

# The Financial Security of Older Women in Southeast Asia



## The Face of Ageing is Women

### Key messages

- Ageing in Asia has a distinctly female face, with women comprising over half of the older population.
- The lack of data disaggregated by gender, age and disability, particularly on income and savings prevents a comprehensive understanding of the financial security status of older women.
- Available data shows that women live longer than men, but they are less financially secure. Due to the cumulative effect of gender-based disadvantages faced throughout the life-course, older women have less income, less savings and less access to pension benefits.
- Children are the main source of support for women in old age. As family sizes decline, this puts women's future financial security at risk.
- The pathways to financial insecurity are the outcome of multiple and overlapping constraints at different stages of women's lives, including gender inequalities in labour markets and care work.
- Four key areas require immediate attention. First, there should be more collection of data disaggregated by gender, age and disability. Second, more measures are required to encourage women to work. To do this, schemes must enable women to balance work with unpaid care through for example, affordable childcare, more family leave or flexible work arrangements. Third, more financial support should be provided for full-time, unpaid caregivers. Finally, social protection should be expanded.

The rapid pace of ageing in Asia has a distinctly female face. By 2050, more than half of the estimated 1.3 billion older persons in the Asia-Pacific region<sup>1</sup> will be women.

To assess the status of the financial security of older women, the Regional Learning Network on Women's Financial Security conducted a research study based on secondary sources in 6 Southeast Asian countries - Indonesia, Malaysia, Myanmar, Philippines, Singapore, and Thailand between 2017-2018. The study finds that the financial status of women in old age is the cumulative outcome of gendered inequalities in access to assets and opportunities throughout women's lives. It underlines the need for a life-course approach to policy-making, and in particular, targeted interventions at key risk-points in women's life trajectories.

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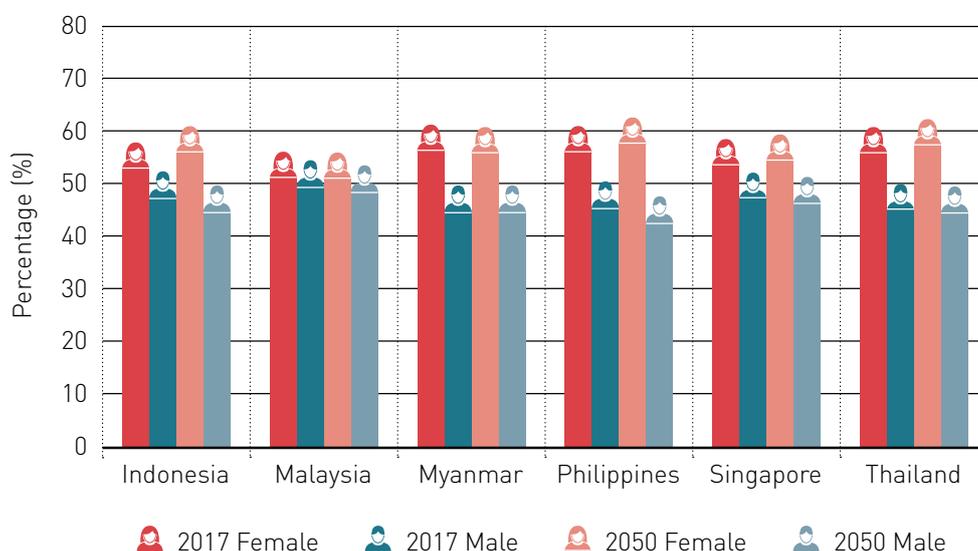
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<sup>1</sup> UNESCAP. N.d. Ageing Societies. Retrieved from: <http://www.unescap.org/our-work/social-development/ageing/about>; UNESCAP. 2017. Overview of trends in population ageing and related institutional responses in Asia and the Pacific: Note by the Secretariat. Bangkok: UNESCAP, p. 3.

## Are Women Financially Less Secure than Older Men?

Driven by declining fertility rates and increasing life expectancy, older women outnumber older men in all 6 countries, particularly among the 'oldest-old' (80 years and over). In this group as a whole, women comprise 55% of the population aged 60 years and over, and over 60% of the population aged 80 years and over.

Share of Population Aged 60 Years or over, by Sex, 2017 and 2050 (%)



The first challenge faced in undertaking a comprehensive assessment of the status of financial security is the lack of gender and age disaggregated data on indicators such as income, pensions and government benefits. Also, data on income and expenditure is based on the household as the unit of analysis. This does not provide an accurate picture of financial status, as household level data can mask intra-household inequalities in the distribution of resources. The absence of a common definition of older persons also hindered inter-country comparisons.

Nevertheless, despite geographical, social and economic diversity in the 6 countries, some common threads can be discerned.

First, in general, older women receive less income than older men. For instance, in Indonesia, 33% of older women earned less than USD36 per month, compared to 18% of older men.

Second, on average, women have less savings. For example, in Singapore, in 2017, the average retirement (Central Provident Fund) savings at age 60 was about S\$22,000 lower than men's.

Third, women are also less likely to receive pensions or have lower levels of pension benefits than men. For example, in Philippines, in 2015, the proportion of female old-age pension beneficiaries was almost half (29%) that of men (53%).

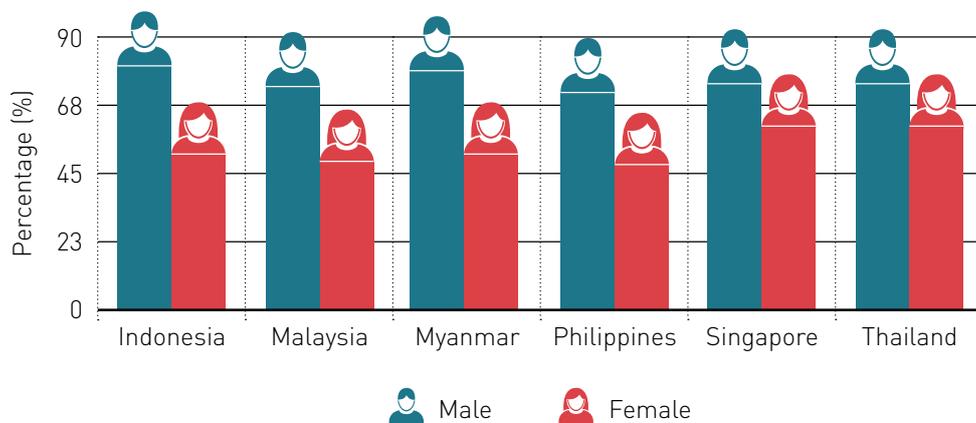
Consequently, in all 6 countries, children are cited as the main source of income in old age for older women.

## The Pathways to Financial Insecurity

Older women's lower levels of financial security are the result of the cumulative and intersecting disadvantages that women face throughout their lives in education, employment, access to assets and health care, income and other opportunities. One of the main causes can be traced to gendered differences in labour market participation and care work. Women not only participate less in the labour market, even when they do work, women often have interrupted careers, work part-time, or are disproportionately represented in the informal sector or in home-based work.

These patterns are primarily due to women's greater involvement in caregiving. For instance, in 2015, 64% of the women who were not in the labour force in Myanmar cited domestic responsibilities (which includes unpaid care work) as the main reason for not working.

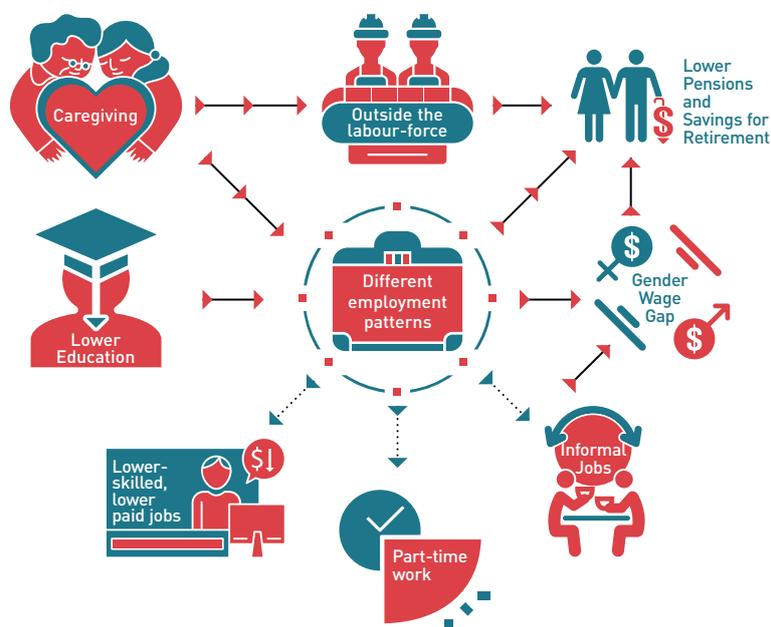
### Labour-Force Participation Rates by Sex, 15 Years and Over, ILO Modelled Estimates, 2017 (%)



Source: World Bank open data. Available at: <https://data.worldbank.org/indicator/SL.TLF.CACT.ZS>

The end outcome is clear: women are penalized for their care responsibilities in the form of foregone earnings, or lower earnings. Since pensions are often tied to earnings from work, this directly translates into lower levels of savings and pension benefits. Such differences in earnings, savings and pension benefits then translate into differential levels of financial security for older women and men.

### Pathways to Financial Insecurity



### Why is this important?

Policy makers have been slow to recognise and respond to these trends. Unless adequately addressed, a large proportion of the older population will continue to be vulnerable to poverty and financial insecurity. The declining size of families makes this an even more pressing issue as it is doubtful that older women can continue to rely on family as an adequate source of income in old age. If older women continue to face financial insecurity, governments will fall short on achieving the Sustainable Development Goals of Gender Equality (Goal 5), No Poverty (Goal 1) and Decent Work (Goal 8).

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## RECOMMENDATIONS

There is no universal panacea to address the financial security needs of older women, but policy measures need to target the root cause – gender inequalities in care and paid work – over the life course. The paper proposes some key actions, both at country and regional level to improve the lives of older women:

- Collect disaggregated data by gender and age to understand the situation of older women, identify areas where there are gaps, and to track progress.
  - Reduce the gender gap in education to ensure more girls enroll and remain in school, and also provide girls with more job-relevant skills demanded by employers.
  - Improve female labour force participation, by targeting the correlation between care work and paid work. Measures include increasing maternity and paternity leave, increasing access to childcare facilities, implementing family-friendly work arrangements and supporting back-to-work initiatives.
  - Provide support for unpaid caregivers through for instance, special pension programmes or matched savings schemes.
  - Enhance social protection by implementing universal social pensions.
  - Change social norms about unpaid care through public awareness campaigns and changes in the education curriculum.
  - Empower women with the knowledge, confidence and skills for financial planning and money management through financial literacy training.
  - Ensure women become more visible in policy circles through strengthening institutional support for older women, through for instance, the establishment of National Commissions on Older Women.
  - Enable older women to reduce their reliance on family support by strengthening community ties and expanding the scope of non-family support systems such as non-governmental organizations or neighbourhood associations.
  - Within each country, ensure that there are specific policies that target and reach the most vulnerable groups of older women.
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### **The following partners from the Regional Learning Network on Women’s Financial Security were involved in the research and publication:**

- Association of Centre for Women Resource Development (Association of PPSW), Indonesia
- Centre for Ageing Studies, University of Indonesia
- Citi Foundation
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- Department of Family and Consumer Sciences, Faculty of Human Ecology, Bogor Agricultural University, Indonesia
- Foundation for Older Persons’ Development, Thailand
- Foundation for Women, Thailand
- HelpAge International
- International Longevity Centre Singapore
- Research Institute on Ageing (MyAgeing), Universiti Putra Malaysia

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This policy brief synthesizes the findings from the publication “Financial Security of Older Women: Perspectives from Southeast Asia.” Download a copy of this book at

<http://asiawomen.org.sg/news-events/financial-security-of-older-women-perspectives-from-southeast-asia> or scan via the QR code:

