

Stressed but surviving—Aussie women and their finances

Taking control of your finances starts with your super

As we battle rising interest rates, cost of living pressures and a general COVID-related economic hangover, it's fair to say that financial stress is affecting most Australians, regardless of age, background or gender.

But the reality is that Australian women are feeling the pinch more than their male counterparts.

As revealed in AMP's 2022 Financial Wellness report, there's been a significant jump in the number of working Australian women who are severely or moderately financially stressed, from 19% in 2020 to 27% in 2022.

Women are more likely to be what the report calls Stressed Survivors—struggling to make ends meet, spending time worrying about finances at work and feeling unprepared for the rising cost of living.

They are feeling more tired, wiped out and weary all the time, while men continue to be more satisfied and less worried about their financial situation. But despite their stress levels, women tend to be more productive at work.

Retirement blues

When it comes to planning for the future, women are more likely to expect a lower standard of living in retirement than men.

Almost one in three women are not confident they'll be able to achieve their desired lifestyle in retirement.

Women are more likely to worry about:

- not having enough money to retire;
- having to work longer than expected;
- not knowing how much money they need to retire;
- not being able to maintain the lifestyle they want in retirement;
- being able to cope with unexpected expenses;
- needing to rely on the Government to make ends meet;
- being able to help others;
- needing to rely on others financially in retirement; and,
- leaving a legacy.

It didn't help that during the pandemic, women tended to withdraw more of their retirement savings to help meet living costs as part of the Government's early release of super scheme—on average women withdrew 21% of their starting balances, compared with 17% for men.

The net result? The gender super gap has continued to grow and now stands at 25%, adding to the pressure on Australian women to save for retirement.

How women (and men) can take control of their finances

It can be tough but if you're feeling strung out, there are ways you can start to take control of your finances.

- **Thinking short-term**, you could set targets for budgeting and saving, give yourself a reward for achieving your goals and create steps to manage on a budget—they should be feasible, chunked out and written down if possible as this can help to focus your priorities.
- **Thinking longer-term**, you could work out how much you need to maintain your standard of living in retirement, and chunk it down into monthly payments.

While you probably have more immediate financial concerns, your super could be your biggest asset after your family home. So getting a bit more planned with your retirement savings could go a long way to improving your financial wellbeing.

- Perhaps the easiest first step you can take is to get closer to your super. Do you know your current balance? If you're an AMP customer you can check your super balance by logging in or registering for My AMP—you can then compare your balance against others your age.
- If you're earning less than usual, you could take advantage of tax benefits like the low income super tax offset and spouse super contributions.
- If you're fortunate enough to have any spare cash, you could consider making extra contributions to super and taking advantage of super's tax-friendly environment.
- **Ask for help**

Sometimes it's hard to know where to start and you can feel overwhelmed, so speaking to an expert can set you on the right path – if you're an AMP super member you can book in for a complimentary Super Health Check or Retirement Health Check.

AMP is our super provider, to join the AMP Plan please speak to payroll/HR.

To find out more about AMP call 131 267 or email askamp@amp.com.au

Any advice and information is provided by AWM Services Pty Ltd ABN 15 139 353 496, AFSL No. 366121 (AWM Services) and is general in nature. It hasn't taken your financial or personal circumstances into account.

It's important to consider your particular circumstances and read the relevant product disclosure statement, Target Market Determination or terms and conditions, available from AMP at amp.com.au, or by calling 131 267, before deciding what's right for you.

You can read our Financial Services Guide online for information about our services, including the fees and other benefits that AMP companies and their representatives may receive in relation to products and services provided to you. You can also ask us for a hardcopy.

All information on this website is subject to change without notice. AWM Services is part of the AMP group.

AMP press release <https://corporate.amp.com.au/newsroom/2020/MAY/early-super-release-gender-data>
Financy Women's Index. March 2022.

Disclaimer