

# **UK Adult Financial Wellbeing Survey 2021 Gender Report**

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## 1. Introduction

The Adult Financial Wellbeing Survey is a nationally representative survey of adults aged 18+ living in the UK. The survey was previously run in 2018 and 2015, when it was known as the Financial Capability Survey. This latest wave was conducted through online access panels and with posted invitations in order to represent both heavier and lighter users of the internet.

The questionnaire covers the building blocks of financial wellbeing:

- current and longer-term financial wellbeing
- day-to-day behaviours like managing credit, active saving and keeping track of spending
- planning behaviours like pension saving and building resilience against expected and unexpected life events
- enablers and inhibitors like confidence, sense of control, financial numeracy, and engagement with money information, advice and guidance.

The survey provides robust measures of UK Financial Wellbeing which help MaPS and other organisations working in Financial Wellbeing to design and target interventions more effectively.

For further details on the method, sampling and weighting processes, please see the survey technical report.

## Financial wellbeing

Financial wellbeing is about feeling secure and in control of your finances both now and in the future. It is knowing that you can pay your bills today, can deal with the unexpected and are on track for a healthy financial future.

Financial stress – and its knock-on effects for mental health, relationship breakdown and physical health – can have severe consequences for individuals and communities. The economic impact of Covid-19 has had a profound effect on the financial wellbeing of people, although has not impacted everyone financially in the same way.

The differential impact has been stark, and many of the pre-existing gaps of financial wellbeing between men and women remain, or have widened since the start of the Covid-19 pandemic.

## Reporting

The approach taken towards reporting for 2021, is to create a series of short reports, each focused on a specific topic or audience group of importance. The reports cover the Agendas for Change and the cross-cutting themes of the UK Strategy for Financial Wellbeing and other topics.

This report summarises the primary findings by gender, in particular for those measures which contribute to the National Goals – the primary measures of Financial Wellbeing in the UK.

This report does not examine the financial wellbeing of Transgender and Cisgender groups. Analysis of this will be included in a forthcoming research report covering the protected characteristics that comprise the Public Sector Equality Duty.

This report examines the ways in which women's financial wellbeing differs from men's.

## 2. Women's financial wellbeing

### 2.1. Income, employment and gender

Approximately 51% of the UK adult population describe themselves as female, 49% describe themselves as male and less than 1% say they describe themselves in some other way.

Women and men in the UK have similar age and ethnicity profiles. Differences emerge when looking at employment and incomes.

A much smaller proportion of women are working in full time employment – 35% in comparison to 54% of men. This gap widens significantly when comparing single parents, with 38% of women in full time employment compared to 78% of men.

In addition, significantly more women are on lower personal incomes of up to £17.5k, (62%) compared to men (42%).

This gap is even more evident when looking at the highest income bands. For incomes of over £35,000 there are double the proportion of men on these incomes compared to women (25%, compared to 11%).

Alongside these differences, there are a much smaller proportion of women who define themselves as the Chief Income Earner in their household compared to men (32% compared to 71%).

### Change since 2018

Many women have seen their savings fall since the start of the pandemic – with more women now having less than £1,000 in personal savings.

On other financial wellbeing measures such as regular saving and the ability to pay an unexpected bill without resorting to the use of credit or short term loans, the pre-existing gaps have not widened since 2018, but women continue to be more at risk.

## 2.2 Gender and financial wellbeing

The table compares outcomes between men and women. From this it is evident that women are faring less well almost all key financial wellbeing measures.

The biggest gaps relate to pensions and retirement planning. In particular, women are:

- less likely to say they understand enough about pensions to make decisions about saving for retirement
- less likely to have a plan for their finances in retirement

This is perhaps in part due to fewer women being in full-time employment compared to men and often on lower personal incomes. Women may also be in multiple lower paid jobs which fall below the threshold for automatic enrolment.

The gap between women's and men's financial wellbeing tends to be smaller for medium and shorter term financial issues.

Women tend to be:

- Less confident in managing their money, especially young women
- Less satisfied with their financial circumstances, especially single mothers
- Having more difficulty in keeping up with bills and credit commitments, especially the 55+ and retired age group
- Struggling to pay an unexpected bill, particularly single mothers
- At risk from significant life events such as illness or loss of employment due to lower levels of personal savings

It is clear that, for many women, when compared to men, particular challenges related to financial wellbeing remain.

**The financial wellbeing gender gap**

Topic	Question	Women	Men	Gender gap
Retirement	do not have a plan for their finances in retirement	60%	44%	16 points
Retirement	don't think they understand enough about pensions	59%	43%	16 points
Current wellbeing	not satisfied with their overall financial circumstances	70%	62%	8 points
Savings	less than £1,000 in savings	46%	38%	8 points
Confidence	do not feel confident managing their money	48%	42%	6 points
Unexpected bills	couldn't pay an unexpected bill of £300 without borrowing	27%	21%	6 points
Savings	no savings	18%	13%	5 points
Bills and payments	struggle to keep up, are falling behind or have fallen behind with their commitments	51%	49%	2 points
Credit	often borrow to buy food/pay bills	15%	19%	-4 points

### 3. Gender and financial wellbeing in detail

#### 3.1. The pensions gender gap

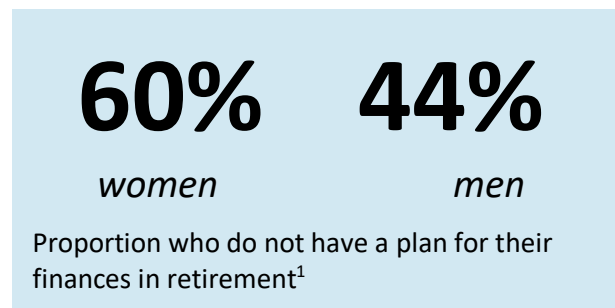
##### 3.1.1. Planning for retirement

*“How much have you done to ... plan your finances for retirement?”*

Not being well prepared for retirement can cause a number of issues in later life, especially as individuals approach the age of retirement with no plan in place.

This report examines retirement planning first, because this is the area with the largest gap between women and men.

Despite a slight improvement since 2018, three in five women report not having a plan for their finances in retirement (60%, down from 64% in 2018). This is significantly higher than the figure for men (44%), which has also decreased since 2018.



This difference between men and women becomes more pronounced when looking at parents. For two-parent families, 61% of mothers report having no plan for finances in retirement, compared to 39% of fathers. This gap is even wider when looking at single parent families, with nearly seven in ten (69%) single mothers having no plan, compared to under half (44%) of single fathers.

<sup>1</sup> Source: D7C - How much have you done to ... plan your finances for retirement?

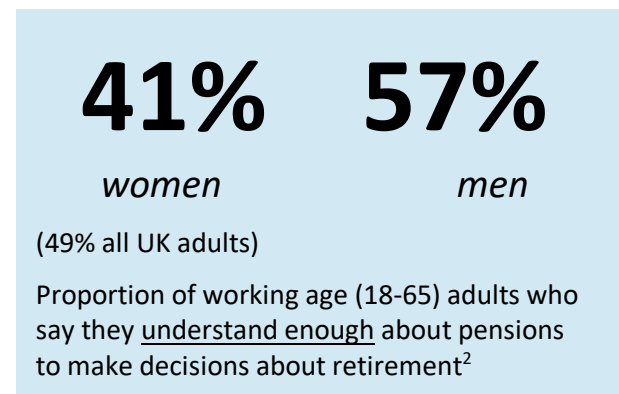
Base: All Adults (% saying Not very much/Nothing at all)

##### 3.1.2. Understanding pensions

*“I feel I understand enough about pensions to make decisions about saving for retirement”*

Nearly half of UK working age adults do not feel they understand enough to make decisions about retirement.

However, the gender differences are stark, with less than half of women (41%) understanding enough to make decisions about retirement, compared to 57% of men.



This gap between men and women has decreased since 2018, although slightly (by 2%).

Gender differences become even more apparent for single parents, with only around a third (36%) of single mothers understanding enough to make decisions about retirement, compared to over half of single fathers (59%).

When looking at the figures for men and women that are currently or have ever paid into a pension, significantly fewer women (69%) have than men (73%). Encouragingly however, this figure has increased for women since 2018 (up from 63%). This may in part be due to the impact of automatic enrolment.

<sup>2</sup> Source: WASOU - Understand enough to make decisions about retirement

Base: All Adults of working age (% saying Agree)

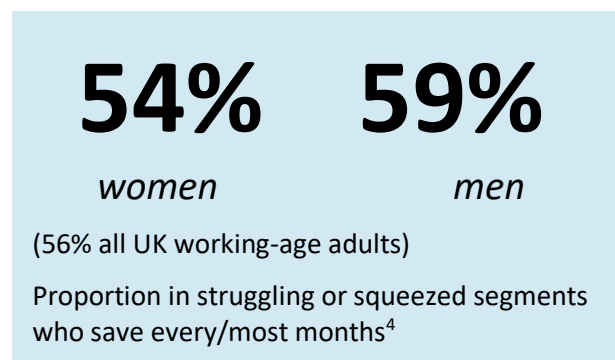
### 3.2. Gender and financial resilience

#### 3.2.1. Active saving

*“Which of these best describes how often you save money?”*

Generally, a significant proportion of 56% of UK adults of working age, from the struggling and squeezed segments<sup>3</sup>, do not save every/most months.

For women from these segments, this figure is even lower. Just over half (54%) of women report being able to save every/most months, significantly lower than the figure for men which is closer to three in five (59%). Encouragingly though, since 2018, the gap has closed, with women who save every/most months showing a slight increase (from 53%). However, for men the figure has fallen from 62% to 59%, perhaps suggesting a larger impact of the pandemic on active saving for men.



The gender gap between active saving only remains significant at the lowest income level (up to £13,499). Just 45% of women at the lowest income level save regularly, significantly lower than 50% for men.

The gap widens further for two-parent families. Overall, mothers are saving significantly less (54%) than fathers (62%) in two-parent families.

#### 3.2.2. No savings

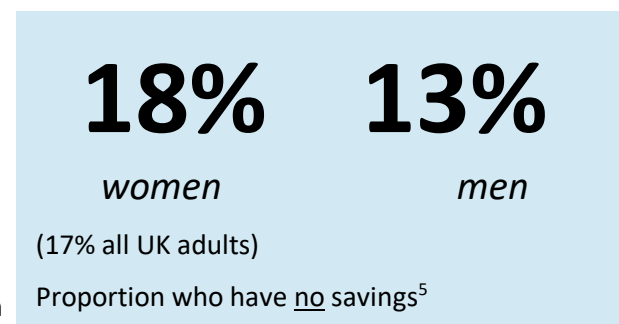
*“Do you currently have savings or investments in any of the following?”*

Women are more likely to have no savings at all (18%) compared to their male counterparts (13%).

They are also less likely to save in different financial products, such as investments or stocks and shares.

With the exception of savings accounts (used by 57% of both men and women), men are more likely to use all types of savings and investment accounts to store their savings. The biggest differences are seen in:

- investments/stocks - 24% of men say they have savings in these 24 compared to 14% of women 14%)
- current accounts - 41% of men say they have savings in these compared to 31% of women.



<sup>3</sup> **Struggling** is the least financially resilient segment, characterised by low incomes, high rates of benefit dependency, poor provision for later life, little or no savings buffers in case of financial hardship, and high over-indebtedness

**Squeezed** is a high-risk segment, characterised by high rates of dependency on credit, absence of savings buffers to cope with income shocks, insufficient preparation for later life.

<sup>4</sup> Source: G3 - Which of these best describes how often you save money?

Base: All struggling or squeezed segments who are of working age (% who do this every/most months)

<sup>5</sup> Source: G1 - Do you currently have savings or investments in any of the following?

Base: All Adults (% who have these savings)

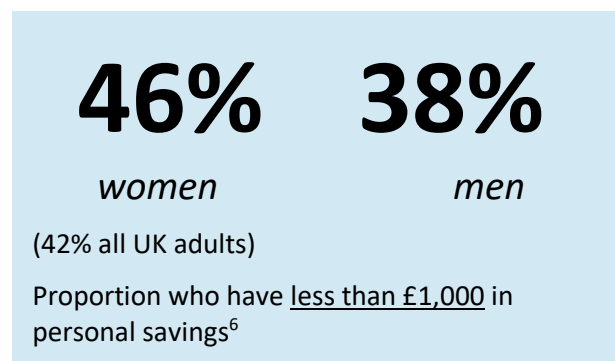
This difference is far more pronounced when you take into account parenthood. 24% of women in two parent families report having no savings and investments, while only 14% of men report this. The same differences apply to single parents where 38% of women have no savings or investments just under 1 in 5 (19%) men report this same struggle.

Differences decrease for those living in higher household income households. 27% of women on the lowest income households (up to £13,499) report having no savings and investments, significantly higher than 19% of men on the lowest income.

### 3.2.3. Amount held in personal savings

*“Approximately how much, if anything, do you personally have in savings and investments?”*

Almost half of women in the UK have less than £1000 in savings and investments (46%). This is higher compared to the figure for men which is closer to two in five (38%). Since 2018, the figure for women having less than £1000 in savings has increased from 37% to 46% in 2021. Whereas for men, the increase has been smaller, from 36% to 38%.



This gap between men and women widens significantly when looking at single parents. Three quarters (75%) of single mothers have personal savings of less than £1000, this is compared to just over half of single fathers (52%). This leaves single

<sup>6</sup> Source: G5a - Approximately how much, if anything, do you personally have in savings and investments?  
Base: All Adults (% who have less than £1000+)

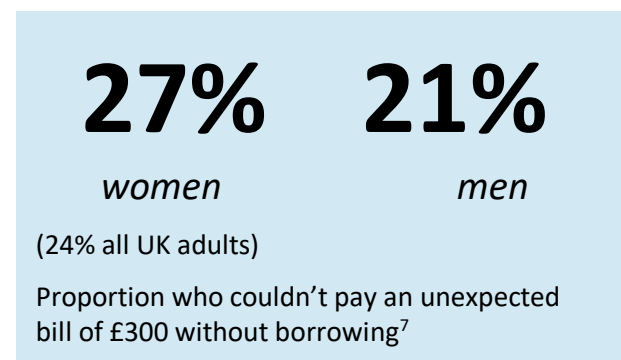
mothers much more vulnerable to the effects of significant life events, without sufficient savings to fall back on.

### 3.2.4. Unexpected bills

*“What is the biggest bill you could pay, either from money you already have, or money you could easily borrow in a way that you consider affordable?”*

Nearly a quarter of people living in the UK would have insufficient savings or income to pay an unexpected bill of £300. These people are at risk of going (further) into debt, resorting to expensive, short-term credit or loans, or having to go without day to day essentials.

Women are more at risk here, with 27% of women saying they would be unable to pay an unexpected bill of £300, compared to around a fifth of men (21%).



The difference between the ability to pay an unexpected bill of £300 is significantly larger for single parents. Just over one in five single fathers would be unable to pay (22%), compared to over half of single mothers (55%).

<sup>7</sup> Source: I10. How would you pay unexpected bill of £300?  
Base: All Adults (% who would have to borrow or could not pay when faced with an unexpected £300 bill)



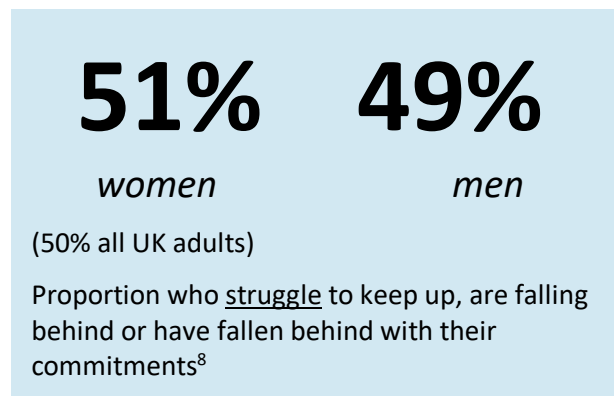
### 3.3. Gender and paying the bills

#### 3.3.1. Keeping up with bills

*“How well are you keeping up with bills and credit commitments at the moment?”*

Keeping up with bills and credit commitments is a struggle for half of UK adults. When comparing men and women, although the figures are close, women are struggling to keep up with bills and commitments (51%) significantly more than men (49%). The impact of the pandemic is likely to have had a negative effect. Since 2018 the gap between men and women has changed direction. In 2018 women were struggling less than men, however the proportion of women has increased, and women are now struggling more (from 47% to 51%).

This struggle to keep up with bills and credit commitments, can have an impact on mental health and cause considerable worry and stress. Nearly four in ten (38%) women say that thinking about their financial situation makes them anxious compared to one third (33%) of men.



There are gender differences when we look across age groups. A gap between men and women struggling to keep up with bills/commitments only emerges for the older (55+) age group. Within the 55+ age group, 35% of women are struggling,

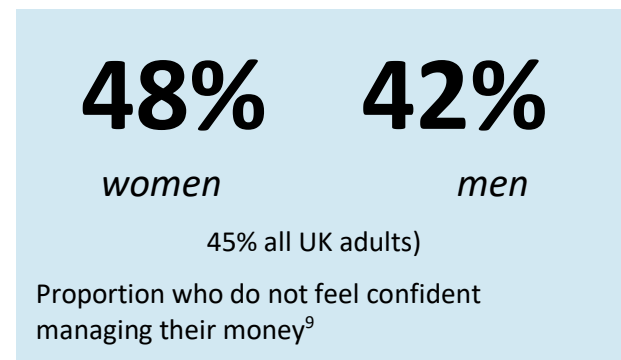
<sup>8</sup> Source: J1. How well are you/you and your partner/spouse keeping up with bills and credit commitments at the moment?  
 Base: All Adults (% Keeping up a struggle from time to time/constant struggle/falling behind/fallen behind)

compared to 28% of men. Furthermore, within the retired adult group, women are struggling more commonly than men – 26% compared to 19%.

#### 3.3.2. Confidence in managing money

*“How confident do you feel managing your money?”*

Many women lack confidence in managing money day to day. Almost half (48%) of women in the UK are not confident in managing their money, slightly higher than the figure for men (42%). This gap in confidence between men and women has widened since 2018.



The gap in confidence is widest in younger men and women (60% compared to 68%) and decreases with age.

As well as the gender gap in confidence in managing money day to day, there is a similar gender gap for confidence making decisions about financial products and services.

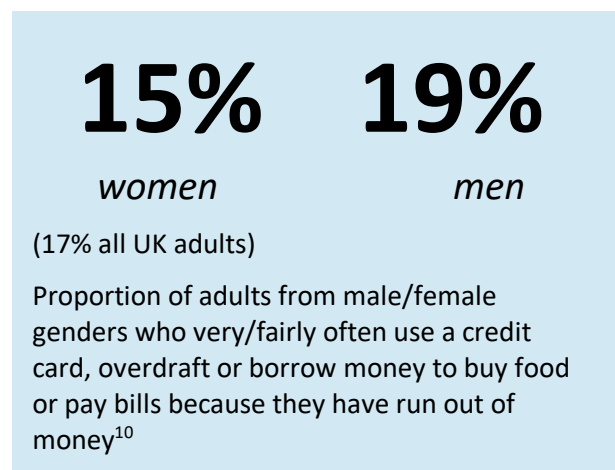
Over half of women (54%) say they lack the confidence to make these financial decisions, slightly more than men (47%). Again, the gap here is more pronounced when comparing younger women (72%) and younger men (62%).

<sup>9</sup> Source: B3 - How confident do you feel managing your money?  
 Base: All Adults (% rating 0-7)

### 3.3.3. Not borrowing for the everyday

*“How often do you use a credit card, overdraft or borrow money to buy food or pay bills because you have run short of money?”*

Although many UK adults are borrowing for the everyday, in general, it is men who are more likely to frequently borrow for the everyday compared to women. These differences in borrowing remain the same as 2018.



There are also differences in borrowing for the everyday between men and women for other age groups. A higher proportion of younger (18-34 year-old) men are more likely to frequently borrow for the everyday (35%) in comparison to 18-34 year-old females (28%). This does decrease with age, and eventually evens out for older (55+) men and women (5% for both genders).

This gender difference in borrowing remains prevalent when taking into account ethnicity. A larger proportion of men from ethnic minorities are more likely to borrow for the everyday (35%) than women from an ethnic minority group (24%).

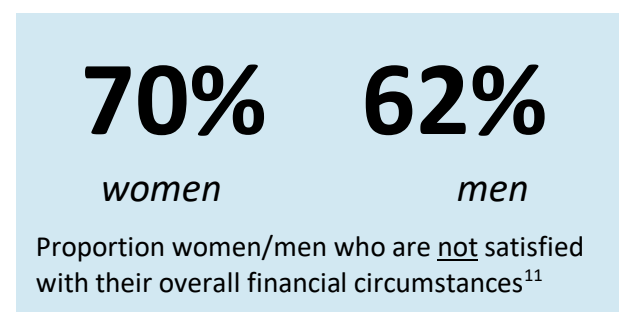
<sup>10</sup> Source: NORB1. How often do you use a credit card, overdraft or borrow money to buy food or pay bills because you have run short of money?  
 Base: All Adults (% who do this very/fairly often)

### 3.3.4. Satisfaction with financial circumstances

*“How satisfied are you with your overall financial circumstances?”*

Whilst many UK adults are not satisfied with their financial circumstances, in general, women are less satisfied with their financial circumstances than men. We found a similar difference in 2018.

Seven in ten (70%) women are not satisfied with their financial circumstances.



There are also differences in satisfaction with financial circumstances between women of different groups. A higher proportion of women who are single parents are not satisfied with their financial circumstances (85%). This is high higher than the rate of dissatisfaction among the smaller group of male single parents (77%).

The gap between satisfaction is highest between men and women at the highest household income level, with 57% of women with a household income of £35k+ not satisfied with their overall financial circumstances compared to under half of men (49%). This may be due in part to the disparity of personal incomes between men and women. Only 4% of women are on personal incomes of 50k+, compared to 11% of men.

<sup>11</sup> Source: B2 - How satisfied are you with your overall financial circumstances?  
 Base: All Adults (% 0-7/10)