

Tackling the gender pension and wealth gap

Championing financial resilience for everyone



This is for financial adviser use only and shouldn't be relied upon by any other person



Introduction

Welcome to our report 'Tackling the Gender Pension and Wealth Gap'. This report builds on our 2022 report '[Bridging the Gender Pension Gap](#)' where we first explored many key gender disparities within the pensions landscape.

This year, our research delves deeper, addressing complex issues such as the impact of the menopause and caregiving on women's working lives. Exploring not just retirement and long-term savings, but disparities in the protection market too.

To shed further light on this evolving conversation, we undertook a survey of 3,000 adults across the UK in October 2023. This, coupled with latest available official statistics (such as Office for National Statistics releases), has culminated in this report.

Employment inequalities are ever-present in the UK – from lower female employment rates¹ and women making up more of the part-time workforce,¹ which generally offers lower hourly pay,² to fewer women in leadership roles³. This results in a pay gap which ultimately contributes to a pension gap. The implications of this are not just on women's standard of living in retirement, but also additional workplace benefits such as access to wellbeing support or death-in-service benefit.

But there are other pervasive issues. For instance, on average, women tend to be less engaged with finances beyond everyday household spending. This is often tied to perceptions about maths and numbers. Women are far more likely to describe themselves as “not a numbers person” and more likely to have maths anxiety than men.⁴ Addressing this issue isn't straightforward, but everyone has a role to play. In an effort to help present and explain numbers as clearly as possible to their customers, Royal London has partnered with Plain Numbers, a social enterprise who aim to make numeracy simpler.⁵

The overarching goal of this report is to equip advisers and employers with insights to better support the unique needs and circumstances of women, fostering a more equitable retirement outcome, while building financial strength. We invite you to explore the findings within and join us in the collective effort to take action and improve gender inequalities, within pensions and beyond.



¹ONS, [Employment in the UK, March 2020](#)

²ONS, [Gender pay gap in the UK: 2023, November 2023](#)

³BEIS, [Sea-change in UK boardrooms as women make up nearly 40% of FTSE 100 top table roles, February 2022](#)

⁴National Numeracy, [Numerate nation? What the UK thinks about numbers, 2019](#)

⁵Plain numbers are a social enterprise who aim to make numeracy simpler for customers. This is done through the initial training, followed by ongoing support with both individual communications, change management, and organisational focus.

Overview

Some of the key takeaways covered in this report are:

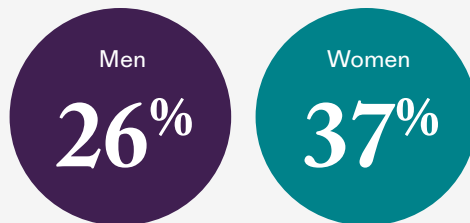
Part 1:

Striving for gender parity

Gender pensions gap in private pensions stands at



The chances of being off work due to ill health for two months or more⁷:



Women are more likely to lead the management of everyday household spending, and childcare costs.

But a higher proportion of men say they're the main decision maker when it comes to longer term financial decision-making.



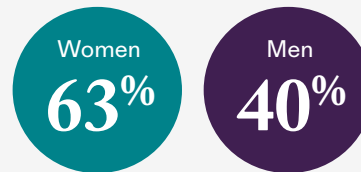
Part 2:

Caregiving



There are **4.7 million** unpaid carers in Britain, **3 million of whom are women**⁸

Women are significantly more likely than men to feel that working part-time was the only option after having children.



20% of women who retired early did so to become a caregiver.

Compared to just 8% of men.



Part 3:

The menopause



82% of women would be more likely to stay with their current employer if they were better supported with the menopause and the symptoms they experience

Women are more likely to discuss their experiences going through the menopause

with a female line manager (77%)

than with a male (35%).



Half of women say better flexible working would be a helpful policy to help women going through the menopause feel better supported.

⁶ Department for Work & Pensions, [The Gender Pensions Gap in Private Pensions](#), 5 June 2023

⁷ Both aged 30, non-smokers, planned retirement age of 65. *Pacific Life Re, June 2021. These figures have been produced based on their interpretation of the Institute and Faculty of Actuaries' Continuous Mortality Investigation insured lives incidence rates together with their estimated view of future trends. Incidence rates for the entire population may be different to those lives that take out insurance products.) Numbers on the right hand side of figure 7 are based on the incidence within the consumer research of 3,000 individual we conducted in 2023

⁸ Royal London analysis: Based on starting salary £24,000 at age 22, baby at 30 and either stopping work for 12 years or working part time. 2.5% annual wage growth and monthly contributions of 10%.

Part 1:

Striving for gender parity within pay, personal finances and pensions

The gender pensions gap⁹ shows the lasting and significant differences in financial outcomes between men and women in the UK. Despite some progress towards gender parity in salaries and pay, many women in the UK continue to face significant challenges in building longer-term wealth and overall financial resilience in line with their male counterparts.

Building on our 2022 report 'Bridging the Gender Pension Gap'¹⁰ this report sheds further light on the gender pensions gap, examining the root causes, implications, and potential solutions. But financial resilience goes beyond pensions. It can start with the fundamentals, like struggling with numbers and mathematical concepts, or be impacted by personal health and family circumstances.

Beyond pensions, our research also puts other areas of financial resilience under the spotlight, such as protection against life's unexpected events.

By digging into the conventions and socio-economic factors that contribute to this divide, we aim to contribute to a broader understanding of the gender gap in pensions, and beyond. Fostering informed dialogue and action to achieve a more equitable landscape for all.



⁹The Department for Work & Pensions defines the Gender Pensions Gap in private pensions as: "The percentage difference in uncrystallised non-zero median private pension wealth between men and women around the normal minimum pension age (currently 55)." Source: [The Gender Pensions Gap in Private Pensions](#), 5 June 2023

¹⁰ Royal London, [Bridging the Gender Pension Gap](#), October 2022

The current state of play

It's a positive sign that over the past decade, the UK's gender pay gap has been in decline. In April 2023 it stood at 14.3% when looking at all employees. Among full-time employees it's much lower at just 7.7%. This difference may reflect the fact that women fill more part-time jobs which, in comparison with full-time roles, have lower median pay.

Interestingly, evidence shows that the pay gap increases with age. Between 22-29, the gap is 3% steadily increasing to 10.3% for those

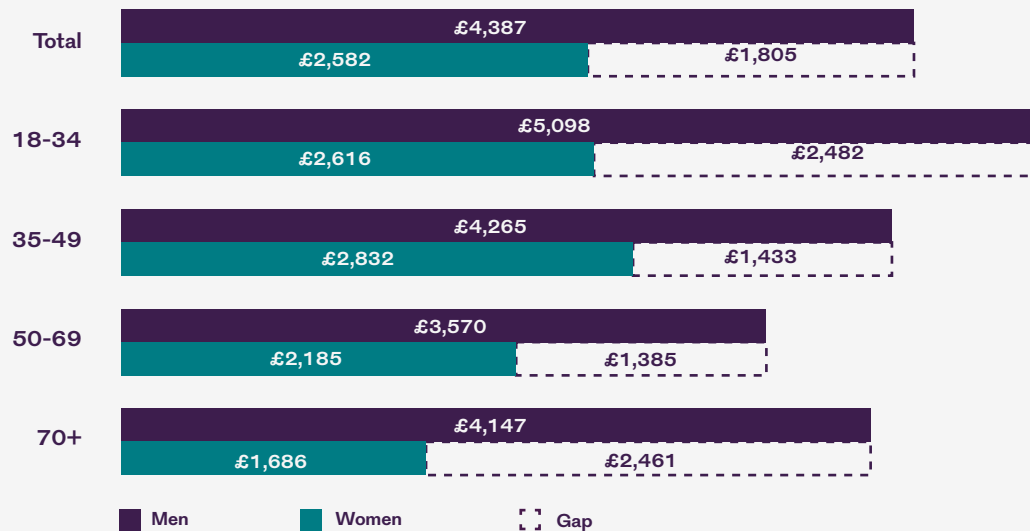
aged 40-49 and peaking at 13.5% for the over 60s. The data shows that the pay gap increases in line with life's milestones, which ultimately affects pension contributions where the gap is significantly larger.¹¹

Despite this, there is near parity in pension participation rates. In fact, in the private sector, slightly more eligible female employees participated in Automatic Enrolment (AE) than male (87% v. 86%). It was a similar story when we looked at full-time employees with 88% of

women participating in their pension, compared to 87% of men. This difference grew within part-time employment, with 83% of female employees participating, compared to 73% of male. 8 employees in 2021.¹²

Despite better participation, pension contribution rates are lower among women (see Figure 1). This is well reflected in the Office for National Statistics Wealth and Assets Survey (Figure 2). When they looked at the money saved by people who were of normal minimum pension age, they found that men typically had 35% more saved than their female counterparts.¹³

1 Yearly pensions contributions by gender within age bands¹⁴



2



¹¹ ONS, [Gender pay gap in the UK: 2023](#), November 2023

¹² Department for Work & Pensions, [The Gender Pensions Gap in Private Pensions](#), 5 June 2023

¹³ BEIS, [Sea-change in UK boardrooms as women make up nearly 40% of FTSE 100 top table roles, February 2022](#)

¹⁴ This research carried out by Opinium Research for Royal London workplace pensions. Fieldwork dates, 1st - 8th August 2023, 6,003 UK adults (18+), Weighted to be nationally representative. Question text: How much do you currently pay into a pension or pensions each month? Asked to those paying into a pension.

Barriers to saving

The top barrier cited by both men and women when it comes to saving, or saving more for retirement, is the feeling that “I do not earn enough”. This is a view held by 56% of employed women surveyed in our research, compared to just 45% of their male counterparts.

This disparity could be because women generally earn less than men.¹⁵ Alongside being more likely to work part-time, which impacts income, the difference in full-time pay is also stark. According to the Office for National Statistics, in November

2023 the difference in ‘median’ gross annual earnings between men and women was over £10,000.¹⁶

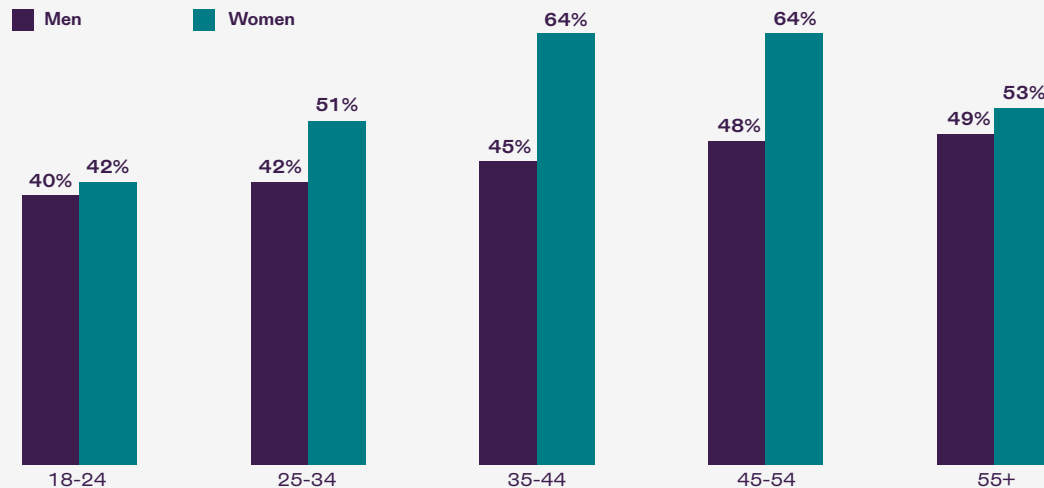
When we dig a little deeper and look at age breakdown within gender, we see that between 18 and 24 years of age (see Figure 3) the feeling that they don’t earn enough is very much comparable between women and men. However, for age groups 25-34 years, 35-44 years, and 45-54 years the difference begins to widen. The biggest gaps are between the ages of 35 and 54,

ages that are perhaps most likely to be impacted by breaks from work to have children, caregiving responsibilities, and the impact of the menopause. Divorced women are also far more likely to feel like they do not earn enough to save (64%) compared to divorced men (54%).

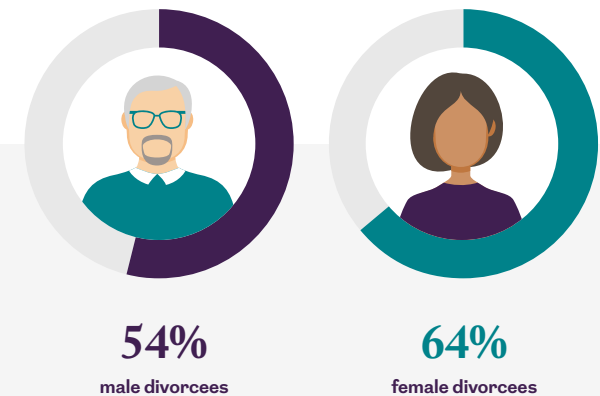
We explore these elements in greater detail in parts two and three. Here our findings demonstrate a disparity in the barriers affecting men and women being able to save during a large part of their working lives (ages 25-54).

3 What, if anything, is preventing you from saving/saving more for retirement?

% saying “I don’t earn enough to save / save more”



% saying “I don’t earn enough to save / save more”



Base size: Those who are currently working Total n=1,236, Male n=582, Female n=652, Male divorcees n=54 Female divorcees n=106

¹⁵ Office for National Statistics (ONS), released 1 November 2023, ONS website, statistical bulletin, [Employee earnings in the UK: 2023](#)
¹⁶ The median is the middle of a list of numbers and can be more descriptive than the average when there are very low and very high salaries in the sequence of data that might skew the average

Financial confidence and the gender balance in household finances

Beyond societal challenges, such as caregiving, our research examines how the workings of day-to-day life may impact outcomes.

From daily budgeting to bigger choices around longer term plans, life is full of financial decisions. And when we asked mixed-sex couples about some of these, there was often a dominant decision-maker in each situation.

Our research finds that women are more likely to lead the management of everyday household spending, holiday spending, and childcare costs. However, when it comes to longer-term financial decision-making, such as savings and investments, pensions, and life, critical illness, or income protection, a far higher proportion of men say they are the main decision-maker, and on average, women had fewer investible assets than men - £34,000 compared to £52,000 respectively.

There are a few reasons why women who live with a male partner may feel they have less influence over key financial decisions. Some felt their partner knew more about the topic than they did,

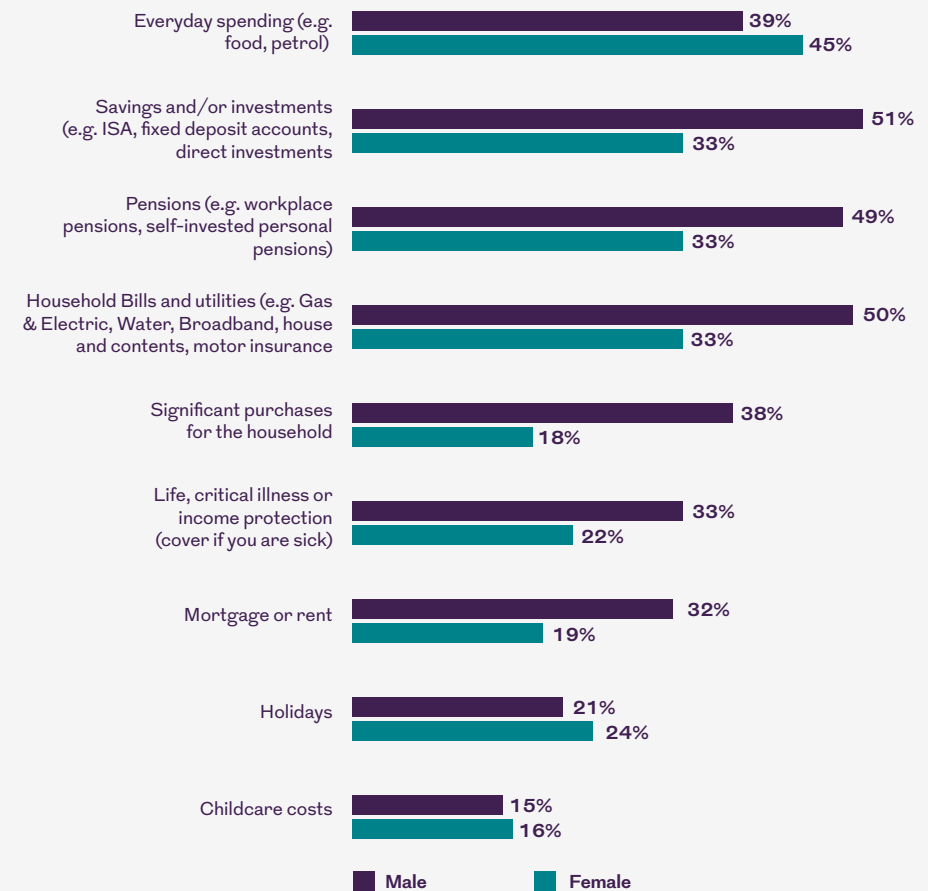
others simply weren't confident about the topic themselves.¹⁷ More women (21%) than men (12%) lack confidence in their own ability to find financial products and services that are right for them.¹⁸ Interestingly, research done by National Numeracy, an organisation that helps consumers use and understand numbers better, consistently found that women had lower confidence levels and scored lower in numeracy skills assessments than men.¹⁹

This research showed that women were less likely than men (75% compared to 68%) to possess a Level 2 maths qualification (e.g. Maths GCSE at 4/C or above). Importantly, of those who didn't have a Level 2 maths qualification, more women than men felt it had negatively impacted their working life. From career choice and progression, right through to earnings, this lack of confidence in mathematical skills creates barriers when consumers try to access financial products and services. Our own findings (Figure 5) show this is particularly the feeling among women.

4

When it comes to the following scenarios, how would you describe your role in making decisions about your finances in your household?

% saying main decision-maker



Base size: Those married / civil partnership or cohabitating
(Total n=1,557, male n=764, female n=810)

¹⁷ 43% of women in our survey (Women who are married, in a civil partnership or cohabitating AND say they have no influence pensions decisions in their household) said they feel their partner knows more about pensions than they do, while 30% said they are not confident on the topic.

¹⁸ Financial Lives 2022. Key findings from the FCA's Financial Lives May 2022 survey, 26 July 2023

¹⁹ Research Briefing, [Number Confidence - The Gender Divide](#), National Numeracy, July 2023. Research based on 'Number Confidence and Social Mobility Research' National Numeracy, April 2023

Sources of the financial confidence gap

There's unlikely to be just one reason for the financial confidence gap we've seen. The origins may be linked to confidence at school when maths is first taught, right through to when personal finance issues are discussed on a more practical level.

When asked about conversations with parents or guardians around pensions, longer-term savings, and life insurance, our research found that younger generations were increasingly likely to have had at least one conversation. Over 40% of those aged 18-24 have had a conversation about these issues; more than double that of those aged 55 years or older today.

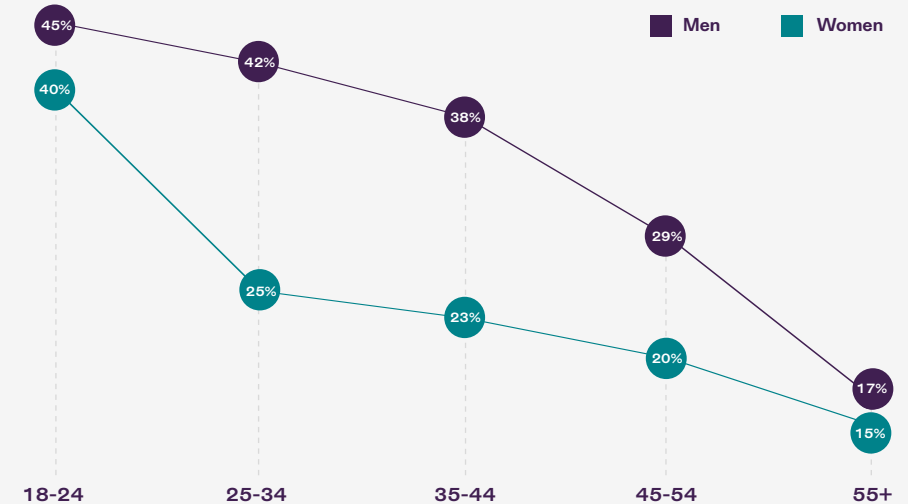
However, it's clear that throughout generations, women are far less likely to have had this type of conversation than men. A key source of information for many young people, and their introduction to how they approach financial management, will be through those that care for them when they're young. We believe this is a contributory factor to confidence.

Another contributory factor could be digital exclusion, where individuals may not have the skills or equipment needed to fully participate in modern society. Particularly among older adults, women were more likely to be digitally excluded than men. 41% of women aged over 75 feel they are digitally excluded, compared with 26% of men.

5

Which of the following financial matters did you talk with your parents/guardians about when you were growing up?

% saying "Had a conversation about long term finances e.g. pensions and long-term savings, life insurance etc."



The advice gap

In addition to being less confident when it comes to finances, women in the UK are also far less likely than men to use the services of a professional financial adviser. Just 16% of women in our survey took professional advice, compared with 23% of men. The figure is even lower among divorced women, at 9%. We think there are several contributing factors to this, such as

women's perception of the industry (women make up just 17% of Financial Conduct Authority (FCA) approved individuals, a figure unchanged since 2005)²⁰ or the associated fees that come with advice. It could be argued that this advice gap is a further contributing factor to the gender pensions gap.²¹

²⁰ Unbiased, [Why we need more female financial advisers](#), March 2023

²¹ On average, people who have taken financial advice had £47k more in their pension over a 10 year period than those who didn't. International Longevity Centre UK, [What it's worth: Revisiting the value of financial advice](#), 2019

Exploring financial backup plans

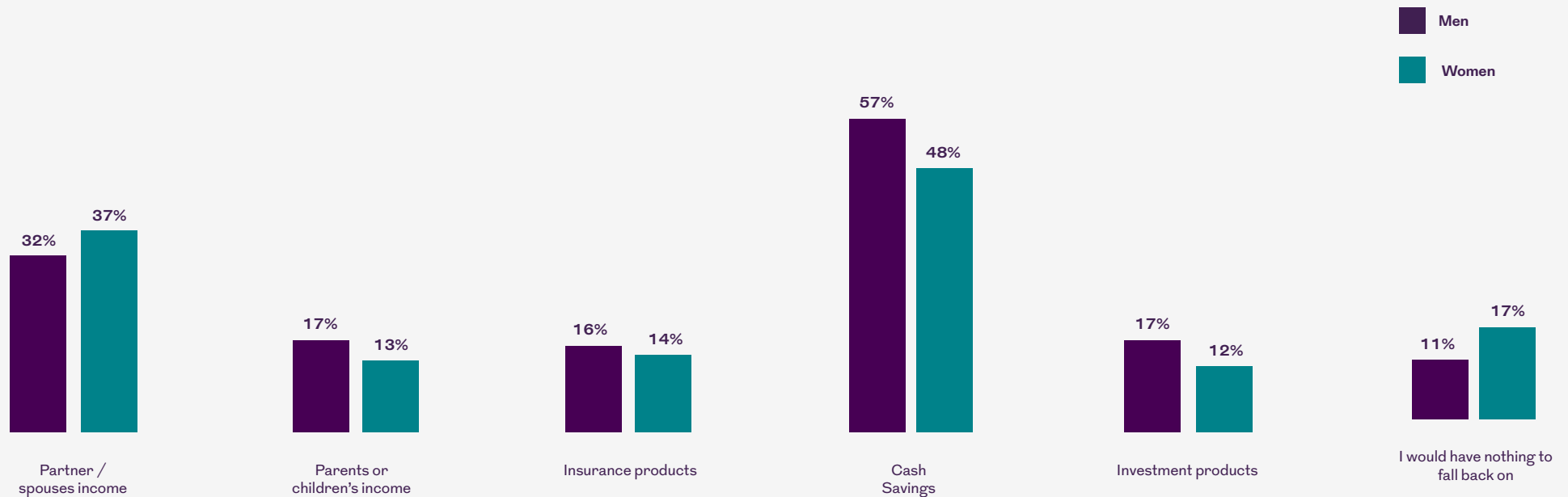
We started our journey in this section with a focus on behaviours and outcomes around pensions and other savings. We've also explored a range of various household financial decisions and the varying approaches by gender. But what about when things don't go to plan and individuals are met with a personal or financial shock?

Our research (see Figure 6) finds that women (37%) are more likely than men (32%) to rely on their partner or spouse financially should they find themselves unable to work. And worryingly, almost one in five (17%) women surveyed said they would have nothing to fall back on.

Across both genders, there's a significant reliance on cash savings and, among men, investments. Because people typically use their income to build up cash savings, it's clear that if income stops individuals could quickly have nothing to fall back on.

6

What financial assets (such as savings or insurance) would you fall back on if you were not able to work?



A closer look at the protection gap

While the chances of dying or becoming critically ill during their working life are broadly similar for both men and women, the risk women face is far greater when it comes to being off work for a period of two months or more, leaving them financially vulnerable (see Figure 7). When we look closer at protection cover we see that the level of life cover between men and women

is pretty equal. However the gender gap is evident when it comes to critical illness and income protection. Only 16% of female homeowners have income protection in place compared to 24% of men. This is even lower among those renting.

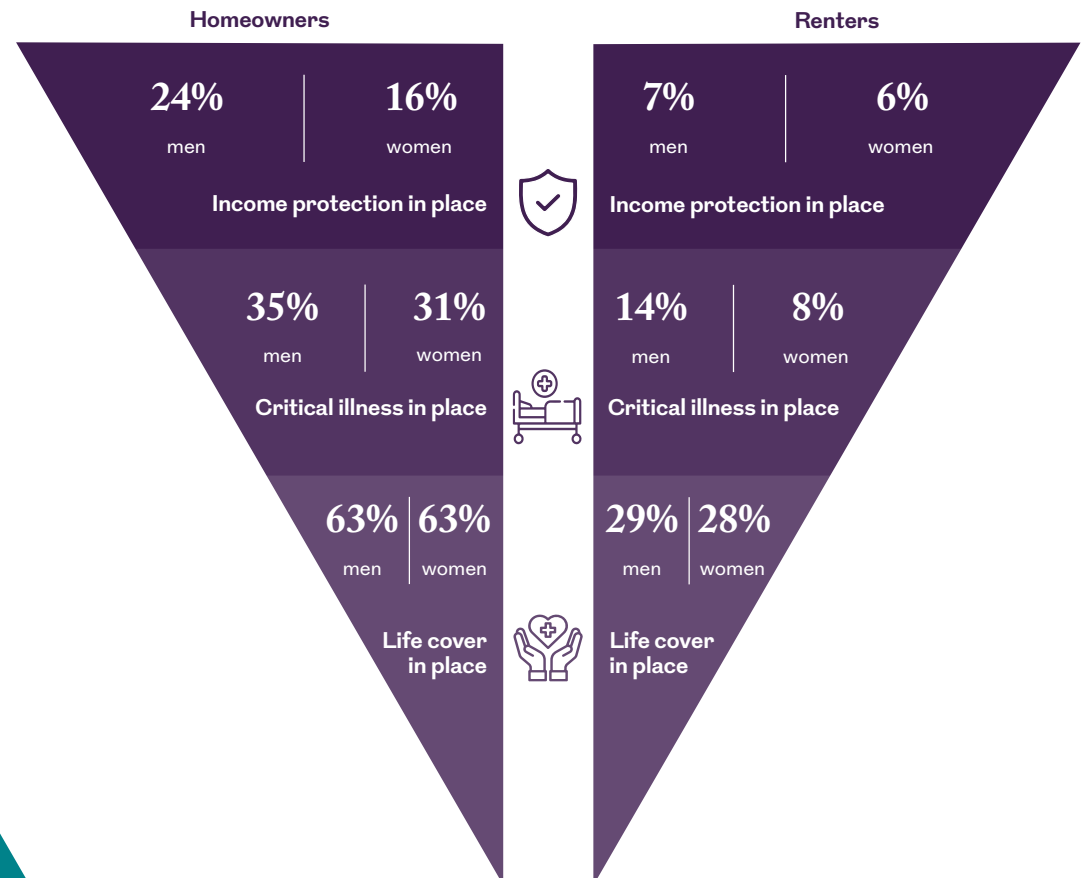
7 Life expectancy and risk of illness before retirement²³

Based on 30 year old with a planned retirement age of 65



8 The protection gap

An overview of the split between homeowners, renters and differences in gender.



²³ Both aged 30, non-smokers, planned retirement age of 65. *Pacific Life Re, June 2021. These figures have been produced based on their interpretation of the Institute and Faculty of Actuaries' Continuous Mortality Investigation insured lives incidence rates together with their estimated view of future trends. Incidence rates for the entire population may be different to those lives that take out insurance products.) Numbers on the right hand side of figure 7 are based on the incidence within the consumer research of 3,000 individual we conducted in 2023

Considerations and actions

Improving women's engagement with pensions, long-term savings and protection products is a complex challenge, as we've seen within this section. It's linked to working lives, pay, financial confidence and household gender balances among many other things. We feel everyone has a crucial role to play in facilitating an environment to support women, and close the gap.

Actions for employers

Highlight available benefits

Communicate benefits regularly

Employers should remind their employees regularly of the full range of workplace benefits available to them. This should encompass those that are available all year round, for example financial wellbeing support, plus those they can opt into each year such as health, dental and critical illness insurance. Doing this regularly can help employees understand the benefits available to them and how those benefits can support their long-term financial resilience.

Encouraging engagement

Encourage your employees to review their pension savings regularly so they can understand if they're on track for the lifestyle in retirement they would like. Uncovering any potential shortfall sooner can give your employees time to take action.

Encourage contributions with a matching contribution scheme

Employers can encourage their employees to review and increase their regular pension contributions, if they can afford to, by offering attractive employer-matching contributions. This is where employers matches contribute the same percentage contribution as the employee, up to a limit.

Financial education

Tailored information

Many employees, both men, and women, lack sufficient knowledge when it comes to retirement planning. Employers should strive to provide clear and accessible information about pensions and long-term savings. Not everyone has the same financial needs and preferences, nor understanding and we all need to work hard to level the playing field by ensuring that communication materials are inclusive and easily understandable. This may entail working with your workplace pensions provider or partnering with a social enterprise such as Plain Numbers to embed best practices.

Financial workshops

Facilitate comprehensive financial education programmes such as workshops or forums specifically targeting younger employees. These sessions can cover the basics of pension savings, including the importance of saving for retirement, investment strategies, and understanding pension options. By educating employees early in their careers, they should be better equipped to make good financial decisions as their lives grow and change.

Considerations and actions

Actions for employers continued

Support for career development

Equal pay and career progression opportunities

One of the key drivers of the gender pension gap is the persistent gender pay gap. Ensuring equal opportunities for career advancement and actively promoting equal pay within the organisation can help. By addressing gender disparities in the workplace, employers help their female employees achieve financial empowerment, positively impacting their ability to save for the long term and have a secure retirement.

All of these steps should be part of a comprehensive approach that considers the needs and challenges faced by women. Creating an inclusive and supportive workplace culture that values diversity and recognises the importance of long-term financial wellbeing for all employees is central to success.



Considerations and actions

Actions for advisers

Financial education

Tailored Information

By raising awareness of the gender pension gap, and its consequences, advisers can encourage employers to create fair and inclusive workplace pension schemes.

Advisers can tailor their advice based on specific situations and individual circumstances. By considering someone's full financial outlook, they're equally able to consider the effects of a career break or reduced hours, as well as the impact of becoming a higher income earner.

Advisers too, should strive to recognise that everyone has different financial needs and preferences and ensure that all communications, whether verbal or written, are inclusive, easy to understand and delivered at the right time, in a suitable way.

Financial workshops

Offer financial education through workshops or forums. These sessions can cover topics such as the importance of saving for retirement, investment strategies, and understanding pension options while highlighting the specific considerations for women and their partners.

Scheme reviews

Through regular reviews, advisers can help employers fully understand how their pension scheme is performing. They can highlight the support available to employees and ensure the scheme remains competitive.

Be mindful of gender-specific considerations

Consider the circumstances of couples

Ensuring the needs of both people in a relationship are considered, rather than just the primary income earner, is vital. This could include considering factors such as career interruptions, the gender pay gap, and longer life expectancies. Advisers should also be proactive in addressing any potential gender biases in their advice, considering more than just income or the financial assets of either partner. Perhaps considering protection planning as part of a holistic advice process.

Protection for renters

Discussing protection cover with renters is just as important as it is with homeowners, particularly as a high percentage of income is likely to be spent on monthly rent. Helping your clients understand how income protection products can provide a source of income if they find themselves out of work could give them peace of mind that rental payments and some of their bills could be paid.

Part 2:

Caregiving

Throughout their lives many people are faced with caregiving responsibilities – either when raising children or providing care for a spouse, partner or older member of the family. The majority of this care giving responsibility falls on women. As of the latest census, there are 4.7 million unpaid carers in Britain, 3 million of whom are female. In every age group, up to age 75, more women than men provided unpaid care.²⁴

Through caregiving alone, women are more likely to have their working lives and income adversely impacted. This not only impacts their financial security and independence in the short term, but affects them in later life. A shortfall in pension savings alongside reduced, or missed, National Insurance contributions could easily mean a reduction in the amount of State Pension they may be entitled to.

Within this section of the report, we explore the extent to which women are financially impacted by having children and caring responsibilities.

²⁴ Office for National Statistics (ONS), released 13 February 2023, ONS website, article, [Unpaid care by age, sex and deprivation, England and Wales: Census 2021](#)



The impact of raising a family

The latest data from the Office for National Statistics (ONS) shows that 75.6% of mothers with dependent children are in employment. While this has increased over recent years – rising from 66.5% in 2002 – it remains significantly lower than the proportion of fathers with dependent children currently in work (92.1%).

Our own research (Figure 8) shows that both men and women with dependent children face

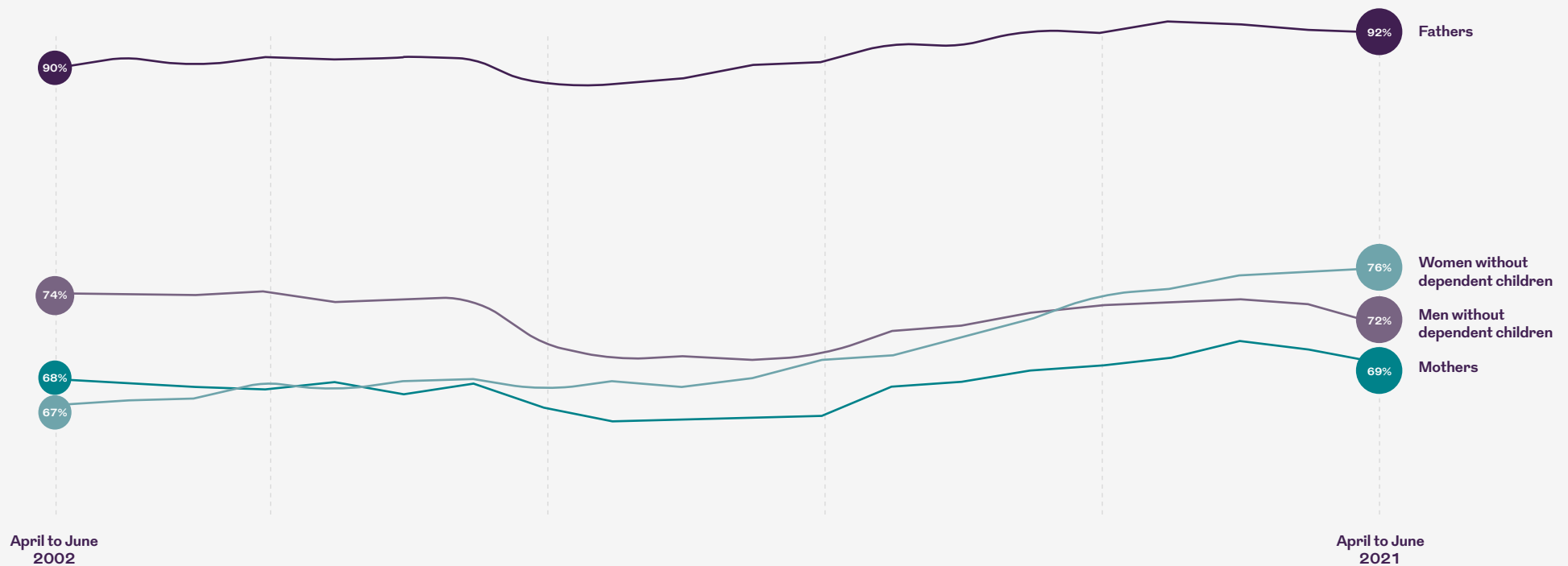
challenges when returning to work after the birth of a child, but women are significantly more likely than men to:

- **Feel that working part-time was the only option after having children** (63% Women vs. 40% Men)
- **Consider leaving/left work altogether due to childcare responsibilities** (62% Women vs. 42% Men)

- **Find it harder to continue doing their job after having children** (51% Women vs. 44% Men)
- **Experience a fall in workplace confidence after having children** (48% Women vs. 35% Men)

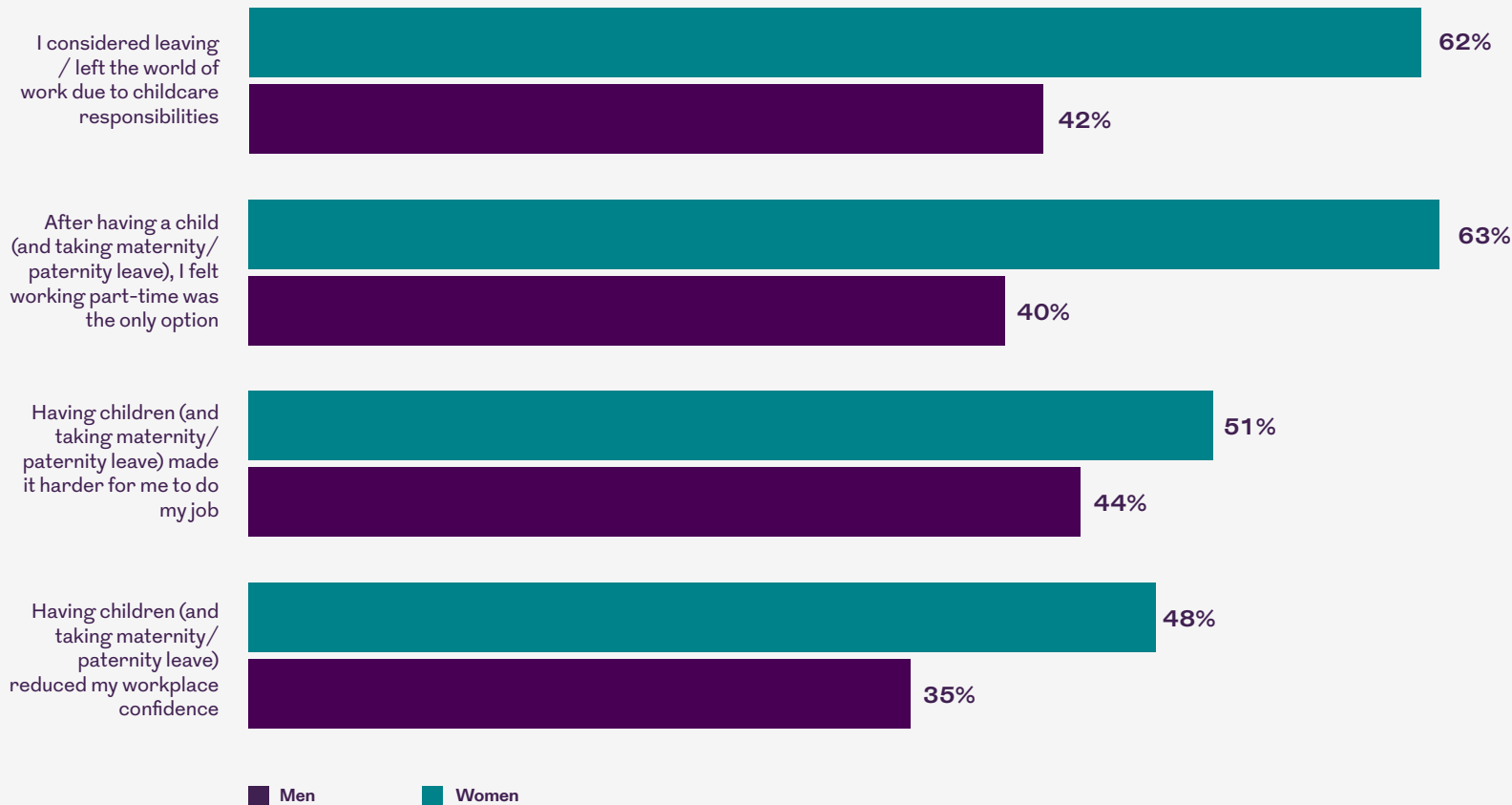
9 % of men and women with dependent children in employment, April to June 2002-2021

Source: Office for National Statistics, [Families and the labour market](#), UK: 2021



10 To what extent do you agree with the following statements? (% agree / strongly agree)

Base size: Women (n=555), Men (n=510)



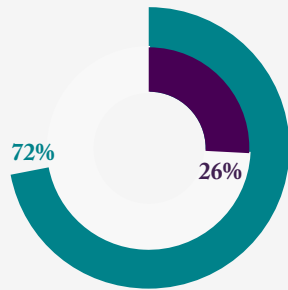
It's clear that childcare is significantly more likely to impact the working lives of women than it does men. Regardless if women are the higher income earner or not, they're the most affected.

11

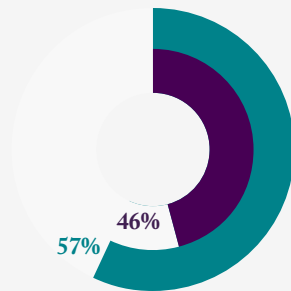
To what extent do you agree with the following statements? (% agree / strongly agree)

Base size, those with children: Women (n=555), Men (n=510)

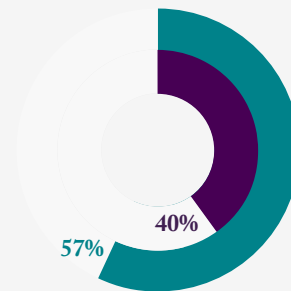
Considered leaving / left the workforce due to childcare responsibilities



Minority Income Earner

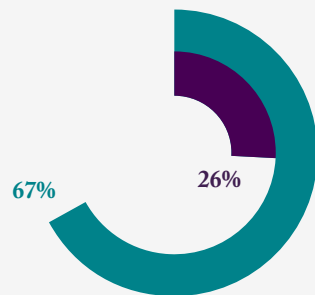


Equal Income Earner

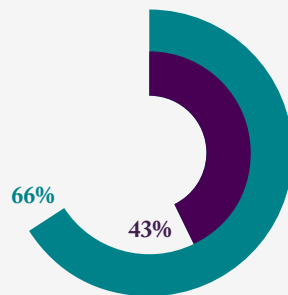


Majority Income Earner

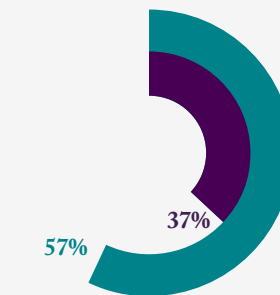
Working part-time was the only option after having a child



Minority Income Earner



Equal Income Earner



Majority Income Earner

Men Women

Where women were the minority income earner within their household, 72% had considered leaving, or had left the workforce, due to childcare responsibilities. This is compared to only 26% of men in the same position.

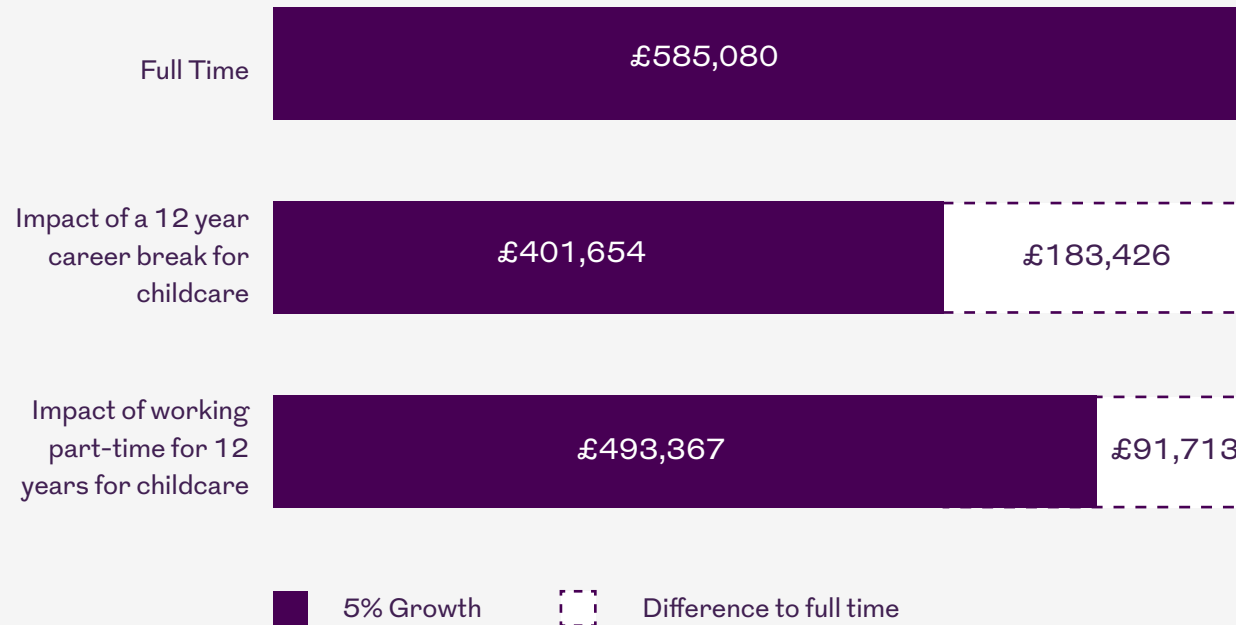
And where women earn roughly the same as their partner or spouse, 57% considered leaving or left work due to the impact of having children, compared with only 46% of men. In terms of reducing working hours, 66% of women felt that working part-time was the only option having had children, compared with 43% of men.

However, it is not just the issue of childcare that affects women more than men. Women are more likely than men to feel that having children made it harder for them to do their job – with women who were the majority income earners in their household most likely to find balancing work and children a challenge.

Let's consider a 22-year-old woman who is in full time work, and in a defined contribution pension scheme until age 67. She could be over £183,000 better off in pension savings when compared to a counterpart who stopped working to be a caregiver for 12 years at age 30. And she'd be better off by £91,000 compared to a counterpart who worked part-time for 12 years during their working life.

If a woman is in a defined benefit scheme, such as a public sector scheme, then stopping or reducing can have a major impact on income in retirement too.

12 A career break to be a caregiver for children, or working part-time to provide childcare, can have a dramatic impact on women's pension savings²⁵



²⁵ Royal London analysis: Based on starting salary £24,000 at age 22, baby at 30 and either stopping work for 12 years or working part time. 2.5% annual wage growth and monthly contributions of 10%.



Care in later life

Caregiving is not just an issue that affects people who are starting or raising a family. It can impact people throughout their lives. Research from Age UK in 2020 suggests that there are 1.25 million sandwich carers in the UK (those caring for an older relative as well as bringing up a family), with 68% of this number being women.²⁶

Our own research shows that caregiving is having a far greater impact on the working lives of women than men. We've already seen that women

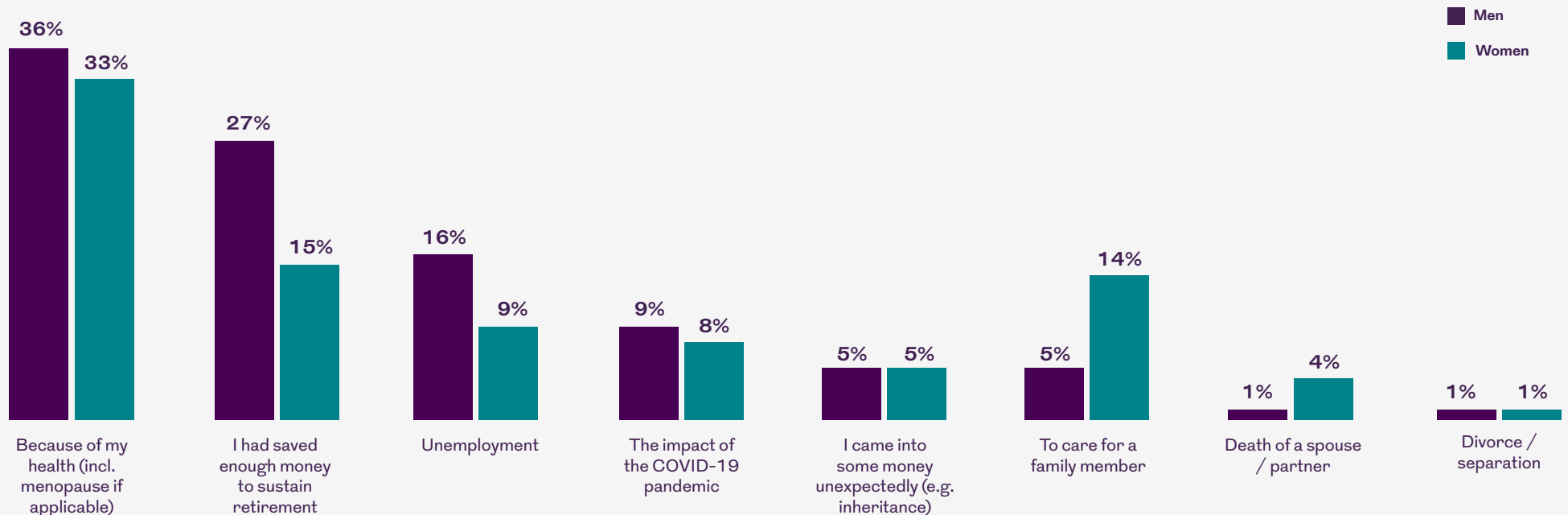
are more likely to have taken time off work or changed their roles to raise children, but they're also more likely to retire early to care for a family member.

While men and women are equally likely to retire early from the workplace (48% of men vs. 47% of women), our findings show that women are nearly three times more likely than men to have done so to care for a family member (14% of female early retirees vs. 5% of men).

Conversely, men retiring early are nearly twice more likely to state that they'd already saved enough for their retirement when compared with women (27% of men vs. 15% of women). This is hardly surprising given existing pay disparities, and the impact on women having children – both financially and in terms of their career progression.

13 Why did you retire earlier than expected?

Base size: Women (n=152), Men (n=137)



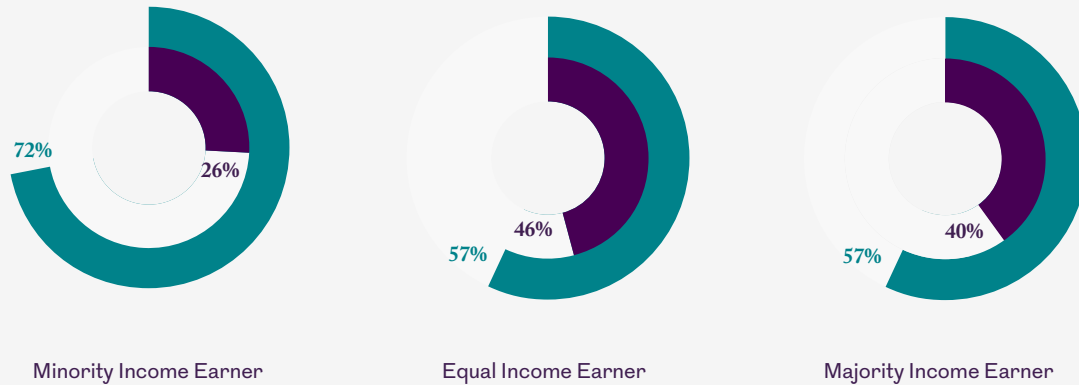
²⁶ AgeUK, [Breaking Point – the social care burden on women](#), 2020

14

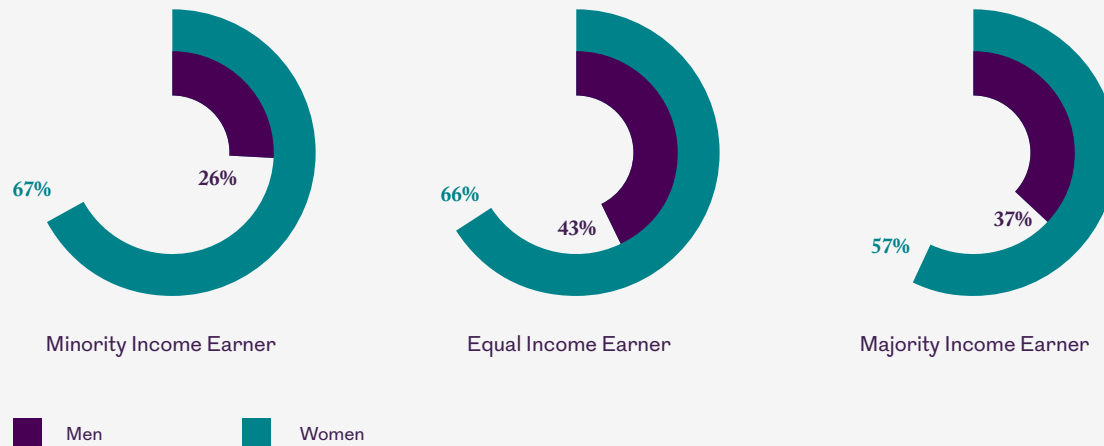
The impact of caregiving on decisions to retire

Base size: in brackets next to each statement

Citing caring for a family member as a driver of early retirement



Stating that caregiving affected their decision to retire earlier / later than planned



Regardless of whether they were the higher or lower income earner, there are significant differences between women and men when deciding when to retire. Indeed, our research shows that it's those women earning the majority of the overall household income who are most likely to cite caregiving as a factor behind the timing of their retirement.

All findings point to caregiving, at different points in women's lives, as being one of the primary drivers of the gender pension gap.

Any gaps in employment might impact their State Pension. If there are no National Insurance (NI) contributions or credits they may not be entitled to the full State Pension as they might not have the required 35 years. Although there are often steps that can be taken to claim NI credits, if someone is caring for a grandchild or other family member, or make voluntary NI contributions, women are not always aware of these options, or in a position to take advantage of them²⁷.

²⁷ Gov.uk, [Your National Insurance record and your State Pension](#), accessed 23rd November 2023

15

An early retirement to be a caregiver for grandchildren or a spouse can have a dramatic impact on women's pension savings²⁸



Decisions have a profound knock on effect on financial preparations for retirement. When we consider a 55-year-old woman, in full-time work until the State Pension age of 67. She could be better off by over £65,000 in pension savings, when compared to a counterpart who stopped working at the same age. This isn't just because they continue to make pension contributions, they also benefit from continued employer contributions, tax relief, investment growth and the compounding effect.

Women reducing their working hours at age 55 could lose out on £32,000 in their pension pot as a result of receiving a reduced salary in line with their working hours, reducing their pension contributions and receiving less of an employer pension contribution.

²⁸ Royal London analysis: Based on a 55-year-old working full time until the State Pension age of 67 based on a pension fund of £100,000 at age 55, earning £40,000 with 2.5% annual wage growth until State Pension age of 67, investment growth of 5% (not including charges), monthly contributions of 10% and a 50% reduction in working hours/pay.



Considerations and actions

While UK policy and public provision of both childcare and social care are issues outside of the control of both workers and employers, there are a number of considerations that could help address some of the challenges our research has highlighted. Supporting female caregivers throughout their working lives could be key to closing the gap between gender pensions outcomes.

Actions for employers

Providing flexible working options

Flexible work options

Where circumstances allow, employers should look to offer greater levels of flexibility in how, when and where their employees work – particularly as this relates to new parents and caregivers. Not only will this help to address issues of women feeling less able to balance work and care giving, but will also allow for greater sharing of these responsibilities between women and men.

Maintaining confidence

Employers should ensure they offer “keeping in touch” days for workers taking maternity or paternity leave. This will help to counteract some of the lost confidence that many women especially, experience during this time and to better empower their return to work. These are currently optional under employee rights in the UK, but employers should advocate them wherever possible.

Shared parental leave policies

Employers should look to improve their shared parental and paternity leave options for workers to allow for greater sharing of childcare responsibilities. This should be led from the top of the organisation so that employees have the confidence to make the most of such policies.

Communicating support policies

Employers should ensure employees are aware of any support policies in place. They should not only communicate this when it's relevant to an individual, for example when approached by an employee who wants to know more about flexible work options, or maternity/paternity rights, but regularly throughout the working year. This will boost awareness of these policies and help employees to feel supported.



Considerations and actions

Actions for advisers

Facilitating the right conversations

The option of contributing to a spouse's retirement

When talking to couples, advisers could talk about making spousal contributions to a partner's pension when they take a break from work. This helps recognise the caregiver's contribution to the household and ensures their own retirement fund is healthier. It can be instinctive to only consider salary when deciding on who should eventually work part-time. Considering all workplace benefits, such as pension contributions, allows for a fuller financial picture to be considered.

Promoting lifetime financial planning

Advisers can help those taking time out of work, or reducing their hours, to understand the long-term implications on their pension, life assurance and other workplace benefits such as access to wellbeing support services. Not all married or cohabiting couples think about the long-term financial effects of taking time off work or working fewer hours. Many couples tend to look at the reduction in pay and what they can afford short term, but don't think longer term.

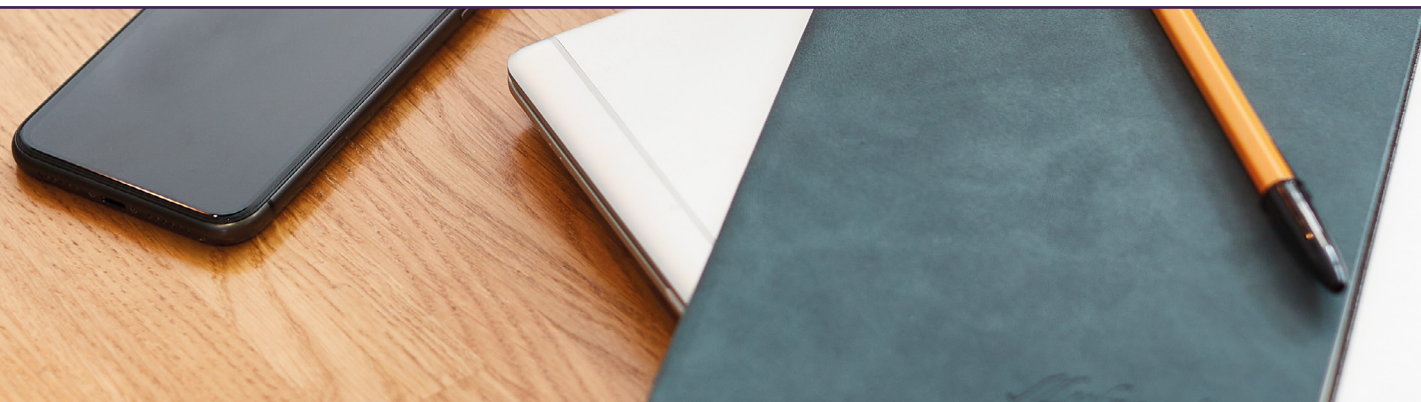
Ensure clients fully understand their State Pension entitlements

Ensure clients are fully aware of the considerations around maximising their State Pension entitlement. For example, grandparents caring for grandchildren under 12 years of age could qualify for National Insurance credits that can top up their income in retirement.

Intergenerational planning

Encourage intergenerational wealth planning, by including older children, as well as spouses in financial planning conversations. This will help raise awareness of the current gender wealth gap among younger generations, so that they can consider the steps they can take to close the gap for their generation and beyond.

This can also help build relationships between the adviser and younger generations, helping them understand the long term value of advice.



Part 3:

The menopause

While some women experience challenges to their working careers due to caregiving, the menopause presents an altogether different challenge. Virtually all women, at some point, will experience the menopause – many experiencing this change over the age of 50. This can have a significant impact on women's pension savings as well as access to protection and wellbeing benefits.

In the lead up to the menopause, women may also experience perimenopausal symptoms. These symptoms can start up to 13 years before the menopause.²⁹ That's a sizable part of a woman's working life, often when they're approaching the peak of their careers.

Eight in ten women experience the menopause while in work, where symptoms and changes can directly impact how they are able to interact with colleagues and conduct their work more broadly.³⁰

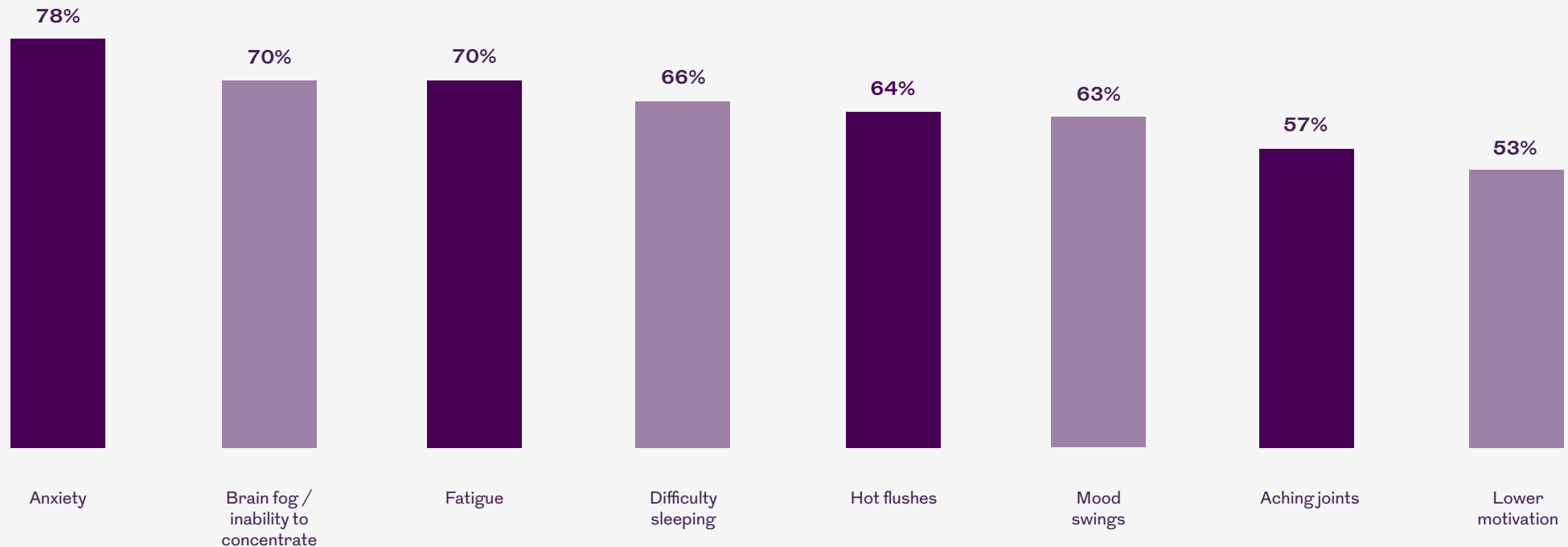


²⁹ Bridgewater Community Healthcare NHS Foundation Trust, [The Menopause: What to expect when you're expecting the menopause](#), Accessed November 2023

³⁰ NHS England, [Menopause in the workplace](#), accessed 10th Nov 2023

16 What symptoms of the menopause have you experienced that have impacted your working life?

Base size: Women suffering from the negative impact of the menopause n=126



The range of symptoms associated with menopause can often be debilitating, and detrimental to work. Our research found anxiety (78%) and brain fog, or the inability to concentrate (70%), were top cited symptoms.

And mental health impacts aren't the only negative effects with many women

experiencing physical changes that make it difficult to work. 70% of women we questioned experienced fatigue resulting from the menopause, and 57% experienced aching joints. In fact, over half of women (53%) have been unable to go into work at some point due to menopause symptoms.³¹

These lost hours to sickness may impact the household income, but they also affect employers too.

³¹ CIPD, [Menopause in the workplace: Employee experiences in 2023](#), London: Chartered Institute of Personnel and Development, 2023

17 To what extent do you agree with the following statements?

Base size: women suffering from the negative impact of the menopause n=126



The physical and mental symptoms caused by the menopause feed into the loss in confidence of women in their workplaces. The primary impact, is that work is made more difficult (86%). Not all workplace environments offer supportive spaces for women to discuss how they're affected. Only half of women (49%) felt comfortable having a

conversation with their employer about their experiences around the menopause, and only 41% felt their workplace had created a culture where talking about the menopause was no longer taboo. All this has led to nearly half (49%) of women considering leaving work due to their experiences.

Women over 50 represent the fastest growing segment of the workforce, so there can be few companies where the menopause is not being experienced by some of the staff.³²

³² Department for Work & Pensions, Policy Paper, [No Time to Step Back: the government's Menopause Employment Champion](#), October 2023

The government announced in March 2023 that business leader Helen Tomlinson (Head of Talent, UK & I, at The Adecco Group) would be their new Menopause Employment Champion. On World Menopause Day (18 October), she said that “If we get this right and ensure that employers share resources and provide support, putting aside competitive advantage, as they are starting to do, perimenopause/menopause need not be a time for women to step back, step down or step out of their career. Post-menopause is a time to thrive and grow, giving women the best 10, 15, or 25 years of their career.” To support this, 82% of women would be more likely to stay with their current employer if they were better supported with the menopause and the symptoms they experience.

Currently, as highlighted in Figure 16, **women are more likely to discuss their experiences going through the menopause (77%) with a female line manager, than with a male (35%)**. So, ensuring they have the option to speak to a female line manager, or some other female person of similar seniority is key.

Because of the challenges (peri)menopausal women can face, additional support may be needed. This could include flexible working rights, which half of women (50%) cited as being a helpful workplace policy. A similar percentage of men (48%) described this as a helpful policy too.

In the UK, all employees (after 26 weeks of employment) have the right to request flexible working and employers must consider the request in a reasonable manner. (Types of flexible working include working from home, compressed hours, flexitime and staggered hours.) Employers must give ‘reasonable’ consideration and a decision within 3 months of the request.

Having more dialogue around how menopause impacts both female employees and equally their employer. Women and their employers may be better able to design flexible working systems that support one another. For example, allowing a later start time for those struggling with a lack of sleep due to (peri)menopause symptoms.

Another popular policy change could come in the form of improved sick leave that considers menopause symptoms. For example, Tesco doesn’t count menopause related sick leave as a period of absence as it would with other illnesses.³³ Part of the policy is to address issues of presenteeism and to encourage employees to focus on their health. Mandating these policy changes, focusing on flexible working and sick leave, would be a further step in supporting women.



³³ Policy paper, [No Time to Step Back: the government's Menopause Employment Champion](#), published 18th October 2023

Roughly a third of women (34%) believe that additional workplace policies are needed to support those experiencing (peri)menopause. Clear policies would bring clarity, transparency and accountability within firms, helping build confidence among women that their careers won't suffer. But there are additional benefits employers can provide. Perhaps considering assistance programmes or group income protection for those who require extended time off.

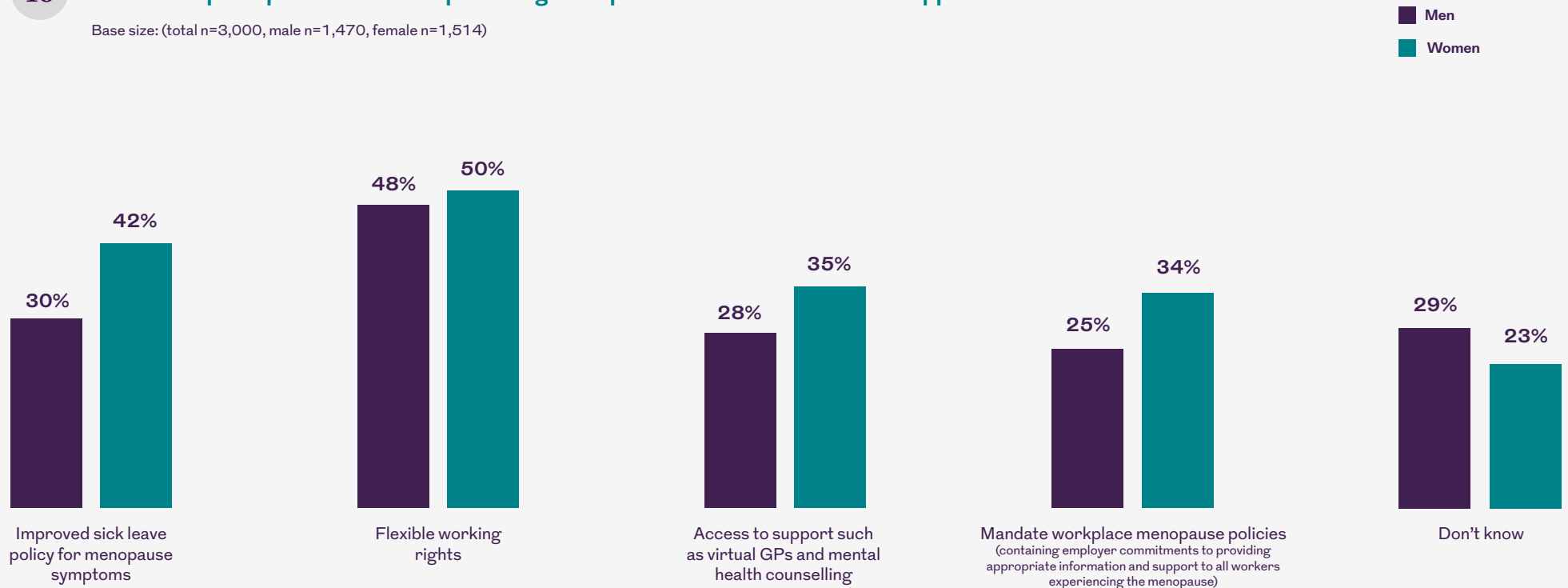
Some employers might benefit from a better understanding of how menopause impacts women in the workplace and how it can lead to negative outcomes. Further, and crucially, employers need to engage with women on how best to support them and help them to bring their best selves to work.

Employers who don't listen or engage with their staff may not only harm their female employees, but their own interests too. While companies

work to improve equal gender representation, some women going through (peri)menopause are thinking about leaving work because they don't have enough support. This could hurt their careers, impact their pension savings and slow down efforts to achieve equality. It could also negatively impact the companies if they're not supporting part of their workforce. But by talking openly, and putting support processes in place, all women can feel valued.

18 What workplace policies would help working menopausal women to feel better supported?

Base size: (total n=3,000, male n=1,470, female n=1,514)



Considerations and actions

Thankfully, there's increasing awareness of the menopause and its challenges. But while strides are being made to break the taboo around the subject, there is still a long way to go to fully support women experiencing the (peri)menopause.

Actions for employers

Further educating and raising awareness

Employers should provide education and training to both employees and managers about menopause and its potential impact on a women's career and retirement plans. Many people may not fully understand the physical and emotional challenges that menopause can bring. Raising awareness helps create a more supportive and understanding workplace culture and can highlight how consistent pension contributions may secure a more comfortable retirement.

Flexible working arrangements

Where possible, employers should offer flexible working arrangements to accommodate the diverse needs of women experiencing (peri)menopause symptoms. This could include offering flexible hours, remote work options, or the ability to take short breaks as needed. This flexibility can empower women to manage their workloads while navigating the challenges of menopause.

Foster a supportive environment

Aim to create an open and supportive workplace culture where employees feel comfortable discussing menopause-related issues. Encourage open communication and ensure that women going through menopause can easily access the support they need, especially those with male line managers. This might involve setting up confidential channels for discussion or providing resources such as Employee Assistance Programmes and support networks.

Consider the workplace environment

Recognise that menopause symptoms can include hot flushes and temperature fluctuations. Ensure that the workplace, whether an office or other type of work environment, is equipped with temperature controls, and provide options for individuals to regulate their personal workspace temperatures. This could include access to fans, adjustable heating, or cooling systems.

Health and wellbeing programmes

Implement health programs that address the specific needs of women experiencing menopause. This may include workshops on stress management, nutrition or exercise as these factors can contribute to overall wellbeing during menopause. Offering access to counselling services or support groups can also be beneficial.

Raise awareness of any support networks, wellbeing programmes or employee assistance programmes

Ensuring female employees are aware of any support networks or programmes available to them, and what they have access to is key. This can offer them the support they need if experiencing negative menopause symptoms, and contribute to their wellbeing and productivity.

Considerations and actions

Actions for advisers

Be mindful of menopause considerations

Awareness and strategic planning

Clients going through the menopause face a larger risk of having a break in their working life and as such, reduced savings. Where pension contributions have been significantly lower than a spouse, it's worth considering the financial position of couples in their entirety, not just the individual client being advised.

Bridging the gap

The presence of menopause symptoms may negatively impact a client's ability to focus on financial planning, and their inclination to pursue or secure additional pension provisions. It's crucial to acknowledge and address this risk. Attention should be given to assessing and raising awareness of any shortfall between the client's future pension income and retirement needs. This involves determining the monthly contributions necessary to bridge the gap, which could potentially be incorporated into their overall income needs.

Practical steps and communication

In the same way that advisers would not hesitate to advise vulnerable clients to bring a trusted friend or family member to meetings with them, this advice may be just as pertinent and relevant to a client going through the menopause. In addition, due care and attention should be given to what is the right environment in which to conduct meetings – including considering temperature, lighting and easy access to toilet facilities.

Additional protection benefits

Only 16% of people are aware of the additional benefits that come with their protection policy.²⁸ Advisers should therefore highlight the benefits of those protection policies, which include access to health and wellbeing services. They should continue to discuss these benefits with clients at their regular reviews.



Part 4:

Conclusion

Our research draws attention to the stark reality for women - emphasising the impact of caregiving responsibilities and the unique challenges posed by the menopause.

As we strive for financial equity, it's crucial we all address these disparities - there's a role for individuals, employers and advisers to play. Collective effort is required to pave the way for a more inclusive and secure financial future. For everyone.

If you'd like to find out more about our research, or speak to one of our experts about topics raised in this report, **get in touch with your usual Royal London contact.**

Alternatively, find out how to get in touch [here](#)





Royal London
royallondon.com

**We're happy to provide your documents in a different format, such as Braille,
large print or audio, just ask us when you get in touch.**

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
The firm is on the Financial Services Register, registration number 117672. Registered in England and Wales number 99064. Registered office: 80 Fenchurch Street, London, EC3M 4BY.