

# What does retirement look like for women?



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### **Acknowledgments:**

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The definition of 'women' can be intersectional and expansive to include trans and queer women and femmes, but as data are not disaggregated to that level, this report refers to 'women' in general. This report offers insights into Māori wahine and Pasifika women to the extent possible from the data.

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## Executive summary

Women's financial position in retirement has not improved from the time of the last Review of Retirement Income Policies in 2019 and the factors of influence for the gender pensions gap presented by Huang & Curtin at that time (2019:34) remain relevant in 2022. In addition, COVID-19 has impacted women's retirement savings, due to the disproportionate job losses experienced by women as a result of the pandemic.

Women are not a heterogeneous group but when considering men and women of the same age, ethnicity, or disability, women's outcomes are, on average, lower than men's. This is the result of a combination of factors including the gender and ethnic pay gaps, occupational segregation, lower levels of participation in the labour market (through part-time work and time out of paid work), and the unequal division of unpaid work, particularly care work.

As a result, women have fewer savings than men, on average, as seen in their lower KiwiSaver balances. However, women's life expectancy remains higher than men's, and they are likely to spend more years in retirement living alone, which comes with increased costs.

NZ Super provides crucial support to the over 65s, but is especially important for women, as their ability to save for their own retirement is generally lower than men's. The universal pension remains the foundation of the New Zealand retirement income system and is vital in preventing poverty in retirement.

This report begins by examining the current situation of women in retirement, drawing on recent research conducted by Te Ara Ahunga Ora Retirement Commission [TAAO] and others, and on other available data. Chapter One provides an outline of older women's savings, income, and expenditure using both admin and self-reported data. Chapter Two considers women's situation against the three wellbeing frameworks commonly in use in the public sector today. The third and fourth chapters consider some explanations for women's current situation. Chapter Three examines women's experiences in the labour market and Chapter Four assesses women in the home. The report concludes in Chapter Five with recommendations for improving what retirement looks like for women (summarised in Table A below).

**Table A – Summary of conclusions and recommendations**

	Factors influencing women's retirement savings		
Factors influenced by...	Per pay	Life course	Returns
Government	Gender pay gap Ethnic pay gap Pay equity Reporting requirements	Incentives / subsidies while on caring leave Parental leave equity Childcare	Targeted information and education Regulations for conservative funds
Employers	Pay equity Promotion equity	Flexible working Parental leave equity	Targeted information and education
Financial Services industry		Targeted, proactive, and bias-free advice to women	Targeted, proactive, and bias-free advice to women
Individuals and families	Household decisions on savings	Household decisions on unpaid care and domestic work	Risk profile assessment



# 1. Women's current situation in retirement

This chapter utilises admin data from various sources and self-reported data from qualitative research undertaken by TAAO. Where possible, ethnic breakdowns are provided, but this is not always possible due to data gaps. Similarly, some reporting is at household level, restricting the ability to report by gender.

The chapter begins by considering wāhine Māori and the Mana Wāhine Inquiry. It then considers other topics related to women's situation in retirement that are relevant to the 2022 Review of Retirement Income Policies - savings, income, expenditure, and housing. Other factors are also important for wellbeing in retirement, such as health and social connection and inclusion, but these are outside the scope of this paper.

## Mana Wāhine Inquiry

In 2015, the Waitangi Tribunal announced a comprehensive programme of kaupapa inquiries. Kaupapa inquiries deal with issues of national significance which will require a whole of New Zealand Government response. In December 2018, the Waitangi Tribunal formally initiated the Mana Wāhine Kaupapa Inquiry into claims alleging prejudice to wāhine Māori arising from Crown breaches of the Treaty of Waitangi, in both historical (pre-September 1992) and contemporary times (the Inquiry).

The Wai 2700 Mana Wāhine Inquiry is inquiring into claims which allege prejudice to Māori women arising from Crown breaches of the Treaty of Waitangi with damage to their customary roles and relationships with their whenua, whakapapa and mātauranga, with serious prejudicial consequences for their social, economic, cultural and spiritual well-being, and their access to leadership roles.

At the heart of all the claims is the loss of rangatiratanga and the social, economic, environmental and cultural loss that has occurred from this loss of recognition of wāhine rangatiratanga. The roles and responsibilities of wāhine Māori are crucial to Te Ao Māori, iwi, hapū, marae and whānau. The employment of wāhine Māori, including the wāhine Māori pay gap and pay equity, is one area under inquiry.

Four tūāpapa have been held with a further two planned for later in 2022. The Tūāpapa hearings seek to contextualise life for wāhine Māori pre colonisation. A comprehensive research programme has been running concurrently alongside tūāpapa hearings. Several commissioned research projects have been scoped to support the evidential needs of the Inquiry. Research will intensify as the tūāpapa hearings close and substantive hearings will occur once research is complete. Further information can be found here and on the Manatū Wāhine Ministry for Women [website here](#).

## Income

After people cease paid work, their income may come from pensions (public or private), and from investments (considered under savings in the following section).

Recent research indicates that women over 65 receive less income than men. While around a third of men aged 65-69 receive less than \$30,000 p.a. this was the case for almost half of women. For those aged 70+, there remained a gender difference between those receiving less than \$30,000 (46% of men and 56% of women), and those receiving more than \$70,000 (12% of men and 6% of women) (TAAO, 2021a).

## Public pension

The New Zealand public pension, New Zealand Superannuation [NZ Super], is gender-neutral because it is paid at the same level regardless of any previous contribution in the form of tax paid. There are more female than male NZ Super recipients, likely reflecting women's average longer life expectancy, although women's life expectancy varies by ethnicity. As at December 2021 the proportion of recipients was 53% female and 46% male (MSD, 2021). The current rates of payment of NZ Super are shown in Table B below.

**Table B: Payment rates of NZ Superannuation (by fortnight) 1 April 2022 to 31 March 2023**

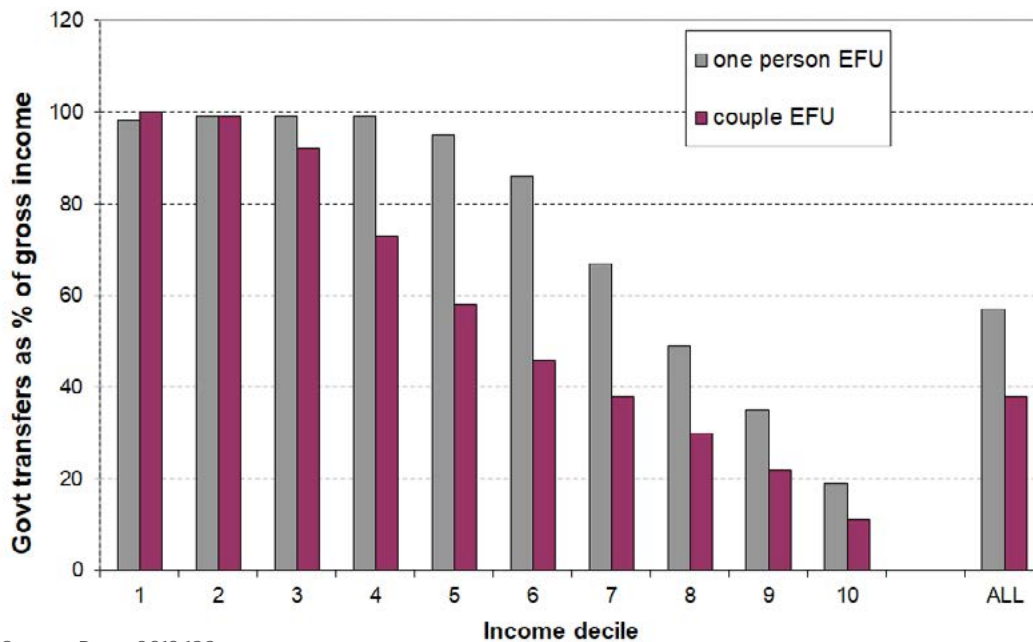
If you:	Percent of married couple rate	Before tax	'M' tax code	'S' (17.5%) tax code	'SH' (30%) tax code	'ST' (33%) tax code	'SA' (39%) tax code
Live alone or single with a dependent child	65	1,076.48	925.88	888.18	753.68	721.40	656.84
Live with an adult but not as part of a couple	60	990.20	854.66	816.96	693.20	663.50	604.10
Live as a couple with another eligible adult (each)	50	817.32	712.22	674.52	572.52	663.50	499.08
Included your partner (who is not eligible for NZS) in your payments*	n/a	774.70	676.96	639.26	542.50	519.28	472.84
Live in residential care in a hospital or rest home and receive the residential care subsidy	n/a	110.20	98.66	n/a	n/a	n/a	n/a

\*This option ceased to be available on 9 November 2020

Source: Work and Income and author calculation (of fortnightly gross from weekly gross)

NZ Super is a key source of income for older women and especially for women living alone. Women aged 65 and over are more likely than men to be living alone in retirement due to their longer life expectancy. Couples generally have more non-government income than those living alone. 40% of superannuitants<sup>1</sup> living alone have no other income and 60% have less than \$100 per week from other sources. This compares to 40% of all superannuitants who have less than \$100 per week from other sources (Perry, 2019:185-186). The figure below shows the reliance on NZ Super and the difference between people living alone and couple households, referred to EFUs, or economic family units (Perry, 2019:188).

**Figure 1: Proportion of gross income coming from government transfers (almost entirely NZS and VP): one person and couple EFUs compared, HES 2018**

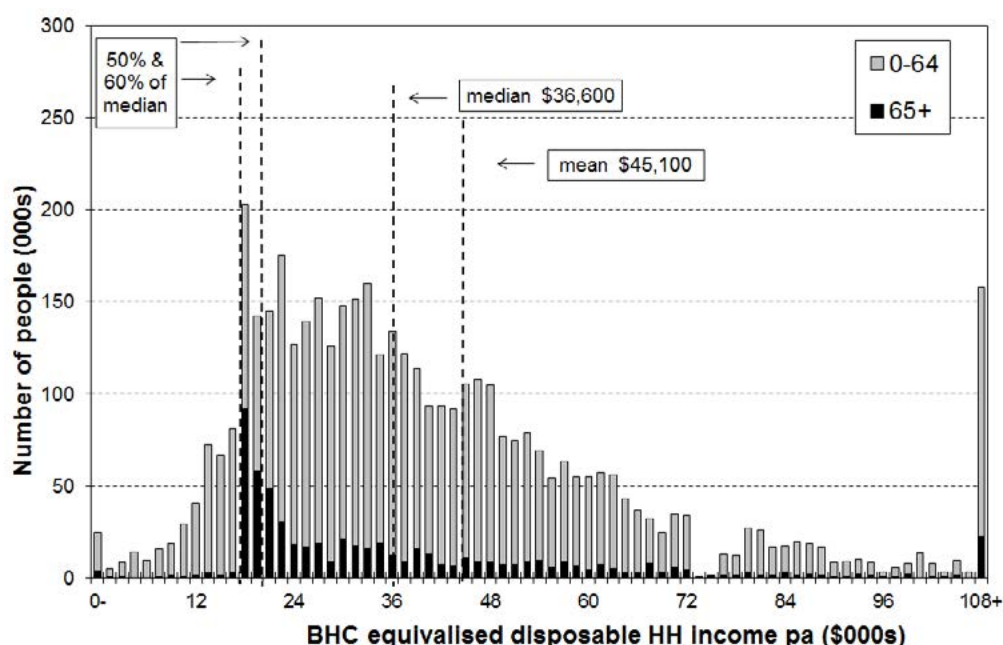


Source: Perry, 2019:188

<sup>1</sup> Note that in all citations of Perry 2019 NZ Super also includes the Veterans Pension

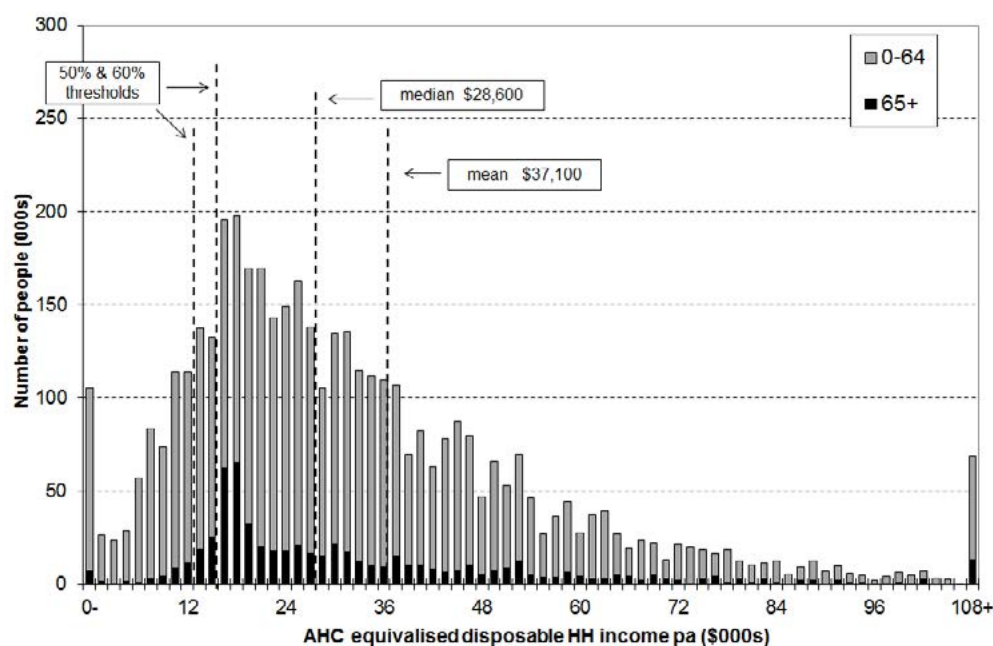
The following graphs show the household income distribution for older people relative to the rest of the population both before (BHC) and after (AHC) housing costs. The bold spikes show households that are reliant on NZ Super. There is very little difference in poverty rates (i.e., low-income AHC rates) for females and males (Perry, 2019:184).

**Figure 2: BHC household income distribution for older New Zealanders relative the rest of population, HES 2015**



Source: Perry, 2019:179

**Figure 3: AHC household income distribution for older New Zealanders relative the rest of population, HES 2015**



Source: Perry, 2019:183



Other government transfers are also paid to older people, with 5.6% of superannuitants also receiving the Accommodation Supplement or 'AS', and 15.3% receiving Disability Allowance (MSD, 2021). Receipt of AS means that some older people are facing high housing costs relative to their income. Other older people may be in a similar situation but have not applied for AS or exceed the low cash asset threshold (of \$8,100 per person) for eligibility.

## Paid work

Many older people remain in paid work after the age of eligibility for NZ Super. The total number of hours of paid employment being worked by older households has been increasing and now around 40% of older New Zealanders receive more than half their income from sources other than NZ Super (Perry, 2019:180,185).

However, this is the case for only 30% of singles, as couple households are more likely to receive income from other sources (Perry, 2019:186). The increase in paid work after age 65 has resulted in increasing income inequality for this age bracket. The increase is mainly in the 66-75 age bracket (Perry, 2019:189).

In a recent survey, more women than men aged over 65 reported financial reasons as their primary motivation for being in paid work, rather than because they want to. While the difference was small between the genders aged 65-69, it was larger for those 70+, with 19% of men aged 70+ in paid work for financial reasons compared with 25% of women (TAAO, 2021a).

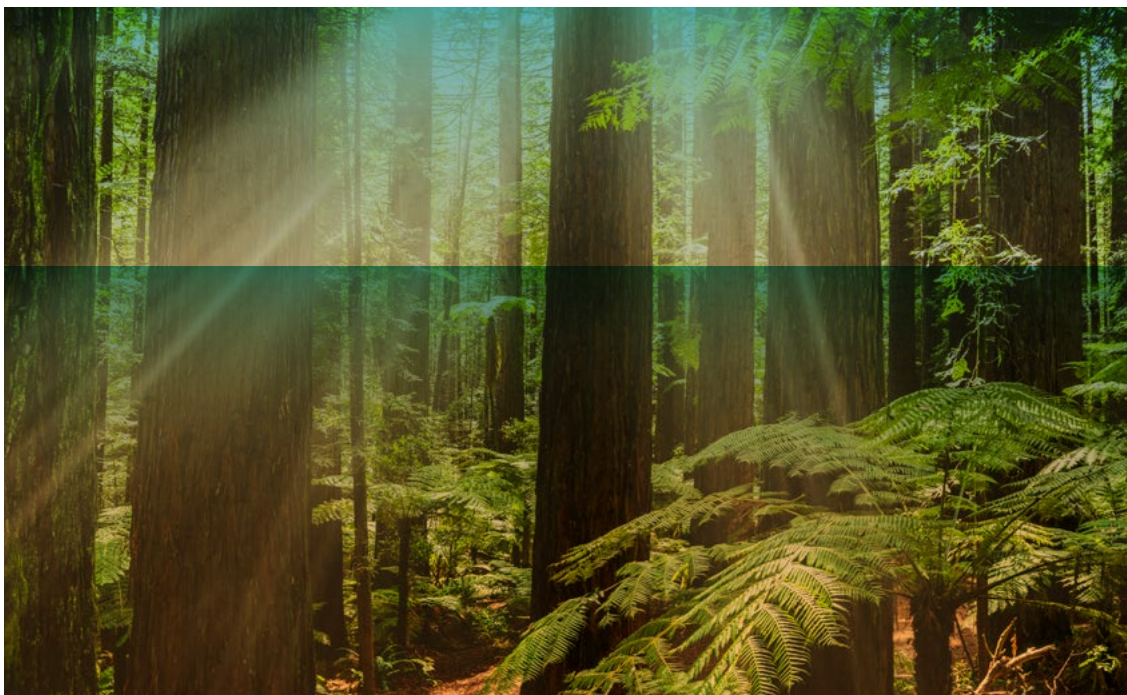
## Unpaid work

Over a million people volunteer each year in Aotearoa New Zealand (Volunteering NZ, 2020). A third of volunteers are not in the labour force, such as retired people and students, and these people perform more than 40% of total hours volunteered. Women perform 60% of all volunteered hours (Stats NZ, 2018).

## Expenditure

Recent research by TAAO (2021b:25) indicates that people's expectation of what they will spend in retirement are largely consistent with actual expenses incurred. However, retirees indicated that their medical prescriptions, property maintenance/rates, insurance, and telco bills are higher than prior to retirement. Many of these items would cost the same for either a couple or a single person, but women spend longer than men living alone in older age, so they face higher lifetime costs.

Housing is a key expenditure item and is considered separately later in this chapter.



## Private pensions

Private pension schemes in New Zealand include KiwiSaver, and non-KiwiSaver schemes such as the large State Sector Retirement Savings Scheme and the Government Superannuation Fund, both of which are now closed to new members (Stats NZ, 2017a:7). Data from 2015 show 92% of all adults with a private scheme had KiwiSaver (Stats NZ, 2017a:6) and slightly more men (10%) than women (6%) had a non-KiwiSaver scheme (Stats NZ, 2017a:7).

Other research by TAAO (2021b:21) indicates that 60% of those aged 65-69 had not yet made any withdrawals from their KiwiSaver and nor had 46% of those aged 70+. In the 65-69 age bracket, very few (7%) were using KiwiSaver for small, regular withdrawals or had withdrawn all their funds (8%). These figures were slightly higher (13% and 19%) for the 70+ age group.

## Savings

On average, women have lower savings than men, whether KiwiSaver or other forms of investment. KiwiSaver is a voluntary, opt-out, portable retirement savings scheme that operates mainly through contributions the employer deducts directly from salary and wages and sends to Inland Revenue. Non-salary and wage earners can also enrol directly with a scheme. Employees can contribute at either 3%, 4%, 6%, 8% or 10% of their gross (before tax) salary and wages and employers must make a compulsory minimum contribution of 3% towards their employees' KiwiSaver funds (TAAO, 2021b).

Slightly more women than men have KiwiSaver - 50.5% compared to 48.8% of members (FMA, 2021:23). This is in keeping with the overall estimated population figures of 49.6% male and 50.4% female (Stats NZ, 2021a). In younger age cohorts (17 and under, 18-25, and 26-30) there are more male members of KiwiSaver than female, while for all older age cohorts, there are more female members than male members. This is outlined in Table C below. No ethnic breakdown is available as KiwiSaver providers do not capture ethnicity data.

**Table C: Number of KiwiSaver members age and sex**

Age	Total	Female	Male	Female	Male
17 under	230,177	112,111	117,771	48.8%	51.2%
18-25	420,564	197,432	201,524	49.5%	50.5%
26-30	325,709	154,062	156,797	49.6%	50.4%
31-35	334,517	158,894	156,441	50.4%	49.6%
36-40	287,570	138,508	132,246	51.2%	48.8%
41-45	251,026	124,092	114,263	52.1%	47.9%
46-50	255,330	129,613	114,420	53.1%	46.9%
51-55	249,960	128,501	111,464	53.5%	46.5%
56-60	238,014	122,685	107,047	53.4%	46.6%
61-65	197,816	102,553	89,009	53.5%	46.5%
66-70	97,097	50,302	44,155	53.3%	46.7%
71-75	43,743	22,453	20,277	52.5%	47.5%
76-80	11,384	5,739	5,409	51.5%	48.5%
81-85	493	246	241	50.5%	49.5%
86 +	276	150	125	54.5%	45.5%
Unknown	374	99	159	38.4%	61.6%
Total	2,944,050	1,447,440	1,371,348	51.3%	48.7%

*For some members, gender is unknown. Therefore, the sum of the Female and Male columns is less than the Total column. The percentage columns exclude members of unknown gender.*

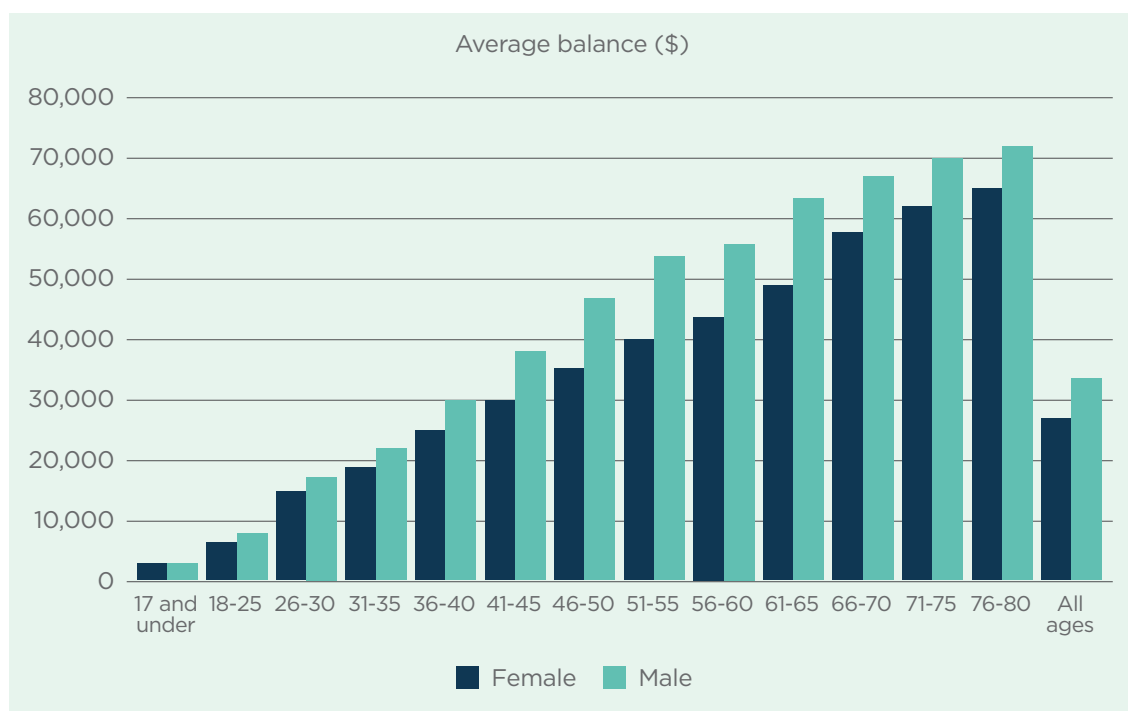
Women have lower balances than men, on average, across all age groups under age 81 (MJW, 2022) as seen in Table D and Graph A below. Those aged 81+ could not have used KiwiSaver while they were in paid work (as it was only introduced in 2007 and over 65s were unable to join until 2019) so their balances represent other savings transferred into a KiwiSaver account, potentially as a result of widowhood.

**Table D: Average KiwiSaver balance by age and sex**

Average balance (\$) Age	Total	Female	Male	Male/Female
17 and under	2,677	2,638	2,681	102%
18-25	7,971	7,586	8,804	116%
26-30	16,088	15,256	17,646	116%
31-35	20,269	19,141	22,738	119%
36-40	26,138	24,335	29,805	122%
41-45	33,331	30,072	38,715	129%
46-50	40,335	35,902	47,422	132%
51-55	45,212	40,023	53,420	133%
56-60	49,206	43,798	57,518	131%
61-65	53,579	48,457	61,606	127%
66-70	60,773	57,687	66,753	116%
71-75	64,529	61,363	70,358	115%
76-80	66,881	64,579	71,801	111%
81-85	213,928	212,261	216,979	102%
86 and over	228,903	259,586	190,636	73%
Unknown age	14,395	13,163	19,516	148%
All ages	29,022	27,061	32,553	120%

Source: MJW, 2022:4

**Graph A: Distribution of KiwiSaver balances by age and sex**



Source: MJW, 2022:4



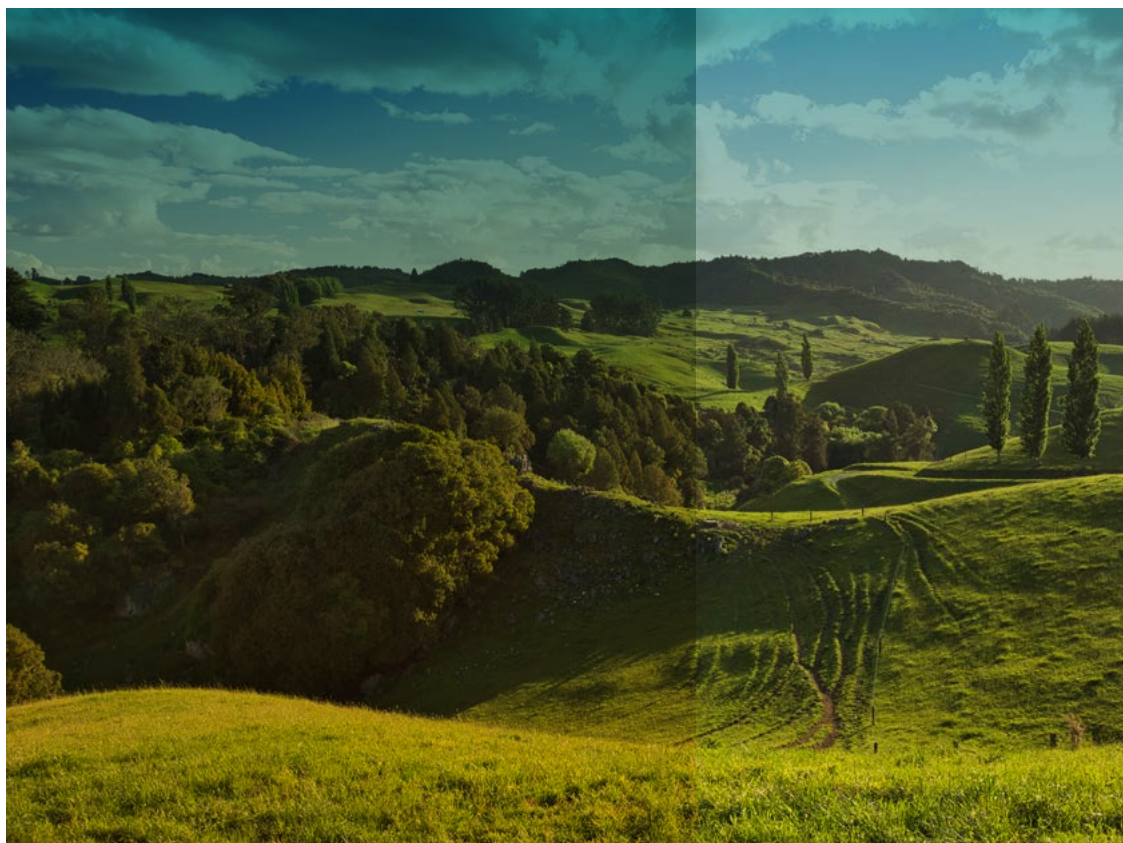
The gender pay gap is responsible for some of the difference in women's and men's KiwiSaver balances. This is because KiwiSaver contributions are generally made as a percentage of earnings. However, the gender pay gap does not explain all of the difference, as outlined in Table E below.

**Table E: Gender Pay Gap and KiwiSaver balances**

Age	Difference in average KS balance	Gender pay gap*	Residual difference
17 under	1.6%	0.0%	1.6%
18-25	16.1%	3.6%	12.5%
26-30	15.7%	1.8%	13.9%
31-35	18.8%	10.8%	8.0%
36-40	22.5%	11.7%	10.8%
41-45	28.7%	16.7%	12.0%
46-50	32.1%	13.3%	18.8%
51-55	33.5%	12.1%	21.4%
56-60	31.3%	13.0%	18.3%
61-65	27.1%	15.0%	12.1%
66-80	13.8%	8.3%	5.5%
All ages	20.3%	9.1%	11.2%

\*Table created by TAAO from data sourced from Stats NZ based on median hourly earnings 2021.  
Note: age bands do not match exactly as Stats NZ uses slightly different age bands.

Source: TAAO, 2022a





Another explanation for the difference in women's and men's KiwiSaver balances could be that men and women are contributing to KiwiSaver at different rates (recall that employee contributions can be made at either 3%, 4%, 6%, 8% or 10% of gross salary and wages and that voluntary contributions can also be made). Data on contribution rates by gender is not currently available but recent research has suggested that men are more likely to be contributing to KiwiSaver at higher rates than women (RIIG, 2022:2). In analysis of the 2021 financial year, 29% of women contributed between \$1,000 and \$2,000 to their KiwiSaver, compared to 21% of men who contributed that amount. By contrast, men were more likely to contribute at the highest levels, with 21% of men making contributions of \$4,000 or more, compared to 12% of women (RIIG, 2022:12).

A further explanation could be that women have periods of time when they are not contributing to KiwiSaver. People who are not contributing to KiwiSaver (those taking a 'savings suspension' or 'contributions holiday' as it was previously known) were the focus of some recent qualitative research, which found that being a contributing member of KiwiSaver is less common among women, Māori and Pacific People, with some groups, such as women aged 35-54 and Māori aged 55-64 particularly underrepresented. The main reasons for not contributing to KiwiSaver were parenting (23%) or being unemployed for another reason (34%). However, the results also showed that when all else is held equal, women are more likely to be a KiwiSaver member than men, and women are no more or less likely to be KiwiSaver non-contributor (TAAO, 2022b).

Other explanations for women's lower levels of savings, including KiwiSaver, are discussed in Section 3 of this paper.

Women's KiwiSaver balances vary by age as shown in Table F below. Although there are more older women with larger balances (\$40-80k and \$80k+) than younger women, there are still a significant number of older women with lower balances (under \$10k and \$10-20k). These are indicated as the teal and grey sections of the bar graph that follows (Graph B).

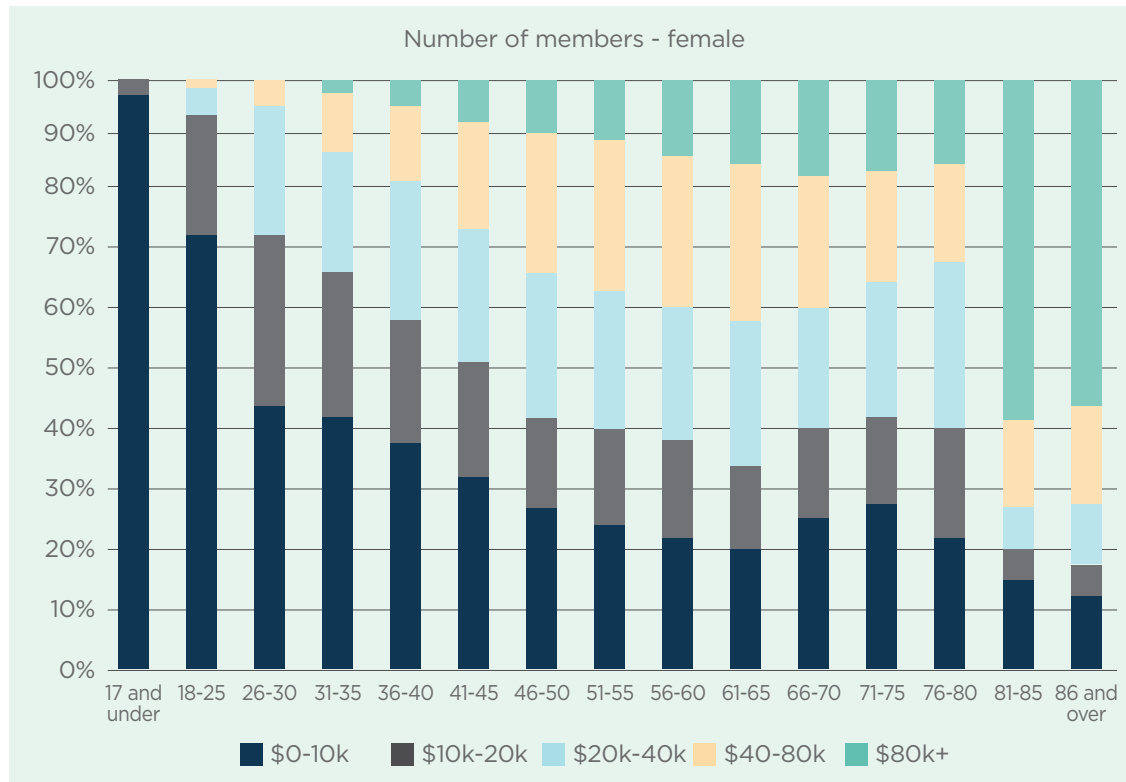
**Table F: Breakdown of women's KiwiSaver balances**

Age	\$0-10k	\$10k-20k	\$20k-40k	\$40k-80k	\$80k+
17 and under	109,092	2,285	604	103	27
18-25	146,277	38,053	12,171	829	102
26-30	71,289	38,913	36,306	7,340	214
31-35	68,807	34,903	36,080	17,360	1,744
36-40	52,981	27,747	31,469	21,120	5,191
41-45	40,573	23,563	28,908	22,472	8,576
46-50	35,740	22,579	30,861	27,810	12,623
51-55	31,091	20,463	31,102	30,657	15,188
56-60	26,531	17,894	29,501	31,759	17,000
61-65	20,882	14,379	24,125	26,656	16,511
66-70	12,918	7,326	10,133	10,349	9,576
71-75	6,198	3,466	5,007	3,769	4,103
76-80	1,376	885	1,626	902	950
81-85	36	14	17	34	145
86 and over	18	8	16	22	86
Unknown age	70	9	11	7	2
All ages	623,879	252,487	277,937	201,189	91,948

Source: MJW, 2022:7

Graph B below depicts the data from the table above.

**Graph B: Breakdown of women's KiwiSaver balances**



Source: MJW, 2022:7

No ethnic breakdown is available as KiwiSaver providers do not capture ethnicity data. However, it is likely that Māori and Pacific People have lower KiwiSaver balances in part due to the ethnic pay gap (HRC), and that wāhine Māori and Pacific women's balances may be lower than tāne Māori and Pacific men due in part to the gender pay gap (Stats NZ).

Self-reported data on KiwiSaver balances, captured by TAAO, reflect these assumptions. Some differences were apparent for those with lower balances, with more wāhine Māori (20%) and Pacific women (14%) reported having less than \$3,000 in their KiwiSaver than tāne Māori (11%) or European men (8%), although European women was similar at 14%. At higher balances, the differences were more apparent by gender than ethnicity for Māori, with 12% of tāne Māori reporting over \$80,000 in KiwiSaver, along with 14% of European men, compared to 5% of wāhine Māori and European women. However, only 3% of Pacific men and 4% of Pacific women reported over \$80,000 in KiwiSaver, compared to 14% of European men and 5% of European women (TAAO, 2021c).

The current situation reflects the historic situation. In 2019, amongst the over 30s, women were more likely to have smaller KiwiSaver balances than men (Huang & Curtin, 2019:9). In June 2018, the median value of KiwiSaver balances those people approaching retirement (aged 55-64) were \$30,000 for men and \$23,000 for women (Stats NZ, 2019). Data from 2015 show men over 65 had private pensions with median value of \$54,000 while women over 65 had \$20,000 in their schemes (Stats NZ, 2s017a:8).

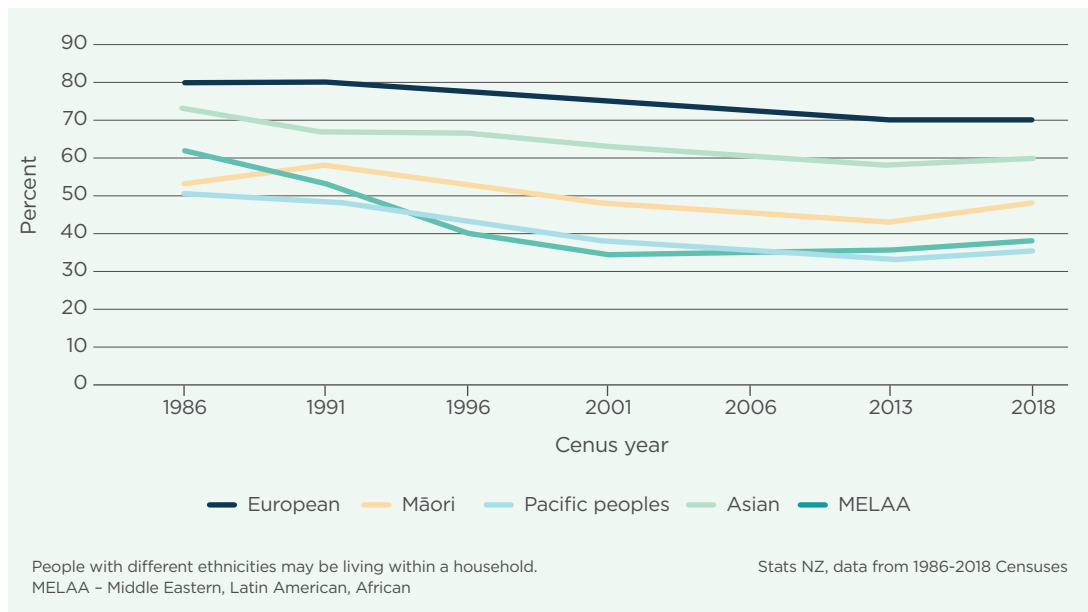
## Wealth

The individual median net worth for those aged 45-54 in 2018 was \$216,000 across all women compared to \$239,000 across all men. However, differences between women were more significant, with the individual median net worth of wāhine Māori at \$107,000 and Pacific women at \$29,000 (MfW, 2022a).

Housing makes up a large share of the wealth of many older adults in New Zealand. Rates of homeownership vary by ethnicity, as outlined in Graph C below, with around 70% of NZ Europeans living in owner-occupied housing, compared to under 50% of Māori and less than 40% of Pacific Peoples.



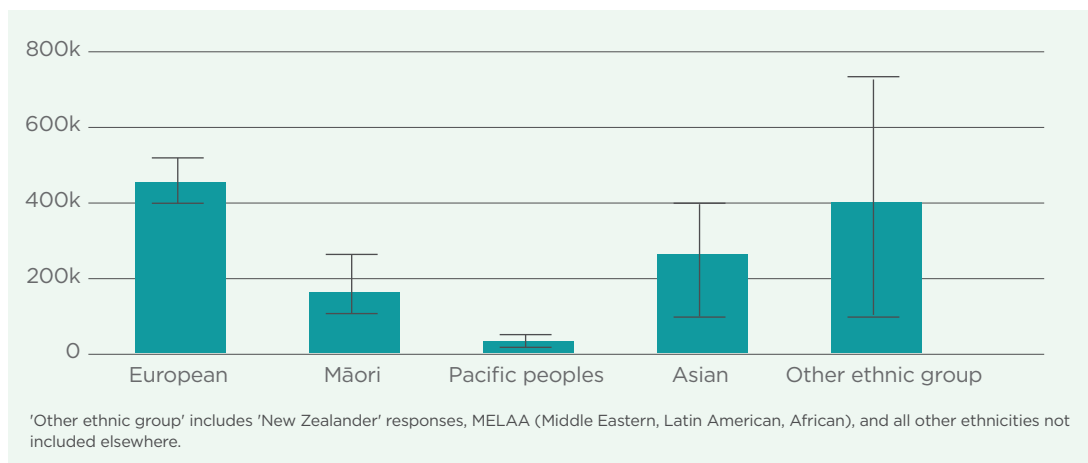
**Graph C: Home ownership by ethnicity**



Source: Stats NZ, 2020:29

Reflecting the difference in home ownership, overall net wealth also varies by ethnicity, as outlined in Graph D below. Wealth data generally reflect the wealth of a household and so it is difficult to provide accurate details of wealth by gender (other than for KiwiSaver above).

**Graph D: Median net worth**



Source: Stats NZ, 2022a

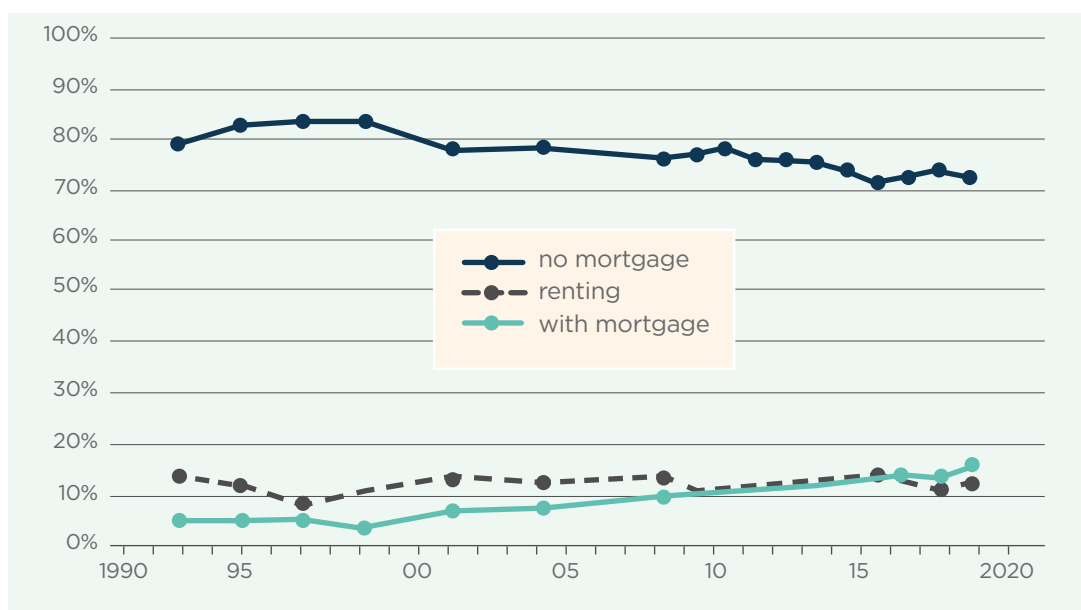
## Housing

One of the key determinants of material wellbeing in retirement is home ownership. Recent research shows that, compared to those who owned their home without a mortgage, the odds of material hardship were greater for those with a mortgage and those who were renting (Allan, 2019:21). Those who experienced material wellbeing in later life also experienced good levels of physical, mental, and social health (Allan, 2019:4).

The level of an individual's confidence regarding having enough savings to see them comfortably throughout their retirement varies depending on housing status. 66% of homeowners are very or somewhat confident compared to 30% of non-homeowners (TAAO, 2021a:33).

13% of those aged 65+ live in a property with a mortgage and the same percentage live in rented accommodation (Perry, 2019:192). The proportion of people aged 65+ whose dwellings are mortgage-free has been falling, down from 83% in the mid-1990s to 78% in the mid-2000s, and to 72% on average from 2015 to 2018, as outlined in the figure below.

**Figure 4: Tenure for individuals aged 65+, based on HES data, 1992 to 2018, two year rolling average**

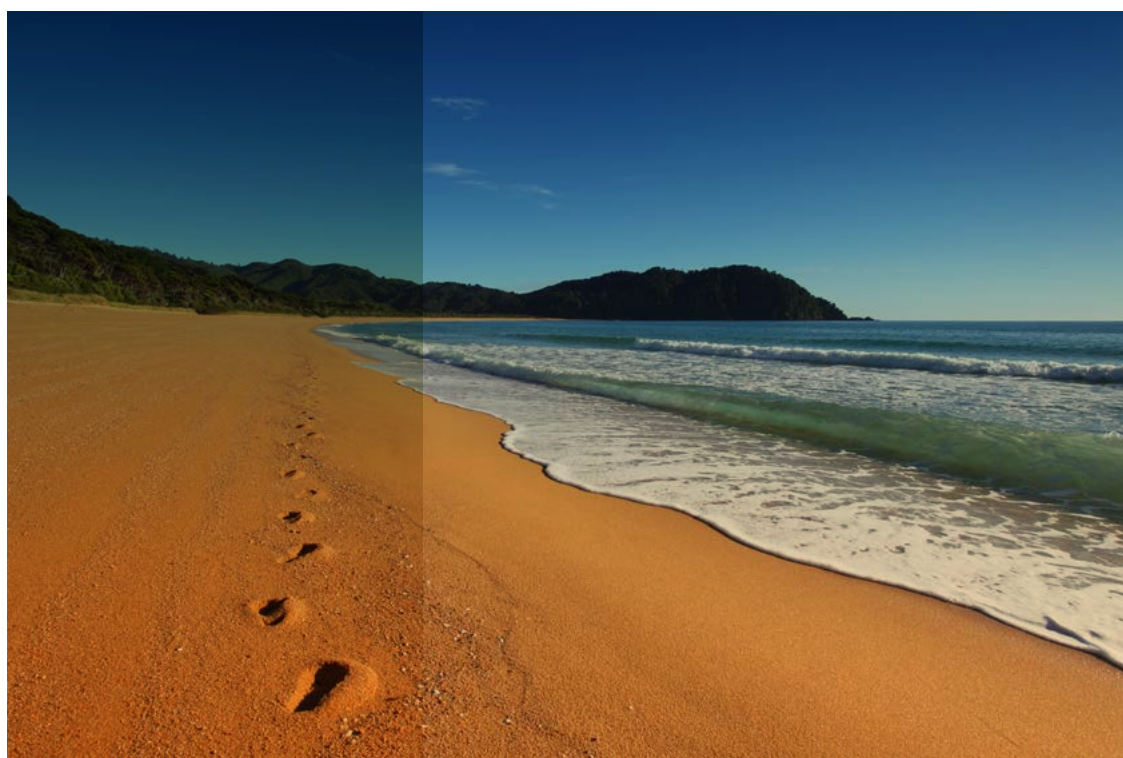


Source: Perry, 2019:192

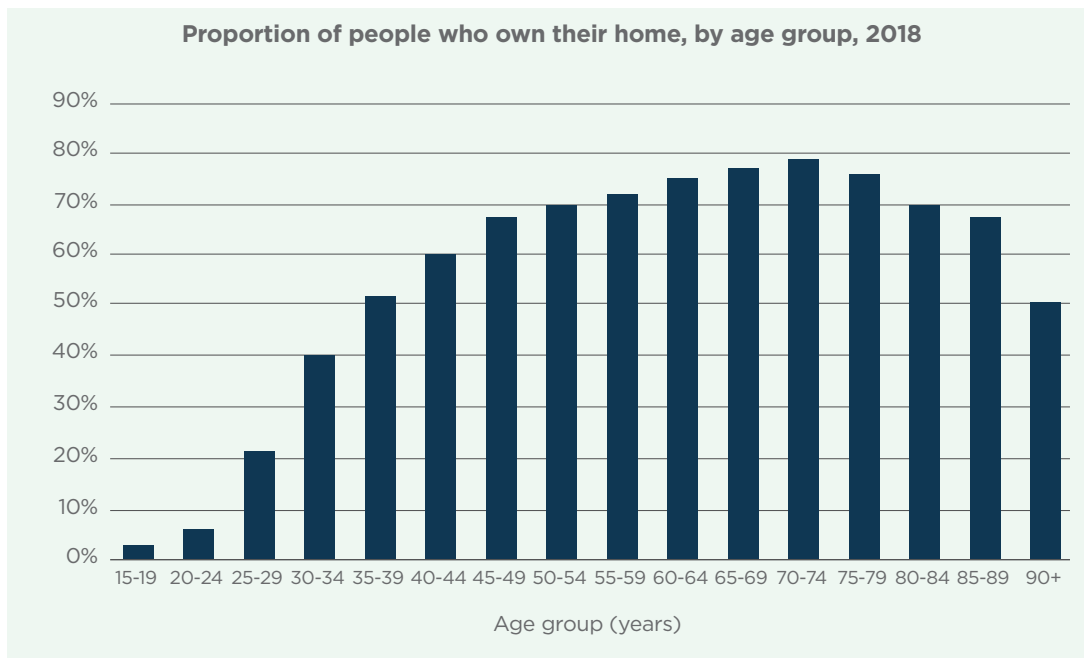
Research also highlights the importance of homeownership for material wellbeing in later life, and the observed stability of homeownership over ages 45-64, indicates that declining homeownership in mid- and later life may pose a challenge to the accumulation and maintenance of assets supporting material wellbeing in retirement (Allan, 2019:30).

According to the last census, of people aged 60 to 64 years, about 1 in 4 people do not own the home they live in (Stats NZ, 2020:34). Of those aged 65 to 69 years, 77.2% owned their home, as did 77.8% of those aged 70 to 74 years. From age 75 home ownership declines as seen in Graph E below. This likely reflects people selling their homes to enter retirement villages or residential care facilities.

In the same way as noted above for wealth data, home ownership is generally at the household level, so it is difficult to provide accurate details of home ownership by gender.



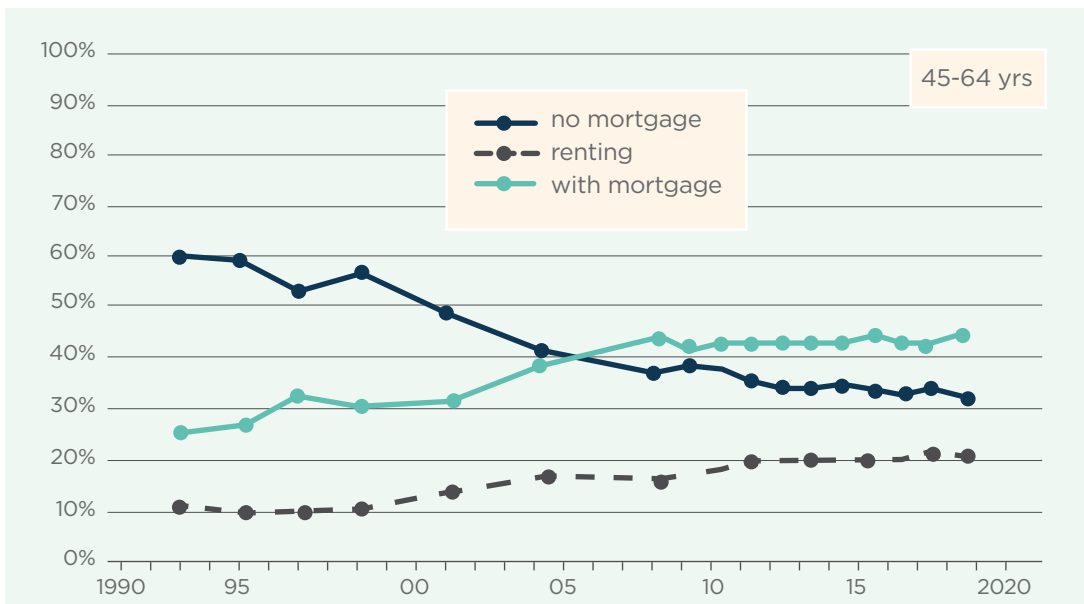
**Graph E: Home ownership by age**



Source: Stats NZ, 2020:34

However, similar rates of home ownership are not expected for future retirees, as the rate of home ownership has been declining since the early 1990s (Stats NZ, 2020:28). This is reflected in the increasing numbers of renters in the pre-retirement age group of 45-64. Renters were 10% of this group in the 1990s but were just over 20% in 2017 and 2018. This is outlined in the figure below.

**Figure 5: Tenure for individuals aged 45-64+, based on HES data, 1992 to 2018, two year rolling average**



Source: Perry, 2019:193

For older renters, a key concern is tenure security, which is the right to remain in their dwelling providing certain conditions are met (James & Saville-Smith, 2018:3). Their research indicates that tenure security is multi-faceted including a good relationship with the landlord, a comfortable, well-maintained dwelling, and affordable rent (James & Saville-Smith, 2018:2).

Research in Australia, which may also be applicable here, indicates that women want security of tenure in housing that is affordable and suited to their needs (Darab et al, 2017). The Government's Homelessness Action Plan 2020-2023 says older people are "increasingly vulnerable to homelessness", with single older women renting in the private market identified as a particularly at-risk group (HUD, 2021:27). Kahungunu Whānau Services chief executive Ali Hamlin-Paenga says there has been a noticeable rise in homelessness among older women in the past two years (1News, 2021).

## Housing as savings

Even though housing wealth makes up a large share of the wealth of many older adults, home equity is often overlooked as a potential asset to fund consumption during retirement. Downsizing is one way to access equity in a house, however, there are limited options for downsizing in New Zealand. Products such as reverse mortgages and home equity reversion schemes provide another way for homeowners to access what would otherwise be an illiquid asset (Reyers, 2022).

As women's greater life expectancy means they spend more of their later life living alone, this is a way for homeownership women to increase their income during retirement, but such products are not frequently used in New Zealand. However, research in the United States found that almost 45% of reverse mortgage borrowers are single females, compared to just under 20% single males, and 36% couples (Reyers, 2022).

## Summary

This chapter has outlined women's current situation in retirement and reveals a number of differences to men's situation. Women have lower income, with almost 50% of women receiving less than \$30,000 p.a., compared to around a third of men. Women are more reliant on NZ Super than men because of their lower savings and investments. Women also live by themselves for longer, due to men's shorter life expectancy, and so have higher costs and a longer period to fund after the age of 65. Women who continue paid work after the age of 65 are more likely than men to identify financial reasons for their decision. Women perform 60% of all volunteer hours and many of these are performed by older women. On average, women have lower KiwiSaver balances than men, and lower overall wealth. However, differences in wealth vary more between women (by ethnicity) than between men and women, with Pacific women holding the least wealth.



## 2. Women's wellbeing in retirement

Another way of determining 'What does retirement look like for women?' might be to apply one of the wellbeing frameworks currently in use within the public sector.

This chapter considers three frameworks<sup>2</sup> – the Living Standards Framework, He Ara Waiora, and the Pacific Wellbeing Strategy.

### Living Standards Framework

The Living Standards Framework was developed by the New Zealand Treasury to help it understand the drivers of wellbeing and consider the broader impacts of policy advice in a systematic and evidenced way, such as the different dimensions of wellbeing, and the long-term and distributional issues and implications of policy (Treasury, 2022).

There have been three main iterations of the Living Standards Framework. The first in 2011 focused on higher living standards and captured work that had been undertaken since at least 1999. The Living Standards Framework underwent a major refresh in 2017 and was re-released in 2018. That second version explored each of the four capitals that were introduced in the initial 2011 version in more depth and defined 12 domains of wellbeing (Treasury, 2021). It was heavily influenced by the OECD's Better Life Index (OECD, n.d.). It was released along with a Dashboard that measured wellbeing using a range of indicators. The Living Standards Framework was then reviewed in 2021 and responded to feedback from stakeholders to better reflect culture, and children's wellbeing, including being more compatible with te ao Māori and Pacific cultures (Treasury, 2021).

Figure 1 below is the current version of the Living Standards Framework.

There is no specific reference to gender or equality but the term 'distribution' is described as an 'analytical prompt...to analyse wellbeing across the three levels of the framework' (Treasury, 2022).

When the Labour-led government came to power in 2017, they announced that they would use Treasury's Living Standards Framework to create a 'Wellbeing Budget', which was delivered in 2019 (Beehive, 2018). Subsequent Wellbeing Budgets have continued to apply the Living Standards Framework to determine budget priorities and spending decisions. Therefore, understanding whether the Living Standards Framework enables specific consideration of gender (including from an intersectional perspective where inequalities based on such things as race, gender, ethnicity, class or sexual orientation can reinforce one another), is crucial.

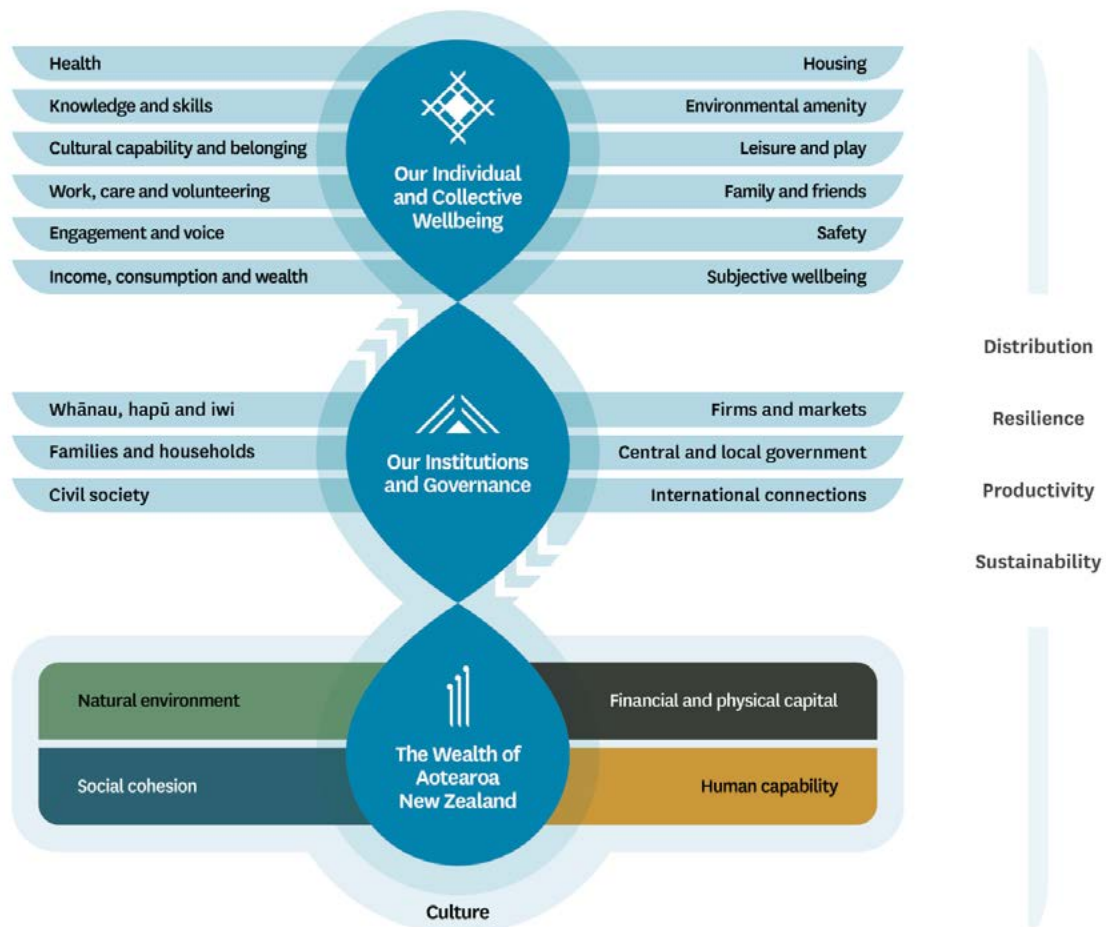
The Living Standards Framework Dashboard was designed to measure wellbeing using a range of indicators. However, it is not possible to consider more than one 'variable' at time, which means that we can only measure wellbeing for women or people of different ages but not women of a particular age or in terms of the different communities of women. As such, it is not currently possible to use the Living Standards Framework Dashboard to measure the wellbeing of women in retirement.

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<sup>2</sup> Although not a wellbeing framework, Manatū Wāhine Ministry for Women developed a tool for gender analysis in policy, called '[Bringing Gender In](#)' - Tell me more about how this tool will help me | Ministry for Women.



Figure 6 - Treasury's Living Standards Framework



Source: Treasury (2021)

## He Ara Waiora

He Ara Waiora is a framework that helps the Treasury to understand waiora, often translated as a Māori perspective on wellbeing, coming from wai (water) as the source of ora (life) (Treasury, 2021). It is depicted in Figure 2 below.

He Ara Waiora was developed with the Tax Working Group in 2018 to help think about how tikanga Māori could help create a more future-focused tax system. This involved a process of engaging with iwi and Māori across the motu, with the ongoing input of a number of Māori business and thought leaders. Treasury states that it is 'at an early stage of its journey in piloting the application of He Ara Waiora in a range of policy issues' (Treasury, 2021).

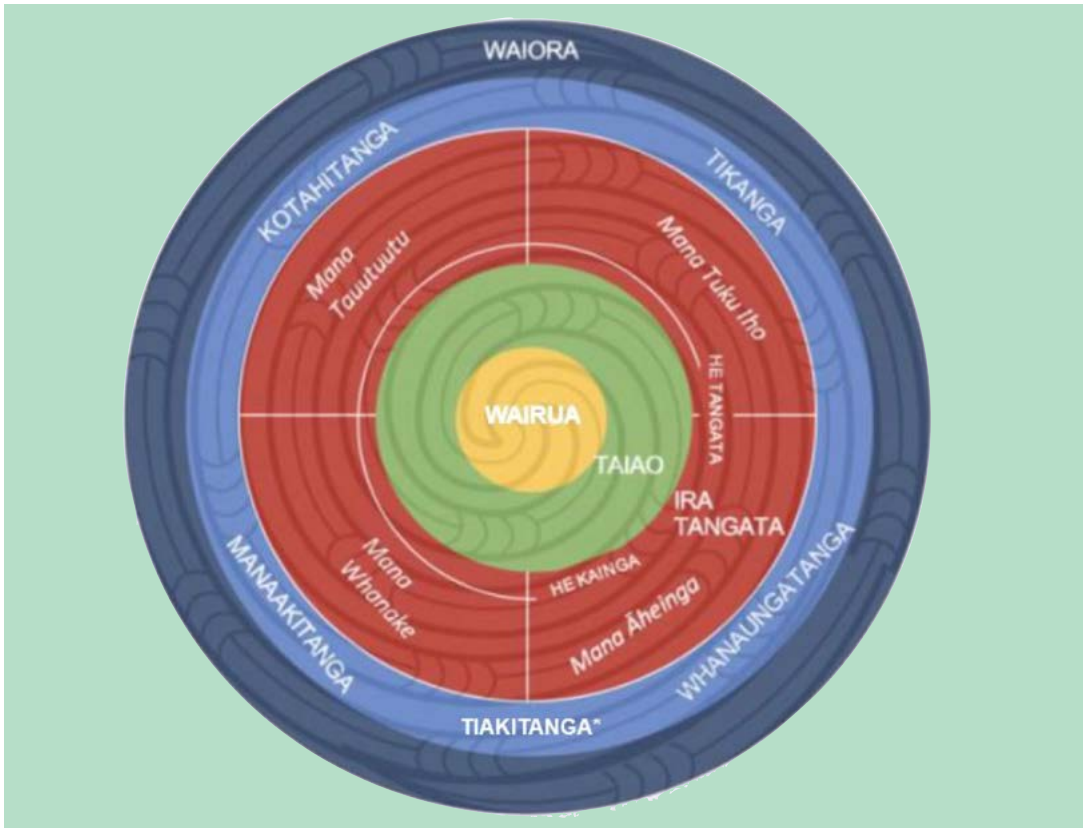
Unlike the Living Standards Framework, there is no dashboard for He Ara Waiora, and a 2020 Treasury Discussion Paper noted that more work is required to develop measures that reflect te ao Māori and Pacific values and concepts of wellbeing (Cook et al, 2020:44).

As such, it is not currently possible to use He Ara Waiora to measure the wellbeing of women in retirement.

However, the concepts in He Ara Waiora could potentially be applied to data on the lives of kaumātua wāhine.



Figure 7: He Ara Waiora



Source: Treasury (2021)



## Pacific Wellbeing Strategy

An all-of-Government Pacific Wellbeing Strategy has been developed by the Ministry for Pacific Peoples. The first stage to develop the strategy was engagement with Pacific communities, which resulted in the establishment of a refreshed vision statement, and a set of four goals captured in the Pacific Aotearoa Lalanga Fou report (MPP, 2018) as shown in Figure 3 below.

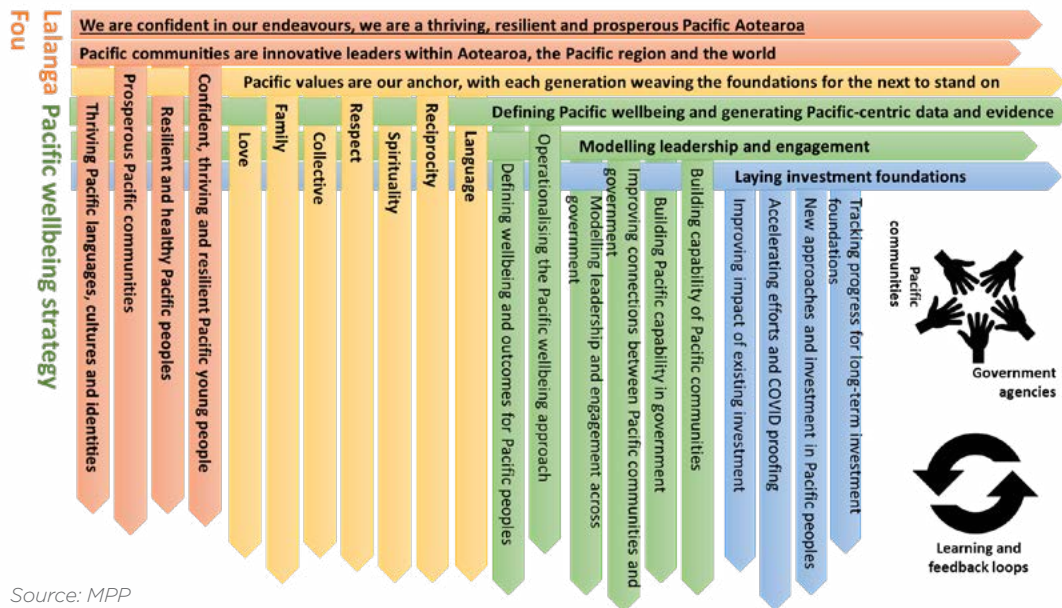
Figure 8: Pacific Aotearoa Lalanga Fou four goals



Source: MPP, 2018:9

The Lalanga Fou vision statement is “We are confident in our endeavours, we are a thriving, resilient and prosperous Pacific Aotearoa”. After further community engagement, the Pacific Wellbeing Strategy was created, underpinned by the vision. This is provided in Figure 4 below.

Figure 9: Pacific Wellbeing Strategy



Source: MPP

The Pacific Wellbeing Strategy focuses on levers for change at a system level.

The next phase of implementation of the Pacific Wellbeing Strategy is to co-design Pacific-specific wellbeing indicators and measures with agencies. These indicators and measures will align to the Outcomes Framework and reporting will be established in line with them.

As such, it is not currently possible to use the the Pacific Wellbeing Strategy to measure the wellbeing of women in retirement.

However, the outcomes included in the 'outcomes for Pacific communities' column (broken down into the four Pacific Aotearoa Lalanga Fou goals) could potentially be applied to data on the lives of older Pacific women. Of the four goals, 'Prosperous Pacific Communities' and 'Resilient and Healthy Pacific Peoples' appear most relevant to wellbeing in retirement, and the most applicable outcomes within each goals are as follows:

- |   |                                       |
|---|---------------------------------------|
| - Affordable and suitable housing                 | Prosperous Pacific Communities        |
| - Labour market participation and wealth creation | Prosperous Pacific Communities        |
| - Improved mental health and wellbeing            | Resilient and Healthy Pacific Peoples |
| - Disabled people supported                       | Resilient and Healthy Pacific Peoples |





### 3. Women and the labour market

On average, women spend less time in the labour force than men and receive lower pay. Manatū Wāhine the Ministry for Women estimates that a New Zealand woman will earn \$880,000 less than a man over her lifetime. They attribute the difference to many factors, including time out of paid work, the gender and ethnic pay gaps, and occupational segregation (MfW, 2022a). In nominal terms \$880,000 earnings represent a potential income in retirement of \$50 per week, based on 3% employee and matched employer contributions, over a 20 year retirement.

#### Labour market participation rates

There were fewer women than men in paid work in Aotearoa New Zealand in 2021, with women's labour force participation rate at 66.6%, compared to 75.6% for men. Women's unemployment rate was slightly higher than men's, at 3.3%, compared to 3.1%. Of people in paid work, more women than men were looking for additional hours, with 11.1% women identifying as underutilised, compared to 7.4% of men (Stats NZ, 2022b). Other figures show that 29.3% of women, compared to 11.2% of men, are in part-time paid work OECD (n.d.). In New Zealand, 69.4% of part-time workers are women, and nearly one in three of all working women in the paid workforce work part-time (less than 30 hours per week) (MfW, 2020).

Motherhood impacts the extent of female labour market participation (and will be discussed further in Section Four). In 2014, 57.8% of sole mothers were employed, compared to 82.9% of women without children. Of women in paid work, mothers were less likely to be working full-time than women without children, 57.5% of partnered mothers worked full-time, 61.4% of female sole parents, and 83.9% of women without dependent children (Stats NZ, 2015).

These figures have not changed significantly over time. In 2021, the figure for sole mothers in paid employment was 61.8%, compared to 84.2% of women without children. 68% of partnered mothers in paid work worked full-time, 69% of female sole parents, and 88% of women without dependent children (Stats NZ, 2022c).

There is a marked difference in the labour market participation of mother and fathers as seen in Table G below.

**Table G: Labour market participation of mothers and fathers**

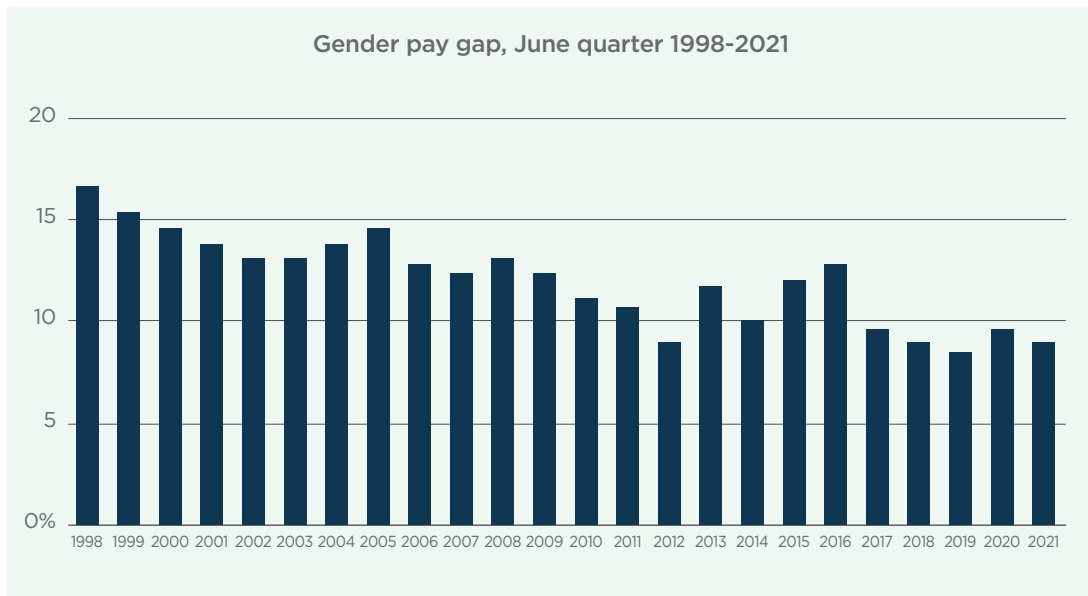
Household Labour Force Survey data - 2021	Mothers with partners	Mothers without partners	Fathers with partners	Fathers without partners
Employment rate (%)	76.5	61.8	94.2	69.9

Source: Stats NZ data request

#### Gender pay gap

The average gender pay gap, which refers to the difference in median hourly earnings, was 9.1% in 2021. The gender pay gap has been relatively flat over the last five years, after a peak of 12% in 2016, and a previous peak of 16.2% in 1998 (Stats NZ, 2021b). This is shown in Graph F below.

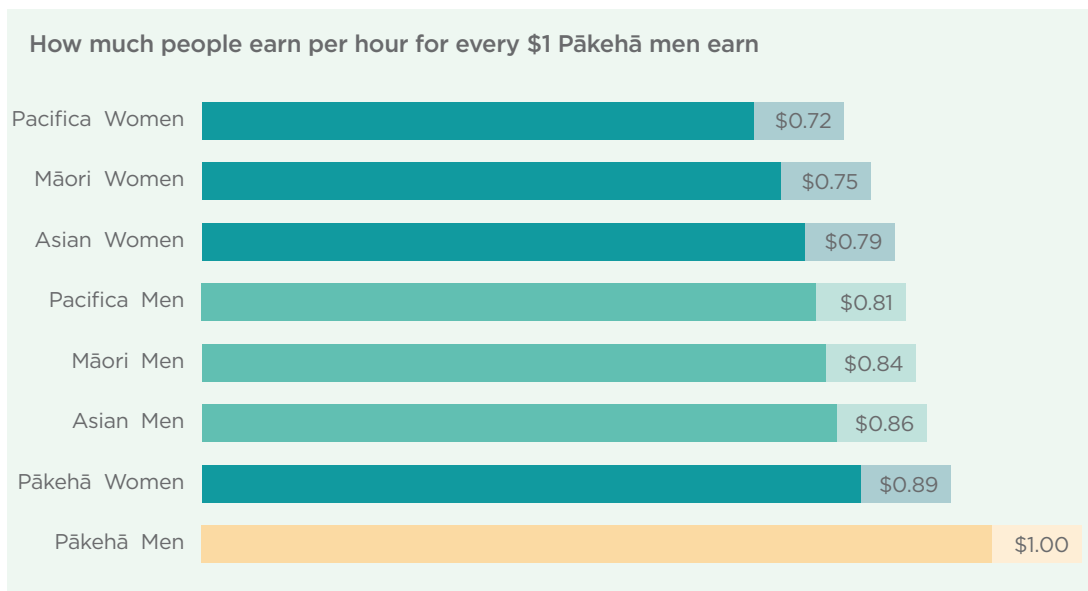
## Graph F: Gender pay gap



Source: Stats NZ, 2021b

The gender pay gap also varies by age, disability, and ethnicity. Age is discussed under the heading 'Older Workers' below. People with disabilities experience a pay gap with those without disabilities and the pay gap is higher for women with disabilities than for men with disabilities. In 2021, disabled women's pay gap with disabled men was 16.1 percent, while the pay gap with non-disabled men was at 19.0 percent (MfW, 2022b). Graph G shows how Asian, Māori, and Pacific women earn less than Pakeha women (and Asian, Māori, and Pakeha men). The Human Rights Commission is conducting a Pacific Pay Gap Inquiry to better understand why the Pacific Pay Gap exists and how it can be closed (HRC).

## Graph G: Ethnic pay gap



Source: Gender Equal NZ

One response to the ongoing gender pay gap is transparency and this can include organisations reporting on their gender pay gaps. Aotearoa New Zealand's first 'Pay Gap Registry' has been launched by Mind the Gap, where larger organisations can publish their gender pay gap, Māori pay gap, and Pacific Peoples pay gap (Mind the Gap). Other reporting initiatives include the Public Service Commission's Gender Pay Gap Action Plan, which commits all public service agencies to having action plans in place, and making these action plans public (PSC, 2021).

## Occupational gender segregation

Occupational gender segregation takes two forms – horizontal and vertical.

Horizontal segregation occurs when some industries and professions employ more men than women and others employ more women than men. This is common in Aotearoa New Zealand as around half of all women and men work in occupations where at least 70% of workers are of the same gender (Morrissey, 2018). This phenomenon is also known as the 'glass wall'.

Some industries and professions pay more than others and those industries and professions that employ more men than women are generally better paid than industries and professions that employ more women than men (Employment New Zealand, 2022a). This is not a new situation, as the New Zealand labour market has traditionally been gender segregated, but it obstructs a well-functioning labour market (Stats NZ, 2015:7).

Some efforts have been made recently to amend this situation. In late 2020, amendments were made to the Equal Pay Act 1972, to introduce a new process for individual employees and unions to raise a pay equity claim directly with an employer for work, which may be subject to systemic sex-based discrimination. The new process is similar to New Zealand's existing employment relations framework. Pay equity is about women and men receiving the same pay for doing jobs that are different, but of equal value, because they require similar levels of skills, responsibility, and effort (Employment New Zealand, 2022b). Improving pay equity would reduce the inequity in retirement outcomes between men and women by increasing women's income from paid work, and their potential to save, especially through the income-related KiwiSaver scheme.

Vertical segregation occurs when more men than women occupy senior roles and more women than men occupy junior roles. This even occurs in female dominated industries and professions, as men working there earn more than women, due to their more senior roles (Stats NZ, 2015:31). This phenomenon is also known as the 'glass ceiling'.

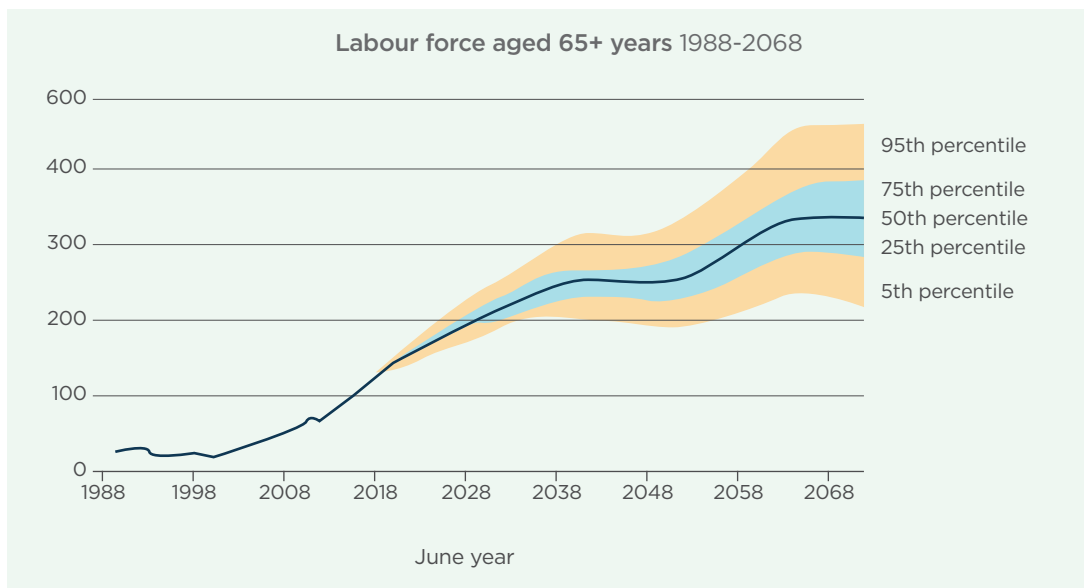
## Older workers

Continuing to be in work after 65 years is a growing trend: in 2013, 22% of New Zealanders over the age of 65 years were in paid employment, an increase from 16.8% in 2006 and 11.4% in 2001. The majority of people aged over 65 say they are in paid work because they want to be (70.5%) rather than because they need to be (29.5%) according to TAAO research (TAAO, 2021a).

In 2051, older workers will be 10.5% of the total workforce (Age Concern). Graph H below shows how the number of people aged 65+ in the labour force has increased and is projected to keep growing. Women represent around 40% of the projected future labour force (Stats NZ / NZ Stat).



**Graph H: Labour force**



Source: Stats NZ, 2017b

The term 'older worker' has now started to be applied to those under 65. The Office for Seniors has developed an Older Workers Employment Action Plan for those aged 50+ (OfS, 2021). A Women's Employment Action Plan is also being developed by the Ministry for Women (MfW, 2022c). Both of these initiatives have the potential to support women in paid work and ultimately increase their prospects for wellbeing in retirement.

New Zealand has among the highest rates of employees aged over 55 years of all OECD countries. In a survey of people aged 55+ in paid work, respondents revealed low levels of perceived prevalence of age discrimination, but 25% disagreed that there was a strong appreciation of the value of older workers in their organisation. Respondents indicated that the factors that would enable their continued employment was flexible work, job design and the challenging or meaningful nature of work (AUT, 2015:5).

Female older workers experience gender pay gaps that are higher than the average overall gender pay gap as outlined in Table H below.

**Table H: Gender pay gap by age cohort (selected years)**

Year / Age	Average	45-49	50-54	55-59	60-64
2021	9.1%	13.3%	12.1%	13%	15%
2016	12%	16%	25%	11.2%	6.4%
2008	12.5%	17.1%	17.5%	17.3%	14.8%
1998	16.2%	21.8%	21.4%	20.6%	13.8%

Source: NZ.Stat

These data show that as women enter their final years of paid work, they are disadvantaged from saving, despite the additional importance of savings for their longer life.

## Unemployment and underemployment

There are gender differences in both the unemployment and underutilisation rates. Underutilisation is a measure of people who were either unemployed, underemployed, or in the potential labour force. Underemployed refers to employed individuals who want to work more hours than they usually do and are available to do so. The potential labour force consists of 'unavailable jobseekers', those people looking for work but not available immediately, and 'available potential jobseekers', who are not actively seeking work but would like a paid job and could start immediately (Stats NZ, 2016).

In the December 2021 quarter, the 'headline' unemployment rate was 3.2%, with women at 3.3% compared to men at 3.1%. The 'headline' underutilisation rate was 9.2%, but the difference between men and women was more significant, at 11.1% for women compared to 7.4% for men (Stats NZ, 2022b). Underutilisation also varies by ethnicity. European women had a utilisation rate of 11.2%, but this was 18.3% for Pacific women and 19.2% for wāhine Māori, as outlined in Table I.

**Table I: Underutilisation by ethnicity and sex**

Underutilisation by Ethnicity by Sex (Annual-Dec)						
	Female					
	European	Maori	Pacific Peoples	Asian	MELAA	Other Ethnicity
	Underutilisation rate	Underutilisation rate	Underutilisation rate	Underutilisation rate	Underutilisation rate	Underutilisation rate
2021	11.2	19.2	18.3	11.6	16.7	10.0

Author created table from Stats NZ data

Underutilisation also varies by age. Compared to the 'headline' utilisation rate of 9.2%, the rates for those aged 45-64 ranged from 16% for the 60-64 age group to 21.4% for the 50-54 age group (Stats NZ, 2022d) as outlined in Table J.

**Table J: Underutilisation by sex and age group**

Underutilisation by Sex by Age Group (Annual-Dec)				
	Total Both Sexes			
	Aged 45-49 years	Aged 50-54 years	Aged 55-59 years	Aged 60-64 years
	Underutilisation rate	Underutilisation rate	Underutilisation rate	Underutilisation rate
2021	19.8	21.4	18.7	16.0

Author created table from Stats NZ data

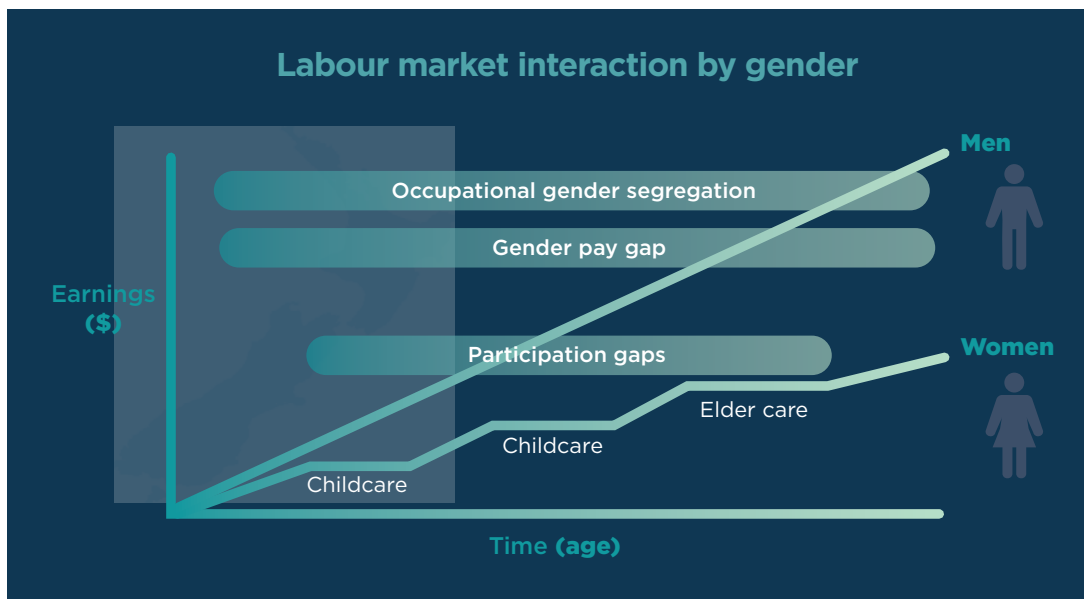
## Summary

This chapter has outlined the ways in which women interact with the labour market in different ways to men. Women generally spent fewer hours (over their life course) in paid work than men. This is evident in the high rates of part-time work by women, particularly mothers, and in periods of absence from the labour force while undertaking care responsibilities (discussed further in the next chapter). When in the labour force, women are generally paid less than men, as evidenced by the gender pay gap, compounded by the ethnic pay gap for some women. Women and men occupy different roles in the labour market, evidenced by vertical and horizontal gender segregation, and the underutilisation rates that show that more women are seeking additional hours of paid work than men. This impacts women's KiwiSaver balances as contributions are earnings related.

The implications of this different interaction are the lower KiwiSaver balances and lower overall savings and wealth outlined in Chapter 1. These contrasts strongly with the universal nature of NZ Super, which ensures women receive equal weekly amounts to men for life. However, because women live longer on average, individual women may face higher overall costs in retirement. These costs would have to be met from other savings, such as KiwiSaver, or by incurring debt.

An illustration of men and women's different interactions with the labour market is provided in Figure 6 below.

Figure 10: Labour market interaction by gender



Source: Author created graphic



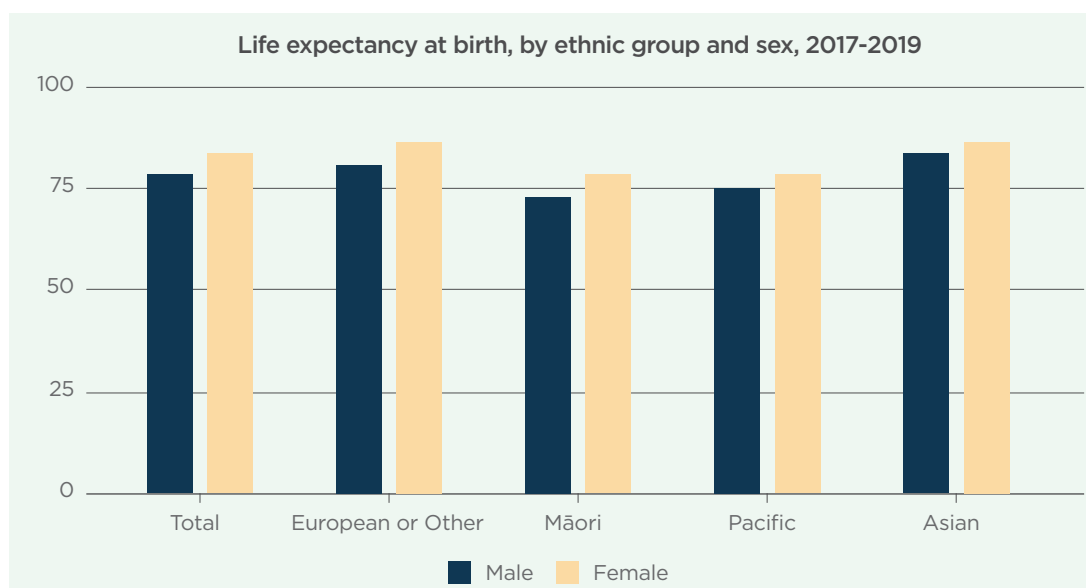
## 4. Women and society

This section outlines a number of key non-labour market explanations for women's retirement outcomes being lower than men's. It covers life expectancy, the unequal division of care responsibilities and the cost of childcare, and financial capability.

### Life expectancy

In New Zealand, the average life expectancy at birth for women is 83.5 years, compared to 80 years for men. However, these figures vary by ethnicity, and the average life expectancy at birth for wāhine Māori is 77.1 years, for Pacific women it is 79 years, and 84.5 years for Pakeha. Asian women have the longest average life expectancy at birth at 87.9 years (Stats NZ, 2021c). Details are provided in Graph I below.

Graph I: Life expectancy at birth



Source: Stats NZ, 2021c

However, when considering retirement, it is important to consider cohort life expectancy from age 65. For women who reach 65 years of age, their cohort life expectancy is 89 years, but the most common (modal) age at death is expected to be 92. One in five women from this cohort is expected to live to at least age 95 and the probability of living to age 100 is 6% (RIIG, 2019:5). This means that, at age 65, women likely have between 24 and 27 years of retirement to fund, but 20% will need to fund 30 years and 6% will need to fund 35 years.

It is common for heterosexual women to partner with men who are older than them, usually by between two and three years, and just under a quarter of couples have an age gap of six or more years (Huang & Curtin, 2019:20). Combined with women's longer life expectancy than men's, this means that women are likely to spend more of their retirement years single (compared to men), and require a larger pension pot to cover the period between the older partner ceasing paid work and the younger partner dying (Huang & Curtin, 2019:20). The OECD raised the potential for women to receive a direct subsidy in reflection of their longer life expectancy (OECD, 2021:150).

### Care responsibilities

Gender differences in roles within the home begin in childhood. Girls do more housework than boys, spend more time looking after younger siblings, are less likely than boys to receive pocket money – and girls who are paid receive less than boys (Doman, 2018).

The distribution of housework and care tasks remains unequal between the genders into adulthood. The last time use survey undertaken in New Zealand in 2009/10 found that women spent approximately four hours twenty minutes a day on unpaid work, while men spent two hours and thirty-two minutes a day.

Unpaid work takes many forms with care work representing a significant portion. Although the proportions may differ from country to country, women make up the majority of those in caring roles, with McKinsey reporting in 2015 that, overall, 75 percent of global unpaid care is undertaken by women (MfW, 2019:3).

In New Zealand, the majority of childcare is undertaken by mothers, rather than fathers. Indeed, there is no independent statutory entitlement to paid parental leave for fathers, instead up to two weeks unpaid leave is available to fathers who meet work-based eligibility criteria (Employment NZ, 2020). Primary care leave (previously known as parental leave) is available to mothers but can be transferred to fathers / partners and is also available to those with primary responsibility for the care, development and upbringing of a child (Employment NZ, 2020). Less than 2% of paid parental leave was taken by fathers in the year ended 31 March 2019 (Morrissey, 2020). As highlighted in Chapter 3, women's responsibility for childcare reduces their labour market participation, while fatherhood barely impacts men's labour market participation. This difference in paid and unpaid work between men and women contributes to the gender pension gap. One way to address it is 'care credits', which generally mean additional payments by the state, to either increase the period of insurance (where applicable) or as direct increases to pension payment. These were explored by Huang & Curtin (2019) for the last Review of Retirement Income Policies, and exploring care credits within KiwiSaver was included as a recommendation in the Report, and is still under consideration by the government.

In New Zealand, the nature as well as the duration of unpaid work varies between the sexes, with twice as many women reporting caring for someone who is ill or has a disability who does not live in own household than men (10.4% and 5.81%). Similarly, 17.9% of women reported looking after a child who does not live in own household, compared to 9.8% of men (Stats NZ, 2018 census data).

The recent pandemic has further entrenched the gender division of care roles. Women have experienced a duplication of paid and unpaid work. As well as being majority of essential workers, who continued in paid work during lockdowns, women have also provided the bulk of unpaid work at home, as well as the duties of home-schooling due to the closure of schools and daycare centres (Masselot & Hayes, 2020).

## Childcare costs

Childcare costs are often considered against the potential salary or wages that may be earned by the mother. Recent research using data from a longitudinal study in NZ revealed that childcare can be difficult to access in New Zealand, particularly difficult for Māori and Pasifika mothers, who are two or three times more likely to experience issues accessing childcare than European mothers. Affordability is also an issue, particularly for Pacific mothers (Sin, 2021). An example of daycare costs for the under 3s in Wellington is \$440 per week for full-time care and \$365 per week for part-time care (Daisies). This compares to the gross weekly median average wage for women (June 2021 quarter) of \$960 (Stats NZ, 2021d).

Similar affordability problems are faced internationally, prompting the European Commission to draft a directive to provide that all families have access to affordable childcare services, as well as an entitlement to adequate parental leave arrangements (MfW, 2019:9).

## Financial capability

Recent research into financial wellbeing measured a range of financial capabilities and outcomes using the financial wellbeing model designed by Prof. Elaine Kempson. It found that women have lower overall financial wellbeing compared to men, scoring 58 out of 100, compared to 64 for men. Personal income plays a significant role in women's financial resilience and wellbeing and women's lower earnings impact their resilience for the future and preparedness for retirement (TAAO, 2022c).

Women score lower than men, on average, for using and understanding financial products (for instance checking they fit their needs or checking the terms and conditions). Financial education in schools and workplaces fails to reach or engage women as well as it does for men (TAAO, 2022c).



However, the same survey revealed several financial areas in which women on average scored more highly than men, such as day-day money management, planning their budget exactly, and keeping to their budget. Women also have higher long-term thinking (58) and impulsivity control (63) scores compared to men (53 and 58 respectively). Interestingly, women report very similar levels of understanding of risk than the general population, at 72 compared to 73 (TAAO, 2022c).

Traditionally, women have often been thought to be more risk averse than men, although this may have been due to differences in opportunity sets rather than risk (Schubert et al, 1999). Recent analysis of research on the topic suggests that, while some studies had found gender differences, the evidence is less strong in later studies (Smit, 2014). Other reports still suggest women are more risk averse than men, holding more low-risk assets and less high-risk assets, and that married women are more risk averse than married men or single women (OECD, 2021:35,38).

However, from recent analysis of KiwiSaver balances, the data does not support the idea that women aged 45-64 are more conservative investors than men. Instead, it depends on the size of KiwiSaver balance, with both men and women tending to invest in lower risk/lower return funds if they have small balances and tending to invest in growth assets if they have larger balance. After age 60, both men and women become increasingly likely to be in lower risk/return funds, especially women (RIIG, 2022:2).

Cultural factors may also be relevant. Women may be subject to gender stereotyping from financial advisors who may advise them on overly conservative investment options because of an unconscious bias (OECD, 2021:47). ASB surveyed their customers in 2021 and reported that women rate their knowledge of investing far lower than men and are more likely to be in the most risk-averse KiwiSaver funds regardless of their personal circumstances or goals (RNZ, 2021).

Women may be disadvantaged in retirement if they do not benefit from suitable financial products and services and may benefit from financial education designed specifically for their needs and from understanding their personal risk profile. Providers of financial services have a role to play in ensuring women receive appropriate advice, which recognises their estimated life expectancy, and is tailored to their actual, rather than their assumed, risk capacity (their ability to take risks).

## Summary

This chapter has outlined the ways in which non-labour market explanations for women's retirement outcomes being lower than men's. Women live longer than men, on average, and spend more years of retirement living alone. Women face a disproportionate burden of unpaid work, both domestic work, and care responsibilities of family members. When considering opportunities to participate in paid work, the cost of childcare is often offset against the women's potential earnings, rather than against all household income. Gender bias may impact the nature of financial advice given to women.





## 5. Conclusions and recommendations

This report concludes that both labour market and societal and cultural factors impact what retirement looks like for women. It also recognises that differences between women can be more significant than differences between men and women. Accordingly, these conclusions and recommendations (many of which relate to factors previously observed by Huang & Curtin for the 2019 Review of Retirement Income Policies), recognise that women's experiences are not universal.

**Conclusion #1 - Women's disproportionate burden of unpaid work, including the care of relatives as well as their own children, impacts women's ability to undertake paid work.**

### **Recommendations:**

- Break the gender bias regarding unpaid work.
- Alternatively, compensate women for the time they spend in unpaid work, for example through KiwiSaver contributions from the government, their employer, or their partner (if applicable).

**Conclusion #2 - The cost of and access to childcare may restrict women's ability to enter paid work or undertake other activities.**

### **Recommendations:**

- Gender bias attributes childcare costs to mother's earnings rather than father's.
- Normalise a care role for fathers, facilitated by paid paternity leave, and adoption of flexible work arrangements by men as well as women.

**Conclusion #3 - Gender and ethnic pay gaps, including those arising from occupational gender segregation, impact women's earnings from paid work.**

### **Recommendations:**

- Reporting on pay gaps may help their reduction or removal.
- Breaking gender bias regarding the type of occupations suitable for men and women and regarding women's suitability for more senior roles would reduce occupational gender segregation.

**Conclusion #4 - Women have lower KiwiSaver balances than men, on average, due to their lower rates of labour market participation (part-time work and time out of paid work) and lower pay (gender and ethnic pay gaps and occupational segregation).**

### **Recommendations:**

- Incentives could be provided to contribute to KiwiSaver when away from paid work or on parental leave (these could be restricted to people on low incomes).
- Tailored advice could be offered to women to ensure their KiwiSaver (and any other savings) are invested in a way that reflects their actual – rather than perceived – risk capacity that reflects their longer life expectancy. The government, employers and financial service providers may all provide advice at different parts of the life course.

## Conclusion #5 - Women may benefit from bias-free and targeted financial advice

### Recommendations:

- Key life events, such as pregnancy or divorce, are times when tailored financial advice may be helpful to women
- Similarly, when any request is made to change a person's KiwiSaver settings, such as requesting a contribution suspension.

## Conclusion #6 - NZ Superannuation is the foundation of Kiwi's retirement incomes – but especially women's.

### Recommendations:

- Ensuring the universal nature of NZ Superannuation protects women's incomes in retirement as they are less able to contribute to earnings-based schemes or build up other savings. Appropriate indexation is also necessary.

These conclusions and recommendations are summarised in Table A below.

**Table A: Conclusions and recommendations**

	Factors influencing women's retirement savings		
Factors influenced by...	Per pay	Life course	Returns
Government	Gender pay gap Ethnic pay gap Pay equity Reporting requirements	Incentives / subsidies while on caring leave Parental leave equity Childcare	Targeted information and education Regulations for conservative funds
Employers	Pay equity Promotion equity	Flexible working Parental leave equity	Targeted information and education
Financial Services industry		Targeted, proactive, and bias-free advice to women	Targeted, proactive, and bias-free advice to women
Individuals and families	Household decisions on savings	Household decisions on unpaid care and domestic work	Risk profile assessment

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