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The Moments that Matter in improving
women's and all of our financial futures

Insuring Women's Futures' Manifesto: The full report
Part One: Manifesto recommendations and the Case for change

Insuring
**women's
Futures**

#MakeEachMomentCount today to improve financial life tomorrow
January 2020

About Insuring Women's Futures

Insuring Women's Futures is a voluntary, market-led programme established under the Chartered Insurance Institute (CII) to improve women's financial resilience. It brings together a cross-section of business leaders, experts and influencers drawn from policy, regulation, academia and the third sector to support making lasting change.

For the past three years, these contributors have shared their insights, experiences and expertise. As a result we are pleased to share a series of ambitious, practical Manifesto recommendations.

This page acknowledges members of the Committee and also the Manifesto workstream leaders. Please refer to the appendices for details of other valued contributors who we wish to acknowledge.

Insuring Women's Futures Committee

Italics indicate role in the programme

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Market Task Force

We are grateful to all these firms who have allowed senior members of staff to participate on our Market Task Force.



All of the contributors have participated in an individual capacity, and their involvement does not necessarily imply organisational commitment to any or all of the report contents.

www.insuringwomensfutures.co.uk

Improving women's financial resilience to secure a better future for all

Parts One and Two Contents

Our full Manifesto report is structured in two parts: Part One, Manifesto recommendations and Case for change and Part Two, Programme findings and Appendices. Set out below is the full contents for Part One only.

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Our programme for change

See Part Two Contents for details.

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Insuring Women's Futures' Manifesto for living a financially resilient life in the UK

Our Manifesto is aimed at making a series of strategic interventions in *Moments that Matter* to support a financially resilient life for all

Insuring Women's Futures has identified ten overarching recommendations where interventions can be made to improve financial resilience for women and wider society in the UK. Our recommendations take into account how life in the UK is changing and the implications for all of our financial resilience, now and in the future. Our proposals combine policy and practice and are centred on where the most impact can be made, targeting a series of *Moments that Matter* across women's financial life journeys.



Inspiring young women to own their financial futures
Empower young women in their study choices and formally equip them for financial independence, setting the right tone in society by ensuring appropriate use of language towards women, together with career mentoring and positive role modelling of women at home, at school and in the media.



Insurance and financial services' role in supporting financial futures
Modernise approaches within insurance and financial services to embed consideration of changing financial lives and help customers be better informed how their life circumstances impact on the products they buy and the service they receive.



Pensions for carers and a 'national conversation' about caring
Women make up the majority of unpaid and paid carers, and caring is the lowest paid occupation in the UK. Our ageing population has significant implications for women, our society and economy. A 'national conversation' is required to consider caring including: who cares, how care is rewarded and paid for, and carers' pensions including a carers' pension top-up. Gender needs to be part of the dialogue and inform policy.



Fair pensions outcomes for those in relationships and for break ups
Make pension sharing the default in divorce, and allow divorcing couples to access the Pensions Advisory Allowance in full. Leverage the Pensions Dashboard for use in the divorce process, including online divorces.



Gender-neutral language, gender-disaggregated data and its use in policy and practice
Women need to be visible in law and regulation, and in policymaking, which should include universal adoption of gender-neutral language and be informed by data. Gender-disaggregated data should be collected and used to inform root cause and policy analysis, and strategies by regulators, financial guidance bodies and financial services. Approaches should consider life journeys to understand the most effective form of interventions, by whom and at which *Moments that Matter*.



Financial engagement and wellbeing strategies that reflect women's whole life journeys
There needs to be a strategy to drive sustainable change to support women's financial and pensions wellbeing, including gender-differentiated and tailored approaches to women's engagement, information, guidance and advice relevant to women's life journeys. This should be measured as part of a national Financial Engagement Index.



Female Financial Resilience Forum
Addressing women's financial resilience requires a holistic and coordinated approach across Government, regulators, financial guidance bodies, financial services, employers and the third sector. Insuring Women's Futures will work with others on how a forum could operate.



Pensions equality in the workplace
Improve workplace pensions transparency and extend *Gender pay gap* reporting to include the gender pension contribution gap to inform workplace pensions wellbeing and target actions to improve pensions parity.



Equal pensions rights for those on low pay
Extend the right to a workplace pension to employees on low pay, so that they are eligible for Automatic Enrolment and receive the pension tax relief they are due.



Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions
Improve flexible working and financial wellbeing practices in the workplace to allow all parents and carers, and those who want to work flexibly in the future, to have rewarding careers and pay, and to be informed on money and pensions. Equalise Shared Parental Leave and Pay rights to encourage shared responsibility for childcare, and support closing pay and pensions gaps.

6 Moments that Matter

The circumstances we are in, the choices we make and our life experiences impact our financial futures: what we study, where we work, the jobs we do, the pension savings we make, the relationships and families we form, our health and how we age, and our relationship with money. There are 6 *Moments that Matter* in life where we can come together to take control and secure all of our financial future.



Everybody's financial life journey is different. Through considering the 6 *Moments that Matter* and our collaborative *Framework of interventions*, we have identified what can be done, and who can make, the most impact to improve women's and all of our financial resilience.

Our Manifesto identifies a number of changes in law and policy we believe are important for **Government** to consider. These include our recommendations relating to collection and use in policymaking of gender-disaggregated data, enforcement of gender-neutral language in all laws and regulations, fairer pensions outcomes for people on low pay, and for married and cohabiting couples including those whose relationships break up.

We recommend **Government**, as part of its policy review work into care, takes a holistic approach and ensures that analysis work and proposals are considered through a gender lens, and how care is valued, paid for and carers' pensions.

We support the work of the **Government Equalities Office (GEO)** in its Gender Roadmap and encourage equalising Shared Parental Leave and Pay rights, and we recommend it considers inclusion of the gender pensions contribution gap as part of the *Gender pay gap* regulation. We are supportive of the Gender Roadmap recommendations for young women to be encouraged in their career choices together with positive role models and empowerment of women in particular in the media.

We recommend that **financial services and pensions regulators** the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) adopt gender-neutral language in rules and

We recommend **professional and trade bodies** work with Government and regulators to support taking forward the above policy initiatives while addressing gender-neutral language in their own materials and guidance, and adopt practices to consider gender as part of regular practices.

We are calling on all members of the **insurance and personal finance profession and regulated firms** across the insurance

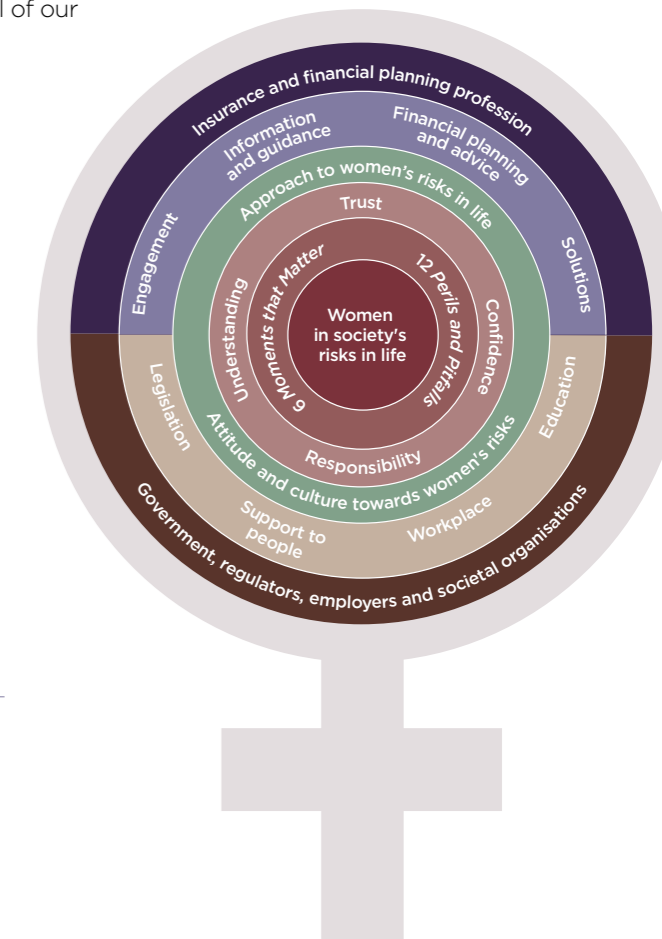
guidance. We recommend that the FCA collects and publishes gender-disaggregated product and customer data, as well as data on approved and certified persons under the Senior Manager & Certification Regime; the data can be usefully used in policymaking and supervisory practice. We recommend that TPR adopts a similar approach.

We recommend that **The Money and Pensions Service (MaPS)** includes women and gender inclusive approaches as part of its national strategy for financial guidance in the UK. We recommend it collects gender-disaggregated data relating to its services, and that this is used in formulating financial engagement and financial wellbeing strategies. There is merit in a national Financial Engagement Index to measure success and for this to be made available for use by policymakers, regulators, financial guidance bodies and financial services firms; MaPS would be well placed to oversee this.

We are calling on all **employers within insurance and personal finance** to adopt good practices in financially inclusive flexible working for employees, to consider parental leave policies and to make a commitment to a Financial Flexible Working Pledge. We encourage workplace pensions transparency and pensions wellbeing to improve closing the gender pensions gap. We encourage all employers across the UK to follow suit.

and advice sector to commit to an Inclusive Customer Financial Lives Pledge to embed life circumstances into customer practices. We encourage the wider financial services sector to follow suit. We promote collaboration with the third sector to glean insights into the financial risks and vulnerabilities experienced by individuals in society to help afford them the best customer experience.

Framework of interventions



12 Perils and Pitfalls

By analysing women's life circumstances, the decisions women take and the life events women face, our research highlighted key differences in men's and women's risks in life, and identified 12 *Perils and Pitfalls* as the top financial risks faced by women through the life course. We were also able to identify patterns in how the *Perils and Pitfalls* impact women's financial resilience at different life stages on the *Female Financial Life Journey*, with the 6 *Moments that Matter* serving as key intervention points where meaningful change can be made.





Life in Britain is changing at a fast pace and this has implications for all of our financial resilience. However, women are most exposed. Our Manifesto takes a holistic view and seeks to unite business and society working with policymakers to make real change, to support everyone and help secure the financial future of the next generation.

With thanks to the following people who have supported the production of this extensive report and its launch: Laurence Smith, Paul and Suzanna Bailes of Cohesion Design, and Ian Simons, together with contributions and counsel from workstreams and experts. Refer to Acknowledgments for full details.

Foreword



The insurance and personal finance profession has a central role to play in society, supporting women and men in managing their financial resilience to the risks in all of our life journeys.

But to do this as effectively as possible, we need to have a clear, shared view of the challenges that society is facing, and a collaborative approach to addressing them.

This report - the culmination of three years of research and a Market Task Force - gives us that joined up view. More than that, the 150 volunteers involved - experts, practitioners and advisers, have addressed the challenges with a set of comprehensive and deliverable proposals for real change. And it is hugely encouraging that there are so many other great pieces of work currently being produced by academics, think tanks and institutes, all compatible with our direction.

The role of a professional body is grounded in purpose and relevance. The Chartered Insurance Institute exists to prompt, galvanise and support positive action on behalf of people in society.

The Manifesto provides clear insights on how changes in life in society will be transformative for our profession, and the opportunity to evolve its solutions, services and customer strategies in the future. Women are currently an underserved community across financial services. The approach to this work has identified not only the need but also the opportunity to better serve women. It establishes a framework for a more inclusive approach to serving the whole of society which will help build trust in insurance and personal finance.

This programme has been amazing for demonstrating how an entire profession can get behind societal change. At a personal level I am proud - in fact humbled - by the commitment I have witnessed to producing the result.

Sian Fisher
Chief Executive Officer, Chartered Insurance Institute



Our society is changing and this has implications for all of our financial risks in life. But it is women who are most exposed. With the *Gender pay gap* not expected to close until 2050, pension parity will not be achieved until at least 2100. By this time, the old age dependency rate will be almost one to two, with old women outnumbering old men. Women's continued lack of financial resilience today means we will all lack financial resilience tomorrow. It's not only a societal issue, it is an economic issue.

This Manifesto is a call to action for the insurance, personal finance and wider financial services profession, for Government, regulators, financial guidance bodies, professional and trade bodies, employers, the third sector and society itself to join forces to consider and take forward our recommendations to help improve women's financial resilience. Many of the root causes contributing to women's lack of financial resilience lie in deeply embedded social attitudes, a lag in legal and social care systems as society has changed, and greater complexity in financial life requiring improvements in financial engagement and wellbeing.

Drawing on the knowledge and experience of a diverse range of leading experts, together we have identified a series of recommendations to improve women's financial resilience, aimed at equal opportunity for girls and boys, women and men. By taking a forward-looking view, and a structured and coordinated approach combining policy and practice, business and society, and focusing on key *Moments that Matter* interventions across the *Female Financial Life Journey*, together we have the power to make practical, meaningful and lasting change. These cross-cutting recommendations present an opportunity for each and every one of us to act in the *Moment* that matters and by doing so we will all benefit from change.

But we also know some of the issues needing to be addressed are deep-rooted and will take time to have full effect. So we need to empower people, to come together, and to talk about financial life, our money and pensions. Insuring Women's Futures is inviting everyone - mothers and fathers, brothers and sisters - to join the conversation, to become an Insuring Women's Futures' Ambassador and to help us drive change. Not just for girls and women, for everyone.

Jane Portas
Chair, Manifesto Steering Committee, Lead: Women's Risks in Life and Manifesto author

Insuring Women's Futures was founded in 2016 by a group of women in the insurance profession in collaboration with the CII as part of its public trust remit. Three years later, following detailed research and analysis and with the support of over 150 leading experts giving their personal time, we are delighted to publish our Manifesto for 'Living a financially resilient life in the UK'.

Introduction

In this section, we provide background to Insuring Women's Futures and context to our Manifesto recommendations, summarise the *Perils and Pitfalls* and *Moments that Matter* in women's financial lives today, and introduce our eight female personas and their financial life journeys. We also showcase some of the comments and feedback we have been receiving from people and organisations, women and girls, who we have engaged with through Insuring Women's Futures' journey to improve women's financial resilience.

Background and context to our Manifesto

Overview of Insuring Women’s Futures and the approach to our Manifesto

Insuring Women’s Futures was established in 2016 as a market-led programme with the aim of improving women’s financial resilience and an initial focus on the UK. Comprising volunteers drawn from the insurance and personal finance profession, together with experts in policy and regulation, business leaders and third sector specialists, the programme has operated under the umbrella of the CII as part of its remit to improve public trust in insurance and personal finance.

Research based approach

Over the last three years our work at Insuring Women’s Futures has focused on understanding risks in life faced by British society, and specifically the differences between men’s and women’s financial lives, to establish the root cause of women’s lack of financial resilience.

Insuring Women’s Futures’ strategy, and the approach to our work, is founded on three rigorous research studies into the ‘risks in life’ facing women in British society today and trends for tomorrow, and the implications for women’s financial resilience: ‘Risk, exposure and resilience to risk in Britain today’ published in December 2016; ‘Securing the financial future of the next generation – the *Moments that Matter* in the lives of young British women today’ published in January 2018; and ‘Solving *Women’s pension deficit* to improve retirement outcomes for all’ published in November 2018.^{36A, 36, 37}

Our research uses national statistics and similar quality data, and considers changes in our education and working lives, developments in our relationships and family structures together with our health, wellbeing and ageing. In each case the analysis considers the different risk profiles of men and women according to their respective life circumstances (such as occupation and marital status), the risk of decisions we take that may have financial consequences later (for example, qualification choices and cohabiting rather than marrying), as well as the financial risks associated with life events (including bereavement and divorce). To establish the gender financial resilience gap, the ‘risks in life’ are benchmarked against women’s and men’s financial status at different life stages considering debt, savings, home ownership, pension and long-term care provision, as well as financial engagement and capability.

Perils and Pitfalls and *Moments that Matter*

Our research and analysis identifies 12 key financial risks (called *Perils and Pitfalls*) impacting women’s financial resilience across the life course. It observed patterns in how these *Perils and Pitfalls* accumulate at various stages as part of the *Female Financial Life Journey*, identifying within this 6 *Moments that Matter* where we can all make change to improve our financial futures. The work also developed a *Framework of interventions* (illustrated on page 5) whereby individuals, the third sector, employers, insurance, personal finance and wider financial services firms, financial guidance bodies, regulators and Government each have a role and can come together to make change.

Market Task Force and public Manifesto for change

In November 2018, supported by our Market Task Force, Insuring Women’s Futures launched a public Manifesto for change. At the same time, we established a programme comprising a series of workstreams each led and supported by experts and specialists in their field, and with guidance from an Expert Advisory Panel. The aim of our programme was to make practical, actionable recommendations to raise awareness of ‘risks in life’ amongst women and girls across society, improve women’s pension outcomes, address female financial inclusion in insurance and personal finance, and to improve flexible working for parents and carers in the profession. For details of our programme and Manifesto for change see section titled Our programme for change.

Our approach and experience

Our approach to our Manifesto recommendations included considering the *Female Financial Life Journey*, and the key *Moments* in life where women are most exposed. We also wanted to ensure the interventions we identify are consistent with changes in the whole of society, so that the recommendations we are proposing support all of us in the future. And so our focus has been to take a forward-looking view of women and society, considering how life in the UK is changing, and to target our Manifesto where there is the greatest need and opportunity to make meaningful, long-lasting change. Not just for women and girls, but to create equal opportunity in the future for men and boys too.

This work, which forms our Manifesto full report, draws together the experience and knowledge of many leading experts across the insurance, personal finance and financial services profession, policy, regulation, business, academia and society. Through a holistic and pre-emptive approach combining policy and practice, business and society we have identified a series of proactive interventions across women’s life course. And we have sought to leverage the most effective techniques drawing on those with the relevant authority and influence in policy, business, financial services and society. By doing so our approach is designed to be practical and actionable and will benefit not just women but everyone, now and in the future. Acting on our Manifesto will not only improve women’s financial resilience but that of wider society too.

Structure of our Manifesto recommendations report

Navigating our Manifesto

Our Manifesto report is the culmination of the insights from our research and analysis into life in the UK and the implications for women’s and all of our financial resilience, and puts forward Insuring Women’s Futures’ recommendations to improve living a financially resilient life in the UK. It is set out in two parts as follows.

Part One: Our Manifesto recommendations and the Case for change

Introduction

Introduction: Here we provide signposting to our comprehensive report as well as insight into our approach, the 12 *Perils and Pitfalls* and the 6 *Moments that Matter* forming the *Female Financial Life Journey* and used to pinpoint our Manifesto recommendations.

Our report is structured in two parts each comprising two core sections. Following this Introduction, the first half (Part One) of this report (Case for change and Our Manifesto for a financially engaged and inclusive society) is action-oriented and outcomes-based and focussed on steps to improve financial resilience for women and society, leveraging the insights gleaned across our programme.

The second half (Part two comprising Our programme for change and Our detailed programme findings by workstream) sets out an overview of our change programme, and then our detailed findings informing and supporting our Manifesto recommendations. Also included in Part Two are Appendices including pledges, case studies and guidance developed as part of the programme, to support our Manifesto recommendations.

Case for change

Case for change: this sets out the Case for change to support Insuring Women’s Futures’ Manifesto recommendations. This includes the economic opportunity and link to the *Gender pay gap*, as well as the societal case in the context of our ageing population, *Women’s pension deficit* and the *Longevity trap* facing us all, and the need for women and society to be financially resilient through both working and later life. It also highlights the relevance to, and value for, the insurance and personal finance (and wider financial services) profession, elaborating on the role of, and opportunity for, the profession to improve women’s and society’s financial resilience. We also illustrate the Case for change using infographics considering changes in financial lives, and highlight organisations best placed to lead on implementing our summary recommendations.

Our Manifesto for a financially engaged and inclusive society

Our Manifesto for a financially engaged and inclusive society: this summarises our ten overarching and more detailed Manifesto recommendations for living a financially resilient life in the UK, and sets out how all of our recommendations may be taken forward and by whom. It provides supporting analysis to our recommendations in the context of the *Female Financial Life Journey*, *Moments that Matter* and our eight female personas, providing an overview of the financial resilience risks facing women through the life course today and changes in society tomorrow. It highlights how each recommendation benefits women and wider society, and the role the insurance and personal finance profession can play in supporting financial resilience.

Part Two: Programme findings and Appendices

Our programme for change

Our programme for change: this sets out details of those leading our programme for change and the role and scope of our Market Task Force workstreams. It also provides a more detailed summary of actions to be taken forward and by whom to support making real change. It frames the detailed work in the findings section.

Our detailed programme findings by workstream

Our detailed programme findings by workstream: this is the body of work supporting our Manifesto recommendations. It summarises the findings for each of the six core areas of the Insuring Women’s Futures’ programme for change launched in November 2018 and around which our detailed analysis work has been performed. There are six sub-sections, and in each subsection we use our eight female personas to illustrate the benefits of our recommendations to women.

Appendices

Appendices: the Appendices to the report include further background to Insuring Women’s Futures, the role of the CII, our Inclusive Customer Relationship Case Studies and Good Practice Flexible Working Guide. Also included are full details of the Inclusive Customer Financial Lives Pledge and the Financial Flexible Working Pledge we are encouraging adoption of across the profession and by employers generally (in regard to the latter pledge). The Acknowledgements include details of all those who have supported the Insuring Women’s Futures programme. We also include details of our sources for data represented in this Manifesto report.

12 Perils & Pitfalls in women's financial life today

Financial risks in life facing women in the UK

Women and girls in 21st Century Britain are increasingly successful at school, university, in the arts and in business. But there remain inequalities, imbalances and inconsistencies that undermine their financial security. We encourage everyone – women and men, young and old – to consider how financial risks, which we call *Perils and Pitfalls*, could affect them, their friends, colleagues and family. Our research identifies 12 *Perils and Pitfalls* facing women in the UK, and we can observe patterns in how these financial risks accumulate leaving women exposed both during working, and then in later, life. Most women will be exposed to the *Perils and Pitfalls* at some point during their lifetime, and many women will experience at least a few. *Perils and Pitfalls* impact women at different times in their life and at various life stages during the *Female Financial Life Journey*.



The *Gender pay gap* is at last becoming a broadly recognised and documented fact, but fewer of us are aware that it exists even within apprenticeships. It is key that we address the causes of this gap by improving young women's financial awareness, and to encourage young women to take up a range of apprenticeships including science, technology, engineering, maths (STEM) which attract higher levels of pay.



Despite increasing success educationally, young women are entering further and higher education studying degrees with poorer prospects in terms of both pay and job security. At the same time, they are taking on significant financial commitments, which combined with the *Gender pay gap* and time out for caring means that it will take women significantly longer to pay them off should they have to.



Men's and women's approaches to money, risk and financial planning differ. Many of us find managing finance complicated. Women's financial life journeys differ to men's and are more complex. We need to do more to empower women and girls to engage in their financial futures and to equip them to make informed decisions that reflect their financial life journeys.



While at last the *Gender pay gap* is now beginning to narrow, and awareness has increased, the root causes may be harder to address. Research suggests that it will not close until at least 2050. We need to take more steps to tackle the issues causing the gap, improve the progression of women in the workplace and support women to reach higher paid roles.



While marriage remains the most common form of relationship, cohabitation is increasing. Many see cohabitation as a modern, flexible approach, however a high proportion of people are not aware that it lacks legal and financial protection on separation. With many women, and especially mothers, dependent on partners cohabitation reduces women's financial resilience if relationships break up.



Today, women still take the majority of child and other caring roles along with a greater share of housework. At the same time they are far more likely to stop work or take time out, sacrificing career earnings and pension contributions as a result. Consequently, many women remain dependent on their partners, with potentially significant financial implications if money matters are not fully discussed and planned jointly.



Our attitude to women has evolved and nowadays many mothers and carers are opting for part-time work and career breaks to care for family. This reduces their promotion prospects, hourly pay and lifetime earnings potential and participation in workplace pensions. Employers need to do more to embrace flexible working patterns, support financial wellness and create equal opportunities for all parents and carers.



Women's health risk – in particular mental health – is rising. Many women have little or no independent savings and are at risk from a sudden loss of their main income caused by their own or a family member's serious illness. Women are living longer, but with ill-health. They are also more likely than men to incur higher care costs, yet have lower retirement savings.



Divorce and separation can have far-reaching financial impacts. At this time in their lives many women experience financial difficulties in the divorce and separation process. With a significant majority of lone parent families headed by women, the *Divorce and separation setback* makes re-starting rewarding work post break up challenging for many, especially for those who have curbed their career for family caring.



Too many girls and women experience domestic abuse, including financial coercion. Separated and divorced women are particularly vulnerable, adding to the stress of relationship break ups and longer-term financial worry. Elderly women can be vulnerable to financial coercion when accessing and drawing pensions and allowances.



Significant numbers of women in the UK today risk having a pension deficit that leaves them without enough money in retirement to provide for an independent life. This shortfall – often a result of caring roles and reduced working – combined with shifts in family structure (including divorce), wellbeing, home ownership and social care systems leaves women exposed.

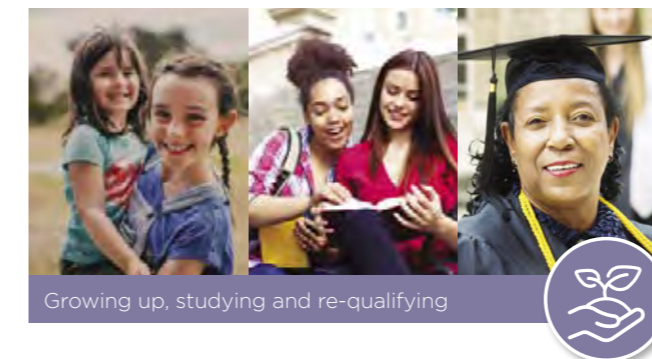


We are all living longer – particularly women – but the financial implications for women are greater given their lower financial resources, greater dependencies and longer life-expectancy. Women's health risks in later life mean that they require greater assistance at home with daily living and higher costs of residential care.

6 Moments that Matter today to improve financial life tomorrow

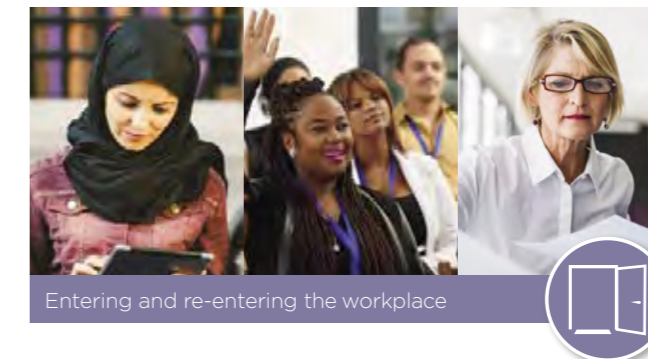
Interventions through the life course to improve financial resilience

There are 6 *Moments* in every girl and woman's life where women and girls themselves, employers and businesses, regulators, policymakers and financial services firms can make interventions to improve financial resilience. These *Moments that Matter* impact women across the life stages - from girls to elderly women - according to individual life journeys. For example, becoming a mother or caring for an elderly relative have different consequences depending on whether and how women are working, studying or are in good or poor health. While the *Moments that Matter* are articulated here in reference to women's financial lives, they are relevant to everyone including men and boys, as well as approaches by employers, financial services firms, financial guidance bodies, regulators and policyholders.



Growing up, studying and re-qualifying

Decisions about what and how people study have far-reaching consequences. The difference in women's earnings are often influenced by educational choices and the career they open up and return to.



Entering and re-entering the workplace

Starting or returning to work is a key *Moment*, with implications that don't only affect younger women. Decisions relating to role, employment and employer choice impact pay, pensions and job security.



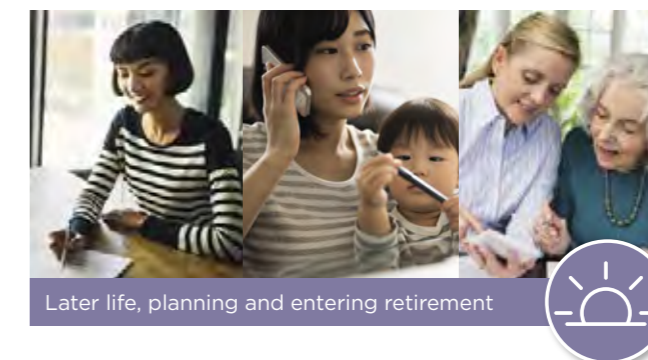
Relationships: making up and breaking up

Decisions about what form of relationship status to have, or how to share household finances can have lifelong impacts on financial status and wellbeing. In particular, divorce and separation can be financially crippling for women and mothers who are financially dependent on partners.



Motherhood and becoming a carer

Decisions around the time of motherhood including sharing care and returning to work part-time can undermine women's financial wellbeing. More of us – particularly women – are caring for children in our 50s, while also becoming carers for older relatives, foregoing career earnings and pensions savings.



Later life, planning and entering retirement

With women having children later, caring for and living longer, and spending more time as retirees, retirement planning through life and in the run-up to retirement is key, especially as many of us are likely to have to contribute to the cost of end-of-life care.



Ill-health, infirmity and dying

Ill-health, infirmity and death impacts more than the individual sufferer, it has financial implications for dependents and families too. The financial consequences of having to take time off work, change working patterns, location or lifestyle can be significant for their loved-ones.

8 women. 8 life journeys. 8 financial lives.

The story of our Manifesto through the lives of eight women in the UK

Our work has highlighted the financial risks (12 *Perils and Pitfalls*) faced by women through the life course and 6 *Moments that Matter* where we can all make change. All of our life journeys are different, including when, and the circumstances giving rise to, the financial risks we face. Insuring Women's Futures' Manifesto aims to support all women across the

UK to live a financially resilient life, and through this to improve the financial security for the whole of our society. Here we have highlighted eight female personas whose profiles highlight some of the key financial risks women face in life, and whom we have used to illustrate the benefits of our Manifesto recommendations. The persona profiles are not intended to be exhaustive rather to illustrate the Case for change.

Dina

Growing up, studying and re-qualifying

Young women's graduation burden
Female financial capability imperative
Gender pay gap
Domestic abuse danger
Girls apprenticeship gap

Personal circumstances

- 17 years old.
- Talented student with a temporary job.
- Achieved high grades in her GCSEs across a range of subjects.
- Considering her future including whether to take an apprenticeship, go back to school to study for A Levels and then look for a university, or attend a further education college to complete a vocational course.
- Living at home, would like to house-share with friends.

Financial situation

- Currently working for low pay on a 'zero hours' arrangement.
- Dina has little financial management experience.

- Has a boyfriend who is a strong influence and regularly borrows money, causing her to have financial problems.

Insurance provision, pensions saving, retirement preparedness

- Dina has never given any serious thought to her own pension and is unfamiliar with pensions and retirement matters.
- Dina's only experience of insurance is for her phone.

Dina's Moment that Matters

- The study choices Dina makes will potentially have long-term impacts on her financial future.

Selina

Entering and re-entering the workplace

Female financial capability imperative
Gender pay gap
Cohabitation pitfall
Women's pension deficit

Personal circumstances

- 22 years old.
- Starting her career after further education.
- Upcoming opportunities for workplace qualifications and career decisions.
- Moving into a rented flat with her boyfriend.

Financial situation

- Few assets, money worries, various credit cards/loans, and a low credit rating due to debts incurred while setting up home.
- Struggling to get to grips with financial formalities, including rental agreement, and insurance for home and car.

Insurance provision, pensions saving, retirement preparedness

- Selina is not familiar with pensions and what her company offers (Automatic Enrolment and salary sacrifice), and hence unsure whether to participate in the company pension scheme – money worries means she is thinking of opting out.

- Selina and her boyfriend are intending to insure their rented home and car.

Selina's Moment that Matters

- As she starts work Selina faces important career and pensions decisions, including joining the company pension scheme.

Stacey

Entering and re-entering the workplace

Female financial capability imperative
Gender pay gap
Cohabitation pitfall
Motherhood and caring penalty
Flexible working sacrifice
Women's wealth threat
Women's pension deficit

Personal circumstances

- 26 years old.
- Previously a full-time worker, following her return to work she now works part-time over two jobs on a temporary basis, with various job changes and works for low pay.
- Mum of one and a carer.
- Previously in a cohabiting relationship, following the breakup of her relationship suffered mental health issues.
- Has sole responsibility for raising her child.

Financial situation

- Money worries impacting her mental health.

Insurance provision, pensions saving, retirement preparedness

- Stacey is not familiar with pensions and is likely to be significantly dependent on the State Pension.
- Stacey doesn't have insurance as she thinks she can't afford it. She recently had an appliance breakdown, and it was very difficult to cope financially resulting in high-cost borrowing.

Stacey's Moment that Matters

- Stacey's working arrangements and earnings since returning to work means that she is ineligible for Automatic Enrolment.

Adela

Motherhood and becoming a carer

Female financial capability imperative
Gender pay gap
Motherhood and caring penalty
Women's pension deficit
Flexible working sacrifice

Personal circumstances

- 31 years old.
- Professionally qualified and ambitious, returned to work two years ago following maternity leave and a short career break. Now pregnant with her second child.
- Happily married, main carer for her child, husband less involved in providing day-to-day childcare.

Financial situation

- Is not registered for Child Benefit due to her husband's earnings exceeding the means test limit while she was on leave.
- Now working part-time, having previously worked full-time in a demanding role.
- Career progression stalling as she has been moved to a less high profile role with little rise in earnings.
- Owns home in joint names.

Insurance provision, pensions saving, retirement preparedness

- Contributes to her employer pension scheme but the design of the scheme combined with a lack of career progression impacts levels of pension contributions.
- Adela and her husband arrange their insurance together.

Adela's Moment that Matters

- Adela plans to return to work after the birth of her second child and to pursue a career while working part-time.

8 women. 8 life journeys. 8 financial lives.

The story of our Manifesto through the lives of eight women in the UK



Rachel

Ill-health, infirmity and dying

Female financial capability imperative
Gender pay gap
Cohabitation pitfall
Motherhood and caring penalty
Women's wellness threat

Personal circumstances

- 41 years old.
- Full-time contractor.
- Cohabiting in same-sex relationship.
- New mother (donor IVF), maternity leave, planned to return to work (full-time).
- Lives in partner's (owned) home.
- Partner has become critically ill and may not recover.

Financial situation

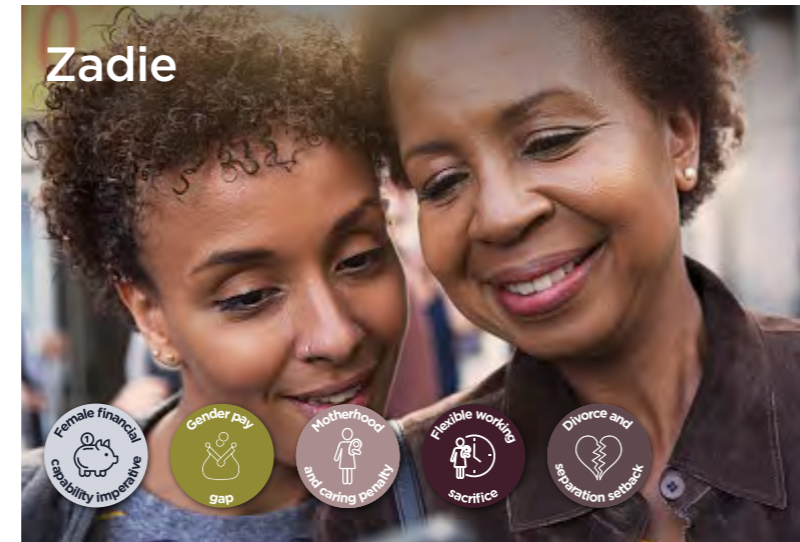
- Main earner, financial concerns due to her partner's illness and delayed return to work.

Insurance provision, pensions saving, retirement preparedness

- Pensions history erratic due to independent working.
- Partner's will, expressions of wishes and insurance policies are not up to date and do not recognise Rachel as either a joint policyholder or named beneficiary (health, critical illness, life plus home and motor).

Rachel's Moment that Matters

- Rachel's partner is ill and may not recover, their financial arrangements are such that Rachel may not be protected.



Zadie

Relationships: making and breaking up

Female financial capability imperative
Gender pay gap
Motherhood and caring penalty
Flexible working sacrifice
Divorce and separation setback
Women's pension deficit

Personal circumstances

- 51 years old.
- Now full-time employed, previous time out from career and part-time working to balance family life and elderly care.
- Mother to two daughters (a teenager and a 20 year old, the latter at university).
- In the process of divorce.

Financial situation

- Struggling financially, worried about money and life after divorce.
- Joint marital home owner.

Insurance provision, pensions saving, retirement preparedness

- Paid into a pension but at low contribution levels reflective of lower earnings and the couple's decision to top up the pension of higher tax rate paying husband.

- Zadie is not confident about pensions and is worried about having a home for her and the girls to live in. She has not been able to find a financial adviser.
- Most investments are in her husband's name, various insurance in individual and joint names.

Zadie's Moment that Matters

- Zadie is concerned about her financial future once her divorce is over, and how she can earn an adequate living. The outcome of her divorce, financial settlement and pension sharing, will have long-term impacts for her now and in the future.



An

Later life, planning and entering retirement

Female financial capability imperative
Motherhood and caring penalty
Flexible working sacrifice
Women's wellness threat
Women's pension deficit

Personal circumstances

- 63 years old.
- Primarily a housewife, mother and carer throughout her life.
- Worked full-time prior to having children, ten years caring for family (including parents) then regular low-paid, temporary and part-time work.
- Now cares for ailing husband, it is likely she will be widowed soon.

Financial situation

- Largely financially, and pensions, dependent on husband who recently retired and then had a serious and unexpected decline in health.

Insurance provision, pensions saving, retirement preparedness

- An is unaware of her own state and workplace pensions.
- An is not involved in financial and retirement planning – her husband opted for a Defined Benefit transfer and maximum drawdown, taking out an annuity with the balance.

An's Moment that Matters

- An's knowledge of pensions is low and she has never fully discussed their plans with her husband. The retirement decisions will significantly impact An, and she may not be protected depending on the choices made.



Joan

Motherhood and becoming a carer

Female financial capability imperative
Motherhood and caring penalty
Women's wellness threat
Longevity trap
Women's pension deficit

Personal circumstances

- 77 years old.
- Happily married for over 50 years, housewife, family carer for children and elderly and limited paid work following marriage.
- Joan's husband is now infirm, and after a period in hospital is entering a care home long-term.
- Joan also has some health issues and may need care in the future.

Financial situation

- Joan has little awareness of her financial situation and is struggling to manage sorting out financing care.

Insurance provision, pensions saving, retirement preparedness

- Financial assets, pensions and insurance policies (e.g. motor, home) are in Joan's husband's name.
- She hasn't been claiming her entitlements under Carers' Allowance.

Joan's Moment that Matters

- Joan has spent most of her life caring for others and is facing the prospect of needing care herself. Given the change in circumstances she is not sure whether she has sufficient money for her own later life.

Comments

As we have developed our Manifesto, we have had the opportunity to engage with many leaders and experts relevant to our programme for change. Here we include comments received in response to our Manifesto and relating to commitments to our two market pledges - Financial Flexible Working Pledge and Inclusive Customer Financial Lives Pledge.

“The insurance profession is built around risk: understanding exposure and helping clients to mitigate or transfer that risk. As such, AIG is proud to support the Insuring Women’s Futures programme. The shared mission to work together to improve women’s lifelong financial resilience by developing female financial awareness aligns with AIG’s existing work with organisations which are focused on inspiring girls of all ages and backgrounds to pursue STEM subjects. We are delighted to play our part in improving financial security for women and society as a whole.”

Anthony Baldwin
Chief Executive Officer,
AIG UK

Phil Wilcock
Chief Executive Officer,
AIG Life UK

“It has been a great pleasure to serve as Patron to the Insuring Women’s Futures programme. The data and insight which has been gathered confirm my own observations that, while significant progress has been made towards gender equality at work and more broadly in society, much more still needs to be done. I encourage industry leaders and policymakers to study the proposals closely, and I congratulate the many organisations which have already signed-up to the two ground-breaking Pledges as a symbol of their commitment.”

Dame Inga Beale
Patron, Insuring Women’s Futures,
Former Chief Executive Officer,
Lloyd’s of London

“The Federation of Small Businesses recognises the important role that small employers have in helping employees of any gender or age achieve financial wellbeing in balancing their career with caring or parental roles. We encourage firms of all sizes and types to adopt this Inclusive Customer Financial Lives Pledge.”

Craig Beaumont
Director External Affairs and Advocacy,
Federation of Small Businesses

“In the last 13 years my work has taken me into the world of women in the workplace first as an Advisor to the Government on Health and work, and more recently as the Chair of the Board of the Centre for Ageing Better and to the world of young women in higher education as Principal of Newnham College Cambridge. Each of these settings has shown me that many women lack financial resilience. This manifesto developed by the Insurance and Personal Finance profession is a call to all who can to add support to change this so that the women of today and those of future are better served.”

Professor Dame Carol Black
Chair, Centre for Ageing Better,
Former Principal, Newnham College,
Cambridge University

“The Lloyd’s Market Association is committed to effecting positive change on behalf of its 58 managing agents and members’ agents. As part of our ongoing focus on talent & diversity across the market, I encourage firms to engage with the flexible working guidance.”

Sheila Cameron
Chief Executive,
Lloyd’s Market Association

“Drivers for Change inspires young people from diverse backgrounds to be creative and entrepreneurial and to take ownership of driving change in their communities. The young men and women participating in the Insuring Women’s Futures session on risks in life were struck by the financial life journey and the gender differences, and went away motivated and informed to consider the impact on them personally and their communities.”

Richard Collier-Keywood
Founding Trustee, Drivers for Change
Chair, School For Social Entrepreneurs
Chair, Fair4All Finance

“The Financial Flexible Working pledge is an outstanding response to the changing nature of the workforce in modern society. The principles in the pledge will support our attracting and retaining talent, which is increasingly a vital challenge for the sector. As working patterns become more flexible, it’s essential they also build the financial resilience of individuals - especially women, who, at present, are more likely to be employed on a part-time basis.”

Greg Collins
Chief Executive Officer,
Miller Insurance Services

“The CIPD’s UK Working Lives survey illustrates the need for a new flexible working policy framework, and we are committed to improving the quality of work through enhanced promotion of good practice. Part of that good practice must be for employers to help colleagues to understand and manage the financial consequences of flexible working, so we encourage adoption of the Financial Flexible Working Pledge.”

Charles Cotton
Senior Performance and Reward Adviser,
Chartered Institute of Personnel and
Development

David D’Souza
Head of Engagement and London,
Chartered Institute of Personnel and
Development

“The gender pensions gap cannot be tolerated. This report highlights the numerous barriers that women still face in 2019 and provides a route map for addressing this long-standing financial inequality.”

Charles Counsell
Chief Executive Officer,
The Pensions Regulator

“The Financial Inclusion Commission champions financial inclusion as a public policy priority. The proposals in this report - in particular the Inclusive Customer Financial Lives Pledge and ethical guidance - support this mission by offering practical policy solutions to financial exclusion. I encourage all stakeholders, including employers, policymakers and women themselves, to seize this opportunity to make a difference.”

Sir Sherard Cowper-Coles
Chair, Financial Inclusion Commission,
Group Head of Government Affairs,
HSBC Bank

“Each of the 6 consumer outcomes that regulated firms are required to follow in order to satisfy the FCA’s principle of Treating Customers Fairly have opportunities for firms to consider a gender inclusive approach. We welcome the introduction of both the Financial Flexible Working Pledge and the Inclusive Customer Financial Lives pledge. The Financial Flexible Working Pledge has potential to improve gender balance across the sector, and the Inclusive Customer Financial Lives pledge can ensure positive customer outcomes and experience in the General Insurance space.”

Jonathan Davidson
Executive Director of Supervision - Retail
& Authorisations Division,
Financial Conduct Authority

“The programme has driven some superb work. As a member of some of the working groups, I have been astonished, as it has peeled back the layers, not just at the scale of the disparities which it has made clear, but at the sheer quantity and frequency of the underlying causes of them. These are often unconscious or unintended. But their cumulative effect is hugely negative, not just to women and others at a similar disadvantage, but to the economy and society as a whole. The most difficult thing, faced with such scale, is ‘where to start’. I believe that the manifesto proposals do this brilliantly - and most important, practically.”

Laurie Edmans CBE
Insurance Commissioner,
Financial Inclusion Commission

“As the voice of the UK’s leading insurance and long-term savings brands, the ABI is proud to support Insuring Women’s Futures’ proposals, and will continue to influence policymakers on pensions matters and encourage members to take an inclusive approach to customers recognising their financial lives. The insights provided by the programme are a compelling evidence base for change and we will be taking forward the findings in our dialogue with, and guidance for, members. And that change is an opportunity insurers can’t afford to miss.”

Huw Evans
Director General,
Association of British Insurers

“The twin prongs of action for employers and for advisers are the right areas of focus to raise awareness and provide important education for women. PIMFA is proud to support this initiative and will promote it accordingly as it is only through collaboration and partnership that we will see the step-change required.”

Liz Field
Chief Executive,
Personal Investment Management
& Financial Advice Association

“AXA is proud to support the Insuring Women’s Futures Manifesto. I know that a number of people have been involved in this project from the very beginning, working with the brightest and best from across the insurance and financial services industries. This report is the first step to securing financial resilience for future generations. By working together, we can empower both women and men to take control over their finances, pensions, insurance and more - no matter what life throws at them.”

Claudio Gienal
Chief Executive Officer,
AXA UK and Ireland
Lucinda Charles-Jones
Group HR Director,
AXA UK and Ireland

“As a profession, we can do more to see through the eyes of our customers and understand their financial life journeys more holistically. The Insuring Women’s Futures proposals will help raise awareness and join up initiatives across business, government and wider society to improve women’s financial resilience. On behalf of Legal and General I’m delighted to do our part in supporting financial flexible working for our people and in further exploring ways to help customers in the Moments that Matter.”

Bernie Hickman
Chief Executive Officer,
Legal & General Insurance

“We know financial wellbeing is really important for all and that’s why we continue to lend our support to the Insuring Women’s Futures initiative. Along with other organisations, both large and small, we are committing to ensure our people are prompted to consider the impact different choices they make throughout their life may have on their finances. As well as being important for wellbeing, this contributes to reducing the pay gap, and helps us all make informed decisions about working arrangements.”

Laura Hinton
Chief People Officer,
PricewaterhouseCoopers

“Insuring Women’s Futures has highlighted how society’s financial risks in life are changing and the vital role of insurance in helping secure all of our financial futures. Automation, technology, and developing more inclusive approaches to supporting the financial resilience of our own people and our clients is critical to the future success of our industry. I am delighted to pledge Beazley’s support to this important work on behalf of our profession.”

Andrew Horton
Chief Executive Officer,
Beazley

“Separation and divorce is a point in life when people often seek support from Relate. It can be a very difficult time and we work to help people get through it in the best way possible. We’re grateful to Insuring Women’s Futures for highlighting this ‘Moment that Matters’ and the practical measures people going through it can take.”

Aidan Jones
Chief Executive,
Relate

“WOW-Women of the World has worked with Insuring Women’s Futures for several years to uncover the huge disparity between men and women’s wealth but also the complex ingrained attitudes that lie behind the statistics. This is a great report that deserves the widest circulation and attention.”

Jude Kelly CBE
Chief Executive Officer,
The WOW Foundation

“I am delighted Scottish Widows is supporting this cross-industry initiative. Improving financial outcomes for women is vital to society as a whole, and an opportunity for Financial Advisers, Employers and Pension Providers to make a real difference.”

Antonio Lorenzo
Chief Executive,
Scottish Widows

“We are delighted to support a ‘whole customer’ approach and encourage other organisations to do likewise. We believe it represents an important step forward in building financial resilience especially for women.”

Tavaziva Madzinga
Chief Executive Officer, UK and Ireland,
SwissRe

“Returning to a rewarding career after a career break for childcare or eldercare remains a challenge for too many women. I support all the guidance and support being developed by the insurance profession, which will help empower parents and carers to consider the long-term financial implications of both career breaks and flexible working, and so to secure a better financial future for themselves.”

Julianne Miles MBE
Chief Executive Officer and Co-founder,
Women Returners

“The Financial Flexible Working Pledge is an important signal from employers that they will support their workforce to make decisions that are right for them. In turn, a more gender-balanced workforce will be better able to respond holistically to the needs of all customers.”

Tulsi Naidu
UK Chief Executive Officer,
Zurich Insurance Company

“The workforce of the future will be increasingly flexible and the reality is currently that the vast majority of caring is undertaken by women and therefore, so is the majority of flexible working. To make this work better for women - in fact all those needing flexible or part-time working patterns - we need to provide guidance and support to help them minimise negative impacts on their future financial wellbeing, their pensions in particular.”

This pledge which we support, points the way to practical information we, as employers, can make available to colleagues at the right times in their working lives to increase financial resilience in later life. It’s also a very important step in the journey we are all on to improve gender balance in our own firms, the industry and resilience in society as a whole.”

Julie Page
Chief Executive Officer,
Aon UK

“Insuring Women’s Futures expert panel breakfast meeting was both inspiring for me in my role as CEO of a 90,000+ member, c£4.5bn asset defined contribution pension fund, and revelatory for me personally.”

I was struck both by the rigour in the research and the quality of the insight developed from it, which has led me to review the gender pension gap within the HSBC defined contribution pension scheme. This powerful combination of research and practical recommendations results in a call to arms to everyone to make sure that financial planning and activity is part of everyone’s informed decision-making at the Moments that Matter.”

Elizabeth Renshaw-Ames
Chief Executive Officer,
HSBC Pension Fund

“A significant proportion of people in vulnerable circumstances in the UK are women. This report highlights the critical need to understand the lives of women and how the current system fails them on many levels. It also provides the financial services industry and wider policymakers with a fantastic insight into the clear and, in many cases, straightforward changes that could make a massive difference to the financial security and wellbeing of women across the UK. At Fair4All Finance we will be using the insights in our work in increasing the financial resilience of those in vulnerable circumstances in the UK and would encourage others to do the same.”

Sacha Romanovitch
Chief Executive Officer,
Fair4AllFinance

“Insuring Women’s Futures has rightly identified that achieving a major shift in financial wellbeing for any particular group cannot be achieved by a single organisation or even a single sector – collaboration is essential. MaPS has a vision of everyone making the most of their money and pensions and is committed to being a catalyst for some of the changes needed.”

Sir Hector Sants
Chair,
Money and Pensions Service

“The Citizens Advice Bureau exists to give people the knowledge and the confidence they need to find their way forward. We will be looking at how this research can be incorporated into how we continually improve our information, guidance and advice offer to our clients.”

Andrew Seager
Director of Business Development,
Citizens Advice

“The financial services sector has an important role to play in tackling economic abuse - both in helping to prevent it, and in responding appropriately to victim-survivors. I am hugely encouraged by the emphasis which Insuring Women’s Futures has placed upon this issue.”

Nicola Sharp-Jeffs
Founder and Chief Executive,
Surviving Economic Abuse

“More needs to be done to support girls and young women in developing a healthy relationship with money and their future financial lives. We support the adoption of the financial life journey and the Moments that Matter in youth engagement programmes to empower young people to build bright futures, regardless of their background or circumstances.”

Anna Smees
Chief Executive Officer,
UK Youth

“NOW: Pensions is proud to support Insuring Women’s Futures Manifesto and sign up to the pledges to improve gender equality in our industry. It is important that we continue to support working mothers to ensure that they are not disadvantaged and have the same opportunities as others to work and progress in a rewarding career. We are proud to work alongside Insuring Women’s Futures and will continue in our efforts to generate awareness and help close the gender pensions gap.”

Dawn Thirley
Group Director of Human Resources,
NOW: Pensions

“The impact of parental and caring responsibilities still overwhelmingly fall on women, and the impact on their financial security cannot be ignored. We will build financial questions into our guidance and promote the creation of enriched workplaces where parents, carers and others can work flexibly to achieve career success.”

Jane van Zyl
Chief Executive Officer,
Working Families

“Brokers have a fundamental role in supporting customers and helping them towards greater resilience throughout their lives. BIBA encourages an inclusive approach both to improving the gender balance within the insurance profession and in our member firms to support women as customers through relevant guidance and signposting, and by ensuring that our customers are treated fairly so that the individual’s needs are met at whatever stage of their financial life they may have reached.”

Steve White
Chief Executive Officer,
British Insurance Brokers’ Association

Talk 2 10K activity



Experiences and feedback

Since Insuring Women's Futures was established in 2016, we have engaged with, and presented to, many women and girls, and we have been invited to participate in numerous interactive talks and debates by a range of organisations within and outside the profession. Here we include a selection of feedback and experiences from the women and girls we have had the opportunity to meet.

"I got involved with the Insuring Women's Futures initiative as the data coming out of the first research project so clearly highlighted the risks that our mothers, sisters, daughters and friends face and the need, therefore, to engage however we can on what is a societal issue."

"Fascinating data and some extremely good pointers on how to look after your finances in a way that needs to be specific to women."

"Eye-opening; extremely important topic; please spread the word about it as much as possible!"

"Fantastic and somewhat alarming."

"This event was the most interesting and relevant event I have attended for some years."

"Attending the event was the best thing I have done for myself in 2019. I was shocked at the statistics but enlightened at the same time. Obviously we have a long way to go. The event was professional but sincere. Thank you all those who organised."

"Great stats and very informative, feeling empowered and hopefully will be more aware and savvy to my financial journey plan when I hit one of the 'Moments that Matter' or the 'Perils and Pitfalls'"

"Thank you very much for the invitation to last night's event. It was such amazing (and terrifying) food for thought. Like so many others there, particularly the lady in the audience at the end who summed up so well, I felt really fired up afterwards to take some responsibility to make a noise about these issues. I'll be sharing with every woman I meet from now on."

"Great way to make us aware of facts from our daily routine with such a big impact in our lives."

"That presentation should be compulsory!"

"HR ended up with a long string of people visiting them and enquiring about their pensions and more importantly changing their contributions."

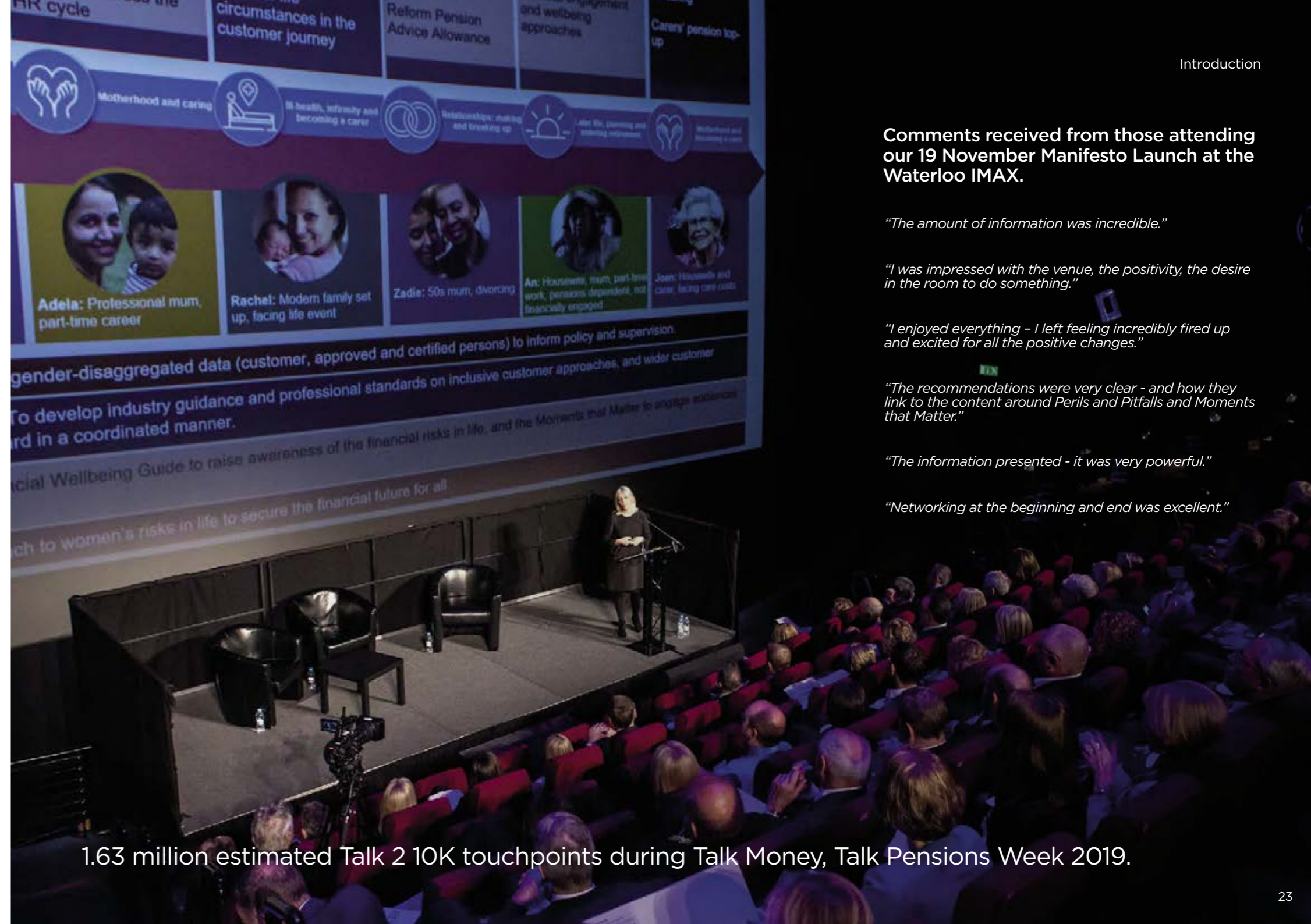
"I really enjoyed the Insuring Women's Futures lunch and learn, Jane spoke passionately about many topics that I had not even considered before. It has definitely made me think more about the future and what we can do now, especially after hearing some of the shocking facts and figures."

"Really enjoyed the presentation on Monday - the content and figures were definitely an eye opener to the risks facing not just women but society as a whole.....the presentation was incredibly valuable and has really instilled the need to be aware and protect ourselves/each other from the Perils and Pitfalls we are likely to encounter at some point in our lives!"

"I found the lunch and learn very interesting. Lots of statistics to take in - definitely need to have a reread through the slides. It made me max out my pension contributions!"

"A very inspiring webinar today, I've just signed up [to Talk 2 10K] and can't wait to get started!"

"I thought it was fabulous. Very well researched and delivered. I've been telling female friends and colleagues about the event, and will be looking into the subject further and passing on information."



Comments received from those attending our 19 November Manifesto Launch at the Waterloo IMA.

"The amount of information was incredible."

"I was impressed with the venue, the positivity, the desire in the room to do something."

"I enjoyed everything - I left feeling incredibly fired up and excited for all the positive changes."

"The recommendations were very clear - and how they link to the content around Perils and Pitfalls and Moments that Matter."

"The information presented - it was very powerful."

"Networking at the beginning and end was excellent."

1.63 million estimated Talk 2 10K touchpoints during Talk Money, Talk Pensions Week 2019.

Despite the progress made over the last century to improve women's economic empowerment, in the main, women's financial independence is only being realised by a minority. Insuring Women's Futures aims to extend this to the majority.

By reflecting back on the financial lives of women in retirement, and considering the risks in life of working age women today as well as the future trends facing the next generation, we have identified a series of *Moments that Matter* interventions to improve financial resilience for women today, and the whole of society tomorrow.

Case for change

Insuring Women's Futures' Manifesto recommendations are designed to be beneficial to women and wider society. Drawing on the insights provided by our analysis of the *Female Financial Life Journey* we are proposing a series of recommendations across women's life course where we can have the most impact and make sustainable change, supporting women's and also wider society's financial resilience, now and in the future.

Our Manifesto aims to add value to our economy, mitigate the risks to society as a result of a lack of financial resilience, and leverage the skills of the insurance and personal finance profession to support people's risks in life.

In this section we provide an overview of our Manifesto recommendations and set out the imperative for taking them forward, and we invite support to make change happen.

A Manifesto for women today to support society tomorrow

Securing the financial future of the next generation

Insuring Women's Futures' research into women's risks in life shows that, overall, women in the UK today fundamentally lack financial resilience across the life course - throughout working life, during retirement and towards the end of life.

Women's lack of financial resilience is a risk for our society and a threat to our economy. Women's financial independence, however, is an opportunity. Insuring Women's Futures Manifesto responds to both.

We are calling on policymakers, regulators, financial guidance bodies, insurance and financial services together with employers and the third sector to join forces to take forward our Manifesto recommendations to benefit society, the economy, business and everyone.

Women's role in society is evolving

Women's position and economic status in society has evolved considerably over the last century. Today, increasing numbers of women are economically active, enjoying financial independence, occupying positions in the board room, and taking up leadership roles in Government and society. Women's progress in work, the rise in female entrepreneurship, combined with intergenerational effects, means women's wealth and the 'power of the purse' is increasing. More broadly and beyond gender inclusion, the influence of the 'social revolution' is driving progress in equality across society, recognition of intersectionality, as well as steps to promote social mobility and address financial exclusion.

Insuring Women's Futures' analysis of the Female Financial Life Journey

For the last three years, Insuring Women's Futures has studied the financial lives of women in the UK: how financial life has changed over the course of a generation of women in retirement today (since the 1950s); the financial lives of current generations of working age women; as well as a forward view of life in the future and the implications for the financial prospects of girls and young women today.

Our analysis of the *Female Financial Life Journey* shows that women present a significant opportunity for our future economy. However, the compound effect of the *Perils and Pitfalls* (financial risks in life) many women continue to face leads to their overall lack of financial resilience through the life course. There is an urgent need for action today, to address the risks this poses to society and the economy tomorrow.

Progress is being made but changes in society have left many women financially exposed

Life in the UK has changed dramatically over the last few decades, and this has been remarkable in terms of the role of women in society. Despite the progress made in gender equality and the good work being done by many organisations to support women in the economy, a closer look reveals that financial independence is only being fully realised by the minority. Put simply, more is required to support the majority. While changes in the way we work, love, live and age since the 1950s have created opportunities for some women, for many the withdrawal of financial protections afforded to previous generations - through being part of a secure marriage and family unit, backed-up by social care - leaves them exposed.

Women today and in the future need to be financially independent. However, while life in society has moved on, many traditional social stereotypes towards women's roles and their economic equality still prevail. Legal and social care systems lag behind changes in lifestyle and developments in our socio-economy, and we lack effective financial engagement and financial wellbeing strategies. In short, this means the fundamental infrastructure to enable women to transition from the 1950s to the modern day, and to financially succeed in the future is simply not in place. But this lack of financial resilience isn't just a women's issue, it's all of our issue. Our growing population and changes in lifestyle, combined with our increasing old age dependency rate, and the fact that women outlive men and outnumber them in retirement, means that if women lack financial security, we all lack financial security.

Our approach to our Manifesto and Case for change

Drawing on the *Female Financial Life Journey* our approach to our Manifesto involves taking action in a series of *Moments that Matter* to address the issues impacting women's resilience today in parallel with developments in society tomorrow. Our recommendations provide for a collaborative approach combining policy, practice, business and society working together to unlock women's potential. This way we will simultaneously add value to our society and economy, mitigate the risks of women's lack of financial resilience, and realise the important role for insurance and financial services.

The following page sets out the *Female Financial Life Journey* identifying our Manifesto recommendations by reference to targeted interventions in *Moments that Matter*, and illustrated by our eight female personas drawing on insights from Insuring Women's Futures' research.

This is followed by a snapshot of how life has changed, and is changing, across the generations, and then our Case for change. This highlights how the key *Perils and Pitfalls* faced by women in working life and through retirement link to the *Gender pay gap*, and the consequential impact on the *Women's pension deficit* resulting in a *Longevity trap* for women and society. We set out the benefits of addressing the *Gender pay gap* (and the *Perils and Pitfalls* contributing to it) and *Women's pension deficit*, including the opportunity for our economy, our society and the role of the insurance and personal finance (and wider financial services) profession. We also include our Call to action at pages 40 and 41.

Female Financial Life Journey and our Manifesto Moments that Matter

The Moments that Matter in improving women's and all of our financial futures

We have identified ten overarching Manifesto recommendations. Here we highlight our *Female Financial Life Journey* illustrating interventions in a series of *Moments that Matter* for improving financial resilience in the UK. We illustrate the case for improving financial resilience through our eight female personas and their life circumstances (see Introduction section for full details of our personas). This provides the framework for our analysis and recommendations. Further information on the ten overarching recommendations (including eight individual *Moments that Matter* interventions and two holistic interventions relevant to all *Moments that Matter*) together with our full set of recommendations are set out in the next section: Our Manifesto for a financially resilient and inclusive society. See pages 44 and 45, 54 and 55.

Moments that Matter interventions



Female Financial Life Journey

Life circumstances



Recommendations

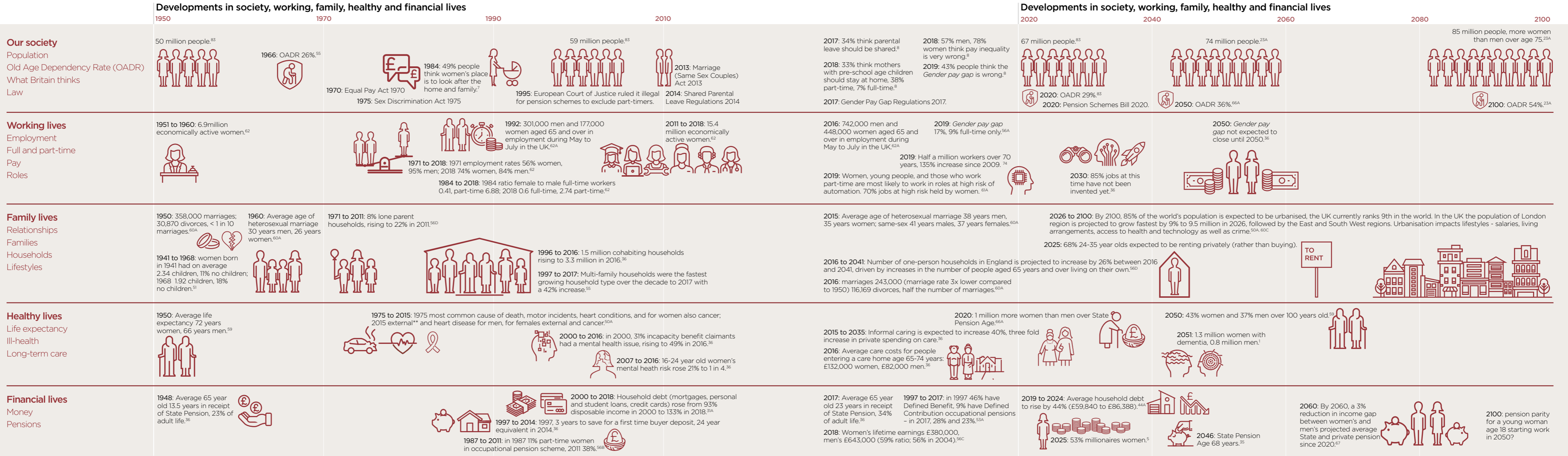


Gender-neutral language, gender-disaggregated data and its use in policy and practice

Female Financial Resilience Forum

Yesterday. Tomorrow. Today. Changes in society impacting financial resilience

Trends in financial life through the generations



** drug misuse, suicide, self-harm

Improving women's financial resilience during working life benefits our economy

The opportunity through addressing the root causes of the *Gender pay gap*

Women today represent an opportunity to boost our economy. However, social attitude, legal and social care systems combined with financial education strategies playing 'catch up' is undermining women's financial resilience and limiting their participation and progress in the workplace. Gender stereotyping, low-paid, traditional 'female' jobs, workplace biases, expectations at home and part-time work, together with the pressure of lone parenting following break ups is impeding women's career success. The result is women fundamentally lack financial resilience throughout working, life, and consequently during later life. But women's lack of economic progression is not just women losing out, we are all losing out.

While the underlying issues are multi-faceted, the factors contributing to women lacking financial resilience can largely be linked to the *Gender pay gap* and its root causes. Direct action is required to secure the pipeline of female talent ready to participate in rewarding jobs in the future. We need to address our 'caring for no or low pay' mentality, and the lack of shared responsibility for care, causing many women to suffer the *Motherhood and caring* penalty and *Flexible working sacrifice*. And women should be equipped to take ownership of their financial future through relevant financial engagement and wellbeing strategies.

By supporting women to reach their economic potential, we all reach our economic potential. Taking action today, together, will benefit our society and our economy tomorrow.

The value of empowering women in the workplace

Many of the issues facing women's lack of financial resilience today derive from the shift away from the nuclear family, and the need for women to work to achieve financial independence. Gender stereotyping and lack of financial awareness is impacting career choices, and old-fashioned attitudes - combined with immature care provision - are reinforcing women's roles as child and elderly carers for low and no pay. Taken together with the slow acceptance of gender equality in society and the workplace, collectively these factors are impacting women's ability to realise their economic potential.

Closing the *Gender pay gap* in work has the potential to create value for our economy of over £150bn⁴² on top of business-as-usual Gross Domestic Product (GDP) forecasts in 2025. A similar picture emerges when comparing the UK to other countries such as Sweden where women's full-time equivalent employment rate is 69%⁷²: increasing women in the UK's economic activity (currently 57% FTE) to Swedish levels would add 9% or £178bn to the UK GDP.⁷² In both cases the increase derives from increased female participation, women working in higher paid sectors and a rise in working hours.

What's influencing the *Gender pay gap* - equal pay, low pay and lack of progression

50 years after the Equal Pay Act 1970, just 57% men and 78% women think pay inequality is very wrong³ (i.e. equal pay for equal jobs) and following the introduction of *Gender pay gap* reporting, only 43% people (48% men and 38% women) think it is wrong for the average earnings³ of men to be higher than those of women. Attitudes relating to women's roles in the workplace dating back beyond the 1950s continue to influence women's career success and pay today, and also their career choices. Traditional views and gender stereotyping mean disproportionate numbers of women pursue work in undervalued 'female' roles, and women represent the majority of administration and caring roles, two of the lowest paid occupations in the UK.

In contrast, gradual progress is being made in business and the boardroom, and some women are attaining higher paid roles. However, a closer look highlights the need for improvements in recruitment, promotion and retention practices to secure the progression of more women into active executive roles. In 1999 there were 2% female executives in the FTSE 100^{77A}, and 11% non-executive directors; in 2019 numbers are up to 11% executive, 39% non-executive.¹⁷

Tackling the root cause and empowering girls and young women to pursue higher paid roles

Our research identifies how the *Gender pay gap* begins early in life through the study 'choices' girls and young women are making. With few females encouraged to pursue STEM qualifications (only 16% - half the number of males - have had a career in technology suggested to them^{72A}), and a lack of role models (78% A Level and university students cannot name a famous female working in technology^{72A}), too many experience the *Girls apprenticeship gap* and *Young women's graduation burden*. In a nutshell, young women today are missing out on opportunities to realise financially more equal, rewarding and sustainable careers (70% jobs at highest risk of automation are currently held by women).^{61A} This is contributing to the enduring *Gender pay gap* and prolonging pensions parity.

Taking steps to address the root causes of, and to close, the *Gender pay gap* and unlocking girls' and women's career potential will bring lasting value to women, our society and our economy; it will also benefit employers, business and financial services too.

Who cares? The *Motherhood and caring penalty* and the *Flexible working sacrifice*

Today, while most people still think women should take the entire or most of the paid parental leave, three times as many people as in 2012 (34%) now think parental leave should be shared.⁸ However, the take up of Shared Parental Leave and Pay is just 1% of entitlement due to lack of adoption by employers⁸¹ and compounded by maternity:paternity pay inequalities. Attitudes to mothers working have also evolved, but not to primary caring: today nearly half of people (48%) think women with school age children should work part-time while pre-school one third⁸ (33%) believe women should stay at home. Women also represent the majority of unpaid elderly carers, and there are higher expectations of sisters and daughters - 34% men said they expect their sister to care for their parents, 27% women said their brother⁷⁸.

How attitudes are shaping women's workplace participation and earnings

Social attitude towards women's pay and progression rights, and to caring, are limiting women's workplace participation and earnings, and the combined effect of part-time work, time out for caring and the *Gender pay gap* means men's lifetime earnings are 80% more than women's.³⁶

Notwithstanding the female: male full: part-time ratio has improved since the 1980s (1984 - 0.41 full-time, 6.9 part-time, 2017 - 0.6 full-time, 2.7 part-time)⁶² the UK has one of the higher part-time employment rates (fifth highest of the EU 28, 2016)^{23B}. Social pressure to care, lack of access to affordable childcare and increasing care needs for elderly parents, creates hurdles for women returners. In 2019, 91% mothers want to return to work yet 69% consider not returning due to childcare costs;^{48A} 3 in 10 mothers with a child aged 14 years and under said they reduced working hours due to childcare (1 in 20 fathers).⁵⁶

Impact on financial wellbeing and pensions provision

Too often the value of women working is viewed after care costs which also tend to be borne by women, and decisions are being taken in the absence of long-term financial and pensions planning. 3 in 10 part-time working women do not believe part-time hours affects their pension⁴⁸, and only 28% returning part-time considered the impact of reduced hours on their pension pot.⁷¹ The result: many mothers are dependent on partners with a third of women in their 30s saying their money wouldn't last a month if they lost their main source of income.³⁶ And part-time women's Automatic Enrolment pensions pots are as much as 47% less than those of full-time men at age 60.⁴⁸

Gender pay gap reporting

In 2019 the UK *Gender pay gap*^{56A} remains broadly stable at just over 17%, reflecting women's employment in significantly lower paid sectors, less senior roles and their predominance for part-time work while retaining primary caring duties (the *Flexible working sacrifice*). Women continue to face many barriers to progression and pay in the workplace, and without robust and direct action, the *Gender pay gap* is not expected to close until 2050.³⁶

The introduction in 2017 of *Gender pay gap* reporting is a positive step towards improving women's financial resilience and it is encouraging that many employers are now working to 'close the gap'. There is an opportunity to help employers to take the right actions to reduce the *Gender pay gap*, and a need to support the *Female financial capability imperative* by helping young women and mothers to make financially informed career decisions. And it is vital to address the *Motherhood and caring penalty* by shifting social attitude towards women as carers, improving gender equality and care provision, to enable women's workplace participation.

Actions to 'close the gap' and realise women and girls' economic potential

Employers are enhancing recruitment strategies and reviewing maternity and flexible working arrangements, including opportunities for mothers to work part-time and to take career breaks. However, without improved financial wellbeing and 'balance built-in' as part of culture, policy and practice, and embedding equal opportunities for both genders as parents and carers, this risks unintentionally positioning women as primary carers, limiting their workplace participation and financial independence. There is a need for informed and effective workplace practices, supported by inclusive national strategies relating to financial wellbeing and caring, to avoid the risk of reinforcing the *Gender pay gap*, sustaining the pension gap and perpetuating the life-long resilience gap.

Closing the *Gender pay gap* requires a holistic and coordinated approach across the *Female Financial Life Journey* starting with empowering girls and young women, creating equal opportunity in the workplace and making practical interventions to address social biases that undermine mother's participation and progress.

Our Manifesto recommendations

Insuring Women's Futures is calling for action to improve the *Gender pay gap* focussed on key *Moments that Matter*. Our approach targets the root causes by ensuring more girls and young women are accessing the workforce in an equal way with opportunities for higher paid, secure jobs, and addressing the *Matter of Motherhood and becoming a carer* which is a key *Moment* causing the pay (and pensions) gap to widen. Linked to all this is the need to improve financial engagement and capability, and to address the circular issue of caring which requires an informed and considered approach.

Inspiring young women to own their financial futures: Insuring Women's Futures is recommending a series of focussed interventions to tackle the *Gender pay gap* (including the *Girls' apprenticeship gap* and *Young women's graduation burden*) 'head-on' by helping girls and young women reach their career and financial potential, to encourage more young women into STEM and formalise financial wellbeing for young people.

Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions: To counter the 'motherhood and caring effect' and the *Flexible working sacrifice* on the *Gender pay gap*, we are recommending equalising Shared Parental Leave and Pay rights. We have also developed guidance for equal opportunity financially inclusive flexible working practices to allow men and women to balance and succeed in work, family and financial life. Building in

financial and pensions wellbeing to inform career decisions impacting earnings, pensions and employee benefits will help employees make decisions for tomorrow, today, countering the risk of *Women's pension deficit* and the *Longevity trap*. And employers will benefit too as there is evidence 'financial fitness' supports wider wellbeing, improves performance and employee loyalty; combined with workplace flexibility these policies and practices will help attract talent too.

Financial engagement and wellbeing strategies that reflect women's whole life journeys: Improved financial wellbeing requires us all to be more engaged in financial life. We are proposing co-ordinated approaches by employers, financial services providers and pension trusts, financial guidance bodies and regulators to improve the *Female financial capability imperative* supported by effective measurement including a Financial Engagement Index.

Pensions for carers and a 'national conversation' about caring: Successfully closing the *Gender pay gap* will also require a shift in attitude and to re-evaluate caring to address the *Motherhood and caring penalty*. With caring one of the least well paid occupations and predominantly performed by women, caring for no pay and low pay is a societal, not just a women's issue. This is why we are calling for a holistic approach and a 'national conversation' to address caring, how it's valued, who cares and who pays, considering a carers' pension top-up and with gender central to the dialogue.



Women's lack of financial resilience during later life is a risk to our society

Improving *Women's pension deficit* to support a financially secure future for all

By 2030 there will be three working people to every retired person,^{66A} and by 2100 the old age dependency rate will be half of working people with women outnumbering men from age 75 onwards.^{23A} With life expectancy increasing, many young people - and girls especially - can expect to experience a 100 year life. And yet with the *Gender pay gap* not set to close until 2050, it will be at least 2100 before we achieve pensions parity.

Women today work more, earn less (than men) and spend a lifetime of caring leading to a lack of financial resilience in working life and then in retirement. But our analysis shows that if women lack financial resilience, we all lack financial resilience, and it is not only women who face a *Longevity trap* in later life, we all do.

We need to take action now to address the root causes of *Women's pension deficit*, improve pensions awareness and ensure equality in pension saving, retirement planning and de-accumulation. Pension parity will take time, and in the meantime we need to ensure pension assets and dependencies are dealt with fairly when relationships break up. And our ageing population means we will all be touched by care during our lifetime: we should embrace it, and value those who provide it.

The financial insecurity facing women and the economic uncertainty facing society

The accumulation of *Perils and Pitfalls* throughout the *Female Financial Life Journey* means that women's lack of financial resilience during working life impacts their financial independence in retirement too. *Women's pension deficit*, their greater life expectancy and higher care needs (when compared to men) leaves many older women today facing a *Longevity trap*. Women's lack of financial resilience is further amplified by their predominance in our ageing population which, together with rising health risk and changes in how we live, means that unless we act, we all face financial insecurity, not just women.

Changes in gender demographics and our ageing population

At 67million, the UK population in 2019 is over one third greater than in the early 1950s,⁶³ with every working age person today supporting almost two people in retirement. Over the next 30 years the number of people living in the UK is expected to grow to almost one and a half times the 1950s, overall a rise of almost 25million people.^{23A} Increased life expectancy means that by the time we reach 2050, the average age will be 44 years (9 years older

than today)⁵⁹ and the old age dependency rate (the proportion of people over State Pension Age expressed as a percentage of the working age population) will be 36%,^{66A} 16 million people. By 2100, the population is expected to grow to 85 million, with a dependency rate of 54%.^{23A}

At the same time, women continue to outlive and outnumber men in old age: in 2020 there will be an estimated one million more women than men above State Pension Age, rising to 1.2 million in 2050.^{66A}

Working longer, living longer - the need for pension parity

The recent rise in the State Pension Age means that many women today are retiring in their mid 60s with a trend towards increasing numbers of people working into their 70s. And with life expectancy rising, more people can look forward to a long retirement (the average life expectancy of a 65 year old woman in the UK is 87 years, compared to 85 years for a man).⁵⁸

At the same time the combined effect of the *Gender pay gap*, its root causes and the *Motherhood and caring penalty* means that in general women have smaller pensions to provide for later life. The average pension pot of a 65 year old woman is £35,800 (excluding the State Pension), just one fifth

of a man of the same age, and the median private pension wealth of a man aged 45-54 is over three times that of a woman of the same age.^{36, 67}

Automatic Enrolment has been a success, with many more women (and men) participating in pensions. However, the effects of the *Gender pay gap* are evident: low pay and part-time work means women's contributions are considerably smaller and large numbers of women (representing three quarters of those ineligible) do not qualify to be auto-enrolled. Moreover, the lifetime earnings gap means a 25 year old woman paying into an auto-enrolment pension will have a 20% less pension in 40 years' time than a man of the same age^{37, 48} (before considering part-time and career breaks). The gender pension gap is also evident in 'salary sacrifice' schemes and further compounded by schemes with contribution tiering linked to seniority amplifying the *Gender pay gap*. Today, men's average contributions to Defined Contribution schemes represent 186% women's.³⁷

Gender differences and preparedness for later life care

Differences in life expectancy combined with age gaps in heterosexual couple relationships mean that many women care for and then outlive their older partners

(there are almost four times as many women as men living alone in their 80s).³⁶

For many people today improved healthcare means we are living longer but this also means we are experiencing 'ill-health' for long periods in later life - on average 19 years for women and 15 years for men - leading to the need for help at home and end of life residential care.³⁶

In contrast to the gender pension gap, the average long-term residential care cost at age 65 is £37,000 for men and £70,000 for women (including those who do and don't need care); for those men and women entering a care home age 65 to 74 years, average costs in the UK are £82,000 and £132,000, respectively.³⁶

Whereas today as many as 45% of people fund care through realising housing assets, a decline in home ownership means tomorrow's generations are less likely to do so.³⁶ Improving *Women's pension deficit* and supporting informed career *Moments*, pensions saving and retirement decisions, including for couples where partners are dependent, is an imperative for women who may otherwise risk facing a *Longevity trap* at the end of life.

The *Longevity trap* facing society and the impact of changing lives

Our ageing population combined with the dramatic rise of ailments such as dementia means that care costs are rising and many more of us can expect to need care in the future. Over the next 20 years it is anticipated there will need to be a 40% rise in informal caring, and privately funded social care is expected to triple.^{1, 36}

Financing care provision is further compounded by working and living trends. Today, increasing numbers of low-paid people are working part-time impacting auto-enrolment pensions eligibility, more women are deciding to remain childless,⁵¹ single occupancy households are rising⁶¹ and there are more single people over 50 living alone⁵⁵. On top of this we are cohabiting more while being unaware of the financial risks, and there is an increasing trend for later life divorce impacting home ownership and household wealth. At the same time, for the younger generation, the price of property means many are compelled to 'rent not buy' or else face difficult decisions to compromise on pensions saving.

Retirement risks and dependent relationships

Relationships have evolved and create financial exposures for significant numbers of women. Shifts in relationship status, and the risks associated with cohabitation, separation and divorce for women dependent on partners create additional complications impacting women's retirement resilience. The marriage rate has reduced three-fold over the last 50 plus years,^{60A} cohabitation is now the norm for many and cohabiting couple families are rising (doubling over the last 20 years).^{36, 55} Together with women's greater propensity to exchange careers for care, a lack of formal financial rights for cohabittees means separating carries pension risk for women.

On top of this, with married men's pensions multiples of married women's (five times),³⁶ the rise in divorce rates amongst the 'silver splitters' and the lack of accessible advice and pensions sharing on divorce (just 14% of divorces involving pensions include sharing)⁴⁹ means divorced and separated women's later life resilience is exposed. Without adequate checks and balances, the switch to online divorces (now almost a quarter of divorces)³² represents a further threat for pensions dependent divorcees.

Pensions engagement and wellbeing

Compounding these financial challenges and later life preparedness is a lack of financial engagement and pensions capability. However this is not limited only to pensions saving, and long-term care provision. The shift to Defined Contribution pensions - with greater retirement flexibility through Pension Freedoms and Defined Benefit transfer options - creates retirement planning exposure for dependents and the less financially informed (in both cases more usually women). Just 1 in 10 women have heard of Pension Freedoms (compared to 1 in 4 men),³⁷ and 69% annuities are single life only⁴ - there is potentially a high risk then of many pension dependent widows facing the harsh reality of pension shortfalls at the end of life.

Securing our financial future

Collectively, this means each and every one of us needs to be better financially prepared to support ourselves in the future and save for an adequate pension. With women in retirement exceeding the number of men in retirement, and an increasing old age dependency rate, if women lack financial resilience during working life and in retirement then we all lack financial resilience. Moreover, our ageing population means this is a national economic issue, and action needs to be taken to address this.

Our Manifesto recommendations

Insuring Women's Futures is calling for action to address the root causes of *Women's pension deficit* and make interventions to improve pension parity. With the *Gender pay gap* not set to close until 2050, the retirement pension gap will prevail until at least 2100. By then, the size, gender and age profile of our population will have significant implications for society's financial resilience and our economy.

Pensions equality in the workplace and Equal pensions rights for those on low pay:

To support financial inclusion and help employees with low earnings provide for their futures, and benefit from employer contributions, we are recommending changes to Automatic Enrolment to make it more widely accessible to the many including those on low pay, working part-time and with caring responsibilities. This includes reducing the earnings eligibility threshold and ensuring tax relief is extended for those low-paid workers contributing into Net Pay schemes. In addition, encouraging pensions parity through analysis and disclosure of the gender pension contribution gap as part of *Gender pay gap* reporting will support better pensions wellbeing as well as promoting equality in the design and operation of 'salary sacrifice' schemes.

Fair pensions outcomes for those in relationships and for break ups: With pensions parity still generations away, many women remain pensions dependent on partners and need to be protected when relationships break up. This is why our recommendations include reviewing financial rights for cohabittees and a series

of measures for fair outcomes in divorce, including pension sharing as the default, and reviewing the Pensions Advice Allowance to support decision-making.

Pensions for carers and a 'national conversation' about caring: Women make up the majority of unpaid carers and after a lifetime of caring many risk insufficient funds to pay for their own old age care. The *Motherhood and caring penalty* is undermining not only women but our economy and we need to take action to address it. This, together with the fact the majority of paid carers are women working for low pay, is why we are proposing a 'national conversation' about caring, including carers' pension 'top-up'.

Financial engagement and wellbeing strategies that reflect women's whole life journeys, Gender-disaggregated data and use in policy and practice:

While Pension Freedoms provide flexibility, more people transferring and drawing down pensions poses a risk to dependent partners if they are not engaged in decisions. This, together with the need to engage in money and pensions throughout the life course is why Insuring Women's Futures is calling for MaPS' national strategy to incorporate gender, to help address the *Female Financial Capability Imperative* and *Women's pension deficit*, and for approaches to reflect gender differences and the *Female Financial Life Journey*. At the same time, we are recommending a need for disaggregated data to be collected and used to inform policy and practice.



Future financial lives in the UK and the *Perils and Pitfalls* facing women

Trends in risks in life facing women today and the whole of society tomorrow

Here we set out key facts and insights informing our Manifesto recommendations, illustrating these across the *Female Financial Life Journey* and highlighting intervention points by reference to the *Moments that Matter* for our eight female personas. For each persona's life *Moment* we have highlighted the risks in life trends facing tomorrow's society and the *Perils and Pitfalls* impacting today's women. By adopting this approach, our recommendations will address not only the *Perils and Pitfalls* impacting women's financial resilience in *Moments that Matter* today, they will support our whole society to live a financially resilient life in the future.

<p>Tomorrow's society - financial risks in life tomorrow</p> <p>In 2050, the average age will be 9 years older than today.⁵⁹</p> <p>Over the last 50 years the dependency ratio increased and is now almost 3 working people to 1 retired person.^{57, 83}</p> <p>By 2025 68% of 25-34 year olds could be renting privately.³⁶</p> <p>Multi-family households increased by 42% over the last decade.⁵⁵</p> <p>More people are living alone - 8 million people, 29% all households, a 6.6% rise over the last decade.⁵⁵</p>	<p>Young people will need to support themselves for considerably longer than previous generations, including saving sufficient funds for their retirement.</p> <p>43% females, 37% males born in 2050 are expected to survive to 100, and the old age dependency ratio is predicted to be 36%.^{59, 66A}</p> <p>85% jobs that will exist in 2030 have not been invented yet.³⁶</p>	<p>At 76% the UK employment rate today is the highest on record since 1971.⁵⁷</p> <p>Young people will work longer - 135% rise in over 70s working in the last 10 years.⁷⁴</p> <p>Young people starting work can expect to live longer and be retired for longer. A 21 year old woman has an average life expectancy of 89 years, 86 years for a man.⁵⁸</p>	<p>The proportion of low-paid employee jobs by hourly earnings fell to 16.2% in 2019 coinciding with rises in the National Minimum Wage and National Living Wage.⁶⁰</p> <p>Number of hours worked per week for low paid jobs has fallen more quickly year on year when compared with all jobs.⁷³</p> <p>Over 3x more part-time low paid jobs than full-time in 2019.⁷³</p>	<p>53% of UK millionaires will be female by 2025.⁵</p> <p>Attitudes to mothers working have shifted - pre-school 33% of people think mothers should stay at home, 38% part-time, and for school-age children 49% part-time, 27% full-time.⁷</p> <p>81% men, 94% women working full-time do or want to work flexibly.⁶⁰</p> <p>Half of people taking a break from work in the last 5 years did not consider a financial plan.⁷¹</p>	<p>Financial lives are changing, and half of people may be 'vulnerable'.^{25A}</p> <p>53% increase in same-sex couple families 2015 to 2018.⁵⁵</p> <p>Rise in older parents since 1985, 6x more women are having babies age 40 and over than 20 and under.³⁶</p> <p>1 million people in the UK will have dementia by 2025 - 2 million by 2050.¹</p>	<p>The marriage rate today is nearly 3x lower than in the 1950s.^{50A}</p> <p>Rise in divorce amongst 'silver splitters' (50s plus).³⁶</p> <p>Cohabiting couple families up 2x over the last 20 years.³⁶</p> <p>46% people are unaware cohabittees have no financial rights.⁵⁵</p>	<p>37% females aged 18-24 feel very confident managing their money (48% men). 59% 18-34 year olds worry about not having enough money to retire.³⁶</p> <p>Defined Benefit transfers advised upon since the Pension Freedoms - over £82.8 billion.^{26B}</p> <p>Over 1.5 million Defined Contribution drawdowns.²⁷</p>	<p>89% over-65s do not have a plan to meet care costs. 51% people see the State Pension as the most likely source of funding.⁶⁶</p> <p>40% rise in informal carers over the next 20 years.³⁶</p> <p>3x rise in private spending on social care over the next 20 years.³⁶</p>	
<p>Moments that Matter to improve women's financial resilience</p> <p><i>Female Financial Life Journey</i></p> <p>Bridging the UK gender gap in work could create an extra £150bn above 2025 GDP forecast¹²</p>									
<p>Growing up, studying and re-qualifying</p>	<p>Entering and re-entering the workplace</p>	<p>Entering and re-entering the workplace</p>	<p>Motherhood and becoming a carer</p>	<p>Ill-health, infirmity and dying</p>	<p>Relationships: making up and breaking up</p>	<p>Later life, planning and entering retirement</p>	<p>Motherhood and becoming a carer</p>		
<p>Today's women - Perils and Pitfalls today</p> <p>A baby girl born today has a 19% chance of living to 100 years⁵⁸</p>	<p>21% pay gap between male and female apprentices due to the sectors they work in.³⁶</p> <p>33% girls 60% boys consider themselves best at STEM - lack of girls in technology risks widening the <i>Gender pay gap</i>.¹⁸</p> <p>57% men, 78% women strongly agree pay inequality is very wrong. i.e. equal pay for equal jobs.⁸</p> <p>Only 43% people think the <i>Gender pay gap</i> is wrong. i.e. for the average earnings of men to be higher than the average earnings of women.⁸</p>	<p>Women's economic activity is increasing - 2.5x since 1950.⁶²</p> <p>The average man pays 186% average woman into a Defined Contribution pension.³⁷</p> <p>Women aged 25 will accumulate a 20% lower workplace pension by the age of 65 than a man age 25.³⁷</p> <p><i>Gender pay gap</i> is not expected to close until 2050 - 2100 for pensions parity.³⁶</p> <p>24% women say "only start a pension when you can afford it" (36% men).⁷¹</p>	<p>Of the 4.7m low-paid employees in 2018 60% were women.⁷³</p> <p>Nearly one third more women than men work on zero hours contracts (3.1% women in employment, 2.4% men).⁵⁴</p> <p>75% employees ineligible for pensions Automatic Enrolment are women - due to the £10,000 earnings threshold.³⁷</p> <p>3 in 10 mothers with a child aged 14 years and under said they reduced working hours due to childcare (1 in 20 fathers).⁵⁶</p>	<p>Part-time women earn 30% less pay per hour than full-time women, causing the <i>Gender pay gap</i> to double compared to full-time only.³⁶</p> <p>Part-time women's pensions are 47% (£106,000) less than men's by the time they reach 60.⁴⁸</p> <p>Over 50% part-time workers earn less than the £10,000 Automatic Enrolment trigger, 81% of these part-timers are women.³⁷</p> <p>3 in 10 women do not believe part-time working impacts their pension.⁴⁸</p>	<p>2.7x more women compared with men will have dementia in 2050.¹</p> <p>28% men, 22% women have very high trust in insurance. 27% and 22%, respectively for financial advisers.⁷¹</p> <p>Two thirds of women view social impact as important in investing - a similar trend to millennials.^{82, 24}</p> <p>52% women and 49% men who are married or cohabiting do not consider their relationship life circumstances when setting up their insurance policies.⁷¹</p>	<p>Only 14% divorces included pension sharing. Married men's pensions are 5x married women's.^{36, 42}</p> <p>1/4 divorces are now online.³²</p> <p>20% adults experience financial coercion in a current or past relationship - 60% incidents reported by women.³⁶</p> <p>More women aged 45 to 65 are living alone.⁵⁵</p> <p>86% lone parents are women.³⁶</p> <p>The <i>Gender pay gap</i> rises to 25% in the 40s and 28% in the 50s.⁷³</p>	<p>1 in 10 women and 1 in 4 men are very familiar with the Pension Freedoms.³⁷</p> <p>1 in 3 women in their 30s say their money wouldn't last a month if they lost their main source of income. The majority of 25-39 year old women have financial liabilities, and 55% 30-49 year old women have not considered paying for care.³⁶</p> <p>69% annuities are single life.⁴</p> <p>27% women say they feel worried when thinking about managing money (21% men).⁷¹</p>	<p>Men's average lifetime earnings 80% more than women's.³⁶</p> <p>58% unpaid carers are women.¹⁵</p> <p>Caring roles are in an employment category for which 80% workers are women, and 75,000 jobs are paid below the NMW and NLW*.⁶²</p> <p>Significant number of carers not claiming their state entitlements including Carer's Credit (90%).⁴⁴</p> <p>Average cost for a woman age 65-74 entering a care home is £132,000 (£82,000 for a man).³⁶</p>	
<p>Give apprenticeships gap Young women's graduation burden Female financial capability improve Gender pay gap Cohabitation Pitfall Motherhood and caring penalty Flexible working sacrifice Women's wellbeing threat Divorce and separation setback Domestic abuse danger Women's pension deficit Longevity trap Financial resilience Trust and engagement</p>									

*National Minimum Wage and National Living Wage

Building society's trust and the opportunity for insurance and personal finance

Responding to changing lives and making money with purpose

Our society is not financially engaged, we don't talk about money and pensions, and this affects our financial capability, how we manage our financial risks in life, and our financial resilience when confronted with life events. It also affects society's relationship with insurance and personal finance, and financial services more broadly.

The FCA has identified over half of society as being financially vulnerable^{25A} – a risk for society and a challenge for insurance, personal finance and financial services. At the same time, many people do not find financial services engaging, they also say they don't trust us. In fact 35% women and 28% men say thinking about investments, insurance and pensions leaves them feeling cold – and just 22% women and 28% men have high or very high trust in insurance.⁷¹

By responding positively to the challenge, our profession has an opportunity to realise its purpose, to add value to society, and also to embrace women as a consumer group. Together we can help build a resilient future, grow sustainable businesses and contribute positively to our economy.

Changing financial lives, the role and opportunity for the profession

Society is changing including the way we live, how long for, our working lives and our relationships. This all adds up to more risk and complexity for many in managing money and pensions.

Changes in the economy, old age dependency and social care mean we all need to take responsibility for our financial futures. Financial inclusion, access to insurance and financial services and public trust founded on good customer outcomes are not only business and societal issues; they are economic issues.

By rising to the challenge and collaborating with financial guidance bodies, regulators, the third sector and employers, the insurance and wider financial services profession has the opportunity to realise fresh approaches, make money with purpose, secure sustainability, while adding value to society and the economy.

The value of supporting women

While our research shows that on the whole there is currently a lack of financial resilience amongst many women across society, a slow and developing trend in women's wealth is evident. By 2025 it is anticipated that 53% millionaires in the UK will be women,⁵ a combination of intergenerational effects, rising entrepreneurialism and improvements

in women's progression in the workplace leading to higher pay and savings. Added to this, increased pensions saving through Automatic Enrolment and 'salary sacrifice' pensions, leading to decumulation investment in the future, means that women are becoming an increasingly important consumer group in financial services.

Women represent an upcoming growth opportunity for financial services and yet Insuring Women's Futures' analysis highlights there is much to reflect on to support this underserved customer community: to improve trust, to ensure approaches acknowledge the *Female Financial Life Journey* and to engage women on their terms.

Gender-differentiated customer approaches to reflect life journeys

We already know from our survey research and the CII Trust Index that what women value as customers, and their perceptions of trust in insurance, personal finance and wider financial services, is not the same as men's. The need for gender-differentiated approaches is evidenced by trust scores across insurance, pensions, financial advice and banking (see page 60). Taking a closer look at pension providers further reinforces this when considering respondents who stated 'high or very high trust' in pension providers in general and also their own pension provider: while trust scores between

men and women are considerably higher for their own provider, a 15% gender trust gap (with men rating more highly) prevails for both.⁷¹ In addition, women's aspirations for wealth management include a greater preference for Environmental Social and Government (ESG) investment, reflecting similarities with the millennial generation: 67% of women said making a social impact was of high importance when investing; millennials are nearly twice as likely (compared to non-millennial investors) to invest in companies or funds that target specific social or environmental outcomes.^{82, 24}

Inclusive 'engage, empower, enable, experience' customer strategies benefits society and business

By investing in solutions for women, and identifying differentiated product, service and engagement strategies based on gleaning an understanding of women's life journeys and their *Moments that Matter*, new techniques can be developed and leveraged, creating further opportunity through extending across other intersections of society.

Adopting differentiated strategies for engaging with society relevant to financial life journeys, and empowering people with information and guidance to support decision-making relevant to their *Moments that Matter* will open up opportunities for new consumers. Adopting inclusive

customer approaches through enabling access, removing barriers while developing relatable customer journeys will improve experience, build trust and support sustainability.

Customer financial wellbeing and services to support society in the future

More broadly what the 'risks in life' and future trends analyses have highlighted is the pace of change in financial futures and the financial complexities society faces. Many customers today aren't fully engaging with their financial lives and this has implications for the products and services they buy, now and in the future.

Our work has identified a need and also an opportunity to embed *Moments that Matter*, and life circumstance considerations, into customer strategies. Half of people we surveyed said they do not consider their life circumstances when taking out an insurance policy,⁷¹ and over one third (33% men, 40% women) said they aren't familiar with the implications of joint and single policyholder status on their ability to make a claim or a policy change. Turning to pensions, 60% women and 42% men don't know they should update their pension records when their relationships change,³⁶ and one in five people (including 28% living with a partner) 'have no idea' who stands to benefit from their pension if they die.³⁷

All of these have implications for customer experience and good outcomes. Success for both the profession and for society will require improved financial engagement and wellbeing. The development of a national Financial Engagement Index (as recommended by Insuring Women's Futures) would provide financial guidance bodies with insights into the design of inclusive approaches and to assess the impact of their activities. Working together it could also be leveraged by insurance, personal finance and wider financial services firms to inform and evaluate customer engagement, and to assess the effectiveness of financial wellbeing activity as part of customer journeys.

Customer-led approaches to provide a 'whole customer' experience and build trust

'Whole customer' approaches that support customers to better engage with financial life, and to contemplate their life circumstances, will make insurance, personal finance and financial services more relevant and better understood, while simultaneously help to deliver good customer outcomes, support vulnerable customers and positively build trust in the profession.

As times change so will the financial solutions people and businesses need. Household trends include cohabiting, single person, multi-family and same-sex. Business is becoming more automated, workplaces more mobile, and employment more flexible. At the same time life expectancy is rising and health risks are evolving, including the rise of dementia. Serving consumers' changing needs and circumstances through new product offerings, by adopting inclusive and engaging customer-led approaches,

leveraging technology and financial wellbeing, and reflecting life changes will support both business and society in achieving positive outcomes in the real life *Moments that Matter*. For further details, research and survey analysis about changing financial lives see the section called Supporting customers in their financial lives.

Reflecting society - why diversity matters within insurance and personal finance

Insurance and personal finance plays an important role in society and in contributing to the economy. Society's attitude towards, and the reputation of, the profession, how it is viewed and trusted impact not just our business. If our purpose is to serve society, we need to develop solutions that reflect people's changing lives, and to be successful customers need to feel we relate to them.

Together with wider financial services, the insurance sector reports one of the highest *Gender pay gaps* in the UK with a median mean pay gap of 28%.^{71C} This is largely due to fewer women in higher positions.^{71A} By virtue of the pay gap, the gender pension gap may also be expected to be significant in our sector.

Addressing the gender gap, securing better representation of women and wider society across the profession will support more inclusive business strategies, improve performance, build trust and enhance reputation.

Our Manifesto recommendations

Insuring Women's Futures is calling on the insurance and personal finance profession to take forward the recommendations in our Manifesto. Specifically, to commit to two pledges aimed at embedding financial life considerations within customer approaches to support good customer outcomes, and improving the part-time pay and pension gaps highlighted by the *Flexible working sacrifice*.

Insurance and financial services' role in supporting financial futures: We are encouraging firms to take forward the insights into changes in financial lives highlighted in this report together with the *Female Financial Life Journey* and to commit to an Inclusive Customer Financial Lives Pledge to support customers to consider their life circumstances for the products they buy and the services we provide.

Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions: Adopting financially inclusive flexible working good practices including considering parent and carer policies and embedding financial wellbeing will help to achieve employee pay and pensions parity in the workplace, reinforced through firms' committing to a Financial Flexible Working Pledge. We are encouraging all firms in the profession, and employers more broadly, to take the pledge to support all employees now and in the future.

Our recommendations are relevant to wider financial services too.

Role of the profession in supporting our wider Manifesto recommendations: There is an opportunity for insurance, personal finance (and broader financial services) firms to support our wider recommendations. These include:

- Encouraging young female talent into STEM roles and higher paid careers through schools and internship programmes, and recruitment strategies.
- Reviewing workplace pensions arrangements to assess and address gender pension gaps through engagement and wellbeing activity and scheme design (where appropriate).
- Pensions engagement strategies with those who are ineligible for Automatic Enrolment.
- Considering parental leave policies to support equal opportunities for all parents, and adopting the ABI's Transparent Parental Leave Initiative.
- Embedding financial wellbeing into the HR cycle (including employee benefits) to help inform considerations across the financial life journey, raising awareness of *Perils and Pitfalls* and *Moments that Matter*.
- Simultaneously, working collaboratively with policymakers, regulators and financial guidance bodies to support data collection, consistency of guidance and with those involved in divorce to provide relevant and timely pensions valuation information.

Female Financial Life Journey

This will help:



A holistic, collaborative and coordinated approach combining policy and practice, business and society across the *Female Financial Life Journey*

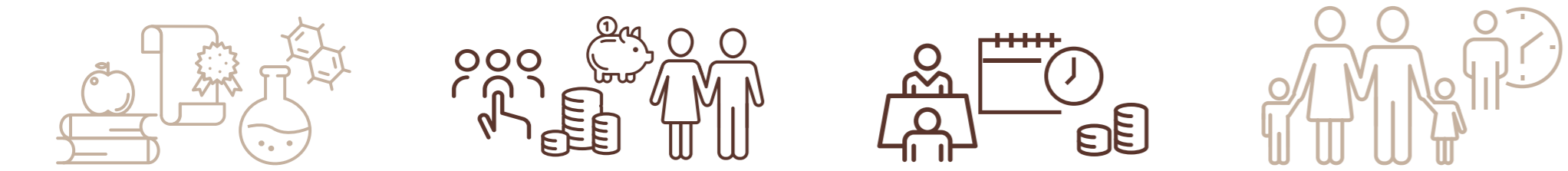
Taking forward our recommendations

Our Manifesto highlights the overarching priorities across the *Female Financial Life Journey* that can drive sustainable improvements to women's and wider society's financial resilience in the UK.

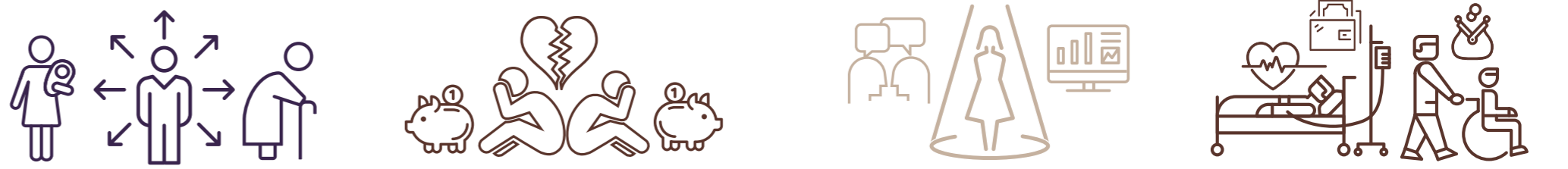
 <p>Growing up, studying and re-qualifying</p> <p>Dina - Inspiring young women to own their financial futures</p>	 <p>Entering and re-entering the workplace</p> <p>Selina - Pensions equality in the workplace</p>	 <p>Entering and re-entering the workplace</p> <p>Stacey - Equal pensions rights for those on low pay</p>	 <p>Motherhood and becoming a carer</p> <p>Adela - Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions</p>
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We have developed a holistic, prioritised strategy capable of being delivered through a combination of complementary interventions by those with the greatest influence to realise effective change. Here we highlight overarching recommended actions to be taken forward by key stakeholders. More granular details are on pages 54 and 55.

 <p>Ill-health, infirmity and dying</p> <p>Rachel - Insurance and financial services' role in supporting financial futures</p>	 <p>Relationships: making up and breaking up</p> <p>Zadie - Fair pensions outcomes for those in relationships and for break ups</p>	 <p>Later life, planning and entering retirement</p> <p>An - Financial engagement and wellbeing strategies that reflect women's whole life journeys</p>	 <p>Motherhood and becoming a carer</p> <p>Joan - Pensions for carers and a 'national conversation' about caring</p>
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<p>Considerations for education establishments, mentors and the Department of Education (DfE): To equip young women to make financially informed study choices, including STEM as the route into higher paid roles, and to introduce a formal financial wellbeing accreditation.</p>	<p>Considerations for the Government Equalities Office (GEO): To include employer's pension contributions in <i>Gender pay gap</i> reporting to inform actions to close the gender pension gap, and to equalise Shared Parental Leave and Pay rights to help close the <i>Gender pay gap</i>.</p>	<p>Considerations for the Department of Work and Pensions (DWP): To reform the earnings eligibility thresholds to Automatic Enrolment to avail workers on low pay the opportunity to build a pension – and ensure everyone enjoys the tax relief benefits irrespective of the scheme they are in.</p>	<p>Considerations for employers: To ensure flexible working and parental leave policies and practices are financially fair for all – addressing the part-time gender pay and pensions gaps, and embedding financial wellbeing across the HR cycle. Commit to Insuring Women's Futures' Financial Flexible Working Pledge.</p>
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<p>Considerations for the insurance profession (insurers, pension providers, financial planners) - and relevant to wider financial services: To adopt 'whole customer' approaches contemplating changing financial lives, and support customers to consider their life circumstances when buying products and services. Commit to Insuring Women's Futures' Inclusive Customer Financial Lives Pledge.</p>	<p>Considerations for the legal profession: To make pension sharing the default position in divorce alongside reforms to the Pension Advice Allowance, leveraging the Pensions Dashboard including for online divorces. Extending financial rights to cohabiters.</p>	<p>Considerations for financial guidance bodies: To set as a strategic priority the promotion of gender inclusive financial engagement and wellbeing approaches drawing on gender-disaggregated data – especially at MaPS as part of the national strategy.</p>	<p>Considerations for Government and society: To create and engage in a 'national conversation' to consider caring – who does it, how it's rewarded, who pays for it, who needs it – taking a holistic policy approach contemplating gender, and including consideration of a carers' pension 'top-up'.</p>
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Female Financial Resilience Forum to drive change in the approach to women's risks in life to secure the financial future for all.

Considerations for Government and regulators: To collect and use gender-disaggregated data (customer, approved and certified persons) to inform policy and supervision.

Considerations for the insurance professional and trade bodies: To develop industry guidance and professional standards on inclusive customer approaches, and wider customer financial wellbeing strategies, so the insurance and personal finance sector can move forward in a coordinated manner.

Considerations for the third sector: To use the themes of our *Financial Wellbeing Guide* to raise awareness of the financial risks in life, and the *Moments that Matter* to engage audiences in relevant ways.

There is an opportunity for a collaborative and coordinated approach, and a role for the insurance and personal finance profession to play across all aspects of our Manifesto.

Call to action

Bringing together policy, practice, business and society

We are calling on policymakers, regulators, financial guidance bodies, insurance, personal finance and financial services together with employers and the third sector to join forces to take forward our Manifesto recommendations to benefit, society, the economy, business and everyone.

Insuring Women’s Futures’ Manifesto brings together a wide range of stakeholders to make collaborative co-ordinated change. We are actively liaising with policymakers, regulators, trade and professional bodies, financial services firms, employers and the third sector. For full details of the stakeholders and relevant areas to take forward, see pages 68 and 69 and Our programme for change (Part Two). The insurance and personal finance profession is already taking action through our Talk To Ten Thousand (Talk 2 10K) campaign and commitments made by firms in the profession through our Inclusive Customer Financial Lives Pledge and Financial Flexible Working Pledge.

Talk 2 10K campaign

To coincide with the launch of our Manifesto, Insuring Women’s Futures launched a Talk 2 10K campaign, to reach women and girls across society. This was a collaborative effort involving the Insuring Women’s Futures’ Ambassadors as well as leading insurers and many other partner organisations including the third sector. The challenge was to encourage everyone involved to engage 10 (or more) friends, colleagues or family members in a conversation about their financial wellbeing during Talk Money, Talk Pensions week, 18th – 22nd November 2019.

Talk 2 10K activity



During Talk Money, Talk Pensions week, we hugely exceeded the target with activities that included:

- | | |
|--|----------------------------|
| 1.63 million: estimated Talk 2 10K touchpoints during Talk Money, Talk Pensions week | Social media |
| Internal communications | Newsletters |
| Internal events | Blogs |
| | Webinars... and much more. |

Organisations participating in the Talk 2 10K campaign included:

- | | |
|--|--------------------------|
| AIG/AIG Life | Savvy Woman |
| AON | Scottish Widows |
| AXA | Surviving Economic Abuse |
| BIBA | Swiss Re |
| Chartered Bankers Institute | UK Youth |
| Chartered Institute of Securities and Investment | Vitality |
| Insurance Supper Club | Women in Protection |
| iWIN | Women in Rail |
| LV= | Women of the World (WOW) |
| Marsh | Women Returners |
| PricewaterhouseCoopers | Working Families |
| Relate | Zurich |

Progressing the Manifesto recommendations within insurance and personal finance

Insuring Women’s Futures is actively engaging with firms across the insurance, personal finance and wider financial services profession to support our two pledges.

Insuring Women’s Futures is inviting insurance, personal finance and wider financial services firms to commit to two pledges aimed at improving financial wellbeing within the profession and to support customers to engage with their financial lives.

The aim of the pledges is to improve the gender pay and pensions gaps while creating equal opportunity for men and women to work flexibly, and to improve customer engagement, outcomes and trust.

Full details of the pledges may be found in the sections titled Supporting customers in their financial lives and Making flexible working fit for financial futures, with related resources in the Appendices. Firms making commitments as at the date of publication are included below with an update on our website. We are also encouraging all employers to sign up to the Financial Flexible Working Pledge to support the financial wellbeing of their people.

Inclusive Customer Financial Lives Pledge

“We will work to ensure that at every customer interaction point we adopt an inclusive ‘whole customer’ approach, helping customers to consider the impact of their life circumstances and potential changes, and empowering them to achieve a positive outcome.”

Financial Flexible Working Pledge

“We will work to ensure that at every point where our employees make a change to their working arrangements, they are prompted to consider the immediate and longer-term financial implications of this change.”

Insuring Women’s Futures welcomes discussing these pledges, please contact us via our website.

Our research and analysis identified the vital need to better engage women on money and pensions - on their terms - and that inclusive, gender-differentiated approaches are required commensurate with the *Female Financial Life Journey*. Gender stereotyping, relationship imbalances, workplace participation and employer practices, compounded by caring inequalities and outdated legal, social care and financial education systems, are leaving women exposed.

Our Manifesto aims to inspire better engagement with financial life, improve our financial wellbeing and address the root causes undermining financial resilience, to support everyone to have a more secure financial future.

Our Manifesto for a financially engaged and inclusive society

Our Manifesto is strategic, practical and actionable, proposing a series of collaborative interventions aimed at mitigating women's financial risks in life today, and pre-empting them tomorrow. We have illustrated this through eight representative female 'personas' at different stages in, and experiences of, life, and have also highlighted the benefit to wider society. We can all relate to these women, and there is a role for us all to play to make change and benefit from it.

This section provides the analysis and rationale to our recommendations through women's life journey, supported by data. It sets out who can help and how, including the important role of the insurance and personal finance profession.

Our Manifesto summary recommendations for improving financial resilience in the UK

A Manifesto that matters

Insuring Women's Futures has identified ten overarching recommendations for improving women's financial resilience through the life course, to help secure the financial future for all. Nine of these are covered in the exploration of the *Moments that Matter* for women today over the next two pages.

Female Financial Resilience Forum
Addressing women's financial resilience requires a holistic and coordinated approach across Government, regulators, financial guidance bodies, financial services, employers and the third sector. Insuring Women's Futures will work with others on how a Female Financial Resilience Forum could operate - which we have identified as a tenth overarching priority.

See pages 54 and 55 for detailed recommendations and the supporting work in the Appendices.



Growing up, studying and re-qualifying



Inspiring young women to own their financial futures

Girls and young women today will live longer, work more flexibly, experience relationships differently and take financial responsibility. And yet attitudes in society still do not accept gender parity in pay and caring, nor encourage girls into STEM careers, and many laws continue to ignore women. Young women need to be empowered to take ownership of their financial future. Gender-neutral language should be adopted universally in law and regulation, and financial wellbeing for young people should be formalised through an accreditation. Positive career mentoring and role modelling at school, at home and in the media is necessary to inspire young women to reach their potential.

This recommendation will support all young people, irrespective of gender.



Entering and re-entering the workplace



Pensions equality in the workplace

The *Gender pay gap* is not expected to close until 2050, and with pensions based on earnings it impacts women's resilience in retirement too. Many young women embarking on their working life today will need to provide for themselves to age 100 and should be supported to save for an adequate pension. Improved transparency of workplace pensions, gender analysis and inclusion of employer pension contributions in the *Gender pay gap* reporting will help inform fair employer pension strategies, pensions wellbeing, and simultaneously assist closing the gender pension gap.

These measures will improve pensions equality and wellbeing strategies, and will benefit everyone.



Entering and re-entering the workplace



Equal pensions rights for those on low pay

Every woman should be afforded the opportunity to build a pension for her future, and this includes the very many women who work for low pay. Three-quarters of those currently ineligible for Automatic Enrolment are women, and significant numbers of women are not receiving tax relief. The earnings eligibility limit of £10,000 should be reduced to allow low-paid workers to participate, and all members should benefit from basic rate tax relief.

These measures will improve pensions equality and will benefit everyone on low pay.



Motherhood and becoming a carer



Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions

British social attitude has shifted, leading many mothers to work part-time while caring for children. Enhancing flexible working practices and financial wellbeing in the workplace will improve inclusion and enable career and pay progression for parents and carers, and everyone working flexibly, and help them to consider the impact on their money and pensions in vital *Moments that Matter*. Shared Parental Leave and Pay rights should be equalised to encourage shared responsibility for childcare from the outset and support closing pay and pensions gaps.

This recommendation benefits everyone and especially parents and carers, and also young people who are expected to work more flexibly in the future.



Ill-health, infirmity and dying



Insurance and financial services' role in supporting financial futures

Financial lives are changing and becoming more complex for society. At the same time we all need to take ownership of our financial futures. In parallel, fresh approaches by the insurance, personal finance and wider financial services profession to reflect changes in society and provide a 'whole customer' experience considering life circumstances will help support good customer outcomes and build public trust in the profession.

This recommendation will improve customer outcomes for everyone, support the FCA's work on vulnerable customers and benefit business sustainability.



Relationships: making up and breaking up



Fair pensions outcomes for those in relationships and for break ups

More people are cohabiting, marrying later and divorcing in their 50s. Yet many people do not realise the differences in cohabittees' and marrieds' financial rights. In addition, despite married couples' pensions rights, few divorces fully consider pensions. Pension sharing should be the default position on divorce, with couples able to access the Pensions Advice Allowance, and the Pensions Dashboard should be leveraged to support disclosure, especially online divorces. Spousal consent should be required for Defined Benefit transfers with spousal rights, and ex-spouses should be permitted to remain within an ex-partner's scheme with their pension share. An appropriate mechanism should be in place to afford financial rights to cohabittees.

These measures will improve pensions equality and benefit everyone.



Later life, planning and entering retirement



Financial engagement and wellbeing strategies that reflect women's whole life journeys

Our society is not engaged in, or sufficiently informed about, money and pensions, and we just don't talk about financial life. Women's life journeys are different and more complex, and we need to equip them through their working lives and in planning for retirement with tailored, gender-differentiated approaches to financial engagement, information and guidance, and financial advice. Women and gender inclusive financial engagement should be a strategic priority for MaPS. A Financial Engagement Index should be developed to measure the effectiveness and inform financial wellbeing and customer strategies.

This recommendation aims to encourage conversations about money and pensions, and improve financial wellbeing. It will empower women and girls and benefit men and boys too.



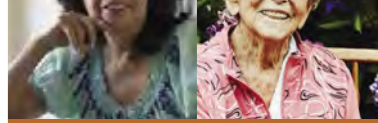
Motherhood and becoming a carer



Pensions for carers and a 'national conversation' about caring

Women make up the significant majority of unpaid and paid carers for children and the elderly, and caring is one of lowest paid occupations in the UK, impacting women's financial resilience during working life and in retirement. Our ageing population means an overall increase in informal (unpaid), state and privately funded care, and has profound implications for women, our society and economy. A 'national conversation' is required to address caring, who does it, how it's rewarded and paid for; as part of this consideration should be given to pensions and a carers' pension top-up. Gender needs to be part of the dialogue and inform policy.

This recommendation will benefit the whole of society.



Gender-neutral language, gender-disaggregated data and its use in policy and practice

Women's lack of visibility in the law leads to their being invisible in the data. Gender-disaggregated data should be collected and used in policymaking, to support effective supervision by regulators and good practices by financial services firms and guidance bodies. Approaches should consider life journeys to understand the most effective form of interventions, by whom and at which *Moments that Matter*. Gender-neutral language should be adopted universally in the law.

This recommendation will enable insight into gender differences supporting fair outcomes for everyone.

Our approach to improving women’s and society’s financial resilience in the UK

Assessing the impact of changing lives and the *Female Financial Life Journey*

Insuring Women’s Futures’ research and the analysis supporting our Manifesto highlights that the issues undermining women’s financial resilience are deep rooted. However, the challenges are not limited to women. If we want our society to progress, we need women to progress, to drive changes in our social attitude, modernise legal and social care systems and improve our relationship with money and pensions.

Over the last three years our work at Insuring Women’s Futures has focussed on understanding risks in life (*Perils and Pitfalls*) faced by British society, and specifically the differences between men’s and women’s lives, to establish the root cause of women’s lack of financial resilience.

Our Manifesto recommendations

Our recommendations are targeted at eight individual *Moments that Matter* interventions through the *Female Financial Life Journey* where we have identified there is the greatest need for change today, and the maximum opportunity to make a positive impact for women and wider society tomorrow. These eight *Moments* are focused on addressing the root causes of the *Gender pay gap*, making targeted interventions to mitigate the consequences of this on *Women’s pension deficit*, and interventions to ensure women’s whole contribution is valued, including their caring responsibilities, and family and household commitments that lead to relationship dependencies and resilience issues when relationships break up. The eight areas are summarised on the opposite page highlighting the relevant female personas and *Moment that Matters*.

The eight individual interventions are supplemented by two holistic ones - the need for women’s visibility in policy and practice through universal use of gender-neutral language and collection and use of gender-disaggregated data (relevant to all *Moments that Matter*) and the need for a co-ordinated approach to considering women’s financial resilience through a Female Financial Resilience Forum.

12 *Perils and pitfalls*

By analysing how we educate and work, form relationships and have families, as well as our health, wellbeing and ageing, and considering our financial circumstances, our research identified 12 financial risks facing women through the life course. Our analysis is based on Government statistics and identified key differences in men’s and women’s financial life journeys. Further details on the 12 *Perils and Pitfalls* may be found in the on page 12 and in the report ‘Securing the financial future of the next generation - the *Moments that Matter* in the lives of young British women.



Structure of this section

The next few pages (48 and 49) set out the *Perils and Pitfalls* today facing women through the *Female Financial Life Journey* drawing on our research set out in ‘Securing the financial future of the next generation - the *Moments that Matter* in the lives of young British women’. This is followed (on pages 50 and 51) by a future view of life in the UK and trend data to highlight the wider societal developments and associated impacts consistent with our *Moment that Matter* interventions to improve women’s financial resilience identified as part of the *Female Financial Life Journey*. We bring together the *Perils and Pitfalls* today and future trends, to identify our overarching recommendations on pages 52 and 53. A more granular analysis on pages 54 and 55 sets out the benefit for women (using each of our female personas) and wider society, and pages 56 to 59 show how our recommendations collectively benefit women across society. Finally, on pages 60 to 67, we summarise the valuable role for insurance, personal finance and wider financial services in improving financial resilience for women and society.

Approach to determining Manifesto recommendations

This work which forms our Manifesto is the consolidation of the experience and knowledge of many leading experts across the insurance, personal finance and financial services profession, policy, regulation, business, academia and society. Through a holistic and pre-emptive approach combining policy and practice, business and society we have identified a series of proactive interventions across women’s life course. And we have sought to leverage the most effective techniques drawing on those with the relevant authority and influence in policy, business, financial services and society.

Our eight *Moment that Matter* interventions across the *Female Financial Life Journey*

The eight individual *Moment that Matter* interventions are summarised below together with the name of the relevant persona and *Moment that Matters*.

Empowering girls and young women so they are financially informed and encouraged to consider STEM opportunities and are supported to make financially rewarding career and study choices.
(Dina - Growing up, studying and re-qualifying)

Ensuring young women starting work with their independent financial lives ahead of them have the opportunity to realise pensions parity when they retire.
(Selina - Entering and re-entering the workplace)

Ensuring that all women - including those on low pay - can access pension savings.
(Stacey - Entering and re-entering the workplace)

Enabling all parents and carers to have the opportunity to work flexibly, enjoy shared parental leave and to consider the financial impacts of work-life changes, to support rewarding careers and secure financial futures.
(Adela - Motherhood and becoming a carer)

Supporting insurance and personal finance customers to be equipped for when life events happen.
(Rachel - Ill-health, infirmity and dying)

Providing for those in relationships and whose relationships break up to have fair pensions outcomes.
(Zadie - Relationships: making up and breaking up)

Helping to ensure we are more engaged in managing money and pensions, and that approaches are gender inclusive and recognise life journeys.
(An - Later life, planning and entering retirement); and

Seeing to it that those who care for family and work in caring roles are valued and supported to be financially resilient during working life and in retirement.
(Joan - Motherhood and becoming a carer).



Perils and Pitfalls and the Female financial life journey for women today

Our Manifesto for a financially engaged and inclusive society

Women's risks today through the life course



Here we set out the *Female Financial Life Journey* highlighting the *Perils and Pitfalls* facing women today through the life course, sequenced to represent a typical or 'average' woman's life journey based on national statistics (ONS). We have highlighted the key 'risks in life' together with financial engagement, trust and capability insights as well as women's resilience during working life and in retirement.



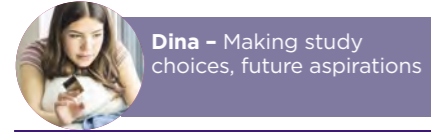
Unless stated otherwise all references are to our previous research. Full original data sources for all quoted statistics used in this material can be found in the following reports authored by Jane Portas and published at www.insuringwomensfutures.co.uk. **Securing the financial future of the next generation - the Moments that Matter in the lives of young British Women today, Solving Women's pension deficit to improve retirement outcomes for all and 6 Moments that Matter - how to secure your financial future.**^{36, 37}

Future trends in the financial life journeys of women and wider society

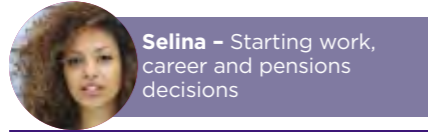
Our Manifesto for a financially engaged and inclusive society

Moments that Matter in a secure financial life tomorrow

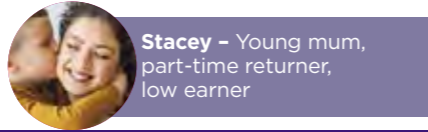
Leveraging the insights from the *Female Financial Life Journey* we identified eight individual *Moment that Matter* interventions, with life *Moments* illustrated by our female personas. We then considered trend data relating to women's and society's 'risks in life', to test and ensure our Manifesto recommendations have maximum benefit for women and also wider society. Here we set out future insights relating to the eight individual *Moments that Matter* considering changing social attitudes, employment profiles, relationships and family living, as well as health, ageing and developing financial lives through working life, and in retirement.



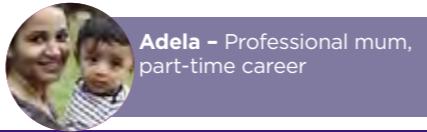
Dina – Making study choices, future aspirations



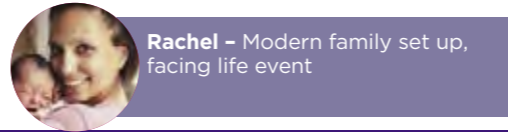
Selina – Starting work, career and pensions decisions



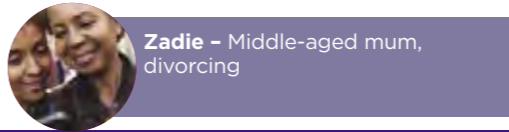
Stacey – Young mum, part-time returner, low earner



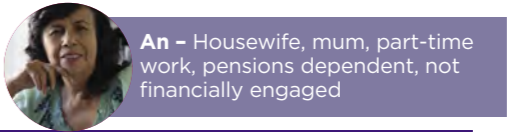
Adela – Professional mum, part-time career



Rachel – Modern family set up, facing life event



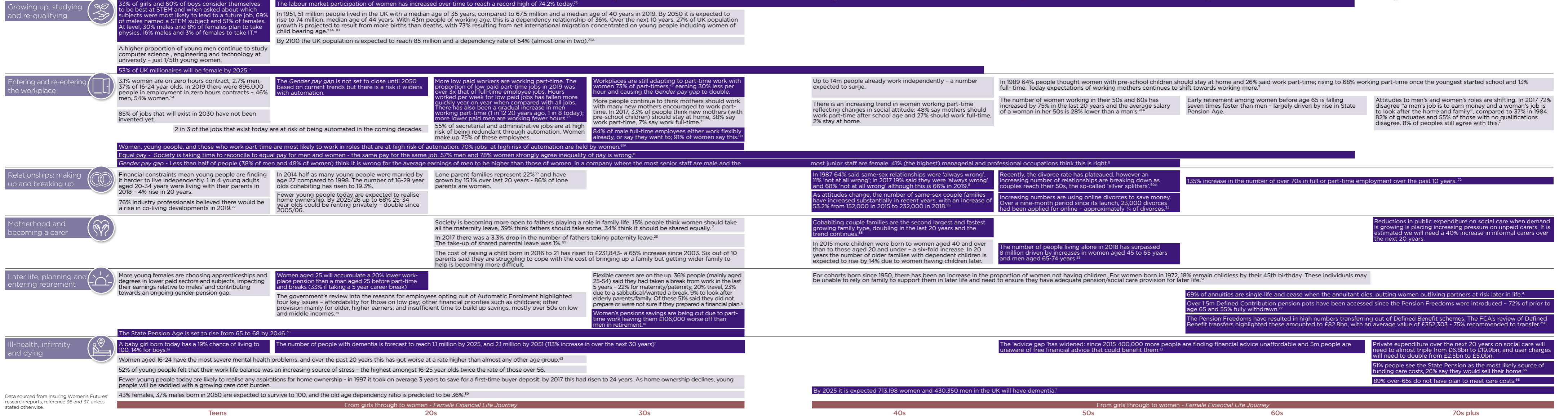
Zadie – Middle-aged mum, divorcing



An – Housewife, mum, part-time work, pensions dependent, not financially engaged







Joan – Housewife and carer, facing care costs



Moments that Matter today to support a financially resilient life tomorrow





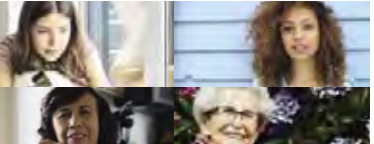
Life in the UK is changing and women are most financially exposed. Improving women's financial resilience will help secure the financial future for all

<p>Moments that Matter</p>	 <p>Dina Growing up, studying and re-qualifying</p>	 <p>Selina Entering and re-entering the workplace</p>	 <p>Stacey Entering and re-entering the workplace</p>	 <p>Adela Motherhood and becoming a carer</p>
<p>Changing financial lives - how life in the UK is changing for everyone</p>	<p>Growing up</p> <p>Living a 100 year life Babies born today will live longer, work flexibly, form relationships differently, be retired for longer, making for a complex financial life.</p> <p>Life expectancy: A young woman and man aged 17 have a life expectancy of 89 years and 86 years respectively, and a 14% and 10% chance of living to 100, rising to 19% for a baby girl and 14% for boys born today.³⁸</p> <p>Job security: 2 in 3 of the jobs that exist today are at risk of being automated in the coming decades.³⁶</p> <p>Earning power: STEM qualifications are expected to lead to the higher paid jobs in the future.</p>	<p>Working, earning and work-life balance</p> <p>Work and retirement planning Young people starting work in their 20s can expect to work until their 70s and face the possibility of needing to support themselves in retirement until they are 100.</p> <p>Retirement age: The State Pension Age is set to rise from 65 to 68 by 2046. Young people entering the workforce are likely to have to work much longer before they can claim the State Pension.³⁵</p> <p>Employment in later life: A 135% increase in the number of over 70s in full or part-time employment over the past 10 years.⁷⁴</p>	<p>Working for low pay Many people continue to work for low pay, including temporary, zero hours, and in particular part-time. At the same time we all need take greater responsibility for funding our retirement.</p> <p>Low paid workers: Almost one fifth of the population are on low pay.⁶⁰</p> <p>Low pay and part-time work: The proportion of low paid part-time jobs in 2019 was over three times that of full-time employee jobs. Hours worked per week for low-paid jobs has fallen more quickly year on year when compared with all jobs. There has also been a gradual increase in men working part-time (1 in 12 20 years ago, 1 in 8 today); more lower paid men are working fewer hours.⁷³</p>	<p>Future of flexible work The future of work will see most people working flexibly as we move to a four stage life*. (100 year life)</p> <p>Flexible working: 84% of male and 91% female full-time employees either work flexibly already, or say they want to. 93% of non-workers who want a job would prefer to work either part-time, or flexibly full-time.⁸⁰</p> <p>Financial wellbeing: 36% of people surveyed (mainly aged 25-54) said they had taken a break in the last 5 years – 22% for maternity/paternity, 20% travel, 23% due to a sabbatical/wanted a break, 9% to look after elderly parents/family. Of these 51% of men and women said they did not prepare or were not sure if they prepared a financial plan.⁷¹</p>

<p>Interventions to improve women's financial resilience - how changes in financial life are impacting women and our summary recommended interventions</p> <p>See pages 54 and 55 for detailed recommendations</p>	<p>Inspiring young women to own their financial futures</p> <p>Job security: 70% jobs at high risk of automation are currently held by women.^{61A}</p> <p>Young men and women's confidence in STEM: 33% of girls and 60% of boys consider themselves to be best at STEM.¹⁸</p> <p>Career mentoring and role models: 16% females have had a career in technology suggested to them (33% males), and 78% A Level and university students can't name a famous female working in technology.^{72A}</p> <p>Social attitudes to women's roles and financial empowerment take time to shift and impact their prospects: Equal pay came in 1970, in 2018 78% women see pay inequality as very wrong, 57% men. Only 43% people think the <i>Gender pay gap</i> is wrong.⁹</p> <p>Recommended intervention: Empower young women in their study choices and formally equip them for financial independence, setting the right tone in society by ensuring appropriate use of language towards women, together with career mentoring and positive role modelling of women at home, at school and in the media.</p>	<p>Pensions equality in the workplace</p> <p>Pensions parity and the Gender pay gap: The <i>Gender pay gap</i> is not expected to close until 2050 with the risk pension parity cannot be achieved until at least 2100.³⁶</p> <p>Gender pension contribution gap: The average man pays 186% average woman into a Defined Contribution scheme.³⁷</p> <p>Gender pension gap: Women aged 25 paying Automatic Enrolment contributions will accumulate at age 65 a 20% lower workplace pension than a man aged 25 (33% if they take a 5 year career break).³⁷</p> <p>Recommended intervention: Improve workplace pensions transparency and extend <i>Gender pay gap</i> reporting to include the gender pension contribution gap to inform workplace pensions wellbeing and target actions to improve pensions parity.</p>	<p>Equal pensions rights for those on low pay</p> <p>Women and low pay: 60% of low-paid workers are women.⁷³</p> <p>Low pay and childcare: 3 in 10 mothers with a child aged 14 years and under said they reduced working hours due to childcare (1 in 20 fathers).⁵⁶</p> <p>Pension tax relief for low earners: As many as 1.75million people (75% women) could be missing out on tax relief because they are in a Net Pay Automatic Enrolment Scheme rather than relief-at-source.⁴¹</p> <p>Women's lack of access to Automatic Enrolment pensions: Three quarters of employees ineligible for pensions Automatic Enrolment are women – 50% are part-time, 81% women.³⁷</p> <p>Recommended intervention: Extend the right to a workplace pension to employees on low pay, so that they are eligible for Automatic Enrolment and receive the pension tax relief they are due.</p>	<p>Workplace flexibility parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions.</p> <p>Social attitude to parental leave is changing: 15% think women should take all the maternity leave, 39% think fathers should take some, 34% think it should be shared equally - but only 1% of those entitled took it due to the level of financial support.^{7, 81}</p> <p>Women's Flexible working sacrifice: Part-time women earn 30% less per hour than those working full-time causing the <i>Gender pay gap</i> to double and resulting in a £106,000 (47%) gender pension gap.⁴⁸</p> <p>Pensions wellbeing: 3 in 10 part-time working women don't believe their part-time hours will affect their pension pot.⁴⁸</p> <p>Recommended intervention: Improve flexible working and financial wellbeing practices in the workplace to allow all parents and carers, and those who want to work flexibly in the future, to have rewarding careers and pay, and to be informed on money and pensions. Equalise Shared Parental Leave and Pay rights to encourage shared responsibility for childcare, and support closing pay and pensions gaps.</p>
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*flexible working is defined broadly to include a range of work patterns including part-time, reduced hours, term-time as well as flexi hours, mobile working.


Here, for each *Moment that Matters* we set out the life trends for, and risks faced by, society (top half), and then how these overlay onto women's lives and create financial exposures (bottom half). This analysis supports and reinforces each of the *Moment that Matter* interventions and our Manifesto recommendations which are further elaborated on pages 54 and 55.

 <p>Rachel Ill-health, infirmity and dying</p>	 <p>Zadie Relationships: making up and breaking up</p>	 <p>An Later life, planning and entering retirement</p>	 <p>Joan Motherhood and becoming a carer</p>	
<p>Relationships and family life</p> <p>Changing financial risks in life Working, family and healthy lives are changing at pace and so are the financial risks we face.</p> <p>Work developments: 14 million people in the UK already work independently and this is expected to surge.</p> <p>Family changes: Cohabiting couple and same-sex families are the fastest growing family types in the UK. In 20 years the number of older families (35-55 years) with dependent children is expected to rise by 14% as parents have children later.^{36, 55}</p> <p>Healthy risk trends: Increasing numbers - 1 in 6 - of adults have common mental disorders.³⁶ The number of people with dementia is forecast to reach 2.1 million by 2051!</p>	<p>Pensions and breakups Relationships are evolving – we cohabit more, marry later and divorce when we are older.</p> <p>Relationship preferences (heterosexual): Nearly one quarter of 30-34 year olds cohabit with the average age to marry 34 for a woman and 37 for a man.³⁶</p> <p>Relationship break ups: An increasing number of relationships are breaking up in the 50s. The number of people living alone in 2018 has surpassed eight million,⁵⁵ driven by increases in women aged 45 to 65 years and men aged 65-74 years.</p> <p>Pensions on divorce: 71% divorcing couples do not discuss sharing pensions.³⁶</p>	<p>Later life, retirement and caring</p> <p>More engaged and financially equipped Our society does not talk about money and pensions. There is a lack of engagement - people are not sufficiently aware, interested, confident or experienced and don't feel good about money matters.</p> <p>Pensions capability: Millennials underestimate how much they need to save for retirement by a factor of three.³⁶</p> <p>Financial wellbeing: 27% women and 21% men feel worried when thinking about money.⁷¹</p> <p>Pensions engagement and awareness: Over 56% women hadn't thought about retirement at all in the last 12 months - 40% men. Just 1 in 10 women and 1 in 4 men are very familiar with Pension Freedoms.³⁷</p>	<p>A lifetime of care The ageing population means many more people will face a lifetime juggling work and caring, and then need to be cared for.</p> <p>Later life financial preparedness: 89% of over-65s do not have plans to meet care costs. 51% people see the State Pension as the most likely source of funding.⁶⁶</p> <p>Carers' pensions: 53% of informal (unpaid) carers receiving Carer's Allowance, say they struggle to make ends meet and 35% are not aware they can claim Carer's Credit towards their pensions.⁴⁵</p> <p>Care costs: 40% rise in informal carers over 20 years with a three-fold rise in private funding.³⁶</p>	<p>Law, policy and practice</p> <p>Visibility of women in law, policy and data The law is not universally gender-neutral, policy does not always consider gender differences and impacts, and women are often invisible in the data collected.</p> <p>Gender-disaggregated data gaps: The lack of disaggregated data limits policymaking and means it is not possible to determine the gender impacts and make refinements. For example: In 2018 the ABI found that 69% of annuities bought were single life.⁴ According to FCA, 1.5m Defined Contribution pension pots have been accessed since the Pension Freedoms were introduced.²⁷</p>
<p>Insurance and financial services' role in supporting financial futures</p> <p>Impact of life circumstances on pensions and insurance: Half of people (60% women, 42% men) don't know to update pension records when a relationship breaks up or to consider their life circumstances when taking out insurance (52% women, 49% men). More than a third of people (40% women, 33% men) are not aware of the difference between joint and single insurance policies.⁷¹</p> <p>Trust: 28% men and 22% women have high trust in insurance; 27% men, 22% women in personal finance.⁷¹</p> <p>Financial preferences: Two thirds of women view social impact as important in investing.⁸²</p> <p>Recommended intervention: Modernise approaches within insurance and financial services to embed consideration of changing financial lives and help customers be better informed how their life circumstances impact on the products they buy and the service they receive.</p>	<p>Fair pensions outcomes for those in relationships and for break ups</p> <p>Lack of pension sharing: Median pension wealth of married men is five times married women.³⁶</p> <p>Lack of pension sharing: Of 369 court files studied, 80% revealed at least one relevant pension and yet only 14% contained a pension sharing order.⁴⁹</p> <p>'Advice gap': Since 2015, 400,000 more people are finding financial advice unaffordable and 5m people unaware of free financial advice that could benefit them.⁶³</p> <p>Abuse and divorce: One fifth of divorced and separated women experience domestic abuse.³⁶</p> <p>Recommended intervention: Make pension sharing the default in divorce, and allow divorcing couples to access the Pensions Advisory Allowance in full. Leverage the Pensions Dashboard for use in the divorce process, including online divorces. Ensure dependent spouses are engaged in Defined Benefit transfer decisions under the Pension Freedoms. Extend financial rights to cohabitants and raise awareness of what they are.</p>	<p>Financial engagement and wellbeing strategies that reflect women's whole life journeys</p> <p>Resilience in society: 15-24 year-olds' debts grew ten times faster than the rest of the population. 18-24 year old women in debt are more likely to worry about money (57% young women, 45% young men). Most women aged 25-39 have financial liabilities (true for 35-39 year old men only). 45% divorced women and 35% men are in debt.³⁶</p> <p>Gender pension gap: Median private pension wealth of a man aged 45-54 is over three times a woman's.⁶⁷</p> <p>Recommended intervention: There needs to be a strategy to drive sustainable change to support women's financial and pensions wellbeing, including gender-differentiated and tailored approaches to women's engagement, information, guidance and advice relevant to women's life journeys. This should be measured as part of a national Financial Engagement Index.</p>	<p>Pensions for carers and a 'national conversation' about caring</p> <p>Attitudes to caring: 32% men stated they would expect to care for their parents, compared to 37% women. 34% of men said they expect their sister to care for parents, 27% women said their brother. Gender disparities are clear across all age groups.⁷⁸</p> <p>No pay, low pay and caring: Women do nearly twice as much childcare as men (23 hours per week women, 10 hours per week men) and represent 58% of unpaid carers.³⁶ Caring roles are in an employment category for which 80% workers are women, and 75,000 jobs are paid below the NMW and NLW*.⁶⁰</p> <p>Recommended intervention: Women make up the majority of unpaid and paid carers, and caring is one of the lowest paid occupations in the UK. Our ageing population has significant implications for women, our society and economy. A 'national conversation' is required to consider caring including: who cares, how care is rewarded and paid for, and carers' pensions. Gender needs to be part of the dialogue and inform policy.</p> <p>* National Minimum Wage and National Living Wage</p>	<p>Gender-neutral language, gender-disaggregated data and its use in policy and practice</p> <p>Invisible women: Many laws do not acknowledge women including the Companies Act and Financial Services and Markets Act.</p> <p>Financial engagement, guidance and advice: 75% of women say they don't plan to see a professional financial adviser about retirement because they don't think they have enough money saved, compared to 65% of men who do their own research.³⁷</p> <p>Pensions Drawdown risk: Women making Pensions Drawdown face a gender drawdown gap - a 37% retirement income shortfall making them £47,000 worse off.⁸⁶</p> <p>Recommended intervention: Women need to be visible in law, regulation and in policymaking, which should include universal adoption of gender-neutral language and be informed by data. Gender-disaggregated data should be collected and used to inform root cause and policy analysis, and approaches by regulators, financial guidance bodies and financial services. Approaches should consider life journeys to understand the most effective form of interventions, by whom and at which <i>Moments that Matter</i>.</p>

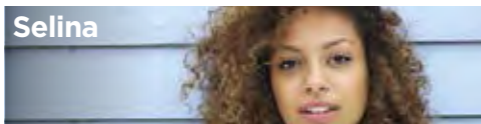
Our detailed Manifesto recommendations and the benefit for wider society

Our Manifesto for a financially engaged and inclusive society


Responding to *Perils and Pitfalls* faced by women in the *Moments that Matter* will benefit the whole of society



Dina
Growing up, studying and re-qualifying
Inspiring young women to own their financial futures



Selina
Entering and re-entering the workplace
Pensions equality in the workplace




Stacey
Entering and re-entering the workplace
Equal pensions rights for those on low pay



Adela
Motherhood and becoming a carer
Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions



Rachel
Ill-health, infirmity and dying
Insurance and financial services' role in supporting financial futures



Zadie
Relationships: making up and breaking up
Fair pensions outcomes for those in relationships and for break ups



An
Later life, planning and entering retirement
Financial engagement and wellbeing strategies that reflect women's whole life journeys



Joan
Motherhood and becoming a carer
Pensions for carers and a 'national conversation' about caring

Risks in life

- Social attitude to girls' studies including STEM.
- Lack of understanding of financial matters and financial life consequences.
- Building financial independence and healthy financial relationships
- The rise in automation is expected to increase the *Gender pay gap*

Key Perils and Pitfalls facing Dina

- *Girls' apprenticeship gap.*
- *Young women's graduation burden.*
- *Female financial capability imperative.*
- *Gender pay gap.*

Risks in life

- Many women are making choices to work in lower paid careers.
- Lack of understanding of pensions to be able to choose between employers or pension schemes.
- Impact of *Gender pay gap* including on pensions.
- Ageing population and high dependency rate

Key Perils and Pitfalls facing Selina

- *Gender pay gap.*
- *Women's pension deficit.*
- *Female financial capability imperative.*

Risks in life

- Managing childcare and work.
- Temporary and part-time work at low pay.

Key Perils and Pitfalls facing Stacey

- *Flexible working sacrifice.*
- *Women's pension deficit.*
- *Female financial capability imperative.*
- *Gender pay gap.*
- *Motherhood and caring penalty.*

Risks in life

- Many women work part-time after children.
- Impact on progression, pay and pensions.

Key Perils and Pitfalls facing Adela

- *Gender pay gap.*
- *Motherhood and caring penalty.*
- *Flexible working sacrifice.*
- *Women's pension deficit.*
- *Female financial capability imperative.*

Risks in life

- Lack of understanding of financial matters and consequences of cohabitation.
- Experiencing difficult life events, partner critically ill.
- Insurance and pensions arrangements are not up to date and do not reflect the new family situation.

Key Perils and Pitfalls facing Rachel

- *Women's wellness threat.*
- *Cohabitation pitfall.*
- *Female financial capability imperative.*

Risks in life

- Financial dependency and divorce.
- Pensions awareness, lack of consideration during divorce process and access to advice impacts pension sharing.

Key Perils and Pitfalls facing Zadie

- *Divorce and separation setback.*
- *Women's pension deficit.*
- *Female financial capability imperative.*

Risks in life

- Lack of engagement and awareness about pensions leads to insufficient pension provision and *Gender pension gaps* in relationships.
- Failure to plan retirement for both parties in the relationship risks financial exposure on death.

Key Perils and Pitfalls facing An

- *Flexible working sacrifice.*
- *Women's pension deficit.*
- *Female financial capability imperative.*

Risks in life

- Not engaged and informed on pensions.
- Carer responsibilities.
- Lack of planning long-term care.
- Insufficient money for her own long-term care.

Key Perils and Pitfalls facing Joan

- *Motherhood and caring penalty.*
- *Women's pension deficit.*
- *Longevity trap.*
- *Female financial capability imperative.*

Detailed recommendations and interventions for consideration

Support positive female financial empowerment

Career mentoring and role modelling to increase girls' participation in financially rewarding careers.

Formalise financial wellbeing through an accreditation to equip young people for financial life.

Tackle gender stereotyping, use of language towards women and limiting attitudes to money - at home, at school, and in the media.

Who this benefits

- **Women, those who they are close to and all young people.**
- **Encourages a more informed and balanced view of roles and money across society.**

Workplace pensions transparency, pensions wellbeing and gender pension gap disclosure

Improve workplace pensions transparency and pensions wellbeing.

Employer pension contributions gap to be disclosed within *Gender pay gap* reporting.

Improve features of pension schemes that impact participation as well as features that respond to life events such as divorce and caring.

Who this benefits

- **Women and all employees.**
- **Employer reputation through supporting inclusive and attractive recruitment and retention policies.**

Improve access to Automatic Enrolment pensions

Address earnings eligibility threshold to bring more women into pension saving.

Ensure basic tax relief is available to all auto-enrolment scheme members - adopt the solution of the Net Pay Action Group using HMRC real time information.

Who this benefits

- **Everyone on low pay.**

Improve standards in flexible working and workplace financial wellbeing

Financially inclusive flexible working policies and practices.

Separate and equalise Shared Parental Leave and Pay rights to support closure of gender pay and pensions gaps.

Part-time *Gender pay gap* analysis by employers.

Employer gender pensions gap analysis. including consideration of part-timer's pensions.

Financial and pensions wellbeing in the workplace for flexible workers.

Who this benefits

- **All employees wanting to work flexibly.**
- **Employers through improving employee wellbeing and performance.**

Insurance and financial services' role in supporting financial futures

Whole customer approach to products, customer journeys and services - considering financial lives to support good outcomes and to help improve financial engagement and awareness.

Financial wellbeing focus as part of customer strategies.

Collaboration and coordinated approaches across financial and pensions regulators, financial guidance bodies, professional and trade bodies, financial services and the third sector.

Inclusive Customer Financial Lives Pledge to support customers to make product purchases that reflect their life circumstances and guide them on navigating life events.

Who this benefits

- **Customer-led and financial wellbeing strategies will benefit all customers, and better informed customers will enjoy better customer experience.**
- **Supports financial services firms to deliver good customer outcomes and opportunity to develop the business.**
- **Supports financial services firms to meet the FCA's expectations as regards vulnerable customers including those who suffer domestic and financial abuse.**

Fair pensions outcomes for those in relationships and for break ups

Improve pensions outcomes in relationships.

- Fairer financial and pensions rights for cohabittees should be reviewed.
- Spousal consent for Defined Benefit transfers.

Fair pensions for those whose relationships break up.

- Make pension sharing the default position in divorce.
- Review the amount of the Pensions Advice Allowance and permit its use in full for divorce.
- Pensions Dashboard to be used by judges to inform court orders and for the online divorce system.
- Simplify and standardise valuations.
- Ability for an ex-spouse to join their former partner's pension scheme with their own share.
- Improve professional standards, training and guidance for lawyers and financial advisers.

Who this benefits

- **All parties to the relationship in achieving fair and clear outcomes.**
- **Supports advisers and firms in delivering good outcomes.**
- **Reconciliation of online divorce systems to Pensions Dashboard simplifies and ensures that it is complete.**

Financial engagement and wellbeing strategies that reflect women's whole life journeys

Make women and gender inclusive financial engagement, financial and pensions wellbeing a strategic priority for MaPS.

Establish a national gender-disaggregated Financial Engagement Index.

Employer and financial services firms adopt financial wellbeing strategies for employees and customers to help improve financial engagement and awareness.

Increase collaboration between financial guidance bodies, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Who this benefits

- **Women and the whole of society.**
- **Financial services firms - more informed customers have better outcomes.**
- **Employers - employee financial wellbeing leads to better performance, loyalty, talent attraction and retention.**

Pensions for carers and a 'national conversation' about caring

Create a 'national conversation' to address caring, including consideration of a carers' pension top up - a holistic approach and gender as part of the dialogue.

Raise awareness of the ability of carers to claim Carer's Allowance NI credits (Carer's Credit).

Who this benefits

- **Carers and the whole of society.**

Detailed recommendations and interventions for consideration

Female Financial Resilience Forum to ensure a holistic approach to improving women's financial resilience reflective of the *Female Financial Life Journey*.
Use of gender-disaggregated data as part of inclusive policymaking, supervisory review practices, and financial guidance and advice practices.

Improving women's financial resilience improves all of our financial resilience

Detailed recommendations and interventions for consideration for all

Universal adoption of gender-neutral language in law and regulation to support visibility of women in policy and practice.
Collect gender-disaggregated data - Government (ONS), regulators, financial services firms, financial guidance bodies, and other organisations.

Full details of the recommendations can be found in the section Our detailed programme findings (in Part Two).

How our Manifesto supports women across society today and tomorrow

Benefit for women in society through the financial lives of our eight female personas

Our proposals are aimed at improving women's resilience across society. We recognise that women in society experience a wide range of financial risks and life circumstances and that our female personas cannot possibly cover every eventuality. Here we consider our eight personas and how our proposals support financial futures by considering the *Perils and Pitfalls* they face or have faced through the life course.

Dina
Growing up, studying and re-qualifying

Selina
Entering and re-entering the workplace

Stacey
Entering and re-entering the workplace

Adela
Motherhood and becoming a carer

Gender-neutral language, gender-disaggregated data and use in policy and practice - British social attitude studies show that despite equal pay being introduced in 1970, and reinforced through the Equalities Act 2010, many people in Britain still carry biases regarding women's roles and right to be economically equal. Requiring gender-neutral language to be adopted universally will help dispel biases that affect all women in society, improve women's visibility, and create a firm foundation for progressing women's economic empowerment and financial equality.

Financial engagement and wellbeing strategies that reflect women's whole life journeys
Inspiring young women to own their financial futures
Gender stereotyping - Dina has important decisions to take about what to study and to plan for a future career. Improving financial wellbeing and understanding of the financial implications of different qualifications and careers will help inform her and young women's choices.
Healthy financial relationships - Equipping girls like Dina to recognise where a relationship may be over-controlling will support them to seek guidance early mitigating the risk of experiencing financial coercion.
Empowering careers - Selina's embarking on her career and first full-time job, and making decisions about who to work for. An awareness of the *Gender pay gap* and pensions will help young women like Selina evaluate options.
Financial awareness - Awareness of money matters, cohabitation rights and the risks of shared financial products will help young women like Selina make informed decisions about their financial future.
Financial wellbeing: cohabitation, motherhood and caring, health, part-time work - Stacey has faced and is facing a range of *Perils and Pitfalls*. Had she been supported to be more financially aware she may have made different choices regarding her relationship, financial situation and working arrangements. Improved financial wellbeing will help young mums on low pay to navigate financial life.
Financial wellbeing: motherhood - Decisions about parental and maternity leave, managing changes in family finances and protection, as well as decisions about return to work arrangements, and considering the implications for pensions and retirement, can be complex. Engaging prospective mums like Adela to make informed choices will improve financial futures.

Pensions equality in the workplace
Equal pensions rights for those on low pay
Fair pensions outcomes for those in relationships and for break ups
Pensions for carers and a 'national conversation' about caring
Improved pensions engagement and information - Young women like Dina who fall below the eligibility age or earnings threshold for Automatic Enrolment would be better informed to opt to participate in a workplace pension.
Net pay arrangements - Dina is a low-paid worker, ensuring everyone contributing to auto-enrolment pensions is able to benefit from their tax relief opportunities will improve pensions equality across lower and higher earners.
Improved pensions disclosure - Making decisions about who to work for and understanding the pensions offering can be challenging; likewise for new joiners making decisions about pension participation and contributions.
Automatic Enrolment earnings eligibility - Stacey works part-time with the effect that she falls below the earnings threshold for both jobs. By reducing the threshold, Stacey and women like her would fall within Automatic Enrolment. Ensuring low earners in Net Pay schemes receive the benefit of tax relief will improve fairness and support women like Stacey to save for a pension.
Equalising shared parental and pay - This would give mums like Adela the opportunity for her and her husband to take time out to adjust to their new family and find a healthy balance for both parties work-life, career and pensions planning.
Gender pensions gap - Analysis of the gap would inform employers of scheme design and pensions wellbeing. Adela would benefit through being better informed and improved access to make contributions.

Disclosure of gender pensions gap - Gender analysis of workplace pension arrangements and informed and inclusive pensions wellbeing by employers would give prospective employees helpful information upon which to base employment decisions and support employees in their pensions decision-making.

Insurance and financial services role in supporting customers
Engagement - Like many young women, Dina has limited involvement with insurance, other than her mobile phone. However if she goes away to university, or decides to house share, she should consider insuring her possessions.
Information and guidance - Raising awareness for those in relationships about considerations for joint and single policies would help inform decisions by women like Selina, who is living with a partner, and support good customer outcomes.
Inclusive customer - Improving access to insurance for those on low pay through simplified products, and financial wellbeing approaches would support women like Stacey and help build trust in society.
Inclusive customer - Embedding life circumstances considerations into customer journeys will help mums like Adela to ensure their insurance protection and financial products reflect their family situations.

Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions
Financial and pensions wellbeing - If Dina's workplace provided access to information, tools and guidance Dina can relate to, her financial capability would improve and she would be far more likely to make an informed decision about opting in to Automatic Enrolment or a 'salary sacrifice' scheme.
Financial and pensions wellbeing - Improved employer pensions engagement and wellbeing (such as starter briefings/packs for new joiners) to help explain the options and arrangements, and overlaying life considerations, would help young women like Selina.
Flexible working and parental leave rights - Parental leave policies that equalise leave and pay rights and enable both parents to share care, and inclusive flexible workplace practices would support mothers like Adela and Stacey to participate most effectively at work and manage home-life, and improve opportunities for career progression.
Pensions wellbeing - Adela would be equipped to make informed career decisions considering pensions impacts of her working arrangements. Stacey would be in a better position to understand the longer term implications for how she is working and how to seek help with considering her financial situation, pensions and plan for her future.

How our Manifesto supports women across society today and tomorrow (continued)

Benefit for women in society through the financial lives of our eight female personas

Rachel

Ill-health, infirmity and dying

Zadie

Relationships: making up and breaking up

An

Later life, planning and entering retirement

Joan

Ill-health, infirmity and dying

Gender-neutral language, gender-disaggregated data and use in policy and practice - British social attitude studies show that despite equal pay being introduced in 1970, and reinforced through the Equalities Act 2010, many people in Britain still carry biases regarding women's roles and right to be economically equal. Requiring gender-neutral language to be adopted universally will help dispel biases that affect all women in society improve women's visibility, and create a firm foundation for progressing women's economic empowerment and financial equality.

Financial engagement and wellbeing strategies that reflect women's whole life journeys - Rachel and Zadie represent a generation of women whose roles in life were significantly shaped by society's expectations of women. Having both worked hard all of their lives and cared for the home and family, and in An's case worked in a range of part-time and temporary roles, both ladies are facing key financial life *Moments*. Supporting women like Rachel to consider how changes in their relationships, health and family situations impact their financial, insurance and pensions planning. Raising awareness of end of life planning and long-term care provision will help women like An to engage in retirement planning decisions will help ensure dependencies are considered and sufficient provision is made for both partners. Raising awareness of end of life planning and long-term care provision will help women like Joan to make sure her and her husband's plans incorporate longevity differences.

Pensions equality in the workplace - Targeted approaches to engage women approaching retirement to inform retirement planning, pensions transfers and drawdowns would help make sure women like An who are dependent on their husbands and partners are actively involved in retirement planning for their future.

Equal pensions rights for those on low pay - Improving approaches to pensions and divorce including default pensions sharing would ensure women like Zadie are engaged in a discussion and take informed decisions about how to split assets with divorcing partners.

Fair pensions outcomes for those in relationships and for break ups - Reviewing the level of the allowance and making it available for divorce would allow women like Zadie who can't afford advice to make informed decisions that support future pensions planning.

Pensions for carers and a 'national conversation' about caring - Standardised, meaningful pensions valuations would support better decisions and outcomes.

Pensions engagement and wellbeing - Ensuring pensions engagement and wellbeing considers the potential long-term care needs is important in equipping women like Joan who care for and then outlive their partners, to help ensure their needs are considered. Joan will also benefit from retirement wellbeing advice in particular as she needs to consider how to plan her retirement income in light of her husband needing care.

Pensions engagement and wellbeing - Improved pensions engagement and awareness (informed by gender-disaggregated pensions data), including a focus on *Moments that Matter* would help equip women to take a more active role in their retirement planning and be better informed to make key pensions decisions that will impact their financial future at defining life *Moments*.

Pensions engagement and wellbeing - These defining pensions *Moments* include: pensions planning when committing to a serious relationship with shared finances, or when family or work circumstances change (such as having a baby, changes in career, working hours and work-life arrangements), making pensions decisions on divorce as well as retirement planning decisions with partners to ensure decisions reflect the future lives of both parties.

Insurance and financial services role in supporting customers - Supporting customers benefitting from employer group policies, and working with employers to provide relevant information and guidance to help ensure employees set up and maintain their insurance cover and beneficiaries will help ensure women like Rachel enjoy positive experience and outcomes.

Information and guidance - Raising awareness for those in relationships about considerations for joint and single policies and how to manage insurance and pensions through changes in life circumstances would support women like Zadie, An and Joan.

Information and guidance - Proactive approaches would help inform customers such as An and Joan, and their partners, regarding the set up of insurance as well as how to navigate life events when they happen.

Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions - Supporting employees with financial wellbeing and nudging at key life *Moments* to help ensure pensions and any workplace insurance and financial benefits are maintained up to date would support Rachel and her partner to review and update their financial, insurance and pensions arrangements.

Financial and pensions wellbeing - Zadie needs to plan for her retirement and is at a pivot point where she needs to make sure she contributes most effectively to her pension. Workplace pensions wellbeing target at key life stages will support women like Zadie make informed choices commensurate with their lives.

Flexible working, financial and pensions wellbeing - The workplace has changed significantly over the course of An's and Joan's working lives. Had An and Joan had the opportunities to work flexibly to allow them to manage their home life, and had access to financial wellbeing support through the workplace, they would have been more engaged and better informed to make financial and pensions planning decisions with their husbands and be better equipped to deal with the life circumstances now confronting them.

Insuring women's and all of our financial futures

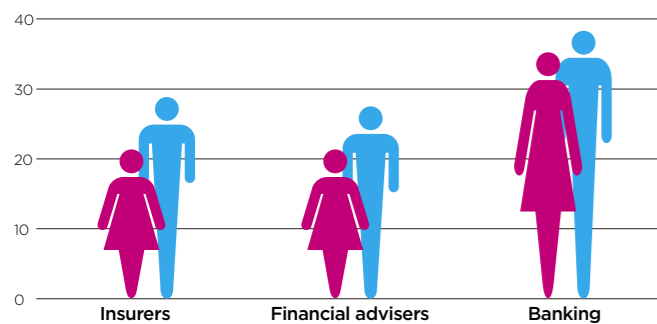
How the insurance and personal finance profession can lead the way in improving financial resilience for women and society

A profession with purpose and inspiring public trust

Insurance and wider financial services play a profound role in enhancing financial lives within modern society, helping to prevent and manage financial threats and providing protection against future risks, accidents and uncertainties facing individuals, businesses and public services. Trust is central to the effectiveness of the sector's performance and its reputation. This includes meeting promises and honouring commitments (such as insurance claims, annuities and investment returns), to protect customers' data, as well as expectations regarding service and fairness.

There are many perspectives of trust and what it involves – for example, providing safety, giving confidence, behaving reliably – and people trust differently and relate differently to it. Our research highlights that women and men experience trust differently, and a gender trust gap exists across financial services alongside the financial resilience gap confronting women.

Trust levels in insurance and financial services - men and women with high/very high trust, as identified by PwC Research for Insuring Women's Futures.⁷¹



Changing lives, financial solutions reflecting life circumstances and vulnerable customers

At the same time, changes in society mean we all face greater and more complex financial risks in life, and women in particular, since their life journeys are less linear. Simultaneously, insurance, financial advice, and financial services more broadly, have evolved, impacting the sector's relationship with people in society: trends in 'direct to customer' and use of aggregators, the cost of advice and rise in 'non-advised' sales, increased product choice, and fintech solutions and services.

More complex personal, family and working lives mean that in accessing insurance and financial solutions on a non-advised basis – whether directly with providers or through group arrangements and employer benefits – customers need to consider the overlay of their financial arrangements and product purchases on their life circumstances. For example, how the contract considers their marital, household and family situation and their 'relationship' preferences (such as a single or joint policy and named beneficiaries). At the same time with half the population potentially 'vulnerable' at some stage in their lives,^{25A} the challenge for financial services is to ensure the service customers receive accommodates specific needs, and that all customers enjoy good outcomes.

Our research highlights a range of gender differences in men and women's financial wellbeing and resilience, as well as how men's and women's lives are changing and the vulnerabilities they face including health, abuse and relationship break ups. Additionally, many people in relationships say they are not fully considering their life circumstances when arranging insurance, and are not keeping their pensions and policies up to date. Our market data reinforces this, see Our detailed programme findings, Supporting customers in their financial lives.

Engaging, empowering and enabling customers to provide a positive 'whole customer' experience benefits business

Our work has highlighted the need and opportunity for inclusive and differentiated approaches. These include engaging with consumers and customers in ways that are meaningful to them, empowering them with relevant, relatable information, removing barriers and creating access opportunities (including embedding financial wellbeing), to deliver a positive and inclusive customer experience.

Our insights into the gender trust gap, differences in financial engagement and investment preferences, as well as our analysis of customers' experience and consideration of life circumstances is set out in the body of our work as part of Our detailed workstream findings and in the Appendices. There is potential to take a market-wide approach to addressing some of the risks, and to collaborate with regulators, financial guidance bodies, member and trade bodies to support consistency, leverage gender-disaggregated data to inform approaches and simultaneously improve trust and reputation. This is why we are recommending a gender-differentiated Financial Engagement Index, encouraging an Inclusive Customer Financial Lives Pledge and developing CII ethical guidance.

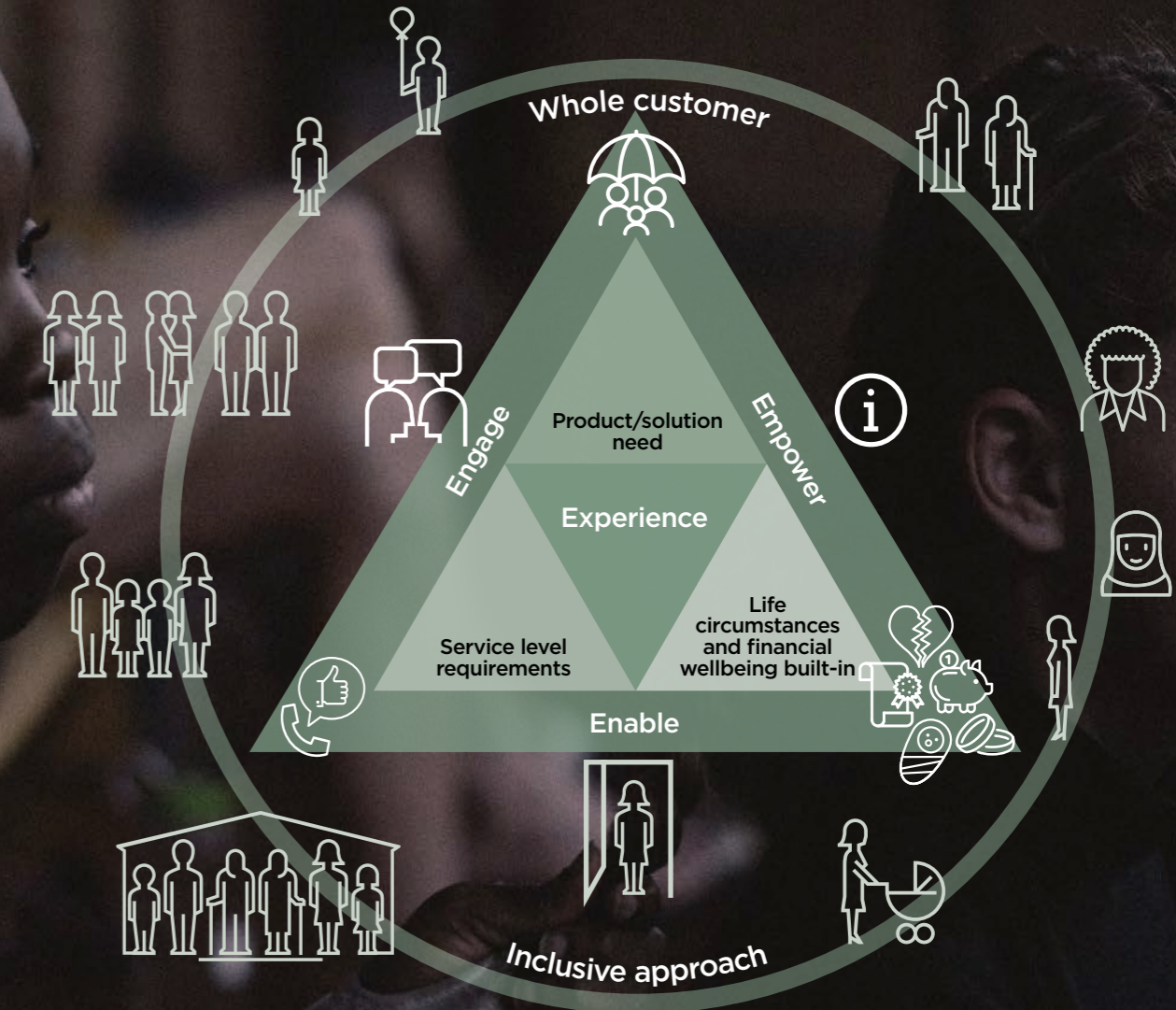
A 'whole customer' approach to improve outcomes and build trust

A holistic 'whole customer' approach integrating product and service needs, and embedding financial wellbeing across the customer life cycle, supports a positive customer experience and good outcomes. Purposeful approaches include considering differentiated ways of engaging with intersections of society, providing relatable, meaningful information and guidance relevant to life circumstances and financial capability, and serving customers commensurate with preferences and vulnerabilities.

Supporting customers in their Moments that Matter

There are a variety of opportunities for the profession to enhance approaches to help customers better address 'life circumstances', including incorporating financial wellbeing and improving customer engagement. While legacy systems may prove challenging in some cases, new and innovative insurtech and robo advice approaches that embed *Moments that Matter* as part of customer strategies, in parallel with developments by providers, will be of value to both customers and firms.

To improve financial resilience for women and wider society, Insuring Women's Futures is encouraging commitments by insurers, personal finance and wider financial services firms to our Inclusive Customer Financial Lives Pledge (see over).



Inclusive Customer Financial Lives Pledge and Inclusive Customer Code of Ethics

Taking action to support customers

The Inclusive Customer Financial Lives Pledge asks organisations to make the following commitment:

“We will work to ensure that at every customer interaction point we adopt an inclusive ‘whole customer’ approach, helping customers to consider the impact of their life circumstances and potential changes, and empowering them to achieve a positive outcome.”

The Pledge has been developed for the insurance and personal finance profession however it is relevant more broadly across financial services. Up-to-date details of firms committing are included on our website.

Full details of the Pledge may be found in Part Two - in the section Supporting customers in their financial lives and the Appendices, together with suggestions for areas of focus. Illustrative examples are below.

Customer awareness, information, guidance, policy material and customer journeys

- ‘Life circumstances’ guidance – to help customers be better informed about life circumstances (such as marriage, cohabiting, co-living) that are relevant when taking out a product; for example to consider the appropriateness of joint and single policies, named beneficiaries.
- ‘Life changes’ guidance – to help mid-term when a life event arises such as a new baby, divorce, bereavement, and to prompt customers to ensure their arrangements are up-to-date.

Wider support for customers and signposting resources

- Signposting appropriate support and guidance beyond firms’ own products and services – for information and help with issues such as divorce, abuse, disability. Examples include: Alzheimers’ Society, Citizens Advice, MaPS, Relate, Surviving Economic Abuse.

Group policies and employer financial wellbeing

- Collaborating with employer clients to provide information and guidance on life circumstances and life change considerations - as part of employer financial and pensions wellbeing strategies.

Gaining insight, raising awareness internally

- Collaboration with third sector organisations, staff briefings on customers’ life circumstances and life events needs.

Inclusive Customer Code of Ethics

The CII Code of Ethics has five core components and provides insight and direction on key considerations for members. Ethical guidance is not prescriptive, rather it is intended to inspire conversation, challenge, innovation and improvements in approaches and outcomes.

Ethics considerations for ‘inclusive customer’ include adopting approaches to meet a customer’s ‘whole needs’ contemplating customer diversity, life circumstances and vulnerabilities and are relevant to everyone whose roles touch customers directly or indirectly. This includes ‘frontline’ staff in sales, claims, pensions payments policy servicing, complaints, customer services as well as product and journey design, data and technology, operations support including third party oversight. Examples are included below, with guidance due to be published shortly leveraging the insights from Insuring Women’s Futures’ Manifesto report and workstreams. See the Appendices for case studies from our work on Relationships.

Ethical guidance areas for consideration include (not exhaustive):

1. **Compliance with relevant laws and regulation** – addressing requirements such as the Equality Act 2010, and considering implications for product design, pricing, customer guidance and data strategies.
2. **Acting with consistent ethical standards and integrity** – considering ethical dilemmas, handling sensitive customer data and information concerning personal circumstances.
3. **Acting in the best interests of each client** – approaches to product design and customer journeys to support customers’ decision-making and good outcomes, considering ‘whole needs’.
4. **Treating customers fairly** – product governance, customer experience, insights from claims and complaints to improve product design and customer journeys; considerations for fair, equal, inclusive and consistent treatment across the customer base, adapting approaches (where appropriate) to meet needs and vulnerabilities.
5. **Providing a high standard of service** – delivering on promises, being transparent, inspiring trust and providing value to customers through enhanced service and guidance, and embedding financial wellbeing.



Imperative for embedding life circumstances and financial wellbeing as part of the ‘whole customer’ experience

Here we set out examples of relevant data of financial life today and customer considerations.

52% women and 49% men who are married or cohabiting do not consider their relationship life circumstances when setting up their insurance policies.⁷¹

40% women and 33% men are unaware or not sure of the different implications of single and joint policy and named beneficiary status for making a claim.⁷¹

40% women and 35% men did not realise how single and joint policy and named beneficiary status affects their ability to make a policy change.⁷¹

43% women and 40% men were not aware/not sure who accrues No Claims Discounts rights.⁷¹

60% women and 42% men do not know to update their pensions when a relationship breaks up.³⁷

41% of the relevant population have not received either financial advice or guidance about Pension Drawdown.⁸⁶

32% retirees who have chosen drawdown have no investment experience, with 10% relying on Google. 41% women (29% men) admitted they were first time investors.⁸⁶

69% annuities are single life.⁴

An inclusive profession that reflects society to build trust and improve sustainability

A diverse and financially resilient workforce for the future to better engage with customers

Reflecting society gender-balance to understand society and the benefit of gender balance in the profession

Board and employee diversity can improve innovation and decision-making with positive benefits for business performance. More diverse boards can also exhibit stronger governance, and regulators are beginning to incorporate consideration of diversity within regulatory policy (for example, Solvency II and the Capital Requirements Directive) as well as supervisory review practices. In addition, greater diversity at all levels in an organisation helps ensure customer diversity is embedded across the business model.

Insuring Women's Futures' programme has identified significant differences in men's and women's financial resilience including their trust, financial engagement and wellbeing, customer experience and product preferences.⁷¹ Women in the UK represent an underserved community in insurance, personal finance, and wider financial services. They also represent an opportunity: women's wealth will increase in the future and those firms who take steps to improve their relationship with women will benefit.^{62A}

Gender pay gap in insurance and financial services

In 2019, financial services as a whole, and the insurance sector reported a mean pay gap of 27% and 28%, respectively. For insurance, this represented a reduction of 1% compared to 2018.^{71D} Financial services has one of the highest pay gaps by industry sector in the UK and this is largely the result of senior men significantly outnumbering senior women at the highest role levels.^{71A} This gender

imbalance is reinforced by women's representation as 'FCA-approved persons' (the most senior and influential roles in the financial services profession), which has been 'stuck' at under 20% for the last 15 years.¹⁰

Addressing the *Gender pay gap* in insurance and personal finance requires a co-ordinated and measurable approach with strong leadership, role models and robust governance. To be effective these need to be supported by policies and processes embedded within an inclusive culture, and forming an integral part of business strategy. While progress will require actions across all dimensions of the workforce, securing a shift in gender balance at executive level will require a focus on the female talent pipeline.

Female millennials and flexible working

Female millennials are one of the most important talent pools for the future and are set to play a critical part in the growth of financial services, and are vital to improving the pipeline of senior talent. And yet, while 87% female millennials in financial services say employers' diversity policies are important in deciding whether to work for them, 61% say their employer isn't doing enough. Many, including 80% in insurance, believe firms talk about diversity but opportunities aren't equal. 30% cite flexible working as attractive yet 53% believe taking advantage of flexibility would have negative consequences for careers.^{71B}

Our own research shows that, without balance built in and financial wellbeing, flexible working (and in particular part-time working) can impact financial resilience for all women. This is an increasing issue as more people will need to assume caring responsibilities in the future.

Commitment, progress and next steps

Over recent years, strides have been made in improving inclusion across the insurance and personal finance profession. Cross-industry collaboration involving the ABI, BIBA, CII, LIIBA, Lloyds 'Dive-In', LMA and LMG combined with strong support from industry leaders, as well as proactive steps by the ISC and other active networks has improved awareness and acknowledgement of the need for change. More is now required to improve recruitment, retention and promotion and build the talent pipeline.

Women's financial and work-life journeys are more complex than men's. In particular, having, and then caring for, children represents a time when, for many employers, the pay gap widens as women work part-time and often struggle balancing work and home life. Workplace flexibility and an inclusive culture supports women's career progression, while the lack of visibility of women and mothers reaching senior roles can detract young female talent. In contrast, senior male roles models, and take up by men of parental and carer leave, can inspire and attract new talent.

Insuring Women's Futures is promoting a range of measures to address the *Gender pay gap* across employees' work-life journeys, aimed at improving gender-balance and financial resilience. This includes a Financial Flexible Working Pledge, with details on the opposite page and page 66.

Improving gender balance in the profession to support women's financial resilience

Insuring Women's Futures' Manifesto takes forward these challenges identified as part of our programme, with relevant actions for the profession across the suite of recommendations. This includes our **Financially Inclusive Flexible Working Good Practice Guide** and **Financial Flexible Working Pledge**. In addition:

Young talent pipeline - schools and university programmes to encourage young women to qualify relevant to the profession, including STEM to support technology developments in the profession.

Maternity, paternity, parental and carer leave - adopting policies and practices that encourage equal opportunity for women and men as parents and carers will enable more gender-balanced career progression while supporting financial resilience.

Flexible working and the workforce of the future - adopting Financially Inclusive Flexible Working good practices to support successful flexible working and careers for parents and carers, returners and part-time workers and the future workforce. Considerations include: transparency of parental and carer leave policies, access to workplace flexibility, enhancing financial and pensions wellbeing taking into account non-linear careers and life journeys, improving communication and engagement by leaders and line managers, as well as steps to provide employee support, career pathways and creating a positive workplace culture to non-standard working.

Financial wellbeing as part of wider wellbeing - wellbeing includes physical, mental and financial health, and our evidence suggests that both women and men in the workplace are not engaging in financial planning at key life stages such as parenthood, carer leave, sabbaticals and career breaks. We are inviting employers in the profession and generally to take a Financial Flexible Working Pledge to support workplace flexibility and improve financial engagement and wellbeing.

Pensions wellbeing and pensions parity - we are encouraging analysis of pensions gaps and employer 'responsible pensions' strategies (including pension scheme design, maternity and parental leave pensions policies, pensions wellbeing, engagement and communications) to support closing the gender pension gap.

Firms adopting inclusive employee approaches, including flexible working, financial wellbeing and taking steps to address the root causes of the *Gender pay gap* to grow the talent pool, embedding these in the business model, culture and future strategy, openly and transparently will benefit through being:

Relevant - more in touch with society and future talent.

Responsible - purposeful, socially responsible and financially inclusive approaches are attractive to talent, clients and stakeholders.

Reputable - greater transparency together with visible role models improves brand and trust.

Rewarded - better performance, improved employee and customer loyalty and retention, leveraging employee financial wellbeing in the business supports sustainability.

Financial Flexible Working Pledge and Financially Inclusive Flexible Working Guide

The Financial Flexible Working Pledge asks organisations to make the following commitment:

“We will work to ensure that at every point where our employees make a change to their working arrangements, they are prompted to consider the immediate and longer term financial implications of this change.”

Information may be found in Part Two - in the section on Making flexible working fit for financial futures with the full pledge and supportive information, examples and tools in the Appendices (including a 'self-serve' suite of information for small employers). Below highlights examples of how employers can take some simple steps to improve financial wellbeing for parents, carers and everyone changing working arrangements and working flexibly. Details of firms committing to the pledge are on our website.

Parent and carer information:

- Information on registering for Child Benefit, Carer’s Allowance.
- Information to consider financial, pension and protection impact of maternity, paternity, parental or carer leave, family financial management.
- Raising awareness of employee benefits that can support parents and carers.

Part-time and reduced hours:

- Prompting employees to consider their financial and pensions plans when reducing hours.
- Provision of pension and pay calculators.
- Impacts on employee benefits explained.

Flexible careers, career leave and returners more broadly:

- Prompts to support financial planning and to understand pensions impact of a career break.
- Returner information packs informing those returning from leave, career breaks and sabbaticals of the relevant financial benefits, starting/restarting pensions.

Financially Inclusive Flexible Working Guide

The Financially Inclusive Flexible Working Guide has been developed by Insuring Women’s Futures in response to the *Flexible working sacrifice* and *Women’s pension deficit*. These *Perils and Pitfalls* highlight the financial impact on women of part-time work following motherhood and managing caring responsibilities, and the need for workplace practices to evolve to support career and pay progression as well as financial wellbeing. The guidance has been developed to be inclusive, recognising that equality involves both men and women who are parents and carers having equal opportunities to work flexibly in a variety of manners. It also takes account of future trends including the preference for flexible working and careers being adopted by both employers and individuals.

An overview of the scope and content of the guidance is set out below, for full details see Part Two - Appendices.

Structure of the guidance:

The guidance adopts a common framework across six core themes, and has been designed on a principles basis to enable adaption according to the nature and profile of an organisation, its current policies and profile of its workforce. The common framework comprises: **Policies and guidelines, People, Systems and tools, Processes, Training and communications**. The six themes are set out below.

Improving workplace and pay policies for parents and carers	Pay, performance and progression	Recruitment and returning to work
Leadership and management engagement	Employee education and communication	Financial interventions, pensions and benefits

We are encouraging firms to adopt the ABI’s Transparent Parental Leave Initiative.

Financial fitness and flexible working – benefits for the ‘workplace of the future’

Gender pay gap 9% full-time only, 17% including part-time. Gender pension gap age 60, £106,000 or 47% for a woman working part-time. 33% gender pension gap at age 65 after a 5 year break.^{56A, 48, 37}

Of women returning part-time, less than one third (28%) considered the impact on employer contributions, pension pot and retirement provision. 37% considered employee contributions.⁷¹

30% people (66% aged 25-54) said they plan to take a break in the next 5 years – 13% for maternity/paternity, 34% for travel, 25% sabbatical/wanted a break, 9% to look after elderly parents/family.⁷¹

Of those planning to take a break, 55% said they do plan to prepare a pension plan.⁷¹

84% male full-time employees either work flexibly already, or say they want to - 91% women. 93% non-workers who want a job would prefer to work either part-time, or flexibly in a full-time role.⁸⁰

70% of the UK workforce admit to wasting a fifth of their time at work worrying about their finances.^{13B} 34% employees feel that their financial situation affects their mental health.^{9B}

77% employees who are offered flexible working say it improves their productivity.¹¹

Increasing financial capability from low to average levels reduces the likelihood of suffering anxiety or depression by 15%.^{13B}

Making it happen









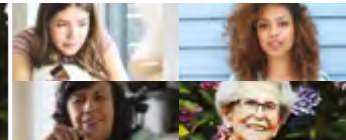
We are calling on a wide range of organisations with authority, influence and resources to champion these recommendations

Throughout the programme, a priority for Insuring Women's Futures has been identifying recommendations that are capable of practical implementation. To take forward our recommendations, we have been in discussions with a wide range of organisations with the relevant authority, influence and resources about the vital and ongoing role they can play. On this page we provide a snapshot of the many influential organisations whose continued support is vital to 'make it happen'.

Insuring Women's Futures will convene regular meetings of these stakeholders to oversee coordination, to generate continued momentum, and to ensure activity stays true to the spirit of the recommendations.

Organisations with whom we have been in dialogue to take forward our recommendations:

- Association of British Insurers
- British Insurance Brokers Association
- Centre for Ageing Better
- Chartered Insurance Institute
- Chartered Institute of Personnel and Development
- Citizens Advice
- Department of Work and Pensions
- Employers Initiative Against Domestic Abuse
- Fair4All Finance
- Financial Conduct Authority
- Financial Inclusion Commission
- Government Equalities Office
- Lloyd's Market Association
- Ministry of Justice
- Money and Pensions Service
- Personal Finance Society
- Personal Investment Management and Financial Advice Association
- Relate
- Surviving Economic Abuse
- The Pension Regulator
- UK Finance
- UK Youth
- Women Returners
- Working Families

Moments that Matter recommendations	 Dina Inspiring young women to own their financial futures	 Selina Pensions equality in the workplace	 Stacey Equal pensions rights for those on low pay	 Adela Workplace flexibility, parental leave rights and financial wellbeing to address the impact of part-time on pay and pensions	 Rachel Insurance and financial services' role in supporting financial futures	 Zadie Fair pensions outcomes for those in relationships and for break ups	 An Financial engagement and wellbeing strategies that reflect women's whole life journeys	 Joan Pensions for carers and a 'national conversation' about caring	 Gender-neutral language, gender-disaggregated data and its use in policy and practice
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Organisations with the authority, influence and resources to take the lead in making change

Government	■	■	■	■		■	■	■	■
Regulators	■		■		■				■
Employers	■	■		■			■	■	■
Financial guidance and other support services for people	■	■		■	■	■	■	■	■
Professional and trade bodies (non-insurance)		■		■		■		■	■
Education establishments: schools, colleges, universities	■		■						■
Third sector	■				■	■		■	■
Insurance professional and trade bodies	■	■	■	■	■	■	■	■	■
Insurance and personal finance firms	■			■	■	■	■	■	■
Pension providers and trusts		■		■	■	■	■	■	■

The analysis highlights those with the authority to effect the change, however there is an immediate opportunity for all organisations to take practical steps to progress the recommendations.



Images from the 19 November 2019 Manifesto launch event at the London Waterloo IMAX.

Part Two of our full Manifesto report contains the body of our work in arriving at our recommendations. This includes Our programme for change and Our detailed workstream findings.

In addition, the Appendices in Part Two set out our Inclusive Customer Financial Lives Pledge, including examples of areas to consider in meeting the pledge, as well as supporting Case studies with insights into how Relationships *Moments that Matter* overlay onto a range of insurance products.

We also include in the Appendices, the Financial Flexible Working Pledge. This contains examples and resources relevant for employees. Our Financially Inclusive Flexible Working Guidance is also available.

Information About Insuring Women's Futures and Our approach, together with Acknowledgements of people who have supported us, and References and data sources is also included.

This report is available online at Insuring Women's Futures.
www.insuringwomensfutures.co.uk

For further information, please visit our website where you can find details of our programme, and many resources including our research and our *Financial Wellbeing Guide (6 Moments that Matter - how to secure your financial future)*. There is also an opportunity to become an Ambassador via the Contact us page, and to find out more about our pledges including details of those firms who have made commitments.

Thank you from the Insuring Women's Futures' team.

For data sources see Part Two of this full report and our online version.

Much of the data is sourced from our previous reports authored by Jane Portas and published by the CII which can be found on our website.

This publication provides information on selected areas of the law as well as policy recommendations and suggested practices. It is not intended to be comprehensive, nor to provide legal advice. Professional advice appropriate to a specific situation should always be sought.



Images from our Market Task Force meeting and Ambassadors event on 6 March 2019 at Aviva Digital Garage, and the 19 November 2019 Manifesto launch event at the London Waterloo IMAX.

Personal circumstances

- 41 years old
- Full-time contractor
- Co-parenting to seven-year-old boy
- Has medical (dwarfism), mental health (depression) and learning difficulties (dyscalculia)
- Lives in partner's (coeliac) home
- Partner has become critically ill and may not recover

Financial situation

- Low salary and financial concerns due to her partner's illness and delayed return to work

Insurance provision, pensions saving, retirement preparedness

- Partner's salary is her main source of income
- Partner's will, incapacity of estate and insurance policies are not up to date and do not recognise Rachel as either a next of kin or named beneficiary (health, critical illness, life plan, home and motor)

Rachel's Moment that Matters

- Her left partner is ill and may not recover. Her financial arrangements as such that Rachel may not be protected.

Rachel

Personal circumstances

- 41 years old
- Full-time contractor
- Co-parenting to seven-year-old boy
- Has medical (dwarfism), mental health (depression) and learning difficulties (dyscalculia)
- Lives in partner's (coeliac) home
- Partner has become critically ill and may not recover

Financial situation

- Low salary and financial concerns due to her partner's illness and delayed return to work

Insurance provision, pensions saving, retirement preparedness

- Partner's salary is her main source of income
- Partner's will, incapacity of estate and insurance policies are not up to date and do not recognise Rachel as either a next of kin or named beneficiary (health, critical illness, life plan, home and motor)

Rachel's Moment that Matters

- Her left partner is ill and may not recover. Her financial arrangements as such that Rachel may not be protected.

Zadie

Personal circumstances

- 31 years old
- Now full-time employed, previous time out from career and part-time working to balance family life and elderly care
- Mother to two daughters (a teenager and a 20-year-old, the latter of university)
- In the process of divorce

Financial situation

- Struggling financially, worried about money and the future
- Joint rental home owner

Insurance provision, pensions saving, retirement preparedness

- Steps in to a pension but at low contribution levels reflect her level of lower earnings, and the couple's decision to top-up instead of higher tax rate-paying husband
- Zadie is not confident about pensions and is worried about having a home for her and the girls to live in. She has not been able to find a financial adviser
- Most investments are in her husband's name, without insurance in a life but not joint names

Zadie's Moment that Matters

- Zadie is concerned about her financial future once her divorce is over and how she can earn an adequate living. The outcome of her divorce (financial settlement and pension sharing) will have long-term impacts for her now and in the future

An

Personal circumstances

- 65 years old
- Formerly a housewife, mother and carer throughout her life
- Worked full-time prior to having children, two years looking for family (including careers) then regular low-paid, temporary and part-time work
- Now cares for aging husband, it may she will be wheelchair-bound

Financial situation

- Largely financially and pensions dependent on husband who recently retired and has had a serious and unexpected decline in health

Insurance provision, pensions saving, retirement preparedness

- An is not involved in financial and retirement planning
- Her husband retired for a defined benefit pension, and maximum are drawn down, taking out an annuity with the divorce

An's Moment that Matters

- With knowledge of pensions is low and she has never fully discussed their plans with her husband. The retirement decisions will significantly impact An, and she may not be protected depending on their future needs

Joan

Personal circumstances

- 77 years old
- Recently married for over 50 years, recently her carer for mother and elderly and retired civil servant
- Her husband is now infirm and after a period of hospital is staying in care home long-term
- Joan wishes her health to be good and she needs in the future, she hasn't been planning her estate or her Care Allowance

Financial situation

- Joan has little awareness of her financial situation, is struggling to manage saving out, banking and investments

Insurance provision, pensions saving, retirement preparedness

- Joan has not been involved in financial and retirement planning
- Her husband retired for a defined benefit pension, and maximum are drawn down, taking out an annuity with the divorce

Joan's Moment that Matters

- Joan has not been involved in financial and retirement planning
- Her husband retired for a defined benefit pension, and maximum are drawn down, taking out an annuity with the divorce

Image from the 19 November 2019 Manifesto launch event at the London Waterloo IMAX



Chartered
Insurance
Institute
Standards. Professionalism. Trust.

Living a financially resilient life in the UK

The Moments that Matter in improving
women's and all of our financial futures

Insuring Women's Futures' Manifesto: The full report
Part Two: Programme findings and Appendices

Insuring
**women's
Futures**

#MakeEachMomentCount today to improve financial life tomorrow
January 2020

Part Two of our full Manifesto report contains the body of our work in arriving at our Manifesto recommendations for 'Living a financially resilient life in the UK' set out in Part One. It includes Our programme for change and Our detailed workstream findings, and represents the contributions of many people drawn from across the insurance and wider financial services profession, and individuals with a range of relevant experience from policy, business and the third sector.

Included in the Appendices are additional materials developed by our workstreams together with two Pledges we are inviting insurance, personal finance and wider financial services firms, and employers more broadly, to commit to:

Our Inclusive Customer Financial Lives Pledge setting out practical examples of areas to consider in meeting the pledge, as well as supporting Case studies with insights into how Relationships *Moments that Matter* overlay onto a range of insurance products. This pledge is relevant to the whole of financial services.

We also include the Financial Flexible Working Pledge with examples and resources relevant for employees. Our user-friendly Financially Inclusive Flexible Working Guidance is also available. The pledge and guidance is relevant to all employers.

The Appendices also include information About Insuring Women's Futures and Our approach, together with Acknowledgements of people who have supported us, and References and data sources underpinning our findings and recommendations.

This report is available online at Insuring Women's Futures.

www.insuringwomensfutures.co.uk

For further information, please visit our website where you can find details of Insuring Women's Futures and its many resources, including our research reports and our *Financial Wellbeing Guide (6 Moments that Matter - how to secure your financial future)*.

There is also an opportunity to become an Ambassador via the Contact us page, and to find out more about our pledges including details of those firms who have made commitments.

Thank you from the Insuring Women's Futures' team.

Our full Manifesto report is structured in two parts: Part One, Manifesto recommendations and Case for change and Part Two, Programme findings and Appendices. Set out below is the full contents for Part Two only.

Part Two: Programme findings and Appendices

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In November 2018, Insuring Women's Futures launched a public Manifesto and programme for change to improve women's financial resilience. We have been overwhelmed by the support we have received and the voluntary involvement of many and diverse leading experts, which has culminated in our being able to produce this comprehensive body of work. We are extremely grateful for the support we have received.

Our programme for change

The insurance and personal finance profession is working together to improve women's lifelong financial resilience.

Our Market Task Force programme of activity in support of our Manifesto has sought to make improvements to *Women's pension deficit* while also focussing on some of its root causes, as well as raising awareness across society of the *Perils and Pitfalls and Moments that Matter*, helping inspire young women's financial engagement, enhancing inclusive customer approaches in insurance and personal finance, and improving flexible working in the insurance and personal finance profession.

The Market Task Force is also playing a wider role in spearheading the insurance and personal finance profession in its approach to female consumers.

This section provides an overview of our programme for change, our workstreams, their leaders, and a summary of our findings that have been carried forward into our Manifesto recommendations.

Insuring Women's Futures Manifesto Steering Committee

Core leadership team

Our Steering Committee responsible for oversight of the Manifesto together with our programme management team.

Steering committee



Jane Portas
Chair, Manifesto Steering Committee; Lead, Women's Risks in Life & Research and Manifesto author; Partner, PricewaterhouseCoopers



Sian Fisher
Executive Chair, Chief Executive Officer, Chartered Insurance Institute



Barbara Merry
Lead, Women's Risk Solutions, Chair, Market Task Force, Non Executive



Barbara Schönhofer MBE
Lead, Women's Careers in Risk, Chief Executive Officer, Schönhofer and Founder, Insurance Supper Club



Sara Ager
General Counsel, Partner, Green Kite Associates



Keith Richards
Chief Executive Officer, Personal Finance Society, Managing Director of Engagement, Chartered Insurance Institute



Ian Simons
Programme Lead, Marketing Director, Chartered Insurance Institute



Laurence Smith
Programme Manager, Managing Director, Chase Noble



Nicola Seager
Programme Coordinator, Executive Assistant, Chartered Insurance Institute

Insuring Women's Futures Manifesto Workstreams

Workstream leaders

Insuring Women's Futures established a programme to deliver the Manifesto, comprising a series of workstreams led by senior leaders drawn from across the insurance, personal finance and wider financial services profession together with experts in law, financial guidance and diversity and inclusion.

Workstream leaders were supported by over 100 experts drawn from across the profession, wider business, policy, regulation, financial guidance and third sector organisations.

The Manifesto workstreams were further supplemented by an Expert Advisory Panel of leaders in their field.

Details of all those involved may be found in the Appendices.

With the exception of CII personnel, all individuals involved in Insuring Women's Futures, and their contributions, have been made in a personal and voluntary capacity.

Women's pensions outcomes



Yvonne Braun
Director of Policy, Long Term Savings and Protection, Association of British Insurers



Jackie Leiper
Distribution Director, Scottish Widows



Jonathan Hollow
Head of Strategy, Money and Pensions Service



Cheryl Agius
Chief Executive, General Insurance, Legal and General

Inclusive customer outcomes



Joanne Musselle
Group Chief Underwriting Officer, Hiscox



David Hertzell
Chair, Professional Standards Board, Chartered Insurance Institute



Tracey Kinsella
Head of HR, Architas (part of AXA Group)



Katy Bennett
Director, Diversity & Inclusion, PricewaterhouseCoopers

Financially inclusive flexible working

A market-led programme grounded in professional standards

Our Market Task Force programme for change

Insuring Women's Futures is a market-led programme, founded in 2016 through the collaboration of a small group of women from the insurance and personal finance profession brought together by the Insurance Supper Club working in parallel with the CII. The programme was established to improve women's financial resilience, and to tackle the barriers undermining women's long-term financial security.

A market-led, research-based programme

The programme operates as part of the CII's commitment to build public trust in society. As the profession that provides solutions and services for risk protection, pensions, long-term savings and financial advice, Insuring Women's Futures aims to lead, inspire and support improvements to women's financial independence, and to pave the way for the profession in evolving its approach to women in society. It is led by a Market Task Force comprising leading firms across the profession, and is supported by volunteers drawn from across insurance, personal finance and wider financial services alongside recognised experts from policy, regulation, business, academia, the arts, and the third sector.

Further background to Insuring Women's Futures may be found in the Appendix.

Professional standards

As the professional body for the insurance and personal finance sector, constituted under Royal Charter, the CII's purpose is to build society's trust in the profession, through securing and justifying the confidence of the public. It aims to do this through setting standards of integrity, technical competence and business capability. The CII also works in close collaboration with insurance provider, broking and personal finance trade bodies, as well as other Chartered bodies.

The CII's Code of Ethics requires members to act with the highest ethical standards and integrity, and in the best interests of each client, to provide a high standard of service and to treat all people fairly. The CII therefore has a duty to ensure that members of the profession are informed and equipped to adapt to changes in society, to take steps to address any gaps in the public being unable to access the profession's services and /or to secure fair treatment and good outcomes.

Building public trust across the whole of society and improving gender balance in the profession

Much has changed since the formation of the CII back in 1912 - in society, the profession, the UK and global insurance and personal finance sector. Today, building public trust in insurance and personal finance requires the profession to stay relevant, and to reflect diversity in line with society. This includes embracing women who, notwithstanding their accounting for half of our society, represent an underserved consumer group.

The CII has acted as the umbrella to Insuring Women's Futures, now part of a wider Insuring Futures programme. Understanding society and changes in our financial lives is at the centre of the profession's role. To evolve as a profession, we need to reflect on our approach to insurance, pensions and financial planning solutions to enhance women's risk resilience in wider society, and to look within to ensure we too develop in a gender-balanced way enhancing career opportunities for women in the profession.



Our journey so far

What we have achieved to date

Our programme for change

2016

Launch at Women of the World Festival London.

UN Women HeForShe pledge campaign London.

Publication of *Risk, exposure and resilience to risk in Britain today*.



2017

Women of the World Festival London.

Forum with the International Finance Corporation Gender Secretariat.

Website development.



Discussions convened by ISC.

2018

Publication of *Securing the financial future of the next generation*.

Women of the World Festival London.

Market Task Force announced.

Insuring Women's Futures - The BIG Conversation.



Publication of *Solving Women's pension deficit to improve retirement outcomes for all*.

Manifesto launched.



Manifesto programme established, 150 people contributing to the recommendations.

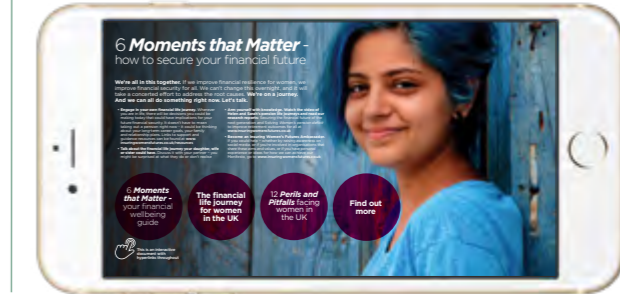


2019

Women of the World Festival London.

Publication of the Financial Wellbeing Guide.

Expert Advisory panel gathers to review early Manifesto recommendations.



Addressing the Financial Alliance for Women.

Launch of Manifesto recommendations report.

Launch of Talk 2 10K outreach campaign.



Talking and listening to women

Over 40 face to face and digital events to groups of women and men in the UK, India, Hong Kong and US.

Small focus groups and think-ins to packed theatre-halls.

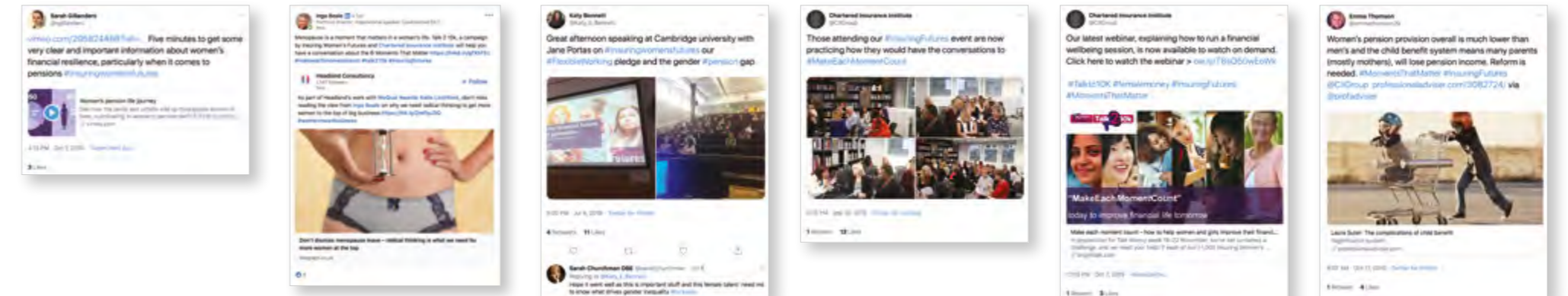
Directly engaging over 7,000 people in business and in wider society.

72 articles across print and digital media including national and trade press via broadsheet, tabloid, women's lifestyle business and political channels - 15,512,340 reach in total.

1.63 million: estimated Talk 2 10K touchpoints during Talk Money, Talk Pensions week



Spreading the word on social media



How we organised our work

Our programme of activity for improving women's financial resilience


The focus of our change programme was on where our profession can have the most impact - women's financial awareness and pensions, improving inclusive customer approaches and supporting the financial working lives of parents and carers working in our own profession. Since then over 150 people have supported our Manifesto work programme to develop proposals and take forward actions. While our starting point and focus is improving women's financial resilience, our proposals and solutions will simultaneously improve everyone's financial resilience and provide equal opportunity for all.

Our programme includes six overarching objectives and our workstreams of activity have been organised on this basis with further analysis in the detailed recommendations section as follows:

- Helping to improve women's financial resilience to secure a better future for all - see section titled Visibility of women in policy and practice (page 88).
- Raise awareness of and engagement in women's risks across society - see Changing the conversation about money and pensions (page 98).
- Support young females' financial mindfulness in navigating the *Perils and Pitfalls* - see Empowering girls to be money minded (page 112).
- Improve women's pension outcomes - see section titled Six steps to Pensions Parity (page 124).
- Improve female financial inclusion in the *Moments that Matter* - see Supporting customers in their financial lives (page 154).
- Set the standard in flexible working for carers and parents - see section titled Making flexible working fit for financial futures (page 174).

Overarching objectives

Helping to improve women's financial resilience to secure a better future for all

 <p>Raise awareness of, and engagement in, women's risks throughout society.</p> <p>Positively shift societal support for women in building their financial resilience and independence, using insights from 'Securing the financial future of the next generation' and 'Solving Women's pension deficit to improve retirement outcomes for all'.</p>	 <p>Support young females' financial mindfulness in navigating the <i>Perils and Pitfalls</i>.</p> <p>Improve women's engagement with their financial risks in life, helping particularly younger women to develop their risk awareness to best inform their financial futures.</p>	 <p>Improve women's pension outcomes.</p> <p>Develop proposals and open dialogue with Government, the profession, employers and wider society to improve women's pension provision throughout the life course.</p>	 <p>Improve female financial inclusion in the <i>Moments that Matter</i>.</p> <p>Develop a professional standard to promote good practice in enhancing female consumers' engagement with, and access to, insurance and personal finance. We will improve female customers' awareness, understanding and outcomes in relation to how our solutions and services respond in their <i>Moments that Matter</i>.</p>	 <p>Set the standard in flexible working for carers and parents.</p> <p>Develop financially inclusive flexible working good practice for the insurance and personal finance profession. Help improve the profession's gender balance by empowering talent of any gender to have rewarding careers balancing caring and professional roles.</p>
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Improving outcomes for women in society

Improvements for women (and men) in the profession, its services and solutions for customers

Our workstream recommendations to improve women's and society's financial resilience

Addressing the financial risks in life for women in society

<p>Visibility of women in law, policy and practice</p> <p>Universal adoption of gender-neutral language in law and regulation to support visibility of women in policy and practice.</p> <p>Collect gender-disaggregated data - Government (ONS), regulators, financial services firms, financial guidance bodies, and other organisations.</p> <p>Use of gender-disaggregated data as part of inclusive policymaking, supervisory review, financial guidance and advice practices.</p>	<p>Changing the conversation about money and pensions</p> <p>Make women and gender inclusive financial engagement, financial and pensions wellbeing a strategic priority for MaPS.</p> <p>Establish a national gender-disaggregated Financial Engagement Index.</p> <p>Employer and financial services firms adopt financial wellbeing strategies for employees and customers to help improve financial engagement and awareness</p> <p>Increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services</p>	<p>Empowering girls to be money minded</p> <p>Career mentoring and role modelling to increase girls' participation in financially rewarding careers.</p> <p>Formalise financial wellbeing through an accreditation to equip young people for financial life.</p> <p>Tackle gender stereotyping, use of language towards women and limiting attitudes to money - at home, at school, and in the media.</p>	<p>Six steps to Pensions Parity</p> <p>MaPS to drive improvements in women's pension wellbeing (linked to Changing the Conversation).</p> <p>Improve workplace pensions transparency - gender pension gap disclosure and pension wellbeing to help improve financial engagement and awareness.</p> <p>Access to Automatic Enrolment - address earnings eligibility threshold, tax relief on net pay schemes.</p> <p>Create a 'national conversation' to address caring, including consideration of a carers' pension top-up - a holistic approach and gender as part of the dialogue.</p> <p>Improve pensions outcomes in relationships - cohabitee rights, spousal consent.</p> <p>Fair pensions for those whose relationships break up - pension sharing on divorce, Pension Advice Allowance, use of Pensions Dashboard, training and guidance for advisers.</p>	<p>Supporting customers in their financial lives</p> <p>Whole customer approach to products, customer journeys and services - considering financial lives to support good outcomes and to help improve financial engagement and awareness.</p> <p>Financial wellbeing focus as part of customer strategies.</p> <p>Inclusive Customer Financial Lives Pledge - to support customers to make product purchases that reflect their life circumstances and guide them on navigating life events.</p> <p>Collaboration and coordinated approaches across financial and pensions regulators, financial guidance bodies, professional and trade bodies, financial services and the third sector.</p>	<p>Making flexible working fit for financial futures</p> <p>Financially inclusive flexible working policies and practices.</p> <p>Separate and equalise Shared Parental Leave and Pay rights to support closure of gender pay and pensions gaps.</p> <p>Part-time <i>Gender pay gap</i> analysis by employers.</p> <p>Employer gender pensions gap analysis including consideration of part-timers' pensions.</p> <p>Financial and pensions wellbeing in the workplace for flexible workers.</p>
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Organisations we are liaising with to take our proposals forward

ABI BIBA CII FCA GEO PFS	Centre for Ageing Better Citizens Advice Employers Initiative on Domestic Abuse MaPS, including Talk Money Talk Pensions Week Relate Rising Festival Surviving Economic Abuse Women of the World Various organisations across the insurance and personal finance profession	MaPS, UK Youth Women of the World Various organisations across the insurance and personal finance profession	ABI Citizens Advice DWP FCA GEO MaPS Ministry of Justice NOW: Pensions Pensions Advisory Group Pensions and Lifetime Savings Association PFS TPR	ABI BIBA Various insurance and personal finance firms are making our Inclusive Customer Financial Lives Pledge	ABI BIBA CIPD Working Families Women Returners Various insurance and personal finance firms and employers are making our Financial Flexible Working Pledge
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Summary of collaborative actions to improve women’s and society’s financial resilience

An integrated approach bringing together those with authority, influence and resources

We are calling on a wide variety of stakeholders to take action.

The following pages summarise some of the key ‘calls to action’, on the part of:

Government
(eg, DfE, DWP, GEO)

Regulators
(eg, FCA, TPR)

Financial guidance bodies
(eg, Citizens Advice, MaPS)

Professional bodies (non-insurance) (eg, CIPD)

Employers

Educational establishments

Third sector
(eg, Centre for Ageing Better, Employers Initiative against Domestic Abuse, Relate, Surviving Economic Abuse, UK Youth, Women Returners, Working Families)

Insurance professional and trade bodies
(eg, ABI, BIBA, CII, PFS)

Insurance networking organisations
(eg, ISC)

Insurance firms, pension providers, financial advisers, master trusts

Government

(eg, DfE, DWP, GEO)

We are calling for action in the following areas:

To review gender-neutral language in the law.

To review constitutional guidelines and industry and member guidance, and other relevant materials to ensure gender-neutral language is used.

To open dialogue about further gender-neutral language reforms.

To design a qualification for young people covering financial life, *Moments that Matter*, and financial education.

To take forward consideration of gender pension gap disclosure as part of *Gender pay gap* reporting.

To take forward our pension policy proposals in dialogue with relevant government departments including the DWP, GEO, and MOJ.

To take forward the conversation about women’s roles as carers and pensions for carers.

To take forward discussion on equalising Shared Parental Leave and Pay rights.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Regulators

(eg, FCA, TPR)

We are calling for action in the following areas:

To review constitutional guidelines and industry and member guidance, and other relevant materials to ensure gender-neutral language is used.

To open dialogue about further gender-neutral language reforms.

To collect gender-disaggregated customer data.

To collect gender-disaggregated data on approved and certified persons under SMCR (or equivalent).

To consider gender aspects in policy, and related work.

To encourage financial wellbeing strategies by financial services firms to help improve financial engagement and awareness.

To adopt supervisory practices that contemplate the gender pensions gap.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Financial guidance bodies

(eg, Citizens Advice, MaPS)

We are calling for action in the following areas:

To open dialogue about further gender-neutral language reforms.

To collect gender-disaggregated data on financial guidance services.

To consider gender aspects in policy, and related work.

To put a gender inclusion lens on the national strategy including a national Financial Engagement Index.

To encourage financial wellbeing strategies by financial services and employers to help improve financial engagement and awareness.

To leverage Insuring Women’s Futures’ insights to inform approaches to female financial guidance.

To raise awareness of financial risks in life and the *Moments that Matter* across society and as part of Talk 2 10k - including collaborating with guidance bodies and the third sector.

To leverage the *Financial Wellbeing Guide* to focus on financial wellbeing for the organisation’s audiences.

To take forward gender inclusive pensions guidance and a national Financial Engagement Index including pensions.

To consider how to incorporate gender aspects into the approach to financial guidance.

To ensure consistent guidance is given on joint and single policies and named policyholders.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Professional bodies (non-insurance)

(eg, CIPD)

We are calling for action in the following areas:

To progress financial wellbeing in the workplace and gender-inclusive approaches.

To encourage pensions engagement as part of workplace financial wellbeing.

To indicate support for the Financial Flexible Working Pledge.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Employers

We are calling for action in the following areas:

To encourage pensions engagement as part of workplace financial wellbeing.

To analyse the workplace gender pensions gap.

To make a Financial Flexible Working Pledge to support employees consider financial aspects at key career pivot points.

To indicate support for the Financial Flexible Working Pledge.

To raise flexible working awareness and profile role models in the profession.

To take steps to address the part-time gender pay and pension gap.

To support gender-inclusive financial and pensions wellbeing in the workplace.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Please see Appendices for further detail at an organisational level relating to specific roles with each of these actions.

Summary of collaborative actions to improve women’s and society’s financial resilience

An integrated approach bringing together those with authority, influence and resources

We are calling on a wide variety of stakeholders to take action

Schools, colleges, universities

We are calling for action in the following areas:

To inspire young women to take up careers in STEM.

To support formalising financial wellbeing through an accreditation.

To encourage young people from diverse backgrounds to be creative and entrepreneurial and to take ownership of driving change in their communities.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Third sector

(eg, CFAB, EIDA, Relate, SEA, UK Youth, Working Families, Women Returners)

We are calling for action in the following areas:

To raise awareness of financial risks in life and the *Moments that Matter* across society and as part of Talk 2 10k - including collaborating with guidance bodies.

To collaborate on a *Moments that Matter Relationships: Making Up and Breaking Up Guide* leveraging the *Financial Wellbeing Guide* to focus on raising awareness with advisers of money within relationships and the importance of pensions in divorce.

To leverage the *Financial Wellbeing Guide* to focus on financial wellbeing for relevant organisations’ audiences.

To promote the *Financial Wellbeing Guide* for working mums and incorporate within guidance.

To collaborate to raise awareness of financial and pensions matters.

To raise awareness of financial wellbeing and preparedness for later life.

To reach young women across the UK, running a focus group using the *Financial Wellbeing Guide* to consider engaging approaches.

To encourage pensions engagement as part of workplace financial wellbeing.

To collaborate to raise awareness of financial risks in life across the membership of relevant organisations and be ready to engage with the insurance and personal finance profession to support informing specific circumstances and vulnerabilities.

To make available and promote the domestic abuse and financial coercion insurance case studies as well as guidance and recommendations to the profession on approaches to those suffering domestic and financial abuse.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Insurance professional and trade bodies

(eg, ABI, BIBA, CII, PFS)

We are calling for action in the following areas:

To review constitutional guidelines and industry and member guidance, and other relevant materials to ensure gender-neutral language is used.

To take forward consideration of the ‘visibility of women in law, policy and practice’ recommendations with members and stakeholders.

To support any actions for member firms to report gender-disaggregated data.

To collect gender-disaggregated data on own professional body membership including qualifications.

To consider gender aspects in policy, and related work.

To encourage financial wellbeing strategies to help improve financial engagement and awareness.

To raise awareness of financial risks in life and the *Moments that Matter* across society and as part of Talk 2 10k - including collaborating with guidance bodies and third sector.

To update guidance for financial advisers to reflect these proposals.

To take forward our pension policy proposals in dialogue with relevant government departments including the DWP, GEO, and MOJ.

To develop professional and industry guidance and good practices for insurers and intermediaries considering financial lives, linking through to vulnerability considerations set out by the FCA.

To consider the appropriateness of an industry standard to ensure consistency of joint/single policy rights and terminologies used for customers.

To make available and promote the domestic abuse and financial coercion insurance case studies as well as guidance and recommendations to the profession on approaches to those suffering domestic and financial abuse.

To introduce an Inclusive Customer Financial Lives Award as part of the annual CII Public Trust Awards to recognise firms; innovations relating to customer inclusivity.

To take forward ‘inclusive customer’ as part of membership guidelines and committee activity, and encourage firms to commit to the Inclusive Customer Pledge.

To publish Inclusive Customer Code of Ethics - a practical guide for ‘inclusive customer’ under the Code of Ethics for professional body members.

To make a Financial Flexible Working Pledge to support employees consider financial aspects at key career pivot points.

To raise flexible working awareness and profile role models in the profession.

To introduce a Financial Inclusive Flexible Working Award as part of the CII Annual Public Trust awards.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Insurance networking groups

(eg, ISC)

We are calling for action in the following areas:

To raise flexible working awareness and profile role models in the profession.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Please see Appendices for further detail at an organisational level relating to specific roles with each of these actions.

Summary of collaborative actions to improve women’s and society’s financial resilience

An integrated approach bringing together those with authority, influence and resources

We are calling on a wide variety of stakeholders to take action

Insurance firms, pension providers, financial advisers, master trusts

We are calling for action in the following areas:

To analyse the workplace gender pensions gap.

To review gender-inclusivity of pensions investment strategies, information and guidance tailored to financial life journeys.

To coordinate with employers about inclusive pensions wellbeing in the workplace, highlighting pensions life journey implications and drawing out specific gender nuances.

To highlight the key pensions *Perils and Pitfalls* for women on their pensions life journey including information online and in materials for customers.

To consider how customer information and journeys may better inform people on what to consider in setting up their insurance and pensions policies according to their relationship status, and explain joint, single and named beneficiary rights.

To leverage opportunities through mid-term adjustments to support customers to ensure their protections reflect their life circumstance and any changes.

To consider enhancing communications with policyholders and named beneficiaries (with appropriate consent in line with legal and compliance requirements) to inform who’s protected and rights under policies. It is recognised this will require IT systems changes, the ease of which will vary.

To consider embedding financial wellbeing within customer strategies to help improve financial engagement and awareness.

To include guidance (such as joint and single policies, life circumstances and life events considerations) on websites in customer sections.

To collaborate to raise awareness of financial risks in life among employers and be ready to engage with the profession to support informing specific circumstances and vulnerabilities.

To make an Inclusive Customer Financial Lives Pledge to support customers to good customer outcomes relating to the *Moments that Matter - Relationships: making up and breaking up*.

To make a Financial Flexible Working Pledge to support employees in considering financial aspects at key career pivot points.

To take steps to address the part-time gender pay and pension gap.

To support gender-inclusive financial and pensions wellbeing in the workplace.

To increase collaboration between financial guidance providers, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

A number of these recommendations are relevant to master trusts too.

Please see Appendices for further detail at an organisational level relating to specific roles with each of these actions.



When we established Insuring Women's Futures in 2016, we knew there was a financial resilience gap for women. This programme of work has confirmed the breadth, depth and complexity of the issue. Through a holistic approach and a wider-range of experience we have been able to embrace the challenge, and take a comprehensive view and yet focus on practical recommendations making change real for women and everybody.

Our detailed programme findings by workstream

We structured our programme according to the focus areas identified as part of our Manifesto for change launched in November 2018.

This section summarises the contributions of each of our workstreams and provides the detailed analysis that supports our Manifesto recommendations.

In 1975, women in the UK were afforded formal rights to open a bank account in their own name without being discriminated against. And yet more than 40 years later, core legal and regulatory texts still refer to 'customers' of financial services firms as 'he'.

Women's financial lives are different to men's and gender-differentiated approaches are required. Today, women's financial engagement, and their trust in insurers, financial advisers, pension providers and banks is markedly lower than men's on every measure. We need to solve this by making women visible, in the law and in the data, to support effective policy and practices.

Visibility of women in law, policy and practice

Our programme Helping to improve women's financial resilience to secure a better future for all.



Our response Adopting gender-neutral language in the law, collecting and using gender-disaggregated data in policymaking and practices.

We are encouraged by and support the FCA publishing its Research Note: Gender diversity in UK Financial Services

Moving the dial on gender inclusion through setting the right tone and informed policy, practices and regulatory supervision

Key priorities and recommended actions

Priorities for improving women's financial resilience

Remove gender biased language in law and regulation

Language and terminology used in the law and related materials influence social attitude, and where there are gender biases these undermine women's economic empowerment. Primary and secondary legislation, together with related guidance should be reviewed with a view to ensuring references to the person are gender-neutral. Gender biases prevail including in the Companies Act 2006, the Financial Services and Markets Act 2000, the FCA Handbook.

Insufficient gender-disaggregated data

There is a lack of gender-disaggregated data, which limits the effectiveness of policymaking and practical strategies to support women's financial resilience and good customer outcomes. Data collected by ONS and others should enable measurement of policy developments and the gender impacts of these, and there needs to be a mechanism to ensure overall that collectively the data is sufficient to inform changes in financial life journeys. Gender-disaggregated data should be required to inform policy approaches and measure outcomes.

Gender analysis in policymaking and regulators' supervisory practices

A lack of root cause analysis and policy evaluation through a gender lens has had unintended consequences. Gender-disaggregated data should be used to assess and evaluate policy. When policy is formulated data sets should be collected through ONS to enable monitoring of the outcomes to identify refinements. Regulators should apply gender disaggregation as part of supervisory practices to assess customer outcomes – especially for pensions and financial services products.

Summary of women's resilience risk, our response and progress

Addressing gender-neutrality and unconscious bias in approaches by the profession

Our response

Addressing gender biased language in law, regulation and guidance

Insuring Women's Futures is liaising with member and trade bodies, the regulator and financial guidance bodies with a view to improvements in the use of gender-neutral language and eliminating gender bias in law, regulation and guidance.

Collection and use of gender-disaggregated data

Insuring Women's Futures is in active dialogue with policymakers, regulators and financial guidance bodies.

*"65% of all managers, directors and senior officials are men. 41% of those in the most senior and highly rewarded positions (senior managers and professional occupations) see the gender pay gap as justified."*¹⁰

Recommendations and interventions for consideration

Adopting gender-neutral language in the law, collecting and using gender-disaggregated data in policymaking and practice.

Universal adoption of gender-neutral language in law and regulation to support visibility of women in policy and practice

We recommend:

The Government should consider steps to ensure the law is gender-neutral, prioritising statutes, regulations and associated protocols where gender bias is likely to most impact women's economic empowerment.

The FCA, which has a significant influence in the governance and customer outcomes in financial services, should ensure that all references in its Handbook are gender-neutral.

Member and trade bodies should ensure gender-neutral language is used in policy and practice material as well as pointing this out in responses to consultations on new policy, regulation and legal proposals in line.

Financial services firms should ensure gender-neutral language is adopted within contracts and policy wordings.

Financial guidance bodies should ensure gender-neutrality in all public and policy materials, and consider this as part of their wider policymaking.

Refer to pages 94 to 95 for details.

Collect gender-disaggregated data - Government (ONS), regulators, financial services firms, financial guidance bodies, and other organisations

We recommend:

The FCA should require financial services firms to report gender-disaggregated product data, including for pensions, and publishes gender-disaggregated statistics for approved and certified persons under the Senior Managers and Certification Regime (SMCR).

MaPS should collect, monitor, analyse and publish gender-disaggregated data relating to, for example: use of its services, area and nature of guidance (including financial life journey aspects – which *Perils and Pitfalls/Moments that Matter*), behavioural economics. Changes in Government policy should include subsequent collection of gender-disaggregated data by ONS to measure outcomes. There should be a system for summarising the gender data collected by the Government, regulators, financial guidance bodies, financial services firms and relevant others to ensure this can most effectively be applied to policymaking. This would also allow gaps to be identified and ensure the manner in which such data is collected reflects life in society so that developments that impact financial life journeys can be tracked: education and the workplace, relationship, families and households; health, wellbeing and ageing as well as financial wellbeing.

Refer to pages 96 and 97 for details.

Use of gender-disaggregated data as part of inclusive policymaking, supervisory review practices, and financial guidance and advice practices

We recommend:

The Government should require all policymaking to evaluate gender impacts using data to inform root cause, policy evaluation and outcome measurement.

The FCA and TPR and other regulatory bodies should adopt similar practices in policymaking and supervision to ensure gender differences are considered.

Gender-disaggregated data and insights should be used to inform financial wellbeing approaches by guidance bodies, employers and financial services firms.

Refer to pages 96 and 97 for details.



Our progress

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

- To review constitutional guidelines and industry and member guidance and other relevant materials to ensure gender-neutral language is used: ABI, BIBA, CII, FCA, GEO, PFS
- To review gender-neutral language in the law and regulation:
- To take forward consideration of the recommendations with members: ABI, BIBA, CII, PFS.
- To open dialogue about further gender-neutral language reforms: Citizens Advice, FCA, GEO, MaPS.

- To support any actions for member firms to report gender-disaggregated data: ABI, BIBA, CII, FCA, PFS.
- To collect gender-disaggregated data on approved and certified persons under SMCR: FCA.
- To collect gender-disaggregated data on financial guidance services: Citizens Advice, FOS, MaPS, Pensions Ombudsman.
- To collect gender-disaggregated data on own membership including qualifications: CII, PFS.
- To consider gender aspects in policy related work: ABI, BIBA, CII, FCA, MaPS, PFS.

How the recommendation supports women and men

This proposal benefits everyone, the use of gender-neutral language includes everyone and helps to remove biases that underpin our social attitude while creating an inclusive mind-set.

Disaggregated data and analysis supports solutions and approaches that contemplate different cohorts and will support strategies that benefit the whole of society.

Visibility of women in law and policymaking

The imperative of gender-neutral language and use of gender-disaggregated data in policymaking, supervision and financial guidance

“Gender-neutral language is a generic term covering the use of non-sexist language, inclusive language or gender-fair language. The purpose of gender-neutral language is to avoid word choices which may be interpreted as biased, discriminatory or demeaning by implying that one sex or social gender is the norm. Using gender-fair and inclusive language also helps reduce gender stereotyping, promotes social change and contributes to achieving gender equality.”

European Parliament gender-neutral language guidelines 2018, supported by the High-Level Group on Gender Equality and Diversity

Influence of the law and British social attitude

Legal and regulatory systems underpin the fabric of our society, setting expectations of our respective rights, including our access to all manner of services and to social justice, while establishing the foundations of our culture and social attitude. In turn these shape our behaviours at home, at school, in the workplace, and our experiences and expectations of each other as part of daily life. These social norms also inform our aspirations and establish influence over the outcomes, setting the tone for others who may be the key holders to unlocking our potential and serving as the gatekeepers to our realising these.

Equalities Act and gender-neutral language

The Equalities Act 2010 introduced a specified wide-ranging suite of requirements, including many relating to gender equality and the use of gender-neutral language. To date the focus on implementing gender-neutrality has largely been on new legislation whereas longstanding laws which form the basis of the UK legal system, and also impact perceptions of economic empowerment, retain male-denominated language. These include the Companies Act 2006 and the Financial Services and Markets Act 2000 (and the FCA handbook) in reference to directors and senior managers, and customers, respectively. It is perhaps not surprising that over 65% of all managers, directors and senior officials in the UK are men, and that less than 20% of all FCA approved senior managers are women.¹⁰ Somewhat consistently, women are less engaged in financial services and have lower trust levels (by as much as 15% for pension providers, 6% for insurers and 5% for financial advisers).⁷¹

British social attitudes: equal pay and the *Gender pay gap*

The British Social Attitudes study has been tracking social attitude in Britain since 1983 and highlights how our legal biases influence life in society. We can see the impact of changes in legal rights through looking at shifts in attitude towards equal pay and the *Gender pay gap*. When social attitude data is considered in parallel with the changes in the law, the lag in the shift in public opinion is evident. For example, even today, 49 years following equal pay rights, just over half of men feel very strongly that pay inequality is wrong.⁹ When considering sentiment towards the *Gender pay gap*, there is a clear pattern in attitudes: with those on higher salaries tending to view the pay gap as justified.

Changing perception takes considerable time. However if bias remains in the fabric of the legal systems underpinning our society, this pervades and serves as a baseline influencing perceptions across society.

Giving women visibility in policy reform

The Equalities Act 2010 also introduced the Public Sector Equality Duty which requires public authorities to have due regard to a number of equality considerations when exercising their functions. Equality Impact Assessments are not required by law, albeit they are a way of facilitating and evidencing compliance with the Public Sector Equality Duty. However, the practice was dispensed with in 2012 by the coalition government. Public authorities do have to assess the impact their proposed policies have on equality but there is no prescriptive method.

Evidencing and the need for gender-disaggregated data

The effect of gender stereotyping and women's lack of visibility is further evident in policymaking, and this also highlights the need for gender analysis and use of disaggregated data to test policy recommendations. Recent changes impacting pensions reveal a number of gender imbalances which would benefit from the collection and use of gender-disaggregated data to inform forward approaches: means testing of Child Benefit and its impact on women's State Pension; the impact on lower paid women of Automatic Enrolment eligibility thresholds; and the impact of Pension Freedoms on dependents (significantly women).

The lack of gender-disaggregated data makes it much more difficult for Government, regulators and the profession to provide effective policies and products, and for financial guidance bodies to develop and measure the relevance and effectiveness of engagement and financial wellbeing approaches.

Examples of non gender-neutral language

References where non gender-neutral language has the propensity to influence women's economic empowerment

Here we include examples of gender biased language prevalent in existing laws and regulation. This is by no means an exhaustive list, rather indicative of the issue.

Companies Act 2006

s.168 Resolution to remove director

A company may by ordinary resolution at a meeting remove a director before the expiration of his period of office, notwithstanding anything in any agreement between it and him.

Inference:
Company directors are men

Financial Services and Markets Act 2000

s.66 Disciplinary powers.

- (1) A regulator may take action against a person under this section (whether or not it has given its approval in relation to the person) if—
- (a) it appears to the regulator that he is guilty of misconduct; and
 - (b) the regulator is satisfied that it is appropriate in all the circumstances to take action against him.

Inference:
Approved persons (senior managers) of financial services firms are men

Health and Safety at Work Act 1974

s.2 General duties of employers to their employees.

- (1) It shall be the duty of every employer to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all his employees.

Inference:
Employers are male

Insolvency Act 1986

s.47 Statement of affairs to be submitted.

- (1) Where an administrative receiver is appointed, he shall forthwith require some or all of the persons mentioned below to make out and submit to him a statement in the prescribed form as to the affairs of the company.

Inference:
Administrators leading insolvencies are men

FCA Handbook

ICOBS 5.1.2

- (1) A firm arranging a payment protection contract must:
- (a) take reasonable steps to ensure that the customer only buys a policy under which he is eligible to claim benefits; and
 - (b) if, at any time while arranging the policy, it finds that parts of the cover do not apply, inform the customer so he can take an informed decision on whether to buy the policy.

APER 3.1.4

- (1) An approved person will only be in breach of a Statement of Principle where he is personally culpable. Personal culpability arises where an approved person's conduct was deliberate or where the approved person's standard of conduct was below that which would be reasonable in all the circumstances (see DEPP 6.2.4 G (Action against approved persons under section 66 of the Act))

Inference:
Customers of financial services firms and approved persons are men

“Only around 13% of FCA-approved individuals in trading firms are women. A figure that rises, slightly, to 16% in investment management. The best is approximately 19% in general insurance and 18% in retail banking.”

Megan Butler, Director of Supervision – Investment, Wholesale and Specialist, and a member of the Executive Committee at the FCA.¹⁰

Social attitude, the law and policymaking

Inconsistencies in social attitude and the law and the imperative for gender-disaggregated data

Evidence to support gender-neutral language

British social attitude towards equal pay and the *Gender pay gap*

Legislation relating to equal pay for men and women was first introduced in 1970. However, it was only in 2010 with the passing of the Equalities Act 2010 that the rights of workers were strengthened through the bringing together of various related legislation to tackle discrimination and inequality. In 2017 this was followed by gender pay gap legislation in the form of the Gender Pay Gap Information Regulations 2017, requiring statutory reporting.

Public opinion has lagged somewhat behind legislation - while almost everyone supports the principle of equal pay now, the public is more divided about the *Gender pay gap*.

In 2018, 89% people thought that it was wrong for men to be paid more than equally qualified women working in the same job for the same company - although women are considerably more opposed than men, with **78% women seeing pay inequality very wrong, compared to only 57% men.**⁸ However, **less than half of people (38% men and 48% women) think it is wrong for the average earnings of men to be higher than those of women**, in a company where the most senior staff are male and the most junior staff are female. Perhaps unsurprisingly, the percentage of people who consider this is right (the highest) rises to 41% amongst managerial and professional occupations, with a similar percentage for those educated to degree level. The summary analysis of the findings is the clear pattern in attitudes: pay gap 'winners' - men, people with higher levels of education, higher pay and so on - are more likely to see the gap as justified than pay gap losers.

Changing perception takes considerable time even when there is legislation in place to enforce a change in approach and mind set. If gender bias remains in the fabric of the legal systems underpinning our society then this influences social attitude and creates barriers to shifting mind sets.

"I got involved with the Insuring Women's Futures' initiative as the data coming out of the first research project so clearly highlighted the risks that our mothers, sisters, daughters and friends face and the need, therefore, to engage however we can on what is a societal issue."

Siobhan Byrne, PricewaterhouseCoopers

Evidence to support collection of gender-disaggregated data

Pension freedoms

Pension Freedoms was a radical policy that allowed individuals to access their pensions and allow them control to use it how they see fit. However, there are clear risks to this freedom, including whether there is adequate consideration of a dependent when choosing a retirement product, and whether the main policyholder draws down their retirement pot at a sustainable rate.

Because of the lack of disaggregated data, it is not possible to determine the gender split by product purchase on an aggregate level. In 2018, the ABI found that 69% of annuities bought were single life.⁴ However, if we assume that the majority of single life annuities are bought by men (who are still typically the main earners in a household) women may be at risk of a significant reduction to their income when their partner dies (as women's life expectancy is greater by 3.6 years).

The lack of gender-disaggregated data makes it much more difficult for Government, regulators and industry to provide effective policies and products.

Evidence to support collection of gender-disaggregated data

Product purchases

Regulators typically evaluate how household spending is used; however, this does not necessarily reflect the products that are being bought by consumers.

This lack of focus on gender was most recently displayed by the FCA's and TPR's research note on the accumulation of wealth in Britain²⁶, which looked specifically at how people are prepared for retirement. However, there was no reference in this study to the different rates of 'preparedness' in men and women. In order to conduct evidence-based policy, there must first be the evidence.

This highlights the need for regulators to consider relevant intersectional analysis as part of supervisory practices, research analysis and policymaking.

Evidence to support collection of gender-disaggregated data

Altruistic behaviours

It is critical that policymakers and the profession understand how different cohorts are spending their money. This would help with both tailoring communications to scheme members, and identifying where potential risks lie.

The Fawcett Society found that women's own financial security needs ended up at the "bottom of the pile", below costs associated with children and taking time out to care.⁶ This reflects evidence that suggests women are more likely than men to spend their money on the family needs.⁶ This was also evidenced in Insuring Women's Futures' report *'Solving Women's pension deficit to improve retirement outcomes for all'*⁵⁷ which drew attention to research by Prudential of pensioners helping out children and families with everyday living and university costs - with women more generous than men despite lower pensions.

The increase in the use of the Bank of Mum and Dad, which in 2018 was the equivalent of a £5.7bn mortgage provider³⁹, also raises questions on how these loans or gifts are financed. For instance, it was estimated that in 2018 nearly 44,000 Bank of Mum and Dad transactions are supported by equity release products³⁹.

This highlights the role of the financial services profession and financial guidance bodies to capture behavioural economics insights.

Real progress for women

How our proposals support women in society

Dina

Dina has her whole life ahead of her. Unlike previous generations of women who were generally expected to marry for life and often looked after and protected in their times of need by family and the state, Dina is likely to need to be financially independent and take responsibility for her own financial future. Social attitudes take years to change and we need to ensure the legal and financial systems support young women to take ownership of their financial futures.

- Growing up, studying and re-qualifying
- Gender pay gap
- Domestic abuse danger
- Girls apprenticeship gap
- Young women's graduation burden
- Female financial capability imperative

How our approach helps women like Dina

Increasing women's visibility in law and policymaking will support gender inclusion and equal opportunity.



Changing the conversation about money and pensions

Women's and men's financial life journeys differ and this needs to be reflected in financial engagement and wellbeing approaches. Insuring Women's Futures' research shows that on every engagement measure – interest, awareness, experience, feelings about money, confidence and trust – women score lower than men, highlighting the need for relevant and relatable approaches.

Our programme Raise awareness of and engagement in women's risks throughout society.

Positively shift societal support for women in building their financial resilience and independence, using insights from 'Securing the financial future of the next generation' and 'Solving *Women's pension deficit* to improve retirement outcomes for all'.



"Financial wellbeing is about feeling secure and in control - it is knowing that you can pay the bills today, deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered."

Financial wellbeing definition
Money and Pensions Service 2019

Our response

Empowering women through tailored approaches to financial engagement, guidance, financial advice and customer services.

Engaging women in financial life and improving approaches to financial wellbeing

Our detailed programme findings by workstream: **Changing the conversation about money and pensions**

Key priorities and recommended actions

Priorities for improving women's financial resilience

We all need to be better engaged in, and talk more openly about, money and pensions

There is a general lack of financial engagement and financial capability across society, and a reluctance to talking about money matters.

At the same time, financial lives are becoming more multi-layered and unpredictable; for example, social care and financial systems are more complex to navigate and create a risk of poorly informed choices with implications for resilience.

Public policy (as seen in tighter welfare restrictions) requires individuals to take more financial responsibility and to be more active and informed in managing their financial futures.

Women are more affected as a result of their more complex financial life journeys and this is compounded by stereotyping relating to women's relationship with money.

Lack of measures of financial engagement and financial resilience

Financial engagement is a pre-cursor to financial capability and financial capability is of little value without financial engagement. There is currently no authoritative measure of financial engagement or financial resilience, and this limits the effectiveness of financial wellbeing strategies.

Measurement needs to be gender-disaggregated to ensure approaches are appropriately differentiated.

Attitudes of employers can make a major difference, and yet best practice is patchy

A financially resilient workforce is more productive, creating a virtuous circle for both employee and employer.

However, many employers have yet to appreciate the full value of financial wellbeing on talent, retention and employee motivation, and tend to consider protection and pensions through a cost rather than performance and talent strategy lens.

Where progressive employers have policies linked to the financial life journey, they benefit women's (and everyone's) financial resilience as well as their own bottom line.

The *Perils and Pitfalls* arise from deep-rooted societal norms; these will not be addressed until financial wellbeing initiatives are gender-differentiated, inclusive and joined up

Financial wellbeing has broader implications for healthy wellbeing and women need to be better equipped with relevant information to support managing their financial circumstances, inform any decisions with financial consequences and navigate financial life changes.

The information, guidance, advice as well as the financial products and services women receive need to be relevant to their financial lives, and drive positive outcomes. These need to be joined up across financial guidance providers, financial services, employers and pension schemes.

Recommendation and interventions for consideration

Empowering women through tailored approaches to financial engagement, guidance, financial advice and customer services.

Make women and gender-inclusive financial engagement, financial and pensions wellbeing a strategic priority for the Money and Pensions Service

We recommend:

As the national single financial guidance body, MaPS can have a unique and profound impact on financial wellness in the UK. Addressing women's and the whole of society's financial resilience requires an understanding of gender differences and revisiting approaches (through both commissioning and direct service delivery) to financial engagement, education, information and guidance to ensure relevance to females' financial lives.

Insights from Insuring Women's Futures research and programme of activity highlight the need for a focus on financial engagement and wellbeing strategies drawing on women's life journeys and the *Moments that Matter*

It also requires a strong voice and advocate for gender-inclusive approaches to policymaking, as well as working with regulators, member and trade bodies to support approaches by the financial services and pensions sector and employers. These are core to MaPS' statutory objectives, and its position and influence can bring about improvements in financial resilience for the whole of society.

Refer to pages 104 and 105 for details.

Establish a national gender-disaggregated Financial Engagement Index

We recommend:

There should be a national gender-disaggregated Financial Engagement Index to track progress on financial engagement and to help inform priorities and evaluate financial wellbeing strategies. This will allow financial guidance bodies, financial services firms, employers and other organisations involved in financial engagement to subscribe to the index and benchmark their activities. The index would inform approaches, identify cross-cutting themes, and could be developed over time to allow more detailed benchmarking of specific activity and campaigns targeting society, consumers and employees.

Insuring Women's Futures supports the Household Resilience Task Force's call for a Financial Resilience Index. Designed effectively, working in parallel these two indices should significantly inform the outcome and effectiveness of policy and practice and help to drive efficient and effective lasting improvements in financial engagement and resilience.

MaPS is ideally placed to convene or oversee a national Financial Engagement Index.

In addition, we encourage regulators to require financial services firms and pensions trusts to report gender-disaggregated data to inform policymaking and assess the inclusivity of approaches and their effectiveness in practice.

Refer to pages 110 and 111 for details.

Employer and financial services firms adopt financial wellbeing strategies for employees and customers to help improve financial engagement and awareness

We recommend:

Recognising the strong links between financial and health wellbeing, and a high performing workplace, there is a need and opportunity for employers to play a key role in supporting financial wellness. The introduction of Automatic Enrolment has been a catalyst to change the nature of the debate about employee benefits in many organisations.

Similar to previous recommendations, approaches which recognise differences in financial life and adopt gender inclusive practices, as well as proactive approaches in employee *Moments that Matter*, are encouraged.

Refer to the section Making flexible working fit for financial futures for details of our Financial Flexible Working Pledge.

Increase collaboration between financial guidance bodies, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services

We recommend:

Financial guidance providers and the third sector each play a vital role in supporting people in society to manage the risks they face in life and the financial consequences. Working collaboratively with financial services, pensions trusts, and employers will allow more informed and proactive approaches (for example through *Moments that Matter* interventions), better outreach across society to encourage conversations about money and improve talking about money at home between couples and families. Gender-differentiated approaches will support improved financial capability and resilience for women and everyone.

Talk Money Talk Pensions Week should be given a higher profile and supported by financial services and employers.

Within financial services, treating customers fairly and ensuring appropriate approaches for vulnerable customers requires consideration of customers' financial lives. Financial services firms and pensions schemes should be encouraged to ensure their approaches are gender inclusive and support access and good outcomes for everyone. Collaborative approaches by guidance bodies and financial services firms with the third sector will help improve understanding and trust.

Refer to Supporting customers in their financial lives section.

Summary of women's resilience risks, our response and progress

Raising awareness of women's risks across society

Our response

Talk 2 10K 'MakeEachMomentCount' campaign

In conjunction with National Talk Money Talk Pensions Week led by MaPS and including financial guidance bodies across the UK, Insuring Women's Futures launched a Talk 2 10K campaign asking our Ambassadors to talk to 10 girls and women across the UK and liaising with a series of third sector organisations to 'spread the word'.

Financial Engagement Index measures

Insuring Women's Futures has considered various metrics for measuring financial engagement, and options for an index, with the support of PwC Research. This includes consideration of trust, interest and awareness, confidence, experience and feelings. Initial survey data has been collected to inform approaches. See page 110 for details.

"Working on the Insuring Women's Futures programme has opened my eyes to the many financial challenges that women face. Although the statistics are shocking, I have rarely seen such passion and energy to bring about change. Through continued hard work and collaboration I am positive we can improve the financial resilience for our friends, family and wider society."

Mary Key
Keycomms

How the recommendation supports women and men

Women are not the only intersection of our society lacking financial awareness and engagement, the data highlights that men do too. The conversations we are encouraging women to have about money, are expected to engage partners and families in a shared dialogue. They will also encourage young girls and boys to become more familiar with money matters.

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

To put a gender inclusion lens on the national strategy including a national Financial Engagement Index: MaPS

To encourage financial wellbeing strategies: CII, FCA, MaPS, PFS, TPR

To leverage Insuring Women's Futures insights to inform approaches to female financial guidance: Citizens Advice, MaPS

To raise awareness of financial risks in life and the *Moments that Matter* across society and as part of Talk 2 10K - including collaborating with guidance bodies and third sector: CII local institutes, the insurance and personal finance profession, Citizens Advice, Employers Initiative against Domestic Abuse, Relate, Surviving Economic Abuse, Women Returners, Working Families

To collaborate on a *Moments that Matter: Making and Breaking Up* Guide leveraging the financial wellbeing guide to focus on raising awareness with Relate advisers of money

within relationships and the importance of pensions in divorce: Relate

To leverage the *Financial Wellbeing Guide* to focus on financial wellbeing for the organisation's audiences: Citizens Advice, Surviving Economic Abuse

To promote Insuring Women's Futures' *Financial Wellbeing Guide* for working mums and incorporate within guidance: Working Families

To collaborate to raise awareness of financial and pensions matters: Women Returners

To progress financial wellbeing in the workplace and gender inclusive approaches: CIPD

To raise awareness of financial wellbeing and preparedness for later life: Centre for Ageing Better

Third sector organisations

Women of the World - Insuring Women's Futures' participation in Women and Money sessions at Woman of the World Festival 2016, 2017, 2018, 2019

Relate - We are collaborating on a *Moment that Matter: Making and Breaking Up* Guide leveraging the financial wellbeing guide to focus on raising awareness with Relate advisers of money within relationships and the importance of pensions in divorce

Surviving Economic Abuse - We are collaborating to leverage the *Financial Wellbeing Guide* to focus on financial wellbeing for Surviving Economic Abuse audiences

Working Families - Working Families is promoting Insuring Women's Futures' *Financial Wellbeing Guide* for working mum's and families, and incorporating within its guidance

Women Returners - We are collaborating to raise awareness of financial and pensions matters to Women Returners' networks

Chartered Institute for Personnel and Development and employer trade bodies - Insuring Women's Futures is liaising with the CIPD and various employer organisations to progress financial wellbeing in the workplace and gender inclusive approaches

Centre for Ageing Better - We are collaborating with CFAB to raise awareness of financial wellbeing and preparedness for later life.

Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Changing the conversation about money and pensions

Why it's important we talk about financial life

Women in their 30s have an average of around £1,000 in savings.

This reduces for women with children, and the average for women with 3-4 children is £100-£200. At the same time the majority of 25-39 year old women have financial liabilities (excluding mortgage debt)³⁶

How our relationship with money has evolved

Years ago, when it came to finances, women tended to take responsibility for managing the 'housekeeping' costs, while men took care of the rest. Indeed it wasn't until 1975 that women were legally afforded the right not to be discriminated against when seeking to open a bank account in their own name, and even then taking out a loan or mortgage was problematic without a male guarantor. Women (and men) also rarely had to get into the details about pensions, with Defined Benefit schemes reflecting the (male) 'job for life model' making the maths fairly easy. For many women retirement security came in the form of spousal rights. Roll the clock forward and these arrangements have been largely replaced with more complex Defined Contribution pensions, including a range of different scheme types and tiering levels, leaving individuals to establish retirement need and to work back to assess contributions. These greater complexities raise the need for improved pensions literacy - on top of the added complexities of factoring in cohabitation, having babies, part-time work and time out to care for the elderly. This makes it challenging for women to navigate their *Pensions life journey*.

What's love and motherhood got to do with it?

A man in his late 30s has 60% more savings than a woman; in contrast a third of women in their 30s say their money wouldn't last a month if they lost their main source of income.³⁶ When it comes to making decisions about the family, for many women and couples, women returning to work is evaluated by reference to 'pay after childcare' (with women tending to bear the costs of childcare) with less regard to financial independence and a general lack of a longer term view. The result: the average pension pot of a married man is 5x that of the average married woman. And yet the majority of women (7 out of 10) say they don't know how much pension they have, and nearly four fifths of millennials haven't discussed pensions in detail with their partner.³⁷ This includes cohabitees, who unlike marrieds don't enjoy financial and pensions rights, although many (46%)⁵⁵ aren't aware of this. And the average pension pot of most separated women is zero.

Empowering people to make change happen

The issues that have undermined women's financial resilience for so long stem from our attitude toward women's role in society, changes in societal structures, and a lag in legal, social care, employment and financial systems keeping pace. These are systemic issues and take years to change. But we can't afford to wait - by 2050 over one third of the UK population will be above State Pension Age and over 1.2 million more women than men, meaning women's financial resilience is vital economically.^{66A} Making change happen now requires engaging society - and specifically women - in their financial lives. However, our analysis of financial engagement measures - including awareness, confidence, feelings, experience and trust - highlights how women are significantly less financially engaged than their male counterparts. These differences in engagement impact all aspects of women's relationship with money - financial management, debt, savings, pensions and investment - as well as women's relationship with financial services. While the underlying root causes may be gender stereotyping and traditional societal norms, these are further compounded by a distinct lack of differentiated, relatable financial engagement, and relevant education and consumer approaches for women and girls. Our experience from presenting to and engaging with thousands of women across society, and many mixed audiences too, has highlighted the impact of the financial life journey as a mechanism to garner interest in money and pensions. For many attendees, the data insights and financial risks in life have served as a catalyst to improve financial and pensions wellbeing.

Why now?

There is a critical need to address women's financial resilience now. Temporary, contract and zero hours work, cohabitation, divorce, the rise in 'silver splitters' make women's financial dependence more precarious, and females are predominant in the least resilient households in the UK. Changes in society combined with legal and social care structures mean that individuals need to take greater responsibility for their financial lives. Women are especially exposed, as result of their more complex financial life journeys and society's perception of women's relationship with money. Social attitude and gender biases relating to women and money need to be overcome and women and girls need to be empowered to take ownership of their financial futures. This requires an understanding of gender differences and tailoring approaches accordingly, with financial education systems, financial guidance bodies, financial services, employers and regulators all having a role to play. Transparent metrics to measure the impact of financial engagement, wellbeing, guidance and advice strategies will help ensure approaches are most effective and tailored to audiences so as to be inclusive.



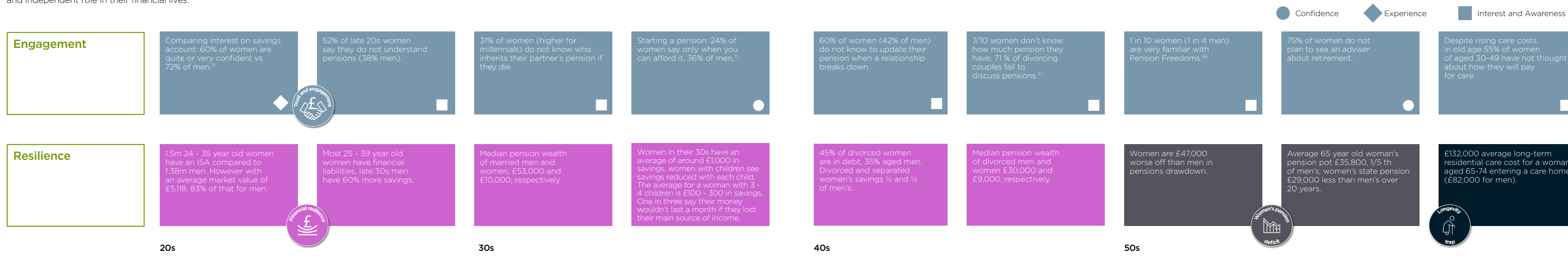
The number of children born to cohabiting couples has tripled since 1986, and the number of lone parent families (86% headed by women) has increased by 15%³⁶

Making money engaging for women

Trends in financial resilience and financial engagement

Our detailed programme findings by workstream: **Changing the conversation about money and pensions**

Our research shows that women in the UK lack financial resilience across the life course, and at the same time, at each stage, women are saying that they do not enjoy a positive relationship with money. Many women express a lack of awareness and understanding, in particular of pensions, and say they are not confident about money matters, and indicate a lack of interest in key financial risks in their lives. On top of this, women's feelings about money are less positive than men's, and women's trust in insurance, financial advice, pensions and banking is lower than men's. Women's lack of financial engagement is a result of traditional attitudes towards women's role in society, gender stereotypes influencing women's financial and career aspirations and a lack of relevant, relatable approaches, information and guidance to engaging women to play an active and independent role in their financial lives.



Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Data is sourced from Insuring Women's Futures' research reports, reference 36 and 37 unless stated otherwise.

Feedback from women

"Thank you very much for the invitation to last night's event. It was such amazing (and terrifying) food for thought. Like so many others there, particularly the lady in the audience at the end who summed up so well, I felt really fired up afterwards to take some responsibility to make a noise about these issues. I'll be sharing with every woman I meet from now on."

Real progress for women

How our proposals support women in society



Zadie

Zadie's situation

- Zadie is embarking on a new life for herself and her daughters. While she has always taken an interest in money matters, roles at home mean that her husband has taken the lead on more complex financial decisions. Consequently Zadie is not as familiar with their financial affairs and is less experienced at investing and how to go about bridging the family finances while they divorce (eg short-term loans).

- Zadie is considering using online divorce as she thinks this will be more efficient time and cost-wise. The decisions taken on divorce can impact Zadie's long-term financial future.

- Relationships: making and breaking up
- Motherhood and caring penalty
- Women's pension deficit
- Divorce and separation setback
- Female financial capability imperative

How our approach helps women like Zadie

- Had Zadie been more familiar with the *Perils and Pitfalls* and engaged in the financial planning then she might have taken certain life decisions differently; for example her career and work-life set up, her investments, pensions and insurance arrangements.
- Zadie has two daughters who are both at key *Moments that Matter*, embarking on studies and making important life choices. Improving Zadie's financial awareness and wellbeing means she can help her daughters with considering their financial lives.

Feelings about money

Our survey relating to women's financial engagement considered interest, awareness, experience, confidence, trust as well as feelings about money. Our findings highlight that many women do not have positive feelings when considering money, and that women feel less positively than men on every measure.

11% women and 7% men feel intimidated when discussing money ⁷¹	21% women, 29% men feel positive when thinking about managing money ⁷¹	12% women, 7% men feel lost when thinking about money ⁷¹
27% women and 21% men feel worried when thinking about money ⁷¹	32% women vs 44% men agree/strongly agree they enjoy managing finances ⁷¹	Feelings about managing money: 15% women and 23% men say important ⁷¹

PwC Research survey carried out for Insuring Women's Futures of a representative sample of 1,000 adults on 1 March 2019 using the PwC Research weekly Quantibus survey platform (50%/50% gender split)

Over 3 million reach on the launch of our Pensions Life Journey Report 'Solving Women's pension deficit to improve retirement outcomes for all'

"As the programme's research has demonstrated, there is a wealth of data to illustrate the challenges women face in securing their financial futures, and women and men take different approaches to navigating them. We have a challenge as society, as a profession, and as individuals to help raise awareness of both the challenges and solutions. Financial advisers, guidance providers, and employers can all make a difference - by using data and policy to help more women to navigate with confidence their money, credit and pensions"

Jonathan Hollow
Money and Pensions Service

Our *Financial Wellbeing Guide* highlights women's financial life journey to raise awareness of the *Perils and Pitfalls*, and then considers what actions all women can take in the 6 *Moments that Matter* to improve their financial resilience. Our guide is not intended to provide detailed financial guidance or advice, rather it aims to raise awareness, to provide prompts and nudges for women to take action to take control of their financial lives. Our guide links to the Resources section of Insuring Women's Futures' website where there are links to external financial guidance on specific topics. The guide may be used by girls and women themselves, as well as others who would like to have a positive influence in supporting girls' and women's financial resilience - for example, for use by parents and wider family members, teachers, employers, pensions providers, financial services firms and financial guidance bodies.

6 Moments that Matter - how to secure your financial future

Insuring Women's Futures' *Financial Wellbeing Guide*



Only 21% millennial women have discussed pensions in detail with their partners³⁷

Feedback from women

"Great stats and very informative, feeling empowered and hopefully will be more aware and savvy to my financial journey plan when I hit one of the Moments that Matter and the Perils and Pitfalls"

"HR ended up with a long string of people visiting them and enquiring about their pensions and more importantly changing their contributions."

"Attending the event was the best thing I have done for myself in 2019. I was shocked at the statistics but enlightened at the same time. Obviously we have a long way to go. The event was professional but sincere. Thank you all those who organised."

"This event was the most interesting and relevant event I have attended for some years."

"That presentation should be compulsory!"

Measuring financial engagement

Proposal for a national gender-disaggregated Financial Engagement Index

Insuring Women's Futures' research identified financial engagement underpins financial capability. A key recommendation to support the development and maintenance of effective approaches is the use of a Financial Engagement Index. A compound index may be developed that allows financial guidance bodies, financial services firms and employers to test the financial engagement of their people and customers, and to benchmark as well as to establish what works well. Full details of the financial engagement survey, the results of which are included across this document (reference 71), may be found in the Appendices.

<p>Our suggested approach: An annual, independent, nationally representative survey of consumers, providing:</p>	<p>By measuring women's engagement through an index it is possible to identify how to engage, empower, create access for and innovate solutions for women and society across all <i>Moments that Matter</i></p>	<table border="1"> <caption>Financial Engagement Index Data (Illustrative)</caption> <thead> <tr> <th>Category</th> <th>What good looks like</th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Confidence</td> <td>15</td> <td>10</td> <td>8</td> </tr> <tr> <td>Trust</td> <td>15</td> <td>10</td> <td>11</td> </tr> <tr> <td>Feelings</td> <td>15</td> <td>9</td> <td>10.5</td> </tr> <tr> <td>Experience</td> <td>15</td> <td>13</td> <td>8</td> </tr> <tr> <td>Awareness</td> <td>15</td> <td>15</td> <td>10</td> </tr> <tr> <td>Total</td> <td>90</td> <td>74</td> <td>55.5</td> </tr> </tbody> </table> <p>(Illustrative)</p>	Category	What good looks like	Men	Women	Confidence	15	10	8	Trust	15	10	11	Feelings	15	9	10.5	Experience	15	13	8	Awareness	15	15	10	Total	90	74	55.5
Category	What good looks like		Men	Women																										
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Awareness	15	15	10																											
Total	90	74	55.5																											
<p>Outputs</p> <ul style="list-style-type: none"> Gender-disaggregated Index + Tracker to measure and monitor progress in improving engagement in financial matters. Intersectional data (Male/Female, and other relevant and available data) comparing sectors and products by awareness, interest, experience, confidence, feelings and trust. <p>Outcomes</p> <ul style="list-style-type: none"> Policy makers, regulators, financial guidance providers, financial services providers better able to identify gaps and weaknesses in engagement. Public awareness of the gap to encourage further innovation and collaboration between providers, Government bodies and the third sector. 	<p>Benefits for consumers and society</p> <ul style="list-style-type: none"> Improved financial engagement reduces financial insecurity. Identify and remove barriers. Empower women through guidance and support that responds to the levers of the engagement gap. <p>Benefits for policymakers, regulators, financial guidance bodies, financial services and employers</p> <ul style="list-style-type: none"> Improve understanding of the size and drivers of the engagement gap. Engage currently disengaged consumers/employees. Improve engagement among existing customers of financial services. Enable policymakers, regulators, financial guidance providers, the financial services industry to assess the impact of interventions and campaigns. Targeting the areas of highest need. Can provide a specific firm/guidance body/employer index. 																													

Measuring financial engagement provides a clear benchmark of what works and where the gaps are, allowing for efficient, effective and targeted approaches for maximum impact.

59% of young women worry about not having enough money to retire. Research relating to 25-34 year old women found that positive messages framed around “people like you can” shift women’s engagement in pensions from ‘deeply likely’ to ‘very likely’.^{36, 37}

Empowering girls and young women to be money minded



Our programme Support young **females’ financial mindfulness** in navigating the *Perils and Pitfalls*. Improve women’s engagement with their financial risks in life, helping particularly younger women to develop their risk awareness to best inform their financial futures.



Our response Supporting girls and younger women by addressing gender stereotyping and improving financial awareness.

Insuring Women’s Futures supports the GEO in its strategy ‘Gender equality at every stage: a roadmap for change’

Empowering girls' and young women's financial futures

Key priorities and recommended actions

Priorities for improving women's financial resilience

Girls and young women are affected by gender stereotyping, the language and tone directed towards women at home, at school and in the media

This affects their identities and self-image, and also their aspirations for their financial lives.

Even when awareness exists, girls and young women often have a different relationship with money compared with their male counterparts.

They feel less confident to make decisions and less engaged in the subject.

Girls and young women often do not make fully informed career choices

Deeply embedded social attitudes have a profound influence on career aspirations and choices, and girls and young women are opting for qualifications in traditional female roles which are lower paid; this is affecting young women's financial futures for decades ahead.

Our research has highlighted large percentages saying they 'do not know' or 'do not understand' topics such as pensions.

Recommendations and interventions for consideration

Supporting girls and younger women by addressing gender stereotyping and improving financial awareness.

Career mentoring and role modelling to increase girls' participation in financially rewarding careers

We recommend:

Role models should be used in education to show girls and young women the wide range of career and lifestyle choices that are available.

Improved gender balance in study choices including STEM.

Equipping schools, and informing teachers, of the *Moments that Matter*, so they can support girls and young women to make informed choices.

Refer to pages 120 to 121 for details.

Formalise financial wellbeing through an accreditation to equip young people for financial life.

We recommend:

PHSE curriculum on financial wellbeing extended to inform risks in life and financial life journeys, to inspire better short and long-term financial decision-making and support students to embark confidently on financial life.

A formal accreditation would be valuable in reinforcing financial wellness, and supports wider physical and mental health wellbeing, all of which are key themes in the workplace and for employers.

Refer to pages 122 to 123 and Making flexible working fit for financial futures section for employer benefits of financial wellbeing.

Tackle gender stereotyping, use of language towards women and limiting attitudes to money - at home, at school, and in the media

We recommend:

Mothers and fathers and the wider family should also encourage women to embrace the range of opportunities, and should be equipped to do so.

A review and measurement of the use and impact of gender stereotyping in the media.

Positive language should be used to inspire and empower girls' relationship with money.

Role models should be used to encourage girls and young women to be more financially aware.

Financial guidance providers and third sector organisations should collaborate on initiatives that reach out to girls and young women.

Measurement mechanisms should be developed including the Financial Engagement Index (see section on Changing the conversation about money and pensions) and better measurement of the impact of social attitude, media and advertising to inform standards and approaches.

Improving mothers' financial awareness and enlist the support of fathers.

Summary of women's resilience risks, our response and progress

Helping girls and young women be mindful about money

Our detailed programme findings by workstream: **Empowering girls to be money minded**

Our response

Financial wellbeing guide

Insuring Women's Futures has published '6 Moments that Matter - how to secure your financial future', a female *Financial Wellbeing Guide* centred around the 6 *Moments that Matter* and providing a range of financial prompts and tips with links to relevant resource guides. For details of the guide please see <https://www.insuringwomensfutures.co.uk>.

Collaboration with various third sector organisations

Insuring Women's Futures has reached out and formed alliances with a range of third sector organisations and programmes aimed at reaching young women, and this continues.

Focus group with UK Youth

Run a focus group with UK Youth to consider how to approach *Moments that Matter* with young women and to guide them on financial life.

Talk 2 10K campaign

In conjunction with National Talk Money Talk Pensions Week led by MaPS and including financial guidance bodies across the UK, Insuring Women's Futures launched a Talk 2 10K campaign asking our Ambassadors to talk to 10 girls and women.

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

To reach young women across the UK; running a focus group using the *Financial Wellbeing Guide* to consider engaging approaches.

To support the new qualification and maximise its impact.

To encourage young people from diverse backgrounds to be creative and entrepreneurial and to take ownership of driving change in their communities: Drivers for Change.

To inspire young women to careers in STEM



How the recommendation supports women and men

Improving young women's financial mindfulness will support young women to be better prepared for financial life, to be informed about key decisions from a financial perspective, and to help them avoid situations that may adversely impact their resilience.

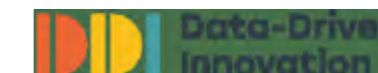
Engaging young men in the conversation helps create greater empathy and understanding of financial lives and builds strong foundations for gender equality and positive relationships.

"As was evident through the sessions Jane Portas ran with the young people on Drivers for Change, financial awareness is very low amongst most young people but particularly those from disadvantaged areas. The 6 Moments that Matter is a fantastic thought provoking resource for everybody"

David Adair

Head of Community Engagement, PricewaterhouseCoopers

Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Empowering girls and young women to be money minded

Financial risks in life facing girls and young women today

“46% of people in problem debt also have a mental health problem”

Money and Mental Health Policy Institute⁴³

“57% young women worry about debt and 24% lose sleep over it.”³⁶

New opportunities bring new challenges

Young women today face many opportunities and markedly different prospects to previous generations of women. Free from the constraints that shaped their grandmothers, girls have better opportunities at school, to pursue careers and relationship freedoms. But it's not all plain sailing for young women who need to be supported and guided to navigate their financial life journeys so that their greater freedoms and complicated risk patterns don't leave them exposed.

Highly achieving yet poorer pay

Girls are excelling educationally - in GCSE, A Level as well as scoring highly at university. However, they are doing so in subjects expected to lead to the lower paid jobs of the future. Influenced by gender stereotyping, many young women are studying apprenticeship and degree qualifications with fewer financial prospects than young men, leading them to enter careers on lower pay with lifelong implications for their financial resilience. Even before they've embarked on full-time employment, a 21% pay gap opens up between male and female apprentices (the *Girls' apprenticeship gap*). This is the result of gender stereotyping and is due to more women entering administrative and caring roles, with boys majoring in science and technology; a similar pattern exists at degree level and just 17% of undergraduates in computer science and technology are women. Girls are not being sufficiently encouraged to pursue STEM subjects and there is a lack of female technology role models. These together with a lack of financial education systems means that many young women may not realise the financial consequences of decisions they take at school and how these may shape their financial futures.

Many and conflicting pressures

Slow shifts in our social attitudes and conflicting perceptions and projections of women in our society mean that alongside opportunities, girls and young women experience more and competing pressures relating to their roles in, and expectations of, life - financial independence, academic and career aspirations, sexualisation, expectations relating to caring, the focus on glamour and beauty, to name a few.

Notwithstanding the huge strides in gender equality, it's no surprise then that balancing these pressures, and coping with the various expectations, has an impact on young women. Women today have rising health risk (15% over the last 20 years),³⁶ and while girls are smoking and drinking less over the last 20 years, the prevalence amongst young women of mental health problems is profoundly impacting their progress and financial life. More than 1 in 4 women aged 16-24 reported mental health conditions in 2017, a rise of 21% over a decade, the severity worsening more than any other age group.⁴³

On top of this nearly 13% of 16-19 year old girls experience domestic abuse each year, with many coping with the pressures of financial coercion.³⁶ The competing pressures facing young women, their exposure to mental health issues, financial abuse and a historically weak relationship with money, makes young women a financially vulnerable group.⁴³

Empowering the future

Many young women today are at a financial pivot point, so many opportunities and yet many financial pressures to cope with. Supporting young women in developing their financial awareness and financial management skills to help equip them on the path to financial security and will also help them to be better prepared for financial life, to be informed about key decisions from a financial perspective, and to help them avoid situations that may adversely impact their resilience. While specific insightful approaches are required to improve young women's financial wellbeing, engaging young men in the conversation too will help create greater empathy and understanding of financial lives and build strong foundations for gender equality in the future.

Our detailed programme findings by workstream: **Empowering girls to be money minded**



Among 18-24 year olds, young women are more likely to worry about money than their male counterparts (57% versus 45%) and more likely to lose sleep over it (24% compared to 18%).³⁶

Empowering girls to be money minded

Key steps on the financial life journey for young women

Young women today have many opportunities, but they also face financial challenges from a young age. Some of the *Perils and Pitfalls* young women confront are circumstantial, others are due to British social attitude and perceptions of women's roles. Gender stereotyping plays an important role in women's financial futures, and especially influences young women's financial engagement. This begins at home - where financial role modelling is important - and extends into school. Ensuring young women are fully informed of the financial prospects of the subjects they are considering will help them have the opportunity to maximise their earning potential. Informing young women about money management, how to spot financial coercion, financial health in relationships, and supporting young women to maintain mental health and avoid money stresses, will have long-term benefits.



Feedback from young women

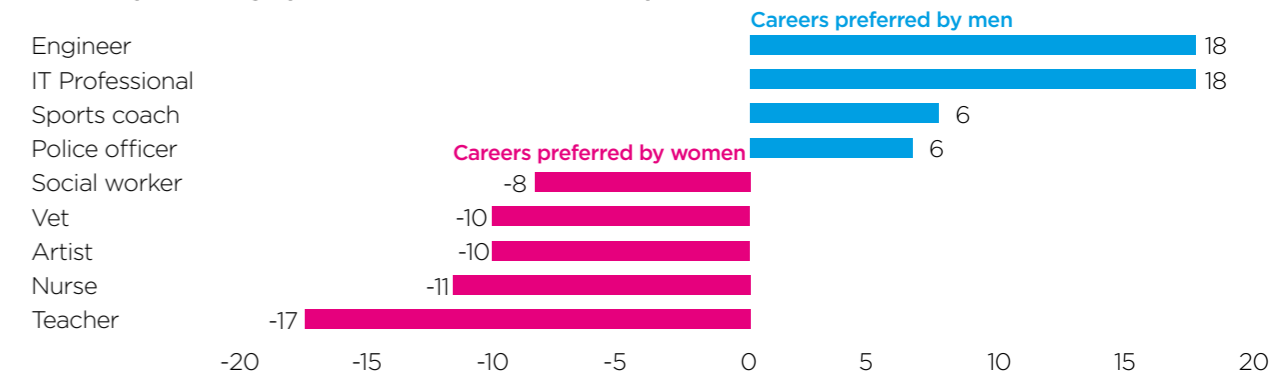
"I found the lunch and learn very interesting. Lots of statistics to take in - definitely need to have a reread through the slides. It made me max out my pension contributions!"

"A very inspiring webinar today, I've just signed up [to Talk 2 10K] and can't wait to get started!"

There are still clear gender differences in the aspirations of young women.

Women are more likely to have a preferences towards careers in lower paid / creative sectors.

Gender percentage point difference in career aspirations⁸⁴



Data sourced from Insuring Women's Futures' research reports, reference 36 and 37, unless stated otherwise.

Real progress for women

How our proposals support women in society



Dina

Dina's situation

- Dina is facing some important decisions relating to study choices. With financial pressures at home and a boyfriend with lower aspirations constraining her confidence, Dina isn't sure what to do.

How our approach helps women like Dina

- Supporting Dina through financial wellbeing and prompting conversations about financial and career aspirations, as well as equipping Dina with basic money management tools will give Dina more confidence. This way she'll be in a better position to make study choices and work out how to finance her education (her mum's not able to help her).
- Financial coercion is a problem for too many young women. Helping Dina to recognise and avoid financially controlling behaviour will help make sure she doesn't become a victim to financial abuse.

Our Financial Wellbeing Guide



"We have generations of adults in the UK who have gone through the school-system without any formal financial education. This is just plain wrong and the knock-on effect can be devastating to someone's financial and mental wellbeing.

But for women, the financial risks are so much greater for all the reasons IWF have highlighted. Every woman has the power to take her finances by the scruff of the neck and make them work for her. Without doubt, it's the single, most empowering thing a woman can do whether she's a teenager or preparing to retire.

I've spent the majority of my career fighting for consumers' rights and trying to help people understand their money. Being involved with this crucial, ambitious programme is right at the heart of what I believe in. We must urgently work together to make sure women aren't financially worse off simply because they were born female."

Kirsty Good,
MoneySavingExpert



"I got involved because the Market Task Force findings really brought to light some stark statistics on financial wellbeing that impacted so many women. The outcomes could have been prevented for many if they had been aware of this from an early age. I myself had made some decisions and as a mother of three daughters and a mentor to many women, I felt passionate about changing this going forward. Financial awareness can be taught from an early age so I was delighted to head up the financial awareness for younger females as the earlier we can start to ask questions and reflect on our decisions the better."

Cheryl Agius,
Legal & General

33% girls and 60% boys consider themselves to be best at STEM and when asked about which subjects were most likely to lead to a future job, 69% males named a STEM subject and 51% females. At A Level, 30% males and 8% females plan to take physics, 16% males and 3% females to take IT.¹⁸

16% females have had a career in technology suggested to them (33% males), and 78% A Level and university students can't name a famous female working in technology.^{72A}



Men earn 80% more than women over the life course, a result of the *Gender pay gap*, family caring, career breaks, part-time work and flexible hours, contributing to a 5x gender pension gap at age 65.^{36, 37}

Six steps to Pensions Parity

Our programme Improve **women's pension outcomes**
Develop proposals and open dialogue with Government, the profession, employers and wider society to improve women's pension provision throughout the life course.



Our response Taking forward pensions parity measures to improve engagement and tackle the impacts of low pay and gender pay gaps, motherhood and caring, and relationship break ups.

Insuring Women's Futures supports the work of NOW: Pensions' Pensions Awareness Week, the Net Pay Action Group, the work of the Pension Advisory Group and the GEO consultation on Shared Parental Leave.

Pensions parity measures to improve engagement and tackle the impacts of low pay and gender pay gaps, motherhood and caring, relationships and break ups

Our detailed programme findings by workstream: **Six steps to Pension Parity**

Key priorities and recommended actions

Priorities for improving women's financial resilience

Lack of effective pensions engagement, information, guidance and advice

Many people and women especially are not engaging with, and sufficiently informed about, pensions. There needs to be a focus on improving the pensions guidance for women across the life course to help improve participation and pensions decision-making.

Inclusivity of workplace pensions

Workplace pensions are a vital part of society's pension provision, and yet many women are not participating most effectively; scheme design features and how pensions are communicated has implications for engagement, and contribution levels, and can support improving the gender pension gap.

Lack of accessibility of pensions to lower paid women

Automatic Enrolment earnings eligibility precludes those on low pay (significantly part-time mothers and women with multiple low paid and temporary jobs); this needs addressing as well as the availability of tax relief for contributors to Net Pay schemes.

Impact on pensions of the Motherhood and caring penalty

Motherhood is a key *Moment* that can have a long-term impact on women's pension provision. Maternity, paternity, parent and carer pensions policies should be reviewed to improve pensions equality for parents and carers so that women do not suffer a pension penalty through bearing the burden of family care.

Pensions inequality within relationships

Legal systems and legacy pensions arrangements have not evolved at the same pace as relationship freedoms. Cohabitation followed by separation is leaving many women - and mothers especially, with a pensions shortfall. On top of this Defined Benefit schemes were established based on a male breadwinner model, where men went out to work and women stayed at home, relying on their husbands for retirement. The rise in divorce, in particular among the 50s combined with defined benefit pensions transfers and pensions drawdowns is leaving many women exposed; safeguards need to be in place to protect these women.

Consequences of relationship break ups

There is a significant lack of engagement in pension sharing on divorce and a lack of accessible advice and information to support pension sharing. On top of this, the online divorce process risks a lack of consideration of pensions. This needs to be addressed to ensure fairness and to support women to make the right decisions commensurate with their expectations for their financial future.

Recommendations and interventions for consideration

Taking forward pensions parity measures to improve engagement and tackle the impacts of low pay and gender pay gaps, motherhood and caring, relationship and break ups.

MaPS to drive improvements in women's pension wellbeing (linked to Changing the conversation about money and pensions section)

We recommend:

A specific focus on women's pension gaps and *Pensions life journey*, and on gender differentiated and inclusive pensions engagement, guidance and advice drawing on gender-disaggregated data.

This sits alongside our earlier recommendation (as part of Changing the conversation about money and pensions) for MaPS to take broader responsibility for driving the inclusive financial engagement and financial wellbeing of women.

Refer to page 136 for details.

Improve workplace pensions transparency - gender pension gap disclosure and pensions wellbeing to help improve financial engagement and awareness

We recommend:

Enhanced disclosure and transparency of workplace pensions.

The analysis should also inform and help to improve pensions wellbeing in the workplace, encourage fairer and more equal pensions scheme design (such as addressing gender pension gaps resulting from higher contribution tiers based on seniority and earnings).

For many employers, and large employers in particular, employer pension contributions are a key element of reward and many employers offer both Automatic Enrolment and enhanced pensions through salary sacrifice.

Refer to page 138 for details.

Access to Automatic Enrolment - address earnings eligibility threshold, tax relief on Net Pay schemes

We recommend:

That Government should consider changing the earnings eligibility limits for Automatic Enrolment to bring more women into pension saving and address the lack of access to tax relief for low earners contributing to Net Pay pension arrangements. Ideally this should involve a coordinated approach with regulator, pension providers and master trusts, employers, professional advisers, professional and trade bodies.

Ensure basic tax relief is available to all Automatic Enrolment members - adopt the solution of the Net Pay Action Group using HMRC real time information.

Refer to page 140 for details.

Create a 'national conversation' to address caring, including consideration of a carers' pension top-up - a holistic approach and gender as part of the dialogue

We recommend:

The 'national conversation' should also include raising awareness of the ability of carers to claim Carer's Allowance NI credits (Carer's Credit).

Pensions for carers should be considered as part of a wider review of policy relating to care, reflecting women's role as unpaid and low-paid carers impacting their lifelong financial resilience and ability to support their own care.

Refer to page 144 for details.

Improving pensions outcomes in relationships - cohabitee rights, spousal consent for transfers

We recommend:

The financial rights of cohabitees should be reviewed.

Spousal consent for Defined Benefit transfers - mechanisms should be introduced to protect dependent spouses in relation to partners' pension transfers.

Refer to page 148 for details.

Fair pensions for those whose relationships break up - pension sharing on divorce, review Pension Advice Allowance, use of Pensions Dashboard by judges and for online divorces, standardise valuations, professional standards training, and guidance for advisers

We recommend:

Make pension sharing the default position in divorce. Review the amount of the Pensions Advice Allowance and permit its use in full for divorce.

Pensions Dashboard to be leveraged for divorce process including by judges in decision-making, to reconcile and ensure completeness and accuracy of pensions information, and linked to online divorce applications.

A standardised, meaningful and timely process and approach to pensions valuations to inform decisions.

Encouraging a change in pension scheme rules to allow an ex-spouse to remain in the pension scheme with their share.

Professional standards amongst advisers involved in divorce and separation should be improved.

Refer to page 150 for details.

Summary of women's resilience risks, our response and progress

Our detailed programme findings by workstream: **Six steps to Pension Parity**

Our response

Pensions engagement

We are liaising closely with MaPS in relation to gender inclusive financial guidance for pensions, and a national Financial Engagement Index including pensions.

Policy proposals – addressing low pay, parenthood, employer gender pension gap disclosure

We are liaising with the ABI and PFS to take forward our pension policy proposals in dialogue with relevant government departments including the DWP, GEO, and Her Majesty's Court Service.

We are liaising with the CIPD, Working Families and Women Returners to improve pensions wellbeing in the workplace.

Encourage employers to analyse and act on their gender pensions gaps

Insuring Women's Futures' is actively encouraging employers to analyse their gender pension gap. This is also incorporated in our Financially Inclusive Flexible Working Good Practice Guide.

Encourage gender inclusive pensions approaches by pension providers and trusts

We are encouraging pension providers and trusts to review gender inclusivity of investment strategies, information and guidance tailored to financial life journeys.

We are encouraging providers to support inclusive pensions wellbeing in the workplace, highlighting financial life journey implications and drawing out specific gender nuances.

Raise awareness with TPR, master trusts and pension trustees

We are liaising with TPR, master trusts and trustees to raise awareness of the gender pension gap.

How the recommendation supports women and men

Women are not the only intersection of our society lacking financial awareness and engagement, the data highlights that men do too. Engaging women in conversations about pensions will reach their wider family life, support a healthy pensions dialogue with partners and expose and encourage young girls and boys to be more familiar with matters relating to their long-term financial futures.

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

To take forward gender inclusive pensions guidance and a national Financial Engagement Index including pensions: MaPS.

To encourage pensions engagement as part of workplace financial wellbeing: CIPD, Women Returners, Working Families.

To analyse the workplace gender pensions gap: Employers.

To coordinate with employers about inclusive pensions wellbeing in the workplace, highlighting pensions life journey implications and drawing out specific gender nuances: Pension providers and trusts.

To adopt supervisory practices that contemplate the gender pensions gap: FCA, TPR.

To update guidance for financial advisers to reflect these proposals: PFS.

To take forward consideration of gender pension gap disclosure as part of *Gender pay gap* reporting: GEO.

To highlight the key pensions *Perils and Pitfalls* for women on their pensions life journey including information online and in materials for customers: Insurance firms.

To consider how to incorporate gender aspects into its approach to financial guidance: Citizens Advice, MaPS.

To take forward our pension policy proposals in dialogue with relevant government departments including the DWP, GEO, and MOJ: ABI, DWP, GEO, MOJ, PFS.

To take forward the conversation about women's roles as carers and pensions for carers: DWP, GEO.

Insuring Women's Futures' pensions engagement tools

Pensions life journey for women

Women's Pension Life Journey animation

Helen and Sarah pensions vimeo

6 Moments that Matter – how to secure your financial future (female *Financial Wellbeing Guide*)

Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Six steps to Pensions Parity

Equality pensions measures to tackle the impacts of low pay and gender pay gaps, motherhood and caring, relationship and break ups

Women's occupational pension income rose from £58 to £81 per week over the decade, compared with £83 to £125 per week for men.

Women aged 25 will accumulate a 20% lower workplace pension in 40 years time than a man aged 25 before part-time and breaks (33% if taking a 5 year career break).³⁷

Women's pension deficit

Women today lack financial resilience through the life course and this affects their pensions too. *Women's pension deficit* is a result of British social attitude and cultural norms regarding women's status in our society, compounded by the layering of historic legal and policy systems, collectively and systematically adversely impacting women.

Women today remain significantly exposed to the *Motherhood and caring penalty* with women continuing to perform primary caring roles and in the absence of financial recognition for their contribution to society. The *Gender pay gap* and the *Flexible working sacrifice* impact women's earnings, and a lack of progression to higher paid roles is further compounded by career breaks and part-time work following children. Together with the *Cohabitation pitfall*, the *Divorce and separation setback* and the influences over women's relationship with money vesting in the *Female financial capability* imperative, these contribute to a cumulative lack of resilience across the life course leading to *Women's pension deficit* and a significant financial shortfall in retirement. When taken together with shifts in family structure, wellbeing, home ownership and social care systems, women are highly exposed.

Pensions progress and some risks too

Automatic Enrolment pensions systems, including the recent increase in contribution rates, are a positive step and will support many (especially younger women) to make provision for their retirement. However today, auto-enrolment eligibility earning thresholds mean that 75% of those ineligible are women - particularly those who work part-time. Without a solution to this, and unless we address the structural issues contributing to *Women's pensions deficit*, a significant gender pensions gap and women's economic pension deficit is expected for generations to come.

The Pension Freedoms also introduce flexibility for those planning retirement and accommodates a breadth of retirement lifestyle choices. However, until society shifts towards individuals having pensions independence, for those who are pensions dependent (significantly women) the rise of the 'silver splitters' (divorces amongst the over 50s) and a lack of pensions engagement within relationships risks leaving dependent partners (i.e. women) exposed. Depending on how they are arranged, dependent Defined Benefit transfers and pensions drawdowns can have profound consequences for women in the absence of effective retirement and later life planning including old age care.

As many as 41% of women entering drawdown, and 29% of men, say drawdown is their first investment experience;⁸⁶ this combined with low levels of pensions literacy means many are vulnerable. With women living longer than men (53% of men in their 80s and 14% of women live with a partner) and requiring greater care (the average care costs for women aged 65-74 are 1.9x those for men of the same age) women face a *Longevity trap*.^{36, 37, 86}

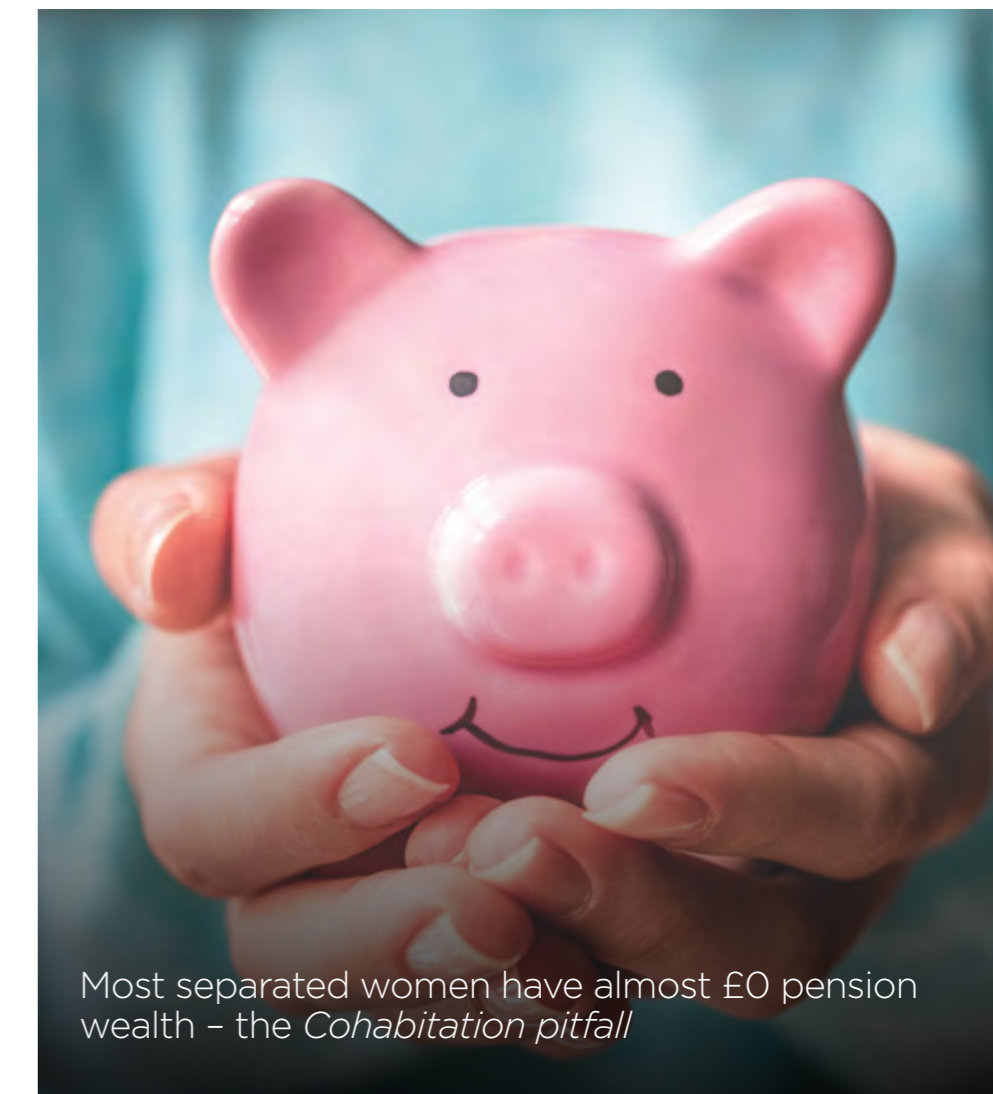
The path to Pensions Parity

More needs to be done to improve pensions equality: to allow all women access to pensions, to support women to attain an adequate pension reflecting their whole contribution to our society and economy, and to allow women to enjoy pensions parity in the workplace, and fair outcomes in relationships and especially when relationships break up. The complexity of pensions systems together with women's wider financial risks in life impacting their *Pensions life journey* means that women need differentiated, engaging support and guidance in their pensions *Moments that Matter*.

Because it joins up guidance about pensions with guidance about money and with debt advice, the newly formed MaPS provides a fresh opportunity to improve the financial engagement, awareness and capability of women and girls in the U.K. Working in parallel with regulators (the FCA and TPR) and leveraging meaningful data could better equip MaPS to inform gender balanced policymaking. These, combined with inclusive approaches by pension providers, the design of workplace pensions arrangements supported by Master Trust relationships, and engagement with people through the customer and employee life cycle, will shift women's pensions outcomes.

Collaborating to secure financial futures

The ageing population is fast approaching one third of our society - by 2050 36% of us will be over State Pension Age, and by 2020 one million more women than men are expected to be in retirement.^{66A} By 2100, old age dependency is expected to approach one in two.^{23A} The economic implications of *Women's pension deficit* are self evident: if women lack pensions resilience we all lack financial security, and part of the solution involves improving equality for men too. A fair and financially resilient later life for all requires holistic and sustainable change: by policymakers, regulators, master trusts, employers, society, the financial services profession, women and men themselves, to support gender inclusivity across the pensions spectrum.

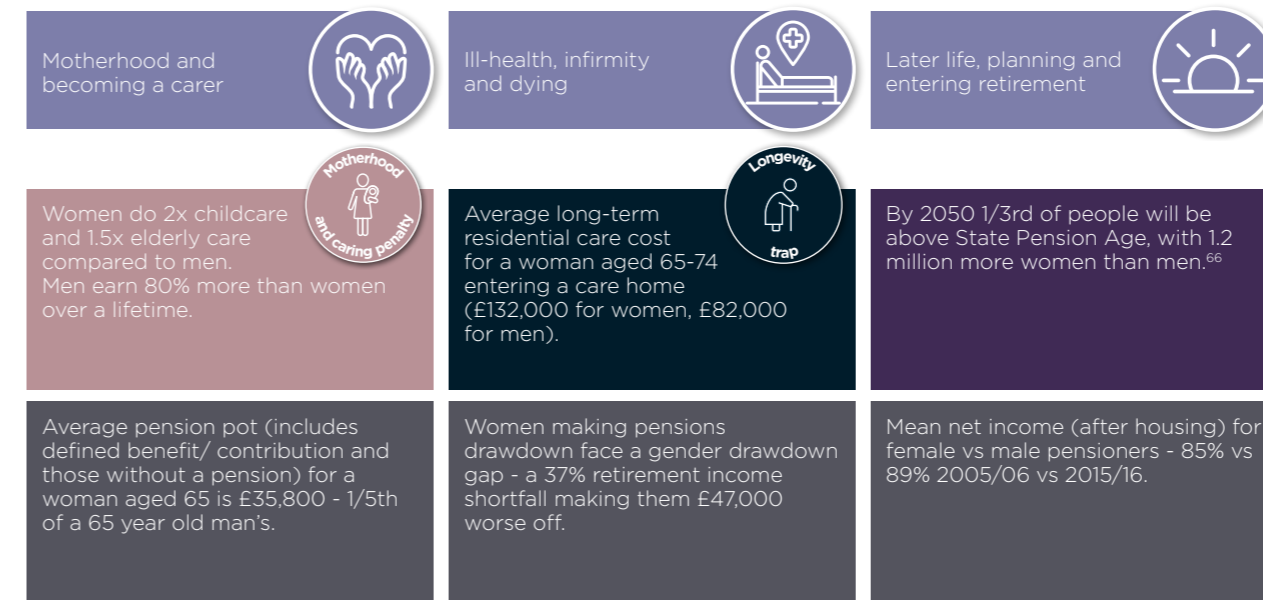
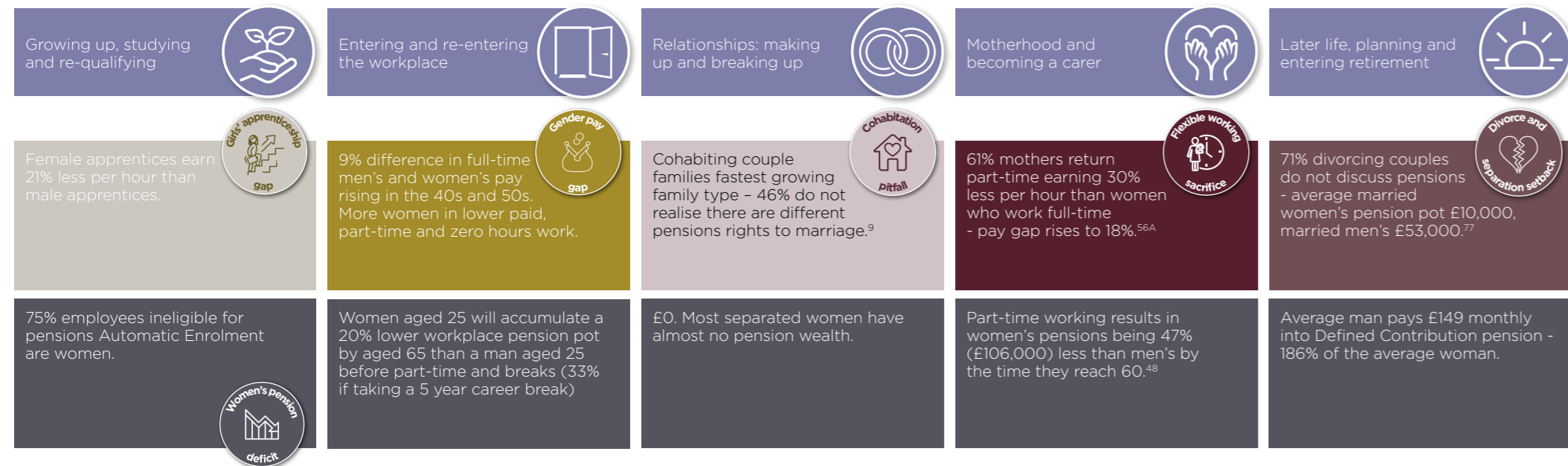


Most separated women have almost £0 pension wealth - the *Cohabitation pitfall*

Moments that Matter in women's pensions life journey

Impact of pensions policies and lack of pensions engagement

At every stage during the life course women lack financial resilience. Lower earnings as a result of females' traditional roles, mean that women are also less financially resilient than men. A gender pensions gap emerges early on and develops into *Women's pension deficit*, the result of an accumulation of *Perils and Pitfalls* through the life course. Key *Moments* in the pensions life journey for women, and where interventions can be made are shown on the diagram.



“Our industry’s very purpose is to help people protect themselves against risk. We cannot truly deliver on this purpose unless we help improve women’s financial security, and we must base policy on genuine insight into the causes of financial insecurity. That’s why we’re calling for the collection of gender-disaggregated data to become the norm so women are no longer invisible in the data.”

Yvonne Braun,
Association of British Insurers

“While much good advice is available, we know that there are issues both with the quality of some advice and the affordability and availability of advice for the mass market”.....We are particularly concerned about the advice for Defined Benefit transfers...” . Women are profoundly affected with their smaller pensions pots, dependencies on partners (in particular with reference to risk to their spousal rights in Defined Benefit), and as noted by FCA 2017 Financial Lives survey their lower knowledge, engagement and trust.”

FCA and TPR Joint Pensions Strategy,
October 2018²⁵

Data sourced from Insuring Women's Futures' research reports, reference 36 and 37, unless stated otherwise.

“According to a 2018 study, 41% of the relevant population have not received either financial advice or guidance about drawdown, 32% of retirees who have chosen drawdown have no investment experience, with 10% relying on Google. 41% of women admitted they were first time investors, 29% of men”

Zurich Insurance,⁸⁶
May 2018

Real progress for women

How our proposals support women in society



An



Later life, planning and entering retirement

An's situation

- An is approaching State Pension Age and contemplating later life.
- An has been exposed to many *Perils and Pitfalls* and is facing later life pensions dependent on her partner.
- Like many women of her generation, An has spent many years caring for her children, elderly parents and looking after the home. She has had various jobs as the children grew up, some temporary, others part-time.
- An is exposed as she has little pension provision in her own right, just the State Pension and small occupational pensions; for the main part however all of her financial provision for later life is in her husband's name. But she is not sure what they have as they haven't planned this together. With her husband seriously ill An is facing widowhood, An's financial future looks uncertain. For example, if her husband has opted for a single rather than a joint life annuity, An's future may not be financially sound.
- An is not confident about pensions and has not spent time discussing pensions savings or financial retirement with her husband including the nature of the annuity he plans to buy or the drawdown he is making.



How our approach helps women like An

- Insuring Women's Futures proposals are designed to ensure that hard-working women like An who make valuable contributions to our society are supported to be more involved in, and better informed about, pensions and later life planning; also to be aware of their pensions *Moments that Matter*, and their pensions rights to be able to participate more actively.
- Making Automatic Enrolment more accessible for those on low pay, mechanisms to equalise pensions for parents and carers, and effecting safeguards for those who have jointly invested through marriage or cohabitation, as well as helping people track their pensions through the Pensions Dashboard, will ensure in the future that younger women and men have equal opportunities for pensions enjoyment. This will benefit the whole of society and our economy.

Feelings about pensions

Our survey considering women's pensions engagement⁷¹ highlighted a number of significant differences between men and women, in particular when it comes to paying into pensions.

Amongst 16 to 24 year olds the perception changes to a personal pension being the safest way to save for retirement.⁵³

40% (highest score) of non-retired people think the safest method of saving for retirement is paying into an employer pension, 13% a personal pension.⁵³

24% women say only take out a pension when you can afford it, 36% men.⁷¹

19% women and 34% men have high or very high trust pension providers in general.⁷¹

31% women and 46% of men have high or very high trust in their own pension provider.⁷¹

Defined Benefit transfers advised upon since the Pension Freedoms - over £82.8 billion.²⁵
Over 1.5 million Defined Contribution drawdowns.²⁷



A generation of women who are dependent on husbands for pensions could experience poor outcomes as a result of Pension Freedoms if they are not engaged in discussions and holistic advice is not taken. With divorce rates rising amongst the 'silver splitters', the risk to women rises further. It is imperative to collect gender-disaggregated data to inform pensions wellbeing, regulatory supervision and policy development.

Guidance bodies, pensions trusts, providers and advisers should adopt gender inclusive approaches

Step 1: MaPS to drive improvements in women’s pension wellbeing (linked to Changing the conversation about money and pensions)

We recommend MaPS should have improvement of women’s pensions engagement and capability as a key strategic priority, working with pensions providers, pensions trusts and employers considering pensions wellbeing, using gender differentiated approaches underpinned by disaggregated data and engagement metrics.

“Working on this project has really brought to bear the challenges of a pensions system that is not designed for the 21st century allowing flexibility for raising families, changing careers, working flexibly. The most shocking part has been the discovery of just how low levels of financial capability and knowledge are and women are often making decisions with no appreciation of the long-term consequences of their financial wellbeing. Working on the Market Task Force with other industry specialists has really inspired me to implement changes at Scottish Widows about the support that we provide our employers and their employees where we have created material and support a dedicated website for women and the impacts of those Moments that Matter.”

Jackie Leiper,
Scottish Widows

What is the issue?

Insuring Women’s Futures’ analysis highlights that women are not engaging effectively with pensions, impacting their pensions participation and decision-making and further hindering them from achieving an adequate pension.

Women’s and men’s *Pensions life journeys* are different, significantly the result of structural issues such as pay gaps, part-time work, motherhood and caring, relationships and roles at home. This means that the *Matters* women need to consider when it comes to pensions are not the same as those men need to think about and their defining *Moments* are different. Engaging women in pensions requires a nuanced approach, one that is relevant to women’s financial lives and reflecting that women face pensions *Perils and Pitfalls* at different times. For example, having a baby in one’s 20s or later when into the 40s requires very different pensions strategies – and the guidance women receive needs to build in relevant approaches according to the sequencing of *Moments that Matter*.

What could be done?

As a statutory body responsible for the national financial guidance strategy and delivering frontline services, MaPS is uniquely placed to improve women’s pensions outcomes through a holistic strategy incorporating pensions engagement and capability to support closure of the gender pensions gap and Women’s pension deficit, and informing inclusive policy outcomes.

Pensions engagement – The scope of MaPS’ remit means that it touches the *Moments that Matter* in women’s lives, and by targeting interventions through the delivery of pensions guidance and advice, aligned to key *Moments* in women’s *Pensions life journey*, MaPS could help women to mitigate the pensions *Perils and Pitfalls* they currently face and to achieve an adequate pension.

Pensions wellbeing – The most significant *Moments that Matter* impacting women’s pensions outcomes relate to Motherhood and caring, decisions to work part-time (the *Flexible working sacrifice*) and relationship breakdowns (the *Cohabitation pitfall* and *Divorce and separation setback*). Pensions wellbeing interventions should be targeted at these areas in particular, and at older women

nearing retirement who are more likely to be pensions dependent. Examples include: making mothers aware of registering for Child Benefit to support their state pension; informing couples of tax efficient non earner pensions allowance of £2,880 (net); improved awareness of the impact of part-time work on pension saving; raising awareness of pension sharing; and better informing retirement planning in light of Pension Freedoms.

Data collection – To help inform and refine approaches, MaPS should use gender-disaggregated data insights, and its pensions data collections and analysis of the use of MaPS’ services and channels should be split by gender. This should include in particular collection of data relating to the Pension Freedoms and retirement pathways and choices.

Outcomes measurement – We recommend MaPS should measure the effectiveness of its pensions engagement strategies as part of a Financial Engagement Index (see section on Changing the conversation about money and pensions).

Policy insights – We recommend MaPS’ pensions data should be used to inform policymaking and provide insight to regulators’ (FCA and TPR) approaches.

Regulators and supervision – Regulators should consider gender aspects when reviewing customer and member outcomes as part of supervisory approaches. Given the lack of pensions resilience many women face this should be a priority as part of vulnerable customers’ approaches.

Who does it benefit?

This solution is aimed at understanding gender differences. It will in particular support women who have different financial life journeys to men. It will also inform approaches to wider society and in particular young people whose working lives are likely to be less conventional – the 100 year life means that in a number of respects young men’s life journeys will have some resemblance to women’s today. This is because future generations will no longer live a three stage life, they are far more likely to take career breaks and change direction as working lifetimes become longer.



Pensions Moments that Matter

Growing up, studying and re-qualifying



Entering and re-entering the workplace



Relationships: making up and breaking up



Motherhood and becoming a carer



Later life, planning and entering retirement



Ill-health, infirmity and dying



Workplace pensions transparency and gender pensions gap disclosure

Step 2: Improve workplace pensions transparency, gender pension gap disclosure and pension wellbeing

We recommend employers improve pensions transparency and workplace pensions wellbeing, and that the Government should consider including a requirement for the employer pension contributions gender gap to be disclosed within *Gender pay gap* reporting.

What is the issue?

Workplace pensions account for over 10 million Defined Contributions schemes^{68A} and 40% of people think a workplace pension is the safest place to save for retirement.⁵³ The approaches taken by employers to pensions arrangements and employee pensions wellbeing activity can positively impact pensions preparedness. If not considered through a gender lens however, strategies can also cause a widening of the gender pension gap.

Under basic Automatic Enrolment, eligible employees pay contributions of 5% of salary and receive flat rate employer contributions of 3% of salary. This means that the difference in contributions between the genders will be a factor of the *Gender pay gap* and, assuming there is equal participation of both men and women, the gender pension contribution gap (expressed as the percentage difference in male and female employer contributions as a percentage of male contributions) will be the same percentage as the *Gender pay gap*.

Many employers also offer enhanced pensions arrangements that exceed the auto-enrolment contribution levels, giving staff the choice of a basic auto-enrolment scheme and a salary sacrifice scheme. Many 'salary sacrifice' schemes also have a range of contribution tiers, with varying percentage contribution tiers (as a % of salary) according to what contribution levels employees choose

to contribute; sometimes the available contribution tiers are linked to salary or grade bands - in general, the higher the salary or grade, the higher the contribution level. A lack of pensions engagement can lead to employees not participating at higher contribution tiers to which they may be entitled; tiers aligned to seniority and pay levels can also contribute to a significant widening of the gender pension contribution gap as more higher paid male workers will generally benefit from these increased contributions.

We know from the *Gender pay gap* that women earn less and this can also mean they participate less, the eligibility thresholds for Automatic Enrolment already impact rights to automatic participation. On top of this, working women's pay is commonly viewed by people on a 'net of childcare' basis, and women often pay for childcare out of their salaries, contributing to women being less participative at higher contribution levels.

What could be done?

To support improved pensions wellbeing in the workplace and closing the gender pensions gap, Insuring Women's Futures proposes greater transparency in workplace pensions and a better understanding of gender pensions gaps to enable targeted pensions wellbeing interventions. In addition, we propose that GEO includes employer pension contributions as an additional disclosure within the existing part of the *Gender pay gap* suite of reporting and disclosures. Pensions make up an

important part of reward, and often the amounts can have a material impact of overall 'earnings' on top of pay and bonus which are both already disclosed.

Who does it benefit?

Improving workplace pensions transparency will benefit employees and employers: employees will be better informed about pensions and employer transparency will also support HR strategies such as talent attraction, retention and diversity and inclusion. Analysis of pensions contributions and accumulated pension savings will inform pensions wellbeing activity and support employers to consider the effectiveness, and future development, of pension scheme design and employee pension strategy. The analysis will highlight to employers gaps in participation, as well as inform where contribution tiering (for those employers operating multiple tiers) may have unintended inequalities and outcomes. The insights would allow for targeted information and guidance to better engage staff on pensions as well as appropriate interventions to the structure and design of pensions arrangements aligned to developments in the profile of the workforce. In turn, improvements to pensions wellbeing and arrangements would also serve to inform and attract future talent as part of pensions transparency and the employee value proposition. Overall the insights and pensions wellbeing activity would benefit both men and women.

The table below summarises the gender pension gap in specific circumstances together with an illustration of how gender pension gap reporting could be determined.

Consider a 25 year old man with a salary of £25,070 working for a company with a *Gender pay gap* of 20%. He will receive over £1,300 (per annum) higher employer pension contribution than a 25 year old woman (salary £23,000) where the pension scheme has tiered contribution levels and employer contributions are 5% and 8% for earners below and above £25,000.

Assumed average age 25	Women	Men (same % contributions)	Men (higher % contributions)*	Men (higher % contributions)*
Assumes all contributions on full salary (not just above LEL)	<i>Gender pay gap</i> national average at 9%			<i>Gender pay gap</i> 20%
	* This illustration is for a grade based scheme, role levels with prescribed pay. Above "Assistant" grade with a £25,000 salary contribution rate rises to 8% employer.			
Annual salary	£23,000	£25,000	£25,070	£27,600
Employee contribution rate	5%	5%	5%	5%
Employer contribution rate	3%	3%	8%	8%
Employee monthly contribution	£96 (includes tax relief £19)	£104 (includes tax relief £21)	£104 (includes tax relief £21)	£115.00 (includes tax relief £23)
Employer monthly contribution	£58	£63 (i.e. 9% more than the average for women)	£167	£184
Total contribution	£154	£167	£271	£299

● Difference of £109.63 per month or £1,315.56 per annum, rising to £126.50 or £1,518.00 when the pay gap increases to 20%

Dashboard highlighting the gender pensions

Calculation	Basis
Base <i>Gender pay gap</i> %	(Average M pay - Average F pay) / Average M pay
Total pension gap	(Average M contribution - Average F contribution) / Average M contribution
Employer contribution gap	(Average M er contribution - Average F er contribution) / Average M er contribution
Employee contribution gap	(Average M ee contribution - Average F ee contribution) / Average M ee contribution
Total contribution gap % salary	(Average M contribution/average M pay) - (Average F contribution/average F pay)
Total employer contribution gap % salary	(Average M er contribution/average M pay) - (Average F er contribution/average F pay)
Total employee contribution gap % salary	(Average M ee contribution/average M pay) - (Average F ee contribution/average F pay)
% Variance between gender pension gap and <i>Gender pay gap</i>	(Total employer contribution gap as % of salary) - Base gender pay gap %
	Total contribution gap as % of salary/Base gender pay gap %

This methodology focuses on contribution gaps due to data availability. However, a more accurate approach would look at final "pots", which would take into account differing investment decisions and the long-term impact of career breaks and flexible working arrangements.

This illustrates whether the gender pensions gap is tracking the *Gender pay gap* or whether there is a variance - a negative % here shows that there are other factors in addition to the pay gap that are impacting the gender pensions gap. These factors could include the design of the scheme(s) themselves, or a gender variance in contribution rates.

This statistic tells us whether men and women are paying into pensions at the same % rate irrespective of pay levels - it helps measure engagement and participation in pension schemes. It can also tell us if the design and communication of pensions is inclusive.

This statistic provides the best overview of the pension gap. It tells us whether the amount that is being contributed to pensions each year is the same between men and women. This statistic will be significantly influenced by the *Gender pay gap*, as well as contribution rates.

Selina

Entering and re-entering the workplace

Selina's situation

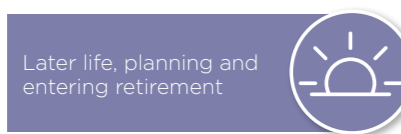
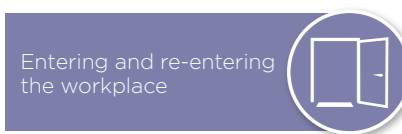
- Selina is just starting out at work and is unsure about her company's pension arrangements. She has been given some paperwork but doesn't really understand the technical details.
- With all her current commitments, Selina thinks it's probably better to opt out of both schemes (Automatic Enrolment and salary sacrifice).
- Selina is cohabiting. If she doesn't save for her own retirement then any financial contribution she may have made, or support she might have expected to depend on her boyfriend for, will be lost if they separate (as cohabittees have no financial rights in the UK).

Gender pay gap
Cohabitation
Womens pension deficit
Female financial capability imperative

How our approach helps women like Selina

Improved pensions transparency, informed pensions wellbeing and scheme design will support young women like Selina to save for an adequate pension.

Pensions Moments that Matter



^{68A}Salary sacrifice' is an arrangement employers may make available to employees - the employee agrees to reduce their earnings by an amount equal to the employee's pension contributions. ... Using salary sacrifice means that the employee and employer pay less National Insurance contributions. Source: The People's Pension.

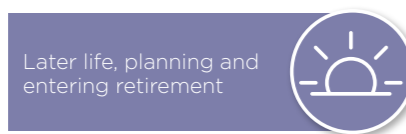
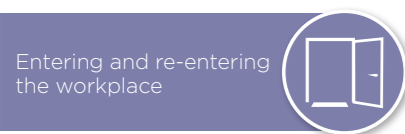
Automatic Enrolment earnings trigger to be reduced to National Insurance primary threshold

Step 3a: Improve access to Automatic Enrolment - address earning eligibility threshold

We recommend the Government should consider legislating to reduce the earnings trigger for Automatic Enrolment (currently £10,000). This could be set to the National Insurance Contribution (NICs) level of £166 a week.

Nearly one third more women than men work on zero hours contracts (3.1% women in employment, 2.4% men).⁵⁴

Pensions Moments that Matter



What is the issue?

Automatic Enrolment has been a gamechanger for pensions, particularly for women. Recent DWP figures show that participation rates for eligible women in workplace pensions has vastly improved, particularly in the private sector, with 85% of eligible women contributing in 2018, up from only 45% 10 years ago.²¹ However, this only applies automatically to eligible savers. Eligibility is given to savers who are over 22 years of age and under State Pension Age; earning £10,000 per year in at least one job and who ordinarily work in the UK. For those who are eligible then unless the employer chooses to pay contributions on the full salary, contributions are made on earnings above the Lower Earnings Limit (LEL), which for 2019/20 is £6,136 per annum.

The Government has committed to lowering the eligible age limit and removing the LEL. However, there is no such commitment to lowering the earnings threshold. This threshold disproportionately affects women: in 2016 only 63% of female workers met the eligibility criteria for AE²⁰. Of these, 22% were not eligible because they did not meet the earnings criteria; however, over half earned more than £6,136 (the 2019/20 LEL) and therefore had the right to opt-in to a workplace pension and receive contributions from their employer.

What could be done?

In its Automatic Enrolment review, the Government did decide to freeze the earnings trigger; this meant that, in 2018, 40,000 more people became eligible for Automatic Enrolment, 75% of them women¹⁹. Actions could go further, DWP's analysis opposite²¹ shows that reducing the earnings trigger to the National Insurance primary level would bring 480,000 more people into Automatic Enrolment.¹⁹

This would particularly benefit women for two reasons: women tend to be lower paid and many who are lower paid work multiple jobs. There are currently 1.4 million mothers earning less than £10,000⁶⁷, and recent research by NEST/Vanguard found that three times as many women as men earn less than £10,000. There are also c300,000 multiple jobholders who are below the earnings trigger in all jobs – but their total salary may exceed the earnings trigger. These tend to be women: 64% of multiple jobholders are female.

There have been concerns that this would increase costs to businesses, however the Confederation of British Industry found that 74% of employers think that the government should seek to remove or reduce the £10,000 earnings trigger so more people with multiple jobs are enrolled.¹⁵

Who does it benefit?

This proposal would benefit both women and men on low pay.

Extract from DWP Review of auto-enrolment Earnings Trigger and Qualifying Earnings Band for 2019-2020

Table 4 - Estimates of the direct impact of changing the earnings trigger on contributions from employers, individuals and tax relief (in 2019/20)

Earnings Trigger	Rationale	Eligible Target Group	Employer Contributions	Individual Contributions	Income Tax Relief	Total Pension Saving	Employer Tax Relief
£10,204 (Baseline)	Current trigger (2018/19) uprated by earnings inflation	11,080,000	£6,950m	£8,800m	£2,660m	£18,410m	£717m
£6,136	NI lower earnings limit (19/20)	+ 1,370,000	+£183m	+£233m	+£70m	+£486m	+£19m
£8,632	NI primary threshold (19/20)	+ 480,000	+£81m	+£103m	+£31m	+£215m	+£8m
£10,000	Freeze 2018/19 trigger	+ 40,000	+£8m	+£11m	+£3m	+£22m	+£1m
£10,204	Uprate by earnings inflation (baseline)	0	0	0	0	0	0
£10,264	Uprate by estimated price inflation (CPI)	- 20,000	-£4m	-£5m	-£1m	-£10m	-£0.5m
£12,500	Income tax personal allowance (19/20)	- 800,000	-£135m	-£172m	-£52m	-£360m	-£14m

Source: DWP Modelling

Notes:

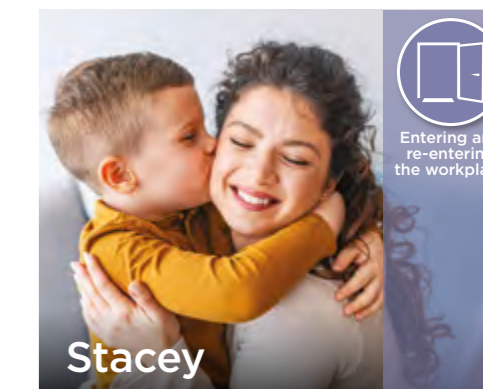
1. Scenarios after the baseline present the change in costs when compared to the baseline.
2. Figures over £1,000m are rounded to the nearest £10 million and figures below are rounded to the nearest £1 million to reflect uncertainties associated with the modelling used. They therefore may not sum exactly.
3. The LEL and UEL are held constant at their 2018/19 levels uprated in line with earnings growth, to isolate the impact of changes to the trigger.
4. The CPI measure of inflation was 2.64 per cent in October 2018. The annual £10,000 trigger is uprated by this figure and rounded to the nearest £.
5. The CBR's forecast for earnings growth between 2017Q4 and 2018Q4 of 2.04 per cent was used.
6. Total pension saving is the sum of employer contributions, individual contributions, and income tax relief.
7. Employer tax relief represents the tax no longer paid by employers who respond to the additional pension contribution costs of the workplace pension reforms by reducing profits or wages paid to their employees.
8. Volumes of savers in the eligible target group are rounded to the nearest 10,000.

How our approach helps women like Stacey

If the auto-enrolment earnings eligibility criteria is changed and the LEL removed as is suggested by DWP and supported by Insuring Women's Futures, then Stacey and women like her would be entitled to be automatically enrolled for the higher paying role for the full amount of earnings (not just that above LEL). She would still need to opt in for the lower paid role.

The impact (assuming LEL removed) is Stacey's monthly contributions (for the £9,700 job) would amount to employee contributions of £40.42 (including tax relief of £8.08) and employer contributions of £24.25, a total contribution of £64.67. Removing the LEL threshold for contributions would mean that if Stacey opted in for the second job she would qualify for contributions of £25.42 employee (tax relief £5.08) and £15.25 employer, a total of £40.67 per month.

If the LEL is not removed then Stacey would receive a total of £23.76 per month for the higher paid role (employee £14.85; employer £8.91) and nothing for the lower paid role.



Stacey's situation

- Stacey's current earnings from her main work are approximately £15,800 per annum, £5,800 more than the auto-enrolment earnings eligibility limit.
- However, as a result of Stacey's pay being earned across two jobs (£9,700 and £6,100), Stacey would not be eligible to be automatically enrolled for either job. The is because she earns below the auto-enrolment eligibility limit (£10,000). She would have the option to opt-in for the higher role as she earns above the £6,136 LEL. She would not be eligible to opt-in for the lower paid role as she earns below the LEL.



Rectify the net pay vs relief-at-source anomaly

Step 3b: Improve access to Automatic Enrolment - tax relief on net pay schemes

We recommend the Government adopts the solution proposed by the Net Pay Action Group using HMRC's real time information.

Of the 4.7m low-paid employees in 2018 60% were women.⁷³

Over 50% part-time workers earn less than the £10,000 Automatic Enrolment trigger, 81% of part-timers are women.³⁶

What is the issue?

Under relief at source arrangements, non-taxpayers are nonetheless given basic rate tax relief (20%) on pension contributions up to £2,880 a year, bringing the value of their contributions up to £3,600. However, this same tax relief is not available to non-taxpayers in Master Trust pension schemes that operate net pay arrangements. This means that those individuals earning less than the income tax personal allowance threshold and contributing to a net pay auto-enrolment scheme are not receiving the benefit of tax relief on their contributions.

The latest estimates from a Freedom of Information request is that the number earning between the auto-enrolment earnings trigger (c£10,000) and the personal allowance for 2016/17 (£11,000) was 1.33 million people⁷⁵.

The personal allowance has since increased to £12,500 (2019/20). Extrapolating the above figure, could mean 1.75m people²⁹ are now be affected, 75% of whom are women⁶⁵. Over the course of a 45-year working life, individuals could be missing out on £4,000 purely for being in a Net Pay Scheme, rather than a relief-at-source scheme⁴¹.

What could be done?

This issue is already being championed by a number of influential stakeholders. There is a Net Pay Working Group who are looking exclusively at this issue, and the Low Income Reform Group has proposed a workable solution that this project supports.⁴¹ The recommendation is also consistent with the Office of Tax Simplification recommendation in their report Taxation an Life Events: Simplifying tax for individuals⁶⁴.

Who does it benefit?

This arrangement would benefit both women and men on low pay who are members of a net pay auto-enrolment scheme.



Employee, age 25	Calculations to illustrate impact of Net Pay schemes on auto-enrolment contributions	
	Calculated using Money Advice Service workplace pension contribution calculator	Based on contributions on full earnings
Annual salary	£11,500	£11,500
Employee contribution rate	5%	5%
Employer contribution rate	3%	3%
Cost to the employee	£22.35 (excluding tax relief), £17.88 (including tax relief)	£47.92 (excluding tax relief £9.58), £38.34 (including tax relief)
Employer monthly contribution	£13.41	£28.75
Total contribution	£35.76	£76.67
Cost to employee of Net Pay scheme	£4.47	£9.58

Pensions Moments that Matter

Entering and re-entering the workplace

Later life, planning and entering retirement

Separate and equalise Shared Parental Leave and Pay

Step 4a: Equalise Shared Parental Leave and Pay rights to allow equal opportunities for mothers and fathers

We recommend consideration should be given to introducing an equitable parental leave policy. Supporting partners should be entitled to the equivalent statutory parental pay to the women who carry the children (higher of 90% of earnings or £148.68 per week for the first six weeks).

This recommendation is included within the section Making flexible working fit for financial futures - see page 174.

What is the issue?

Shared Parental Leave (SPL) was a welcome policy but has had disappointing take up: in 2017/18 it was estimated that only 1% of eligible couples took SPL.⁶¹ This is partly due to slow societal change³³, but anecdotally due to its unaffordability for working families.

Insuring Women's Futures' research and wider evidence suggests that the pay and seniority gap between men and women in the workplace becomes pronounced when women become mothers. The ABI's research on Tackling the seniority gap³ found that the motherhood penalty was the key cause of the lack of female progression in the workplace. This is because of the tendency for women to return to work either part-time, or returning to a less skilled role. Consequently, this leads to the gender financial gap at retirement.

NOW: Pensions and Pensions Policy Institute (PPI) research identified that many part-time women are working reduced hours to enable them to care for children, as many as 55% in the 18-34 age group and 46% of 35-54 year olds. According to NOW: Pensions and PPI, the impact is a reduction of pension savings by as much as £106,000 by the time women reach their 60s⁴⁸; however, 3 in 10 women don't realise that working part-time will impact their pension. Insuring Women's Futures research highlighted 28% of women do not consider pensions when returning to work part-time.⁷¹

If more parents were participating in Shared Parental Leave, this would have wider implications in society toward greater sharing of caring responsibilities among men and women,

and support many men to realise a greater role in family life, sharing part-time and flexible work. This in turn would reduce the part-time Gender pension gap. The aspiration for more men to take leave is highlighted in the 2019 British Social Attitudes study 36, where 34% of people thought that parental leave should be split evenly between the parents - the number of people thinking this has increased significantly since 2012.⁹ However 51% still think the best option for a family is for mothers to do most of the childcare; an increase in shared caring as part of Shared Parental Leave is more likely to shift this view.

Statutory parental pay: This comes down to the options available to parents when they expect their children. Women are entitled to 6 weeks' pay at the higher of 90% of their average weekly salary or £148.68, whereas paternity leave based on the same value is for two weeks. Under Shared Parental Leave, this is only £148.68 per week for the length of time taken; this is also deducted from the mother's entitlement. This is often unaffordable for young families, and has therefore seen little take up.

Statutory Paternity Leave for men is the higher of 90% of average weekly earnings, or £148.68 per week for two weeks.

One father, in a Financial Times interview, said that parental leave is viewed as a right for women, whereas for men, it is seen as a choice²⁸. This environment incentivises the traditional image of women being the caregivers, and does not afford men the same opportunity. Ultimately, the split of care is a family decision, but the current infrastructure helps

to entrench the idea of women staying at home to look after children. There is also a clear equality issue: while the UK has some of the most generous maternity leave policies in the OECD, our paternity leave policies are six weeks shorter than the OECD average.⁵⁰

The Government is consulting on parental leave policies and is asking whether there should be radical change - this is clearly a positive step⁷. There are a number of international practices which offer substantially better parental leave policies for men, including 'use it or lose it' policies.²

What could be done?

Increasing male entitlements to parental leave would significantly improve families' standards of living, both financially and emotionally. Quebec, which has a non-transferable paternity leave policy at 70-75% of pay, offered by the Government, found that fathers who were more involved in the early stages of childcare reported an increased connection with their child, and an improved relationship with their partner. This has hugely benefited female partners; as a result of this policy more mothers were spending time in paid work one to three years after having their children¹⁶.

Equalising parental leave pay will also filter down to recruitment processes. By equalising the cost between the sexes of going on parental leave, unconscious bias of employers could be mitigated.

The amount of available leave is important, but pay and complexity is the greatest deterrent to male parents taking leave. Separating entitled leave between men and women is also likely to work better: evidence suggests that providing father-specific leave increases men's uptake of parental leave. As a result of a 'use it or lose it' parental leave policy, men in Sweden now take 25% of total parental leave pay available for a couple - in 1974, men took just 0.5%.²

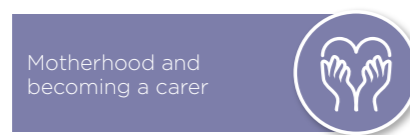
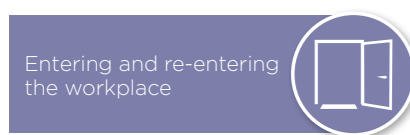
Currently employers are able to re-claim at least 92% of family-related statutory pay through the tax and National Insurance contributions system. For SMEs, 103% of the cost of statutory pay can be re-claimed from government.³³

Until the opportunity cost of sharing parental leave is the same for the supporting partner and the women carrying the child, there will remain an unequitable institutionalised issue for women.

Who does it benefit?

This solution benefits both men and women and would improve equality for men while creating more opportunity for men to bond with their children and set a pathway towards a better work-life balance between both parents raising a family.

Pensions Moments that Matter



Carers pensions ‘top-ups’ for those claiming Carer’s Allowance

Step 4b: Create a ‘national conversation’ to address caring, including consideration of a carer’s pension top-up - a holistic approach and gender as part of the dialogue

We recommend the Government should consider bridging the gap in pension savings which exists as a result of women being more likely to take on caring responsibilities, through the introduction of a Carer’s Credit for Automatic Enrolment pension scheme.

89% over-65s do not have a plan to meet care costs. 51% people see the State Pension as the most likely source of funding.⁶⁷

Significant number of carers not claiming their state entitlements including Carer’s Credit (90%).⁴⁴

3x rise in private spending on social care over the next 20 years.³⁶

Caring roles are in an employment category for which 80% workers are women, and 75,000 jobs are paid below the National Minimum Wage and National Living Wage.⁶²

40% rise in informal carers over the next 20 years.³⁶

What is the issue?

Two million people have given up work to care at some point in their lives and carers who are in employment tend to work part-time. As a result, carers’ pension savings suffer. Carers in receipt of the Carer’s Allowance have on average 96% lower total savings in Defined Contribution pots, and 93% lower savings in Defined Benefit than the average saver.⁶⁸ Carer’s saving pots are not only smaller, but are often used to cover the cost of caring: 60% of carers have used all their savings to cover the costs of caring.

This is because economic contribution of carers is insufficiently recognised in the UK. Carers UK estimates that the economic value of the contribution made by carers in the UK is £132bn per year.¹³ This economic burden is more likely to fall on women: 58% of the UK’s carers are women.¹³

Caring responsibilities often have a devastating impact on female carers’ ability to stay in the workplace. Only 62% of female carers are in employment, and over half of those not working say that they would like to do so.^{13A} Even if carers return to the workplace, taking time out to care is likely to damage their long-term

earnings potential. For each year out of employment, the hourly wages of women decrease by approximately 2% for women with A-Levels or above and 4% for women without these credentials.

There are encouraging signs that these issues are gaining traction in Government, including a consultation on dedicated employment rights for carers, including carers’ leave.

There are also existing state benefits and credits available for those with caring responsibilities. Eligible carers can receive the Carer’s Allowance or the Carer’s Credit, which also banks National Insurance credits towards their State Pension. However, a worrying 35% of carers did not realise this opportunity existed, and 14% of surveyed carers had missed out on Carer’s Allowance for over 10 years.⁴⁵ Given the low levels of private savings amongst carers, these amounts are often not enough.

What could be done?

To rectify this, an additional Carer’s Credit towards an auto-enrolment pension scheme would top-up the workplace/private pensions during the time carers take out to care.

Who does it benefit?

This proposal benefits both men and women needing to take time out to care, and is gender-neutral.



Joan’s situation

Joan has spent most of her life caring for children and elderly family members. Consequently she is dependent on her husband for her retirement, and is not sure whether his pension will be sufficient now he is entering long-term care.

- Motherhood and caring penalty
- Women’s pension deficit
- Longevity trap
- Female financial capability imperative

How our approach helps women like Joan

Had Joan received a carer’s pension top-up, she would have a pension of her own to support her in later life.

Pensions Moments that Matter

Entering and re-entering the workplace

Motherhood and becoming a carer

Later life, planning and entering retirement

Addressing the *Cohabitation pitfall* and enforcing 'spousal rights' on Defined Benefit transfers

Step 5: Improve pensions outcomes in relationships - cohabitee rights, spousal consent for transfers

We recommend the Government should review and improve the financial rights of cohabiting couples.

Cohabiting couple families are the fastest growing family type in the UK at 3.3million. The number of joint birth registrations by unmarried people living at the same address has tripled to 32.1%. In 2018, 46% of people thought unmarried couples who live together are in a common law marriage and enjoy the same financial and legal rights as marrieds.⁵⁵

What is the issue?

Marriage and civil partnerships provide many financial benefits, including access to pension rights. However, these rights do not extend to cohabiting couples. This is particularly pertinent given that the number of cohabiting couples has grown by 25.8% in a decade, and is now growing faster than the rate of married couples.⁵⁵ Cohabiting couple families now account for 17.9% of family types, equating to 3.3 million people.⁵⁵ However, current legislation does not reflect this societal shift, and leaves millions of people in the UK without protection under the law. Worryingly, people are largely unaware of this; the latest British Social Attitude study indicates 46% of people wrongly believe that living together in England and Wales gives them the same legal status as a married couple.⁹ This means that despite living as a household, and often approaching financial decisions as a household, cohabiting couples will slip through the net when it comes to legal rights over assets; which includes access

to pensions. Partners can nominate beneficiaries for their pension assets in the event of their death, but this is not the default position.

What could be done?

Following the recent change in the law, opposite sex couples can now enter into a civil partnership. This will offer an alternative to couples who wish to be legally bound but outside of a traditional marriage, and have the opportunity to gain rights, protections and recognition.³⁰ However, this solution nevertheless fails to address cohabiting couples who may not wish to commit to this formal partnership. Various definitions of cohabitation exist between case law and legislation. In principle a number of factors are involved including: joint residence, parent hood, period of joint living, sexual relationship.⁴⁶

The Government could look at granting cohabiting couples automatic rights, as has been the case in Scotland since 2006, when the Scottish Government introduced a set of limited rights for cohabiting couples who separate, or when one partner dies.⁴⁰ In 2007, the Law Commission published recommendations³⁸ for financial rights of cohabiting couples when the relationship breaks down. However, despite the Government stating in 2018 that it would consider these proposals, further action has not been forthcoming.

Who does it benefit?

This proposal benefits both men and women needing to take time out to care, and is gender-neutral.

We recommend Defined Benefit transfers with spousal rights should be compelled to extend 'spousal consent' for any transfers out.

1 in 3 people have no idea who stands to gain their pension if they die, including 28% of people living with a partner. 60% of women (42% of men) don't know they should update their pension records after a relationship ends.³⁶

What is the issue?

Years ago pensions were modelled on the 'traditional male breadwinner', the concept of Defined Benefit schemes. While few schemes remain open to new members today, there is a generation of people whose livelihood in retirement depend on these schemes. This includes many women in their 50s and 60s who face retirement dependent on their partners.

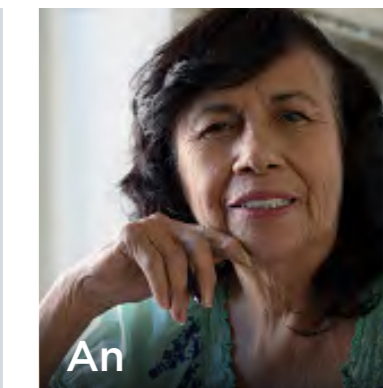
It was inconceivable when first entered into that, years later, transfers out of Defined Benefit pensions would be permitted. Many spouses enjoy spousal rights to pensions should their partner die. With Defined Benefit transfers now commonplace, combined with the Pensions Freedoms, there is a risk women are exposed and their circumstances and preferences considered as part of changes.

What could be done?

'Spousal rights' should be extended for transfers and Defined Benefit pensions schemes should be compelled to seek spousal consent for transfers where spousal rights exist. This would also force spouses to be more actively engaged in advice pertaining to any transfers.

Who does it benefit?

This proposal benefits both men and women. While men have the largest Defined Benefit pots by value more women than men have Defined Benefit schemes (albeit of much smaller value). This is due to their propensity for public sector work.



An's situation

An has not been actively engaged in pensions and therefore was not aware of the potential implications for her of the Pension Freedoms. An is highly pension dependent and losing her spousal rights to her husband's Defined Benefit pension could have significant implications depending on retirement planning and investment decisions.

- Later life, planning and entering retirement
- Flexible working sacrifice
- Motherhood and caring penalty
- Women's pension deficit
- Female financial capability imperative

How our approach benefits women like An

If An had been required to be consulted then she would be more aware of her pension situation, and this would have prompted a discussion with her husband.

Pensions Moments that Matter



Pensions Moments that Matter



Making pensions sharing the default on divorce, improving access to advice and clearer pensions valuations

Step 6: Ensure fair pensions for those whose relationships break up - pension sharing on divorce, Pension Advice Allowance, use of Pensions Dashboard, training and guidance for advisers

We recommend the Government should consider changing the law to make pensions and divorce fairer and measure pensions sharing outcomes. Pensions sharing should be the default legal position, the Pensions Advice Allowance should be reviewed and extended to divorce, the Pensions Dashboard linked to the Government's online divorce portal, and statistics should be maintained to measure the effectiveness of pensions sharing. The Pensions Advisory Group guidance on Pensions and Divorce should be incorporated into professional standards.



What is the issue?

Despite married couples enjoying the right to share pensions on divorce, as many as 71% of divorcing couples are not discussing pensions.⁷⁷ This means women could be missing out on £5bn pensions annually.

The reasons for the lower take up of pensions sharing are a combination of:

- A lack of engagement, awareness and understanding of pensions amongst men, and especially women.
- This also means many divorcing couples do not actually know the pensions they have – 7 in 10 women and 1 in 4 men admit this.
- Immediate, short-term concerns and “trade offs”, for example relating to keeping the “roof over the family’s head” - women especially are concerned about this, with 86% of lone parent households headed by women. As such many women tend to opt to retain the family home (or a larger share of the proceeds), although may not realise the overall financial and longer term consequences.

- Family lawyers, mediators and divorce advisers’ own confidence and understanding when dealing with complex, technical pensions analysis.
- Pensions valuations not providing meaningful information about what pensions are really worth in retirement.
- Many people also worry about the complexity of pensions and also the cost of advice.

With more people opting to cut costs and go down the online “quickie” divorce route, there is a risk pensions will be overlooked or not adequately taken into account.

What could be done?

Pensions sharing as the legal default and mechanism for sharing – The Government should change the law so that pension sharing should be the default upon divorce, in order to force a conversation between divorcing couples and their advisers about pensions. As part of pensions sharing, pensions schemes to allow an ex-spouse to join the spouse’s scheme with their share of any pension (subject to this being the appropriate course of action following advice).

Pensions Dashboards – Insuring Women’s Futures supports the ABI’s work and the Government’s decision to implement the Pensions Dashboard. This will help with a complete record of pensions which will form a sound basis for pensions sharing, the online divorce process should be cross referenced to this once the dashboard is complete and a reconciliation required as part of the application.

Pensions valuations – valuations are complex and difficult to understand, they should be made more user-friendly, practical and meaningful including highlighting what is the true value of the pension now and in the future to support decision-making. We support the work of the Pensions Advisory Group to improve valuations and together with better understanding of gender differences amongst advisers, this should simplify the divorce process. The current process requires the lawyer to submit a request to the pension provider listing all of the assumptions to be used to make the valuation. This makes it a non-standard request leading to longer lead-times and complicated calculations. The process should be standardised and

“Of the 369 court files studied, 80% revealed at least one relevant pension and yet only 14% contained a pension order.”

Nuffield Foundation funded study, Pensions and Divorce⁴⁹

1/4 divorces are now online.³²

Only 14% divorces included pension sharing. Married men’s pensions are 5x married women’s.^{49, 36}

Pensions Moments that Matter

Relationships: making up and breaking up



Later life, planning and entering retirement



Making pensions sharing the default on divorce, improving access to advice and clearer pensions valuations (continued)

Step 6: Ensure fair pensions for those whose relationships break up - pension sharing on divorce, Pension Advice Allowance, use of Pensions Dashboard, training and guidance for advisers

there should be a streamlining of the calculation basis as well as a limit on the turnaround time for the pension provider. This will improve the quality and fairness and reduce the time required to deliver the valuation, enabling it to contribute to a fair pensions outcome within the divorce proceedings.

Professional standards for advisers –

The lack of pensions sharing in divorce highlights the need to raise awareness of gender pensions differences and the impact of divorce on women’s retirement provision amongst professional advisers involved in divorce (lawyers, judges, mediators, financial advisers).

- This is highlighted in a Nuffield funded study Pensions on Divorce which found that there was a widespread lack of confidence amongst practitioners on the issue of pensions on divorce, poor quality pension disclosure on the court files and a substantial proportion of potentially unfair outcomes. Insuring Women’s Futures supports professional guidance to ensure pensions are fully considered as part of divorce, and that advice contemplates both women’s and men’s life journeys.
- The recent guidance materials published by the Pensions Advisory Group in July 2019 (the essential

guide) as to the treatment of pensions on divorce will support family judges, lawyers and pension experts in encouraging fairer settlements and managing liability. It is a significant step forward in improving awareness of pensions matters within the legal profession.

- The PFS has also committed to enhancing its guidance to draw out the gender considerations.

Pensions Advice Allowance - From 6 April 2017, the tax legislation has permitted individuals with Defined Contribution or hybrid benefits to use their pension pots to pay for financial advice without adverse tax consequences.

- The Pensions Advice Allowance enables individuals (members or other scheme beneficiaries) to access up to £500 from their pot up to three times during their lifetime.³⁴ It is designed to allow people to obtain advice connected with their pension and retirement savings at different stages in their lives. The allowance can be used at any age, but only once in any tax year.
- Currently, the allowance can only be used to pay for retirement financial advice, which is defined as “advice in respect of a person’s financial position,

including his pension arrangements and the use of his pension funds”. The advice must also be regulated financial advice, provided by a financial adviser regulated and authorised by the FCA to provide such advice. Trustees and scheme providers are not obliged to offer individuals access to the allowance which will require amendments to scheme rules and trust deeds; they are however strongly encouraged to make the Pensions Advice Allowance accessible.

- Insuring Women’s Futures’ recommendation is that the Government change the law to allow the full £1,500 Pensions Advice Allowance to be used in a single year for the purposes of the divorce and mechanisms should be considered to ensure that its application is applied fairly for the benefit of both beneficiaries to pensions sharing.
- At the same time, a review should be conducted to assess the financial adequacy and effectiveness of the Pensions Advice Allowance, both the awareness to members of the public and the accessibility to benefit from the allowance on the part of individual schemes and trusts.

Who does it benefit?

All of these proposed solutions are gender-neutral, benefitting men and women.



A Guide to the Treatment of Pensions on Divorce

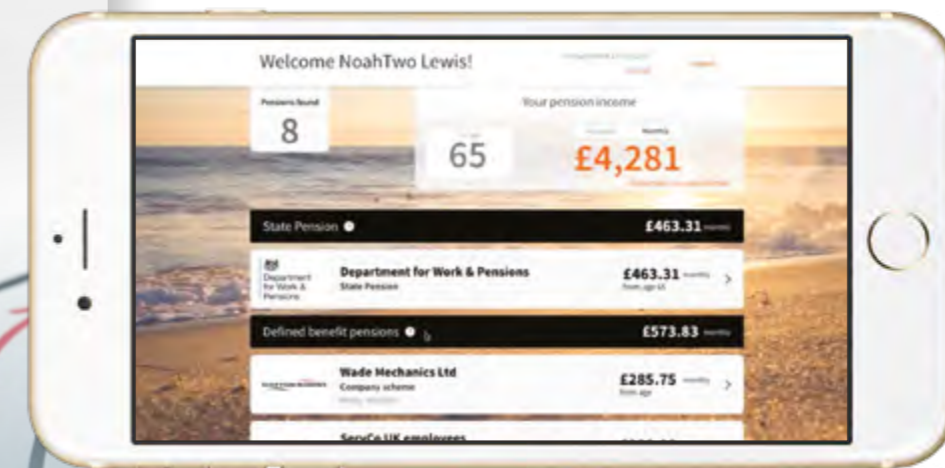
The Report of the Pension Advisory Group
July 2019



How our approach helps women like Zadie

If pension sharing were the default with a simplified valuation process and access to advice through the Pensions Advice Allowance, Zadie would be much better informed, equipped and confident discussing her pension.

She would also be able to use the Pension Dashboard when it is developed to find her lost pensions. It would also provide a good reference point for judges to ensure the parties’ pensions information is complete.



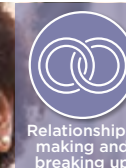
“I’m honoured to have had the opportunity to support the IWF Women’s Pension Empowerment work stream. I’ve experienced first-hand the passion and drive of experienced and talented individuals, all with the common goal of improving financial resilience for women. The collaboration and devotion to the programme over the last 18 months has been inspiring. I know the collective recommendations will take a much needed step forward in supporting and protecting women’s financial lives across all generations”.

Carol Rafferty,
Scottish Widows

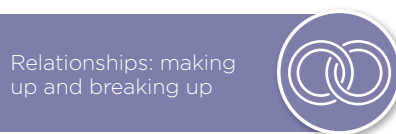


Zadie’s situation

- Zadie is in the process of getting a divorce.
- Having taken “time out” for caring, worked part-time and agreed with her estranged husband that they pay into his pension, she is left with a very modest pension pot, a fraction of her husband’s.
- Zadie isn’t sure of the full amount of her pension provision as she had a number of jobs and thinks she may have overlooked some of her pension pots. Neither is Zadie aware of her husband’s total pension provision.
- Zadie is of the mindset that it’s better for her to try and keep hold of the marital home as part of the divorce settlement, and perhaps she should sacrifice the pension sharing to take a greater share.
- Zadie is also feeling unsure about the pensions information and the financial choices she needs to make and the complexity of getting advice, which she can’t afford.



Pensions Moments that Matter



Half of men and women who are married or cohabiting do not consider how their relationship impacts their policies when setting up their home and motor policies. 2/5th of women and 1/3rd of men do not know the implications of joint vs single policyholder and named beneficiary status when making a claim.⁷¹

Supporting customers in their financial lives



Our programme Improve **female financial inclusion** in the *Moments that Matter*. Develop a professional standard to promote good practice in enhancing female consumers' engagement with, and access to, insurance and personal finance. We will improve female customers' awareness, understanding and outcomes about how our solutions and services respond in their *Moments that Matter*.



Our response Improving inclusive customer approaches within insurance and personal finance.

Our proposals for financial inclusion in *Moments that Matter*

Key priorities and recommended actions

Our detailed programme findings by workstream: **Supporting customers in their financial lives**

Priorities for improving women's financial resilience

Building trust in financial services requires firms to stay abreast of developments in financial lives

To remain relevant, serve society's needs and build trust, direct and indirect customer personnel within insurance, personal finance and wider financial services firms should maintain an awareness of society's financial lives.

Customer interaction has historically been product led

Changes in society and building trust in insurance, personal finance (and wider financial services) means greater emphasis needs to be on 'whole customer', contemplating customers financial lives so that products and the services customers receive accommodate their life circumstances. This builds on FCA work on customer vulnerability and affordability.

Financial guidance needs to be consistent

Financial guidance providers, member and trade bodies and firms should aim to ensure consistency in the guidance provided and available to customers.

Where appropriate industry standards should be developed to help customers make informed choices and help improve customer outcomes.

Professional standards

Industry and professional customer standards do not generally take into account gender differences and provide guidance on inclusive practices.

Recommendations and interventions for consideration

Improving inclusive customer approaches within insurance and personal finance.

Whole customer approach to products, customer journeys and services - considering financial lives to support good outcomes and help improve financial engagement and awareness

We recommend:

Encouraging a shift towards more customer-led rather than product-driven approaches considering how people's working, domestic and healthy lives are changing to inform gender and wider inclusive, progressive, holistic and sustainable approaches. This includes solution design, guiding customer journeys, information and advice and engagement with a focus on 'whole customer needs and experience'.

Examples include:

- Prompting financial lives considerations as part of the customer journey - when taking out a policy.
- Prompting financial lives considerations as part of the customer journey - when life circumstances change.
- Prompting financial lives considerations - during mid-term adjustments, claims as well as through collaborative employee benefits' financial wellbeing.

Refer to page 158 to 163 for details.

Financial wellbeing focus as part of customer strategies

We recommend:

As part of a 'whole customer' approach, financial services firms should be encouraged to consider building financial wellbeing into customer strategies including product and journey design. Such approaches need to recognise gender differences, and can be designed to improve financial capability while supporting better customer outcomes benefitting firms too. This supports the stance being taken by regulators (FCA and TPR) on vulnerability.

Refer to pages 162, 163, 166 and 167 for details.

Collaboration and coordinated approaches across financial and pensions regulators, financial guidance bodies, professional and trade bodies, financial services firms and the third sector

We recommend:

Improving customer outcomes for women, and everyone, requires coordinated approaches between regulators, guidance bodies, member and trade bodies, financial services firms and the third sector.

Inclusive approaches to financial engagement and guidance across guidance bodies and firms will better equip customers to take responsibility for their financial lives, and simultaneously support both customers and firms towards good outcomes.

Trade and member bodies have a vital role and we recommend are involved in raising awareness and supporting professionalism and good practices and work in parallel with regulators, guidance bodies and third sector firms with specialist insight and experience.

Refer to page 162 for details and the Appendices.

Inclusive Customer Financial Lives Pledge - to support customers to make product purchases that reflect their life circumstances and guide them on navigating life events

We recommend:

To support customers to make product purchases that reflect their life circumstances and guide them on navigating life events.

Embed the concept of financial lives to enhance understanding; collaboration with the third sector and others to build consistency of messaging.

Refer to page 170 for details.

Summary of women's resilience, our response and progress

Taking inclusive customer approaches forward in insurance and personal finance

Our response

'Whole customer' approaches

We are collaborating with other member and trade bodies to encourage firms to enhance customer approaches to reflect life circumstances (including consideration of joint and single policy status), and have developed an Inclusive Customer Financial Lives Pledge.

Impact of changing lives

We are raising awareness of changes in society and financial life journeys impacting the solutions and services provided by the insurance and personal finance profession.

Financial wellbeing

We are promoting the benefits of embedding financial wellbeing into customer strategies to improve customer outcomes and build trust.

Professional standards

We are developing Inclusive Customer member guidance aligned with the CII Code of Ethics.

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

To consider how customer information and journeys may better inform people on what to consider in setting up their insurance policies according to their relationship status, and explain joint, single and named beneficiary rights: Insurance firms.

To leverage opportunities through mid-term adjustments to support customers to ensure their protections reflect their life circumstance and any changes: Insurance firms.

To consider enhancing communications with policyholders and named beneficiaries (with appropriate consent in line with legal and compliance requirements) to inform who's protected and rights under policies. It is recognised this will require IT systems changes, the ease of which will vary: Insurance firms, pension providers.

To consider embedding financial wellbeing within customer strategies: Insurance firms, pension providers.

To develop professional and industry guidance and good practices for insurers and intermediaries considering financial lives, linking through to vulnerability considerations set out by the FCA: ABI, CII, PFS.

To include guidance (such as joint/single policies, life circumstances and life events considerations) on websites in customer sections: insurance firms, pension providers, trade bodies.

To consider the appropriateness of an industry standard to ensure consistency of joint/single policy rights and terminologies used for customers: ABI.

To ensure consistent guidance is given on joint and single policies and named policyholders: Citizens Advice, MaPS, financial guidance bodies, insurance firms.

To collaborate to raise awareness of financial risks in life across the membership and be ready to engage with the profession to support informing specific circumstances and vulnerabilities: Relate, Surviving Economic Abuse.

To make available and promote the domestic abuse and financial coercion insurance case studies as well as guidance and recommendations to the profession on approaches to those suffering domestic and financial abuse: ABI, CII, Surviving Economic Abuse.

To make an Inclusive Customer Financial Lives Pledge to support customers to good customer outcomes relating to the MTMs - relationships: making up and breaking up: Insurance firms.

To introduce an Inclusive Customer Financial Lives Award as part of the annual Public Trust Awards to recognise firms; innovations relating to customer inclusivity: CII.

To take forward inclusive customer as part of membership guidelines and committee activity, and encourage firms to pledge: ABI, BIBA, CII.

To publish Inclusive Customer Code of Ethics - a practical guide for inclusive customer under the Code of Ethics for members: CII.

How the recommendation supports women and men

Proactive approaches to better inform customers, and to improve inclusive customer approaches within the profession will improve customer outcomes for all and society's trust in insurance, personal finance and wider financial services.

Policymakers and regulators are increasingly holding financial services firms to account regarding their responsibility for customer outcomes. The recommendations by Insuring Women's Futures support developing practice on the part of the FCA and The Pensions Regulator towards vulnerable customers.

Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Supporting customers in their financial lives

Changes in our financial lives and the implications for how the profession serves customers

The FCA identifies people with low financial resilience and financial capability, and those experiencing life events, as vulnerable. In all respects, financial lives data identifies women are at a higher risk of financial vulnerability.

Changes in financial lives

Life in Britain, and how this affects our money and finance, has changed over the last few decades. Years ago our financial lives were much simpler. Most of us could expect a “job for life”, and depending on where we worked, a generous pension for our retirement. On top of this, many people were more likely to be “protected” and supported in times of need, in ill-health and old age, through being part of close family structures. The welfare state provided an additional safety net. But as society has changed, some of the legal and social care systems have not evolved. This means we face different, and in a number of respects, greater risks to our financial lives, and fewer safeguards.

Taking responsibility for our financial lives

Together with these changes in society, new ways of managing money and developments in financial systems mean that insurance and financial products have moved on too. With so many different risks to protect, de-risking innovations and opportunities to save and invest (both efficiently and also environmentally), as well as the ability to pay and borrow in many forms, means there is much for customers to consider. The need for us all to manage our own financial lives, including in retirement and old age, means there is far more at stake. This means more to be aware of and to understand, and greater personal responsibility for decisions. Navigating insurance and financial services products more broadly can often seem, and increasingly is, more complex for those we serve.

The role of insurance and financial services in supporting financial futures

We know life is changing at a fast pace: it won't be long before many of our jobs no longer exist. At the same time our relationships and households are evolving, and we face new and rising health risks. This also means the solutions customers need will require insurance products to be compatible with a range of life circumstances and services likely need to be more holistic and forward looking. Designing solutions and services that cater to societal shifts, support risks crystallising today as well as help customers pre-empt or prevent future risks tomorrow might include: protections providing for multi-skilled careers, communal living, ESG developments, or supporting financial wellness to improve mental health. Increasingly, in helping people manage their risks and financial lives, and as the profession takes forward its purpose and seeks to build trust in insurance and personal finance, there is also an opportunity to proactively support customers to navigate healthy financial futures. If the profession is to succeed at this, it needs to consider how it engages with customers through an experiential customer journey and how it creates solutions to support wellbeing.

Financial wellness

Solutions that enable the customer's financial wellbeing, including those that incentivise and reward positive customer behaviour are beneficial not only for customers but the business too. An example might include: nudging and/or rewarding customers taking out healthcare protection to improve financial wellness, while supporting mental health and equipping financial preparedness in case of needing time off; in turn this has the potential to improve product performance. Similar examples include: financial management nudges and prompts to support families with parental responsibilities alongside income protection covers; helping customers who pay for products using credit to manage their money through budgeting tools and incentivising meeting payments on time; rewarding customers when they save more can improve customer loyalty alongside stimulating improved financial wellness. There are many benefits to adopting financial wellbeing practices alongside core products, and this also includes approaches to vulnerable customers, and making interventions to address affordability.

Building the public's trust in insurance, personal finance and wider financial services

Helping customers to manage increasingly complex financial lives also equips them to take responsibility for the decisions they make and supports customers, providers and advisers deliver the outcomes they expect. A more positive experience helps build trust, which in turn drives greater engagement, independence and resilience.

With the fastest growing household and family types being multi-family, cohabiting and same sex,⁵⁵ personal lines insurance is likely to require a rethink.

1 in 5 adults has experienced financial coercion in a current or past relationship. 60% of incidents of financial coercion are reported by women. Financial coercion includes coercive behaviour relating to taking out insurance and making claims.³⁶

How life circumstances impact customers' insurance

Research into customer experience of joint and single policyholder status

Many customers do not appreciate how their life circumstances have implications for the performance of their insurance policies and the respective rights of the parties.

When asked about their understanding of the implications for single or joint policyholders and named beneficiaries⁷¹

- 40% of women and 33% of men are unaware or not sure of the different implications for making a claim⁷¹
- 40% of women and 35% men did not realise how it affects their ability to make a policy change⁷¹
- 43% of women and 40% of men were not aware/not sure who accrues No Claims Discounts rights.⁷¹ (Note: according to the Association of British Insurers, the value of NCD can be 30% for one claim free year and up to 60% for five claim-free years)

Greater clarity, coordinated and consistent approaches will support the profession and its customers, improving trust and outcomes for all. There is an opportunity for member and trade bodies to work in parallel with the profession and financial guidance bodies to support the development of industry and professional standards (where appropriate).

1/3 of women and 1/2 men who are married/cohabiting say they have home insurance in their name.⁷¹ This is consistent with sample insurance market data collected by Insuring Women's Futures which suggests 40-60% of married couples may have one name only on the policy.



20% more men than women (67% of men compared to 47% of women) who are married/cohabiting say they have motor insurance in their name.⁷¹ 18% of married/cohabiting men and women say they have motor insurance in joint names. In general, motor insurance is required on the basis of a single policyholder (adding named drivers).

52% women and 49% of men who are married or cohabiting do not consider their relationship life circumstances when setting up their insurance policies.⁷¹

Sample insurance market data gathered by Insuring Women's Futures indicated over half of individuals protected by corporate healthcare are male, and over 3/4 of family policies have a male principal member.



Insurance market data gathered by Insuring Women's Futures indicates that less than 40% of decreasing or level term life insurance policyholders have a joint policy notwithstanding that couples account for 66% of the customer base. In general the policyholder is the main earner which means in separation the life policy will remain with the policyholder.

Survey responses from women who said "I don't get involved"

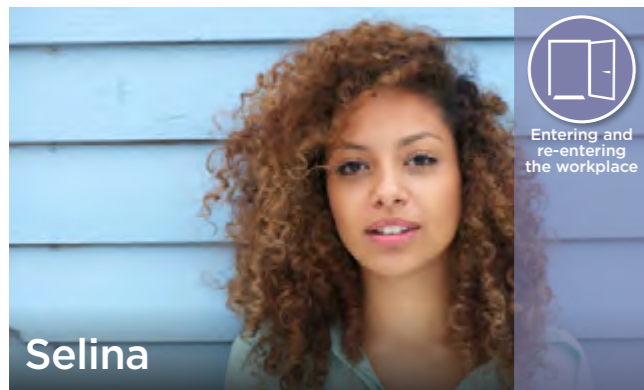
49% of women commented "My partner is much more confident and I'm happy for them to get on with it"

31% of women commented "I would rather not get involved as I don't feel confident about that sort of thing"

PwC Research survey of a representative sample of 1000 adults on 13 September 2019 using the PwC Research weekly Quantibus survey platform. Of those surveyed 60.2% of men and 59.7% of women surveyed are married or cohabiting.⁷¹

Real progress for women

How our proposals support women in society



Entering and re-entering the workplace

Selina

Selina's situation

- Selina's just rented her first flat with her boyfriend and bought their first car together. She is inexperienced about insurance and the legal and financial matters arising from the various agreements she is needing to enter into.
- Selina has funded the flat together with her partner, using credit and short term loans.
- However her partner is more familiar with financial matters and so is likely to arrange the insurance.



Prompting financial lives considerations as part of the customer journey- when taking out a policy.

How our approach helps women like Selina

If Selina and her boyfriend don't discuss the details of their insurance and consider whether it is better for the household contents to be in both names, and whose name the motor policy should be in (and the vehicle registration) this will have consequences for rights under the policy such as making a claim and accruing No Claims Discounts for the car.

It's important Selina engages with the insurance since she has debt associated with the assets, especially the jointly owned car. As Selina is cohabiting she also has no formal financial rights should they separate.

Prompting customers to consider policy set up and whose names policies are in and whose assets are protected helps avoid misunderstandings and potential poor outcomes later in the customer journey.

Sending communications to both policyholder and any named individuals (with appropriate consent) will also help ensure parties to the policy are aware of their cover. This would mean that Selina would receive a notification and understand her protection, with the opportunity of making a change if needed.

Prompting financial lives considerations as part of the customer journey – when life circumstances change.

How our approach helps women like Joan

By raising awareness to customers when they take out or renew insurance of the joint and single policy implications, and prompting them to consider their life circumstances and life events such as Joan is facing can help inform their policy set up. This would also prompt them to make insurers aware of any vulnerabilities so they can act accordingly providing guiding information. For example, it may be preferable for Joan to be a joint home insurance policyholder, as this helps where there is a claim in process if Peter were to pass away or if Peter has No Claims Discounts attaching to his name only.

Readily accessible guidance on what to do in relation to life events can also help customers to navigate their insurance most effectively.

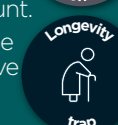


Motherhood and becoming a carer

Joan

Joan's situation

- Joan and her husband, Peter, are now at a potentially vulnerable stage in their lives.
- Their financial management practices mean that Peter has tended to the insurance and finances. All the insurance including the home buildings and contents are in Peter's name. Likewise the motor insurance where Peter has accrued a hefty No Claims Discount.
- In line with the FCA's approach to vulnerable customers, the couple may expect to receive additional support when dealing with their insurance broker or insurance company (if they purchase direct from an insurer) to help make sure their customer journey provided an experience suited to their needs. For example, this might include additional explanations and support in their insurance customer journey and policy servicing.
- Now Peter is incapacitated and can no longer drive, Joan will need to become the main motor policyholder.
- When the home policy comes up for renewal or a new policy is taken out, given Peter's situation Joan (or the person they authorise) will need to consider whose name (s) the policy should be in.



Real progress for women

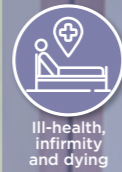
How our proposals support women in society



Rachel

Rachel's situation

- Rachel and her partner Sam are confronted with the devastating news that Sam is fighting a critical illness that may be life threatening.
- Between them they have a range of insurance protections – some purchased directly and some via Sam's employee benefits, but they haven't gone through them all together as a couple and considered them alongside their life circumstances which have changed following their moving in together and having the baby.
- Her employee benefits package has provided Sam with health insurance, critical illness protection and life insurance as part of core ("free") benefits through her work for a number of years. She has overlooked updating her expression of wishes to add Rachel and their baby as beneficiaries to the life insurance (it still benefits her former partner). Her employer benefits allows Sam to purchase additional life or critical illness beyond the core amount and to add her family members to the cover, however Sam hasn't considered the cover provided since her and Rachel's change in circumstances.
- Sam phones up the insurer to claim on her health insurance and also the critical illness protection. In accordance with the vulnerable customers' policy, given the serious health issues she is facing she is asked if there is someone else she would like to have authorised to talk to the insurer on her behalf should she need to discuss the cover while she is having treatment.



Prompting financial lives considerations as part of the customer journey - during mid-term adjustments, claims as well as through collaborative employee benefits' financial wellbeing.

How our approach helps women like Rachel

- Raising awareness and making engaging financial wellbeing interventions to prompt customers to consider their life circumstances and any changes relevant to their insurance can help policyholders make sure their protections best cater to their circumstances.
- Working with employers (as part of workplace benefits) to send engaging financial wellbeing prompts to employee policyholders (including for example when they notify changes such as parental leave, through the HR processes) can avoid or ease vulnerable situations later on when a life event happens.

Changing lives in the UK

Our working, family and healthy lives are changing, and this will have implications for the products and services provided by the profession

Multi-family households were the fastest growing household type over the decade to 2017 with a 42% increase. ⁵⁵	The marriage rate today is nearly 3x lower than in the 1950s. ⁵⁵ In 2017 the number of cohabiting couple families in the UK, was double the number 20 years ago and is the fastest growing family type. ⁵⁵	76% of industry professionals believed there would be a rise in co-living developments in 2019. ²²	2% of the UK population (just over 1 million people) identify as having minority sexual orientation, 4% amongst young people. ³¹
The number of same-sex couple families have increased substantially in recent years, with an increase of 53.2% from 152,000 in 2015 to 232,000 in 2018. ⁵⁵	2 in 3 of the jobs that exist today are at risk of being automated in the coming decades. The rise in automation risks widening the Gender pay gap. ³⁶	People are increasingly working flexibly. Up to 14 million people already work independently – a number that is expected to surge. ³⁶	The number of people with early-onset dementia in the UK is projected to increase by 20% over the next 20 years. ¹
In 2018, 1 in 4 young adults (3.4 million) aged 20 to 34 years were living with their parents.	The number of people living alone in 2018 has surpassed 8 million, driven by increases in women aged 45-65 and men aged 65-74. ⁵⁵	There are 2.9 million lone parent families in the UK. ⁵⁵	In 2015 more children were born to women aged 40 and over than to those aged 20 and under – a six-fold increase. In 20 years the number of older families with dependent children is expected to rise by 14%. ³⁶

“Degrees of unpredictability thread through, and complicate, many aspects of life’s journey. But the hope, and the challenge, embraced by our workstream is that by working towards a whole customer approach much can be done to help our customers understand and consider the impact of their life circumstances and empower them to achieve positive outcomes #Make Each Moment Count”

Joanne Musselle,
Hiscox

Adding value to customers and building trust in insurance and personal finance

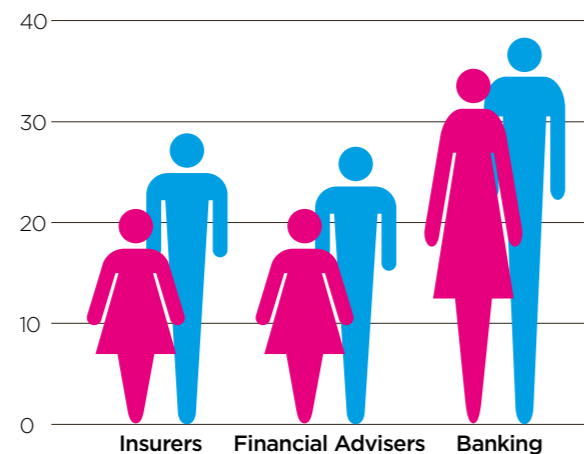
Inclusive customer approaches, remaining relevant and inspiring trust

Insuring Women's Futures' research and the CII Trust Index shows that trust levels differ between men and women and also that they value different things. This impacts women's and men's engagement with our profession. Our work identifies there is a need for differentiated approaches to building customer relationships, and making these relevant to people's financial life journeys. This includes how we engage with customers, empower them with information, enable them to access services and deliver a holistic customer experience.

In the future people in society will need to take on greater responsibility for their financial futures and managing their financial risks in life, highlighting the need and opportunity for insurance and personal finance to remain relevant, understood, build confidence and inspire trust.

Embedding *Moments that Matter* considerations and financial wellbeing into product design and customer journeys, and adopting strategies that are inclusive to people's financial lives reflective of diversity in society while simultaneously embracing technological change will support sustainability.

Trust levels in insurance and financial services - men and women with high/very high trust. PwC Research for Insuring Women's Futures.⁷¹



35% of women say talking about investments, insurance, pensions leaves them feeling cold, 28% men⁷¹

CII Trust Index

The CII Trust Index uses ten factors to measure trust for general insurance. When considering the top factors which each gender considers important, the 'performance' gap is nearly three times larger for women than for men (ie, the difference between the importance of a given factor and the perceived performance of the sector). This is an indicator of the need for a differentiated approach according to values placed on insurance by women versus men.

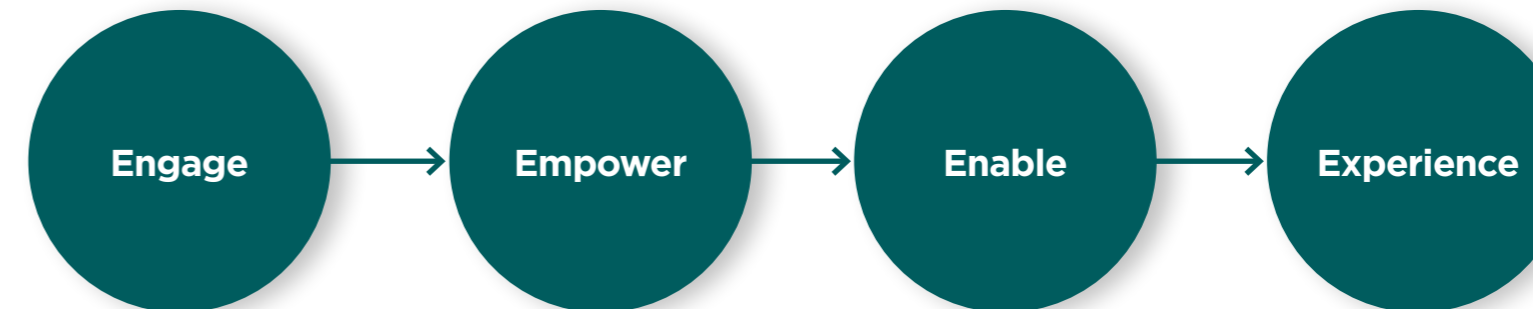
"Participating in the Moments that Matter Insuring Women's Futures' work stream has been an eye-opening experience about how things can go wrong in life and how common such vulnerabilities are, particularly for women. This has also been fantastic reminder of the good insurance can do in society but as an industry we simply need to do more to help customers achieve meaningful financial resilience. I am looking forward to seeing change happen."

Polina Konstantinova
Strategy and Project Manager,
Hiscox UK

Two thirds of women view social impact as important in investing – a similar trend to young people.^{82, 24}

53% of UK millionaires will be female by 2025.⁵

Practical steps towards more inclusive customer approaches and embedding financial wellbeing



Engage and communicate with customers in ways that are meaningful for them.

Understanding the similarities and differences of people across society and adapt approaches to target customers accordingly so they are relatable.

Develop and provide information and guidance on products and services that is relevant to customers' lives.

Support customers and equip them with meaningful guidance considering life circumstances to help them to consider or make decisions about or whether to use products and services.

Ensure that the product design and the service delivery makes solutions accessible.

Take steps to remove any barriers to access and consider how to take proactive steps to support customers and create opportunities for them to access products and services – such as vulnerabilities and financial wellbeing prompts/information.

Customer outcomes, service and experience delivered to meet customers' whole needs, take into account expectations of the customer promise, meet regulatory obligations and inspire confidence and trust in the insurance and personal finance profession.

Building in financial wellbeing solutions across the customer journey, highlighting and informing on *Moments that Matter*, providing information, guidance, tools and incentives to better equip customers in financial lives and underpin good customer outcomes.

"Increasing financial capability from low to average levels reduces the likelihood of suffering anxiety or depression by 15%"

Source: Chartered Institute of Personnel & Development^{3A}

Inclusive Customer Financial Lives Pledge

Customer-led approaches to support people in their life circumstances

Our detailed programme findings by workstream: **Supporting customers in their financial lives**

The Inclusive Customer Financial Lives Pledge will ask organisations to commit to the following pledge.

(See Appendices for full details):

“We will work to ensure that at every customer interaction point we adopt an inclusive ‘whole customer’ approach, helping customers to consider the impact of their life circumstances and potential changes, and empowering them to achieve a positive outcome.”

This pledge has been developed to drive change in the insurance and personal finance profession to take an inclusive ‘whole customer’ approach which is purposeful and proactive in nature, and simultaneously supports business performance and regulatory expectations.

The pledge is applicable to all insurance and personal finance firms (including pensions providers) and individuals in relation to their dealings with all customers in a variety of personal situations and would take into account significant changes in life circumstances that may impact customers’ insurance, personal finance and pensions arrangements. This may include, for example, customers’ relationship status and implications for customer outcomes according to how insurance policies or pensions arrangements are set up and subsequent changes in circumstances.

The pledge is not prescriptive in describing the way that firms and individuals should approach this topic. It recognises that the approach will differ depending on the size of the firm, the nature of its business and dealings with customers as well as its existing policies and processes, including its approach to relevant regulation such as vulnerable customers and customers’ best interests.

Good practice guidance has been developed and will soon be published as part of the Chartered Insurance Institute (CII) Code of Ethics Inclusive Customer Companion and Practical Guide in order to support members with an inclusive approach to considering ‘whole customer’. Whilst alignment with this guidance is not included in the pledge, it will be recommended that CII members consider this guidance to identify and inform their approach and potential enhancements. The Ethical Guidance, which considers a breadth of inclusive customer aspects, has been developed as part of the CII’s market-led Insuring Women’s Futures programme. It is informed by the financial risks in life report “Securing the financial future of the next generation” which highlights 6 *Moments that Matter* in people’s financial life journey where interventions may be made to improve financial security.

Examples of successful interventions could include:

- Considering customers’ ‘whole needs and experience’ as part of customer journeys including their life situations and potential changes, any vulnerabilities these may give rise to as well as their specific product needs. In practice this involves considering the service level and support required, for example if a customer is going through a life changing situation (such as divorce or bereavement) that makes them vulnerable. It might also go a step further, to help mitigate the impact of such life changes by identifying key points in the customer journey for prompts and financial wellbeing nudges - such as who should be covered under an insurance policy and in what capacity, as well as financial tools or incentives (such as life assurance calculators to help determine protection levels when family size changes, and pensions calculators to ascertain contribution levels).
- Considering approaches and raising customers’ and potential customers’ awareness of policy features concerning relationships.
- Raising customers’ and potential customers’ awareness of how changes in life circumstances may impact their insurance, personal finance and pensions arrangements.
- Signposting appropriate third sector support and guidance beyond firms’ own products and services that may support customers and potential customers at key life stages and vulnerabilities arising.
- Review approaches for identifying, capturing and appropriately acting upon customers’ relationship situations and changes, including impacts on beneficiaries, as well as where financial coercion may be a factor.
- Actively reviewing the inclusivity of customer journeys, (engagement, information and guidance, solution and service design, pricing and distribution) and considering specific engagement opportunities at point of sale, mid-term, at renewal and as part of annual statements, that help identify and respond to the customer life journey and changing life situations.
- Considering customer experience and approaches to customer engagement through key stages in the customer lifecycle contemplating customer diversity, ensuring approaches are relevant, relatable and fair to achieve inclusion of customers and potential customers across target markets – collecting, effectively and fairly using gender-disaggregated and intersectional customer insight data to inform approaches.
- Measuring the effectiveness of differentiated approaches to engaging customers to improve customer inclusion (access, experience and outcomes) including consideration of customers in a range of life situations – for example through use of a financial engagement index.



Example of third sector insight - Surviving Economic Abuse Checklist For Insurers

For further information see: <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/10/Securing-the-financial-future-of-the-next-generation.pdf>

Inclusive Customer Code of Ethics

Companion and Practical Guide for members

“As Chair of the CII’s Professional Standards Committee I believe that to be truly professional and to deliver inclusive outcomes a practitioner should ‘stand in the shoes’ of their customers and really understand the life risks and aspirations of that particular person.”

David Hertzell

The CII’s Royal Charter requires it to secure and justify the confidence of the public. As a professional body it is dedicated to building trust in the insurance and personal finance profession, and its strapline *Standards. Professionalism. Trust.* embodies the CII’s commitment to driving confidence in the power of professional standards: competence, integrity and care for the customer.

Code of Ethics for members

As part of the professional framework, CII members are expected to adhere to the Code of Ethics, a set of principles ensuring the profession maintains high standards of integrity, probity and ethical fair dealing. Ethics are a cornerstone of professionalism, and ethical behaviour is crucial to secure public trust and confidence in the insurance and financial planning profession and to build a reputation that people value.

The CII Code of Ethics has been designed to provide members with practical, realistic guidance to follow.

Our members are required to:

- Comply with the Code and all relevant laws and regulations
- Act with the highest ethical standards and integrity
- Act in the best interests of each client
- Provide a high standard of service
- Treat people fairly regardless of age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex and sexual orientation

Inclusive Customer Code of Ethics

The work of the Insuring Women’s Futures programme has highlighted the fast pace at which society is changing and how customers’ life circumstances impact their outcomes. To support building trust across society and ensuring the profession remains relevant, the CII will publish member guidance leveraging the Code of Ethics, aimed at Inclusive Customer approaches, reflecting on considerations for inclusivity across the customer lifecycle to inform members and provoke developing practice.

Inclusive Customer Companion and Practical Guide

The Inclusive Customer guidance is framed around societal changes and customers’ lives and highlights considerations for engaging customers, empowering customers through meaningful information relevant to them, enabling access to the profession’s products and services as well as customer experience. It contemplates aspects such as product design, customer journeys as well as marketing and customer communications. The Companion and Practical Guide is intended as directional and seeks to inspire good practices across the profession. It is aimed at members (not firms) and includes case studies (included in the Appendix to this report) contributed by Insuring Women’s Futures’ programme workstream considering inclusive customer outcomes. Many aspects of the ethical guidance are relevant when considering the FCA’s stance on customer vulnerability and harm.

Millennial investors are nearly twice as likely to invest in companies or funds that target specific social or environmental outcomes. 67% of women said making a social impact was of high importance when investing.⁸²

Our detailed programme findings by workstream: **Supporting customers in their financial lives**





Making flexible working fit for financial futures

As we transition to the '100 year life' we can all expect to work more flexibly for longer. Today however 'non-standard' working mostly falls to women. For many, there is a knock-on impact on progression and pay, but many women don't realise the longer-term financial implications until much later.

Financially inclusive flexible working and financial wellbeing in the workplace will support everyone's financial futures while improving talent attraction, retention, performance and business sustainability.

Our programme **Setting the standard in part-time and flexible work**
Develop financially inclusive flexible working good practice for the insurance and personal finance profession. Help improve the profession's gender balance and the *Gender pay gap* by empowering talent of any gender to have rewarding careers balancing caring and professional roles.



Our response Enhancing flexible working policies and practices, Shared Parental Leave rights and embedding employee financial and pensions wellbeing.

Insuring 'Women's Futures' supports the Association of British Insurers' initiative for transparency on parental pay, and the work of the Chartered Institute of Personnel and Development to improve financial wellbeing in the workplace as well as Working Families and Women Returners' work on flexible working and returners programmes.

Flexible working for financial futures

Key priorities and recommended actions

Our detailed programme findings by workstream: **Making flexible working fit for financial futures**

Priorities for improving women's financial resilience

Priorities for improving women's financial resilience

Mothers today are encouraged to work flexibly and part-time, however workplace practices have not kept pace, constraining women in reaching their potential.

There is a need for improvements in the workplace to support gender equality among all parents and carers (male and female), and everyone seeking alternative working lifestyles. This includes improved access to a range of flexible working patterns, adopting HR policies and embedding inclusive practices that encourage career progression.

The *Gender pay gap* widens when part-time workers are included

Most part-time workers are women. Analysing the *Gender pay gap* will focus attention on improving career paths for those working flexibly.

Pensions have typically been designed around the traditional full-time 'male breadwinner'

Pensions arrangements tend to be structured for those with standard working lives, this together with the *Gender pay gap* and women working part-time leads to a gender pension gap. Approaches need to better reflect the *Female financial life journey*.

Lack of effective and gender-relevant financial wellbeing

Support those employees changing their working arrangements to plan their financial futures through employee financial and pensions wellbeing nudges, adopting gender-inclusive approaches.

Recommendations and interventions for consideration

Enhancing flexible working policies and practices, Shared Parental Leave rights and embedding employee financial and pensions wellbeing.

Financially inclusive flexible working policies and practices

We recommend:

To make a Financial Flexible Working Pledge to support employees consider financial aspects at key career pivot points.

To indicate support for the Financial Flexible Working Pledge.

To raise flexible working awareness and profile role models in the profession.

To introduce a Financially Inclusive Flexible Working Award as part of its annual Public Trust awards.

Refer to page 181 for details.

Separate and equalise Shared Parental Leave and Pay Rights to support closure of gender pay and pensions gaps (See link to Six steps to Pension Parity)

We recommend:

To take forward discussion on equalising Shared Parental Leave. Equality for mothers and fathers in caring for the family and recommend changes to Shared Parental Leave policy to allow equal rights for mothers and fathers in caring for newborn children, which will support closing the *Gender pay gap*. We are encouraged by the GEO consulting on changes to Shared Parental Leave and pay as part of its Gender Roadmap.

Refer to page 138 for details (Six steps to Pension Parity, Separate and equalise Shared Parental Leave entitlement) and page 176.

Part-time *Gender pay gap* analysis by employers

We recommend:

GEO considers analysis of the *Gender pay gap* by reference to those working full and part-time.

Encouraging employers to assess the impact of part-time working by assessing gender pay gaps to understand gender balance of those working alternative hours, and the impact on career progression and pay. Such information can be used to inform flexible working practices and associated promotion, retention and recruitment policies.

Refer to page 176 and 177 for details.

Employer gender pensions gap analysis including consideration of part-timers' pensions

We recommend:

As set out in the Six steps to Pension Parity section of this report, given pensions can constitute a significant part of reward, the GEO considers employer pensions as part of *Gender pay gap* disclosures.

Employers should assess their gender pension / contribution gap to inform approaches to pensions wellbeing, considering gender participation in workplace pensions and the impact of scheme design on contribution levels, investment strategies as well as eligibility for those taking time out.

Refer to page 124 (Six steps to Pensions Parity, Workplace pensions transparency and gender pension gap disclosure) and pages 138 and 139 for details.

Financial and pensions wellbeing in the workplace for flexible workers

We recommend:

To support gender inclusive financial and pensions wellbeing in the workplace. This aligns with our recommendation for MaPS to drive approaches on gender inclusive financial wellbeing including by employers.

Refer to page 98 (Changing the conversation about money and pensions) and pages 138 and 139 for details.

Summary of women's resilience risk, our response and progress

Flexible working for parents, carers and the next generation

Our response

Flexible working practices

We have developed Financially Inclusive Flexible Working Good Practice guidance to support firms adopt inclusive practices that support parents and carers (and everyone working flexibly), to help close the *Gender pay gap* and pensions gap.

Financial wellbeing in the workplace

We have developed a Financial Flexible Working Pledge for firms to support employee financial wellbeing with a focus on helping those employees changing working arrangements impacting earnings.

Progress and working in partnership

We are progressing these recommendations through direct activity and dialogue with relevant parties as follows:

To make a Financial Flexible Working Pledge to help employees consider financial aspects at key career pivot points: ABI, BIBA, CII, LMA, Insurance and personal finance firms, pension providers and trusts

To indicate support for the Financial Flexible Working Pledge: CIPD, FSB

To raise flexible working awareness and profile role models in the profession: CII, Insurance Supper Club, PFS

Shared Parental Leave

Our analysis highlights that a lack of shared care upon birth has longer term implications for women's workplace participation, earnings and pensions. Equalising Shared Parental Leave and Pay rights will support equality for mothers and fathers.

To introduce a Financially Inclusive Flexible Working Award as part of its annual Public Trust awards: CII

To take steps to address the part-time gender pay and pension gap: Insurance and personal finance firms

To support gender-inclusive financial and pensions wellbeing in the workplace: Insurance and personal finance firms

To take forward discussion on Shared Parental Leave: GEO

How the recommendation supports women and men

Attitudes to work-life are evolving, and the younger generation, in particular, want to have more balance in roles at home.

The 100 year life means that increasingly people work in flexible and non standard ways, an important component of the workforce of the future.

Better and fairer experiences of flexible working will support everyone who wishes or needs to work flexibly, including those with disabilities and working later in life.

Insuring Women's Futures is in dialogue with the following organisations about our recommendations



Our detailed programme findings by workstream: [Making flexible working fit for financial futures](#)

"It has been so inspiring to contribute to a programme that is focused on the practical changes that will improve the lives and wellbeing of women (and men) from all backgrounds across the UK. Through simple nudges that prompt conversations on financial capability, companies can make huge strides to help their staff understand the short and long-term financial implications of flexible working in a positive and supportive way."

Katy Bennett,
PricewaterhouseCoopers

Making flexible working fit for financial futures

The future of flexible working

Part-time women earn 30% less per hour than full-time women, causing the *Gender pay gap* to double and contributing towards *Women's pension deficit*.³⁶

Financial resilience and life at work

Working life in Britain is changing at a fast pace. The rise of contract and temporary work, and the introduction of zero-hours working, means that for many people today the workplace does not provide the lifelong stability it once used to. The future of work looks set to evolve further, and for most young people today, more than three quarters of the jobs they will do have yet to be invented. In the meantime, two thirds of those already in the workplace are likely to experience their roles being automated, facing the prospect of redundancy and the need to reskill. And increasingly for many people work is becoming 'no longer a place you go – it's a thing you do'. Workplace flexibility involving flexible hours, home and remote working, flexible shifts and seasonal work, term time and part-time hours, are increasingly commonplace, with the majority of businesses already operating a form of flexible working. In addition, greater numbers of people (men in particular) are opting for independent working.

Women, men, part-time and flexible work

Traditionally, the majority of non-standard working has been performed by women. Following a shift in attitude – in the early 80s, many people believed 'women's place is in the home' – today many people in Britain think that mothers should work part-time (and also look after the family and home).⁶⁸ So it's no surprise that three times more women than men work part-time (40% compared to 13%), and nearly two thirds of mothers opt to return to work part-time to balance family care.

Caring for longer while working

Today, more women aged over 40 are having children than those aged 20 and under, with rising numbers of parents caring into their 50s. At the same time, our ageing population and rising care cost means that a disproportionate number of women are caring for an adult too, with the 'sandwich generation' (40s and 50s) caring for both the young and the elderly. During the next 20 years, informal caring is expected to increase by as much as 40% with rising private funding of care expected to rise threefold.³⁶

Future of work and the 100 year life

With many young people today having a realistic expectation of living to 100, predictions are such that our working lives will move from three stages (educate, work, retire) to multi-stage where many of us will navigate multiple careers alongside breaks. This is a seismic shift from previous generations where people could expect a job for life and employer working and reward models centred around a 'male breadwinner' model and Defined Benefit pensions.

Flexible working sacrifice

While our working arrangements are evolving and becoming more diverse, more is required to develop workplace practices. Today while many employers are offering flexibility, the reality for many is that less thought has gone into how business models accommodate, reward and promote a variety of work patterns. In truth, flexible working works best for those with most flexibility, while those with regular commitments (such as the school run) remain excluded from influential meetings, networking opportunities and profile-raising projects.

Motherhood penalty, flexible working sacrifice and fatherhood bonus

Maternity rights and employer policies have advanced over the years, and today many women have the opportunity of extended periods of maternity leave, with a variety of pay and pensions benefits. However, paternity rights have not kept apace, and while the introduction of Shared Parental Leave and Pay is a game-changing step to tackle the root cause of the *Gender pay gap*, inconsistencies in pay rights for fathers has limited its take up. Extended maternity over paternity leave risks reinforcing women as primary carers, and indeed it is largely women today who are working part-time to balance family caring.

Part-time working women earn 30% less per hour than full-time working women³⁶, a factor of workplace bias impacting roles, progression and pay, further compounded by pressures at home – women still do

more than twice as much childcare and housework as men. Part-time working causes the *Gender pay gap* to double to just over 17% nationally (compared to full-time only). As a result, significant numbers of women are finding their earnings disqualify them from auto-enrolment pensions. In contrast men receive a 'fatherhood bonus' (greater hours and promotion bias), and with many employer pensions schemes contributions tiered in favour of the more senior, higher-paid roles, the multiple effect on pensions widens the gender pension gap. The cumulative effect on earnings is a significant earnings gap between men and women – men's average lifetime earnings are 80% higher than women's.

Financial wellness and *Moments that Matter*

With workplace stress rising and more people suffering mental health issues, workplace wellbeing is an increasing focus for employers, with added benefits of greater loyalty and better business performance. In addition, financial pressures and a lack of financial capability is an increasing source of stress for many people, impacting their performance at work. As many more people begin working alternatively into the future, developing workplace practices to be inclusive and adopting financial wellbeing at work that engages employees in their financial lives will help secure employees' and businesses' financial fitness for the future.

45% people who have taken or will be taking a break from work say they did or had not considered the impact on pension contributions and just 55% said they did or do plan to prepare a pension plan.⁷¹


Flexible working financial life journey and the future of flexible work

Trends in flexible work patterns, roles at home, earnings and pensions

<h3>Future trends in how we work</h3>	 <p>As many as 7.3 million people are opting for flexible working arrangements and by 2020 it is estimated that 70% of organisations will have facilities for mobile working.</p>	<p>84% of male full-time employees either work flexibly already, or say they want to; 91% of women say this.⁸⁰</p>	<p>93% of non-workers who want a job would prefer to work either part-time, or flexibly in a full-time role.⁸⁰</p>	<p>People are most likely to say their reason for wanting to work flexibly is work/life balance, including commuting, leisure, study and caring responsibilities.⁸⁰</p>
<h3>Parental work and pay patterns</h3>	 <p>In 2017/18 662,700 mothers and 213,500 fathers took maternity and paternity leave, respectively, with a 3.3% drop in the number of fathers taking paternity leave.²³</p>	<p>A mother in her 40s working full-time - who had children by 33 - will earn 7% less on average than a woman with no children. In contrast, men with children earn 20% more than those without children.</p>	<p>Only 9,200 new parents (just over 1% of those entitled) took Shared Parental Pay in 2017/2018, a result of Shared Parental Leave schemes only providing a small level of financial support.⁷</p> <p>In 2019, 34% of people think parental leave should be shared.⁸</p>	<p>61% of women opt to return to work part-time after children - over the last 20 years, more than 40% of women have worked part-time and the trend continues, compared to 13% of men.</p>
<h3>Roles at home</h3>	<p>In 2017, 33% thought new mothers (with pre-school children) should stay at home, 38% said they should work part-time and 7% said they should work full-time. In addition, 49% said mothers should work part-time after school age, 27% said they should full-time, 2% said they should stay at home and 19% couldn't decide.⁷</p>	<p>Women do 36 hours per week childcare and housework, compared to 18 hours per week for men.</p> <p>60% of women believe they do their fair share of housework and caring compared with 10% of men.</p>	<p>At pre-school ages, mothers spend twice as long each day caring for their children compared to fathers.</p>	<p>67% of young mothers and 64% of young fathers both drop off and collect from nursery and school on a regular basis.</p>

The data shows that society 'expects' women to work part-time and look after family, and also that there is trend in young men increasingly wanting to play a greater role at home - and yet parental leave systems do not deliver parity. Further, increasing numbers of people are working flexibly in a variety of ways with consequences for financial futures.

Data sourced from Insuring Women's Futures' research reports, reference 36 and 37, unless stated otherwise.

<p>Among the different types of flexible working patterns 1 in 4 (25%) of all full-time employees would specifically prefer to work part-time for part-time wages.⁸⁰</p>	<p>77% of employees who are offered flexible working say it improves their productivity. 30% of workers say feeling anxious or stressed because of high workloads/pressure to perform regularly impacts their productivity at work. Only 17% of those working from home said they are regularly affected.¹¹</p>	<p>Up to 14 million people already work independently, a number that is expected to surge.</p>	 <p>Gig workers risk having insufficient pension provision in retirement if they are deemed self-employed as they are ineligible for Automatic Enrolment. Research funded by the TUC estimates 4.7 million gig workers - including parents and carers seeking flexibility to care for families.⁷⁹</p>
<p>Professional women taking career breaks - three in every five who do so could return to lower skilled jobs.</p>	<p>While more than 80% of people opting for job shares and term-time working are women, a more equal share of men and women are taking up flexible hours, annualised hours and a nine-day fortnight.</p>	<p>Greater part-time working reduces women's earning potential through the life-course with women working part-time earning 30% less per hour than those working full-time causing the pay gap to double. <i>Gender pay gap</i> rises in the 40s and 50s.³⁶</p>	<p>75% of employees ineligible for pensions Automatic Enrolment are women. Over 50% of part-time workers earn less than the £10,000 Automatic Enrolment trigger³⁶, 81% of part-time workers are women.³⁷</p>
<p>Between 2000-2015, the gender gap in pre-school care closed among those working in intermediate and routine occupations, but widened among those in higher managerial and professional occupations where women could afford to take up part-time work.</p>	<p>58% of carers are women, one in three women in their late 50s care for an elderly relative (one in four men).</p>	<p>Men earn 80% more than women through their lifetime - the combined effect of the <i>Gender pay gap</i> and caring for children and the elderly.</p>	<p>Women aged 25 will accumulate a 20% lower workplace pension at age 65 than a man aged 25 (33% if taking a five-year career break).</p> <p>Part-time working results in women's pensions being 47% (£106,000) less than men's by the time they reach 60.⁵</p>

The *Flexible working sacrifice* highlights the need for employers to embrace a variety of flexible working patterns while ensuring equal opportunities for realising rewarding careers. Many women aren't considering financial implications when changing working arrangements, with consequences on their financial and wider wellbeing.

Real progress for women

How our proposals support women in society



Adela

Adela's situation

- As a highly talented professional, Adela is a mum of one and pregnant, with her second child due to arrive soon.
- Having moved from a client-facing high flyer role after her last child to work part-time, Adela's missed out on promotion that would have seen her move to management level. She is keen to get her career on track when she returns after her second child.
- Adela's workplace offers part-time and flexible working however in practice her line manager is not so keen. Adela's hugely committed and is confident when she returns that she can organise her work on a flexible four days per week basis so that she can provide an accomplished service to her clients.
- Adela's company has a good pension scheme paying employer contributions above auto-enrolment rates and rising by grade. As a manager Adela would have seen her employer contributions shift from 5% to 8%.

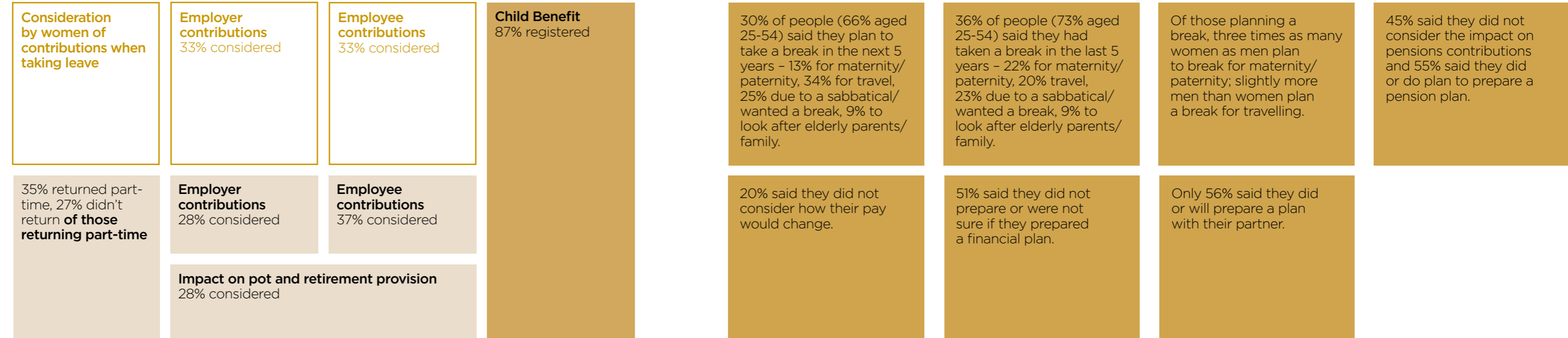


How our approach helps women like Adela

- Insuring Women's Futures' Flexible Working Good Practice Guide provides a framework of practical areas of focus to make flexible working work effectively for all. It includes leadership and line manager guidance and includes roles definition, performance, pay, financial wellbeing as well how to embed a positive 'everyday flexibility' culture.
- The financial wellbeing approaches would also help Adela work out the implications for her pension of her maternity and return-to-work arrangements so that she can plan for the future.

Survey of those taking maternity leave, part-time returners and their pension considerations⁷¹

PwC weekly Quantibus survey 1,000, 219 of whom took maternity leave
At the time 59% were working full-time, 23% part -time, 18% not working.⁷¹



Flexible workers' financial and pensions planning

Survey

"It's been a pleasure being part of the market-wide initiative, working with experts from across the industry on the Financial Flexible Working pledge and supporting guidance, as part of the wider initiatives to create a step change in the financial resilience of women (and men) in the UK. I am confident that this programme, as part of a wider catalyst of activity in this space, will be an important part of changing the conversation and improving the financial outcomes."

Freya Adams, PricewaterhouseCoopers

Source: PwC Research survey of a representative sample of 1000 adults on 4 October 2019 using the PwC Research weekly Quantibus survey platform

Financial flexible working in the insurance and personal finance profession

Financial wellbeing in the workplace - the benefits of being a financially inclusive employer

Financial wellbeing in the workplace has many benefits for both staff and business. Insuring Women's Futures' 6 Moments that Matter serve as a framework for financial wellbeing interventions – for individuals, the workplace and customers. Businesses that support their people's financial and wider wellbeing benefit from greater loyalty and better performance, talent attraction, retention and positive brand image, where disclosed as part of wider transparency and inclusion reporting.

3 in 10 women do not believe part-time working impacts their pension.⁴⁸

45% people who have or will be taking a break from work said they did not consider the impact on pensions contributions and just 55% said they did or do plan to prepare a pension plan.⁷¹

3 in 10 mothers (28.5%) with a child aged 14 years and under said they reduced working hours due to childcare (1 in 20, 4.8% fathers).⁸⁰

Benefits of the Pledge

One in four employees say that financial concerns have affected their ability to do their job.

This increases to **31% for 18-24 year olds** and **32% for employees in London.**



For every £1 million an organisation spends on payroll there is an estimated **4% loss in productivity** due to poor employee financial wellbeing.^{13B}



6 out of 10 parents said they are **struggling in bringing up a family** but getting wide help is becoming more difficult – cost of **raising a child shows a 65% increase** since 2003.



34% of employees feel that their **financial situation affects their mental health.**⁹



Employees using a financial education programme

79% increase in knowledge.

76% increase in employee confidence in making financial decisions.

15% reduction in anxiety or depression by increasing.

Source: Primary and secondary data cited by Chartered Institute of Personnel & Development unless otherwise stated.^{13B}

Financial Flexible Working Pledge

“We will work to ensure that at every point where our employees make a change to their working arrangements, they are prompted to consider the immediate and longer-term financial implications of this change.”

Family life in Britain has changed and so has how we work. On top of this we are all living longer. The costs of raising a family have also increased and so has the cost of care. This all means that many more people will combine parent and caring responsibilities through their working lives, and will need to find a balance to cope with demands at work and at home.

Conventionally, the majority of caring roles have fallen to women. Today, rather than stop work, many women are increasingly choosing to work part-time and flexibly, and to return to work following career breaks. But many men want to play more of a role at home too, and younger men in particular wish to be more involved in caring for their family. On top of this the prospect of the

100 year life means that many people will have multiple careers and work patterns. Workplaces are responding through a variety of working practices aimed at delivering flexibility. However changes in working arrangements can have significant financial consequences if employees fail to consider and plan for the financial implications. This pledge has been developed to support employers with financial wellbeing interventions for all parents and carers (both male and female) and employees more broadly who are changing their working arrangements.

This pledge is applicable to all employees in a variety of circumstances and would take into account significant changes in circumstances in employees' financial lives*, which would include both changes

to working patterns and hours, as well as leave related to caring or parental responsibilities, taking or returning from career breaks. It is not prescriptive in describing the way that employers should engage with their staff on this topic. This recognises that the approach will differ depending on the size of an organisation and its existing policies and processes, and that the outcome may vary based on the individual circumstances of the employee.

Good practice guidance has been developed by Insuring Women's Futures in order to support organisations that wish to build a more inclusive approach to flexible working. Whilst alignment with this guidance is not included in the pledge, it will be recommended that organisations review this guidance to identify areas where their current policies and practices could be enhanced.

(See next page and Appendices for full details)

Examples of successful interventions include:

- Providing information on child benefit and carers, allowance provisions and the pension impact of leave both when shared parental leave, maternity, paternity, parental or carer leave is requested, and when the employee returns to the workforce;
- Discussions on personal and family finance, as part of support and coaching for those preparing to become parents and returning to the workplace.
- Provision of a pension and pay calculator to help employees understand the financial impact of leave or changing working hours.
- Raising awareness of specific or targeted employee benefits that can support parents and carers.
- Returner information packs informing those returning from leave or a career break of the relevant financial benefits and elections.
- Access to financial advice and support in specific circumstances such as becoming a parent, a carer or bereavement.
- Making available the Insuring Women's Futures digital *Financial Wellbeing Guide* which sets out key considerations in life financial *Moments that Matter*.*

* https://www.insuringwomensfutures.co.uk/wp-content/uploads/2019/09/COH_J012626-IWF-financial-wellbeing-FINAL.pdf which sets out key considerations in life financial *Moments that Matter*.

Financially Inclusive Flexible Working Good Practice Guide

Flexible working for parents, carers and the next generation – overview of good practice guidance

The Financial Flexible Working Pledge focuses on financial wellbeing for individuals who are working flexibly. The Financially Inclusive Flexible Working Good Practice Guide has an expanded focus, and include practices to embed financial wellbeing throughout the organisation.

Insuring Women's Futures has developed good practice guidance for financially inclusive flexible working. The guidance aims to set out key principles with a view to helping ensure flexible working approaches are inclusive and support rewarding career progression, while simultaneously incorporating financial wellbeing prompts to empower staff to consider the financial and pensions planning aspects of their working life changes. Full details of the guidance may be found in the appendices, with a summary overview set out to the right.



Championing adoption and raising awareness

The CII will add a new category to its annual Public Trust Awards, recognising firms who demonstrate the best impact on female employees' financial wellbeing from adopting the pledge and good practice.

Purpose:
To support organisations seeking to enhance flexible working practices and close the *Gender pay gap*, as well as those that have signed up to the Financial Flexible Working Pledge, we have developed a framework of suggested good practice. The framework is intended to be flexible to enable employers to assess their own priorities, recognising the wide range in organisation size and structure. The framework is positioned as good practice, using examples of existing practice across a range of sector organisations, however firms are encouraged to make their own assessment of which interventions and policies will best achieve the goals of the pledge within their business.

Key themes:
In order to address both the root causes of inequality holistically and to maximise the impact of the guidance on female employees' financial wellbeing, the guidance covers six themes:

1. Improving workplace and pay policies for parents and carers.
2. Pay, performance and progression.
3. Recruitment and returning to work.
4. Employee education and communication.
5. Leadership and management engagement.
6. Financial interventions, pensions and benefits.

An advisory framework:
Each theme follows a common framework to enable organisations of all sizes and types to follow a simple and flexible approach to achieving the right outcome. While recognising that in most areas the policies and guidance address issues most likely to be experienced by female employees, wherever possible they are positioned as gender-neutral.

Policies and guidelines: Policies should be published and accessible to both existing and potential employees.

People: Guidance, support and training should be made available not only to employees themselves, but to their line managers. Where appropriate, goals and objectives should include measurable targets.

Systems and tools: Working-hours calculators should be made available to help employees understand long-term financial impact of changes. Recruitment, workforce planning and talent programmes should be configured to support adoption of flexible working.

Processes: All people processes, for example recruitment, pay review, coaching and career progression should be reviewed to support employees in making informed choices and treat those working flexibly fairly.

Training and communications: Mandatory training for line managers and broad employee engagement including role-modelling, mentoring, signposting support and guidance.

Outline of good practices

Improving workplace and pay policies for parents and carers
Leading practice in this area would transform pay policies and benefits for parents and carers. Good practice would include:

- Public disclosure of Parental leave (paternity, maternity, adoption) policies.
- Training and FAQs for line managers managing those working flexibly, on leave or with caring responsibilities to support positive financial outcomes.
- Pay calculators to understand impact on pensions and benefits.
- Signposting and prompts for employees to find appropriate guidance and support at the most appropriate junction.
- Guidelines for scoping and creating new and existing roles for non-standard hours and locations.

Leadership and management engagement
Leading practice in this area would support leadership to help employees, signpost others and understand the type of support available for individuals. Good practice would include:

- Employee awareness including guidance and training for line managers and senior managers to support colleagues in the *Moments that Matter*.
- Manager education on supporting employees, including tools to support job assessment and guidance on holding sensitive conversations.
- Senior leadership engagement, including the development and ownership of policies.

Pay, performance and progression
Leading practice in this area would challenge traditional pay, performance and progression metrics and process to be inclusive for all, ensure that checks and balances to assess progression and managers are supported in assessing pay, performance and progression. Good practice would include:

- Variable reward policies - Regular review of reward policies to measure difference in hourly pay for those in standard and flexible working patterns.
- Fair performance and promotion.
- Articulation of career paths for those with alternative hours, including mandatory training for line managers.
- Access to opportunities and work: Targets and reviews to ensure opportunities are open to those in all forms of work arrangement.

Employee education and communication
Leading practice in this area would ensure that communications are available to all, written in an inclusive way, signposts individuals to get additional support. Good practice would include:

- Guidance based on the *Moments that Matter*, proactively delivered at key stages of employees' lives and careers.
- Line managers equipped and encouraged to signpost additional support and guidance
- Flexible employee benefits adaptable to changes in circumstances and targeted at those experiencing a change in circumstances.
- Pension providers to support individuals with live data on pension pot calculations.

Recruitment and returning to work
Leading practice in this area would ensure that recruitment and return-to-work processes are supportive of flexible working arrangements, open to conversations and support is offered to the individual and organisation to get the right outcome. Good practice would include:

- Job creation/specification in respect of flexible roles.
- Flexible and returners working in the recruitment process.
- Adapting recruitment processes to consider flexible working.
- Guidelines for scoping and creating new and existing roles for non-standard hours and locations.

Financial interventions, pensions and benefits
Leading practice in this area would ensure that communications to individuals are targeted at the *Moments that Matter*, line managers are adequately informed to signpost and employees to make informed financial decisions. Good practice includes:

- Informing employees changing their working arrangements of the financial considerations.
- Enhanced pensions during parental / carer leave.
- Clear communications regarding registering for Child Benefits and Carer's Allowance.
- Pensions projections.
- Financial advice session.

Appendices

About Insuring Women's Futures and Our approach

Summary of Manifesto recommendations to improve financial resilience


Inclusive Customer Relationship case studies and Inclusive Customer Financial Lives Pledge

Financially Inclusive Flexible Working Good Practice Guide and Financial Flexible Working Pledge

Acknowledgements

References and data sources

Glossary



Insuring Women's Futures aims to improve women's financial resilience with an initial focus on in the UK, and evolve how the insurance and personal finance profession supports women as customers. By analysing patterns in risks spanning our future working, family, health and financial lives, our research-based approach identified a series of critical risks and exposures confronting women today and tomorrow.

About Insuring Women's Futures and Our approach

A market-led research-based, intervention-oriented programme

Our approach has involved a number of stages:

Identify the existence of, and then delve deeper into the root causes of, women's lack of financial resilience.

Analyse the trends in women's risks in life to understand the potential financial life journeys of young women, and to identify interventions to improve financial outcomes.

Understand the differences between women and men to help pinpoint where differentiated approaches are needed.

About Insuring Women's Futures

Insuring Women's Futures is a market initiative led by the CII, as part of its public interest remit. It is supported by firms and individuals from across the insurance and financial planning profession and broader expert and third-sector organisations with a shared interest in reducing women's risk and closing women's protection gap. Insuring Women's Futures is part of a wider Insuring Futures programme.

Insuring Women's Futures aims to lead the profession in refining its approach to women and risk; specifically how we may improve its approach to insurance and financial planning solutions to enhance women's risk resilience in wider society, and how it may develop in a gender-balanced way enhancing career opportunities for women in the profession.



It has three specific areas of focus:

Women at Risk

Women's risks in life: Understanding the personal and professional risks women face across society and their experience of insurance, to enable improvements in the way the profession supports women.

Women as Risk

Risk solutions for women: Identifying new and improved valuable insurance solutions for women's risks, including approaches to engagement, information and guidance as well as financial planning and advice, together with their needs and preferences as personal and professional buyers of insurance.

Women in Risk

Careers in risk for women: Improving the profile of women in the profession, in particular increasing the number of women at senior levels and making the profession more attractive to new female talent.

Insuring Women's Futures is led by a **Committee** with representation from across the sector, with the responsibility of setting its overall strategy and direction.

Insuring Women's Futures is grateful for the expert advice and support provided by the **Expert Advisory Panel** in ensuring that the insight that provides the foundation for the programme's work is accurate and insightful.

The Insuring Women's Futures **Associates** are organisations with a shared interest in Insuring Women's Futures', objectives, and have members or communication channels that can help engage women in society.

The Insuring Women's Futures **Market Task Force** exists to define and enable the profession's action plan in response to the framework of proposed interventions highlighted within this report that can be made by the profession itself, and in collaboration with government, regulators and wider societal groups.

Insuring Women's Futures is supporting the UN Women HeForShe campaign for gender equality. Insurance and financial planning is the first profession to lead a united campaign across the sector to make public commitments in support of this campaign.

Insurance and financial planning professionals are encouraged to visit our dedicated HeforShe commitment showcase to add their own commitment: insuringwomensfutures.co.uk/heforshe/

A research-based, intervention-oriented approach to build trust in society and add value to consumers

Insight-led

From the outset of the programme we have sought to be led by insight, identifying the root causes of women's lack of financial resilience and ensuring we have a rigorous foundation on which to prioritise the development of interventions.

Recognising the complex ecosystem of societal and historic drivers and barriers that have led to women's current financial situation, we have aimed to illustrate a holistic view of women's life journey and its financial consequences. This required analysis of primarily Government and academic sources and published by the ONS, to ensure consistency and longevity of cohort analysis.

Where possible, data was disaggregated by both age and sex, with further demographic characteristics explored where there were sufficient sample sizes and appropriate classification. We then

supplemented this foundation data with expert research findings from specialist organisations, such as the Alzheimer's Society, Age UK and Refuge.

All data sources and reports from other organisations are referenced in the three existing reports or in this document if new to this publication.

A collaborative outside-in approach

We established a Market Task Force to prioritise the areas for action, which we published in our Manifesto for change, and built workstreams populated by volunteers from across businesses and third sector organisations with both the expertise to innovate solutions and the interest to deliver them.

Women's risks in life research



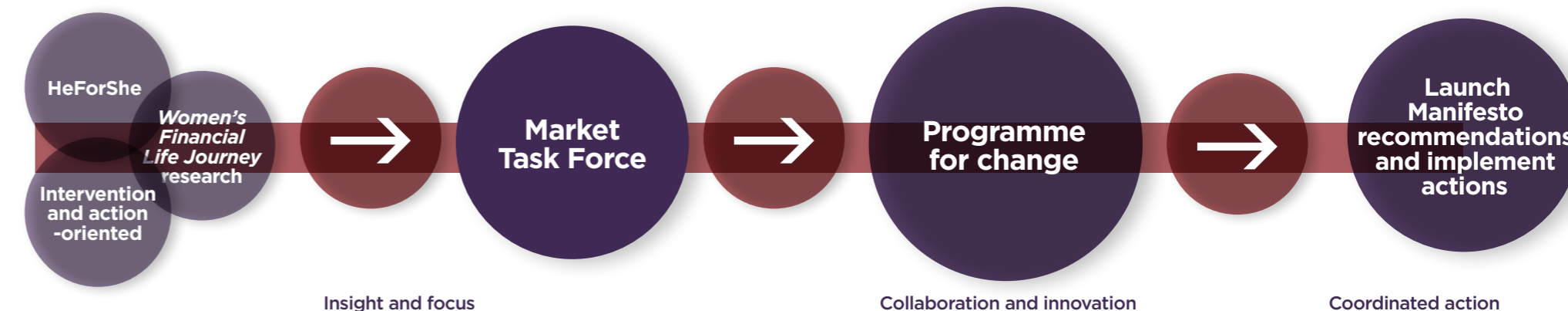
Risk, exposure and resilience to risk in Britain today, December 2016*



Securing the financial future of the next generation: the Moments that Matter in the lives of British women today, January 2018*



Solving Women's pension deficit to improve retirement outcomes for all, November 2018*



* Reports authored by Jane Portas and published by CII

Our recommendations span women's financial life journey with a view to the future and wider changes in society. While the catalyst for our recommendations is women's financial risks, our recommendations support improving financial resilience across the whole of society.

Summary of Manifesto recommendations to improve women's financial resilience

Taking our recommendations forward

Summary of Manifesto recommendations to improve women's financial resilience

Summary of Manifesto recommendations to improve women's financial resilience

Addressing the financial risks in life for women in society

Visibility of women in law, policy and practice

Adopting gender-neutral language in the law, collecting and using gender-disaggregated data in policymaking and practice

- Universal adoption of gender-neutral language in law and regulation to support visibility of women in policy and practice.
- Collect gender-disaggregated data - Government (ONS), regulators, financial services firms, financial guidance bodies, and other organisations.
- Use of gender-disaggregated data as part of inclusive policymaking, supervisory review practices, and financial guidance and advice practices.

Changing the conversation about money and pensions

Empowering women through tailored approaches to financial engagement, guidance, financial advice and customer services

- Make women and gender inclusive financial engagement, financial and pensions wellbeing a strategic priority for the Money and Pensions Service.
- Establish a national gender-disaggregated Financial Engagement Index.
- Employer and financial services firms adopt financial wellbeing strategies for employees and customers to help improve financial engagement and awareness.
- Increase collaboration between financial guidance bodies, the third sector, financial services and employers on financial engagement, information, guidance, financial advice and customer services.

Empowering girls to be money minded

Supporting girls and younger women by addressing gender stereotyping and improving financial awareness

- Career mentoring and role modelling to increase girls' participation in financially rewarding careers.
- Formalise financial wellbeing through an accreditation to equip young people for financial life.
- Tackle gender stereotyping, use of language towards women and limiting attitudes to money - at home, at school, and in the media.

Six steps to Pension Parity

Taking forward pensions parity measures to improve engagement and tackle the impacts of low pay and gender pay gaps, motherhood and caring, relationships and break ups

- MaPS to drive improvements in women's pension wellbeing (linked to Changing the conversation about money and pensions.)
- Improve workplace pensions transparency - gender pension gap disclosure and pension wellbeing to help improve financial engagement and awareness.
- Access to Automatic-Enrolment - address earnings eligibility threshold, tax relief on Net Pay schemes.
- Create a 'national conversation' to address caring, including consideration of a carer's pension top-up - a holistic approach and gender as part of the dialogue.
- Improving pensions outcomes in relationships - cohabitee rights, spousal consent for transfers.
- Fair pensions for those whose relationships break up - pension sharing on divorce, review Pension Advice Allowance, use of Pensions Dashboard by judges and for online divorces, standardise valuations, professional standards training, and guidance for advisers.

Supporting customers in their financial lives


Improving inclusive customer approaches within insurance and personal finance

- Whole customer approach to products, customer journeys and services - considering financial lives to support good outcomes and to help improve financial engagement and awareness.
- Financial wellbeing focus as part of customer strategies.
- Collaboration and coordinated approaches across financial and pensions regulators, financial guidance bodies, professional and trade bodies, financial services and the third sector.
- Inclusive Customer Financial Lives Pledge - to support customers to make product purchases that reflect their life circumstances and guide them on navigating life events.

Making flexible working fit for financial futures

Enhancing flexible working policies and practices, Shared Parental Leave Rights and employee financial and pensions wellbeing

- Financially inclusive flexible working policies and practices.
- Separate and equalise Shared Parental Leave and Pay Rights to support closure of gender pay and pensions gaps.
- Part time *Gender pay gap* analysis by employers.
- Employer gender pensions gap analysis including consideration of part-timers' pensions.
- Financial and pensions wellbeing in the workplace for flexible workers.



As part of our programme, in reviewing inclusive customer approaches, we researched how customers in intimate and personal relationships are taking out a range of insurance products and whose name they are in. Here we include a series of case studies to support our recommendations for improving inclusive customer approaches within insurance and personal finance.

We have developed an Inclusive Customer Financial Lives Pledge for firms in the profession to support customers to be better informed how their life circumstances overlay onto their products.

Inclusive Customer Relationship case studies and Inclusive Customer Financial Lives Pledge

Inclusive customer

Insurance case study scenarios: Relationships

CII Inclusive Customer Code of Ethics
Companion and Practical Guide (to be published)

Inclusive Customer Financial Lives Pledge for the insurance and personal finance profession

Case study scenarios: Customers’ relationships

Introduction

Our personal intimate and family relationships have changed during the years. Today while many of us still marry, it’s not until much later. Instead, many of us are choosing to cohabit, young people in particular, and this includes having a family too. There has also been a stark rise in the number of same-sex-couple families.

Apart from the older generation (the so-called ‘silver splitters’), divorce rates are stabilising, and we are taking longer to choose our marriage partners meaning many of us are separating outside of marriage on our relationship journey.

Domestic abuse and financial coercion are a key risk faced by a number of people and especially women; women have heightened exposure to domestic abuse when relationships break up.

Background and context

The following pages set out case study scenarios drawing on examples of customer personal and intimate relationship circumstances gathered through a number of UK personal lines firms. The aim of the scenarios is to help illustrate matters professionals in insurance and personal finance may wish to consider when contemplating how their firms’ products, services and customer journeys respond in the context of customers’ relationships.

The case study scenarios are set out in four sections and highlight relationship considerations for Motor, Home, Life and Health insurance. Each section includes sample customer relationship data, highlights key areas to consider to aid customer experience, and sets out illustrative scenarios drawing on real-life examples.

The case study scenarios were compiled as part of the CII’s Insuring Women’s Futures’ programme specifically the work undertaken to consider ‘Inclusive Customer Outcomes in *Moments that Matter*’.

Details of the programme and specifically information on financial risks in life and the 6 *Moments that Matter* where interventions may be made by the profession may be found at: <https://www.insuringwomensfutures.co.uk/>

The case studies will be incorporated within a broader CII Code of Ethics Practical Guide for Inclusive Customer.

Summary

The case study scenarios highlight a number of areas for insurance and personal finance professionals in customer-related roles to consider in supporting and improving customer outcomes and experience. These are summarised below as well as the benefits for customers and the profession.

Examples of matters to consider in enhancing customers’ understanding of relationships implications when using our products and services include:

General guidance on relationships considerations, life events and how to pre-empt issues arising in life-changing situations - Relationship FAQ webpages may provide helpful guidance highlighting key relationship considerations for customers when they take out insurance policies. For example, website guidance may clarify the implications of main policyholders and named beneficiaries as well as single and joint policyholders and how they relate to insurance products. It can also provide guidance on what to consider should a life event happen and circumstances change (such as divorce, bereavement), or in cases where a specific vulnerability may arise (such as financial abuse or incapacity of a partner).

Customer journeys interventions - Clear information (with examples) may be provided and outlined to customers when they are taking out cover. For example, this may include information on the potential impacts that may flow from having only one partner in the relationship named as the insured person on a policy. Such information may be built into customer journey prompts and nudges with links to relevant FAQ to help inform customers of key relationship matters to consider.

Policyholder documentation – Policy documentation may include a section on relationship considerations and prompt customers to seek information (including website links) or contact their provider, should this trigger additional considerations impacting their cover or how their policies are set up (such as in joint or single names and named beneficiaries).

Marketing, information and guidance – Support to customers may also include making customers aware of key facts to consider from a relationship perspective, perhaps if there are specific campaigns planned to encourage those in relationships to ‘talk about insurance and personal finance’ and to consider their policy setup and that information provided to insurers is up to date (such as expressions of wishes and beneficiaries for life insurance). Information may also include website links to third sector information pages, including for example relationship guidance, financial abuse support services for people experiencing life events or with vulnerabilities.

Adapting systems – Systems changes can sometimes take time to implement and it is noted that there may be some limitations. Consideration may be given to systems capability, ongoing upgrades and scope for modifications to recognise more than one policyholder within policy systems. Consideration may also be given to informing named policyholders and beneficiaries (subject to consent only) with a view to helping to mitigate unintended consequences of for example, alongside appropriate measures where specific vulnerabilities may exist.

Benefits to customers

Greater transparency and financial wellbeing approaches to raise awareness, inform and to help customers understand key relationship considerations when taking out policies will help mitigate against unintended consequences, reduce the potential likelihood of poor customer outcomes and ensure customers are treated fairly and their best interests served.

Supportive FAQs and guidance for dealing with a life-changing situation will help make it easier and smoother for customers to deal with their insurance or personal finance provider or intermediary at times of need, and make them less vulnerable to poor outcomes when going through relationship changes such as divorce and bereavement. Similarly for those experiencing vulnerabilities in relationships that affect their insurance, including domestic abuse and financial coercion.

Benefits to firms and the profession

A proactive approach to mitigate unintended or poor outcomes, and pre-empting life change issues arising through provision of information upfront, and prompts to improve customer awareness and support customer vulnerability, helps build customer confidence and trust in the profession. The approach also supports meeting FCA requirements relating to customer outcomes including vulnerability.

A lack of understanding by policyholders when taking out insurance and setting up their protections can sometimes lead to unintended outcomes later through the customer journey, for example when a claim is made. This can result in complaints and in some cases remediation costs, and lead to adverse media. Improved transparency within enhanced information and guidance, and embedding financial wellbeing approaches within customer strategies can help mitigate and improve trust and reputation.

Resources:

Insuring Women’s Futures’ research in particular: Securing the financial future of the next generation introducing the 6 *Moments that Matter* including Relationships: making up and breaking up. <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/10/Securing-the-financial-future-of-the-next-generation.pdf>

Surviving Economic Abuse: Checklist for insurers: A guide for staff in the insurance industry who are supporting customers who have experienced economic abuse. <https://www.endeconomicabuse.com/wp-content/uploads/2019/09/Checklist-for-insurers.pdf>

In considering the practical implementation of the recommendations relating to disclosures of the consequences of joint and single policyholder status and that of main and named beneficiaries, regard will need to be given by firms to individual policy wordings, with appropriate legal and compliance advice taken in the context of firms’ business models, including the product suite, distribution chains and service delivery. Likewise any proposals regarding communications to policyholders and named beneficiaries will need to comply with relevant law and regulations such as GDPR. This report does not constitute legal and compliance advice.

Key facts for intimate personal relationships in Britain

67% of people marry, but we are now marrying later. Average age of marriage is 37 and 34 years for men and women, respectively, an 8 year increase since 1973. Two thirds of 16 to 29 year olds, and one fifth of 30 to 34 year olds are not living in a couple.

Cohabiting families doubled in last 20 years. Nearly 1/4 of 30-34 year olds cohabit. 46% of people believe cohabiters have the same rights as married couples or are not aware.

In 2018, there were 232,000 same sex couple families in the UK, a 53% increase since 2015.⁵⁵

Average age of divorce is 44 for women and 46 for men. One in three of those married in 1998 had divorced by their 15th wedding anniversary.

One in five adults has experienced financial coercion in a current or past relationship. 60% of cases are reported by women, 40% by men.

One fifth of divorced and separated women experience domestic abuse.

The number of ‘silver splitters’ is increasing - only the over 50s have seen an increase in divorce rate since 2003.

Data sourced from Securing the financial future of the next generation, reference 36, unless stated otherwise. For details of those involved in the Inclusive Customer Outcomes workstream see Acknowledgements, page 234.

Home insurance – Relationship *Moments that Matter* considerations

Summary findings

Theme	Home insurance considerations for relationships
Relationship facts and insights	<p>Sample data gathered by Insuring Women’s Futures indicated that 40% - 60% of married couples may have home insurance with only one of the two adults in the relationship named on the policy .</p> <p>This may have implications for the coverage afforded to each party living at the household, whether married or cohabiting, and their rights and authority over the policy, for example to make changes or to make a claim. It may also lead to wider consequences when for example, customers separate, one party becomes incapacitated, infirm or dies.</p> <p>The status of policyholders within a policy can also have implications for those in financially abusive relationships, for example in making commitments, changes or claims under the policy.</p>
Considerations and potential improvements	<p>Suggestions include:</p> <p>Policy coverage, policyholder and beneficiary rights – Information and guidance may clarify the practical implications for both scenarios: having one or both adults in a relationship named on the home insurance policy. Neither scenario is entirely free of complications, but it is important that customers understand how who is named as the policyholder affects their ability to access the policy, make changes, make a claim and other factors.</p> <p>Changes in relationship circumstances – Information and guidance to help policyholder consider the policy implications should a life-changing event happen (such as divorce, bereavement), or in cases where there may be a specific vulnerability (such as financial abuse or incapacity of a partner).</p> <p>Customer journeys (sale, mid-term adjustments and claims) – Customer journeys may include customer prompts to ask if the customer has a partner living with them or shares a home, and provide links to FAQ webpages to inform their approach to setting up the policy.</p>

Case study scenarios

Theme	Home insurance – reflecting on the right level of cover when moving in together
Scenario	Mr Y’s girlfriend Ms K recently moved in with him. Shortly after, Mr Y proposes to Ms K and calls his insurer to add the engagement ring to his policy, paying an additional premium as part of a mid-term adjustment (MTA).
Customer outcomes and/or risks	While the engagement ring is covered as part of the MTA and Ms K’s contents would automatically covered by Mr Y’s contents policy, it is important for the couple to reflect on whether the level of cover is appropriate for their household to avoid underinsurance. For example is the sum insured for personal possessions appropriate on the existing policy given there are now two people to insure instead of one?
Benefit of Relationship Moments that Matter interventions	The mid-term adjustment whereby Mr Y adds the engagement ring provides an opportunity for the customer service agent to flag the risks of underinsurance on the whole contents policy if this has not previously been addressed when Ms K moved in with Mr Y. Moving in together, is a key opportunity to assess the best type and amount of protection for the risks at hand and avoid issues of underinsurance that could lead to a reduced claim pay-out.

Theme	Home insurance – impact of separation when one partner is sole policyholder
Scenario	Only Mr N of Mr N & Ms C is listed on the home insurance policy documents. The couple split up and Mr N moves out of the family home. Mr N advises the broker of a change of address to the insured property.
Customer outcomes and/or risks	The request by Mr N to change the policy means there is a risk that the original family home where Ms C and the couple’s children still reside is left uninsured. Ms C would not be aware as the correspondence would only go to Mr N.
Benefit of Relationship Moments that Matter interventions	<p>If Ms C was prompted before or during Mr N taking out the policy to consider Relationship <i>Moments that Matter</i>, Ms C would be aware that she had limited permissions and/or notifications regarding the policy by being a joint policyholder. This means she may realise after the relationship broke down that she would likely to need to check that cover hasn’t been cancelled by Mr N as the main policyholder without her being made aware.</p> <p>Another option is that her insurer updates their systems and legal processes so in future, both main policyholders and joint policyholders are made aware of any/certain changes to their policy such as cancellation.</p>

Theme	Home insurance – impact of one partner becoming infirm or incapacitated on renewal
Scenario	Mr and Mrs A have a buildings and contents policy where Mr A is the main policyholder and Mrs A is named on the policy. The cover is paid from a joint account. Mr A is over 80, and with continuously declining health, he is no longer able to manage financial matters. On renewing the policy Mrs A queries the possibility of removing Mr A from the policy as she is making all the financial arrangements for their family following his declining health. She requests to change the renewal policy to her name only.
Customer outcomes and/or risks	<p>In most cases, only the main policyholder on a home insurance policy is able to remove a named policyholder from cover. Therefore, as the named policyholder, Mrs A would need to provide documentation to show Mr A’s incapacitation, such as power of attorney, medical documents, etc. in order to remove Mr A from the policy and make herself the main policyholder.</p> <p>Note the vulnerable customers policy should also kick in to alleviate the issue for Mr & Mrs A in this particular case.</p>
Benefit of Relationship Moments that Matter interventions	It is important that Mr and Mrs A understand their home insurance policy and the permissions they have as a main policyholder vs. a named policyholder respectively. For example, while Mr A as the main policyholder would be able to make changes or remove policyholders, Mrs A would not without his consent. In the event that this has not been discussed before Mr A became incapacitated, the value of setting up power of attorney goes beyond home insurance changes and is hugely valuable in an orderly transfer of financial and legal responsibilities (for example in making changes to the joint bank account without Mr A’s consent) when someone becomes incapacitated due to a health issue. Considering life circumstances when taking out insurance also helps couples decide who should be the main policyholder and helps avoid unintended consequences of life events and vulnerable customers.

Motor insurance – Relationship *Moments that Matter* considerations

Summary findings

Theme	Motor insurance considerations for Relationships
Relationship facts and insights	According to the Association of British Insurers, the value of a No Claims Discount (NCD) on a motor policy can be as much as 30% for one claim-free year and 60% for five claim-free years.
Considerations and potential improvements	<p>Suggestions include:</p> <p>Making customers aware of the named driver implications – Providing information and guidance to help customers make decisions about who to put down as the main insured and named drivers and the implications of this will ensure customers better understand the impact of a change situation should this arise, and help manage expectations as well as how to navigate any change.</p> <p>Internal NCD transfers – This involves insurers moving to recognising an NCD transfer internally (i.e. within the same insurer). This would mean that parties who have set up their policies with one as the main driver and one as the named driver (as is required for motor insurance) when both are driving the insured vehicle are not inadvertently penalised when one of the parties later needs to take out a policy in their own name. For motor, this would mean recognising named driver NCDs if the named driver then chooses to purchase their own policy (subject to standard underwriting and pricing factors).</p>

Case study scenarios

Theme	Motor insurance - impact of death of main policyholder
Scenario	Mr and Mrs T own the family car and the motor insurance is in Mr T's name as the main driver with Mrs T added on as the named driver since Mr T does most of the driving. Mr T passes away and Mrs T now requires her own motor policy where she becomes the main driver.
Customer outcomes and/or risks	<p>While she is able to get a policy, the cost for Mrs T increases dramatically as she loses out on the significant NCD previously in place based on Mr T's driving record*.</p> <p>A similar situation may arise for divorcing and separating couples who have both participated in motor insurance under a single policy and shared vehicle use.</p>
Benefit of Relationship <i>Moments that Matter</i> interventions	If insurers were to consistently recognise a NCD transfer internally (i.e. within the same insurer), named drivers such as Mrs T or those setting up their own policies post divorce or separation would not be penalised when purchasing their own policy. For motor, this would mean recognising named driver NCDs if the named driver then chooses to purchase their own policy (subject to standard underwriting and pricing factors).

*Depending on the circumstances, Mrs T as the named driver would not necessarily have benefited from the whole NCD if she drove less than Mr T

Life insurance – Relationship *Moments that Matter* considerations

Summary findings

Theme	Life insurance considerations for Relationships
Relationship facts and insights	Sample data gathered by Insuring Women's Futures indicated that less than 40% of decreasing or level term life insurance policyholders have a joint policy notwithstanding that couples account for 66% of the customer base. Typically the policyholder is more likely to be the main earner. Should the couple separate the life policy would remain with the policyholder.
Considerations and potential improvements	<p>Suggestions include:</p> <p>General guidance and awareness – Make customers aware of the implications of taking out single and joint life policies, for example through information webpages.</p> <p>Consistent and supportive approaches across the customer journey - Insurance providers, advisers, mortgage brokers and through them third parties (such as corporate clients and employers, lawyers and price comparison websites) all have a role to play and can each make sure they are having the right conversations with consumers (and employees where an employer scheme) on what they need to know about life insurance not just at inception but on an ongoing basis. A focus will be to make the customer aware of how their policy works at key life events, including divorce and what they can do, for example include a separation clause. Also, important to communicate the importance of protecting the beneficiaries of both life (and pension) during divorce so separated parties are fully aware.</p> <p>Prompts to help remind customers to check the basis of their cover - Providers and advisers can prompt potential customers and customers to check whether life cover is in place already on a joint or single basis.</p> <p>Annual Review Statements – Statements could potentially be sent to all beneficiaries (subject to policyholder consent only).</p> <p>Policy terms and conditions - These may incorporate a Guaranteed Insurance Option that allows customers to extend cover at a similar rate to that at which the policy was first taken out. Prompts could also be included in customer journeys when they are first taking out cover.</p>

Case study scenarios

Theme	Life insurance – lack of clarity regarding joint and single life cover in place
Scenario	Ms F, a divorced woman requires life insurance protection and seeks quotes from a financial advisor following a recent divorce. She is not aware of the details of any prior life policies that her ex-husband may have taken out while they were married, including cover available through his employer.
Customer outcomes and/or risks	Ms F and her children may already be protected (unbeknown to her) and therefore the cover may not be required. The cost of the insurance may be greater than if a Guaranteed Insurability Option had been taken out as part of any original cover. This would have the benefit of fixing the price of any incremental levels of cover.
Benefit of Relationship Moments that Matter interventions	By prompting Ms F about previous life assurance before her divorce, she will be able to make enquiries to see if she is protected already, and if so save money through not buying unnecessary cover. In addition, should Ms F have cover but need to buy extra protection, the cost of the insurance may be less if a Guaranteed Insurability Option had been taken out as part of any original cover (this has the benefit of fixing the process of any incremental levels of cover).

Theme	Life insurance – lack of clarity regarding joint and single life cover in place
Scenario	Mr & Mrs D divorce and at the time the agreement was for Mr D (through his employer) to continue to protect Mrs D (and the children) through his workplace death in service benefit and life insurance. The aim was if something happened to Mr D whereby there was insufficient money for maintenance, the protection would provide for the family. Some time later, after the divorce Mr D decides he would prefer to add his new partner to the cover, removing his ex Mrs D.
Customer outcomes and/or risks	Mrs D is not aware she has been removed from the life cover. This means if Mr D had an accident or illness causing him to die and to trigger the life cover, Mrs D and the children would not be beneficiaries.
Benefit of Relationship Moments that Matter interventions	Setting up systems that allowed policyholders to consent to informing beneficiaries and named individuals of changes that directly impact them would help to avoid unintended outcomes by putting people affected on notice early so they can take appropriate action.

Health insurance – Relationship *Moments that Matter* considerations

Summary findings

Theme	Health insurance considerations for Relationships
Relationship facts and insights	Sample data gathered by Insuring Women’s Futures indicated that more than half of individuals protected by corporate healthcare schemes are male. More than three quarters of family policies have a male principal member. Approximately one third of policies with male principal members have a spouse on cover.
Considerations and potential improvements	<p>Suggestions include:</p> <p>Health policy information and guidance - Clear information, with examples, on the potential issues that may flow from having only one partner in the relationship named as the insured person on a health policy outlined to customers when they are taking out cover.</p> <p>Communication of removal from policy cover - At policy application stage, permission should be obtained to communicate with both parents (not just the principal member) in advance of any child being removed from the policy’s cover.</p> <p>Pre-existing conditions - Explore feasibility and practicality of changing the rules for pre-existing conditions so that a pre-existing condition window expires within a defined period of the individual finding out they are no longer covered, rather than a set period from removal under the policy.</p>

Case study scenarios

Theme	Health insurance – Separation and lack of awareness of changes to family cover
Scenario	Mr B is listed as the principal member on his Business or Corporate Healthcare scheme provided by his employer and his entire family has been added to the policy. Following a breakdown in the relationship, Mr B removes Mrs B and the children from his Business or Corporate Healthcare scheme provided by his employer. Notification of this change in cover is only sent to Mr B as he is the principal member on the policy.
Customer outcomes and/or risks	Mrs B could be unaware of changes to the policy that impact her and any children.
Benefit of Relationship <i>Moments that Matter</i> interventions	<p>At policy application stage, permission should be obtained to communicate with both parents (not just the principal member) in advance of any child being removed from the policy’s cover.</p> <p>60.9% of SMEs have a male principal member. 58.4% of Corporate schemes are a male principal member, of which 78.1% of family policies has a male Principal Member.</p>

Theme	Health insurance – Separation and impact on No Claims Discount
Scenario	Mr and Mrs L have an Individual healthcare policy with Mr L named as the principal member. The couple separate and Mrs L is removed from the policy.
Customer outcomes and/or risks	Mrs L hadn’t ever made a claim on the policy but as the No Claims Discount (NCD) is applied on a policy and not individual basis, she could receive no NCD benefit on her new individual policy.
Benefit of Relationship <i>Moments that Matter</i> interventions	On certain policies NCD may only be applied at policy level and not at individual level. If NCD were applied at an individual and not policy basis, MRs L would not have lost this benefit.

Theme	Health insurance – Separation and missed opportunity to exercise continuation option
Scenario	Mr B is listed as the principal member on his Business or Corporate Healthcare scheme provided by his employer and his entire family has been added to the policy. Following a breakdown in the relationship, Mr B removes Mrs B and the children from his Business or Corporate Healthcare scheme provided by his employer. Notification of this change in cover is only sent to Mr B as he is the principal member on the policy.
Customer outcomes and/or risks	Because Mrs H was not aware that she had been removed, her continuation option might not be exercised in time as there was a 30 day timeframe and her condition is now excluded from her new individual policy.
Benefit of Relationship <i>Moments that Matter</i> interventions	<p>Clear information, with pitfall examples, on the potential <i>perils</i> that may flow from being a member of a Business or Corporate Healthcare scheme that may only allow one principal member on a policy. This should be clearly outlined to customers when they are taking out cover.</p> <p>Continuation options could be extended to provide adequate time for an individual to exercise the option. Providers to communicate with both parties on a policy. Providers to communicate with the second life providing information about their continuation options if they have been removed from a family/joint policy.</p> <p>30.9% of Business Healthcare male principle members have a spouse on cover and 37.6% of male Corporate. Group plans don’t accrue any NCD so no impact on these policies.</p> <p>Continuation options are often required within 30 days of leaving a company scheme. 60.9% of SMEs have a male principal member, of which 30.9% have spouse included. 58.4% of Corporate schemes are a male principal member of which 37.6% have spouse included. 78.1% of family policies have a male Principal Member.</p>

Inclusive Customer Financial Lives Pledge

The Inclusive Customer Financial Lives Pledge will ask organisations to commit to the following pledge:

The pledge

“We will work to ensure that at every customer interaction point we adopt an inclusive ‘whole customer’ approach, helping customers to consider the impact of their life circumstances and potential changes, and empowering them to achieve a positive outcome.”

Financial lives in the UK are changing and this has implications for customers' needs, and the products and services they receive from the insurance and personal finance profession. People's life journeys, financial circumstances, awareness and engagement varies and this also means some of our customers experience financial vulnerabilities.

Women's life journeys tend to be subject to more risks and changes than men's, particularly around motherhood and caring responsibilities. Approaches that work for more linear life journeys may therefore deliver poor outcomes.

This pledge has been developed to drive change in the insurance and personal finance profession to take an inclusive 'whole customer' approach that is purposeful and proactive in nature, and simultaneously supports business performance and meeting regulatory expectations.

The pledge is applicable to all insurance and personal finance firms (including pensions providers) and professionals in relation to their dealings with all customers in a variety of personal situations and would take into account significant changes in life circumstances that may impact customers' insurance, personal finance and pensions arrangements. This may include, for example, customers' relationship status and implications for customer outcomes according to how insurance policies or pensions arrangements are set up and subsequent changes in circumstances. The pledge is not prescriptive in describing the way that firms and individuals should approach this topic. It recognises that the approach will differ depending on the size of the firm, the nature of its business and dealings with customers as well as its existing policies and processes, including its approach to relevant regulation such as vulnerable customers and customers' best interests.

Examples of successful interventions could include:

- Considering customers' 'whole needs and experience' as part of customer journeys including their life situations and potential changes, any vulnerabilities these may give rise to as well as their specific product needs. In practice this involves considering the service level and support required. For example if a customer is going through a life-changing situation (such as divorce or bereavement) that makes them vulnerable. It might also go a step further, to help mitigate the impact of such life changes by identifying key points in the customer journey for prompts and financial wellbeing nudges. For example helping customers to understand who should be covered under an insurance policy and in what capacity. Or offering financial tools or incentives (such as life assurance calculators to help determine protection levels when family size changes, and pensions calculators to ascertain contribution levels).
- Considering approaches and raising customers' and potential customers' awareness of policy features concerning relationships.
- Raising customers' and potential customers' awareness of how changes in life circumstances may impact their insurance, personal finance and pensions arrangement.
- Signposting appropriate third sector support and guidance beyond firms' own products and services that may support customers and potential customers at key life stages and vulnerabilities arising.
- Reviewing procedures for identifying, capturing and appropriately acting upon customers' relationship situations and changes, including impacts on beneficiaries, as well as where financial coercion may be a factor.
- Actively reviewing the inclusivity of customer journeys, (engagement, information and guidance, solution and service design, pricing and distribution) and considering specific engagement opportunities at point of sale, mid-term, at renewal and as part of annual statements, that help identify and respond to the customer life journey and changing life situations.
- Considering customer experience and approaches to engagement through key stages in the customer lifecycle contemplating diversity, ensuring approaches are relevant, relatable and fair to achieve inclusion of customers and across target markets – collecting, effectively and fairly using gender-disaggregated and intersectional customer insight data to inform approaches.
- Measuring the effectiveness of differentiated approaches to engaging customers to improve customer inclusion (access, experience and outcomes) including consideration of customers in a range of life situations – for example through use of a financial engagement index.

Good practice guidance has been developed (to be published shortly) as part of the CII Code of Ethics Inclusive Customer Companion and Practical Guide in order to support members with an inclusive approach to considering 'whole customer'. While alignment with this guidance is not included in the pledge, it will be recommended that CII members consider this guidance to identify and inform their approach and potential enhancements. The Ethical Guidance, which considers a breadth of inclusive customer aspects, has been developed as part of the CII's market-led Insuring Women's Futures programme. It is informed by the financial risks in life report "Securing the financial future of the next generation" which highlights 6 *Moments that Matter* in people's financial life journey where interventions may be made to improve financial security. For further information see: <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/10/Securing-the-financial-future-of-the-next-generation.pdf>

Inclusive Customer Financial Lives Pledge – quick wins and resources

Ten simple changes for all insurance and personal finance firms, and pensions providers, to support inclusive customer approaches

Customer awareness and customer journeys

1. Develop and make available to customers a 'Life circumstances guide to [home/motor/life/health] insurance/pensions with [Company A]' providing information and explaining the implications of joint and single policyholder status, and named beneficiaries.
2. Set up a simple 'Life changes' webpage informing customers of what to consider regarding their insurances/pensions in the event of changes in their lives such as divorce, separation, bereavement, incapacity of a policyholder, with details of how to make contact for queries and changes.
3. Ensure policy documentation clearly explains the status of joint, single life and named beneficiaries and each parties' respective rights in making a claim and/ or a policy change, as well as any No Claims Discounts.
4. As part of customer journeys or through provision of information, prompt customers to consider changes in personal and family circumstances - such as when a new co-habiting partner moves in, getting married, or extending family size - and provide information and/or tools to help them consider cover/pension provision levels and who is included on the policy and in what capacity, providing guidance on how to make contact to make any necessary adjustments.
5. Consider systems and the possibility of introducing fields to incorporate customers' preferences regarding communications to joint policyholders and beneficiaries (as well as documenting details of persons authorised to communicate on behalf of vulnerable customers), with the necessary and appropriate consents and controls built in.
6. Review consumer insights data, customer complaints and claims/pension contributions and transfer data to understand issues arising regarding policy arrangements relating to life circumstances and life events and use to inform design of journeys, customer information and guidance.

Wider support for customers

1. Signposting appropriate support and guidance beyond firms' own products and services that may help customers and potential customers at key life stages, for example referencing third sector organisations such as the Money and Pensions Service (<https://moneyandpensionservice.org.uk/>), and for relationship matters Relate (<https://www.relate.org.uk/>), Surviving Economic Abuse (<https://survivingeconomicabuse.org/>).

Awareness and staff briefings


1. Meet with relevant third sector organisations, arrange staff briefings on relevant topics to inform customer experience and to get a better understanding of life circumstances and customers' specific needs.
2. Raising awareness and adoption with colleagues of the CII Code of Ethics and specifically its Inclusive Customer Companion and Practical Guide, PFS, ABI and BIBA guidance for firms and other relevant bodies' guidance, as appropriate.
3. Engaging with employer clients and providing information and guidance on life circumstances and life change considerations to employee customers, and as part of employer financial and pensions wellbeing strategies. This also includes consideration of internal HR financial and pensions wellbeing approaches.

Resources available

- Review your insurance after having a baby: <https://www.moneyadvice.service.org.uk/en/articles/review-your-insurance-after-having-a-baby>
- Life insurance, choosing a policy: <https://www.moneyadvice.service.org.uk/en/articles/life-insurance-choosing-the-right-policy-and-cover#should-you-get-a-joint-life-policy>
- Review your home insurance and possessions on separation: <https://www.moneyadvice.service.org.uk/en/articles/review-insurance-for-your-home-and-possessions-on-separation>
- Review insurance for dependents and your will on separation if you were cohabiting: <https://www.moneyadvice.service.org.uk/en/articles/review-insurance-for-dependants-and-your-will-on-separation>
- Insurance for dependents after divorce: <https://www.moneyadvice.service.org.uk/en/articles/review-insurance-for-dependants-and-your-will-during-divorce-or-dissolution>
- Pensions and divorce: <https://www.pensionwise.gov.uk/en/divorce>
- Pensions and bereavement: <https://www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/bereavement-what-to-do>
- Checklist for insurers: A guide for staff in the insurance industry who are supporting customers who have experienced economic abuse: <https://www.endeconomicabuse.com/wp-content/uploads/2019/09/Checklist-for-insurers.pdf>
- Alzheimers' Society finance and insurance guide: <https://www.alzheimers.org.uk/dementia-friendly-resources>
- Chartered Insurance Institute Inclusive Customer Code of Ethics [tbc]
- Insuring Women's Futures digital financial wellbeing guide including the financial life journey, "6 Moments that Matter – how to secure your financial future" <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/01/Financial-Wellbeing-Guide.pdf>

Relevant organisations

- Money and Pensions Service: <https://moneyandpensionservice.org.uk/>
- The Money Advice Service: <https://www.moneyadvice.service.org.uk/en>
- Pensions Wise: <https://www.pensionwise.gov.uk/en>
- Pensions Advisory Service: <https://www.pensionsadvisoryservice.org.uk/>
- Citizens Advice <https://www.citizensadvice.org.uk/>
- Association of British Insurers: <https://www.abi.org.uk/>
- British Insurance Brokers Association: <https://www.biba.org.uk/>
- Chartered Insurance Institute <https://www.cii.co.uk/learning/>
- Personal Finance Society <https://www.thepfs.org/learning/>
- Relate <https://www.relate.org.uk/>
- Surviving Economic Abuse <https://survivingeconomicabuse.org/>
- Centre for Ageing Better: <https://www.ageing-better.org.uk/>
- Alzheimers' Society <https://www.alzheimers.org.uk/>



As part of our programme our workstream focusing on financially inclusive flexible working has developed guiding principles for employers to target practical interventions to support financial wellbeing and create equal opportunity for parents, carers and the workforce of the future to work flexibly and enjoy rewarding pay and career progression. This supports closing the *Gender pay gap* as well as the gender pension gap and supports inclusion in the workplace, attraction and retention of talent.

We have developed a Financial Flexible Working Pledge for firms in the profession to support employees changing their work arrangements to consider the implications for their financial wellbeing.

Financially Inclusive Flexible Working Good Practice Guide & Financial Flexible Working Pledge

Financially inclusive flexible working

Insuring Women's Futures Financially Inclusive Flexible Working Good Practice Guide

Financial Flexible Working Pledge for the insurance and personal finance profession and relevant for all employers

Introduction

Background and context

The following pages set out Insuring Women's Futures' Financially Inclusive Flexible Working Good Practice Guide, which has been created to assist organisations to identify incremental changes in key working practices to support career and pay progression for parents and carers in the workplace. It will also benefit those adopting broader flexible working practices.

This guide includes considerations and areas which organisations may wish to focus on to improve employee outcomes for flexible working, and should support leadership decisions as well as challenge current ways of working and organisation approaches to flexible working. Flexible working is generally taken to encompass part-time, compressed hours, term time hours, mobile working, flexi-hours. Increasingly, many people (women and men) are adopting flexible careers, taking breaks from the workplace and re-entering, and many aspects of this guidance will therefore be applicable to flexible working more broadly than women working part-time.

Flexible working and financial risks facing women

The work of the CII Insuring Women's Futures initiative specifically draws on insights from 'Securing the financial future of the next generation' contemplating changes in society's financial risks in life. It identifies 12 top financial risks facing women (referred to as *Perils and Pitfalls*) and a *Moments that Matter* framework comprising 6 key *Moments* in a woman's life journey where interventions can be made to improve financial resilience. One of the key *Moments that Matter* is Motherhood and becoming a carer.

Specifically, at the time of becoming a mother or carer, women are likely to face a number of *Perils and Pitfalls* that can significantly impact their financial future. In particular, the research identified that there is a continuing *Motherhood and caring penalty*, with women often acting as primary carers, with the knock-on impact that many are likely to stop work or take time out, sacrificing potential career earnings and pension savings. Many mothers and carers opt to work part-time or take career breaks to allow them to take on this primary carer role. The *Flexible working sacrifice* recognises the huge cost to women's earnings of part-time work, with long-term impacts to their savings and pensions provision. Notwithstanding changing attitudes towards women working (there has been a shift of view towards women with school-age children especially to work part-time), and with the gap between working mothers and non-mothers set to close by 2022, women continue to take on the majority of housework and care, with long-term implications for their careers, earning and retirement savings.

Some of the key findings outlined in the report include:

Many mothers (61%) are opting for part-time work that reduces their lifetime earning potential and increases financial risk.

The part-time *Gender pay gap* means that women working part time earn 30% less than those women working full-time.

Three in five professional women who take career breaks return to work in a lower skilled job.

The growing cost of childcare is putting financial pressure on household finances, including paying rent.

Women are having children later resulting in caring during the years that they would normally be saving for later life.

58% of carers are women, with one in three women in their 50s taking on responsibility for caring for an elderly relative.¹³

Our approach to flexible working guidance for parents, carers and the workforce of the future

Market-led approach

The Financially Inclusive Flexible Working Good Practice Guide has been developed by Insuring Women's Futures' Manifesto workstream: Financially inclusive flexible working. The working group comprised leading employers and experts in workplace practices for parents, carers, HR and Diversity & Inclusion. The working group has worked with employers and advocates within the insurance profession, as well as experts on flexible working and supporting parents and carers, to identify a recommended approach to addressing the *Perils and Pitfalls* in the *Moment* that

women become mothers and carers, and in a way that will benefit the workforce of the future. This includes developing inclusive flexible working practices that enable inclusion and gender parity in the workplace, and help close the *Gender pay gap* and the gender pension gap in particular the impact of part-time work. The guidance also incorporates financial considerations to help employees consider the short and long-term consequences of changing work arrangements or taking a break. The guide is targeted to drive improvements within the insurance and personal finance profession, however it is also directly applicable more broadly across all employers in society.

Data insights

Set out below are key statistics and insights informing the guidance.



Key facts for part-time and flexible work in the UK (Source: Unless otherwise states data is sourced from Securing the financial future of the next generation)³⁶

For details of those involved in the Financially Inclusive Flexible Working workstream and contributing to this work see Acknowledgements, page 234.

Summary

The Financially Inclusive Flexible Working Good Practice Guide is structured as follows:

Guidance for organisations that provides good practice examples on how to ensure that flexible working policies, guidance and practical tools are well established throughout the organisation and are designed with the employee and financial outcomes in mind.

A series of suggested tangible financial wellbeing interventions and resources which organisations can make to support employees – in the form of a Financial Flexible Working Pledge, including a summary of key resources on this topic that employers can share with employees (particularly relevant for small employers who may not have the resources of a larger employer to develop in-house).

Resources on flexible working for employers.

Structure of Financially Inclusive Flexible Working Good Practice Guide

- | | | |
|---|--|--|
| 1. Improving workplace and pay policies for parents and carers. | 3. Recruitment and returning to work. | 5. Leadership and management engagement. |
| 2. Pay, performance and progression. | 4. Employee education and Communication. | 6. Financial interventions, pensions and benefits. |

An advisory framework:

Each theme follows a common framework to enable organisations of all sizes and types to follow a simple and flexible approach to achieving the right outcome. While recognising that in most areas the policies and guidance address issues most likely to be experienced by female employees, wherever possible they are positioned as gender-neutral.

Policies and guidelines: Policies should be published and accessible to both existing and potential employees.

People: Guidance, support and training should be made available not only to employees themselves, but to their line managers. Where appropriate, goals and objectives should include measurable targets.

Systems and tools: Working hours calculators should be made available to help employees understand long-term financial impact of changes. Recruitment, workforce planning and talent programmes should be configured to support adoption of flexible working.

Processes: All people processes, for example recruitment, pay review, coaching and career progression should be reviewed to support those in making informed choices and treat those working flexibly fairly.

Training and Communications: Mandatory training for line managers and broad employee engagement including role-modelling, mentoring, signposting support and guidance.

Benefits to employees and employers

Benefits to employees

The guidance will support equal opportunities for parents and carers and those working alternative work patterns, and adopting a variety of flexible working practices, to develop careers and reach their earnings potential.

Benefits to firms and the profession

Many companies are now focussed on improving their *Gender pay gap*, and on creating a workplace environment to accommodate the 'workforce of the future'. The world of work in the future will be one where staff will work more flexibly, and adopt more flexible careers in line with the rise in automation and the 100 year life. As society ages it is anticipated we will likely move from a three-stage life (school, work, retirement) toward a multi-stage life, with career transitions and breaks further reinforcing the need for flexible workplace practices that recognise and reward talent contributing in a variety of work patterns.

Our flexible working guidance has been developed with the future in mind and will support developing workplace practices for all staff and help attract future talent and returners. It is designed to improve equal opportunities for staff of all genders to work flexibly and towards closure of the *Gender pay gap* which in turn, when combined with inclusive pensions practices will help close the gender pension gap, an increasing area of focus in the media and by government.

Resources:

1. Insuring Women's Futures' research in particular: Securing the financial future of the next generation introducing the 6 *Moments that Matter* including Relationships: making up and breaking up. <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/10/Securing-the-financial-future-of-the-next-generation.pdf>
2. Returner programmes: Best practice for Employers, Government Equalities Office with Women Returners. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685064/Returner_Programmes_-_Best_Practice_Guidance_for_Employers.pdf
3. Working Families: various publications. <https://www.workingfamilies.org.uk/research-publications/>

Note: references are made in the Guidance to '*Moments that Matter*', please see 1 above for further insights.

Improving workplace and pay policies for parents and carers

Leading practice in this area would transform pay policies and benefits for parents and carers					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Parental leave (paternity, maternity, adoption)	Parental leave policies in place for paternity, maternity and adoption. Additional guidance for employees on parental leave provided on using policy and the financial impact of leave on pay and benefits.	Line managers equipped to signpost individuals to additional information and support. Line manager training and information on financial impact of parental leave, including pensions and child benefits.	System with the ability to 'flag' individuals who may wish to seek additional support once working arrangements change. Pay, benefits and pensions calculator developed to help individuals understand the financial impact of leave.	Processes in place to support individuals throughout parental leave (pre, during and post). This might include formal training, informal manager meetings and online and electronic information.	Training for line managers on supporting those on leave and signposting financial impact of leave. Communications and tools for employees to start conversations on parental leave and its financial impact. Appropriate public disclosure of policies and approaches to leave.
Carer leave	Carer leave policy in place. Guidance for individuals on carer leave, including guidance on using policy and the financial impact of leave on pay and benefits.	Line managers equipped to signpost individuals to additional information and support, including Carer's Allowance. Line manager training and information on financial impact of carer leave and alternative benefits and policies that can support this.	Pay calculator developed to help individuals understand the financial impact of leave, including pensions and benefits.	Processes in place to support individuals throughout carer leave and with consideration of longer term impact of leave (for example where carer leave is taken semi regularly).	Training for line managers on supporting those on leave and signposting financial impact of leave. Communications and tools for employees to start conversations on carer leave. Public disclosure of approach to supporting carers.
Non-standard hours/location	Non-standard hours/location policy which allows for variety of models and approaches tailored to individual and business needs. Guidelines for scoping and creating new and existing roles for non-standard hours/locations.	Line managers equipped to signpost individuals to additional information and support and take a positive approach to accommodating requests. Line managers and senior leaders provided with training and support on managing those on non-standard hours/locations and adapting job design and roles.	Pay calculator developed to help individuals understand the financial impact of changing hours, including on pensions. Where appropriate, technology and tools developed to support those working non standard hours/ locations (e.g. improving access to systems for home working, changing access to key meetings, etc.).	Processes in place to support individuals for non-standard hours. Standard people processes and systems reviewed to ensure that they are appropriate for those working non standard hours / locations and do not limit the effectiveness of these roles or include bias (e.g. in the way that performance is assessed).	Training for line managers on adapting roles to support non-standard hours/locations and engaging with employees requesting these, including on financial impact. Communications and tools for employees to start conversations on this and to work effectively with colleagues. Public disclosure of approach.
Flexible working	Flexible working policy covering all aspects of informal flexible working (working from home, flexible hours, dress code etc.). Guidance and support for individuals working flexibly, including differences to formal arrangements/supporting parents and carers.	Line managers equipped to signpost individuals to additional information and support on flexible working and explain the difference between informal flexible working and formal/contractual changes to hours or location.	Tools to help employees and managers understand flexible working, including FAQs, examples of positive practice and practical examples to support flexibility. Development of technology and tools to support flexibility where appropriate.	Processes in place to support flexible working. Standard people processes and systems reviewed to ensure that they are appropriate for those working flexibly and do not include bias.	Training for line managers on managing those working flexibly and initiating conversations on different ways of working effectively. Communications and tools for employees to start conversations on flexible working.

Improving pay, performance and progression for parents and carers

Leading practice in this area would challenge traditional pay, performance and progression metrics and process to be inclusive for all, ensure that organisations have checks and balances to assess progression and managers are supported in assessing pay, performance and progression					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Variable reward policies	Reward policies (including variable incentives, pensions and benefits) are regularly reviewed to ensure that they treat those working 'flexibly' in any way (including those on leave) fairly. Specific guidelines outline performance and pay approach for those working non standard hours or on leave.	Line managers receive specific guidance and education on working with staff working non standard hours, including guidance on assessing performance, supporting career progression, identifying opportunities for career development, allocating work and setting goals and objectives.	Development of working hours calculator that allows employees to calculate the overall financial impact of changing working hours, including variable pay, benefits and pensions where relevant. Development of any tools/resources to help set objectives and targets and assess these for staff working reduced/non standard hours.	Variable pay decision making includes additional review for those working non standard hours or location or on a period of leave to ensure that decisions are fair and reflect contribution and impact of the individual, including due consideration of any reduction of hours worked.	Training for HR and line managers on determining variable pay for those working flexibly. Communication on fair reward and the calculation of reward and benefits, including potentially externally.
Fair performance and promotion decisions	Guidance for line managers on performance assessment for those working non-standard hours/on leave. Guidance for employees on the performance and promotion criteria. Policies on promotion and progression which are transparent and accessible to all and explicitly reference the approach and criteria for those on leave/working non standard hours/locations.	Training for line managers in performance and promotion decisions for those working non standard hours, including objective and target setting. Tailored communications/training for those working non-standard hours or leaving for or returning from a period of leave on promotion and progression opportunities and approaches.	Systems in place to put in a 'check and balance' on the performance and promotion decisions made for those working non-standard hours/ on leave, including comparison of average decisions vs full time staff. Collection and monitoring of performance and progression data for those working non standard hours/on leave to ensure fair decision making and provide in moment MI to leaders and managers on progress and potential bias in decision making.	Performance and promotion processes include additional step to identify and ensure fair decisions for those working non standard hours or on leave. Additional support for target and objective setting for those working non standard hours to ensure parity (e.g. pro rating revenue/productivity targets). Clear targets and processes against which all employees are measured, with these and progress against them clearly and regularly communicated.	Mandatory training for line managers with employees working in a non standard way/on leave on supporting staff on performance and progression, including objective setting and performance assessment. Training for staff working in a non standard way on goal and objective setting.
Articulate career paths for those with nonstandard hours	Development of policies or guidelines in designing career paths / development plans for those working non standard hours/locations. Review of existing policies and approaches (e.g. criteria for training) to ensure they are available to all.	Line managers, HR or a nominated sponsor/mentor to provide individual guidance and support on personal development and career paths to those working in a non standard way / returning from a period of leave.	Systems (including workforce planning/talent programmes) configured to support changing career and non-standard hours and track progress over time. Specialist training or support programmes may be appropriate for some types of flexible workers/parents and carers and should be considered as part of any review.	Progression pathways designed agnostic of 'type of worker'. Development opportunities and processes should be adapted to ensure equal access and availability to all. Any talent identification/planning process includes appropriate consideration of those working non standard hours on leave.	Training for line managers to support and design career paths for individuals on leave/working non standard hours/locations. Training for these employees on designing development plans and goals adapted to their ways of working.
Access to opportunities and work	Guidance and policies for setting and advertising opportunities for work both formally and informally that allow for flexible working.	Managers are required to ensure that internal job roles are designed to ensure opportunity for different types of flexible working where possible (including location, standard hours, part time, etc).	System for transparent advertisement of internal roles and opportunities established with the ability to make it clear which are suitable for those working flexibly, whether formally or informally.	Processes in place to make opportunities fair and accessible for all and formalise or monitor work allocation where possible.	Training on fair work allocation for all employees, including considerations for those working non standard hours/locations.

Improving recruitment and returning to work outcomes for parents and carers

Leading practice in this area would ensure that recruitment and return to work processes are supportive of flexible working arrangements, open to conversations and support is offered to the individual and organisation to get the right outcome					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Job creation/ specification in respect of flexible roles	Policy on creation of roles includes specific consideration of job design for those working non standard hours / locations workers. Guidance on creating roles with 'flexibility' and adapting existing roles to allow for flexible approaches to work where possible.	Guidance for line managers for flexible job specification including setting and management of hours and targets.	System check in place to ensure that all 'vacant' roles are tested against 'flexible' working principles. Tools and technology to support different types of flexible working where applicable and appropriate (e.g. technology to allow roles to be completed from home).	Review of role creation processes to ensure that consideration of offering roles flexibly is included as standard. This could include "opt out" processes where all roles are advertised as appropriate for flexible working except where a documented reason to opt out is agreed with HR.	Training for line managers to design job roles, key performance indicators etc. Support for communications/ training in having sensitive conversations with employees. Specialist training on flexible role creation for anyone involved in organisational redesign / large scale review of job creation. Requirement for third parties and external consultants involved in role creation to have appropriate expertise in flexible job design.
Flexible and returners working in the recruitment process	Guidance for individuals going on Leave and 'check in days' for those on leave. Returners checklist for individuals re-entering the workplace, including financial aspects of returning. Recruitment policies and guidelines (e.g. on candidate selection and criteria) includes specific guidance on flexible workers and discussing financial flexibility as part of offer.	Line manager or alternative HR/ specialist support offered for flexible workers and returners to the workplace as part of joining or returning to an organisation, to include financial flexibility.	Toolkit or guidance for flexible workers entering or returning to the workplace which provides practical information and guidance on where to go for support, including information on pensions and benefits. Ability to flag returners within HR systems in order to ensure that ongoing support can be offered throughout the first year of returning to work.	Return processes which support individuals to co-design flexible working practices with managers.	Communications designed to support line managers working with returners. Communications and material to support individuals returning to work to have conversations about working patterns and the financial impact of flexible working. Appropriate public disclosure of policies on flexibility in recruitment and returners.
Adapting recruitment processes to consider flexible working	Guidance on interviewing and asking open questions re. Flexible working and responding to candidate queries and requests on flexibility. Policies on offer process, including determining and communicating pay and benefits for those working non standard hours/locations.	Interview practice for those interviewing on questions to invite and how to navigate sensitive conversations. Guidance for all recruiters/those undertaking job interviews on policies on flexible workers and appropriate questions/responses to open conversations on flexibility as part of the recruitment process, including financial impact.	Recruitment systems allow for those who wish to work flexibly to note this within application forms. This data is used to monitor experience of these workers. Tools developed to review pay reward offer for new recruits who request non standard hours/location to ensure that remunerations is fair vs full time equivalent worker.	Progression pathways designed. Processes which are adaptive to scope flexible roles during the recruitment process.	Interview practice and training for interviewers to ask inclusive questions on flexible working and approaches to hiring for flexible roles, including discussions on pay and benefits as part of interview and offer process.

Engaging with leadership and management

Leading practice in this area would support leadership to help employees, signpost others and understand the type of support available for individuals					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Employee awareness	HR policies and guidelines reviewed to ensure alignment/address the <i>Moments that Matter</i> where applicable. Guidance for individuals and line managers on what to do to support individuals in each of the <i>Moments that Matter</i> .	Line managers provided with guidance and training on the <i>Moments that Matter</i> and encouraged to raise key issues with their people at the relevant moment (e.g. becoming a parent, changing working arrangements, changes to pay, etc).	Systems configured to support and guide individuals with a change in circumstance. Toolkit set up highlighting the moments that matter to staff and identifying key benefits and policies that may support staff in the <i>Moments that Matter</i> (e.g. childcare support, pension policies, life assurance, etc).	Review of key policies and processes to ensure that they support the <i>Moments that Matter</i> effectively (e.g. pensions and benefits). Update of standard pay and performance processes to ensure financial capability and the moments that matter are signposted as part of regular pay and benefits discussions and communications.	Training for line managers on 'spotting the signs', having sensitive conversations and signposting to support people. Forums in place to support people during key <i>Moments that Matter</i> (e.g. becoming a carer). External support in place to support individuals in the business where relevant (e.g. advice hotlines).
Manager education on supporting employees	Guidance tailored at the manager population including how to create job profiles for flexible working, set KPIs and support the progression. Inclusive progression and promotion policies to support all which are clear, fair and transparent.	Line managers equipped to signpost individuals to additional information and support in the <i>Moments that Matter</i> and trained in how to deal with requests/when to escalate to HR or other specialists.	Tools to support managers in team and job assessment. Tools to identify and signpost <i>Moments that Matter</i> and appropriate support for these.	Processes updated to ensure that information on the <i>Moments that Matter</i> is automatically provided to managers when certain events are triggered (e.g. when an employee intends to take parental leave).	Support in holding difficult or sensitive conversations. Education and training on the support which is available and any relevant benefits or external advice available.
Senior leadership engagement	Policies drafted and owned by the Senior Leaders which are well understood and communicated in a consistent manner.	Senior leaders are aligned in their communications and share personal stories of using flexible working policies where applicable. Senior leaders sponsor and are responsible for key topics in the <i>Moments that Matter</i> and positively encourage flexibility in their teams.	Systems and tools to ensure that senior leaders are regularly prompted and updated on flexible working and the <i>Moments that Matter</i> to ensure consistent and ongoing communication.		Senior leadership mandatory training. Senior leaders to role model behaviours and own the <i>Moments that Matter</i> . Senior leaders to invite conversations and have the support and tools behind them to have sensitive conversations.

Employee education and communication

Leading practice in this area would ensure that communications are available to all, written in an inclusive way, sign posts individuals to get additional support.					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Proactive intervention in the <i>Moments that Matter</i>	Guidance developed for each of the <i>Moments that Matter</i> available for all employees - supporting literature on what this means with real employee experiences.	Line managers equipped to signpost individuals to additional information and support.	Employee benefits flexible and can be changed to recognise a change in circumstance. Ability to target employees with support and communications when a change in circumstance is registered on the system.	Processes in place for each of the <i>Moments that Matter</i> and options for employees to take based on their circumstance to best support their financial situation.	Regular sessions held on the <i>Moments that Matter</i> , targeted at the point in time where change occurs. Senior leadership sponsorship for each of the <i>Moments that Matter</i> .
Campaigns internally to raise awareness	Guidance developed for each of the <i>Moments that Matter</i> available for all employees - supporting literature on what this means with real employee experiences.	Campaigns targeted for all, available for all and accessible e.g. not just face-to-face but on multiple media formats.	Systems flags to remind individuals on a regular basis to check personal finances, for example as part of annual compensation updates or tax code provision.		Senior leadership sponsorship for each of the <i>Moments that Matter</i> . Employee stories to support individuals within the business to recognise their situation in others.
Tools available such as financial pensions guidance	Guidance developed for each of the <i>Moments that Matter</i> available for all employees - supporting literature on what this means with real employee experiences.	Line managers equipped to signpost individuals to additional information and support.	Ability to target employees with support and communications when a change in circumstance is registered on the system. Pensions calculator allowing employees to model the impact of changing work on pensions and see their current projected pot in real time.	Ability for pensions providers to support individuals in making informed choices by providing live data on pension pot calculations and highlighting alternative approaches to enhance pension provision.	Pensions guidance up to date, relevant to different individual pension schemes.
Ongoing flexible working communications and enablement plan aligned to employee experience	Guidance developed for each of the <i>Moments that Matter</i> available for all employees - supporting literature on what this means with real employee experiences.	Line managers equipped to signpost individuals to additional information and support.	Learning and development website to include e-learning modules/ videos to support people.	Processes in place for different types of flexible leave, including financial considerations and where to get support.	Tailored videos and content for individuals. Interactive support to help individuals to tailor content to their situation.

Financial interventions, pensions and benefits

Leading practice in this area would ensure that communications to individuals are targeted at the <i>Moments that Matter</i> , line managers are adequately informed to sign post and employees to make informed financial decisions					
Good practice area	Policies and guidelines	People	Systems and tools	Processes	Training and communications
Informing employees changing their working arrangements of the financial considerations	Guidance held centrally, aimed at the <i>Moments that Matter</i> to support individuals.	Line managers equipped to signpost individuals to additional information and support.	System with the ability to 'flag' individuals who may wish to seek additional support once working arrangements change.	Processes in place to 'catch' individuals with a change in circumstance and recommend them for additional support.	Active communication to individuals who have changed circumstance. Communication.
Enhanced pensions during parental/ carer leave	Policy to ensure pensions contributions are flexible at the discretion of the 'leave' type. Guidance on updating pensions and impact of pensions choices longer term.	Line managers equipped to signpost individuals to additional information and support.	Pensions calculator to assess pensions contributions. System enabled to support pensions payments on maternity (for full length).	Processes configured to enable pensions payments to continue.	Communications on pensions choices, level of contribution and organisation contribution.
Clear communications regarding registering for Child Benefits and Carer's Allowance	Guidance provided to support individuals to claim, and explain benefits/impact of registering.	Line managers equipped to signpost individuals to additional information and support at time of leave.	System configured to 'flag' individuals eligible to pinpoint communications.	Guidance on applying for child benefit provided as standard when process for request of any type of parental leave initiated.	Communications developed and targeted at parents to support education and awareness.
Pensions projections	Policies and guidelines which direct individuals to support and understanding of pension impact of leave or reduced hours.	Line managers informed of employee benefits and impact of leave/part time work in order to support and inform staff. Dedicated support available centrally for key questions.	System configured once an individual has nominated as 'carer' or 'parent' literature on the advice and guidance is issued to individual.	Ability for pensions providers to support individuals in making informed choices by providing live data on pension pot calculations and highlighting alternative approaches to enhance pension provision.	Active communications on pensions projections, advice and support. Internal/external support to discuss pensions arrangements.
Financial advice session	Policy developed that when individuals announce parental or carer leave, financial advice session is offered, either as a benefit provided by the employer, or through direction to a neutral third party.	Line managers informed of employee benefit of financial advice session where applicable and guided on circumstances in which this is appropriate.	System configured once an individual has nominated as 'carer' or 'parent' literature on the advice and guidance is issued to individual.	Employees notified of financial advice availability through standard processes/within pay and benefit systems and as part of standard processes for parental/carers leave.	Any financial advice provided as a benefit is highlighted to all annually as part of pay / benefits conversations. Line managers trained on support available and what they should / should not do to ensure that they do not provide financial advice directly.

Financial Flexible Working Pledge

The Financial Flexible Working Pledge will ask organisations to commit to the following pledge:

The pledge

“We will work to ensure that at every point where our employees make a change to their working arrangements, they are prompted to consider the immediate and longer-term financial implications of this change.”

Family life in Britain has changed and so has how we work. On top of this we are all living longer. The costs of raising a family have also increased and so has the cost of care. This all means that many more people will combine parent and caring responsibilities through their working lives, and will need to find a balance to cope with demands at work and at home.

Conventionally, the majority of caring roles have fallen to women. Today, rather than stop work, many women are increasingly choosing to work part-time and flexibly, and to return to work following career breaks. But many men want to play more of a role at home too, and younger men in particular wish to be more involved in caring for their family. On top of this the prospect of the 100-year-life means that many people will have multiple careers and work patterns. Workplaces are responding through a variety of working practices aimed at delivering flexibility. However, changes in working arrangements can have significant financial consequences if employees fail to consider and plan for the financial implications. This pledge has been developed to support employers with financial wellbeing interventions for all parents and carers (both male and female) and employees more broadly who are changing their working arrangements.

This pledge is applicable to all employees in a variety of circumstances and would take into account significant changes in employees’ financial lives*, which would include both changes to working patterns and hours, as well as leave related to caring or parental responsibilities, taking or returning from career breaks. It is not prescriptive in describing the way that employers should engage with their staff on this topic. This recognises that the approach will differ depending on the size of an organisation and its existing policies and processes, and that the outcome may vary based on the individual circumstances of the employee.

Examples of successful interventions could include:

- Providing information on Child Benefit and Carer’s Allowance provisions and the pension impact of leave both when maternity, paternity, parental or carer leave is requested, and when the employee returns to the workforce.
- Training for managers on the pension and benefits impact of moving to part time work, or taking leave or a career break, and how to engage their teams in discussing this.
- Discussions on personal and family finance, as part of support and coaching for those preparing to become parents and returning to the workplace.
- Provision of a pension and pay calculator to help employees understand the financial impact of leave or changing working hours.
- Raising awareness of specific or targeted employee benefits that can support parents and carers.
- Returner information packs informing those returning from leave or a career break of the relevant financial benefits and elections.
- Access to financial advice and support in specific circumstances such as becoming a parent, a carer or bereavement.
- Making available the Insuring Women’s Futures digital *Financial Wellbeing Guide* https://www.insuringwomensfutures.co.uk/wp-content/uploads/2019/09/COH_J012626-IWF-financial-wellbeing-FINAL.pdf which sets out key considerations in life financial *Moments that Matter*.

Good practice guidance has been developed by Insuring Women’s Futures in order to support organisations who wish to build a more inclusive approach to flexible working. Whilst alignment with this guidance is not included in the pledge, it will be recommended that organisations review this guidance to identify areas where their current policies and practices could be enhanced.

*Refer the financial risks in life report “Securing the financial future of the next generation” which highlights 6 *Moments that Matter* in people’s financial life journey where interventions may be made to improve financial security. For further information see: <https://www.insuringwomensfutures.co.uk/wp-content/uploads/2018/10/Securing-the-financial-future-of-the-next-generation.pdf>

Financial Flexible Working Pledge – quick wins and resources

Ten simple changes for all employers to support financially inclusive flexible working

1. Direct colleagues to guidance on registering for Child Benefit (and the impact for the State Pension) as part of conversations about parental leave.
2. Direct colleagues to guidance on registering for Carer's Allowance (and the impact for the state pension) as part of conversations about carer's leave.
3. Explain the impact on pensions contributions of any period of leave and, where relevant, highlight the ability for tax relief up to a limit (currently £3,600) for pensions contributions for non-earners.
4. Direct colleagues to guidance on topping up their National Insurance contributions towards their pensions.
5. Direct colleagues to guidance on money matters after having a baby.
6. Check that the way any bonus or performance assessment is carried out has adjustments to targets/decision making for those working part-time.
7. Make sure that the impact on relevant pensions and benefits is noted as part of communications to employees on the pay impact of changing working hours.
8. Share the Insuring Women's Futures digital *Financial Wellbeing Guide* with your staff (male and female) and consider specifically signposting this guide at key *Moments that Matter* (e.g. when someone becomes a parent, requests flexible working arrangements, the guide includes financial and pensions wellbeing and also highlights considerations for insurance arrangements).
9. Make sure that financial wellbeing forms a part of any general line manager information and include a link to the Insuring *Women's Futures Financial Wellbeing Guide* within any manager packs / internal sites for reference.
10. Talk to your pension provider(s) and ask if they have tools available that you can highlight to staff to help them calculate the impact of working part time or taking a period of leave.

Suggested resources (in alphabetical order)

- Carer's Allowance: <https://www.gov.uk/carers-allowance>
- Child benefit: <https://www.gov.uk/child-benefit>
- Financial health check tool: <https://www.moneyadviceservice.org.uk/en/tools/health-check>
- Guidance for employers on family friendly policies: <https://www.gov.uk/government/publications/family-friendly-policies-actions-for-employers>
- Guidance for employers on flexible working: <https://www.acas.org.uk/flexibleworking>
- Guidance for parents on leave: <https://www.workingfamilies.org.uk/shop/supporting-mothers-toolkit-for-employers/>
- Guidance on money after a baby: <https://www.moneyadviceservice.org.uk/en/categories/having-a-baby>
- Insuring Women's Futures digital *Financial Wellbeing Guide* https://www.insuringwomensfutures.co.uk/wp-content/uploads/2019/09/COH_J012626-IWF-financial-wellbeing-FINAL.pdf
- Pension tax relief: <https://www.moneyadviceservice.org.uk/en/articles/tax-relief-on-pension-contributions>
- State pension calculator: <https://www.yourpension.gov.uk/pension-calculator/>
- Support for carers: <https://www.citizensadvice.org.uk/family/looking-after-people/carers-help-and-support/>
- Voluntary National Insurance contributions (top-ups): <https://www.gov.uk/voluntary-national-insurance-contributions>

Financial Flexible Working Pledge – employer guidance for parents, carers, flexible workers and returners

Resources for employees to support the Financial Flexible Working Pledge

Set out to the right are simple financial wellbeing guidance resources that employers may wish to consider using to help employees changing their working arrangements. The resources are sourced from a range of guidance organisations available online, and can be used in combination according to the employee situation. This is aimed at parents and carers.

Maternity, Paternity, Parental and Carer leave

1. Know your employment rights as a soon-to-be parent.
2. Make sure you understand what Child Benefit is available, and the State Pension implications.
3. There are a number of benefits such as Carer's Allowance, and contributions to your state pension for those expecting to become a carer.
4. Consider how you can protect your workplace pension after having a baby.
5. Review your insurance after having a baby.
6. If you have a partner, consider shared parental leave and pay.
7. Think holistically about money matters when having a baby.

Flexible and part time work

8. Advice and information about working flexibly and part time.
9. Find out what impact reduced hours might have on your pension.
10. Calculate your likely retirement income, and factor in any impact a change in your work hours will have.

Career break

11. Check if you're eligible for pensions tax relief.
12. Remember if you take a break you may impact your National Insurance record, and therefore your State Pension. Consider topping up or asking your partner to top-up your National Insurance.

Returners

13. Understand your rights when returning to work after parental leave.
14. Consider joining a network of other returners to help access potential support and guidance.

Resources:

1. <https://archive.acas.org.uk/index.aspx?articleid=1753>
2. <https://www.gov.uk/child-benefit>
3. <https://www.citizensadvice.org.uk/family/looking-after-people/carers-help-and-support/>
4. <https://www.moneyadviceservice.org.uk/en/articles/protecting-your-workplace-pension-after-having-a-baby>
5. <https://www.moneyadviceservice.org.uk/en/articles/review-your-insurance-after-having-a-baby>
6. <https://www.gov.uk/shared-parental-leave-and-pay/what-youll-get>
7. <https://www.moneyadviceservice.org.uk/en/categories/having-a-baby>
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11. <https://www.moneyadviceservice.org.uk/en/articles/tax-relief-on-pension-contributions>
12. <https://www.gov.uk/voluntary-national-insurance-contributions>
13. <https://www.moneyadviceservice.org.uk/en/articles/know-your-rights-when-you-go-back-to-work-after-having-a-baby>
14. <http://wrpn.womenreturners.com/>



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All data is believed to be correct as at 19 November 2019, the date of the Manifesto launch except for reference 58, Life expectancy calculator which was updated in December and recalculated 4 January 2020. This publication provides information on selected areas of the law as well as policy recommendations and suggested practices. It is not intended to be comprehensive, nor to provide legal advice. Professional advice appropriate to a specific situation should always be sought.

Insuring Women's Futures accepts no responsibility for loss occasioned to any person acting or refraining from acting as a result of material contained in this publication. All calculations are purely illustrative.

Glossary



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ABI
Association of British Insurers

AE
Automatic Enrolment

BIBA
British Insurance Brokers' Association

CII
Chartered Insurance Institute

CIPD
Chartered Institute of Personnel
and Development

DfE
Department for Education

DWP
Department for Work and Pensions

ESG
Environmental, Social and Governance

FSB
Federation of Small Business

FCA
Financial Conduct Authority

GEO
Government Equalities Office

HMCS
Her Majesty's Courts Service

ISC
Insurance Supper Club

LEL
Lower Earnings Limit

LIIBA
London International Insurance Brokers
Association

MaPS
Money and Pensions Service

MOJ
Ministry of Justice

ONS
The Office of National Statistics

SMCR
Senior Managers and Certification Regime

Talk 2 10K
Talk To Ten Thousand

TPR
The Pensions Regulator

WOW
Woman of the World Festival

Six Steps to Pension Parity

Insuring
**WOMEN'S
Futures**

Taking forward pensions parity measures to improve engagement and tackle the impacts of low pay and gender pay gaps, motherhood and caring, and relationship breakdowns

Money and Pensions Service to drive improvements in women's pension wellbeing (linked to Changing the conversation)

Improve workplace pensions transparency - gender pension gap disclosure and pension wellbeing

Access to Automatic Enrolment - address earnings eligibility threshold, tax relief on net pay schemes

Convene a National Conversation to address caring, including consideration of a carers pension top-up - a holistic approach and gender as part of the dialogue.

Improve pensions outcomes in relationships - cohabitee rights, spousal consent

Fair pensions for those whose relationships break up - pension sharing on divorce, Pension Advice Allowance, Pensions Dashboard, training and guidance

#MakeEachMomentCount 



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