

# What's a woman really worth? The \$345b value of unpaid work to Australia's economy <sup>[1]</sup>

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## EXCERPTS

If we were to measure the value of unpaid childcare to Australia's economy in dollar terms, it would be the nation's biggest – estimated at \$345 billion.

A new report from PwC, to be released on Wednesday as part of International Women's Day, asks: Why is it that a mother caring for her children produces no measured economic value, but the same mother hiring others to look after her children does?

The report, *Understanding the Unpaid Economy*, suggests policymakers are using "narrow measurements of economic activity, which currently only capture activities for which people are paid".

Australia's ageing population will also place greater pressure on working families.

"Unpaid work is excluded but we intuitively know that this work generates great value to society: from the raising of children, caring for the sick or elderly through to volunteering," the report says.

The report estimated the value of unpaid activities across 2214 locations.

It found that if the total economy includes a conservative estimate of the value of unpaid childcare work then, in 2011 terms, it is a \$345 billion sector, making it almost three times bigger than the financial and insurance sector.

The report assumes there are 16 million people undertaking some amount of unpaid childcare.

It puts the total amount of all unpaid work in hours at about 24 billion hours.

Unpaid childcare makes up the bulk of that at 17 billion hours – an average of 21 hours per week per person.

Care of adults takes up about 10 million people undertaking care of adults, with an average of just above an hour a week.

**Women do most unpaid work**

Women are significantly over-represented in the unpaid economy, accounting for almost three-quarters of all unpaid work.

People in locations with higher education levels are more likely to spend more time per capita on unpaid childcare.

But regardless of socio-economic status, it's still females doing the bulk of the unpaid work.

Women conduct 76 per cent of childcare, 67 per cent of domestic work, 69 per cent of care of adults and 57 per cent of volunteering.

Childcare is defined in the report as "all activities done for children aged under 15 years". It contains activities including "the physical and emotional care of children, teaching, reprimanding, playing with and talking to children. It also includes minding children and visiting child care establishments or schools".

Care of adults includes "anyone over 15 years of age that needs care". It is defined as "physical care and emotional support as well as any other activities done for anyone outside the household who was sick, frail or who had a disability."

**A need to measure the value**

The report urges policymakers to begin to measure this unpaid work and highlight its importance, especially in terms of its impact on female workforce participation.

"Capturing the nature and value of unpaid activities alongside our formal industries, such as mining, construction, manufacturing, financial services, health care, education, indicates that childcare should be regarded as Australia's largest industry," said Jeremy Thorpe, PwC economics and policy partner.

"Once we understand the unpaid economy, we can give it appropriate weight in policy and investment decisions, outside of the traditional understanding of maximising economic returns," he said.

#### Location matters

The report also examines unpaid work on a state-by-state basis.

The larger economies of New South Wales and Victoria have less unpaid work per capita.

Canberra also dominates per capita amounts of unpaid work. It is the highest state average, and also has six of the top 10 individual locations for per capita childcare (Acton, Bonner, Civic, Crace, Namadgi and Phillip).

"All these locations are in the top three deciles of median incomes and with the exception of Namadgi, are also locations with high education and socio-economic advantage," the report said.

Looking at the large cities and examining only high-density population locations (with at least 10,000 residents), Melbourne leads in unpaid work.

Of the top 10 per capita value of childcare locations with dense populations, Melbourne has eight (Brunswick, Carlton, Elwood, Kensington, Melbourne CBD, Southbank, St Kilda and St Kilda East) with only two going to Sydney and none of the other capital cities represented.

#### Victoria a hotspot

In pure size of value of unpaid work (not per capita), Victoria is also strongly represented with six of the top 10 locations.

The top 10 largest unpaid work locations include Werribee, Mildura, and Craigieburn-Mickleham.

"The drivers of this Melbourne and Victorian bias are not known but may be due to lack of availability of paid childcare options, cultural attitudes or favourable leave conditions," the report said.

Point Cook, Australia's largest unpaid economy, has had rapid population growth in recent years as a "masterplanned community".

Similar growth patterns in areas with large recent residential developments can be seen in other top 20 unpaid work locations include Craigieburn-Mickleham, Werribee, Caroline Springs, Forest Lake – Doonlandella.

The report suggests it may be because these areas are more affordable to young families who would like to substitute paid work for unpaid work.

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