

***A Review of Gender Differences in Retirement Income, by Yanshu Huang and Jennifer Curtin, Public Policy Institute - University of Auckland***

Summary compiled by CFFC

- In New Zealand, 14 percent of women aged 65 or older were living in poverty (defined as having an income less than 50 percent of median household disposable income) compared to 6.6 percent of men of the same age range.
- Women live longer than men, make up the majority of those over 65, and are a greater proportion of those over 80 – they need to save more for retirement.
- Longer lifespan and an age gap between spouses (assuming that women are the younger partner, which is the norm) means that women have a far higher risk of becoming widows and can expect to spend a longer part of the retirement phase single.
- Women who take breaks from paid employment, for parental leave, childcare, care for other dependents, and education, have fewer years to contribute to KiwiSaver (or another pension plan) and experience a wage penalty upon returning to work
- In New Zealand, the gender pay gap was estimated to be 9.2 percent in 2018.
- Gender gaps in income may be small at the start of one's working life but can widen over time.
- More research is needed to reveal the gendered impact of divorce on the accumulation of retirement savings and payouts as a result.
- No difference between how many men and women participate in KiwiSaver, but women earn on average less than men over their lifetime.
- Maintaining NZ Super as a universal entitlement is valuable to women because it does not disadvantage them based on lower earnings or shorter time spent in the workforce – men and women receive the same amount.
- The authors suggest exploring a form of 'care credit' that could co-exist with KiwiSaver. This may reduce the gender pension gap by accounting for the caregiving periods women take on during their working life.