A Husband is Not a Retirement Plan: A Gender-Based Analysis of Australia's Retirement System

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Word count: 1893

Literature Review

Australia's superannuation system exhibits significant gender disparities, with women consistently retiring with substantially lower balances than men. This report examines the systemic factors driving this gap, explores current policy settings, and identifies areas for potential reform.

Systemic Factors Driving the Gender Superannuation Gap

The gender superannuation gap stems from several entrenched workforce factors. Australia's gender pay-gap remains significant at approximately 14% for full-time earnings, resulting in women accruing less in compulsory superannuation contributions.[1] This is compounded by occupational segregation, with women overrepresented in lower-paying sectors such as education, healthcare, and retail, while men are overrepresented in higher-paying industries like engineering, mining, and construction.[2]

Perhaps the most significant factor is women's interrupted work patterns due to caregiving responsibilities. Approximately 95% of primary parental leave in Australia is taken by mothers.[3] Many women also return to work part-time to balance child-rearing or take breaks to care for elderly family, further reducing their total years of superannuation accumulation. These career interruptions and differences create periods with little or no superannuation contributions, a disadvantage exacerbated by the superannuation system's assumption of continuous, full-time employment.[4] Women are more likely to rely on the Age Pension ,[5] leaving older women, especially single women, more vulnerable to financial insecurity and contributing to rising rates of poverty and homelessness among this demographic.[6]

Role of Partner Status and Financial Security

Partner status is another significant, though often underemphasised, dimension of retirement security. Research has shown that single women are among the most financially vulnerable cohorts in retirement, with unpartnered older women facing higher risks of poverty and homelessness.[7] Relationship dynamics can also contribute to inequality: while partnered men often benefit from dual-income household structures, women may be more likely to reduce their labour force participation to support caregiving roles within the family.[8] Thus, partner status interacts with gender and work patterns to produce divergent retirement outcomes, something most superannuation policy settings do not directly account for.

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[1] Workplace Gender Equality Agency (WGEA), 2023
[2] Australian Human Rights Commission (AHRC), 2017
[3] Australian Institute of Family Studies, 2021
[4] Basu & Drew, 2009
[5] Australian Institute of Health and Welfare (AIHW), 2023
[6] National Older Women's Housing and Homelessness Working Group (NOWHHWG), 2020
[7] NOWHHWG, 2020
[8] Australian Taxation Office, 2023; Clare, 2017

Current Policy Framework and Its Impact

Australia's retirement income system operates on three pillars: the Age Pension, compulsory superannuation, and voluntary savings. Several policies within this system affect men and women differently.

The *Superannuation Guarantee* (SG), currently set at 11% of salary, applies equally to all employees. Since contributions are a fixed percentage of salary, the gender pay gap translates directly into a superannuation gap.[9] Until recently, workers earning less than $450 per month from a single employer were exempt from the SG, disproportionately affecting those working part-time or casual jobs. The removal of the $450/month threshold (effective 2022) is expected to improve coverage for low-paid, predominantly female workers. However, this change does not compensate for periods when individuals (mostly women) are out of paid work. Therefore, the SG significantly boosts retirement savings only to the extent one has continuous, sufficient wage income, a condition less often met by women due to systemic factors.[10]

Historically, the government-funded *Paid Parental Leave* (PPL) scheme excluded superannuation, creating a lasting deficit in women's super-accumulation.[11] Further, many employers do not pay superannuation during maternity leave. The planned inclusion of superannuation on Commonwealth PPL starting this year (July 2025) represents a positive step, though it will only marginally reduce the overall disparity given the relatively low PPL wage rate and short duration.[12] Moreover, caregiving that occurs outside this narrow window, such as extended time at home or eldercare, remains uncompensated.

Supplementary programs like the *Low-Income Superannuation Tax Offset* (LISTO), the *Co-contribution Scheme*, and the *Spouse Contribution Offset* offer modest support, but rely on individuals having disposable income to contribute – an unrealistic expectation for many low-income women. In practice, these schemes tend to benefit women who are already financially better off.

Policy Gaps and Challenges

Together, the literature reveals that superannuation inequalities are not merely the byproduct of individual choice but stem from structural and policy-based limitations. The system's dependence on continuous, high-income employment disproportionately disadvantages women, particularly those undertaking unpaid caregiving. Moreover, policies aimed at redressing the gap often target those already well-positioned to benefit, leaving vulnerable groups behind. The persistent lifetime earnings disparity remains a fundamental challenge, and policies that promote workplace gender equality, pay equity, and improved childcare access is critical to closing the gap in the long run.[13]

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[9] WGEA, 2023
[10] Basu & Drew, 2009
[11] WGEA, 2023
[12] Treasury, 2020
[13] Treasury, 2020; WGEA, 2023

Evaluation Question

From the literature reviewed, a key research question emerges: *How do gender, occupation, and partner status interact to affect lifetime superannuation accumulation under Australia's current retirement income system?*
Specifically, this report will examine the structural features of the retirement income system, such as income-based contributions and limited coverage during caregiving, that produce unequal retirement savings outcomes for women. The analysis draws on individual-level taxation and superannuation data to explore how disparities in income and labour force participation contribute to long-term gender gaps in superannuation accumulation.

Data and Assumptions

This analysis uses the Australian Taxation Office (ATO) *2% Sample Unit Record File of Individual Tax Returns* (2013-2014), a pseudo-randomly selected dataset focusing on demographics, income, and superannuation variables. Key assumptions include: the 2% sample represents the broader Australian taxpayer population, though it may exclude very low-income individuals who may not file returns; the data accurately reflects reported variables; and retirement age is assumed to be 65 years old for comparative analysis of gender disparities.

Strengths and Limitations of Data

The ATO dataset offers significant strengths as a large-scale administrative dataset with high reliability and accuracy, avoiding self-reporting biases while providing verified tax compliance and superannuation contribution data by category.

However, several limitations constrain the analysis: the dataset lacks information on work hours, maternity leave, and informal unpaid work; provides only point-in-time superannuation balances rather than longitudinal data; and excludes family composition details beyond partner status and lifestyle factors such as health conditions, limiting comprehensive household-level and risk profiling analysis.

The most severe limitation is the exclusion of low-income Australians who did not file a tax return, which may result in serious underrepresentation of women in the sample, particularly those without an income, either from salary or other sources.

To account for extreme outliers in the data set not considered to be reflective of the population, the top 1% of income and superannuation account balances were filtered out.

Main Findings

Consistent with the literature reviewed, income differences and how they translate to disparities in superannuation were investigated.

Income Inequality as the Foundation

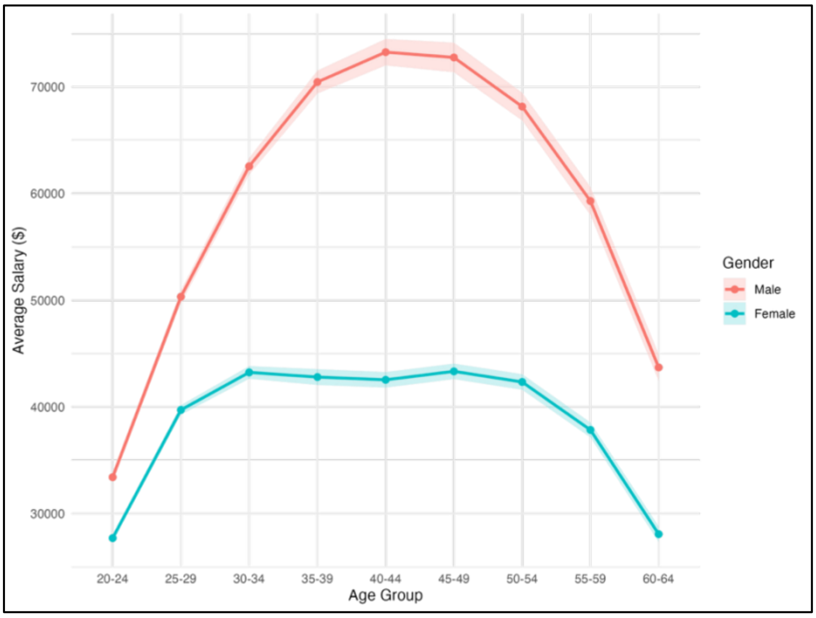

Figure 1. Average salary by gender and age group with 95% CI

The primary driver of disparities in superannuation is income inequality. As shown in Figure 1, men consistently earn higher wages across all age brackets, with the gap widening significantly during mid-career (35-54 years) due to the plateau in women's pay. Although wage growth slows for both genders approaching retirement age, men still maintain a substantial earnings advantage.

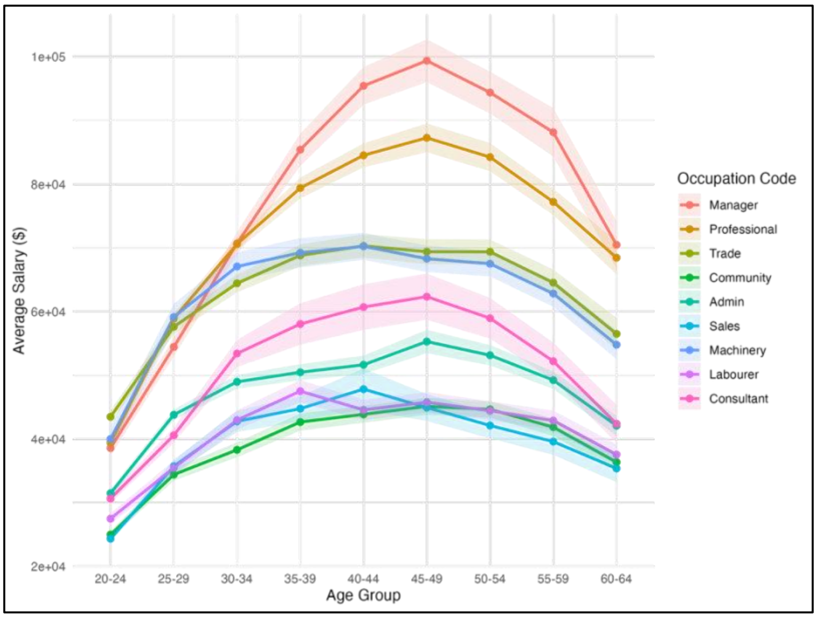

Figure 2. Average salary by occupation and age group with 95% CI

The wage gap likely stems in part from occupational segregation, with higher proportions of men in the top paying occupations (Figure 2, Figure 3). Figure 3 further demonstrates how, even when women are in higher paying occupations, there is still a gap in compensation, consistent across industries.

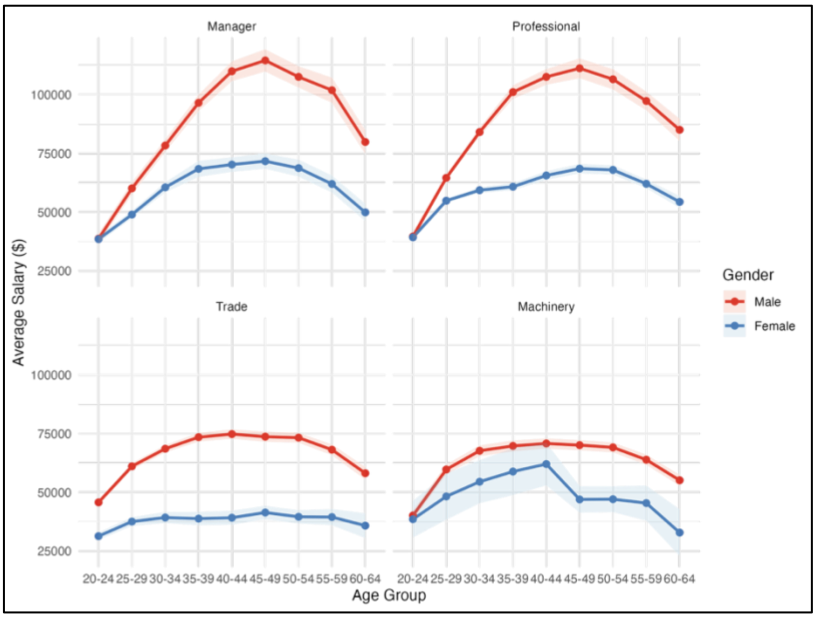

Figure 3. Average salary by age group and gender in highest paying occupations with 95% CI

Contribution Patterns

The income gap directly translates to superannuation contribution disparities. Under the Superannuation Guarantee system, employer contributions, calculated as a percentage of earnings, naturally mirror the income gap, with men receiving substantially higher contributions throughout their careers (Figure 4).

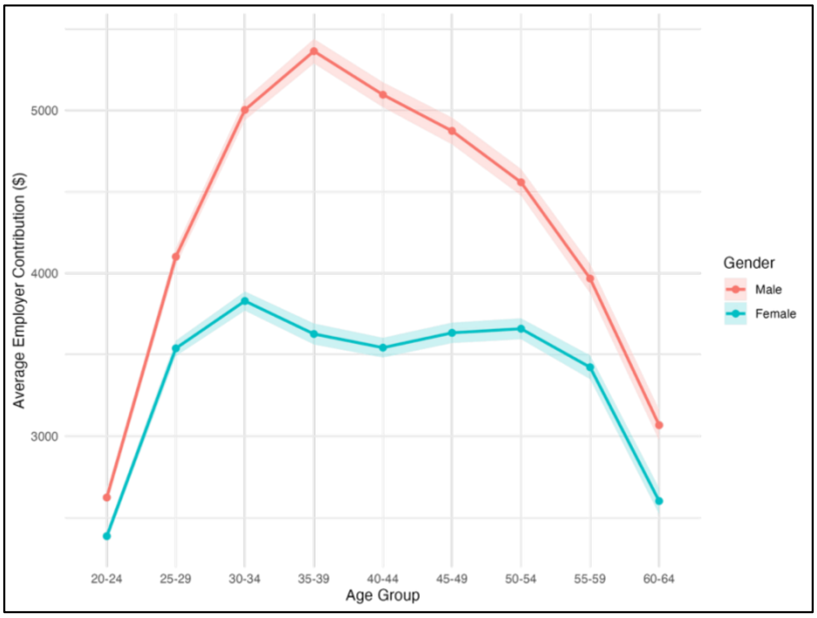

Figure 4. Average employer superannuation contributions by gender and age group with 95% CI

Accumulated Balances and Long-term Impacts

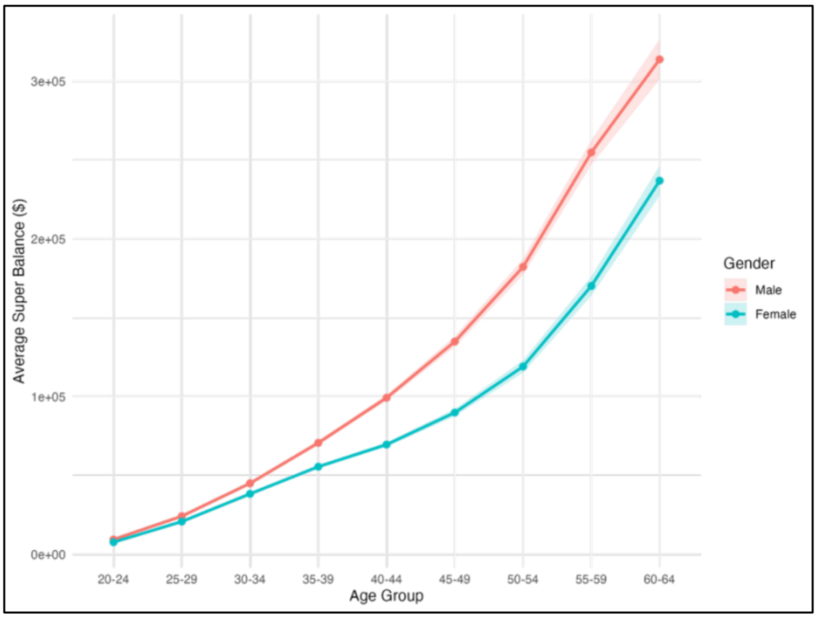

Figure 5. Average superannuation account balance by age group and gender with 95% CI

These contribution disparities compound dramatically over time. Figure 5 reveals that, on average, men accumulate substantially greater holdings than women over their lifetimes. Further, Figure 6 shows that men with partners accumulate significantly more superannuation than all other groups, particularly unpartnered women, who have the lowest balances by retirement age. The disparity widens steeply from midlife onward, compounding inequality. This suggests relationship status amplifies gender-based disparities and highlights the vulnerability of single women in retirement but also shows how men financially benefit more from a relationship than women, as there is a much larger gap between partnered and unpartnered men than partnered and unpartnered women.

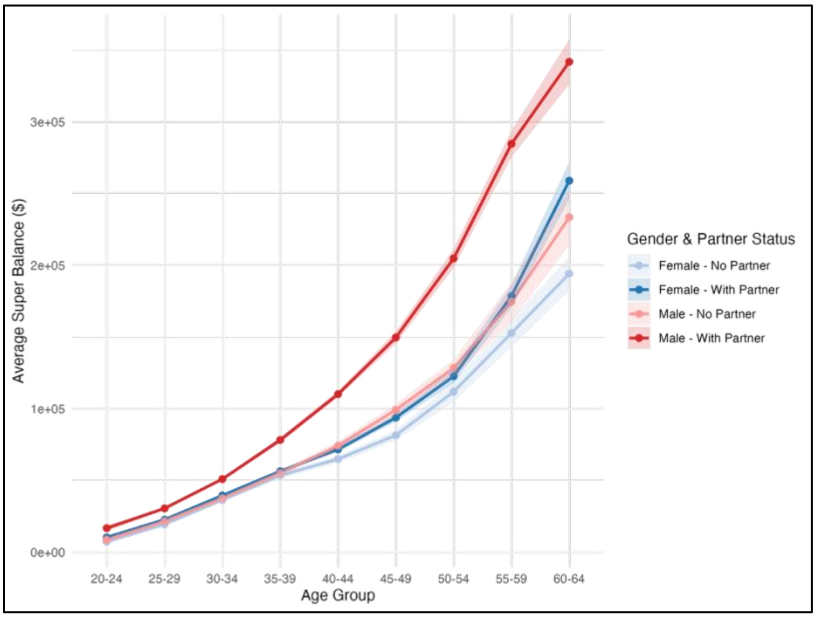

Figure 6. Average superannuation account balance by age group, gender and partner status with 95% CI

Regression Analysis

Finally, a linear regression model was fit to predict the value of superannuation balance, as following:

$$Super\ Balance \sim Gender + Age\ Group + Partner\ Status + Occupation$$

The model results indicate that gender is a statistically significant predictor of total superannuation balance, as shown in Figure 7. With an adjusted R^2 of 0.3034, the model explains approximately 30% of the variation in superannuation balances.

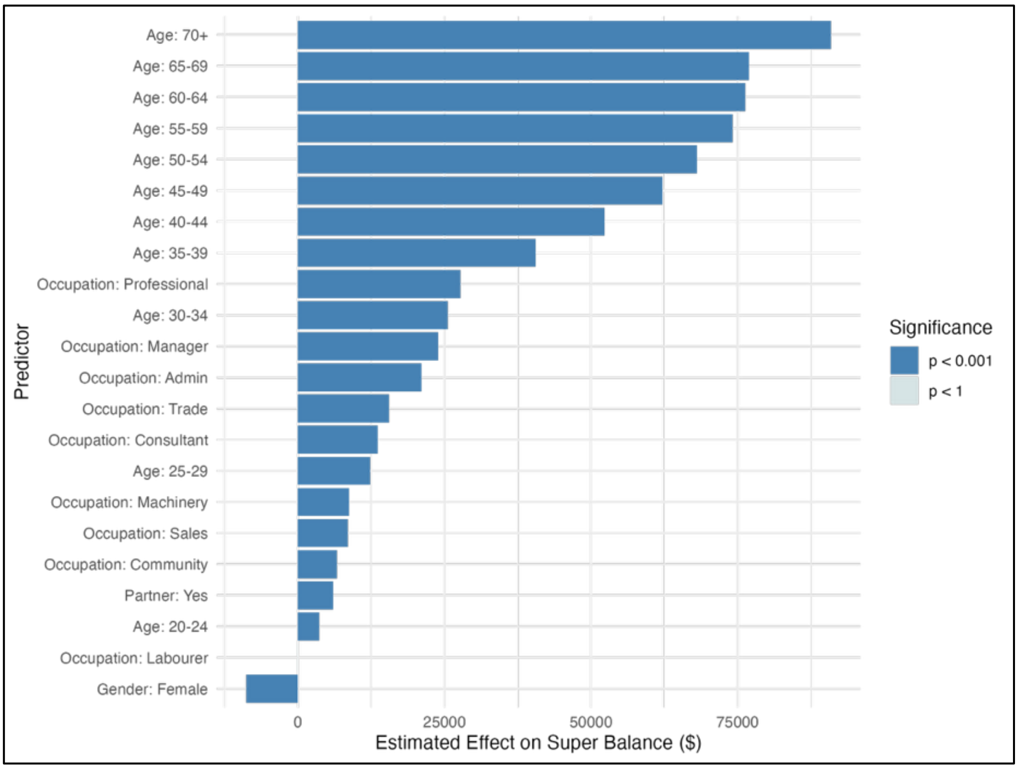

Figure 7. Coefficient estimates of linear model where top 10% of superannuation balances are removed as outliers

Figure 7 demonstrates that, even after controlling for age group, occupation, and partner status, a substantial gender gap remains. On average, women have $8,193 less in superannuation than men. This disparity likely reflects unobserved factors such as differences in work patterns, uneven representation in higher-paying occupations, or potential barriers to career advancement, including structural discrimination.

Policy Implications

The findings underscore that the gender superannuation gap is a structural issue rooted in unequal lifetime earnings, occupational segregation, and interrupted work patterns, particularly due to unpaid caregiving. Although superannuation policy is formally gender-neutral, its strong linkage to labour market participation renders it functionally unequal. The analysis confirms that these disparities result in women retiring with significantly lower superannuation balances than men.

Because employer contributions under the Superannuation Guarantee (SG) are strictly tied to income, the wage gap is the principal driver of long-term superannuation inequality. Accordingly, efforts to reduce gendered retirement disparities must address both labour market reform and retirement policy design. One promising step is the planned inclusion of SG contributions on government-funded PPL from 2025, a reform that addresses a long-standing gap affecting women during childbearing years. However, given the short duration and limited coverage of PPL, this alone is unlikely to eliminate the retirement gap.

Additional reforms could include expanding the LISTO to better support part-time and casual workers, most of whom are women, and improving the uptake of existing incentives such as spouse contribution tax offsets. Moreover, Australia could consider trialling caregiver credit schemes, as used in several European pension systems,[14] which provide superannuation top-ups during periods of unpaid care. Such measures would better recognise unpaid labour and mitigate the long-term financial penalties of caregiving. Without targeted policy interventions, current disparities are likely to persist despite improvements in female labour force participation.[15]

Conclusion and Future Research Recommendations

This report demonstrates that gender disparities in income, occupational pathways, and relationship status compound over time to produce significant superannuation imbalances by retirement. The current system, based on income-contingent contributions and limited compensation for unpaid caregiving, reinforces these inequalities. While reforms such as the removal of income thresholds and upcoming SG on PPL represent progress, they remain insufficient to resolve the underlying structural issues.

Future research should prioritise longitudinal modelling to capture the cumulative effects of career breaks and part-time work across the life course. Additionally, intersectional analyses could assess how gendered retirement outcomes vary by income, geographic region, and household structure. Most critically, future studies should simulate the long-term impact of caregiver credits and LISTO expansion to inform policies that equitably account for diverse work and care trajectories.

[14] Stewart & Whiteford, 2020
[15] Whiteford & Austen, 2021

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