

# Submission to The Treasury Retirement Income Review

## **Work/Industry Futures Research Program**

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# Executive Summary

This submission has been prepared by Dr Penny Williams, Dr Melinda Laundon, Associate Professor Deanna Grant-Smith and Professor Paula McDonald from the QUT *Work/Industry Futures Research Program* in the QUT Business School.

Work is changing in new and uneven ways raising pressing and complex questions around how we define, create and organise inclusive and sustainable work now and into the future. Through the Work/Industry Futures Research Program, the authors of this submission directly address these complex challenges through theoretically-informed and evidence-based research.<sup>1</sup> Our research engages with current and emerging themes in the future of work which impact the employment and education-to-work transitions of young people. This includes unpaid work and internships; the work implications of technology, automation, and artificial intelligence (AI); and precarious and contingent work. The program's research and engagement across a wide range of industry, organisational and workplace contexts directly intersects with the terms of reference of The Treasury Retirement Income Review.

In addressing the terms of reference, this submission takes a thematic approach focussing on issues which are having a major impact on retirement income and which are likely to have an even greater impact in the years to come. In support of our claims, we summarise relevant published evidence-based research, including our own research. The submission responds to consultation questions 7, 13, 14 and 16 raised in the *Retirement Income Review Consultation Paper (November 2019)*, and makes recommendations in relation to Terms of Reference (a) and (c):

## (a) How the retirement income system supports Australians in retirement

Our submission contests that the current retirement system inequitably supports Australians in their retirement, and that issues of equity and sustainability arise as a result of demographic changes and social inequalities that impact on the ability of women and marginalised Australians to prepare for and access an adequate retirement income. Increasingly precarious forms of employment, coupled with structural restraints impact negatively on both the superannuation savings and the voluntary savings of women, single parents, migrant workers and other vulnerable workers. Recommendations to improve systems of support for Australians approaching retirement or currently in retirement are provided below.

## (c) Distributional impacts across the population and over time

Our submission further contends that changing patterns of employment, systemic workplace gender inequity, and the rise of unpaid or under-paid work, contribute to rising levels of financial insecurity and impede the achievement of fair and adequate retirement outcomes through the current retirement income system. The relative shortfall in the retirement income of women provides an historical example of the inadequacy of the current gender-neutral system, and our submission contends that new forms of more insecure employment may serve to extend inequalities in retirement income to other segments of the labour market.

The submission is structured according to the following themes:

- Theme 1: New patterns of working
- Theme 2: Under-employment, unpaid and underpaid work
- Theme 3: Women, work and retirement equity
- Theme 4: Career expectations of young people and financial decision-making.

Our summary recommendations and the body of the submission begin over the page.



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<sup>1</sup> Refer to Appendix for a list of relevant publications authored by Work/Industry Futures members.

## Summary of Recommendations

**Recommendation 1:** The Review should take into account new modes of flexible working and the rise of non-standard and irregular work patterns when assessing the performance of the current retirement system.

**Recommendation 2:** The Review should consider the responsibility of employers, broadly defined, to contribute to the retirement savings of all individuals who provide them with labour.

**Recommendation 3:** The Review should consider alternative approaches to forced contribution to retirement savings to address current gender inequities.

**Recommendation 4:** The Review should seek to understand and adapt the vast array of sources that influence the financial education of young people and contribute to their investment decisions both early and later in life.

## Body of Submission

The Australian retirement income system was established to ensure older Australians have sufficient income to sustain them during retirement. In addition to providing a means-tested, publicly funded age pension, the Australian retirement income system further encourages individuals to provide for their own retirement through compulsory superannuation and saving voluntarily during their working lives. However, significant changes to the organisation of work and the structure of the Australian labour market have, and will continue to, impact the ability for many Australians to adequately prepare for their own retirement.

Ubiquitously termed “the future of work”, current and future trends are fundamentally challenging many of the institutions on which Australia and other post-industrial societies have been built. These challenges include increasing employment precarity, rising inequality and social exclusion, and the ability for individuals to guarantee short and long-term income security in the face of shrinking labour markets.

In addressing the terms of reference of this Inquiry, the submission responds first to specific consultation questions raised in the *Retirement Income Review Consultation Paper* (November 2019), under the headings *The changing Australian landscape and equity* (pps.27, 28). Our response takes a thematic approach focussing on overarching trends that are already having a major impact on Australian workers, organisations, and society and which are likely to have even greater effects in the years to come. In support of our claims, we summarise relevant published Australian and international evidence. Finally, we provide recommendations as they relate to the terms of reference for the inquiry.

### The Changing Australian Landscape and Equity

Several significant factors are already impacting on the distribution of retirement income (and income in general) across the Australian population, heavily influencing the current system’s ability to support Australians in their retirement. These factors include an ageing population, including an ageing working population, changes to labour market patterns of participation, and importantly changes to employment structures and job availability. With an emphasis on changing patterns of work likely to impact on the distribution of retirement savings and equity, here we present three themes to address consultation questions numbered;

*7. Demographic, labour market, and home ownership trends affect the operation of the retirement income system now and into the future. What are the main impacts of these trends? To what extent is the system responsive to these trends? Are there additional trends which the Review should consider when assessing how the system is performing and will perform in the future?*

*13. What should the Panel consider when assessing the equity of the retirement income system?*

*14. What factors and information should the Panel consider when examining whether the retirement income system is delivering fair outcomes in retirement? What evidence is available to assess whether the current settings of the retirement income system support fair outcomes in retirement for individuals with different characteristics and/or in different circumstances (e.g. women, renters, etc.)?*

*16. To what extent does the retirement income system compensate for, or exacerbate, inequities experienced during working life?*

In answering these questions, the following themes highlight the need for the current system to be adjusted to redress inequities for different workers.

### Theme 1: New patterns of working

The demographic composition of the Australian labour market has undergone a gradual but distinct transformation. Our working age population is now characterised by an increasing number of older workers, women, working sole parents and dual-income couples.<sup>2</sup> As a consequence, the working patterns of Australians have changed. Flexible work arrangements (FWAs) have become a desired employment benefit<sup>3</sup> and a common feature of organisational policy and practice in many industries. Technology has further enabled new modes of working, giving rise to whole new categories of workers including “remote workers”, “gig” or “digital platform workers”, “digital nomads” and “tele-commuters”. The implications of these changes expand beyond the hours and locations that individuals work to fundamentally alter earning patterns and income security.

The Australian Bureau of Statistics<sup>4</sup> identifies the availability of FWAs as a stimulus for labour participation and the provision of FWAs is supported in Australia by industrial and legislative protections such as paid parental leave and the right to request FWAs.<sup>5</sup> FWAs provide employees with negotiated variations to when, where and how much they work<sup>6</sup> and usually include arrangements such as working from home; flexible hours (variable start and finish times); and reduced-load work agreements such as part-time or job share arrangements<sup>7</sup>.

Accessing FWAs can however result in career and financial consequences. For example, FWA use can result in stagnant career progression and a relatedly lower salary, as well as immediate wage reductions associated with fewer hours.<sup>8</sup> FWA use is also associated with lower understanding of and use of employee benefits, including share plans and salary sacrifice programs which could improve the financial position of individuals<sup>9</sup>. The longer-term financial implications for FWA users, include a potentially lower income for their working life, lower superannuation and lower retirement savings. While both men and women have reported negative consequences associated with FWAs, women remain the primary users of FWAs. Women are also, consequently, the least likely to be financially secure as they approach retirement.<sup>10</sup>

Flexible work practices also extend to flexible forms of organising and accessing labour, such as the increasing use of casual and contract staff and the emergence of a virtual, digital labour force. Digital platform work is an emergent dimension of the labour market that is characterised by short term, temporary ‘gigs’ mediated by digital platform businesses that connect self-employed or independent contract workers to clients/consumers via a website or app. Digital platform businesses are not employers but rather labour market intermediaries or

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<sup>2</sup> Australian Bureau of Statistics (2016) *Labour Force*, October. Cat. no. 6202.0. ABS, Canberra, Australia.

<sup>3</sup> Laundon M & Williams P (2018) Flexible work: barrier to benefits? *Financial Planning Research Journal*, 4(2), 51-68.;

Cathcart A, McDonald P & Grant-Smith D (2014) *Challenging the myths about flexible work in the ADF*. *Australian Defence Force Journal*, 195, 55-68.

<sup>4</sup> Australian Bureau of Statistics (2011) *Flexible Working Arrangements in Queensland, Oct 2010*. Australian Bureau of Statistics, Canberra.

<sup>5</sup> Fair Work Ombudsman. (n.d.) Employee Entitlements. Available at: <https://www.fairwork.gov.au/employee-entitlements>

<sup>6</sup> Williams P, McDonald P & Cathcart A (2017) Executive-level support for flexible work arrangements in a large insurance organization. *Asia Pacific Journal of Human Resources*, 55, 337-355.

Williams P, Cathcart A & McDonald P (2018) Signals of support: Flexible work for mutual gain. *International Journal of Human Resource Management*, 1-25.

<sup>7</sup> McCarthy A, Darcy C and Grady G (2010) Work-life balance policy and practice: Understanding line manager attitudes and behaviors. *Human Resource Management Review*, 20(2), 158-167.

Yuile C, Chang A, Gudmundsson A, et al. (2012) The role of life friendly policies on employees' work-life balance. *Journal of Management & Organization*, 18(1): 53-63.

<sup>8</sup> Crowley JE & Kolenikov S. (2014) Flexible work options and mothers' perceptions of career harm. *The Sociological Quarterly*, 55(1), 168-195.

Leslie LM., Manchester CF, Park T & Mehng SA (2012) Flexible work practices: A source of career premiums or penalties? *Academy of Management Journal*, 55(6), 1407-1428.

Noback I, Broersma L & Dijk J (2016). Climbing the ladder: Gender-specific career advancement in financial services and the influence of flexible work-time arrangements. *British Journal of Industrial Relations*, 54(1), 114-135.

<sup>9</sup> Laundon M & Williams P (2018) Flexible work: barrier to benefits? *Financial Planning Research Journal*, 4(2), 51-68.

<sup>10</sup> Basu AK & Drew ME (2009) The case for gender-sensitive superannuation plan design. *Australian Economic Review*, 42(2), 177-189.

Neelakantan U & Chang Y (2010) Gender differences in wealth at retirement. *The American Economic Review*, 100(2), 362-367.

Sunden AE & Surette BJ (1998) Gender differences in the allocation of assets in retirement savings plans. *The American Economic Review*, 88(2): 207-211.

agents.<sup>11</sup> Digital platform work can be observed in numerous industries, encompassing both tasks that can be executed or communicated online (e.g., graphic design; programming) and ‘real life’ work (e.g., driving; cleaning). It may be performed by a specified individual or divided into smaller tasks undertaken by a ‘virtual cloud’ of workers in global locations.<sup>12</sup> Platform workers are thought to derive benefits such as flexibility, autonomy and better work-life balance, skill development, new opportunities to earn a living or the ability to receive a supplementary income.<sup>13</sup> However, platform workers are commonly paid per completed task or job rather than for the time or hours they work and experience low income security, minimal worker entitlements, no employer-provided superannuation contributions and few opportunities for career progression. Furthermore, rates of pay for digital platform work are often significantly lower than the minimum wage.<sup>14</sup>

A recent prevalence study shows that 7.1% of Australians are currently working (or offering to work) through a digital platform or they have done so within the last 12 months. A further 6% have undertaken digital platform work at some time in the past. This level of participation is consistent with patterns seen in other parts of the world and is higher than prior estimates of Australian participation in the gig economy.<sup>15</sup>

The survey, undertaken by members of the Work/Industry Futures Research Program, uncovered earning patterns that may have significant implications for the future retirement savings of Australians participating in the gig economy. For example, while many Australians undertake digital platform work to supplement their income, around 40% of digital platform workers indicated that the earnings from this work were either important or essential for meeting their basic needs. Those most likely to say that digital platform work was essential for meeting basic needs were respondents living with a disability, unemployed respondents, and those doing care or transport and delivery work via a digital platform.<sup>16</sup> Given that many workers were also earning below the minimum wage, it is likely that individuals participating in the growing “digital labour market” may not be sufficiently saving for their retirement. Rising participation in gig work may have wide-reaching social and economic implications. Digital platform work also represents a rising trend in precarious employment and under-employment, as discussed in the next theme.

**Recommendation 1:** The Review should take into account new modes of flexible working and the rise of non-standard and irregular work patterns when assessing the performance of the current retirement system.

## Theme 2: Under-employment, unpaid and underpaid work

Participation in unpaid work is increasingly experienced as a legitimate and potentially effective means through which to stand out from peer job-seekers in a highly competitive labour market. However, unpaid work inhibits retirement income because there is no ability to engage in saving for retirement while participating in unpaid work. A recent Australian prevalence study of a representative sample of the Australian working-age population found that one-third (34%) of respondents aged 18-64 and more than half (58%) of respondents aged 18-29 reported having undertaken at least one episode of unpaid work in the previous five years.<sup>17</sup> Unpaid work is often seen by employers as an effective way to evaluate or trial prospective employees. However, with

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<sup>11</sup> Gramano E (2019) Digitalisation and work: challenges from the platform-economy. *Contemporary Social Science*, 1-13.

Mejerink, J, & Keegan A (2019) Conceptualizing human resource management in the gig economy. *Journal of Managerial Psychology*, 34(4), 214-232.

<sup>12</sup> Kässi O & Lehdonvirta V (2018) Online labour index: measuring the online gig economy for policy and research. *Technological Forecasting & Social Change*, 137, 241-248.

<sup>13</sup> Coyle D (2017) Precarious and productive work in the digital economy. *National Institute Economic Review*, 240(1), R5-R14.

Jabagi N, Croteau A, Audebrand L & Marsan J (2019) Gig-workers' motivation: Thinking beyond carrots and sticks. *Journal of Managerial Psychology*, 34(4), 192-213.

<sup>14</sup> McDonald P, Williams P, Stewart A, Oliver D & Mayes R (2019) *Digital Platform Work in Australia: Preliminary findings from a national survey*. <https://apo.org.au/node/242706>

<sup>15</sup> Williams P, McDonald P, Mayes R, Stewart A & Oliver D (2019) Gig Work Down Under: Comparative evidence from an Australian National Prevalence Survey. *Reshaping Work Conference 2019* (Amsterdam).

<sup>16</sup> McDonald P, Williams P, Stewart A, Oliver D & Mayes R (2019) *Digital Platform Work in Australia: Preliminary findings from a national survey*. <https://apo.org.au/node/242706>

<sup>17</sup> Oliver D, McDonald P, Stewart A & Hewitt A (2016) *Unpaid Work Experience in Australia: Prevalence, Nature and Impact*. Report prepared for the Commonwealth Department of Employment (January). University of Technology Sydney.

ubiquitous participation in unpaid work comes a competitive cycle where a new, normative benchmark is created and where individuals may feel pressured to engage in more frequent and/or longer periods of unpaid work.<sup>18</sup>

Although empirical evidence of long-term employment or financial outcomes attributable to participation in unpaid work is scant, proponents of unpaid work highlight the benefits of increased workplace exposure in enhancing employability through the development of interpersonal, social and professional skills and networks.<sup>19</sup> Critics, however, emphasize a range of negative outcomes that may be incurred, including exploitative work practices and social exclusion<sup>20</sup>, the unevenness of unpaid work experiences with respect to the accrual of benefits and challenges to access by those who are economically disadvantaged. Meanwhile, the development of appropriate legal safeguards is struggling to keep pace with changes in the practice of unpaid work around the world.<sup>21</sup> Indeed unpaid hours are structurally embedded within some new forms of work. For example, digital platform workers in Australia undertake an average 4.9 hours of unpaid work per week in order to obtain paid work via the digital platform<sup>22</sup>.

A related and growing labour market concern is underemployment.<sup>23</sup> Labour force statistics indicate a rise in labour force participation, however more Australians (approximately 8.5% of the labour force) are under-employed, working less hours than they desire and are available to work<sup>24</sup>. Job opportunities, particularly entry-level jobs, are increasingly casual, temporary or part-time. High rates of turnover, stagnant wage levels, temporary and part-time contracts, irregular work patterns and vulnerability to job loss are characteristic features of the formal service economy which constitutes much of Australia's top employing industries.<sup>25</sup> In some cases, these jobs can be stepping stones to more stable careers, but when employment protection regulations and social security coverage differ substantially between temporary and permanent workers, a two-tier or segmented labour market can result.<sup>26</sup> Most likely to experience under-employment are workers with lower levels of education, those living in rural and remote areas, younger workers and women<sup>27</sup>.

Individuals who become trapped in casual, temporary or contract work or who are required to undertake extended periods of unpaid work in order to remain employable in a competitive labour market, do not experience the same opportunities to save toward their retirement, nor the same employer-provided benefits of superannuation that those in more permanent forms of employment experience. The current system does not place any onus on employers to contribute to the compulsory retirement savings of casual, contract or unpaid workers.

**Recommendation 2:** The Review should consider the responsibility of employers, broadly defined, to contribute to the retirement savings of all individuals who provide them with labour.

<sup>18</sup> Grant-Smith D & McDonald P (2016) The trend toward pre-graduation professional work experience for Australian young planners: Essential experience or essentially exploitation. *Australian Planner*, 53(2), 65-72.

Grant-Smith D & McDonald P (2018) Ubiquitous yet ambiguous: An integrative review of unpaid work. *International Journal of Management Reviews*, 20(2), 559-578.

Grant-Smith D & McDonald P (2018) Planning to work for free: Building the graduate employability of planners through unpaid work. *Journal of Youth Studies*, 21(2), 161-177.

<sup>19</sup> Gault J, Redington J & Schlager T (2000) Undergraduate business internships and career success: Are they related? *Journal of Marketing Education*, 22, 45-53.

Gault J, Leach E & Duey M (2010) Effects of business internships on job marketability: The employers' perspective. *Education+Training*, 52, 76-88.

<sup>20</sup> Allen K, Quinn J, Hollingworth S & Rose S (2013) Becoming employable students and 'ideal' creative workers: Exclusion and inequality in higher education work placements. *British Journal of Sociology of Education*, 34, 431-452.

Burke D & Carton R (2013) The pedagogical, legal and ethical implications of unpaid internships. *Journal of Legal Studies Education*, 30, 99-130.

<sup>21</sup> Owens R & Stewart A (2016) Regulating for decent work experience: Meeting the challenge of the rise of the intern. *International Labour Review*, 155(4), 679-709.

<sup>22</sup> McDonald P, Williams P, Stewart A, Oliver D & Mayes R (2019) *Digital Platform Work in Australia: Preliminary findings from a national survey*. <https://apo.org.au/node/242706>

<sup>23</sup> Underemployment is where an employed person would like to work more hours.

<sup>24</sup> Australian Bureau of Statistics (2018) *Labour Statistics: Concepts, Sources and Methods*, Feb 2018 (cat. no. 6102.0.55.001)

<sup>25</sup> Ross A (2008) The new geography of work: Power to the precarious? *Theory, Culture & Society*, 25, 31-49.

Department of Jobs and Small Business (2019) *Australian Jobs 2019*, Australianjobs@jobs.gov.au

<sup>26</sup> OECD (2013) *The OECD Action Plan for Youth: Giving Youth a Better Start in the Labour Market*. Meeting of the OECD Council at Ministerial Level, Paris, 29-30 May, OECD Publishing.

<sup>27</sup> AiGroup (July, 2019) *Economics Fact Sheet – Underemployment in Australia in 2019*

### Theme 3: Women, work and retirement equity

Women face distinct barriers to the achievement of an adequate retirement income that should be taken into account in designing a fair and equitable retirement system.

Despite indicators that Australian women have made some advances towards equality with men, Australia is ranked 39th on a global index measuring workplace gender equality, slipping from a high point of 15th in 2006.<sup>28</sup> The national gender pay gap in Australia currently stands at 14.6 per cent, the first small drop after sitting stubbornly between 15 per cent and 19 per cent for the past two decades.<sup>29</sup> In every industry and occupational category in Australia, full-time working men earn more than full-time working women.<sup>30</sup> Furthermore even in high paid industries, women are frequently over-represented in lower paid jobs. For example, one of the largest gender pay gaps exists within the financial and insurance services sector where women make up 54.7% of the workforce, but hold less than 30% of executive positions, with the full-time average weekly earnings of female employees 29.6% lower than that of male employees<sup>31</sup>. While some of the difference is due to occupational segregation, the gender pay gap cannot be fully explained by the fact that female workers are concentrated in lower paid administrative and clerical positions<sup>32</sup>. The long-term implications of pay differences become evident in women's financial security, particularly as they approach retirement age. Previous research has highlighted the role of gender in retirement adequacy.<sup>33</sup> In addition to earning less, women are more likely to experience interruptions to the continuity of their employment<sup>34</sup>, often taking on the primary care-giving role within the family unit.

A salient example of a low-paid industry where women are significantly over-represented is Early Childhood Education and Care (ECEC). The low wages and associated financial challenges faced by many early childhood educators has been widely discussed. However, a major study of retention in the industry paints a more complex picture of remuneration in the industry than one of simple economic hardship<sup>35</sup>. It suggested that the ECEC sector is financed not only by governments and parents, but is effectively propped up financially by members of educators' households – their partners and parents, but also the educators themselves who, without additional financial resources, struggle to meet everyday living expenses and/or who feel compelled to take a second job to do so. The finding aligns with research in aged care which suggests that families effectively pay to fill a 'care gap' in public funding, thereby limiting demands on the state to collectively bear the costs of care<sup>36</sup>. This has implications for financial issues at the household level, especially for how income is shared and distributed. That retention in any sector relies on financial support from those outside the sector also raises questions about issues of fairness, especially when considering the highly feminised nature of this occupational group and hence the disproportionate impact of low-wage jobs that are shouldered by women<sup>37</sup>.

Women are also more likely to be involved in work which does not necessarily yield a positive financial return. A key example is their disproportionate involvement in multi-level marketing (MLM) as independent distributors<sup>38</sup>. Despite the global financial success of MLM as a business model, it has been estimated that fewer than 1%

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<sup>28</sup> World Economic Forum (2013) *Global gender gap report*, pp. 8-9.

<sup>29</sup> Workplace Gender Equality Agency (2019). *The gender pay gap*. <https://www.wgea.gov.au/topics/the-gender-pay-gap>

<sup>30</sup> Workplace Gender Equality Agency (2018, August). *Gender Equity Insights 2018: Inside Australia's Gender Pay Gap*. BCEC WGEA Gender Equity Series.

<sup>31</sup> Workplace Gender Equality Agency (2019) *The gender pay gap*. <https://www.wgea.gov.au>

<sup>32</sup> Laundon M & Williams P (2018) Flexible work: Barrier to benefits? *Financial Planning Research Journal*, 4(2), 51-68

<sup>33</sup> Jefferson T (2005) Women and retirement incomes in Australia: A review. *Economic Record*, 81(254), 273-291. ;

<sup>34</sup> Basu A & Drew M (2009) The case for gender-sensitive superannuation plan design. *Australian Economic Review*, 42(2), 177–189.

<sup>35</sup> McDonald, P., Thorpe, K. & Irvine, S. (2018). Low pay but still we stay: Retention in early childhood education and care. *Journal of Industrial Relations*, 60(5) 647–668.

<sup>36</sup> Daly T and Armstrong P (2016) Liminal and invisible long-term care labour: Precarity in the face of austerity. *Journal of Industrial Relations* 58(4): 473–490.

<sup>37</sup> McDonald, P., Thorpe, K. & Irvine, S. (2018). Low pay but still we stay: Retention in early childhood education and care. *Journal of Industrial Relations*, 60(5) 647–668.

<sup>38</sup> AARPF (2019) *Multilevel Marketing: The Research, Risks and Rewards*. AARP Foundation

Direct Selling Australia (2020) Statistics and Research. <https://directselling.org.au/statistics-research/>

Direct Selling Association (2020) *2018 Industry Overview*. <https://www.dsa.org/statistics-insights>

of distributors make any profit.<sup>39</sup> Indeed, evidence suggests that involvement with an MLM may actually negatively affect household financial well-being.<sup>40</sup> For example, the AARP Foundation<sup>41</sup>, a non-profit focussed on reducing senior poverty, found a considerable number of seniors were joining multilevel (MLM) companies in an effort to generate additional, or primary, income, however, nearly half reported they lost money and a further quarter made no money.<sup>42</sup> Supported by funding from the Ecstra Foundation (formerly Financial Literacy Australia) members of the Work/Industry Futures Research Program are currently preparing resources to assist women to make an informed choice before entering into MLM working arrangement.<sup>43</sup> MLM is often positioned as a form of entrepreneurship. Entrepreneurialism, broadly defined as 'opportunity focussed income generating activity,' is widely celebrated as enabling the neoliberal realisation of individual creativity and innovation<sup>44</sup>. Growing numbers of middle-class young women in the global west, enabled by new ICTs, are establishing home businesses in an attempt to balance income generation and middle-class conceptions of 'good' mothering<sup>45</sup>. Widely known by the contested and polarising term 'mumpreneurship,' this trend not only highlights the dominant masculine figuration of the entrepreneur but also points to possibilities for both the reproduction and renegotiation of the dominant gender order<sup>46</sup>. The politics of this apposition are at the heart of changing relationships between gender and work in the new economy, understood to be specifically marked by a growing use of ICTs and resultant new work arrangements, inequalities and pressures on work-life balance.

The gendered features of labour markets and the gender pay gap that exist in the broader economy may also be evident in the digital economy where women earn less than men as an hourly rate on average<sup>47</sup>. When surveyed, women were also significantly less satisfied than men with their ability to set the price for their services and less positive than men about the fairness of fees and costs associated with work through digital platforms. Furthermore, women were more likely to participate in work traditionally dominated by women, including clerical and data entry, writing and translation and caring, whereas men were more likely to participate in work traditionally dominated by men<sup>48</sup>, such as software development and technology, and transport and food delivery.

These intersecting features of a woman's working life directly contribute to her lifetime earnings and the accumulation of less superannuation compared to men.<sup>49</sup> In Queensland alone, financial pressures contribute to up to 25% of homelessness<sup>50</sup>, and women over the age of 55 years are the fastest growing group of homeless in Australia<sup>51</sup>. Many women in this age group were forced to resign from their work when they married or became pregnant, relying solely on the income of their spouse. For example, until November 1966, women were required to resign from the Australian Public Service upon marriage. Social norms dictated their primary role as caregiver and any subsequent employment was likely part-time or casual. Consequently, the superannuation of women in this age bracket is frequently insufficient to cover their retirement expenses. Often living on a fixed and low income, many women have not had the opportunity to purchase their own home and are subject to an increasingly unaffordable rental housing market. Divorce, the death of their spouse, or illness can place these women at serious financial risk, and potential

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<sup>39</sup> Taylor JM (2011) *The Case (for and) Against Multi-level Marketing*. Consumer Awareness Institute.

<sup>40</sup> Bäckman C & Hanspal T (2018) *Multi-Level Marketing Participation and Social Connectivity*. Think Forward Initiative.

<sup>41</sup> <https://www.aarp.org/aarp-foundation/about-us/>

<sup>42</sup> DeLiema M, Shadel D, Nofziger A & Pak K (2018) *AARP Study of Multilevel Marketing: Profiling Participants and their Experiences in Direct Sales*. AARP Research and Strategic Analysis: Washington.

<sup>43</sup> <https://www.ecstra.org.au/consumer-wellbeing>

<sup>44</sup> Ahl, H. & Marlow, S. (2012). Exploring the dynamics of gender, feminism and entrepreneurship: advancing debate to escape a dead end?. *Organization*, 19(5), 543-562.

<sup>45</sup> Luckman, S (2016) 'Micro-enterprise as Work-Life 'Magical Solution' in Adkins, L. and Dever, M. Eds *The Post-Fordist Sexual Contract: Working and Living in Contingency*. Palgrave-Macmillan, UK, 91-108.

<sup>46</sup> Ekinsmyth, C. (2014) 'Mothers' business, work/life and the politics of 'mumpreneurship' *Gender, Place and Culture* 21(10), 1230-1248

<sup>47</sup> McDonald, P., P Williams, A Stewart, R Mayes & D Oliver, (2019). Digital platform work in Australia. Prevalence, nature and impact. Melbourne: Victorian Department of Premier and Cabinet.

<sup>48</sup> Couch, J. V. & Sigler, J. N. (2001). Gender perception of professional occupations. *Psychological Reports*, 88(3), 693-698.

<sup>49</sup> Warren D (2006) *Aspects of Retirement for Older Women*. Australian Government Office for Women, Canberra.

<sup>50</sup> The Lady Musgrave Trust (2019) <https://www.ladymusgravetrust.org.au>

<sup>51</sup> Mercy Foundation (2019) Older women and homelessness <https://www.mercyfoundation.com.au/our-focus/ending-homelessness-2/older-women-and-homelessness/>; Darab S & Harmann Y (2013) Understanding single older women's invisibility in housing issues in Australia. *Housing, Theory & Society*, 30(4), 348-367.



homelessness, despite receipt of an aged pension.<sup>52</sup> These are immediate issues that have not been redressed through the current three pillar retirement income system. Longer term, the current system which relies on individuals to provide for their own retirement and assumes gender-neutral savings and investment options, does not adequately account for the structural and systemic barriers that women will continue to face in achieving a fair and adequate retirement outcome. An alternative approach, such as higher superannuation contribution rates for women<sup>53</sup>, that addresses gender inequality in retirement wealth outcomes is needed.

**Recommendation 3:** The Review should consider alternative approaches to forced contribution to retirement savings to address current gender inequities.

#### Theme 4: Career expectations of young people and financial decision-making

Despite long-term trends towards greater gender equality in domestic and parenting work, a study involving 123 interviews with young women and men by Professor Paula McDonald of the Work/Industry Futures Research Program<sup>54</sup> indicates that such changes are both incremental and complex. Neither men nor women now anticipate a fully 'lock-step life course' whereby full-time, uninterrupted education is followed by full-time, uninterrupted employment, and then full-time uninterrupted retirement<sup>55</sup>. However, McDonald's (2018) study showed that men's anticipated careers seem likely to remain much more closely aligned to a modified traditional life course than women's<sup>56</sup>. Opportunities for changing the gendered order of careers and care appear to be reinforced by women's lack of explicit negotiation in the household and a failure to acknowledge the longer-term economic risks of career breaks and lengthy periods of reduced-hours work. A growing body of evidence has established the far-reaching impacts of such penalties, including lower rates of ascension into positions of leadership, gender pay gaps and lower retirement incomes<sup>57</sup>.

Members of the Work/Industry Futures Research Program also conducted a large qualitative study of Australian youth that highlighted the importance of embedded financial capacities in young people's lives and the implications for how we conceptualise financial practices and behaviours more broadly<sup>58</sup>. In order to understand why people make monetary, investment and debt decisions that perhaps on the surface seem implausible or uninformed, it is vital to examine the clues and connections about finance and money that people encounter across time from a variety of actors and social practices. Such clues can come from parents, siblings or friends<sup>59</sup>, but also influential are structural phenomena in any given context, including an increasingly complex array of products and service offerings associated with the growth and pervasiveness of the global financial sector<sup>60</sup>. This complex web of influences is fundamental to young people's financial orientations –

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<sup>52</sup> Irwin P & Leeson G (2016) Late middle-aged, single women and the risk of homelessness in rural Australia. *The Gerontologist*, 56(Suppl3), 719-719.; Darab S & Harmann Y (2013) Understanding single older women's invisibility in housing issues in Australia. *Housing, Theory & Society*, 30(4), 348-367.

<sup>53</sup> Basu A & Drew M (2009) The case for gender-sensitive superannuation plan design. *Australian Economic Review*, 42(2), 177-189.

<sup>54</sup> McDonald, P. (2018). How flexible are the anticipated careers of young people? *Human Relations*, 71(1), 23-46.

<sup>55</sup> Moen P and Sweet S (2004) From 'work-family' to 'flexible careers': A life course reframing. *Community, Work & Family* 7(2): 209–226.

<sup>56</sup> McDonald, P. (2018). How flexible are the anticipated careers of young people? *Human Relations*, 71(1), 23-46.

<sup>57</sup> Bennetts L (2007) *The Feminine Mistake: Are we Giving up too Much?* New York, NY: Voice/Hyperion.

<sup>58</sup> Riach, K., McDonald, P. & Grant-Smith, D. (2017). Financial timescapes: The temporal shaping of young people's financial lives. *Sociology*, 51(4), 800-815.

<sup>59</sup> Riach, K., McDonald, P. & Grant-Smith, D. (2017). Financial timescapes: The temporal shaping of young people's financial lives. *Sociology*, 51(4), 800-815.

<sup>60</sup> Martin R (2002) *Financialization of Daily Life*. Philadelphia, PA: Temple University Press.

past, present and future – and must be considered in the creation of relevant policy development and education strategies aiming to advance the financial capacities of youth, as well as other vulnerable demographic groups.

**Recommendation 4:** The Review should seek to understand and adapt the vast array of sources that influence the financial education of young people and contribute to their investment decisions both early and later in life.

## APPENDIX

### Relevant research published by Work/Industry Futures Research Program members

1. **Laundon M & P Williams** (2018) Flexible work: barrier to benefits? *Financial Planning Research Journal*, 4(2), 51-68.
2. **McDonald P, D Grant-Smith, K Moore & G Marston** (2019) Navigating employability from the bottom up. *Journal of Youth Studies*, 1-18.
3. **Moore K, P McDonald & J Bartlett** (2019) Emerging trends affecting future employment opportunities for people with intellectual disability. In J Clegg (Ed.) *New Lenses on Intellectual Disabilities*. Routledge.
4. **Grant-Smith D & P McDonald** (2018) Ubiquitous yet ambiguous: An integrative review of unpaid work. *International Journal of Management Reviews*, 20(2), 559-578.
5. **Grant-Smith D & P McDonald** (2018) Planning to work for free: Building the graduate employability of planners through unpaid work. *Journal of Youth Studies*, 21(2), 161-177.
6. **McDonald P** (2018) How 'flexible' are careers in the anticipated life course of young people? *Human Relations*, 71(1), 23-46.
7. **Moore K & P McDonald** (2017) *An International Perspective on Youth Labour*. Report prepared for UNICEF Australia, January. Queensland University of Technology, Brisbane.
8. Riach K, **P McDonald & D Grant-Smith** (2017) Financial timescapes: Towards a temporal understanding of young people's financial capability. *Sociology*, 51(4), 800-815.
9. **Williams P, P McDonald & A Cathcart** (2017) Executive-level support for flexible work arrangements in a large insurance organization. *Asia Pacific Journal of Human Resources*, 55, 337-355.
10. **Williams P, A Cathcart & P McDonald** (2018) Signals of support: Flexible work for mutual gain. *International Journal of Human Resource Management*, 1-25.
11. **Grant-Smith D & P McDonald** (2016) The trend toward unpaid pre-graduation professional work experience for Australian young planners: Essential experience or essentially exploitation? *Australian Planner* 53(2), 65-72.
12. **Moore K, D Grant-Smith & P McDonald** (2016) *Addressing the Employability of Australian Youth*. Queensland University of Technology, Brisbane.
13. Oliver D, **P McDonald**, A Stewart & A Hewitt (2016) *Unpaid Work Experience in Australia: Prevalence, Nature and Impact*. Report prepared for the Commonwealth Department of Employment. University of Technology Sydney, Sydney.
14. Pini B, D Morris & **R Mayes** (2016) Rural youth: Mobilities, marginalities, and negotiations. In K Nairn & P Krafft (Eds.) *Space, Place, and Environment*. Springer, Singapore, 463-480.
15. **Grant-Smith D & P McDonald** (2015) The practical potential of self-advocacy for improving safety outcomes for school-aged workers. *Journal of Youth Studies*, 18(9-10), 1257-1274.
16. **Cathcart A, P McDonald & D Grant-Smith** (2014) [Challenging the myths about flexible work in the ADF](#). *Australian Defence Force Journal*, 195, 55-68.
17. Loudoun R & **P McDonald** (2014) The impact of employment-level characteristics on work-life interference in school aged children. *Journal of Industrial Relations*, 56(4), 508-526.
18. **McDonald P**, R Price & J Bailey (2013) Knowledge is not power, but it's a start: What young people know about their rights and obligations in employment. *Youth Studies Australia*, 32(2), 49-58.
19. **McDonald P**, B Pini, J Bailey & R Price (2011) Young people's aspirations for education, work, family and leisure. *Work, Employment and Society*, 25(1), 68-84.
20. Price R, **P McDonald**, J Bailey & B Pini (Eds.) (2011) *Young People and Work*. Ashgate, Surrey.
21. **McDonald P**, S Backstrom & A Allegretto (2007) Underpaid and exploited: Conflict over pay and conditions for young workers. *Youth Studies Australia*, 26(3), 10-18.
22. **McDonald P, P Williams**, A Stewart, D Oliver & **R Mayes** (2019) *Digital Platform Work in Australia: Preliminary findings from a national survey*. <https://apo.org.au/node/242706>
23. **Williams P, P McDonald, R Mayes**, A Stewart & D Oliver (2019) Gig Work Down Under: Comparative evidence from an Australian National Prevalence Survey. *Reshaping Work Conference 2019* (Amsterdam).