

Supporting older single women without children

A resource for financial advisors and the financial services sector



Who are older single women without children?

Single women without children are women who do not currently have a partner and have never had children. This cohort faces specific challenges in earnings, wealth, housing, and care, particularly as they age.

There is increasing awareness that older single women are an economically vulnerable group. Homelessness rates among women over the age of 55 are growing faster than in any other sector of the community, and women are retiring on superannuation balances that are on average 20% lower than their male counterparts. *Single women have poorer outcomes in both housing and superannuation.*

The financial security (i.e. income, wealth and housing) of this group of women is affected by the combination of their age, gender, not having a partner and not having children. Living in a single income household can limit their housing choices and capacity to accumulate savings for retirement. Although they do not have children, they frequently take on caring responsibilities for other family members, which constrains their earnings.

Older single women without children need well-designed policy and access to financial information and advice that takes into account the specific issues they face.

Employment, housing and care: key issues

The earnings of older women are restricted by the gender pay gap and by their age. Households headed by a single woman accumulate less wealth than households headed by a man, and households with two (potential) earners. Lower earnings are reflected in lower superannuation contributions, and single women have less capacity to make voluntary contributions due to their lower disposable income. Older single women are particularly concerned about job security as they do not have the financial buffer of a second income in the household if they become unemployed.

Being single is associated with lower levels of home ownership. Single women without children have lower levels of home ownership than partnered people (with and without children), and single women *with* children fare even worse. Access to housing finance is a particular problem faced by many single women, limiting their home purchasing and refinancing options. For some, being single can also be a barrier to obtaining a rental property without the extra income and security of a second earner, also reducing housing choices. Older single women – homeowners and renters – are very concerned about the risk of becoming homeless, especially as they age. Renters describe the difficulty in finding an affordable rental property, while homeowners raise concerns over meeting mortgage payments and other expenses related to home ownership, particularly as they get older and their incomes decrease. They report sharing their home, or renting out a room, to help to pay the bills.

Single women without children are more likely than any other group (i.e. partnered women and men, single parents, single men without children) to provide care for an ageing relative or family member with a disability. Qualitative research suggests that single women without children can be regarded by family as having the capacity to take on care responsibilities because they don't have children requiring care. Conversely, in workplaces, older single women report that employers sometimes expect more of them at work than parents with children. This can lead to additional pressures by employers on their personal and non-work time, such as being asked to stay back late to finish work. Consequently, single women without children are sandwiched between work responsibilities and caring for family members.

Although they are largely responsible for providing care to others, single women are very concerned about who will care for them as they age. Many hope to receive aged care services in the community, but are concerned about being able to afford care, and the management of their care and other affairs as they age. While formal services are available to support people to age in the community, informal carers play a fundamental role in facilitating the effective provision of services and filling

the gaps in the formal system, and older single women without children do not have the informal support of a spouse or adult children.

Although they may share their home with a relative or close friend, the means test in the aged care system only recognises a “protected person” as a spouse, a dependent child or a carer or family member who is in receipt of income support. This creates uncertainty when they or their housemate needs to enter aged care.

Financial capability and advice: issues and barriers

Although single women are very conscious of the financial issues that they face as they age, access to financial knowledge and financial resources varies. Many older single women express a desire to better understand the superannuation system, including how best to accumulate superannuation and to access their superannuation. A significant barrier to accumulating wealth for retirement is that after covering housing and living expenses (without economies of scale enjoyed by couples), they do not have additional financial resources for investment or superannuation.

Women who are single following a marriage breakdown have particular vulnerabilities. They are often starting again, particularly if the relationship was abusive, as physical or emotional abuse are usually accompanied by financial abuse. Where a woman has left the household financial matters to her partner, she will need more support to re-establish her financial confidence.

Banks and other financial institutions can be reluctant to lend to single or older borrowers, so older single women find it difficult to obtain loans for housing or other purposes. This extends to refinancing existing loans.

The networks for older single women to discuss financial matters can be limited. They will confide in family and friends, and may seek financial support from family, but they miss the ability to pool financial capability with a partner or adult children. This can leave them open to financial abuse, particularly as they age and need care.

Older single women without children articulate issues around trusting finance professionals. If a person attends a meeting with a partner, they can review recommendations and share concerns with their partner in a way that a single person cannot. They also report a lack of financial services tailored to their needs, inaccessible forms of services (i.e. digital, which only works for some), unaffordability of services, and gender norms imbued in some services, which can be off-putting for women.

Recommendations for financial services

Based on the findings above, we propose the following recommendations for the financial services sector:

- Financial advice for women needs to be targeted and delivered in a way that recognises different

communication styles and approaches to decision making. For example, some women respond to one-to-one support or coaching whereas others prefer participating in a support network where they can share experiences

- Education and training programs should be developed within the industry to improve understanding of gender inequality, challenge gender stereotypes and make financial service providers more aware of personal biases.
- Financial advisors should work with other organisations providing services to older women to develop a warm referral network.
- Services should be delivered through multiple access points and formats, including digital, but also hard copy and face-to-face. The formal documentation required in financial advice should be translatable to a user-friendly, accessible format.
- Access to financial services for lower income, and low net wealth women should be improved and affordable.
- Financial advisers should be educated to recognise and understand who may be vulnerable to financial abuse and implement protocols similar to those applied where elder abuse is suspected, for example providing opportunities for the client to speak privately and ensuring that consent is fully informed and freely given.

This cohort would benefit from tailored financial advice during the following life stages or events:

- early in their career – more education about superannuation
- during and after separation and divorce—advice needs to be sensitive to financial and emotional vulnerabilities, including advice about accessing or maintaining lines of credit during a relationship breakdown. Financial advisers should recognise that financial abuse may be a feature of a domestic relationship breakdown.
- buying, financing and maintaining a home on a single income; including refinancing when circumstances change
- during housing transitions in later life, i.e. downsizing, remortgaging, transitioning into retirement facilities
- managing care responsibilities, e.g. access to resources, including assistance available through in-home Aged Care (i.e. the Commonwealth Home Support Program and Home Care Packages), the Carer Gateway and respite services, and the NDIS - both as a carer and as a user of care services
- managing transitions into residential aged care, including ensuring that appropriate financial arrangements are in place to protect against financial abuse.

Implications for policy

Based on the findings above, we propose the following recommendations for policy:

- Anti-discrimination legislation should be amended to make clear that discrimination on the basis of having family responsibilities or not having family responsibilities is unlawful. Better education for employers should include information about discrimination on the basis of not having family responsibilities, as well as on the basis of gender and age.
- Education and training opportunities should be developed to support employment prospects for single women in later life. This is especially important for women who may have lost jobs, taken career breaks for ill health or caring responsibilities, or experienced relationship breakdowns that affected their career trajectory.
- Housing options should be developed to meet the needs of older women (i.e. affordable housing, social housing and co-housing) and more funding should be directed to organisations that provide housing advice and services to older women.
- Commonwealth Rent Assistance should be reviewed, with the rates increased, and support should be made available to assist homeowners who are at risk of falling behind on their mortgage. This should include opportunities to refinance loans.
- Better support and information on available funding options (e.g. NDIS, Respite and In-Home Aged Care Services) must be made available to carers of older relatives or relatives with a disability or chronic illness, and new funding options considered (i.e. carer credits to superannuation accounts) to mitigate the impacts of family care on employment, incomes, retirement incomes and wellbeing.
- Advocates should be in place within the aged care system to provide support for older people who do not have informal support networks. Various forms of providing free advocacy and support are currently being trialed on a national scale through the Aged Care Navigator Trials and these are likely to be a highly useful resource for older SWWC.
- Government policy should recognise co-dependency in the aged care means test if one member of a household moves into a residential aged care facility and the other resident is not a spouse or child.
- The ASIC Financial Capability unit should develop programs that provide advice at particular trigger points, including separation or divorce, pre-retirement and at retirement, and this should be backed up by access to more affordable formal financial advice where needed.

The financial services sector can play an important role in policy advocacy and advice.

Resources

Selected general financial resources and advice:

- [MyMoney](#)
- [Moneysmart](#)

Female-focused financial advice and lending:

- [Women's Financial Toolkit, Women NSW](#)
- [Women's Information and Referral Exchange \(WIRE\)](#)
- [Finance Women](#)

Housing focused:

- [Good Shepherd Microfinance](#)
- [Women's Property Initiative](#)
- [Two Red Shoes](#)



This briefing note was written by Helen Hodgson, Myra Hamilton, Bruce Bradbury, Mary Ip, and Elizabeth Adamson. It draws on findings from the report *Security in old age for older single women without children*, a collaborative project between the Centre of Excellence in Population Ageing Research at University of Sydney Business School, the University of New South Wales, and Curtin University. It was funded by CPA Australia.

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