Solving Women’s pension deficit to improve retirement outcomes for all

Later life, planning and entering retirement: the Moments that Matter in the Pensions life journey for women
The Insuring Women’s Futures Committee is supported by an Expert Advisory Panel and Associate Group, details of which can be found at www.insuringwomensfutures.co.uk.
Insuring Women’s Futures is part of a wider Insuring Futures programme established by the Chartered Insurance Institute to improve public trust in insurance and personal finance. The programme aims to improve the profession’s relationship with women, and to find ways to better support women’s financial resilience needs.

Insurance and financial planning has a central role in supporting people to manage their financial risks in life. The findings in this report show there is much to be done to improve women’s pensions and financial resilience generally. That’s why Insuring Women’s Futures has formed a Market Task Force to drive pensions and wider change across our profession in collaboration with policymakers, regulators, employers and wider society. We want to help ensure that in 21st century Britain all women can access an adequate pension and be supported in their financial Moments that Matter.

This report is a call to action for each and every one of us. Woman or man, son or daughter, friend or colleague, policymaker, pension provider, financial planner or employer. We all have a role to play in improving Women’s pension deficit.

Today a young woman in the UK can expect to highly achieve educationally, work through raising children until she is 70, save hard for her pension, and yet risks facing financial insecurity in later life. The Pensions life journey for women reveals why.

Women in modern Britain confront multiple pensions Perils and Pitfalls through life. While the world around us is changing, gender norms, cultural and historic traditions continue to permeate our systems and society: our home life, our work life and our financial life.

Our ageing population - with significantly more women than men expected to be in retirement - means improving women’s pensions is an economic necessity for us all. The solution lies in unity and collaboration, taking a holistic approach across pensions policies, engagement and awareness, in the design of workplace pensions and re-balancing pensions to reflect contributions at work and at home. This way everyone is included and we can build a secure financial future for all.
Endorsements

“I am delighted to see this important work progressing - this report moves yet further, and highlights the importance of getting a better understanding of the facts about the differences by gender as a base for addressing the issues so clearly apparent.”
Laurie Edmans, CBE
Commissioner
Financial Inclusion Commission

“This report resonates with me on a personal level, because it reflects how – without taking a number of important steps – my own pension deficit could have built up over the years. Fortunately, I did take those steps, so that makes me want to support this vital work all the more.”
Linda Woodall
Independent Governance Committee, Aegon, and formerly Director of Life Insurance and Financial Advice, Financial Conduct Authority

“This is a vitally important report. If half of the population is vulnerable and at great risk of financial insecurity, it affects us all. This report should be a clarion call for the insurance industry, the profession, charities and policymakers to work together and bring about change.”
Yvonne Braun
Director of Policy, Long-Term Saving and Protection, Association of British Insurers

“Financial services need to keep pace with societal and demographic changes. This report sets out how these changes impact women’s pensions and it challenges us to reshape pensions products, advice and the law to close the pensions gap. It is a must-read for anyone who believes that financial services must remain relevant by tackling today’s challenges.”
Mark Hoban
Director of Flood Re and has a portfolio career in financial services.
As a minister, he was responsible for the Government’s financial services policy between 2010 and 2012.

“I congratulate Insuring Women’s Futures on producing this important report. It is crucial that as the worlds of both work and home change, women are not penalised financially for making choices that are right for them and their families. I agree that the Government, the professions and employers should work together to make sure that those who work flexibly are able to choose a pension plan that will provide for them when they retire.”
Christina Blacklaws
President, The Law Society

“I welcome the report, which brings sharply into focus inequalities not given sufficient exposure. Even with the success of automatic enrolment, women will be at a significant disadvantage into the distant future, unless something is done. More women are excluded, more have low contributions, more get less tax relief than they should. Bringing this into the open, and making constructive suggestions what to do about it, is really important - right now.”
Joanne Segars
Chair of Local Government Pension Schemes Central, Trustee Director
Now: Pensions and former Chief Executive of the Pensions and Lifetime Savings Association

“Women’s futures are too often blighted by financial disadvantage and the insurance industry, as well as other financial companies and the Government, has a role to play in improving the outcomes for women of all ages. The depth of this report highlights just how complex and far-reaching this issue is. There are no easy answers and a change of social mindset may be required to ultimately find better ways to level the playing field for women in terms of their financial protection and resilience. I applaud the work being done on this issue – and indeed it is vital for women of all ages, whether young or older.”
Baroness Ros Altmann, CBE

“Women deserve opportunities, a satisfying life and financial security. We have to grapple with the uncomfortable reality of our poor pension knowledge, and the startling possibilities that many of us will hit old age and find ourselves with a meagre amount of money. We have to change the conversation and the circumstances.”
Jude Kelly CBE
Founder, WOW - Women of the World, former Artistic Director, Southbank Centre

“As this report shows, one of the most powerful factors in the relative disadvantage that women face in pensions is women’s much lower lifetime earnings, as well as the impact of relationship breakdown. This report is a reminder that solving the problems of women’s pensions is not just a problem for the pensions industry but for all of us.”
Sir Steve Webb
Director of Policy at Royal London and pensions minister 2010-15
Unpicking Women’s pension deficit

Women’s pension deficit represents the precarious position confronting British women in later life. Many women are facing pension poverty. Their lack of sufficient retirement savings means they are dependent on partners (if they have partners) and, after a life of caring, they risk being unable to pay for their own old age care. While pensions are no longer the only form of retirement savings, for the majority, and especially those in employment, they are expected to continue to form a main source of later life provision.

In January this year we issued our second Women’s Risks in Life report highlighting the Perils and Pitfalls facing women in Britain today, and the trends for tomorrow. “Securing the financial future of the next generation: The Moments that Matter in the lives of young British women” demonstrates women’s profound lack of financial resilience through the life course. It shines a light on the societal and economic consequences, highlighting that women’s risks are men’s risks too, and that if half of the population lacks financial resilience, then collectively we all lack financial resilience.

Here we unpick Women’s pension deficit, and with an eye to the future, set out the Pensions life journey for women. We have drawn on data from our previous reports as well as new data from a range of sources, to gain greater insight into the causes of women in Britain facing a Longevity trap in later life. As we will see from the life journey presented on the following pages, the factors contributing to Women’s pension deficit are many. Underscoring all of them is the influence on women of our culture and traditions: our social attitude towards women and their role in society and the economy, stereotypical expectations of men and women, evolving family patterns and our relationship with money. These deeply embedded biases pervade all aspects of pensions for women in Britain today. Left unaddressed, they will impact all of us tomorrow.

Addressing the root causes of Women’s pension deficit through the life course and improving pensions equality will help afford not only women, but also men, equal opportunity: the chance to experience caring for their family, to enjoy a rewarding career, a more financially balanced relationship, and to have an adequate and fair individual pension provision.

This focus report explores the Moments that Matter with a view to improving Women’s pension deficit. Our analysis forms the background and insights to future work being taken forward by Insuring Women’s Futures Market Task Force – a market-wide group established to drive collaborative action by the insurance and personal finance profession to improve women’s financial resilience.

For further information on Insuring Women’s Futures or to become part of our movement to improve Women’s pension deficit please visit: www.insuringwomensfutures.co.uk.

*We define the Longevity trap as the Peril and Pitfall facing women in later life as a result of their having insuffiicient financial provision to support themselves through state life and long-term care needs.

In this report Women’s pensions systems is used to reference collectively the structure and basis of pensions in the UK. This encompasses personal pension, state or defined benefit pension arrangements, occupational pension arrangements, defined contribution schemes, state or other pension arrangements in the financial sector (including tax relief) and legal provisions relating to pensions (including family law).
The average pension pot for a 65 year old woman in the U.K. is £35,800, just 1/5th of the average 65 year old man’s. The average cost of residential care for women aged 65-74 entering a care home is £132,000 (£82,000 for men).
### Highlights of women’s pensions: Perils and Pitfalls through the life course

#### Key highlights of women’s pensions through the life course

#### Perils and Pitfalls

- **Gender Pay Gap**
- **Longevity Trap**
- **Women’s pension deficit**
- **Life expectancy**
- **Ill-health, infirmity and dying**

#### Moments that Matter

1. **Girlhood and teenage years**
   - Women aged 25 will accumulate a workplace pension that is 20% less than men by the age of 65.
   - 52% of women in their late 20s say they do not understand enough to make decisions about retirement savings – 38% of men.

2. **Starting work and the 20s**
   - The average woman pays £85 per month into her defined contribution pension scheme (£149 for a man).
   - 40% of all pensions tax relief goes to the top 10% of earners, of whom women make up less than 24%.

3. **Starting a family**
   - 1 in 10 women are very familiar with the pensions freedoms compared to 1 in 4 men. 1/5th of women have not heard of pensions freedoms at all.

4. **30s and working mums**
   - Women making pensions drawdown face a “gender drawdown gap” and a 37% retirement income shortfall compared to men, making £47,000 worse off.

5. **30s and health**
   - Women receive £25,000 less state pension than men over 20 years.
   - The average pension pot of a 65 year old woman in the U.K. is £35,800, 1/5th of the average 65 year old man’s.

6. **40s and break-ups**
   - 1 in 7 women in their early 40s are caring for children and an elderly relative, and nearly 1/3rd of women in their late 50s are caring for an elderly relative - impacting their ability to earn and save for a pension.

7. **50s through retirement**
   - Over 50% of part-time workers earn less than the auto enrolment trigger and over £10,000 per annum auto enrolment threshold are women.

8. **Growing old and end of life**
   - Women’s occupational pension wealth at all is £30,000 vs £53,000 for married men.
   - 45% of care homes are paid for by self-funders largely through sale of their home - but fewer people are expected to own their own homes in the future.

#### Contents

- **Entering and re-entering the workplace**
  - Men’s life-time average earnings are around 80% greater than women’s. Earnings form the basis of pensions savings in the U.K.**
  - Over 3/4 of employees falling below the £82,000 auto enrolment threshold are women.
  - On average men under 35 received £217 a year more in employer contributions towards retirement than their female counterparts.
  - Over 50% of part-time workers earn less than the £10,000 per annum auto enrolment trigger and over 81% of part-time workers are women.

- **Growing up, studying and re-qualifying**
  - More young females are choosing apprenticeships and degrees in lower paid sectors and subjects, impacting their earnings relative to men’s and contributing towards the gender pensions gap.

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**Footnote:** A combination of Gender Pay Gap, Motherhood and caring penalty and Flexible working sacrifice.
The *Pensions life journey for women* highlights *Women’s pension deficit* and the *Perils and Pitfalls* facing women in British society, impacting their accumulation of an adequate pension through the life course to provide financial security in retirement. It demonstrates that older women face a *Longevity trap*, with many dependent on partners and having insufficient pension provision to support themselves comfortably through retirement and to meet their later life care needs. While recent changes to pensions are heading in the right direction, societal norms relating to the role of women, changes in social and family structures, historic legal and social care systems compounded by the decline in home ownership means today’s young women risk heading towards pensions poverty. The solution lies in a combination of legal and policy changes, together with interventions to shift social attitude and to support women planning for their future retirement and care needs. In conjunction with our Market Task Force Manifesto, Insuring Women’s Futures calls upon government policymakers, regulators, the legal, insurance and personal finance and wider financial services profession to unite with society to realise positive change to create a sustainable retirement for all.
Summary findings

This short report elaborates on our full research report, Securing the financial future of the next generation: The Moments that Matter in the lives of young British women today. We explore the Moment: Later life, planning and entering retirement, further analysing our pensions findings, and supplementing with new data, including relating to recent changes in pension systems, family structures and social attitude to pensions, to present the picture of pensions journey for women today.

Women and girls in 21st century Britain are increasingly successful. They are excelling academically, and contributing both economically and creatively throughout business and society. But there remain obstacles in their way to reaching their full potential, at the same time as undermining their financial security.

By analysing pensions risks and trends across women’s life course, the Pensions life journey for women shows the cumulative effect of the Perils and Pitfalls faced by women at key Moments in their lives, undermining their ability to accumulate an adequate pension. Here we reflect on key findings: firstly on the situation for the older generation and how circumstances are changing, the risks in life facing all women, and the consequences for women retiring today together with the potential implications for young women in the future.

Older women today and the picture for tomorrow

Women’s pension deficit leaves many older women today ill-prepared, dependent on partners and facing the risk of a Longevity trap, and in the absence of a home to sell, without the means to provide for themselves or depend on in later life care. The average pension pot for a 65 year old woman in the UK is just £53,000, nearly 50% of the average for men of similar age. This contrasts starkly with the average cost of residential care for a woman of similar age needing to enter a care home of £132,000, nearly twice that of the average man in the same age group entering residential care.

While progress is being made to improve access to pensions and savings, and there is some evidence that the gap between women’s and men’s pensions is reducing, many women and older women face a potential threat of Women’s pension deficit continuing for young women.

Three quarters of people failing beneath the new auto enrolment pensions eligibility threshold of £10,000 annual earnings are women, due to a combination of lower earnings, contract and part-time work. More broadly, the backdrop of greater reliance on informal carers, the majority of whom are women, together with growing care costs, the increasing need for carers to fund their own and the rise of ‘gender rent’ alongside changing family structures, means that young women risk greater financial needs and difficulties throughout their lives. Their need to be both financially resilient and independent has never been greater. Now is the time to come together and act.

In particular, we highlight the female financial capability imperative, the need to better engage women in saving, and the need to ensure pensions authorities make informed decisions that reflect their financial lives and personal circumstances. The importance of women’s pensions and care, the Motherhood and care penalty and the Pensions life journey for women today, how their unique life course and financial circumstances mean that young women risk greater dependency on informal carers, the majority of whom are women, their need to be both financially resilient and independent has never been greater. Now is the time to come together and act.

The absence of value recognition for caregiving, and the inability for couples in enduring relationships to easily equalise their independent pensions contributions further cements the gender pensions gap.

In parallel, structural changes continue to change with increasing numbers of modern families, almost one third of marriages are contracted through cohabitation. Divorce and separation is a feature of many couples’ lives in years to come. Yet despite one third of divorcees having been married for less than 1 year, nearly three quarters of divorcing couples do not consider their legal right to share pensions. With cohabitation rising, non-married women without independent provision provision risk facing a Cohabitation pot to share their relationships falter, yet 35% of people do not realise people in cohabiting relationships have no legal right to pension sharing upon separation.

Risks for women entering retirement

Women today continue to retire with lower retirement income relative to their male counterparts with the increase in men’s weekly occupational pension over the last decade 83% higher than women’s, and with men receiving £29,000 more in state pension over 20 years.

Valuable defined benefit pension schemes have been in decline for some time. Predicated on periods of married couples saving within 15 years of marriage, nearly three quarters of divorcing couples do not consider their legal right to share pensions. With cohabitation rising, non-married women without independent provision provision risk facing a Cohabitation pot to share their relationships falter, yet 35% of people do not realise people in cohabiting relationships have no legal right to pension sharing upon separation.

Pensions and the next generation

Modern relationships and family, well-being and priorities are changing. As women take up roles in further and higher education, and experience the wider socioeconomic developments highlight the importance of young women having their own adequate pension. Women’s economic empowerment, and the workplace of the future, will increase women’s financial capability, and in the absence of state support, Governments will need to take urgent action to provide for, and support women’s careers and earnings. The combination of auto enrolment and financial inclusively employers employing a greater role in employee financial well-being creates a strong platform for improving women’s pensions and retirement outcomes. Yet we must not lose sight of women’s pensions whilst they are working.

Not all women have access to employer schemes, and many continue to earn below the £11,850 income tax threshold, with the majority of modestly trust auto enrolment schemes operating on a net pay basis, low paid women auto enrolling in workplace pensions schemes might not meet the needs of people living with increasing numbers of modern families, almost one third of marriages are contracted through cohabitation. Divorce and separation is a feature of many couples’ lives in years to come. Yet despite one third of divorcees having been married for less than 1 year, nearly three quarters of divorcing couples do not consider their legal right to share pensions. With cohabitation rising, non-married women without independent provision provision risk facing a Cohabitation pot to share their relationships falter, yet 35% of people do not realise people in cohabiting relationships have no legal right to pension sharing upon separation.

Opportunity to change

Solving Women’s pension deficit is not just a women’s issue, it’s a societal and economic issue and there is a role to play for all of us. The financial capability imperative requires financial services profession must enhance its relationship with women, women to increase their pension contribution and should encourage occupational pension schemes to be more inclusive, and should encourage women to take more proactive approaches to employee financial well-being against the backdrop of changing work patterns and increasing self-employment. Continued partnership and working in collaboration with providers should improve awareness of pensions amongst young people. Women are particularly vulnerable to the impacts of the Longevity trap and the need to pay rent, means their financial well-being in the absence of a home to sell, without the means to provide for themselves or depend on in later life care. The average pension pot for a 65 year old woman in the UK is just £53,000, nearly twice that of the average man in the same age group entering residential care.
Our full report proposed a Framework of interventions to improve women’s financial resilience through collaborative action.

Solving Women’s pension deficit requires coordinated change to address both the symptoms and the underlying root causes. This includes supporting women to maximise their pensions opportunities through improved engagement aimed at better informed pensions decisions, while simultaneously working toward addressing broader pensions systems issues as well as addressing threats such as the Gender pay gap and Flexible working sacrifice. Systems changes aimed at eliminating the impact on pensions of the Motherhood and caring penalty would additionally pave the way for both women and men to progress to an equal role in family life, achieve independent retirement provision, and avoid the risk of a Cohabitation pitfall and Divorce and separation setback.

The Insuring Women’s Futures Market Task Force has come together to improve women’s independent financial resilience, with Women’s pension deficit as one key area of focus. The Market Task Force Manifesto proposes to make improvements to Women’s pension deficit itself while also focusing on some of its root causes, including helping enhance young women’s financial capability and improving flexible working within our profession. The Market Task Force will also play a wider role in spearheading the insurance and personal finance profession to help improve how the profession best supports female consumers in their Moments that Matter.

For further information on the Insuring Women’s Futures Market Task Force see About Insuring Women’s Futures or visit www.insuringwomensfutures.co.uk.

## Market Task Force Manifesto

| Helping to improve women’s financial resilience to secure a better future for all | Call to action | Aim | Set the standard in flexible working for carers and parents. | Raise awareness of, and engagement in, women’s risks throughout society. | Improve women’s pension outcomes. | Support young females’ financial mindfulness in navigating the Perils and Pitfalls. | Improve female financial inclusion in the Moments that Matter. | Develop proposals and open dialogue with Government, the profession, employers and wider society to improve women’s pension provision throughout the life course. | Improve women’s engagement with their financial risks in life, helping particularly younger women to develop their risk awareness to best inform their financial futures. | Develop a professional standard to promote good practice in enhancing female consumers’ engagements with, and access to, insurance and personal finance. We will improve female customers’ awareness, understanding and outcomes in relation to how our solutions and services respond in their Moments that Matter. | Develop financially inclusive flexible working good practice for the insurance and personal finance profession. Help improve the profession’s gender balance by empowering talent of any gender to have rewarding careers balancing caring and professional roles. | Positively shift societal support for women in building their financial resilience and independence, using insights from “Securing the financial future of the next generation” and Solving Women’s pension deficit to improve retirement outcomes for all. |

**Aim**

- Improve women’s pension outcomes.
- Support young females’ financial mindfulness in navigating the Perils and Pitfalls.
- Improve female financial inclusion in the Moments that Matter.
- Set the standard in flexible working for carers and parents.
- Raise awareness of, and engagement in, women’s risks throughout society.

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- Collaborative action and Insuring Women’s Futures Market Task Force
- Market Task Force Manifesto
- Our full report proposed a Framework of interventions to improve women’s financial resilience through collaborative action
- Solving Women’s pension deficit requires coordinated change to address both the symptoms and the underlying root causes. This includes supporting women to maximise their pensions opportunities through improved engagement aimed at better informed pensions decisions, while simultaneously working toward addressing broader pensions systems issues as well as addressing threats such as the Gender pay gap and Flexible working sacrifice. Systems changes aimed at eliminating the impact on pensions of the Motherhood and caring penalty would additionally pave the way for both women and men to progress to an equal role in family life, achieve independent retirement provision, and avoid the risk of a Cohabitation pitfall and Divorce and separation setback.
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- For further information on the Insuring Women’s Futures Market Task Force see About Insuring Women’s Futures or visit www.insuringwomensfutures.co.uk.
The Pensions life journey for women incorporates pensions data relating to pensions as well as contextual Perils and Pitfalls data.

For further information on the Perils and Pitfalls click here and our main report: Securing the financial future of the next generation: The Moments that Matter in the lives of young British women.

“1 in 10 women are very familiar with the pensions freedoms compared to 1 in 4 men. 1/5th of women have not heard of pension freedoms at all.”
The national gender pay gap is 21% in 2018, compared with 25% in 2005/06 when it was 25%.

Over 56% women hadn’t saved anything by the time they first started work, compared with 47% of men.

Over half (52%) of women in their 50s had no pension or pension sharing. Around 75% of women do not have legal rights to their partner’s pension if they divorce.

Women are less likely to enter into a pension sharing agreement. A third (33%) of women are familiar with the pensions freedoms at age 55, compared with 54% of men.

Over 3 in 4 (75%) of women say they have enough money saved to cover 5 years of living costs if they have to stop working, compared with 85% of men.

43% of parents find that their children’s future is their highest priority when they first started work.

Over 3 in 4 (75%) of women opt for part-time work so they can have a pension to fall back on in old age, compared with just over 2 in 5 (42%) of men.

Women make up 3/4 of early leavers from education and 66% of those aged 18-29 are women.

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Here we summarise the 6 Moments that Matter in women’s lives where our analysis identifies potential interventions that can be made to improve women’s pensions outcomes. The Moments are relevant to women according to their individual life journey, and may occur at different life stages. Our summary sets out for each Moment a brief description, together with key pensions risks faced and a high level overview of potential interventions. These potential areas for intervention will be considered by our Market Task Force, which will be taking forward key priorities in delivering the Insuring Women’s Futures Manifesto.

6 Moments that Matter in improving Women’s pension deficit

- Growing up, studying and re-qualifying
- Entering and re-entering the workplace
- Relationships: making and breaking up
- Motherhood and becoming a carer
- Later life, planning and entering retirement
- Ill-health, infirmity and dying
6 Moments that Matter in improving Women’s pension deficit

The decisions made about who, where and when to study, and how to pay for qualifications can determine employability, career pay and ultimately pension savings and long-term financial security. Family and personal circumstances are inextricably linked to the decisions that affect their financial future.

Risks for women’s security
- Women’s higher and further education and career, pay and ultimately pension savings and long-term financial security can depend on parents’ retirement savings and pensions, joint planning is essential. Financial imbalance in relationships due to caring roles means that divorce and separation can be especially financially crippling for women.
- Women’s pension deficit

Potential interventions to improve Women’s pension deficit
- Women’s higher and further education and career, pay and ultimately pension savings and long-term financial security can depend on parents’ retirement savings and pensions, joint planning is essential. Financial imbalance in relationships due to caring roles means that divorce and separation can be especially financially crippling for women.

People are generally having children later, living longer, and spending more time as retirees. Pension and retirement planning through life, and in the run-up to and at retirement is key, especially when people are facing changing trends in needing to self-fund and off the state.

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“Women aged 25 will accumulate a workplace pension that is 20% less than men by the age of 65. Those women taking a 5 year career break will accumulate a pension pot 33% smaller than their male counterparts”
Analysis and approach

Our approach

As in our main report, Securing the financial future of the next generation: The Moments that Matter in the lives of young British women, we have used data deriving from authoritative, representative and reliable sources including government statistics, pensions organisations and the pensions industry. Our analysis is also supplemented by Chartered Insurance Institute survey data. References to source are included in the main report. We have used the Moments that Matter framework highlighted in our main report to categorise the pensions insights data, highlighting the Perils and Pitfalls impacting pensions outcomes for women through the life course. This analysis assists in identifying potential interventions for improving women’s pension deficit, currently being considered by the Insuring Women’s Futures Market Task Force.

References

b. CII online survey of 1,223 respondents delivered with the support of Aegon, December 2017. Based on 44 female respondents of this question. Men were slightly less likely (33%) and minimal women (those under 35) more likely than all women (27%)
d. CII online survey of 1,223 respondents delivered with the support of Aegon, December 2017. Of the 747 respondents of this question, 8% identified pension contribution as their highest priority when starting work, behind Paying off debt (30%), saving for a house (19%) and holidays (18%) respectively. Men were significantly less likely to prioritise saving for a house (13%) and holidays (12%)

g. Mind the Gap, the big window and Aviva. http://www.the-big-window.com/Resources/Moments-that-Matter

References with CII 2018 referring to data cited in our main report.

p. 31%
qu. 37%
r. Which revealed the state pension gender gap: https://www.yourprivatepension/pension-tax-relief
u. From Aegon: “On average, working women who opt out of child benefit receive 17% less than working men and 3% less than non-working men”

References detailed in the CII 2018. For full list of references please see: http://www.pri.org.uk/sites/default/files/PriLargerPrintReferenceList_1.pdf

Perils and Pitfalls

Securing the financial future of the next generation: The Moments that Matter in the lives of young British women set out the Perils and Pitfalls impacting women through the life course. Full information on these key risks facing women may be found in our main report. Below is a short summary, and it should be noted that the Peril and Pitfalls occur at different life stages for women.

Perils

Part-time employment

Pensions reforms

The Government’s auto enrolment initiative was introduced in 2012 adopting a staged approach through to 2018. It requires every employer in the U.K. to put their eligible staff into a workplace pension scheme and to make contributions towards their employees’ pensions. Employees below a £10,000 earnings threshold are ineligible to be auto enrolled, although may opt in.

In 2014, changes were introduced to income drawdowns allowing more individuals to drawdown a portion of their pension pot (subject to certain thresholds) tax free.

Further information on auto enrolment and income drawdowns may be found: www.pensions.gov.uk and www.pensionsadvisoryservice.org.uk
“Despite increasing pension ages for women, the number of women pensioners is rising with over 1 million more female pensioners than male expected by 2020 and 1.2 million by 2050. By then over 1/3rd of people in the U.K. will be above state pension age.”
About Insuring Women’s Futures

Insuring Women’s Futures is a programme established and led by the Chartered Insurance Institute in collaboration with a wide variety of leading insurance professionals, businesses, policy and third-sector organisations and experts on issues relating to women’s risks.

Insuring Women’s Futures aims to evolve the insurance and personal finance profession’s approach to women and risk, working with all those with a shared interest in improving financial security and equality for women and society as a whole.

Our research highlights that many risks experienced by people in Britain are disproportionately borne by women. By addressing the root causes of these risks and improving women’s financial resilience, we will improve financial security for all.

Insuring Women’s Futures is part of the broader Insuring Futures initiative, improving the insurance and personal finance profession’s understanding of, engagement with and support for the whole of society.

Insuring Women’s Futures is led by the Insuring Women’s Futures Committee, comprising leaders from across the U.K. and global insurance sector together with expertise from society. It is supported by an Advisory Panel of experts on a range of issues including pensions, research, legal, inclusion and financial planning. Details of the governance for the programme and the Market Task Force that has been established to take forward the findings in our research into women’s risks in life may be found on our website (www.insuringwomensfutures.co.uk).

Insuring Women’s Futures has formed associations with the following organisations: UN Women UK, International Finance Corporation, Fawcett Society, Inclusion @ Lloyd’s, Insurance Supper Club, Insurance United Against Dementia, Women of the World Foundation.

Acknowledgements
We would like to thank the following people for their support during the production of this report.

Christina Blacklaws
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Laurie Edmans CBE
Mark Hoban
Andrew Kail
Jude Kelly CBE
Barbara Reeves
Sir Steve Webb
Linda Woodall

In addition, we would like to thank Aegon for supporting our survey and PricewaterhouseCoopers for its support in facilitating the Manifesto.

It has three specific areas of focus:

Women at Risk
Women’s risks in life: Understanding the personal and professional risks women face across society and their experience of insurance and personal finance to enable improvements in the way the profession supports women.

Women as Risk
Risk solutions for women: Identifying new and improved valuable insurance and financial planning solutions for women’s risks, including approaches to engagement, information and guidance, together with supporting women’s preferences as personal and professional buyers of insurance.

Women in Risk
Careers in risk for women: Improving the profile of women in the profession, in particular increasing the number of women at senior levels and making the profession more attractive to female talent, and better placed to serve women’s needs in society.

Insuring Women’s Futures Market Task Force

Insuring Women’s Futures is supported by a Market Task Force comprising the following firms and individuals who are committed to leading delivery of the Manifesto on behalf of the insurance and personal finance profession. The Market Task Force is further supported by an extensive range of individuals and firms from across financial services, as well as policy experts, regulators and representatives from the third sector. We are grateful for their support.

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<tr>
<th>Company</th>
<th>Representative</th>
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<tr>
<td>AIG</td>
<td>Anthony Baldwin</td>
<td>Chief Executive Officer, AIG UK</td>
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<td>Aon</td>
<td>David Battle</td>
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<td>Joanne Musselle</td>
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<tr>
<td>Independent</td>
<td>David Hertzell</td>
<td>Chair, Professional Standards Board, Chartered Insurance Institute</td>
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<tr>
<td>Independent</td>
<td>Linda Woodall</td>
<td>Independent Governance Committee, Aegon, and formerly Director of Life Insurance and Financial Advice, Financial Conduct Authority</td>
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<td>Legal &amp; General</td>
<td>Cheryl Agius</td>
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<td>Broker Managing Director</td>
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<td>Openwork</td>
<td>Mark Duckworth</td>
<td>Chief Executive Officer</td>
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<td>Scottish Widows</td>
<td>Jackie Leiper</td>
<td>Protection Director</td>
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<td>Swiss Re</td>
<td>Russell Higginbotham</td>
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<td>Virgin Money</td>
<td>Emily Cox</td>
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<td>Vitality</td>
<td>Sally Burrows</td>
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<tr>
<td>Zurich</td>
<td>David White</td>
<td>Managing Director Life &amp; Savings</td>
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It is with great sadness that Linda Woodall, a committed member of our Market Task Force and who contributed to and endorsed this report, passed away unexpectedly prior to its publication. Insuring Women’s Futures is grateful to have benefited from Linda’s personal support, experience and expertise, together with her drive and encouragement in improving women’s pensions outcomes.
Insuring Women’s Futures Framework of interventions to support collaborative action for change

To become an Insuring Women's Futures Ambassador for change, please visit us at www.insuringwomensfutures.co.uk