



MONEY/SHE

smart women invest

*Sisters are doing it  
for themselves*



### 13. RETIREMENT

Men retire with an average pensions savings pot of **£205,000**. Women retire with an average pensions savings pot of **£69,000**. This disparity means a woman would need to work an additional **19 years** to achieve equivalent retirement savings



### 12. CARING RESPONSIBILITIES

There are **15,120** people in England and Wales aged 90 plus, **12,390 (82%)** of which are women



### 11. PENSION

The gender pension gap in the UK averages **£136,000**



### 10. LIFESPAN

Women typically outlive men by **7 - 10 years**, and have more complex health needs later in life



### 9. PENSION

A single person needs approx **£37,300** per year to lead a comfortable retirement, couples need **£54,900** per year. Research shows that just **30%** of women are on track to reach these targets



### 8. INVESTING

**55%** of women DO NOT view investing as a high priority



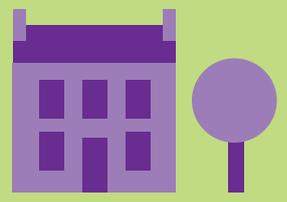
### 7. DIVORCE

Divorce strains women's financial security, with women's income decreasing by **33%** post-divorce



### 6. MORTGAGE

**Two-thirds** of women are confident their mortgage will be paid off when they retire vs **three-quarters** of men



### 5. EMERGENCY SAVINGS

On average women save **£180** a month, while men put away a far higher **£306** a month

### 4. CHILDREN AND WORKING

Permanently moving to part-time work at aged **30** can cost women **£47,000** in their pension pot at retirement



### 3. CHILDREN

The cost of raising a child from birth to 18 is **£157,592** for a couple, rising to **£208,735** for a single parent

### 2. WORK

**46%** of men have successfully negotiated a pay rise vs **33%** of women. **50%** of women have never asked for a pay rise



### 1. STUDENT DAYS

**35%** of women don't think they will ever pay off their student debt vs **20%** of men, even though men come out with higher debt levels



# FINANCIAL PATHWAY

## Money Matters

Women, wealth and health are being phrased together a lot more over recent years as people wake up to 'the power of the purse' and the freedoms, independence and choices that good financial health afford us.

But there are some outdated ideas still circulating. The suggestion that women acquire money mainly through inheritance or marriage/divorce is as old-fashioned as women only wanting money so they can shop for shoes and handbags.

The idea that women are careless or less interested in money is just plain wrong.

In January 2024, 42.6% of FTSE100 and 42.1% of FTSE350 directorships were occupied by women. Around half of all new FTSE100 board appointments were women (47%).

Women are creating wealth faster than any time in history. Estimates suggest we're set to inherit 70% of global wealth over the next two generations.<sup>1</sup>

Money in women's hands doesn't just make the world go round - it makes the world fairer, kinder and more equal.



---

<sup>1</sup>Capgemini World Wealth Report 2022

## Facing Facts



Average UK Life Expectancy for women is 82.6 years versus 78.6 for men and they tend to have more complex medical needs in old age

*(The Office for National Statistics - 2020)<sup>2</sup>*



The full cost of sending a child to university is £69,462

*(Times Higher Education - 2020)<sup>5</sup>*



A recent study shows that women save a third less (34.5%) than their male colleagues

*(money.co.uk - January 2024)<sup>6</sup>*



The pension gender gap as of 2021 is 33.5% which is more than twice the pay gender gap of 14.9%

*(Prospect Union research of 2018-2019 data)<sup>3</sup>*



The average care home fees range from £27,000 to £39,000 per annum for residential care. These costs increase to £35,000 - £55,000 per year for nursing care

*(CARE HOME COSTS & CARE FEES January 2024 - UK Care Guide)<sup>4</sup>*



The most recent data from the Child Poverty Action Group (2022) puts the cost of raising a child from birth to 18 at £157,592 for a couple, rising to £208,735 for a single parent

*(Child Poverty Action Group - 2022)<sup>7</sup>*

As women juggle their lives, looking after their own financial futures tends to take a back seat or get outsourced to wealth managers and advisers who seem to frequently view women as cash cows rather than genuinely having their best interests at heart.

<sup>2</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/lifeexpectancyatbirthandselectedolderages>

<sup>3</sup>[https://prospect.org.uk/article/what-is-the-gender-pension-gap/#:~:text=The%20gender%20pension%20gap%20is,gap%20that%20year%20\(17.3%25\)](https://prospect.org.uk/article/what-is-the-gender-pension-gap/#:~:text=The%20gender%20pension%20gap%20is,gap%20that%20year%20(17.3%25))

<sup>4</sup><https://www.laingbuisson.com/shop/care-homes-for-older-people-uk-market-report-31ed/>

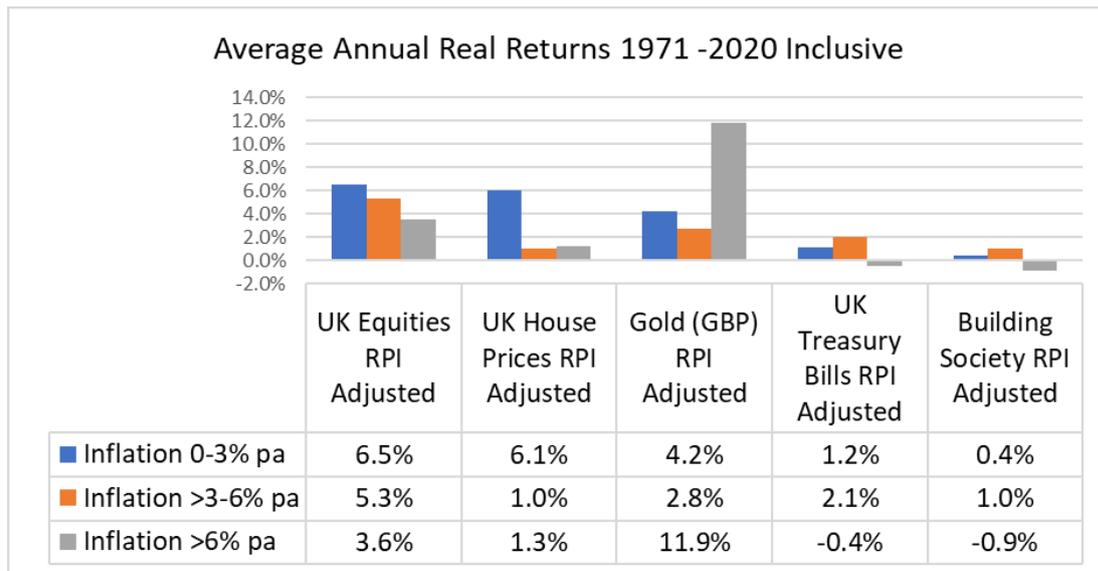
<sup>5</sup><https://www.timeshighereducation.com/student/advice/cost-studying-university-uk>

<sup>6</sup><https://www.money.co.uk>

<sup>7</sup><https://cpag.org.uk/policy-and-campaigns/report/cost-child-2019>

## Real Returns Really Matter

Simply put, real returns are returns after inflation and all other costs of your savings or investments. There are those who will say 'buy gold' or 'property - these will look after you in your old age' but research by SCM Direct revealed that UK shares were the only asset category that provided significant real returns over various levels of inflation:



Source: SCM Direct



## Your Money, Your Choices

You may have a good job and be comfortable with your family income that lets you go on great holidays, to wonderful restaurants and pay private school fees or tuition.

But you never know what's round the corner. There are simply too many unknown unknowns. Even without a global crisis, **the statistics speak for themselves and show life is financially unfair for women.**

The stark reality:

- 32% of marriages end, with women experiencing nearly twice the financial hit suffered by men, as they see a drop of a third in their income, whilst for men, the fall is less than a fifth<sup>8</sup>.
- Even if you're lucky enough to be with the man of your dreams, one thing none of us can avoid is aging. The UK life expectancy for women is 82.6 years compared to 78.6 for men which means women are winning the longevity gap, but that has big financial implications<sup>9</sup>.
- Not only are women likely to live alone for more years than men, they also tend to have more complex health issues in their older years. The Office National Statistics reported in January 2024 there were 15,120 people in England and Wales who are aged 90 years or over. 12,390 of those are female!
- A study by nowpension.com found that women on average will retire with a third of the pension pot of men.<sup>10</sup>
- Funding a comfortable retirement requires around £250,000 to £500,000 (based on necessities)<sup>11</sup>.



---

<sup>8</sup><https://www.moneyadvice.service.org.uk/blog/how-much-does-a-divorce-cost>

<sup>9</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/lifeexpectancyatbirthandselectedolderages>

<sup>10</sup><https://www.nowpension.com>

<sup>11</sup><https://www.which.co.uk/money/pensions-and-retirement/starting-to-plan-your-retirement/how-much-will-you-need-to-retire-atu0z9k0lw3p>

## Mind the Gender Pensions Gap

The main reason there is a gender pension gap is because of the imbalance in the level of occupational pension saving between men and women, and the existence of the gender pay gap.

Married women, women in relationships and those with families are more likely to take breaks from employment or reduce hours to look after their family.

It is also worth noting that the average salary for a man is 8.3% higher than that of a woman in the UK. As pension contributions are based on salaries, and taking into consideration the gender pay gap, pension contributions from men will, on average, be higher than women's<sup>12</sup>.

What is so sad, is that these money issues often start to affect women at the same time as they are meant to be enjoying retirement, but by then it's simply too late.

Findings by the Prospect Union in 2021 resonate with our own research and anecdotal findings:<sup>13</sup>

- **Imbalance in the level of occupational and private pension saving between men and women.**
- **Impact of women taking breaks from paid employment or reducing hours worked to look after family.**
- **Cumulative impact over time of women earning less on average than men (the gender pay gap).**
- **The disproportionate exclusion of women from being automatically enrolled into a pension scheme.**
- **Inequality in the average level of state pension awarded to men and women.**

You cannot turn back the clock or magic up a lump sum, **which is why women must not put off looking after their tomorrows, today.**

<sup>12</sup> <https://www.more2life.co.uk/newsroom/one-in-three-women-over-54-have-borrowed-just-to-m>

<sup>13</sup> [https://prospect.org.uk/article/what-is-the-gender-pension-gap/#:~:text=The%20gender%20pension%20gap%20is,gap%20that%20year%20\(17.3%25\).](https://prospect.org.uk/article/what-is-the-gender-pension-gap/#:~:text=The%20gender%20pension%20gap%20is,gap%20that%20year%20(17.3%25).)

## Balancing Risk and Reward

Our experience with female clients shows it's a myth that women and men fundamentally want different pension or investment products.

Both women and men want solutions that preserve their initial wealth, beat inflation and achieve good returns without taking unnecessary risk. Both also appreciate the saying 'if it's too good to be true, it probably is' in terms of investment risk and rewards.

They also want fair fees rather than high, hidden fees. Also, both women and men are just as likely to take higher risk for some of their money or take a punt to two on the latest fad or fashion in the hope that higher risk will mean higher returns.

What makes us jump for joy is that both younger women and men are looking for investments that do real good, as well as achieve good real returns.

There are three main differences in how men and women invest. Firstly, women view wealth as not only giving them financial security and independence, but also affording them the opportunity to give to charity or make a difference. In a global survey, 90% of women said that "making a positive impact on society with their money was important to them"<sup>14</sup>.

Secondly, our experience has found that women consume and communicate differently to men, preferring information to be layered so they can digest and only then, dig deeper. It's a 'box within a box' approach rather than being confronted with pages of text.



---

<sup>14</sup><https://www.3blmedia.com/News/Women-and-Millennials-Drive-Growth-Responsible-Investing>

## A Confidence Thing

It is a confidence thing! Women struggle more with confidence when approaching the topic of finance and making investing decisions.

There is a lack of financial literacy which comes as no surprise considering how shut-off the world of finance can be to women. Women also have issues with 'money men' and the City culture - who can blame them when a third of women feel patronised in their experiences with the industry?<sup>15</sup>

The good news is things are changing - research shows that in principle, women are open to investing<sup>16</sup>.

YouGov research in 2019 showed 61% of women had never invested, compared to 39% of men - with lack of knowledge and confidence holding them back. Of those that do invest, 45% are women<sup>17</sup>.

At MoneyShe we don't just want to speak to women, we want to activate women into looking after their financial health. We're all excited because we know from experience that empowered women, empower women - **come and talk to us.**



---

<sup>15</sup>WealthiHer Report 2019

<sup>16</sup><https://yougov.co.uk/topics/politics/articles-reports/2018/04/12/over-half-women-have-never-held-investment-product>

<sup>17</sup>The UK Investment Report – Shepherds Friendly August 2024

## Important Notices and Risk Warnings

This document is provided for information and does not constitute professional advice. It provides information in summary form and does not purport to contain all relevant information about the matters discussed. It does not offer tax advice. Not all Exchange Traded Funds are suitable for all investors. You should not act upon any of the information contained in this document without obtaining specific professional advice. Please note that nothing in this document should be interpreted as financial advice.

This document has been prepared in good faith. The information contained in it has come from sources that we believe to be reliable but we have not independently verified this information. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this document and SCM Private LLP and its employees accept no liability for the consequences of acting or not acting solely upon the information contained in this document. Opinions expressed in this publication are solely the opinions of SCM Private LLP. All expressions of opinion are subject to change without notice. This document is intended for UK residents only. It may not be reproduced or distributed in any format without the written consent of SCM Private LLP.

Investing in Exchange Traded Funds may expose the investor to a number of risks, some of which are specific to Exchange Traded Funds and some of which are general investment risks. The value of investments and the income from them can go down as well as up and you may not recover the amount of your original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not necessarily a good indication of likely future performance. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.

**Important Notice: Neither MoneyShe or SCM Direct or SCM Private provide investment advice or makes personal recommendations. If you are unsure about your risk profile or the suitability of any investments you should contact an independent financial adviser.**



**[moneyshe@scmdirect.com](mailto:moneyshe@scmdirect.com)**

**Michelin House, 81 Fulham Road, London, SW3 6RD**

**+44 (0)20 7838 8650 • [enquiries@scmdirect.com](mailto:enquiries@scmdirect.com)**

### **Important Information: Capital at Risk.**

The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. MoneyShe is a trading brand of SCM Private LLP which is authorised and regulated by the Financial Conduct Authority to conduct investment business No.497525. Registered in England and Wales No.OC342778