6 Moments that Matter - how to secure your financial future

We’re all in this together. If we improve financial resilience for women, we improve financial security for all. We can’t change this overnight, and it will take a concerted effort to address the root causes. We’re on a journey. And we can all do something right now. Let’s talk.

- Engage in your own financial life journey. Wherever you are in life, there will be decisions you could be making today that could have implications for your future financial security. It doesn’t have to mean taking out a pension right now - it could be thinking about your long-term career goals, your family and relationship plans. Links to support and guidance resources can be found at www.insuringwomensfutures.co.uk/resources
- Talk about the financial life journey your daughter, wife or sister could have. Discuss it with your partner – you might be surprised at what they do or don’t realise
- Arm yourself with knowledge. Watch the video of Helen and Sarah’s pension life journeys and read our research reports: Securing the financial future of the next generation and Solving Women’s pension deficit to improve retirement outcomes for all at www.insuringwomensfutures.co.uk
- Become an Insuring Women’s Futures Ambassador. If you could help – whether by raising awareness on social media, or if you’re involved in organisations that share these aims and values, or if you have personal experience or ideas for how we can achieve our Manifesto, go to www.insuringwomensfutures.co.uk

This is an interactive document with hyperlinks throughout
12 **Perils and Pitfalls** that every woman should know, and 6 **Moments that Matter** that can help secure your financial future

Women and girls in 21st Century Britain are increasingly successful at school, at university, in the arts and in business. But there remain inequalities, imbalances and inconsistencies that undermine their financial security. We encourage everyone – woman or man, young or old – to consider how financial risks, which we call **Perils and Pitfalls**, could affect you, your friends, colleagues or family. We need to talk about them. These aren't dry statistics hidden away in text books or research papers: they are real, based on national data, and they affect millions of us every day.

The financial life journey for women in the UK - click here to view
The financial life journey for women in the UK

1. Growing up, entering and exiting the workplace

Female apprentices earn £720 per week more than their male counterparts, largely due to the sector they choose to work in.

Only 37% of females aged 18-24 years say they are very confident managing their money (78% of males).

15% of boys and 44% of girls go to university, with 73% of women aged 60% men aged 40%.

Young people are more likely to have credit cards at an average of £200 (males £790 vs £404 for women and £1456 for a young man).

Among young people aged 60%, 29% have a repayment plan in place. For 18-24 year old women, 43% are more likely to have money than their male counterparts.

User ID 1372125280.08:1:5000 is at high risk of being unbanked.

3. Relationships: making and breaking up

National gender pay gap: 15.6% for full-time workers (81% including part-time). The gender pay gap is 35% in the 40s and 36% in the 50s.

The majority of 20-32 year old women work to support their children. They spend more than their male counterparts, with 42% of men.

The average pension wealth at all ages is £47,000 worse off. Women receive £29,000 and £26,000 less than men. Over 81% of part-time workers are women.

10% of people think they have enough money saved, compared with 3% of men. Only 8% of women aged 16-24 say they do not plan to see retirement at all.

Over half of women aged 45-55 report they don't know how they manage their life during pre-retirement - 46% report having some difficulties at work.

The average cost of residential care for over 65s is £120,000, compared with £75,000 for men. Women are more likely to face a “gender gap” in retirement income compared to men, making them £30,000 worse off.

The number of women with dementia is expected to more than double by 2050 from under £60,000 to over £125 – increasing expenditure on social care is expected to triple in the next 20 years. Life expectancy at birth is 83 years for women and 79 years for men.

Many women will need long-term care.

4. Motherhood and becoming a carer

5. Later life, planning and exiting retirement

Over 1/2 of employees earning £20,000 or more are women. Only 8% of women aged 22-29 year olds working full-time.

Over 3/4 of employees contributing to a pension scheme are women, compared with 50% of men.

Women are more likely to be looked after in a care home, with 1/2 of men and 2/3 of women.

Over 36% of the population will be above State Pension Age, by 2050 it is expected that 36% of the population will be above State Pension Age, 1.2 million more women than men.

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6 Moments that Matter to secure your financial future - the questions every girl and woman should ask herself

There are 6 key Moments in every girl and woman’s life when you can make a real difference to your financial security. These Moments that Matter are simple steps that every girl and woman can take, that will help you become more financially resilient and independent. These Moments don’t always happen at set periods in life. They impact women across the life stages from girls to elderly women. For example, becoming a mother or caring for an elderly relative have different consequences if you’re working, studying or are in good or bad health. Have a look at our guide to help you think about your financial future and take action to find out more. There are many online and other tools available to help, including government websites. Go to www.insuringwomensfutures.co.uk/resources to find out more.

Click on the icons below to find out more on each of the Moments and what you can do to improve your own financial wellbeing.

6 Moments that Matter - click the icons to view

- 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
The decisions we make about what and how we study have far-reaching consequences. As you’ll see overleaf, the difference in women’s earnings are often influenced by our educational choices and the career they open up for us. If you are nearing a decision on studying or qualifying, or advising a friend or relative who is, think about the implications for your or their financial future.

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- Find out about money, budgeting, savings and debt. There’s lots of help online, check out vouchers and discounts too!
- Familiarise yourself with financial terminology - do you know what APR means, the difference between a current and deposit account, what’s a credit rating, and different types of savings (ISA, LISA), as well as what a CCJ is?
- Take opportunities and seek out internships, work experience and talk to people about their jobs – find out about how pay rates differ. The path you choose can significantly impact your earnings.
- Think hard about borrowing money or relying on credit cards, and if you do borrow go to a FCA regulated lender. Remember credit cards usually attract higher interest rates than standard bank loans. And if somebody pressures you to lend them money, talk to someone you trust.
- Seek out role models, people you respect, and ask them how they have managed their financial lives, what can you learn from them.
- Invest in your financial future, consider your earning power, work and career opportunities to inform your study and skills choices.
- Open a bank account, take out a credit card, but use within your limits and build yourself a positive financial track record and credit rating.
- Thinking of getting a student loan? Check out the terms and conditions, what you might pay back and when. Make enquiries, ask a tutor or someone with experience if you’re not sure.
- If you have children yourself or young relatives, consider how you could mentor them into becoming financially mindful. Talk about your own life, financial successes and decisions you might have taken differently - and how that might have affected your financial position.
- If you’ve had time out, need to upskill to improve your career or would like to earn more money, think about the type of skills you may acquire, and how resilient these will make you in terms of job security, longer term career and earnings prospects.
Your financial wellbeing guide

- Think about your future, how you’d like to live your work and personal life, the financial lifestyle you’re aiming for, and consider which types of work and employment opportunities best fit your circumstances.

- Research what employers say about the Gender pay gap and the financial rewards, pensions and perks offered, as well as maternity and carer policies.

- Know your value and don’t be afraid to state it; if you don’t feel you’re paid enough, consider how you might ask for a raise or seek a promotion.

- Check out if your employer offers any financial guidance services, runs any sessions on financial wellbeing or has any helplines. Sign up, you’ll most likely be amazed how much you can find out!

- Find out about pensions, and take opportunities to benefit from employer arrangements. Make sure you check out employer pension contribution rates and don’t miss out on free contributions. Together with tax relief the amounts employers pay into your pension can make a huge difference to your pension pot. So check you’re in the scheme!

- When you start earning for the first time, think about how you can budget to make your money go as far as possible, and perhaps even start to save a little if you can. Becoming financially independent early on in life can set you up and help maintain personal financial resilience through relationship and other life changes.

- Be sure to take advantage of any retail or other discounts that may be available through your employer, and when you get a pay rise, if you can afford it, think about tax free savings opportunities to maximise your money.

- If you’re starting back at work after requalifying or time out, take the opportunity to take stock of your financial position and to act on it.

- Find out if your workplace runs any “Returner” briefing sessions, for example on the available benefits.

2. Entering and re-entering the workplace

Starting or returning to work is a key Moment, with implications that don’t only affect younger women. Role, employment and employer choice impact, employment and employer decisions impacting pay and job security. Starting work (whether for the first time or later in life) is a critical time for women to establish financial independence and savings patterns.
Deciding who we share our lives with isn’t just about money. But decisions about what form of relationship status (for example, married or cohabiting) to have, or how to share household finances can have lifelong impacts on your financial status and wellbeing. In particular, divorce and separation can be financially crippling for women and with children to care for and comfort, sharing pensions and home ownership rights are easy to overlook.

Your financial wellbeing guide

- Make sure you and your partner are aware of the legal rights of your relationship. Be aware that marriage and cohabitation rights differ, and this can have significant consequences for your joint finances, particularly if you split up or are bereaved.
- Be open about financial matters that affect you both; talk together about money, finance and pensions. Try to start the dialogue early in a relationship when you’re not financially dependent on each other, but remember: it’s never too late to talk!
- Think about whether to have a joint and/or single bank account and if joint, what for. Remember there are many benefits to sharing, but make sure you’ve each talked about your respective relationship with money, and beware “what’s yours is mine” applies to debt too!
- Unfortunately, some girls and women find themselves in situations where they may not have full financial control, for example as a result of a coercive partner. This can be hard to recognise and accept; their behaviours might even seem caring at first. If you feel pressured to lend money, restricted on what you can do with your money, or find yourself being asked to make financial commitments against your will, then try to reach out for information about financial abuse and coercion early. It’s an emotional and upsetting issue but one too many women experience. There is help and support at hand!
- When taking out insurance, be sure to think through whose name(s) the policy is best in, and who is listed as a beneficiary. This may make a difference to who can make claims, accrue premium discounts, and is particularly important to be aware of if you’re separating, or if one of you becomes incapacitated or dies.
- If you share a home, own assets, have joint commitments and dependencies, make sure you have considered how to protect yourselves in case something happens to one of you – such as wills, employer death in service and financial protections such as life insurance.
- In times of relationship breakdown, consider carefully how assets are split and – in particular – be sure of the value of sharing pensions. It may not seem forefront at the time, but how you both approach this can make a huge difference for some women when older.
- Remember to consider and appropriately update your financial and pensions beneficiaries if the status of your relationship changes or breaks down.

For further guidance and help, go to www.insuringwomensfutures.co.uk/resources
Decisions around the time of motherhood including sharing care and returning to work can undermine women’s financial status if not fully thought through. More of us are caring for children in our 50s, while also becoming carers for older relatives. Women are statistically more likely to forego career earnings to fulfil this role.

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- Check whether your workplace offers enhanced maternity or carer benefits. Find out what happens to your pension while you are on maternity or parental leave. What contributions are made and for how long? Can you top up?
- Find out how to register to secure your state pension as a mother and carer, including registering for Child Benefit
- Consider (including with your partner, if you have one) how to balance your family finances and your respective personal financial and pension planning if you are taking a break from work. Every little counts. You might be surprised how small contributions can accumulate over time
- If you’re thinking about a career break or a change to part-time work, think about how it might affect your long term earnings and pension – and consider how to balance this in your (and your partner’s) short and longer term planning
- Think about how expenditure is shared at home and if you’re in a relationship, who pays for what. For example how to balance childcare, household costs and even out your savings and pension contributions
- Consider how your relationship status might have a bearing on your family’s finances and entitlements (for example, Child Benefit)
- When making decisions about work and money, reflect on how your being a mother affects your relationship and future financial independence.
- Think about how you can be a financial role model for your daughter and son, encourage your partner to do likewise to empower girls and boys equally on the road to their financial future
- If you become a carer, check what financial support may be available, such as Carer’s Allowance and Carer’s Credit and the implications for your pension. You might also have to deal with the finances of a loved one you’re caring for. It can be complex but there’s lots of guidance available.
We all hope to live long and fulfilling lives. Planning for later life starts early. With women having children later, caring for and living longer, spending more time as retirees, retirement planning through life and in the run up to retirement is key, especially as many of us are likely to have to contribute to the cost of end-of-life care.

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Your financial wellbeing guide

- Think about how you’d like to live in retirement and investigate how much you’ll need to set aside
- If you are an employee, check out your employer’s pension arrangements, free employer contributions and tax deductions, and fully consider joining the pension scheme. If there are options on how much to contribute, you might be surprised how much bigger your pension pot could be if you paid in at a higher rate, together with the added ‘free employer and tax relief money’. Go on, find out!
- If you’re self-employed then investigate other options for retirement savings - there are a range of non workplace personal pensions
- Keep a regular check on the value of your state pension, workplace pension and any private pensions, ensuring you keep a complete record of pensions from previous employers
- If you work part-time, multiple jobs or temporarily, think carefully about how you can maximise your workplace pensions and any eligibility criteria that might preclude you. Reflect on whether you might be inadvertently missing out on valuable contributions
- Make sure you and your partner (if you have one) are clear about your financial relationship and have in place up to date pensions expressions of wishes to reflect this
- Be aware of differences in your and your partner’s pension pots and consider what that means for later life planning and pension drawdown at retirement. This is the Moment to really consider all of your financial assets (and your partner’s, if you have one). For example, how much your assets will be worth, depending on when you retire and how to apply these in retirement, and considering if you might need care. It’s vitally important to take these decisions together and to understand the potential consequences of one of you living longer
- Make sure you understand the terms and conditions of your and your partner’s pensions (if you have a partner). For example, can money be transferred to another scheme, is spousal consent required, and the extent to which pensions might fall to be taxed should one of you die.

For further guidance and help, go to www.insuringwomensfutures.co.uk/resources
We never know what may befall us or our partners and families, and being financially resilient can change the life course if the worst happens. Whether it’s your health, that of a partner or loved one, the financial consequences of having to take time off work and forego pay can be a worry.

6. Ill-health, infirmity and dying

We never know what may befall us or our partners and families, and being financially resilient can change the life course if the worst happens. Whether it’s your health, that of a partner or loved one, the financial consequences of having to take time off work and forego pay can be a worry.

Your financial wellbeing guide

- There is a strong link between financial wellbeing, mental and physical health and wellbeing. Keeping abreast of your money can really help in times of stress or if you need time out of the workplace. Perhaps you may have a mental health issue, and worry about money too? Finding out about money and finance and improving your financial capability will support your wider wellbeing. There are many useful financial guidance resources online, check out if your employer runs any financial wellness programmes too!
- Consider how much you should set aside in a rainy day fund that would cover your bills if you had to have time off work.
- Find out how your employer deals with sickness and absence – how much pay will you receive, if any? If you’re self-employed, think about financial provision for yourself and your family.
- Have you thought about protecting yourself, for example with accident, sickness or critical illness insurance? If so, make sure you think carefully about cover levels, who is protected and who benefits.
- Make a will, discuss with your partner (if you have one), and make sure you have specified beneficiaries for any pensions, savings and investments you may have.
- Arrange powers of attorney so that finances are accessible in the event that you or your partner were to fall severely unwell and/or deemed unable to manage financial matters.
- Think about your retirement savings, and how you would pay for home help and residential care in old age. Make sure you research how much the state provides and what you will need to cover yourself.
- If you own a home, check whose name it is in and what charges there are over it so you know where you stand.
- Consider how your marital status might affect your rights in the event of illness or death - for example with any pensions, life insurance and workplace support.
- If you are cohabiting, you might consider whether you need to take some legal advice to make sure you are protected, and if you are divorced and receiving child maintenance make sure you understand whether there is provision in place just in case something happens to your ex.

For further guidance and help, go to www.insuringwomensfutures.co.uk/resources.
Divorce and separation are an unfortunate reality for many, and can have far-reaching financial impacts. On top of this, many couples aren’t discussing or sharing pensions. With a significant majority of lone parent families headed by women, the Divorce and separation setback makes re-starting rewarding work post-break-up challenging for many, especially for those who have curbed their career for family caring.

Today, women still take the majority of child and other caring roles along with a greater share of housework. At the same time they are far more likely to stop work or take time out, sacrificing career earnings and pension contributions as a result. Consequently, many women remain dependent on their partners with potentially significant financial implications if money matters are not fully discussed and planned jointly.

Many women in the UK today risk having a pension deficit that leaves them without enough money in retirement to provide for an independent life. This isn’t just a difference between men’s pensions and women’s pensions – though there is a significant gap – it’s a fundamental shortfall – often a result of caring roles which, combined with shifts in family structure (including divorce), wellbeing, home ownership and social care systems leaves women exposed.

We are all living longer – particularly women – but the financial implications for women are greater given their lower financial resources, greater dependencies and longer life expectancy. Women’s health risks in later life mean that they require greater assistance at home with daily living and higher costs of residential care. Our ageing population combined with women in retirement expected to exceed men very soon means the longevity trap affects us all and we need to work together to improve financial resilience in later life.

Men and women just don’t think about money and financial decisions in the same way. Due in part to historical societal roles and gender stereotyping, our approaches to money, risk and future planning differ. Many of us find managing finances complicated. We need to do more to empower women and girls to engage in their financial futures and to equip them to make informed decisions that reflect their financial lives and personal circumstances.

Our attitude to women has evolved and nowadays many mothers and carers are opting for part-time work and career breaks to care for family. The data shows this reduces their promotion prospects, hourly pay and lifetime earning potential and often impacts their participation in workplace pensions. Workplaces need to do more to embrace flexible working patterns, support financial wellness and create equal opportunities for all parents and carers to balance work and home, and have rewarding careers.

The statistics show that high numbers of girls and women experience domestic abuse, which for many includes financial coercion. Women who are separated and divorced are more likely to suffer domestic abuse and financial coercion adding to the stress of relationship break-ups and longer-term financial worry. Elderly women can be vulnerable too in particular when accessing and drawing pensions and allowances.

The Gender pay gap is at last becoming a broadly recognised and documented fact, but fewer of us are aware that it exists even within apprenticeships. With Government committed to further expanding apprenticeships, it’s key that we address the causes of this gap by encouraging young women to take up a broad range of apprenticeships including engineering, science and technology which attract higher levels of pay.

While young women are increasingly doing well educationally, they are entering further and higher education studying degrees with poorer prospects in terms of both pay and job security. At the same time, they are taking on significant financial commitments. If student loans are repayable, gender pay gaps and taking time out for caring means that it will take women significantly longer to pay them off.

Women’s health risk is rising, in particular mental health issues. Many women, and especially mothers, have little or no savings and are at risk from a sudden loss of their main income, for example through suffering critical illness themselves or the illness or death of a partner. Women are living longer, but with ill-health, they are more likely than men to incur higher care costs, yet have lower retirement savings.

While at last the Gender pay gap is now being reported (among larger employers at least), and awareness has increased, the root causes may be harder to address. The gap is slowly reducing, but research suggests that it will not close until at least 2050. We need to take more steps to improve the progression of women in the workplace and support women to reach higher paid roles.

Women and men have more choice than ever before in how they form relationships. While marriage remains the most common form of relationship, cohabitation is significantly on the up, with many cohabiting in their 30s. At the same time more women are juggling work and the majority of caring. While many see cohabitation as a modern, flexible approach, a high proportion of people are not aware that it lacks legal protection on separation, reducing women’s financial resilience if relationships break-up.

Perils and Pitfalls facing women in the UK

12 Perils and Pitfalls
www.insuringwomensfutures.co.uk

improving women’s financial resilience to secure a better future for all

Insuring Women’s Futures is a programme led by the Chartered Insurance Institute and supported by businesses, volunteers and third sector organisations who share a commitment to improving women’s financial resilience. Our Manifesto aims to improve women’s financial resilience to secure a better future for all.

Full original data sources for all quoted statistics can be found in the following reports authored by Jane Portas and published at www.insuringwomensfutures.co.uk. Securing the financial future of the next generation - the Moments that Matter in the lives of young British Women today, and Solving Women’s pension deficit to improve retirement outcomes for all.

#insuringfutures #momentsthatmatter