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PwC Women in Work Index

February 2015

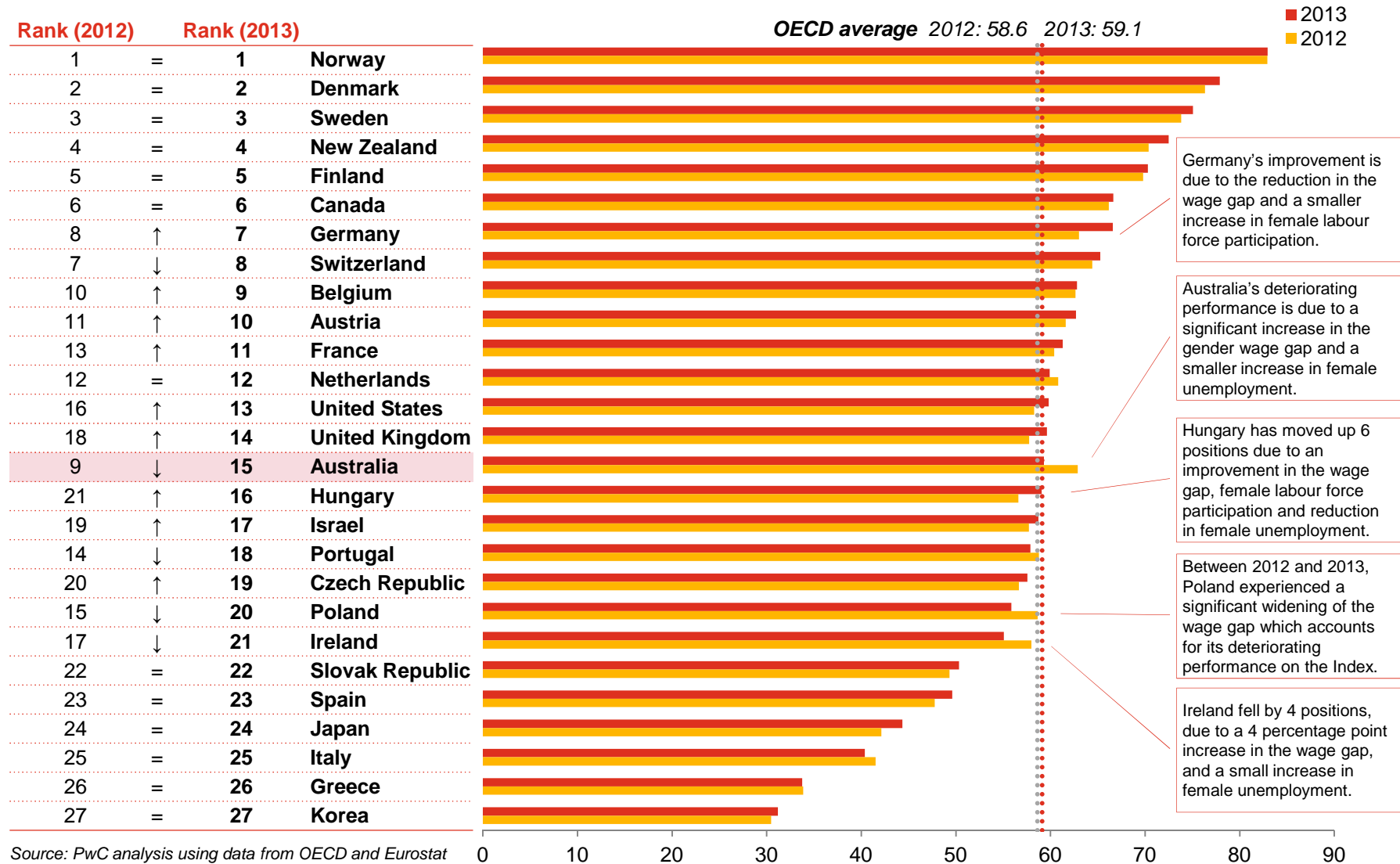


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PwC Women in Work Index –Australia’s performance worsens - drops 6 places to 15th position within the OECD, and falls back to OECD average

- The third annual update of the PwC Women in Work (WIW) Index shows that Australia dropped six places to 15th position out of our sample of 27 OECD countries in 2013, from 8th in 2011 and 9th in 2012 Australia now sits at the OECD average overall, after outperforming the average in previous years.
- This drop is largely due to the widening gender pay gap in Australia, which moved from 14% in 2012 to 18% in 2013, and a small increase in female unemployment.
- The Nordic countries continue to dominate the Women in Work Index. Norway remains in pole position (a position it has retained for all the years we have analysed: 2000, 2007, 2011, 2012 and 2013), followed by Denmark, Sweden, New Zealand and Finland (who have all retained their 2012 positions).
- The United States and Hungary achieved notable improvements to their position on the Index, due to a narrowing of the wage gap, reduction in female unemployment and an increase in the proportion of women in full-time employment.
- Portugal also fell by four positions to the 18th position, largely caused by a widening of the wage gap. Poland and Ireland also failed to sustain the significant gains made last year, slipping by five and four positions respectively in 2013.
- Other southern European countries such as Greece and Italy at the bottom of the Index are still struggling to improve their performance since the fallout from the economic crisis.
- Female boardroom membership increased across the OECD by around 4 percentage points between 2013 and 2014, with the largest increases observed in countries with specific targets for female board membership. Female boardroom membership in Australia increased by around 3 percentage points since 2013.

Figure 1: PwC Women in Work Index, 2013 vs 2012



Source: PwC analysis using data from OECD and Eurostat

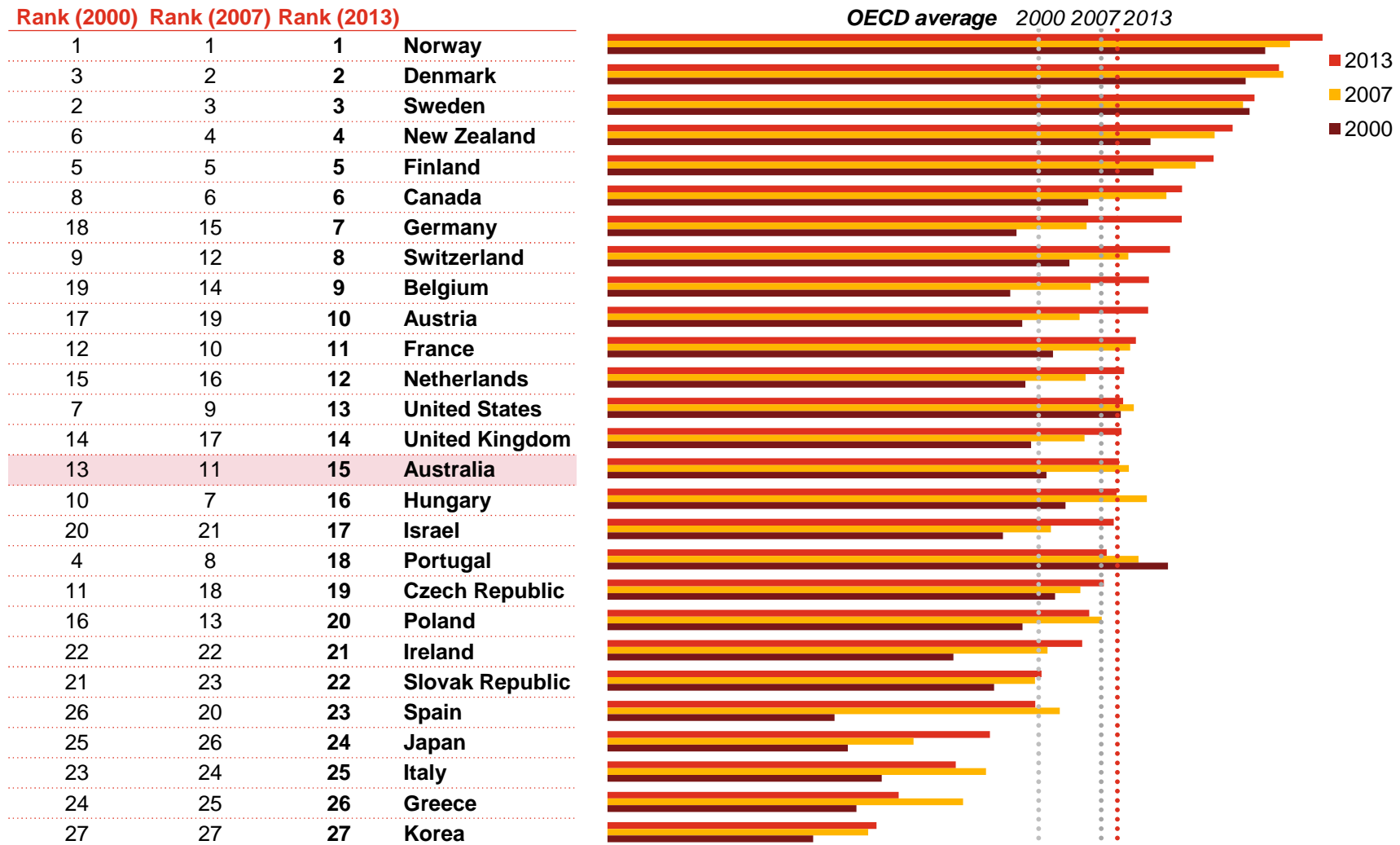
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Figure 2: PwC Women in Work Index, longer term trends



Source: PwC analysis using data from OECD, Eurostat, Australian Bureau of Statistics, Statistics Bureau of Japan
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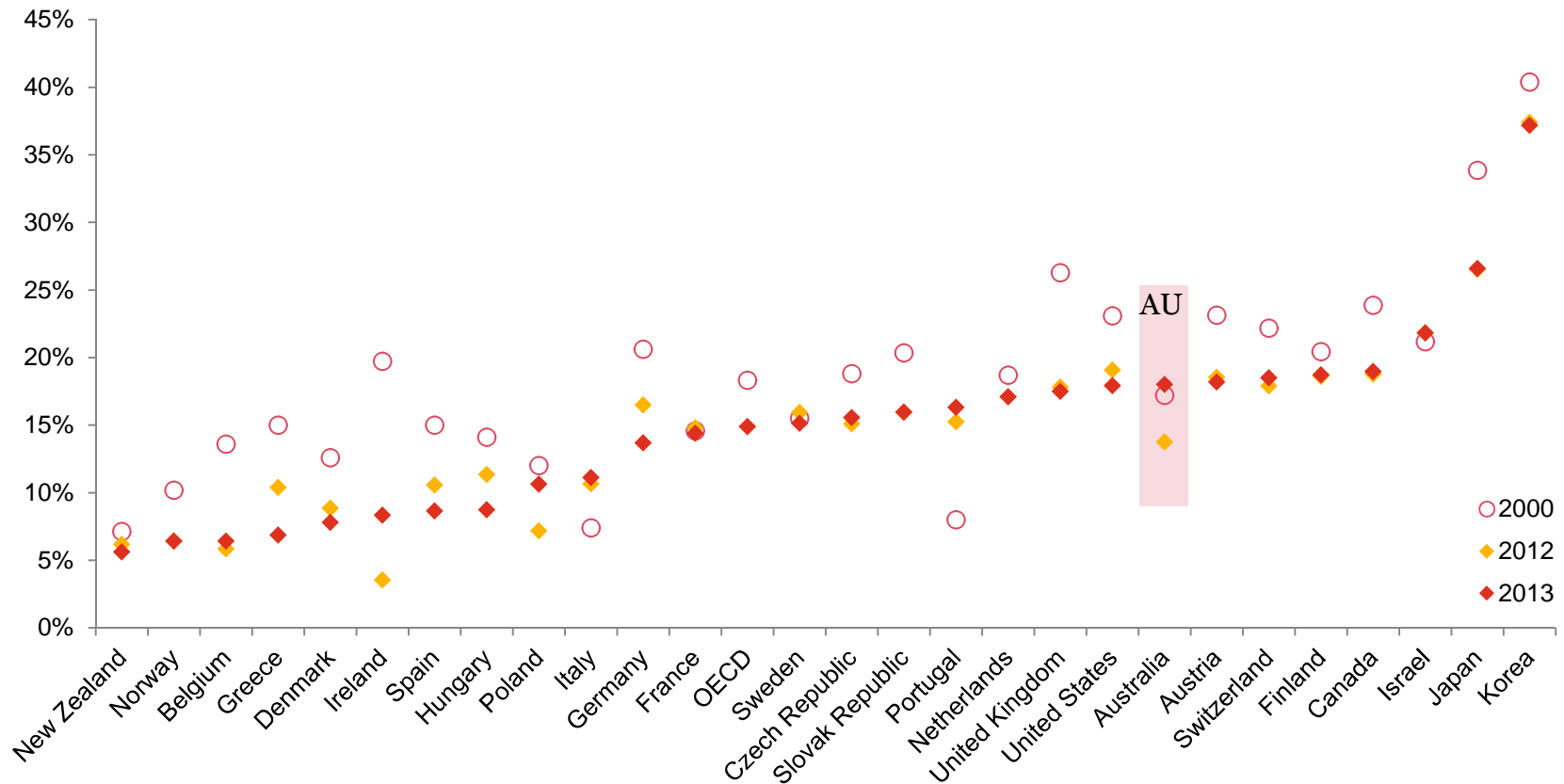
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The gender wage gap

The average gender wage gap across OECD countries remains unchanged from 2012. This masks the worsening gap in Ireland and Australia, which reversed the gains it made since 2000.

Figure 3: Gender wage gap, 2000-2013

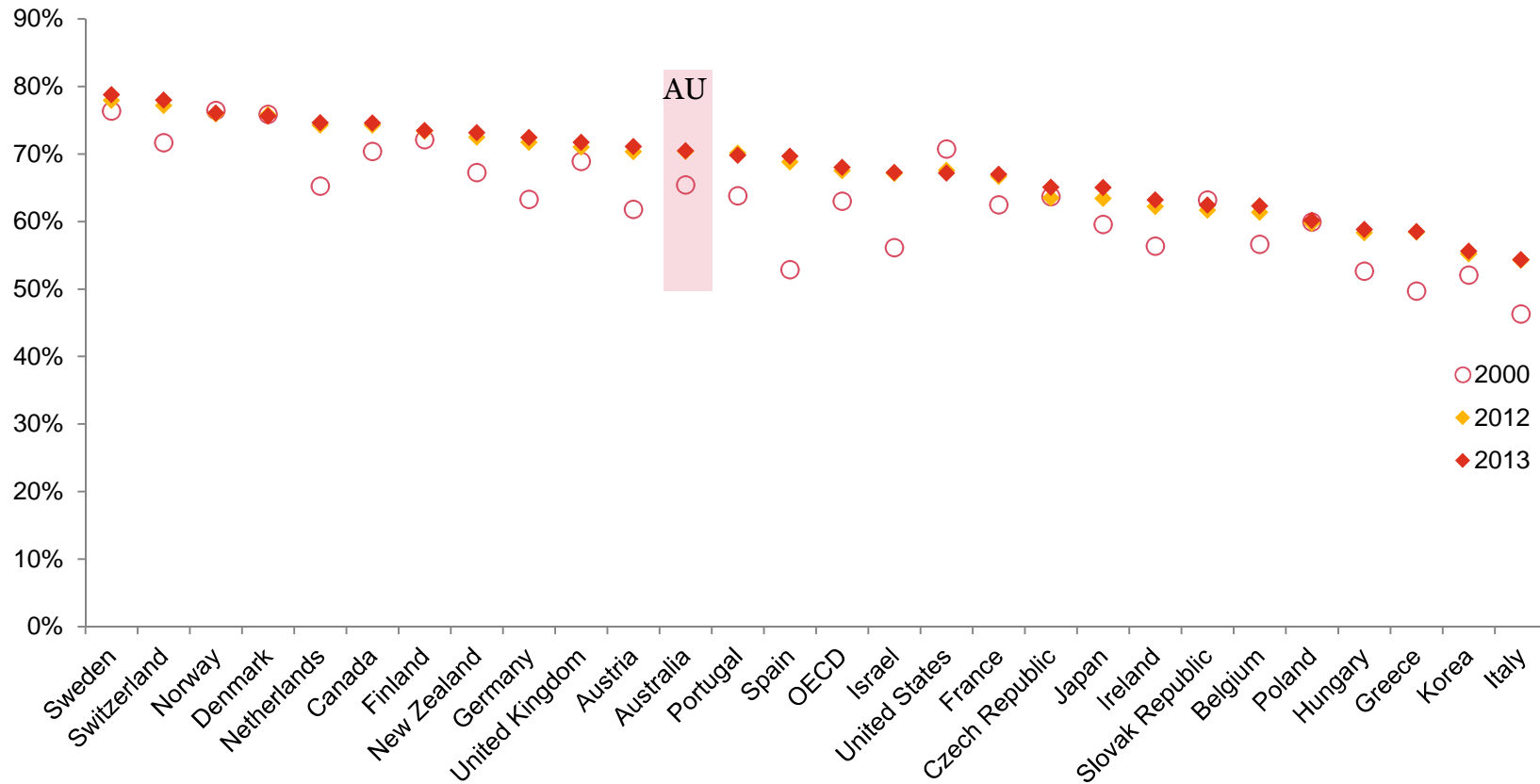


Source: OECD, Eurostat. OECD data refers to the difference in the median earnings for all full-time employees. Data from 2012 used where 2013 data not yet available.

Female labour force participation

Overall female labour force participation rates increased slightly across the OECD, with the biggest gains in Japan and the Czech Republic. Australia maintained a steady participation rate from 2012.

Figure 4: Female labour force participation rate, 2000-2013

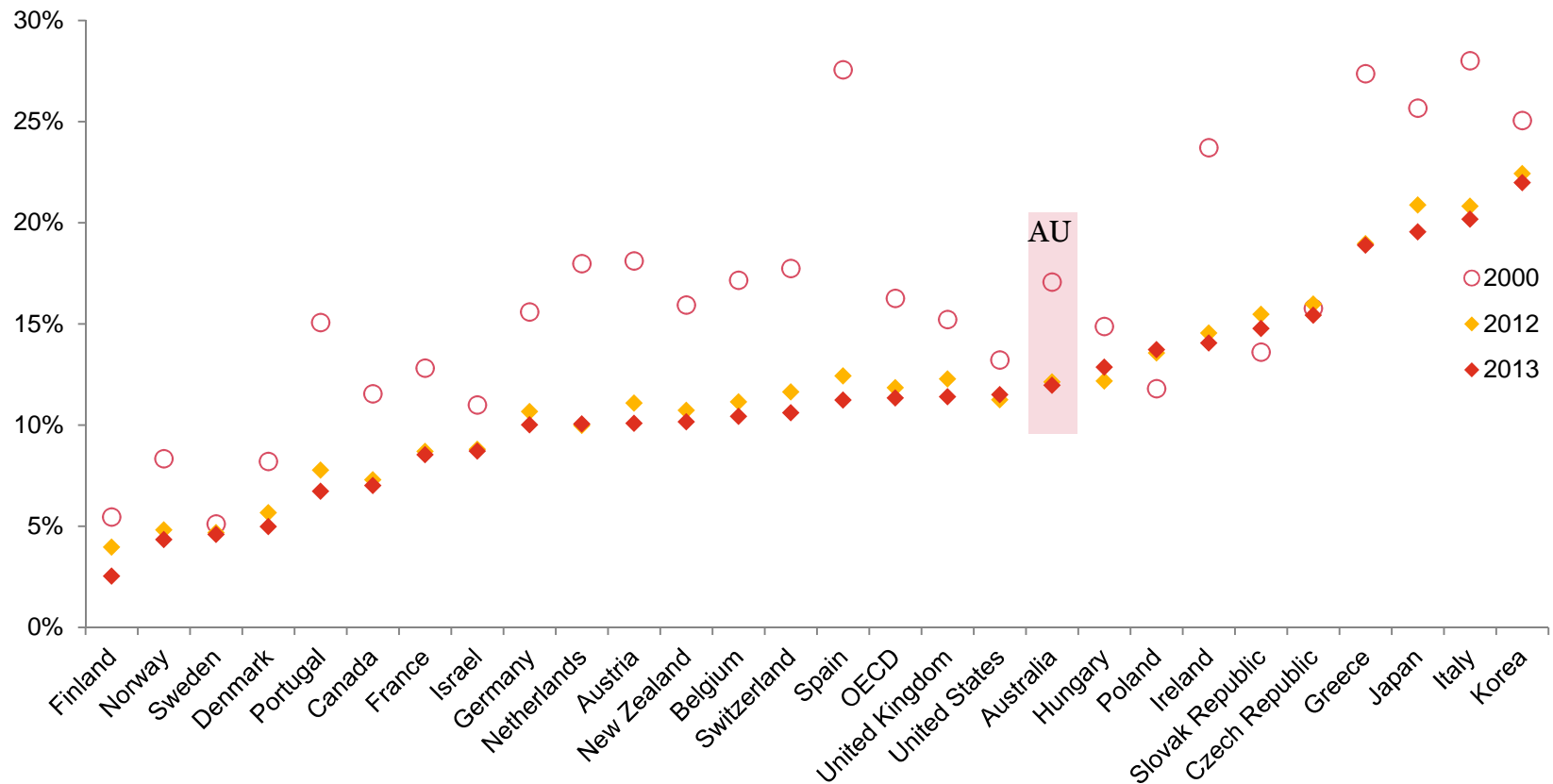


Source: OECD

Gap between male and female labour force participation

The gap in participation rates declined across OECD countries. Women are fast catching up with their male counterparts in Finland and Japan. Australia maintained its position on this measure, but remains below the OECD average.

Figure 5: Gap between the male and female labour force participation rate, 2000-2013

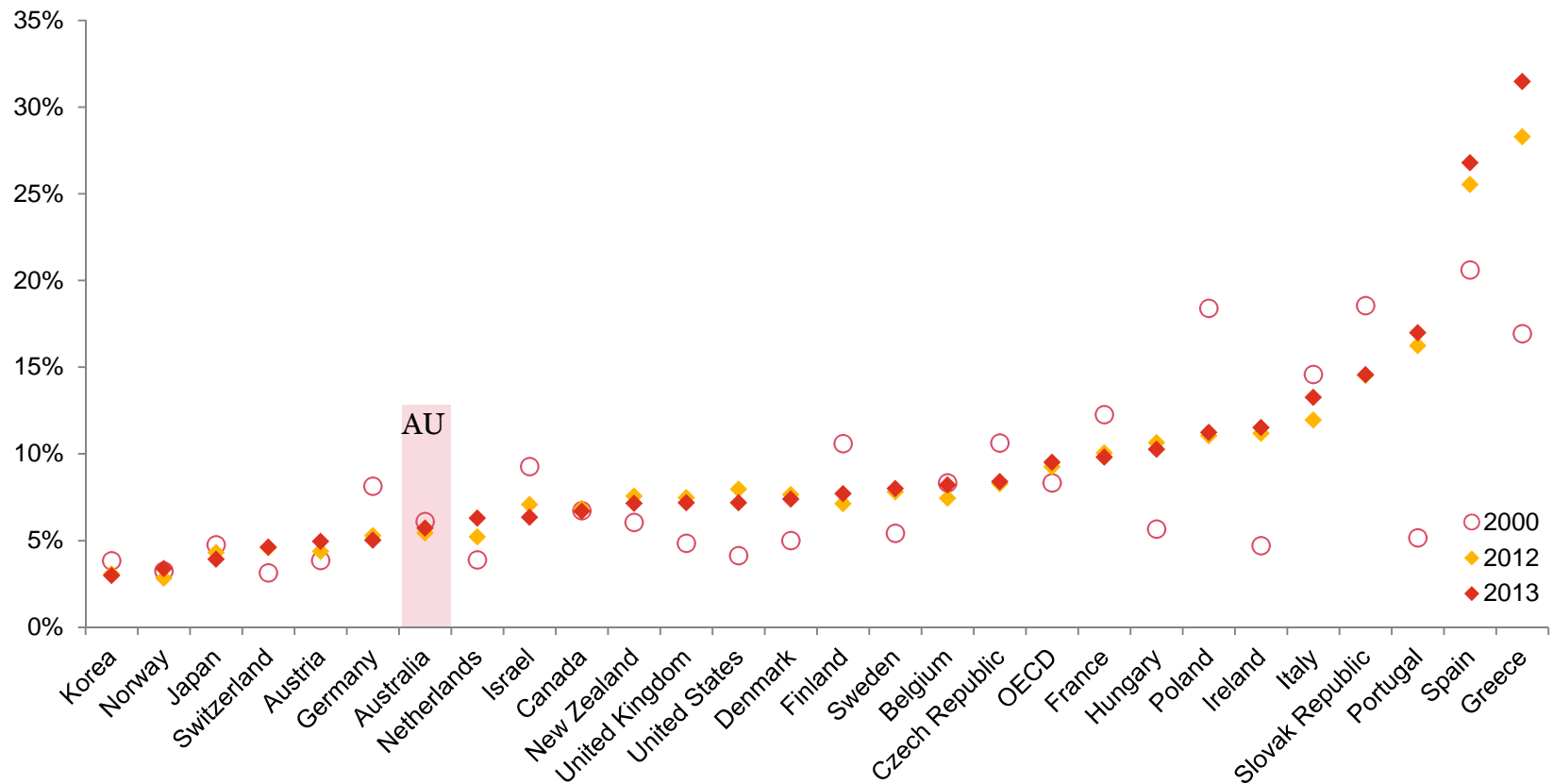


Source: OECD

Female unemployment

Female unemployment increased on average, due to global economic uncertainty. The largest increases were observed in crisis-hit countries such as Italy, Spain and Greece. Australia saw a small increase in female unemployment in 2013.

Figure 6: Female unemployment rate, 2000-2013

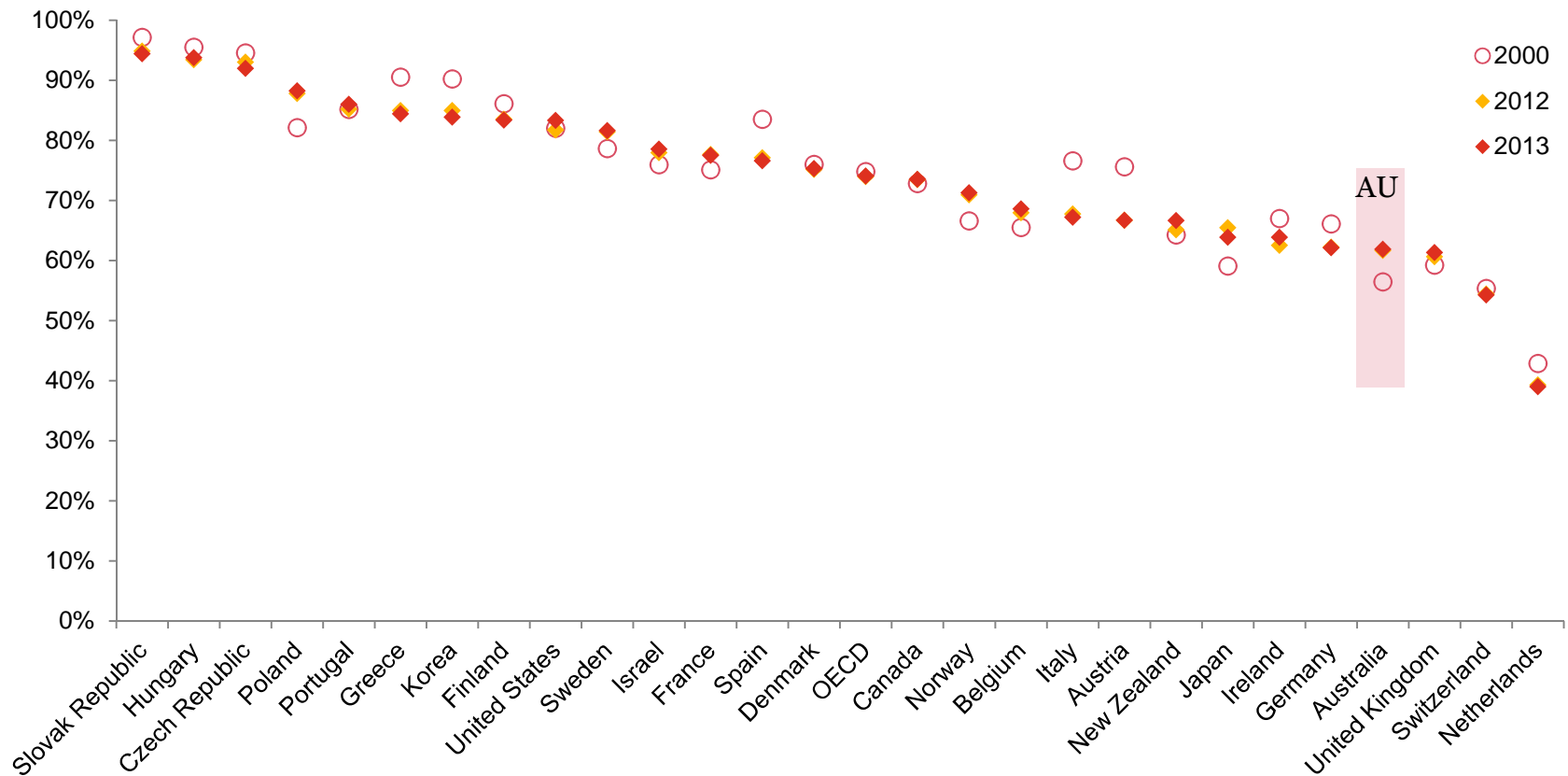


Source: OECD

Female full-time employment rate

The full-time employment rate for women increased in Australia and New Zealand. However, it fell in Japan and Korea. Higher rates of women working part-time mean that Australia underperforms on this measure.

Figure 7: Female full-time employment rate, 2000-2013

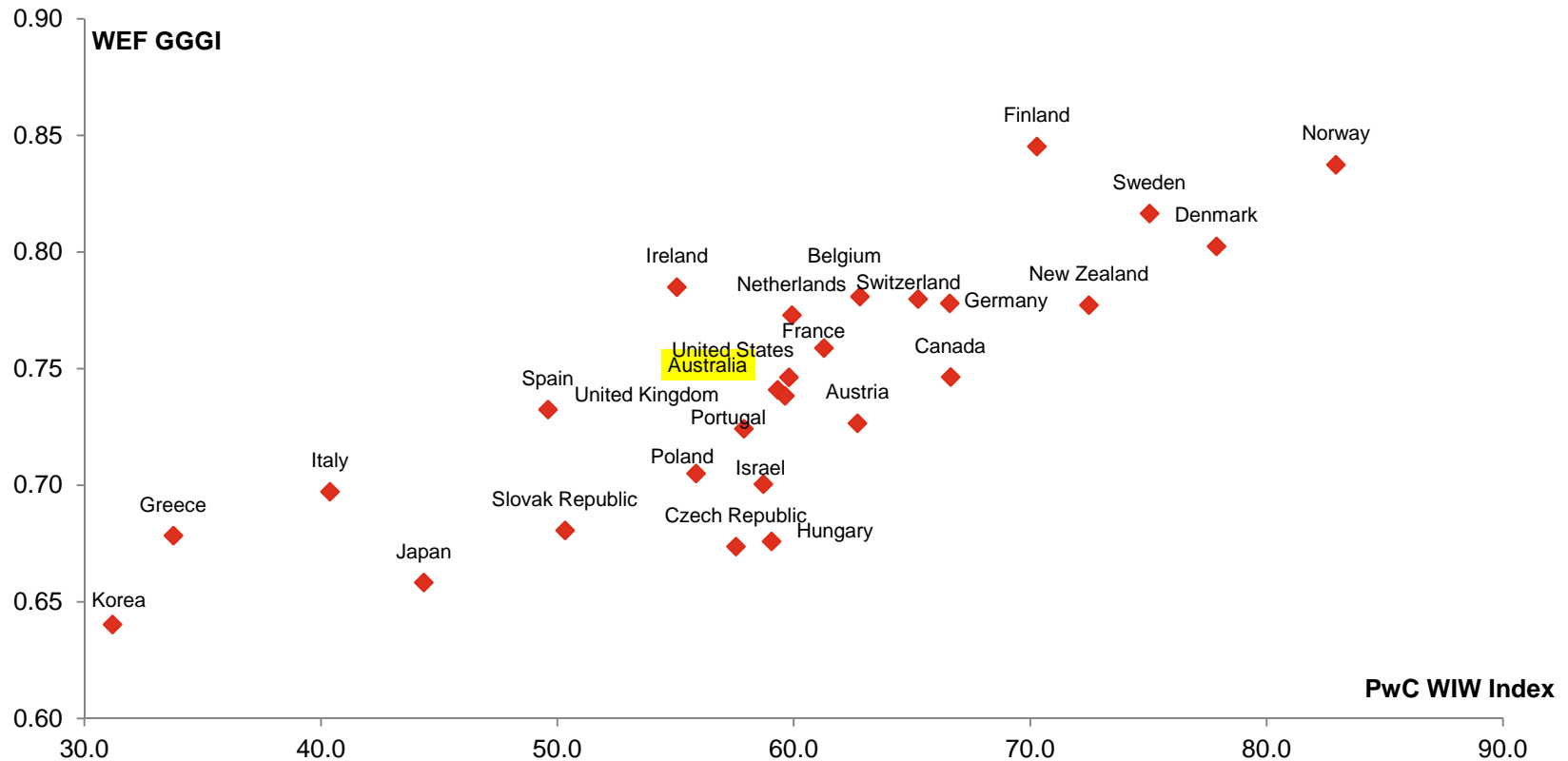


Source: OECD

Comparisons with other measures

Comparing PwC WIW Index performance against the WEF Global Gender Gap Index for 2014 – Australia sitting middle of the pack

Figure 8: PwC WIW Index performance vs the WEF Global Gender Gap Index 2014

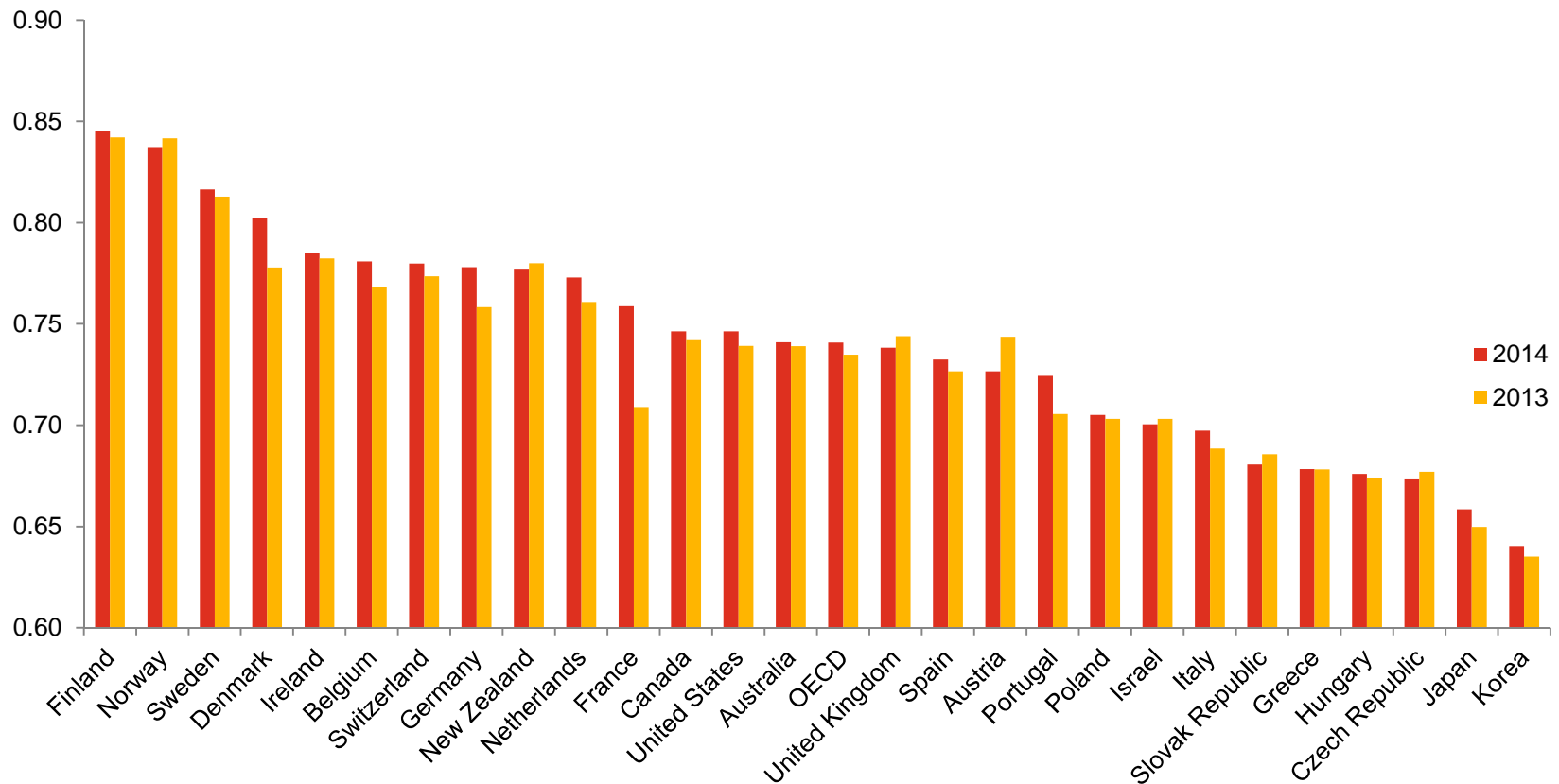


Source: PwC analysis, WEF

WEF Global Gender Gap Index 2014

The average performance of OECD countries on the Global Gender Gap Index has improved between 2013 and 2014, with the biggest gains made in France, Denmark and Germany. The Nordic countries remain in the lead.

Figure 9: WEF Global Gender Gap Index, 2014 vs 2013

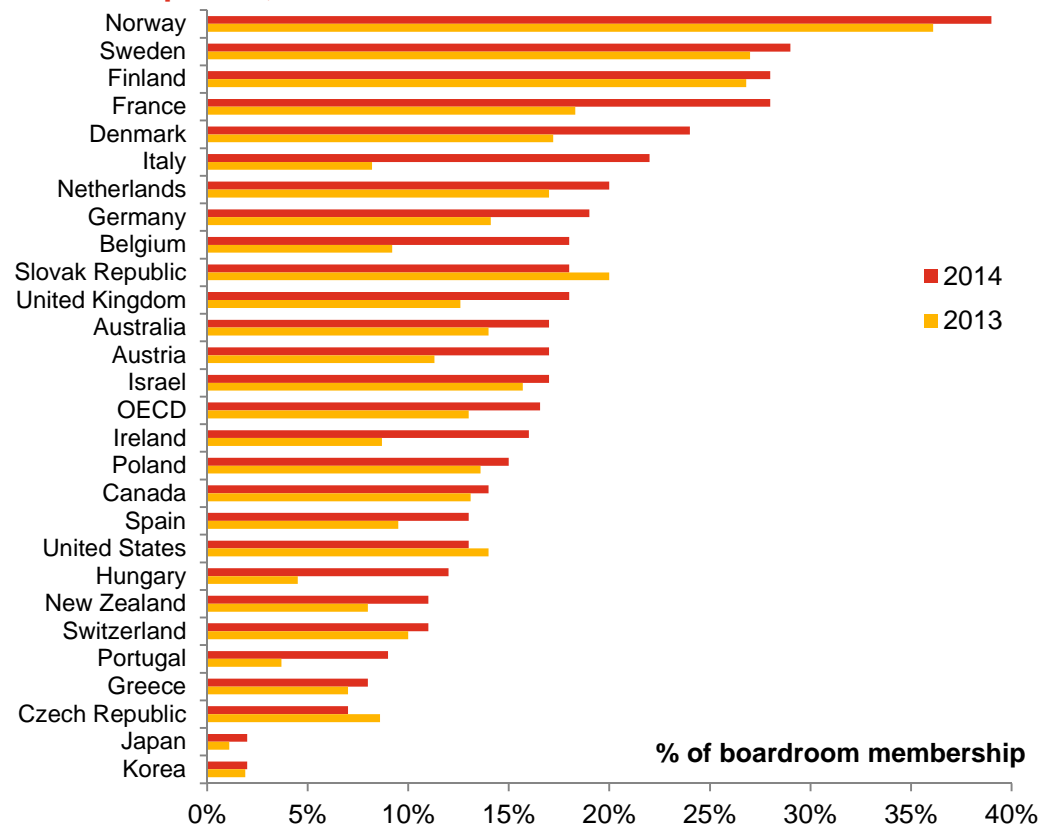


Source: WEF Global Gender Gap report 2014

Female boardroom membership

Female boardroom membership increased across the OECD by around 4 percentage points. The largest increases were observed in countries with specific targets for female board membership.

Figure 10: Female boardroom membership in publicly listed companies, 2014 vs 2013



- Most OECD countries have introduced requirements or recommendations for targets for female boardroom membership, or diversity reporting requirements.
- Norway was the first country in the world to implement a gender quota for its listed companies.
- In Australia, targets and quotas have not been set, but the ASX Corporate Governance Principles and Recommendations suggest listed entities should have a diversity policy and set measurable objectives to achieve gender diversity.
- In 2013, the European Parliament passed legislation with a goal to fill 40% of non-executive board positions with female directors by 2020, The legislation is currently being considered by the EU Council. This follows in the footsteps of other EU countries with similar requirements (Belgium, France, Italy, and the Netherlands have specific targets for listed companies). Denmark, Greece, Austria, Portugal and Finland have similar rules for state-owned company boards.
- The German cabinet also recently approved legislation to introduce a 30% quota for women in boardrooms and progress reporting.

Source: MSCI Research, Eurostat, Deutsche Welle, European Commission "Women on Boards: Commission proposes 40% objective", 14/11/2012

Technical appendix: Data and methodology

Comparison of country results, 2000-2012

	2011		2012		2013	
	Index	Rank	Index	Rank	Index	Rank
Norway	81.4	1	82.9	1	82.9	1
Denmark	75.7	2	76.3	2	77.9	2
Sweden	74.3	3	73.8	3	75.0	3
New Zealand	69.8	4	70.4	4	72.5	4
Finland	68.5	5	69.8	5	70.3	5
Canada	65.8	6	66.2	6	66.6	6
Germany	62.3	9	63.0	8	66.6	7
Switzerland	63.3	7	64.4	7	65.3	8
Belgium	61.5	11	62.6	10	62.8	9
Austria	60.3	13	61.6	11	62.7	10
France	61.0	12	60.4	13	61.3	11
Netherlands	57.6	17	60.8	12	59.9	12
United States	58.5	16	58.3	16	59.8	13
United Kingdom	56.4	19	57.7	18	59.6	14
Australia	62.5	8	62.9	9	59.3	15
Hungary	59.5	14	56.6	21	59.1	16
Israel	56.6	18	57.7	19	58.7	17
Portugal	62.0	10	58.8	14	57.9	18
Czech Republic	55.2	20	56.7	20	57.6	19
Poland	59.1	15	58.6	15	55.9	20
Ireland	52.4	22	58.0	17	55.1	21
Slovak Republic	50.3	23	49.3	22	50.3	22
Spain	53.1	21	47.8	23	49.6	23
Japan	39.5	25	42.1	24	44.4	24
Italy	41.4	24	41.5	25	40.4	25
Greece	37.4	26	33.9	26	33.8	26
Korea	28.1	27	30.5	27	31.2	27
OECD average	58.3		58.6		59.1	

Source: PwC analysis using data from OECD and Eurostat

Summary statistics

Top 15 countries in the PwC WIW Index

Country	Wage gap		Labour force participation				Female unemployment		Women in full-time employment	
	Difference between female and male median wages, %		Female		Male		%		% of total female employment	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Norway	6%	6%	76%	76%	81%	80%	3%	3%	71%	71%
Denmark	9%	8%	76%	76%	81%	81%	8%	7%	75%	75%
Sweden	16%	15%	78%	79%	83%	83%	8%	8%	81%	82%
New Zealand	6%	6%	72%	73%	83%	83%	8%	7%	65%	67%
Finland	19%	19%	73%	73%	77%	76%	7%	8%	84%	83%
Canada	19%	19%	74%	75%	82%	82%	7%	7%	73%	74%
Germany	16%	14%	72%	72%	82%	82%	5%	5%	62%	62%
Switzerland	18%	19%	77%	78%	89%	89%	5%	5%	54%	54%
Belgium	6%	6%	61%	62%	72%	73%	7%	8%	68%	69%
Austria	19%	18%	70%	71%	81%	81%	4%	5%	67%	67%
France	15%	14%	67%	67%	75%	76%	10%	10%	78%	77%
Netherlands	17%	17%	74%	75%	84%	85%	5%	6%	39%	39%
United States	19%	18%	68%	67%	79%	79%	8%	7%	82%	83%
United Kingdom	18%	17%	71%	72%	83%	83%	7%	7%	61%	61%
Australia	14%	18%	70%	70%	82%	82%	5%	6%	62%	62%

Source: OECD, Eurostat

Summary statistics

Next 12 countries in the PwC WIW Index

Country	Wage gap		Labour force participation				Female unemployment		Women in full-time employment	
	Difference between female and male median wages, %		%				%		% of total female employment	
	2012	2013	Female		Male		2012	2013	2012	2013
Hungary	11%	9%	58%	59%	70%	72%	11%	10%	93%	94%
Israel	22%	22%	67%	67%	76%	76%	7%	6%	78%	79%
Portugal	15%	16%	70%	70%	78%	76%	16%	17%	85%	86%
Czech Republic	15%	16%	64%	65%	79%	80%	8%	8%	93%	92%
Poland	7%	11%	60%	60%	73%	74%	11%	11%	88%	88%
Ireland	4%	8%	62%	63%	77%	77%	11%	12%	63%	64%
Slovak Republic	16%	16%	62%	62%	77%	77%	15%	15%	95%	94%
Spain	11%	9%	69%	70%	81%	81%	26%	27%	77%	77%
Japan	27%	27%	63%	65%	84%	85%	4%	4%	65%	64%
Italy	11%	11%	54%	54%	75%	75%	12%	13%	68%	67%
Greece	10%	7%	58%	58%	77%	77%	28%	31%	85%	84%
Korea	37%	37%	55%	56%	78%	78%	3%	3%	85%	84%
OECD average	15%	15%	68%	68%	79%	79%	9%	10%	74%	74%

Source: OECD, Eurostat

About the PwC Women in Work Index

- The new PwC WIW is a weighted average of various measures that reflect female economic empowerment, including the equality of earnings, the ability of women to access employment opportunities and job security.
- The PwC Index combines performance on the following labour market indicators (with relative weights as shown in brackets):
 - The gender wage gap (25% weight);
 - The female labour force participation rate (25%);
 - The gap between female and male labour force participation rates (20%);
 - The female unemployment rate (20%); and
 - The proportion of female employees who are in full-time employment (10%)
- These indicators are standardised, weighted and aggregated to generate index scores for each country. The index scores are on a scale from 0 to 100, with the average value in the base year of 2000 set to 50. The average index value for 2012 can, however, be higher or lower than this 2000 baseline.
- All data are taken from the OECD or other official sources (see Technical Appendix for further details of data and methodology).

PwC WIW Index methodology

Variables included in scoring

Variable	Weight	Factor	Rationale
Gap between female and male earnings	25%	Wider wage gap penalised	Earnings equality underpins the fundamental principle of equal pay for equal work.
Female labour force participation rate	25%	Higher participation rates given higher score	Female economic participation is the cornerstone of economic empowerment, which is a factor of the level of skills and education of women and conducive workplace conditions, and broader cultural attitudes outside the workplace (e.g. towards shared childcare and distribution of labour at home) .
Gap between female and male labour force participation rates	20%	Higher female participation rate relative to male participation rate given higher score	Equality in participation rates reflect equal opportunities to seek and access employment opportunities in the workplace.
Female unemployment rate	20%	Higher unemployment penalised	The female unemployment rate reflects the economic vulnerability of women. Being unemployed can have longer-term impacts in the form of skills erosion, declining pension contributions and increased reliance on benefits.
Share of female employees in full-time employment	10%	Higher share of full-time employment given higher score	The tendency for part-time employment may adversely affect earnings, pensions and job security. But given a lower weight in the index since some women may prefer part-time jobs to fit flexibly with caring roles.

PwC WIW Index methodology

Data sources

Labour market data obtained for 2013, except where specified. All data provided by the OECD with the exception of comparable data on the wage gap, which were obtained from Eurostat for the following countries: France, Netherlands and Switzerland.

Scoring methodology

- Indicators are standardised using the z-score method, based on the mean and standard deviation of the sample of 27 countries in 2000, to allow for comparisons across countries and across time for each country. This is a standard method used by PwC and others for many other such indices.
- Positive/negative factors were applied for each variable based on the table on the previous slide.
- The scores are constructed as a weighted average of normalised labour market indicator scores.
- Finally, the scores are rescaled to form the PwC Index with values between 0 and 100 and an average value across all 27 countries set by definition to 50 in 2000.

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