

COVID-19 INSIGHTS

Towards just futures

Towards a brighter future for low-income women

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The COVID-19 pandemic has been described as a [women's pandemic](#) because of its [unequal social and economic impacts](#).

While there are some signs of recovery, the future remains uncertain, due to the unpredictability of outbreaks, uncertainty about the effectiveness of vaccines, and the complex global context. Some commentators are concerned that federal government policy is favouring [austerity](#), which will hamper recovery and lead to increased unemployment and economic insecurity. There is also concern that [proposed industrial relations legislation](#) could undermine workers' protections.

The policy choices made will affect the lives of many, both now and into the future. Rather than austerity, investment is needed to build brighter futures for low-income women and their families.

Key impacts

The pandemic hit women hard. They were more likely to:

- face higher exposure to COVID-19 because [many are essential workers](#), constituting 70.3% of community and personal service workers and 58% of sales workers
- shoulder a greater burden of unpaid care work resulting from school closures
- experience [conflict between work and family responsibilities](#), especially if they were required to work from home
- be underemployed, unable to get the hours of work they needed or wanted

- lose their jobs because they worked in sectors like hospitality that were hit hardest by lockdown measures
- experience family violence, with [rates soaring](#) during the crisis.

Some women had a welcome boost to their income support (e.g. JobSeeker Payment) from the Coronavirus Supplement, which raised payments [above the poverty line](#) for the first time in decades. But the increase was temporary, with cuts in September and December and removal of the supplement planned for 31 March 2021.

Key steps towards a brighter future

Governments must grasp the opportunities to create a brighter future by:

- investing in decent, sustainable jobs to help address the care crisis and the affordable housing shortage
- providing practical support (such as career guidance, flexible training and child care) to women who are looking for work or more hours
- kick-starting local economies through investment and multi-stakeholder collaboration within a national framework for recovery
- ensuring that income support payments are fair and adequate
- tackling violence against women and their children by investing in education and prevention, crisis services and support, flexible and responsive income support and affordable housing.

Policy responses to the pandemic and its social and economic impacts have shown that change is possible if there is the political will.

Before COVID-19

The pandemic exposed and exacerbated pre-existing gender inequalities at work and at home.

Inequalities at work

Women are more likely to work in low-paid jobs and earn less than men. In 2019–20, women accounted for almost three-quarters of clerical and administrative work (72.7%), just 70.3% of community and personal service workers, and over half of sales workers (58.1%).

In May 2020, women's full-time ordinary time average weekly earnings were 86% of men's. The 14% gender pay gap remained unchanged from the previous year.

Women have lower workforce participation rates than men. In 2019–20, two-thirds of women (67.6%) and more than three-quarters of men (78.1%) aged 20–74 years participated in the labour force. Women in the 30–34 age group were much more likely to be out of the labour force (22.2%) than men (8.3%); and for those aged 35–39 years, 22.5% of women compared with 7.4% of men. This may reflect the median age at which women give birth, which was 31.5 years in 2019.

Single mothers with young children are less likely to be employed, but their employment increases with the age of the youngest child. Nevertheless, Australia has the third-lowest employment rate for single mothers in the OECD.

Women are also more likely to work in part-time jobs than men. In 2019–2020, employed women aged 20–74 were almost three times more likely than men to be working part-time. For parents whose youngest dependent child was under six, 60% of employed mothers worked part-time, compared with less than 10% of employed fathers.

These patterns of participation reflect the uneven distribution of unpaid work, with women carrying the bulk of domestic and caring responsibilities, regardless of who the main earner is. Women remain more likely than men to provide unpaid childcare, and more likely than men to be a primary carer of a person with disability (6.1% compared with 2.5%)

Inequalities at home

Rates of home ownership in Australia have fallen since late last century; at the same time, investment in social and public housing has also fallen, with many

more people renting on the private market. Renters are almost twice as likely to live in poverty as home owners. Furthermore, private rental is often insecure. According to the AIHW, in 2018:

- 29% of renters were living on a periodic agreement (where the fixed term has expired or no fixed term is specified) or a rolling lease
- 51% of renters were living in a home in need of repair
- 43% of renters were finding it difficult to get by on their current income
- 28% of renters had previously owned property but moved back into private rental.

Single mothers renting privately are at high risk of rental stress. And this affects children, with more than half (52%) of children in one-parent households living under housing stress, in 2016.

Older women are the fastest growing group experiencing homelessness, with over 400,000 women aged 45 or older at risk of homelessness. Those who are single parents, don't work full-time and are in private rental are at high risk.

These inequalities at home and at work are reflected in women's increased economic insecurity in later life and low retirement savings. Single mothers, those with disability or ill-health, women with uncertain visa status such as those seeking asylum, and Indigenous women are all more likely than other groups to experience financial hardship.

Some 44% of children in single mother families live in poverty. Lone parent households headed by women are much more likely to experience poverty (37%) than those headed by men (18%). A 2018 national survey of single mothers in Australia showed that 70% of participants struggled to meet their everyday living expenses, even though 65% of them were employed.

A fraying safety net

As we have observed elsewhere, Australia's social security system has, 'for too many households, become a poverty trap'.

Before the onset of the pandemic, working age payments were increasingly conditional. Active labour market policies focused on monitoring behaviour rather than supporting people to get work.

The base rate of Newstart (now JobSeeker) has not increased in real terms since 1994. The low payment undermined people's ability to seek work and drove many people into [poverty](#).

Older women who were long-term unemployed—such as those who had chronic health conditions, or had spent time out of the workforce—were stuck in the [netherworld between work and retirement](#), considered too old to work, but too young to qualify for the age pension. Instead, they had to rely on inadequate unemployment payments.

Insecure work, low pay, inadequate social safety nets, [inequitable childcare and child support systems](#), [unaffordable housing](#) and a [lack of gender-responsive policies](#) all work together to disadvantage women.

COVID-19 compounded these inequalities

The economic and social impacts of the crisis exacerbated these underlying inequalities at work and at home.

Uneven impacts at work and home

Women working in [essential—but often low-paid—roles](#) in aged, disability, health care and supermarkets were more likely to be exposed to COVID-19.

Those who could work at home faced [increased pressure](#) between work and family responsibilities, especially if they also needed to home-school their children. There is some evidence [that both men and women](#) increased the time spent on domestic tasks—but women still did more.

Reacting in part to the mass withdrawal of children from childcare facilities, the Australian Government introduced [free child care](#) in an effort to keep [the childcare industry](#), dominated by a female workforce, afloat. But this taste of universal free child care was temporary (initially from 6 April to 28 June, then extended to 12 July).

Women bore the brunt of shutdowns of hospitality, food and retail, with [high levels of unemployment and underemployment](#). While there are signs of labour market recovery, women's [unemployment](#) remained high at 6.5% in December 2020—1.9 points higher than in December 2019. Women's [underemployment](#) rate fell from a high of 15% in April 2020 to 10.2% in December 2020, higher than men's underemployment

rate which peaked at 12.6% in April and fell to 8% by December.

Many women withdrew from the labour market: the female participation rate fell to 57.5% in May 2020, before rising to 61.4% in December 2020 just above the rate twelve months earlier.

Measures such as the [JobKeeper Payment](#) mitigated the economic impacts but this too is temporary and due to cease on 28 March 2021. There is deep concern about the impact on businesses and workers, with [unemployment likely to rise](#).

Young women trying to establish themselves in the labour market face [setbacks](#) and the [scarring effects](#) that are common following economic downturns. And older women who lost their jobs during the pandemic [face long-term unemployment and underemployment](#).

Too many women made ends meet by taking advantage of early release of superannuation provisions. Women made 1.1 million applications totalling \$8.5 billion and accounted for 44% of approved applications for [early release of superannuation](#). Some women withdrew their entire balance to meet living costs. For example, Rhonda, a part-time student and participant in our [Life Chances study](#), lost casual work in technology support due to COVID-19. She drained her superannuation to pay rent, bills and groceries.

Temporarily increased social security

The number of people receiving unemployment payments soared: by [September 2020](#) these included over 727,000 women.

While measures such as the Coronavirus Supplement and JobKeeper provided some support, this was temporary. The \$550 fortnightly supplement was cut in late September and again in December and will be removed at the end of March 2021. A meagre increase of just \$25 per week to the Jobseeker Payment was announced in late February, plunging the base rate well below the poverty line.

The increased income gave single mothers [550 reasons to smile](#), enabling them to eat well and meet essential costs without stress. The looming removal of the supplement instils fear and anxiety. Older homeless women like [Joey King](#) have spoken of their dread of the 31 March removal of the supplement:

I think the general public has no real comprehension of what it's like to be homeless. Everyone just thinks that we're going to get by – that it'll be OK and other non-profits will help us when the supplement ends.

Mutual obligation activities such as mandatory job applications, work for the dole, and Centrelink or ParentsNext interviews with case workers were suspended from March 2020 but gradually introduced as restrictions eased. Centrelink debt recovery was also suspended but was reintroduced by early 2021.

For many women on income support, these changes, while they lasted, provided a silver lining to the crisis, enabling them to live with dignity.

Increased violence against women

Research has found that family violence tends to increase during crisis. For example, violence against women intensified in the wake of COVID-19 across the globe, including in the United States, the United Kingdom, Canada and Germany. The additional financial strain placed on households, isolation and social distancing all contribute to making women unsafe. Paradoxically, stay-at-home orders intended to keep people healthy and safe create prime conditions for family violence perpetrators.

Domestic violence services reported a fall in contact during the lockdowns, with restrictions making it more difficult to call for help. But since the lockdowns relaxed the reports of domestic violence have soared.

Increased risk of housing insecurity and homelessness

Those already experiencing homelessness have the greatest chance of contracting COVID-19. With a larger percentage of women losing jobs, many will struggle to keep a roof over their heads, and so are at greater risk of homelessness.

Though evictions have been suspended and rent moratoriums introduced, such measures are temporary and rental arrears will have to be settled sooner or later. There is also deep concern about what will happen when mortgage payments are reinstated.

Investment in social and economic recovery

The economic and social impacts of the pandemic are not over. Uncertainty remains about the efficacy and availability of vaccines and the risk of future outbreaks. The impacts of the removal of measures such as JobKeeper and the Coronavirus Supplement are also uncertain. Unemployment remains high—despite some improvement—and the underlying inequalities remain.

Job creation

Investing in recovery could create jobs, stimulate the economy and tackle stubborn social policy problems.

Job creation to address the care crisis

The health care and social assistance industry is projected to grow by 15% over the five years to May 2024. Female-dominated, the industry is characterised by low-paid, part-time, often casual jobs. Nevertheless, investments in the care economy—such as aged care, health, disability, and childcare services—are relatively low in Australia.

The pandemic provides a real opportunity to:

- improve the employment conditions (pay, security) of care industries to attract and retain qualified staff, and so enable better care
- address the waiting list for home care packages, which would have the effect of creating more jobs, easing the burden on unpaid carers and enabling people to live at home for longer.
- close the unjustifiably wide gap in social and economic participation for people with disability and their families and carers.

Experts report that investing in child care and other forms of social care would create twice as many jobs as the same investment in construction; an investment equal to 2 per cent of GDP in Australia's care economy would create 600,000 jobs.

Job creation to address homelessness

Even with record low interest rates, housing remains unaffordable and too many people do not have decent, secure housing

Investment in social housing at the federal and state levels acts both as an economic stimulus and as a step to address poverty. As Peter Mares observes:

Large-scale programs to build social housing aren't a short-term fix to help the economy recover from the pandemic, they are a long-term investment in a prosperous and fair society.

We need to start that investment to create jobs, address homelessness and build a brighter future.

Practical support for jobseekers

With high unemployment and a competitive labour market, those who need help to get work—such as [older women](#)—face even greater challenges than before the pandemic.

A [comprehensive policy approach](#) is required, with a focus on job creation, skills assessment, career guidance and support, and vocational education and training. Flexible delivery of affordable education and training is important to enable women to complete qualifications that will increase employment opportunities.

Other strategies such as [social procurement](#) can create jobs for those disadvantaged in the labour market, increase workplace diversity and inclusion, and in turn open up diverse markets.

Recognising that local labour markets vary, place-based collaborations between state and local government, employment service providers, employers and childcare providers are required to create decent work opportunities and foster supportive workplace arrangements.

Investment in [universal free child care](#) and early learning creates jobs, enables parents—especially mothers—to work, and provides children with quality early learning and care. An equitable childcare system should be one of the federal government's key pillars to support women, particularly those on low incomes, get and keep decent employment.

Fair and adequate social security

The Coronavirus Supplement meant that many women on income support could stop worrying about how to pay the rent or pay for essentials.

To build a brighter future requires sound foundations.

The federal government must:

- deliver an adequate, permanent increase to the base rate of social security payments – the meagre increase announced recently does not address the issues
- ensure mutual obligations are fair and proportionate, and remove financial penalties that place people, particularly children, at risk
- extend income support to people in the Australian community who are currently ineligible, including temporary visa holders, international students and people seeking asylum
- ensure automated processes are based on a clear ethical framework that is regularly and independently monitored and reviewed
- establish an independent commission to review and set the rates and structure of social security payments, including the conditions that apply to these payments, according to an adequacy benchmark.

Tackling violence against women and their children

Effectively addressing gender-based violence and assisting victims requires multilevel and multifaceted investment targeting education and prevention, crisis services and support, fair and adequate social security and affordable housing.

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