

## How does wealth inequality impact women in Australia?

### FACT SHEET

The *Inequality in Australia 2018* report finds there is a stark gap between those with secure jobs and homes and those without. Income inequality remains entrenched with an unacceptable gap between the highest and lowest income earning groups.



The top 1% of households receive as much income in a fortnight as the lowest 5% receive in a year.

### Snapshot of income inequality

Among those who are over-represented in the lowest 20% of households by income are:

- Sole parents (36%)
- Over 65s (39%)
- People who are unemployed (77%)
- People born in non-English speaking countries (24%)
- People living outside capital cities (25%)<sup>1</sup>

### Impacts on women

**Sole parents** are a particularly vulnerable group. More than 1 in 3 are in the lowest income bracket and 82% are women.<sup>2</sup>

Changes to income support payments, such as moving sole parents from Parenting Payment Single onto Newstart, have pushed more women into poverty.

Up until 2005, the sole-parent poverty rate was around 19%, but this jumped up to 23.9% in 2007.

This is most likely due to the July 2006 Welfare-to-Work reforms.<sup>3</sup>

41% of children in sole parent households live in poverty.<sup>4</sup> This is likely because a disproportionate number of expenses are borne by the primary carer, who is usually the mother.<sup>5</sup>

**Older people** are faring poorly and are more likely to be in the lowest income category. People over 65 comprise 40% of this group.

Single women aged over 60 are most likely the highest single household type to live in poverty earning less than \$30,000 a year.<sup>6</sup>

**People born in non-English speaking countries** are over-represented among the lowest 20% of households.

Women from culturally and linguistically diverse backgrounds are twice as likely as those born in Australia to be unemployed

because of a drastic underutilisation and recognition of their skills and value in the Australian labour market.<sup>7</sup>

They are also twice as likely to earn \$15 per hour less than men despite their permanent and full-time positions.<sup>8</sup>

### Trends in wealth inequality

- Average wealth increased up to the Global Financial Crisis, dipped and is now climbing.
- Wealth inequality followed a similar pattern to income inequality, finishing higher in 2016.
- Wealth inequality has increased since 2004 with the average wealth for the lowest 20% of households declining by 9%.
- Wealth shifted to older households and became more unequal among younger households. This is mainly due to property and savings held by older people and the inaccessibility of home ownership by younger people.
- Trends in wealth inequality were driven mainly by the wealthiest 20%.

Despite a long period of economic prosperity, the accumulation of wealth is not being distributed fairly. There are particular groups at risk, including women who experience unique challenges caused by inadequate income support payments, welfare conditionality and exclusion and discrimination in the labour market.

- The gender wealth gap doubled between 2002 and 2010. Single men's wealth was on average 23% higher than single women's wealth holdings.
- Single female households in the top quartile of wealth distribution were nearly \$200,000 worse off (in a net worth comparison) than single men.<sup>9</sup>

<sup>1</sup> Australian Council of Social Service, "Inequality in Australia 2018", *Australian Council of Social Service in partnership with UNSW Sydney*, (2018), <http://www.acoss.org.au/inequality>

<sup>2</sup> Australian Bureau of Statistics, "Census of a Population and Housing: Australia Revealed" (2016), <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2024.0>

<sup>3</sup> Brady, M. and Cook, K. "The impact of welfare to work on parents and their children", (Year Unknown), <http://apo.org.au/system/files/58790/apo-nid58790-47736.pdf>

<sup>4</sup> David Morawetz, Australian Communities Foundation (Social Justice Fund) cited in Australian Council of Social Service, "Poverty in Australia 2016", (2016): 23.

<sup>5</sup> Parliament of Australia Standing Committee on Community Affairs, "Chapter 10: Women and sole parents", (2004).

<sup>6</sup> Roger Wilkins, "The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 15", *Melbourne Institute: Applied Economic & Social Research, The University of Melbourne*, (2016).

<sup>7</sup> Nick Toscano, "Skilled migrant women struggling to find work or settling for low-level jobs: study", (2016), <https://www.smh.com.au/national/skilled-migrant-women-struggling-to-find-work-or-settling-for-lowlevel-jobs-study-20160108-gm1o77.html>

<sup>8</sup> O'Dwyer, M. and Mulder, S. "Finding Satisfying Work: The experiences of recent migrants with low level English", *AMES Australia Research and Policy Unit*.

<sup>9</sup> Roger Wilkins, "The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 15", *Melbourne Institute: Applied Economic & Social Research, The University of Melbourne*, (2016).

