

MEDIA RELEASE | Australian Seniors: Super Savvy Report 2023

## Super gender gap leaves women vulnerable during economic downturn

*New research reveals why Australian women over 50 feel they will be hit hard by cost-of-living pressures.*

**Sydney, February 2023** – A potentially looming recession could disproportionately affect Australian women over 50, with new research revealing how a combination of financial illiteracy, being financially unprepared, and having lower average super balances are leaving senior women financially concerned.

According to new research by Australian Seniors, while over 9 in 10 (93%) seniors expect the cost of living to continue rising in 2022, the gravity of the situation weighs more heavily on women, with over 4 in 10 (44%) women over 50 having strong concerns about the rising cost of living in Australia as opposed to just over a third (35%) of men over 50.

Commissioned by Australian Seniors in partnership with consumer research group, CoreData, [The Super Savvy Report 2023](#) surveyed more than 5,000 Australians over 50 to uncover how the senior community are securing their future financially, unveiling their attitudes and behaviours towards super and retirement.

The findings confirm that many Australians over 50 believe a gender gap in super persists in Australia, with more than 8 in 10 (85%) agreeing that women tend to have less money saved at retirement than men. Australians over 50 believe this is driven by ongoing systemic barriers like career punctuation (76%), more women in lower paying industries (59%), the gender pay gap (55%), and a lack of financial confidence among women (20%). Alarming, this sentiment has grown (from 82% to 85%) since 2019 based on a previous report by Australian Seniors.<sup>1</sup>

As Australians brace for a possible recession and climbing cost of living pressures, the survey paints a grim picture of how women over 50 could be disadvantaged by an uneven playing field when it comes to super savings. In fact, while concern lingers for nearly 8 in 10 (79%) Australians over 50 about the impact a major recession and market downturn could have on their super savings, Australian women are far more likely to have strong concerns about this than men (37% vs. 28%).

**Dawn Thomas, Senior Financial Adviser at The Wealth Designers said:** *“An individual’s super balance is affected by many things – career breaks, wages, divorce, caring occupations, and so on. A number of life events uniquely experienced by Australian women causes the compounding of the super gap, which in turn has devastating impacts on women’s economic security. While for the most part, many Australians are disengaged with their super accounts, unfortunately, women over 50 can’t afford to not be engaged with their super. Being a passive financial participant is not a luxury women have, and even more so with the recession looming, women should be taking more control of their positions.”*

However, on more a positive note, close to 3 in 10 (28%) respondents living with a partner/married have taken steps to close super savings gaps, by making additional contributions or splitting contributions with their partners. Cutting down everyday expenses (73%) and picking up extra work (18%) were the top reported methods used or considered by seniors to combat the rising cost of living.

Respondents also placed high importance on integrity, with trustworthiness (85%) ranking as the most cited consideration that was extremely important when choosing a fund.

Despite super being front of mind for pre-retirees and retirees, over 1 in 2 (54%) admit to only checking their super returns as little as four times or less each year.

**Dawn Thomas shares her top three tips to achieve a healthier super balance and improve your financial security:**

- 1. If you're unfamiliar with your super balance and contributions, a good place to start is by understanding what you want for the next 30 to 40 years; whether that be changing your home or car, travelling, or how you would like to spend retirement. As a first step, understand how much comes in and out of your household - and weigh this up against how much you will need in retirement - to develop a retirement budget. It may be helpful to consult documents like ASFA Retirement Standard to get a sense of average retirement figures and then work backwards using your wish list (i.e., travel) to calculate how much you need in your super. Planning for your future requires presence and time.*
- 2. It's also worth reading your super statement – which can tell you a lot about your setup – or you can boost your super by making additional contributions, if you can afford to. There are multiple ways to contribute to super whether they are tax-deductible, tax-free, from an individual or contributed via a spouse.*
- 3. Finally, don't relinquish your role in making financial decisions. Everyone learns about money at their own pace, so don't let yourself quit by believing that you simply 'don't get it'. There are plenty of videos, articles, books, and podcasts available to help improve your financial literacy in different ways. If you need additional support achieving your personal goals, consult a financial adviser. A healthy financial process is one where you feel comfortable enough to collaborate with your adviser and feel empowered to ask any questions and make your own decisions.*

Please remember that the ideas and information above don't take your personal circumstances into account, and seeking advice before making any decisions is important. This is not a guide – this is just a starting point to get you thinking about what could be beneficial for you.

**More key findings from the research:**

**Cost of living pressures**

- Over 9 in 10 seniors expect the cost of living to continue rising in 2022 (93%).

**Super pay gap**

- While nearly 3 in 4 (73%) of Australians over 50 are concerned about recovering from a recession when they have minimal time to recoup losses, women tend to be more likely to be concerned than men (80% vs. 66%).
- While just over a third (36%) of Australian seniors feel like they don't have a plan B to ensure they're sufficiently prepared for retirement if there was a major recession and market downturn, men are more likely than women to feel they have a plan B (69% vs. 59%).

**Super insights**

- Trust and transparency were key areas of improvement for super funds according to Australians over 50:
  - Keeping me informed of current market conditions and what they're doing about them 38%
  - Easy to understand dashboard 21%
  - Access to professional financial advice 21%
  - Clarity of communication with members 16%

-ENDS-

***Notes to the editor***

<sup>1</sup> Australian Seniors Super Insights Report 2019

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**About Australian Seniors**

Australian Seniors launched in 1998 to meet the needs of the often ignored over 50s market. Since then, we've helped countless Australians protect the most important things in life – whether it's their family's future, valuable assets, or even their long-planned retirement.

We strive to be different through the diverse offering of our life, funeral, car, home & contents, landlords, pet, and travel insurance products by carefully selecting underwriters that share our vision of providing insurance that's simple, easy to understand, and cost-effective. That's why our policies have helped everyone from hard-working over 50s to self-funded retirees take control of the things that matter most.

**About the Australian Seniors Research Series**

The Super Savvy Report forms part of the Australian Seniors Research Series. In its latest instalment, this study explores how Australians over 50 are looking to tackle superannuation savings and the impacts of a recession.

The report is compiled based on research commissioned by Australian Seniors and conducted by CoreData between 1 and 9 August 2022. The research was conducted via a quantitative online survey, gathering 5,016 responses from Australians aged 50 and above.

The sample is representative of the general senior population of Australians in terms of age, gender, wealth, and state/territory.