

Women and Wealth report 2024

The real cost of Inequality

Exposing how financial disparity impacts women's lives in practice – and what we can do to bridge the gap.

September 2024

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Lives



Nearly 29% of women save less than £100 a month, compared to just 15% of men

Welcome to the Schroders Personal Wealth 2024 Women and Wealth Report

We often hear about the gender wealth gap, but what does this financial disparity look like in practice? Our report unpacks this question, revealing how deep-rooted financial inequalities between men and women play out in everyday life. We look beyond the headlines and focus on real-life implications: how women save less, invest more cautiously and ultimately retire with less financial security than men.

Take, for instance, the fact that of those surveyed nearly 29% of women save less than £100 a month, compared to just 15% of men. This isn't just a number; it reflects broader systemic issues, such as limited access to financial education and a lack of confidence in managing money. These barriers don't just affect women's bank accounts – they shape their futures.

We want to help solve the problems women face and our report highlights potential solutions. By focusing at the individual level on education, confidence and risk management – as well as structural, wider-society changes – the report illustrates how we can empower women to build and manage wealth.

Ultimately, this report is a call to action for financial advisers, employers and everyday investors to act now to help address the wealth gap, an issue that is not only urgent but long overdue for meaningful change.

Katie Nutting

Financial Planning Director,
Schroders Personal Wealth



The Wealth Gap in Practice

7.7%¹

gender pay gap in
the UK

From savings to retirement, the gender wealth gap impacts every stage of women's lives.

Our report shows that the gender wealth gap is more than a single statistic – it's a daily reality that affects many women's security and ability to make choices about their lives. While government data shows UK women earn, on average, 7.7%¹ less than men, the wealth gap goes beyond this figure. It encompasses not only differences in income but also disparities in assets, investments and access to financial opportunities over women's lives. We know that 80%² of women will become solely responsible for their finances at some point in their lifespan, so it is our aim to help grow their financial knowledge and confidence – from investments, financial products, marital assets but most importantly, their own financial situation.

What is the gender wealth gap?

Alice Harmer, Financial Adviser at Schroders Personal Wealth describes the gap as:

The difference in total assets, savings and financial security between men and women. The wealth gap as we know is not going to be solved in the short term, it's a long term impact often driven by factors such as career breaks – women are more likely to take a career break to care for either their children or other family members. Women generally also have lower lifetime earnings which alludes to the difference in investment behaviour between the genders.

These factors all have a knock on effect when it comes to women saving less, investing less and therefore also having smaller pensions before they retire. Understanding the gender wealth gap can help us address that financial inequality and create better opportunities for women to grow their wealth.

¹ONS (2023) Gender pay gap in the UK: 2023. Available at: [Gender pay gap in the UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peopleinwork/earningsandincome/articles/genderpaygapintheuk/2023)

²Schroders (2021) Taking the Reins: Female Clients and the Transfer of Wealth. Available at: [602194_female-clients_taking-the-reins-brochure_final_updated_digital.pdf \(schroders.com\)](https://www.schroders.com/~/media/602194_female-clients_taking-the-reins-brochure_final_updated_digital.pdf) (SPW is not responsible for the content or accuracy of the information on external websites)

17% of women feel very confident about achieving their long-term financial goals, compared to 29% of men



The savings gap

One of the most visible signs of the wealth gap is in savings.

Women consistently save less than men, creating a significant financial vulnerability. According to our findings, nearly 29% of women save less than £100 each month, compared to just 15% of men. When it comes to saving larger amounts, the gap widens even further. Only 10% of women surveyed manage to save over £700 per month, while 19% of men do so.

This savings gap has far-reaching implications. Saving less means having a smaller financial cushion in times of crisis, fewer opportunities to invest in personal or professional growth and less flexibility in life choices, such as taking a career break or starting a business. Over time, these smaller savings put away each month contribute to a broader disparity between men and women.

Moreover, this gap affects women's confidence in their financial future. With lower savings, our survey finds that only 17% of women feel very confident about achieving their long-term financial goals, compared to 29% of men. This lack of confidence can lead to a more cautious approach to financial planning, which in turn can limit wealth-building opportunities.

The investment gap

Investment is another area where the wealth gap is stark, with women significantly less likely than men to invest.

Our report reveals that while 88% of women hold savings accounts, almost on par with men at 91%, and 81% have pensions compared to 87% of men, the gap widens dramatically when it comes to investments. Just 26% of women hold a stocks and shares ISA, compared to 45% of men, and only 20% have a general or other type of investment account, compared to 38% of men.

This investment gap has profound consequences. While we encourage all people to keep an easily accessible, rainy day savings pot, women who avoid higher-growth investments for the rest of their savings may miss the opportunity to potentially increase their wealth over time. This not only affects their current financial situation but has lasting impacts that stretch out over time.

A primary barrier to investing is women's limited savings – 53% of women surveyed cite a lack of extra cash as their main reason for not investing, compared to 43% of men. Over time, this cycle of lower savings leading to less investment and slower wealth accumulation contributes significantly to the broader wealth disparity between men and women.

Capital at risk.



The pension confidence gap

The wealth gap continues even as women reach the end of their working years.

Women are less confident than men about their ability to fund their retirement. Our findings show that only 40% of women feel confident or extremely confident that their pension will be sufficient to support the retirement lifestyle they desire, compared to 59% of men.

This lack of confidence in retirement savings is alarming. It suggests that many women may face financial insecurity in their later years, which can affect their quality of life and their ability to enjoy a comfortable retirement. The disparity in pension confidence also reflects the broader issues women face in accumulating wealth throughout their lives, from lower savings and investment to lower lifetime earnings.



hold a stocks and shares ISA, compared to 45% of men.



feel confident that their pension will be sufficient to support their retirement lifestyle.

The inheritance gap

Finally, the wealth gap extends to the final financial decision many people make – women’s ability to leave an inheritance.

Our report highlights that only 13% of women are very confident they’ll be able to leave an inheritance, compared to 22% of men. This gap not only affects individual families but also has broader implications for intergenerational wealth transfer and economic mobility, particularly in households where women are the sole financial providers.

For women, the inability to leave an inheritance can be a source of stress and concern, especially when considering the financial well-being of their children or other dependents. It also reflects the overall impact of the wealth gap over a lifetime – lower savings, cautious investment strategies and less confidence in financial planning all contribute to the disparity.

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The Roots of the Wealth Gap

The roots of the wealth gap run deep, including education, confidence and risk – all factors that keep women from reaching their full financial potential.

While our report shows the wealth gap is evident at all stages of a woman's life, it's essential to understand the underlying factors that contribute to these disparities. By examining these factors, we can better grasp why the wealth gap persists and what needs to be done to close it.

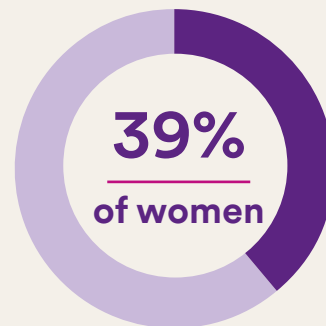
Financial education

We believe a solid financial education is crucial for building and managing wealth.

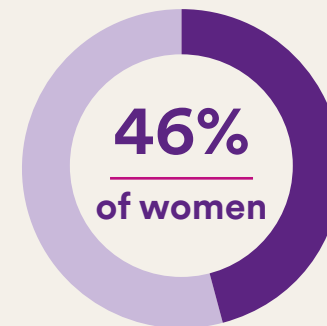
However, our report highlights that only 39% of women agree or strongly agree that they received a good financial education, compared to 53% of men, demonstrating a deeper problem of access to financial knowledge and resources.

Financial education goes beyond understanding how to save and invest – it also encompasses knowing one’s rights and options during critical life events. For instance, 46% of women surveyed are unaware of their rights to their partner’s pension in case of a divorce, compared to 36% of men. This lack of awareness could lead to significant financial disadvantages, particularly during major life transitions, where women may find themselves financially unprepared.

The gap in financial education is likely to contribute directly to the wealth gap, as those who lack financial knowledge may be less likely to engage in wealth-building activities such as investing or retirement planning. This knowledge gap also feeds into the next factor: confidence in financial management.



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Financial confidence

Confidence plays a crucial role in financial decision-making.

Our report shows that while 62% of women feel confident managing their finances – on par with 61% of men – their confidence levels drop significantly when it comes to being extremely confident. Only 17% of women describe themselves as extremely confident in managing finances, compared to 27% of men.

This difference in confidence can have tangible effects on financial outcomes. Women who are less confident in their financial management abilities may avoid taking risks or making significant financial decisions, such as investing in the stock market. This cautious approach may lessen the chance of incurring a loss, but it often also results in lower returns and slower wealth accumulation over time.

The lack of confidence is also revealed in women's attitudes toward saving for the future. Just 17% of women surveyed feel very confident that they'll achieve their long-term financial goals, compared to 29% of men. Additionally, 39% of women surveyed don't feel confident at all about their financial futures, a stark contrast to the 21% of men who feel the same.



Risk aversion: Playing it safe, missing out on growth

Another significant contributor to the wealth gap is women's lower tolerance for financial risk.

According to our findings, 79% of women prefer low-risk, low-return investments, compared to 56% of men. On top of this, only 21% of women are willing to take on high-risk, high-return investments, in contrast to 42% of men.

While this cautious approach can limit financial growth potential, it's important to recognise that the best investment strategy depends on individual circumstances and the value of investments and the income from them can fall as well as rise and are not guaranteed. You may get back less than you've invested.

For those with a tighter financial situation, lower risk investments may be a prudent choice. When financial resources are constrained – such as when women say a lack of extra cash inhibits them from investing – there is less capacity to absorb potential losses. In these cases, prioritising low-risk investments may help maintain what wealth has been accumulated and could mitigate the risk of financial instability.

However, consistently avoiding higher-risk investments could have long-term implications. Even women with greater financial resources may lean towards safer investments due to lower confidence and less financial education, resulting in missed opportunities for growth.

A balanced, personalised approach – one that aims to achieve financial security while recognising the benefits of strategic risk-taking – potentially offers the best opportunity to build wealth.



Strategic steps to close the gap

To bridge the gender wealth gap, it's crucial to adopt strategies that address the unique challenges women face in financial planning.

Many of the causes of the wealth gap are difficult to shift – most notably the ongoing disparity in the incomes of men and women – but there are still meaningful actions individuals can take. By focusing on education, confidence and risk management, women can be empowered to build and manage wealth more effectively.

Empowering through financial education

We believe one of the most effective ways to combat the wealth gap is financial education. Gaining a solid understanding of financial principles could be crucial for making informed decisions, especially during significant life events like career changes, marriage and retirement.

Many people may also benefit from professional financial advice, which can be tailored to ensure that an individual's financial strategy suits their unique needs and goals. SPW can support you in creating your own financial plan, there are no hidden fees or charges, and you'll only pay if you choose to go ahead with the recommendations in your personalised financial plan.

SPW has developed a wealth of resources to help individuals at every stage of their financial journey.

Top Tip from an SPW specialist

We believe it's never too late to start planning. It's great if you can do it when you start your first job at 18, but life's not always that simple. Seek advice, it doesn't matter what stage in life you are, we will always look to help.

- Alice Harmer, Personal Wealth Adviser, SPW

Addressing barriers to saving and investing

The barriers women often face in saving and investing, such as limited disposable income or a lack of financial knowledge, are often exacerbated by systemic issues, but taking proactive steps may help.

Understanding how to start saving, exploring low-cost investment options and automating contributions to savings or investment accounts are practical strategies that could help women build wealth over time.

Top Tip from an SPW specialist

Normalise financial conversations. Make financial discussions a regular part of your life – with family and loved ones. Encourage curiosity and use available resources, like financial tools and advice from reputable financial institutions, to better understand your options and keep everyone informed. Schroders Personal Wealth offers a range of [resources](#) to help you get started.

- Justin Blower, Regional Director, SPW

Encouraging balanced risk-taking

Risk aversion is common, especially among those with limited financial resources. While caution is often warranted, it's also important to recognise opportunities for potential growth through investment.

Educating oneself on different types of investments and their associated risks can help empower women to make informed decisions that suit their unique situations.

Top Tip from an SPW specialist

A qualified SPW financial adviser could help you navigate complex financial decisions, set clear goals and develop a tailored plan to achieve them. With the expertise from one of our investment specialists, they can support in the understanding of investment options that best suit your financial situation (if appropriate).

- Katie Nutting, Financial Planning Director, SPW

Moving forward together

The gender wealth gap is deeply rooted in societal inequalities, but that doesn't mean it is impossible to overcome.

By focusing on financial education, barriers to saving and investing and informed risk-taking, women can take proactive steps toward greater financial comfort.

However, this isn't a challenge that should be tackled in isolation. The Financial Services industry, employers and society as a whole have a role to play in creating an environment that supports women in achieving financial equality.

Together, we can work toward a future where wealth is more equitably distributed, empowering women to help build confident and prosperous financial lives.





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Our Women and Wealth report is based on an independent survey of 1,500 UK adults (750 women and 750 men) aged 35-65+ with £50k-£100k+ in gross household earnings (annual), conducted for Schroders Personal Wealth by Attest on the 30th July 2024.

This report is for information purposes only. It is not intended as investment advice and what is right for each person will depend on their individual circumstances.

Fees and Charges apply at SPW.

The value of investments and the income from them can fall as well as rise and is not guaranteed and you may get back less than you invest.

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