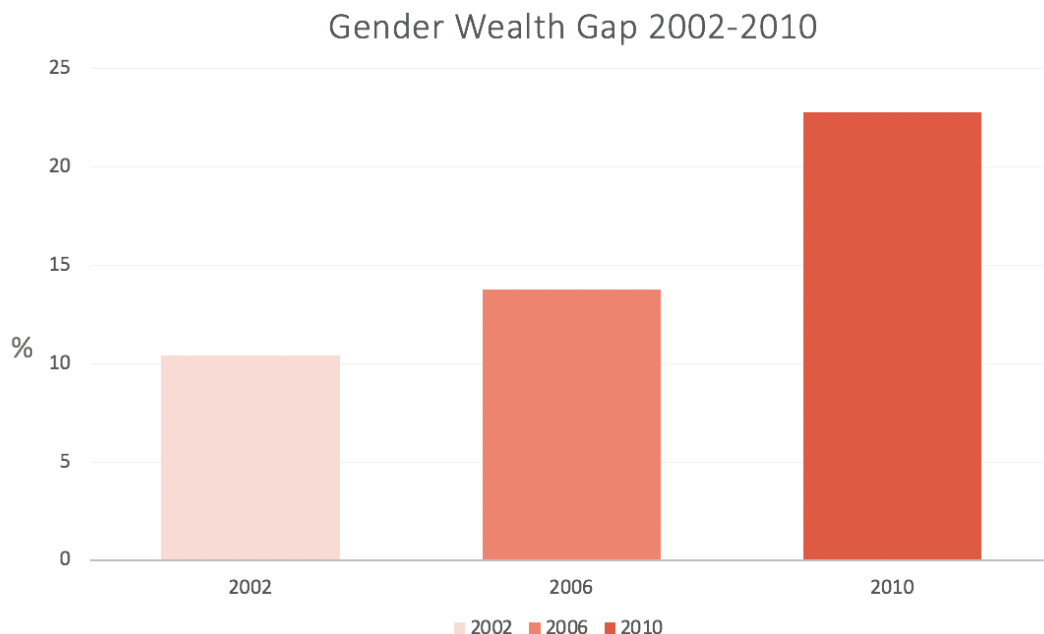
- **NUMERACY GAPS IN EARLY CHILDHOOD EDUCATION,**
- **WHICH THEN GENERATE GENDERED GAPS IN ADULT FINANCIAL LITERACY.**

Rising wealth inequality not only has pervasive consequences for women, but hinders economic growth in all factions of society. Half of Australia's population are women, which means that half of Australia's economy is not reaching its full economic potential. If more women began to work towards a greater personal net worth, for instance, through labour participation, entrepreneurship, and investing, then we would see Australia's economy revitalised.



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WHAT DOES THE GENDER WEALTH GAP LOOK LIKE?



SFH: Single Female Household; CPI: Consumer Price Index
 Real values have been calculated by deflating the mean values of assets and debts by using CPI taking 2002, 2006, and 2010 as the base year. This is the sum of wealth stored in the primary home, other property, superannuation, business, financial instruments, vehicles, and collectibles.
 Source: Austen, Siobhan, Rachel Ong, Sherry Bawa, and Therese Jefferson, "Exploring Recent Increases in the Gender Wealth Gap among Australia's Single Households," *The Economic and Labour Relations Review* 26, no. 1 (March 1, 2015): 9 <https://doi.org/10.1177/1035304614556040>.

“ There are 12.79 million women living in Australia, of those from single female households, had, on average, \$46,900 AUD (2010) less than men in the same circumstances. Demonstrating a **gender wealth gap** of **22.8%**. [1] ”

The gender savings gap in annual median savings in 2010 was \$150 AUD for women and \$620 AUD for men. [2]

Within OECD countries, Australia has one of the largest male-female financial literacy gaps. [3]

Research into male-female education gaps shows that male students outperform female students at all grade levels. [4]



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RECOMMENDATIONS:

HER FINANCIAL JOURNEY'S RECOMMENDATIONS FOR THE NEXT STEPS IN TACKLING THE AUSTRALIAN GENDER WEALTH GAP:

- *Modify data collection methods to collect wealth data from individuals rather than households.*
- *Further investigations into the causes of the gender wealth gap.*
- *Establish mechanisms to mitigate the gaps in wealth, education, and financial literacy.*

REFERENCES

[1] Austen, Siobhan, Rachel Ong, Sherry Bawa, and Therese Jefferson. "Exploring Recent Increases in the Gender Wealth Gap among Australia's Single Households." *The Economic and Labour Relations Review* 26, no. 1 (2015): 3-28. <https://doi.org/10.1177/1035304614556040>.

[2] OECD. "Women and Financial Education: Evidence, Policy Responses and Guidance." (2013): 1-100. https://www-oecd-ilibrary-org.ap1.proxy.openathens.net/finance-and-investment/women-and-financial-education_9789264202733-en.

[3] Preston, Alison C., and Robert E. Wright. "Understanding the Gender Gap in Financial Literacy: Evidence from Australia." *Economic Record* 95, no. S1 (2019): 1-29. <https://doi.org/10.1111/1475-4932.12472>.

[4] Hong Son Nghiem, Ha Trong Nguyen, Rasheda Khanam, Luke B. Connelly, "Does school type affect cognitive and non-cognitive development in children? Evidence from Australian primary schools," *Labour Economics* 33, (2015):55–65, <https://doi.org/10.1016/j.labeco.2015.02.009>.