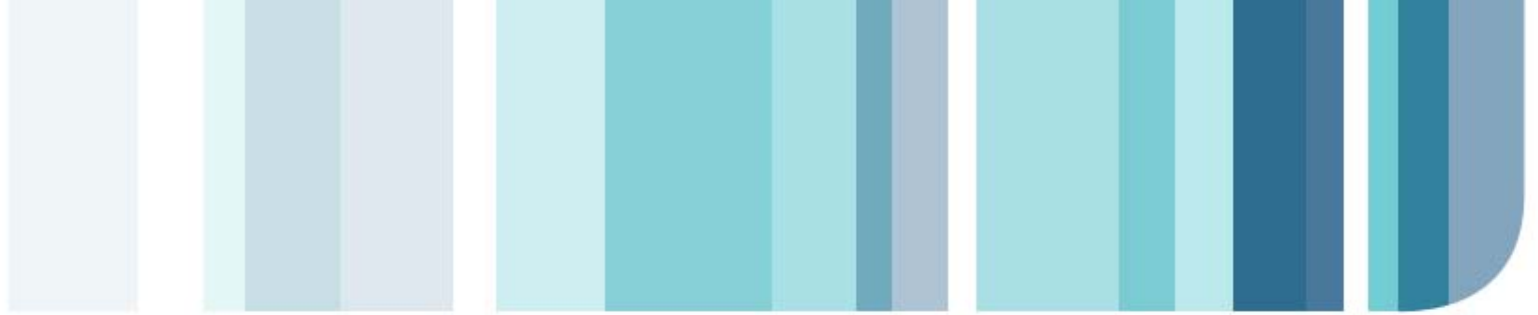




The Gender Pensions Gap - Encouraging women to save for retirement

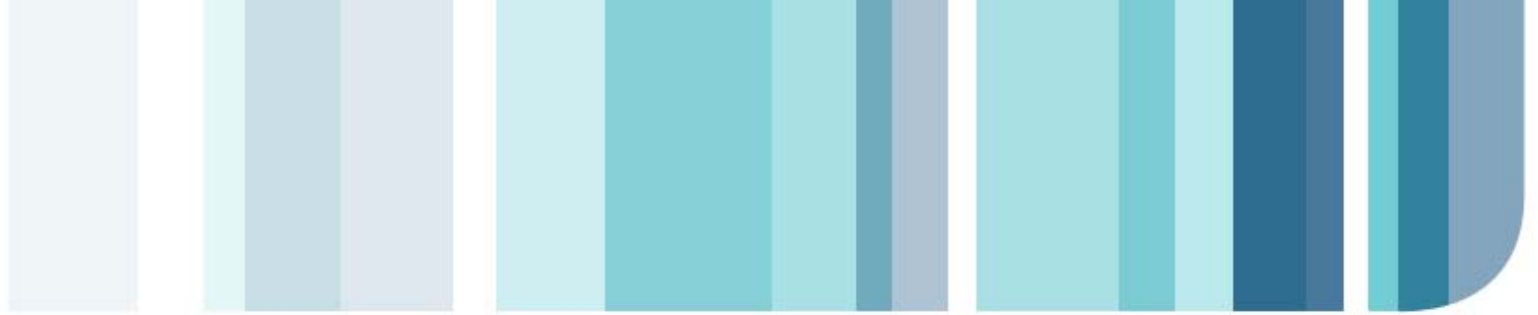
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The Gender Pensions Gap

- Just under 10 million people not saving enough in a pension
- Around 8 million people not saving at all
- Of those not saving, around 56% were women
- Fewer women than men saving for retirement
- More women than men do not belong to a pension scheme
- And women make lower contributions to pensions overall



The importance of saving

- The amount people save is the single most important factor in determining their income in retirement
- Saving more on a regular basis – even modest amounts – can have a significant impact on income in retirement
- But even women who can afford to save don't necessarily do so



Women save less and have lower incomes in retirement.

Why?

- A combination of:
 - Economic factors; and
 - Other factors



Economic Factors

- Women are less likely to be in employment
- More likely to work part-time
- When women do work, their pay is less than that of men
- Where women work also has an impact on pension provision
- Also less likely to benefit from employer contributions
- Women more likely to have their working lives interrupted by periods of caring
- And women tend to retire earlier and live for longer



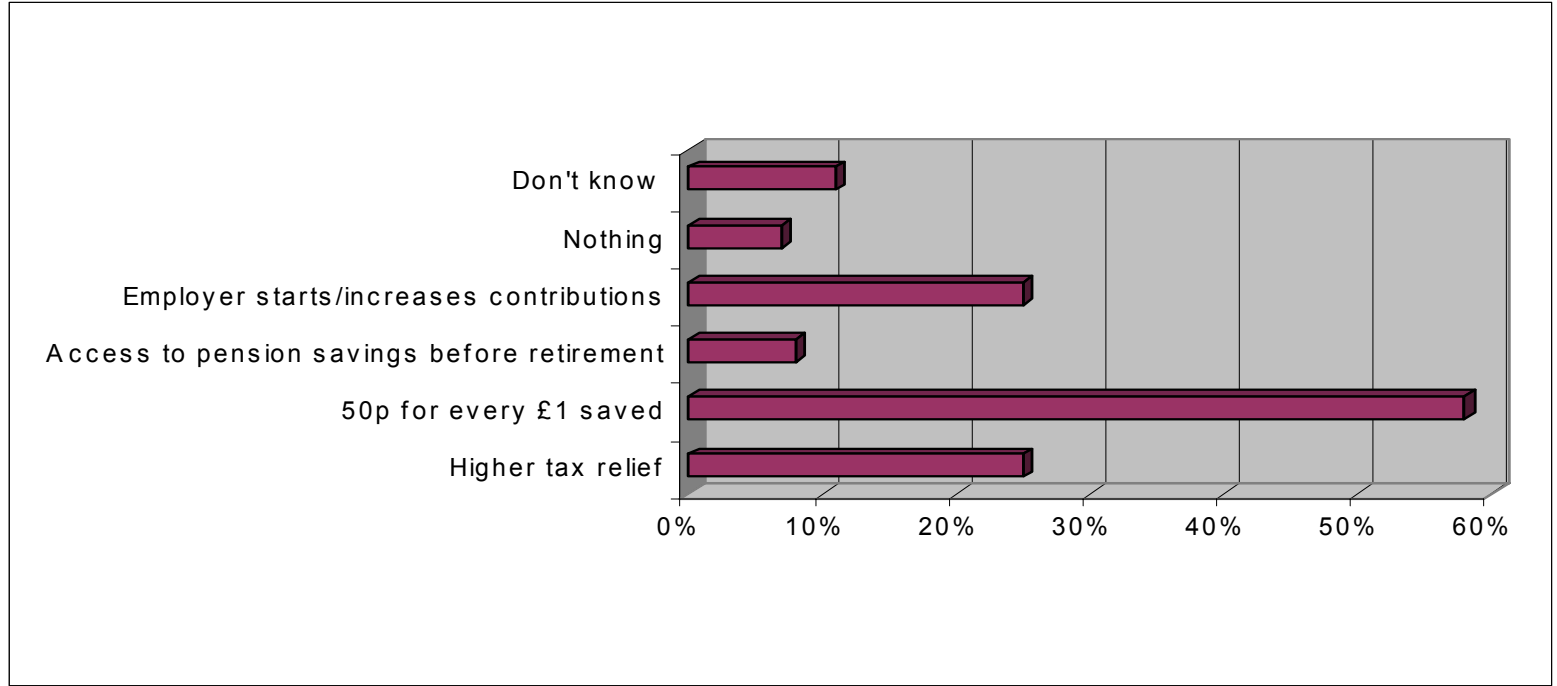
Other Factors

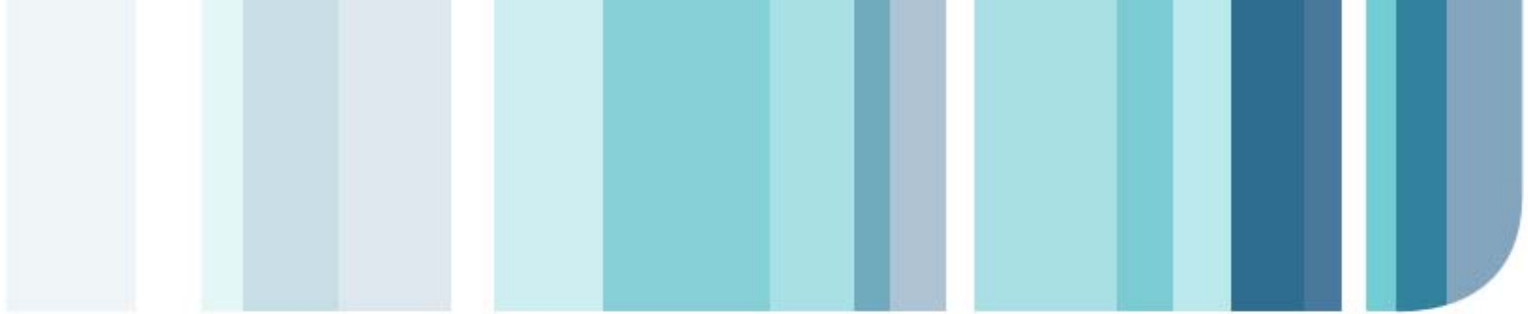
- Lack of understanding about the need to save for retirement and the risk of not saving
- Saving for retirement is not seen as a priority
- Barriers to saving e.g. not having spare money, confidence about how much their saving will produce
- Priority given to other savings and/or purchases





What would encourage women to start to save or save more for their pension?





“If I could understand the pensions I have in place, they are complete gobbly-d-gook, I just keep paying into them hoping that when I retire they will be of some use!!!!”





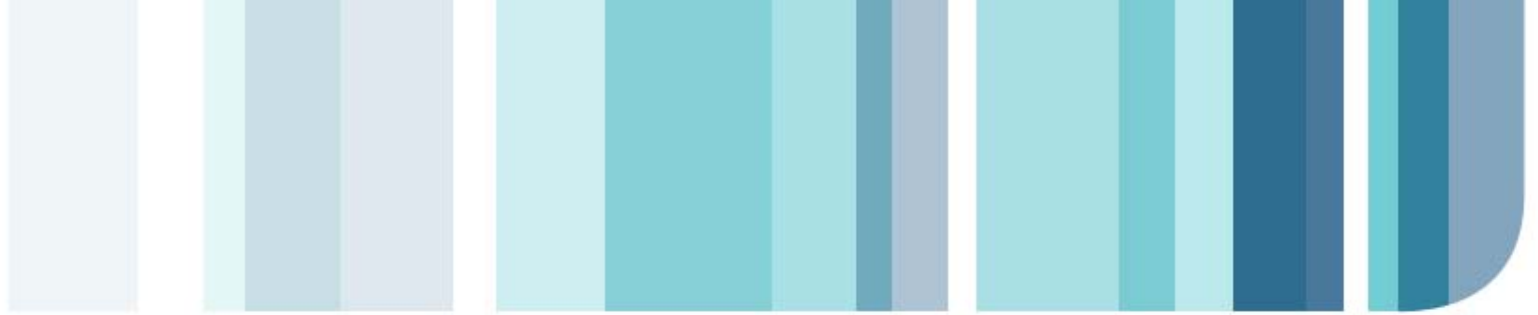
Incentives

- 58% of women said they would save more if the Government paid 50p for every £1 of their contributions
- The Government already provides generous tax relief for individuals to save in a pension
- BUT – only a small proportion of people understand current incentives



Employer contributions

- Women more likely to work for employers who do not contribute to pensions than men
- Encouraging employers to contribute increases take up of pensions and helps ensure workers can build up decent and adequate pensions
- 25% of women would save more if their employer were to start or increase contributions
- So, much to be gained from encouraging employers to contribute more



Conclusions

- Clear that women are not saving adequate amounts towards providing an income in retirement
- Reasons for this are many and varied
- Encouraging women who can afford to save to save more, or providing help to make pensions more affordable, are the best ways to improve women's income in retirement