

Women & Money Report 2015



savvywoman

money tips for smart women

SavvyWoman Women & Money Report

Introduction

Welcome to the second SavvyWoman's Women & Money report. This report is designed to provide an annual snapshot about how women feel about their finances, focusing on a different aspect of money in every edition.

As with the first Women & Money report, published last year, we've used comments, emails and questions from SavvyWoman.co.uk users as the basis for the content. This year, the focus is on money and relationships.

While many couples do see eye-to-eye over their finances, others do not and money can be a major source of arguments. It can also cause problems when a relationship breaks down, especially if one partner wants to use the finances as a bargaining tool. It's something we've explored in this report.

However, we also wanted to look at the financial impact of being single and the extent to which this affected someone's ability to save or buy a property. There are over seven million people who live on their own (a figure that doesn't include single parents who have children living with them) and the number of single adult households is increasing. While the shortage of housing can affect anyone, from families to couples and those living on their own, we wanted to focus on those who are single.

State pension reforms, particularly the speeded up rise in the state pension age to 66, are still generating a lot of emails and I've been contacted by many women who feel they were given little time to plan for the delay in receiving their state pension.

These questions formed the basis of the research carried out by Opinium Research for SavvyWoman. I am very grateful for the support and sponsorship of this report by Noddle. As with all content on SavvyWoman, this report is editorially independent, but Noddle's financial support has enabled me to take this detailed look at women, couples and their money.

Sarah Pennells, founder, SavvyWoman.co.uk

Sponsor's message from Noddle



From reading this year's Women and Money report, it's great to see that women in the UK appear to be more optimistic about their finances in 2015 than they were a year ago. Although with one in three women feeling worse off this year, it highlights the continued need for good financial guidance and information as well as access to tools and support that support women whatever their age or demographic.

One thing I found particularly striking, is just how much age seems to influence how women interact with money, and especially when it comes to relationships and their partners. The clear dichotomy between how those aged 18-34 manage and feel about money compared to those who are aged over 55 was especially striking. It's insight like this which makes the Women & Money report so important to anyone involved in the financial services market.

At Callcredit we've had the privilege of working with Sarah Pennells for several years and have always been staunch supporters of SavvyWoman as a go-to resource for women managing their money. SavvyWoman stands for integrity, excellence and perhaps most importantly, the empowerment of women and women's finances, which are all things we at Callcredit value highly. It's a pleasure to be able to sponsor this report and I've no doubt that it will quickly become a staple in the annual calendar of female financial news in the UK.

Jacqueline Dewey,
Managing Director for Consumer Markets at Callcredit.

noddle

SavvyWoman Women & Money Report

Contents

<i>Arguments about finances.....</i>	<i>p5</i>
<i>Honesty about finances.....</i>	<i>p8</i>
<i>Joint bank accounts.....</i>	<i>p11</i>
<i>Who manages the money.....</i>	<i>p14</i>
<i>Finances and relationship breakdown.....</i>	<i>p18</i>
<i>The financial cost of being single.....</i>	<i>p21</i>
<i>Pensions and retirement.....</i>	<i>p25</i>
<i>Optimism about finances.....</i>	<i>p29</i>

Women & Money Report: Arguments about finances

In this report, SavvyWoman commissioned Opinium Research to question women and men about what they argued about most of all. Opinium questioned almost 1,400 people who were in a relationship (out of the 2,000 surveyed overall). The research was prompted by the fact we receive a steady stream of emails, comments and questions from (mainly) women, about financial disagreements they have or have had with their partner and we wanted to find out the extent to which finance was a major factor in arguments.

Summary:

- Money is the second most common cause of arguments among couples, coming just behind tidiness/cleanliness. More than one in eight women in a relationship (13 per cent) and one in ten men (ten per cent) say that they argue about money most often.
- Younger women are most likely to argue about the finances. Sixteen per cent of women aged 18 – 34 in a relationship and 11 per cent of men say that they argue about the finances most often.
- Among the 35 – 54 year-old age group, finance is the number one subject couples argue over. This was also the only age group where an equal percentage of women and men (15 per cent) say they and their spouse/partner argue about the finances most often. Cleanliness/tidiness is the second most popular topic for arguments, according to women aged 35 – 54, while men say they are more likely to argue about the children.
- Older couples are far less likely to argue about the finances. Only one in 12 women aged 55+ (eight per cent) say that finance is the most common cause of arguments. This falls to five per cent among men.
- Taking all age groups as a whole, money is more likely to be a cause of arguments than household chores, relatives, children, sex, going out and past relationships.

Our research found that couples argue about the finances more often than most other areas. Overall, it came only second to tidiness/cleanliness. One in eight respondents (twelve per cent) say they argue about money most often. Not only can money not buy you love, in the words of the Beatles, it may instead mean you and your partner fall out regularly!

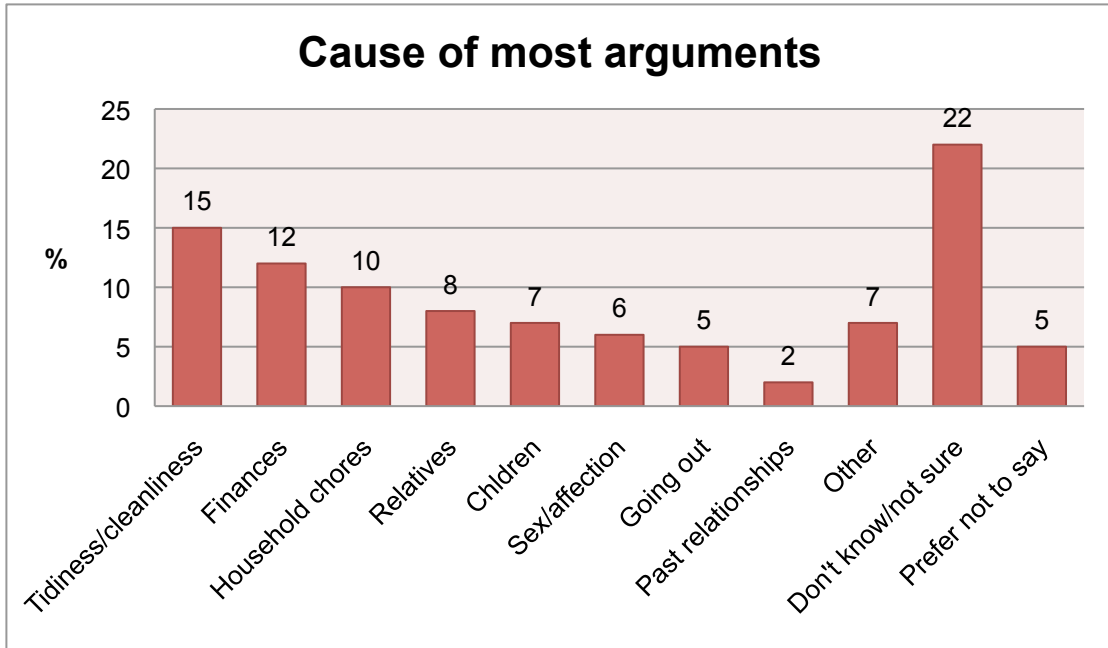


Chart: All age groups aggregated, women and men in a relationship. Sample size 1,392. Source: SavvyWoman/Opinium

Women are more likely than men to say that they argue most about money, with more than one in eight women in a relationship (13 per cent) and one in ten men (ten per cent) saying that money is the biggest cause of arguments. This trend continues across all age groups, except for among couples aged 35 – 54, where an equal percentage of men and women – 15 per cent, or more than one in seven – say they argue most about the finances.

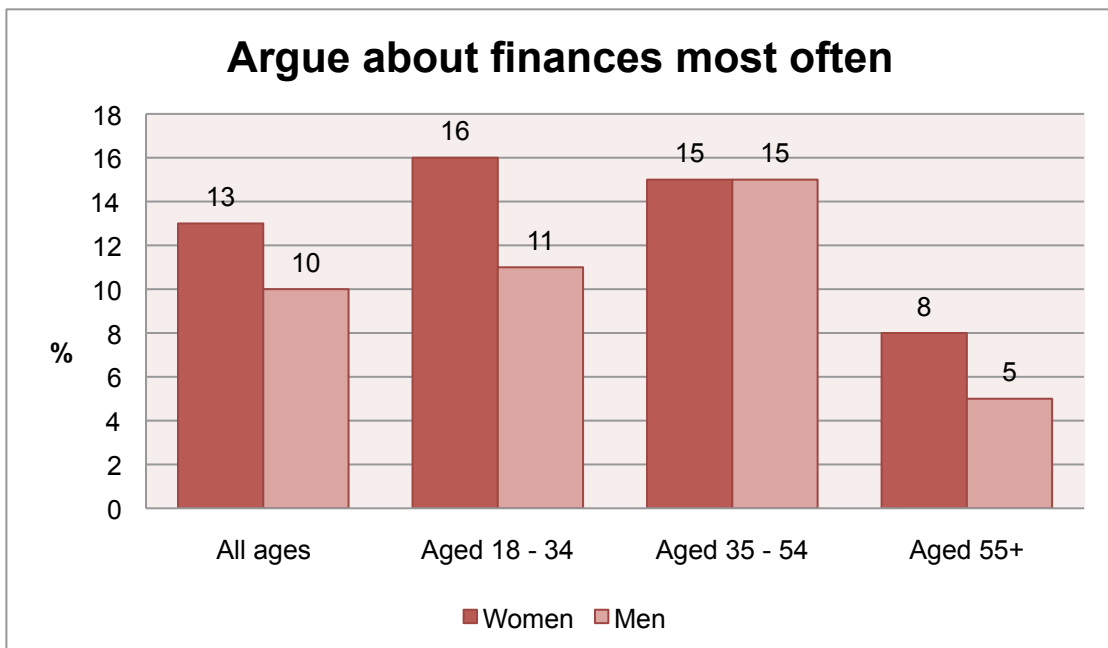


Chart: All age groups, women and men in a relationship. Sample size 1,392. Source: SavvyWoman/Opinium

Interestingly, younger women in a relationship (aged 18 – 34) are the most likely to say they argue most about money, with almost one in six women (16 per cent) giving this answer compared with 11 per cent of men.

Although women aged 18 – 34 are more likely to argue about money with their partner than older women, for both women and men in the 35 – 54 year old age group, money is the number one cause of arguments.

Older couples, aged 55+ are less likely to argue about the finances than any other age group. Only approximately one in 12 women (eight per cent) aged 55+ and one in twenty men (five per cent) say they argue about finances the most. Women (and men) in this age group are more likely to argue about tidiness/cleanliness and household chores than money. They are also the age group most likely to say they don't know or aren't sure what they argue about most, which could be a good or a bad thing!

Arguing about money doesn't necessarily signal that the relationship is in crisis or that those in the relationship aren't compatible with each other. However, arguments about finance can increase the stress on a relationship, particularly if it is already fragile or under pressure. In some circumstances it can make it harder for a couple to make financial plans, especially if one or both partners find it hard to compromise.

Women & Money report: Honesty about finances

As well as asking couples whether they argue about money often, we also wanted to find out the extent to which they are open and honest with each other about their finances. Opinium asked 1,392 people in a relationship how much their partner knows about their own financial situation. Encouragingly, most people describe themselves as being open and honest about their money, with only four per cent saying their partner/spouse or civil partner knows little or nothing about their finances.

Summary:

- Almost six in ten (57 per cent) of women and men in a relationship say their partner knows everything about their finances, including how much they earn, what they owe and how much they had saved. There was no gender difference in this overall percentage.
- Over one in four respondents (27 per cent) say their partner knows most of their financial situation. This splits down to approximately one in four women (26 per cent) and almost one in three men (29 per cent).
- Almost one in ten women (nine per cent) say their partner only knows some of their financial situation compared to eight per cent of men.
- One in 25 women (four per cent) and three per cent of men say their partner knows little or nothing about their finances.

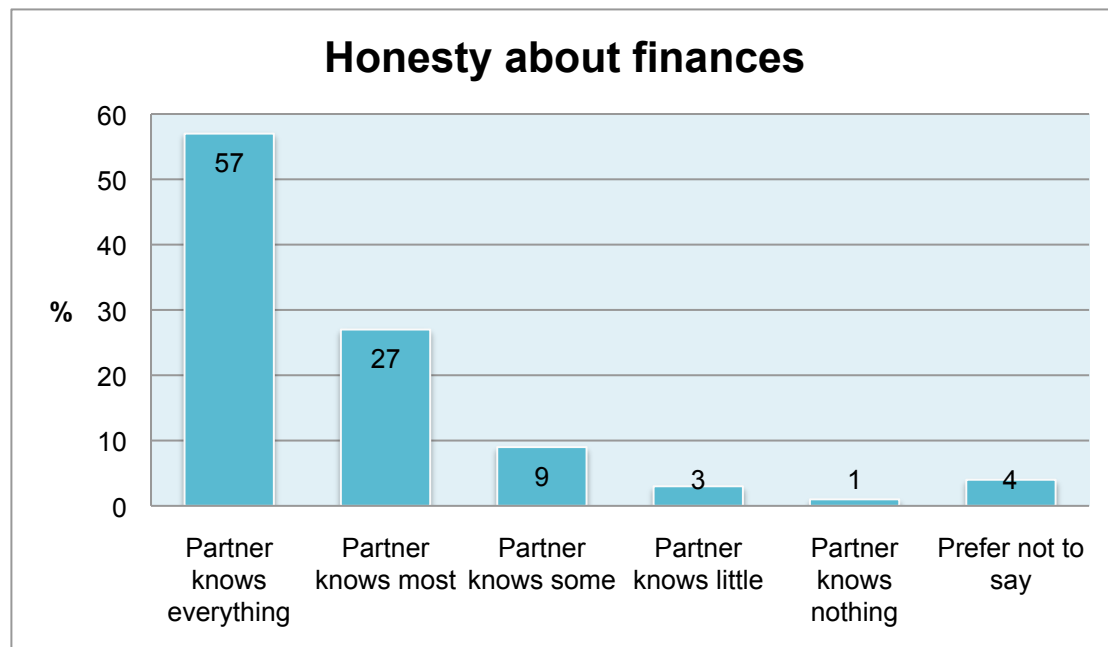


Chart: All age groups, women and men in a relationship. Sample size 1,392. Source: SavvyWoman/Opinium

Younger respondents (aged 18 - 34) are the least likely to say their partner knows everything about their finances, and men in this age group are more secretive than women. Fewer than half of men (44 per cent) aged 18 – 34 say that their partner knows everything about their finances, compared to 56 per cent of women.

Among couples in their thirties and forties, over half (54 per cent) of both women and men say that their partner or spouse knows everything about their financial situation. But a significant percentage of women – 42 per cent – say they are not totally open with their partner about their finances. Almost the same percentage of men (43 per cent) gave this answer.

Older people are more likely to be completely open about money. In our survey, we found that over six out of ten women (61 per cent) and almost seven out of ten men (69 per cent) aged 55+ say they are completely open about their finances with their partner. However, one in seven women (14 per cent) say their partner knows nothing, little or something about their finances. This compares to nine per cent of men who gave the same answer.

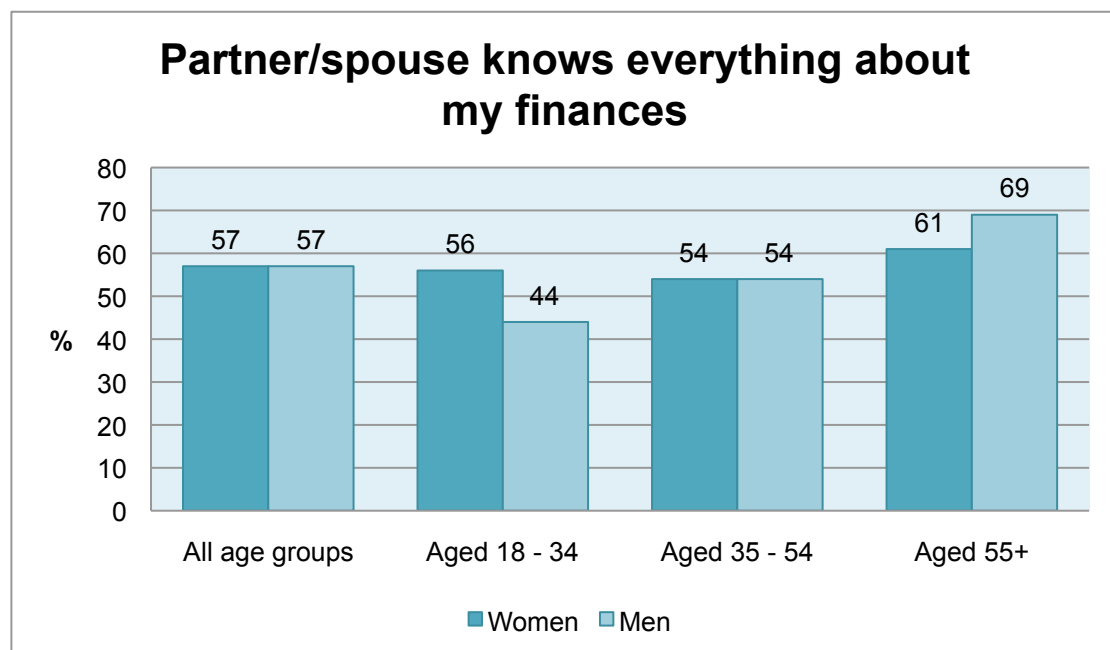


Chart: All age groups, plus age comparison, women and men in a relationship. Sample size 1,392. Source: SavvyWoman/Opinium

In some cases, couples may not be open with each other about money because they have never got round to having the ‘money conversation’. In others, it’s more likely to be because they don’t want their partner to know how much money or debt they have, or because they feel like it’s not something they need to share as part of their relationship. It’s obviously up to each couple to find a way that works best for both of them, but there are dangers of one – or both - partners being secretive, especially if they have

debt problems and/or take out joint loans or debts, when their credit files will become linked.

SavvyWoman receives a steady stream of emails and comments from women who only discover the true picture of their husband, civil partner or partner's finances when the relationship breaks down, by which time the financial damage may have been done, and sorting it all out is likely to be more of a challenge.

Women & Money report: Joint bank accounts

There's been anecdotal evidence that more couples are choosing to keep some of their money separate, rather than relying on one joint current account alone. However, there is very little hard evidence to back this up. Whether or not a couple chooses to have a joint current account and, if so, whether they also have their own, separate bank accounts, can be a purely practical decision. For example, if only one partner is earning it may make more sense to pool the money that is coming in into one account.

However, it can carry more significance than this and can, for example, be a reflection of whether the couple view the money they have as something to be shared or kept separate to a greater or lesser extent.

In this report we haven't asked couples why they keep their money separate if that's what they do, or why they rely on one joint current account alone. This is something we are likely to investigate in future years.

We wanted to explore the popularity of joint accounts alone versus joint and separate accounts, or separate accounts only, and, in particular, to see if there are any significant differences in trends across age groups or between couples who are married and those who live together. The sample size for this question was 1,272 and was made up of people who are married, in a civil partnership or living together.

Summary:

- Almost a third of respondents (31 per cent) living together or married/in a civil partnership say they keep their bank accounts separate, having their own current accounts, but no joint account. This split down into 33 per cent of women and 28 per cent of men.
- Over half of those (55 per cent) living together have separate accounts, compared to fewer than one in four (23 per cent) who are married and fewer than half of those (48 per cent) in a civil partnership.
- Over a third of respondents (35 per cent) say they have a joint current account only. Three times as many married couples have a joint account only than those who live together (42 per cent compared to 14 per cent). Just seventeen per cent of those in a civil partnership have a joint current account only.
- Almost a third (32 per cent) of respondents have a joint current account and their own separate accounts.

There is a significant difference in the percentages of couples who rely on a joint account alone, across the different age groups. Perhaps not surprisingly,

older couples are more likely to have a joint account only, although one in four married couples over 55 (26 per cent of women and 25 per cent of men) have separate current accounts and no joint account.

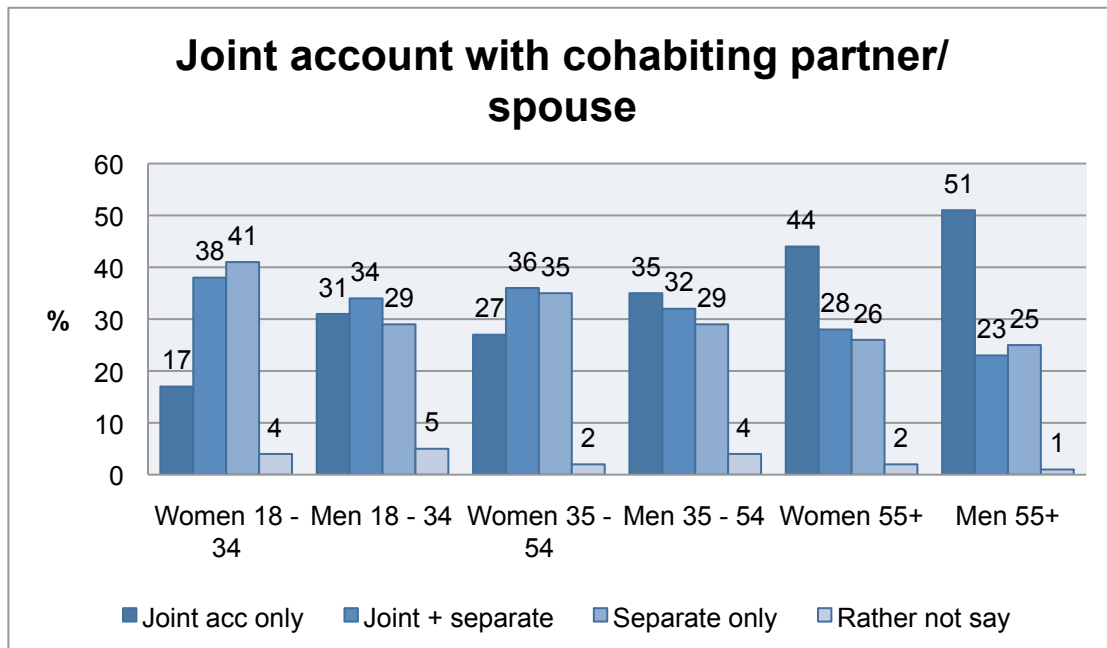


Chart: Age groups separated, women and men in a relationship and living together. Sample size 1,272. Source: SavvyWoman/Opinium

Our research also shows that couples who are married are far more likely to have a joint account only and far less likely to have separate accounts than those who are in a civil partnership or living together.

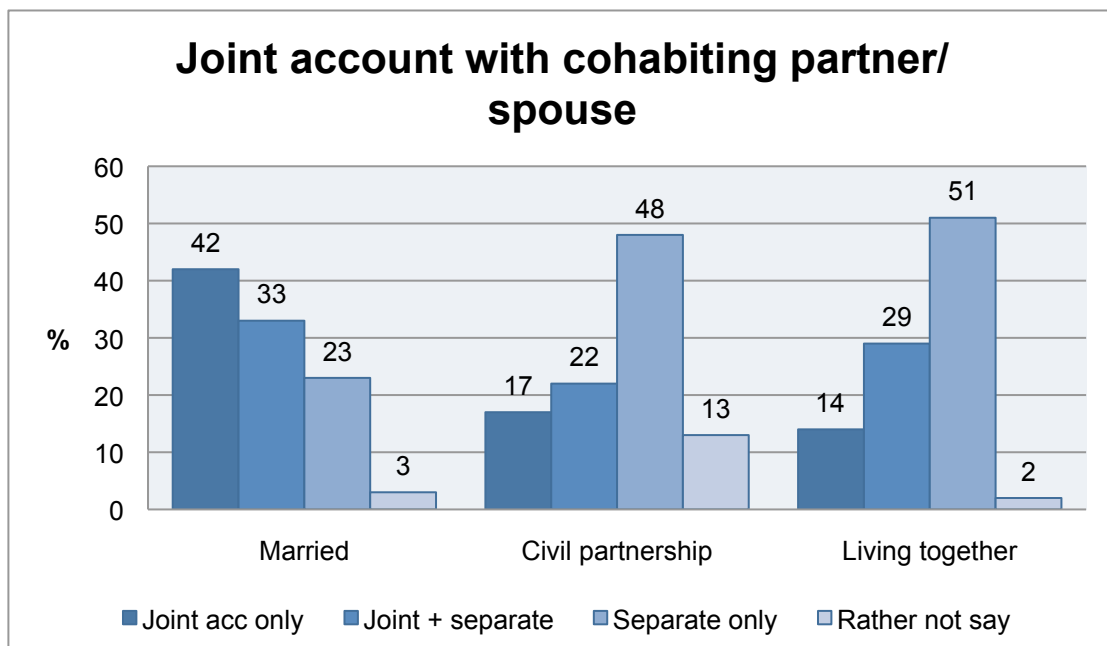


Chart: All age groups, women and men in a relationship and living together. Sample size 1,272. Source: SavvyWoman/Opinium

Keeping money entirely separate may be a more complicated option during the relationship, because couples will have to work out which account to use to pay a particular bill, etc, or how much money to transfer from one partner's account to another. But it does mean there's no need to worry about one partner running up debts on the joint account after separation. However, it can also make it easier for one partner to hide money from the other.

If couples decide to keep separate and joint bank accounts, it's important that they decide what the joint account should be used for; namely, whether it is strictly for household spending or whether it can be used for personal spending as well. They should also decide how much money each partner will pay into it and, ideally, what should happen to the account if the relationship breaks down.

Women & Money: Who manages the money?

For the second year, we asked over 1,200 women and men who are married or living with their partner who manages the money in their relationship. We split this into two questions: who manages the short term money (such as household spending and holiday money) and who manages the long term money (such as long term savings, the mortgage and investments).

This year there's been a drop in the number of women who say they manage the long term finances and those who say they are responsible for the short term finances. This was something of a surprise as figures show a steady increase in the number of women who are the main breadwinnerⁱ and our own polls on SavvyWoman show a high percentage of women living with their partner or married who manage both short and long term finances.

Summary:

- Just over a third of women married or living with their partner (35 per cent) say they manage the long term finances, such as pensions, long terms savings and mortgage. This was a surprising drop of six per cent compared to last year and much lower than the almost six out of ten men (58 per cent), who say they manage the long term finances.
- Across all age groups, almost four out of ten people married or living with their partner (39 per cent) say that managing the long term finances is a joint task, but there was quite a stark gender divide, with 44 per cent of women saying that it is a joint task compared to only 33 per cent of men.
- More women than men married or living with their partner manage the short term finances. Our survey found that 48 per cent of women manage the short term finances, compared to 41 per cent of men. This is a fall of four per cent for both women and men compared to last year.
- Managing short term money jointly is the next most popular option. Over four in ten women (42 per cent) and 40 per cent of men say they jointly manage the short term finances with their husband, wife, civil partner or partner.

Long term finances

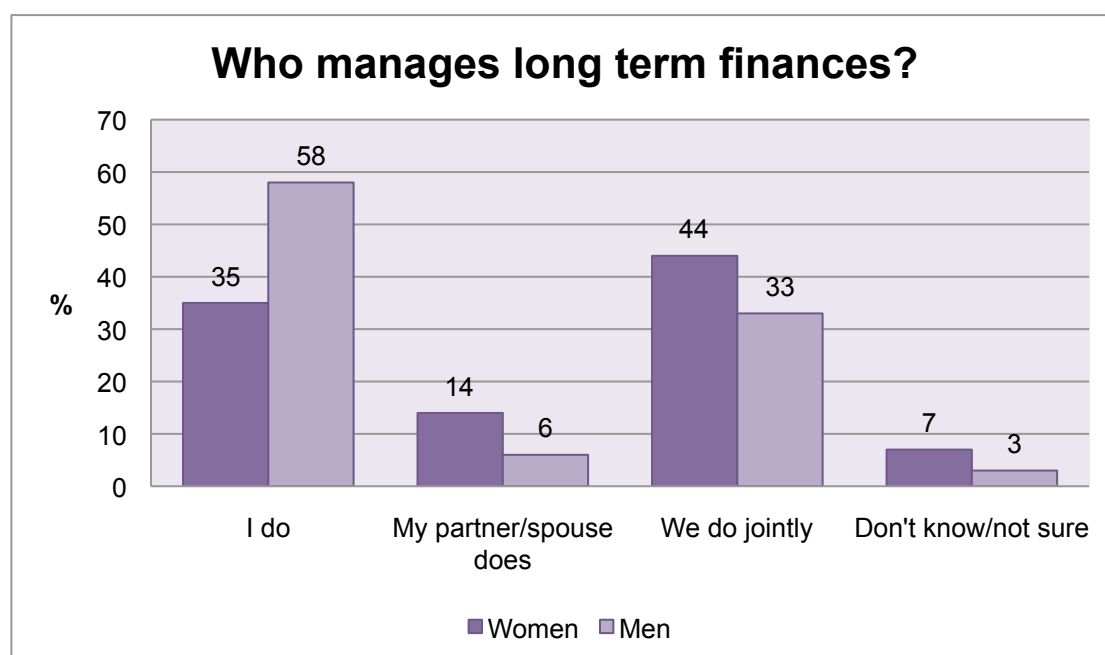


Chart: All age groups, women and men in a relationship and living together. Sample size 1,272. Source: SavvyWoman/Opinium

Men are most likely to manage the long term finances if they are aged 18 – 34, with over six in ten (61 per cent) saying they are primarily in charge of the long term money. This is a much higher percentage than last year when fewer than half of men (49 per cent) in this age group said they managed the long term money.

Just over a third of women aged 18 – 34 (36 per cent) say they manage the long term money. Last year over four in ten (41 per cent) of women said they managed the long term money.

There was the smallest gender divide in the 35 – 54 year old age group. Here, just over half the men (53 per cent) say they manage the long term money compared to over a third of women (36 per cent).

Last year we found that 46 per cent of both men and women in this age group said they managed the long term money.

Older men (aged 55+) are the next most likely, after men aged 18 – 34, to say they manage the long term money, with 60 per cent of men giving this answer. Over a third of women aged 55+ (35 per cent) say they manage the long term money – a rise compared to last year when only 28 per cent said they made most or all of the decisions about things like long term savings, pensions and investments.

In last year's report a higher proportion of women said they managed the long term finances than is the case this year (overall 41 per cent said they managed the long term finances last year, compared to 35 per cent of women this year).

Once again, as was the case last year, there is a significant difference between the percentage of women and men who think that managing the long term money is a joint decision. Almost four in ten - 39 per cent - of those questioned say finance is a joint issue (exactly the same as last year). On a gender basis, that breaks down to over four in ten women (44 per cent) and one in three men (33 per cent) who say that managing long term money is something both partners do.

Short term finances

There is a lot of anecdotal and historical evidence showing that women have been in charge of the household budgets for generations – even if they have not generally taken care of pensions, investments and the mortgage.

Our research shows that, in general, more women than men say they manage the short term finances, although this isn't the case among younger couples. We found that almost half of women - 48 per cent - say they manage the short term finances, although almost as many – 42 per cent – say it is a joint task.

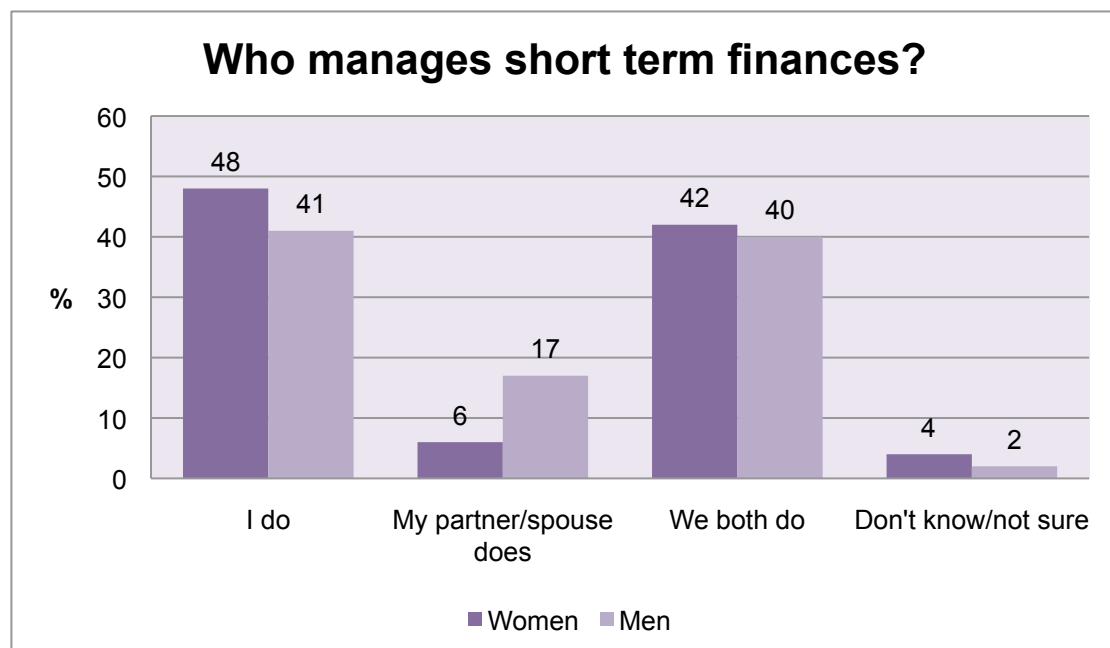


Chart: All age groups, women and men in a relationship and living together. Sample size 1,272. Source: SavvyWoman/Opinium

This is a change to last year, when over half of women (52 per cent) said they managed the short term finances compared to 45 per cent of men (the figure for this year is 41 per cent).

As was the case last year, there are significant differences across the age groups. Among the 18 – 34 year olds in a relationship, it is the men, not women who are most likely to make decisions about short term finances, such as food, household shopping and holidays. Almost half of men (47 per cent) say they make most of the decisions about short term money, compared to just 38 per cent of women.

Among women and men in their thirties and forties, the situation was reversed with over half of women (54 per cent) saying they manage the short term money, compared to fewer than four in ten - 37 per cent - of men.

More women than men (49 per cent compared to 41 per cent) manage the short term finances among couples aged 55 and over. This is a similar trend to last year, when 52 per cent of women said they managed the short term finances compared to 45 per cent of men.

Women & Money report: relationship breakdown

Relationship breakdown is rarely straightforward. If a couple has lived together (whether as married, in a civil partnership or cohabiting), and in particular if they have been together for some time, separating the finances can be challenging. However, if the break up is acrimonious, or if one partner wants to try and control the other through the finances, it can be much harder to separate and the financial consequences can be devastating.

We wanted to look at whether the financial fallout of relationship breakdown, including one partner paying off their ex's debt or one not getting the child support their ex had agreed to pay, is something that only happens in a minority of cases or whether it is something that a significant number of couples experience.

For this section of the Women & Money report, Opinium asked over 2,000 women and men if they had experienced financial problems as a direct result of a past relationship or relationships. We asked people whether they had experienced specific financial problems and respondents could tick more than one answer if they experienced more than one financial issue following the break up of a relationship. This means that the combined total adds up to more than 100 per cent.

Summary:

- Over one in ten women (11 per cent) say they've had to pay off some of their ex partner or ex spouse's debts. This is the most common financial issue that respondents say they experienced as a direct result of a relationship or relationships.
- Almost one in ten women (nine per cent) say they had to pay bills that their ex had agreed to pay.
- Overall, more women say they've had a financial problem, such as paying off their ex's debts, bills or haven't received child support, than men. This applies across all age groups, except among the 18 – 34 year olds.
- Almost one in 16 women (six per cent) and one in 20 men (four per cent) say they didn't receive child support that their ex agreed to pay.
- Women aged 35 – 54 are the most likely to say they've had a financial problem as a direct result of a past relationship. One in seven (14 per cent) say they've paid off some of their ex's debts and one in eight (12 per cent) have paid bills their ex promised to pay.
- There was the biggest gender difference in the 55+ age group. One in ten women (ten per cent) have paid off some of their ex partner's debts (compared to six per cent of men) and eight per cent of women have

paid bills their ex promised to pay, compared to just three per cent of men.

Overall, more women than men report having a financial problem as a direct result of the break up of their relationship. The most common problem identified is that of having to pay off some of an ex's debts; which more than one in ten women say they have experienced. This rises to 14 per cent among women aged 35 – 54.

Almost one in ten women (nine per cent) say they've had to pay bills that their ex partner or spouse was supposed to pay. Again this percentage increases for the 35 – 54 year age group.

Not surprisingly, our research shows fewer men than women say they have not received child support that their ex had promised they'd pay (only four per cent, compared to six per cent of women). However, more men than women (five per cent compared to three per cent of women) say they've had problems closing a joint bank account.

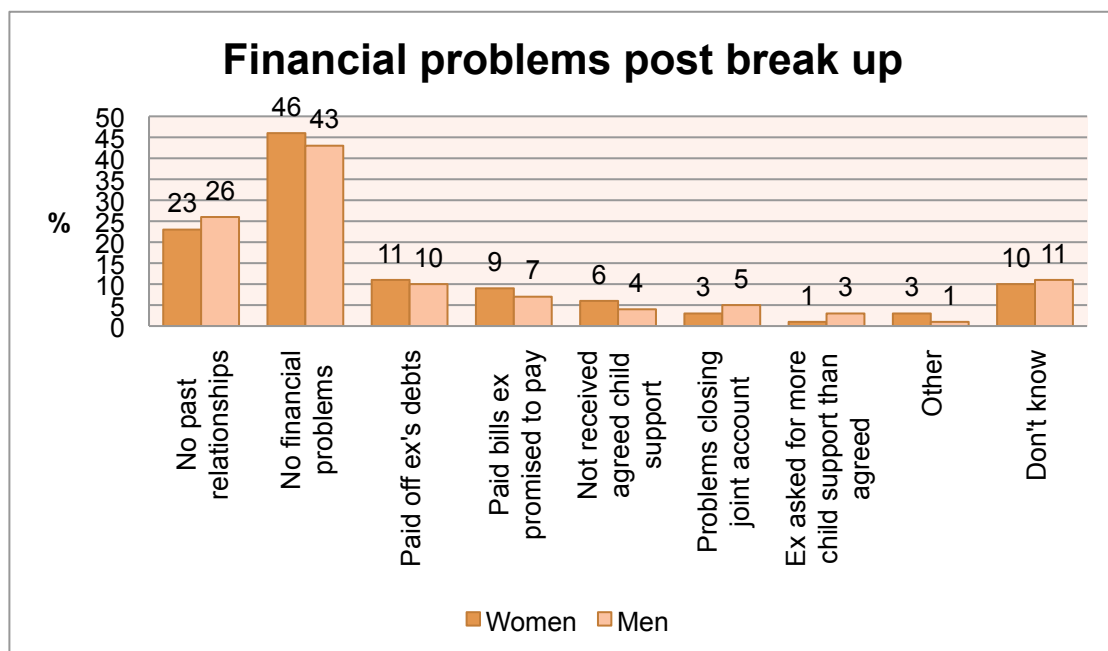


Chart: All age groups, women and men. Sample size 2,003 Source: SavvyWoman/Opinium
NB: responses add up to more than 100% because respondents may have experienced more than one financial problem.

Women aged 35 – 54 are most likely to say they've experienced a financial problem as the direct result of a relationship breaking up. This will be in part because they are likely to have had more relationships than younger women.

Women aged 55+ are less likely to have experienced financial problems as a direct result of a previous relationship ending, although twice as many women

as men say they've had to pay off some of their ex partner or ex spouse's debts or pay bills that their ex had agreed to pay.

One in ten women (ten per cent) aged 55+ say they've had to pay off some of their ex partner or spouse's debts (ten per cent) and one in 12 have had to pay bills that their ex had agreed to pay (eight per cent).

This compares with one in 16 men (six per cent) who say they've had to pay off some of their ex partner or spouse's debts and one in 33 (three per cent) who have had to pay bills that their ex had agreed to pay.

Younger women (aged 18 - 34) are less likely to have paid off some of their ex partner or spouse's debts than both women and men in the 35 – 54 age group and men of the same age. They are also less likely than men to have paid bills that their ex had agreed to pay. However, this is the only age group where more men than women say they've had financial problems as a direct result of a relationship.

There's certainly plenty of evidence that the finances can be put under considerable strain when a couple breaks up, especially if they have been together for some time. And if one partner leaves debts for the other to pay or can't – or won't – pay bills they'd agreed to cover, it will only make things worse

The ending of a relationship is one of the main causes of debt. Resolution, which is the organisation for family lawyers in England and Wales, carried out some research in the autumn of 2014, which found that more one in four people have ended up in debt as the result of a break up of their relationshipⁱⁱ.

If a couple has been living together, the challenge of making the income(s) that supported one household stretch to two can be immense. If a financial settlement is being negotiated as part of a divorce or the dissolution of a civil partnership, short term cash flow may be very tight. While many couples manage to break up relatively amicably, in a number of cases one or both partners may struggle to keep on top of the finances or they may refuse to pay costs they've previously agreed to meet.

Women & Money: Financial costs of being single

While many of SavvyWoman's users are married, in a relationship or in a civil partnership, we regularly get emails and comments from women who are single and who feel they are penalised financially as consequence.

There have been several reports and surveys over the years which have put the price of being single at as much as £250,000 over a lifetime (according to a survey by uSwitch in 2010), or £3,500 a year (according to a report by Co-operatives UK in 2011). As the additional cost varies according to someone's individual spending, we wanted to look at people's perception of the financial penalty of being single - if they perceived there was a financial penalty at all.

Opinium asked 375 people who were single (217 men and 158 women), whether or not they believe they have had to delay key financial decisions as a result of being single.

Summary:

- Almost one in four women (39 per cent) say that by being single they've had to delay buying a property, compared to 29 per cent of men. This increases to 49 per cent among women aged 18 – 34.
- More women (42 per cent) than men (36 per cent) say that being single means they can't afford a property, which they would be able to afford if they were married. This rises to 49 per cent of women aged 35 – 54.
- More women than men believe that being single has affected their ability to save for a rainy day. Almost one in four women (37 per cent) say they can't afford to save when single, compared to 29 per cent of men.
- Women aged 35 – 54 are most likely to say that being single has affected their ability to save, with 51 per cent saying they can't save, compared to a third (33 per cent) of men.

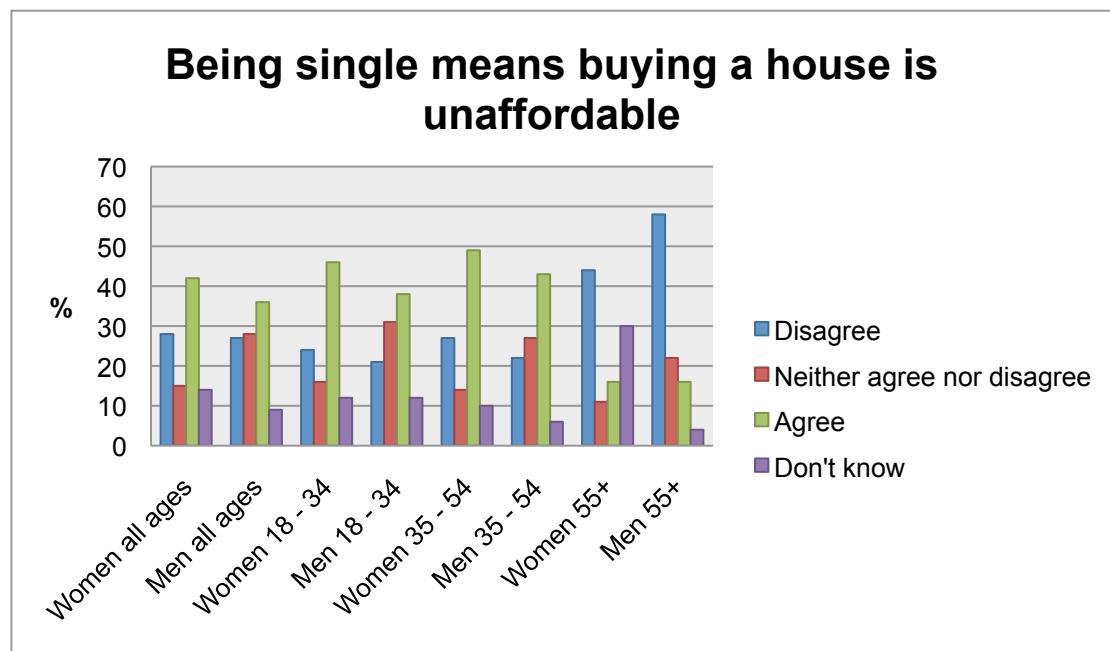
Singles priced out of property?

Women are significantly more likely than men to say they can't afford to buy a property because they are single. Across all age groups, over four in ten women (42 per cent) and over a third of men (36 per cent) say that being single means they've missed out on buying their home. This compared to just 28 per cent of women and 27 per cent of men who don't think that being single has made a difference to their ability to afford a property.

Perhaps not surprisingly, it is those in their mid thirties and older who are most likely to say that life as a singleton means owning a property is unaffordable. Almost half of women aged 35 – 54 (49 per cent) said they've

not been able to buy a property, which they would have been able to do if they'd been married, compared to 43 per cent of men. This compares to more than one in four women (27 per cent) and just over one in five men (22 per cent) in this age group who don't think that being single has affected their ability to buy a property.

Over four in ten women in their twenties and early thirties think their ability to buy a home has been severely affected by the fact they are single (46 per cent of women and 38 per cent of men).



The single over 55s are interesting for two reasons: firstly because they are the least likely to say that being single means they can't afford to buy a property (only 16 per cent of both women and men agree with this statement), and secondly because almost a third of women over 55 (30 per cent) say they don't know if being single had made a difference – the highest 'don't know' of any age group.

Singles buy later

We also asked single women and men whether being single means they've had to delay buying a property.

Three in ten respondents (33 per cent) believe that by being single they've put off buying a property, which they wouldn't have had to do if they were married or in a civil partnership, compared to 31 per cent who think it hasn't made a difference.

Here, although overall fewer women and men say they've had to delay buying a property than say buying a property is unaffordable, once again women are more likely than men to say being single means renting for longer: 39 per cent of women gave this answer, compared to 29 per cent of men.

Women aged 18 – 34 are most likely to say that by being single they've had to delay buying a property, with almost half (49 per cent) giving this answer. There is a substantial gender divide here with fewer than four in ten men (36 per cent) believing property ownership has been delayed because they're single. This compares with 24 per cent of both women and men aged 18 – 34 who say they don't think that being single has meant any delay to buying a property.

Women and men aged 55+ are very unlikely to say they'd had to delay buying a property as a result of being single. Only eight per cent of women and six per cent of men gave this answer.

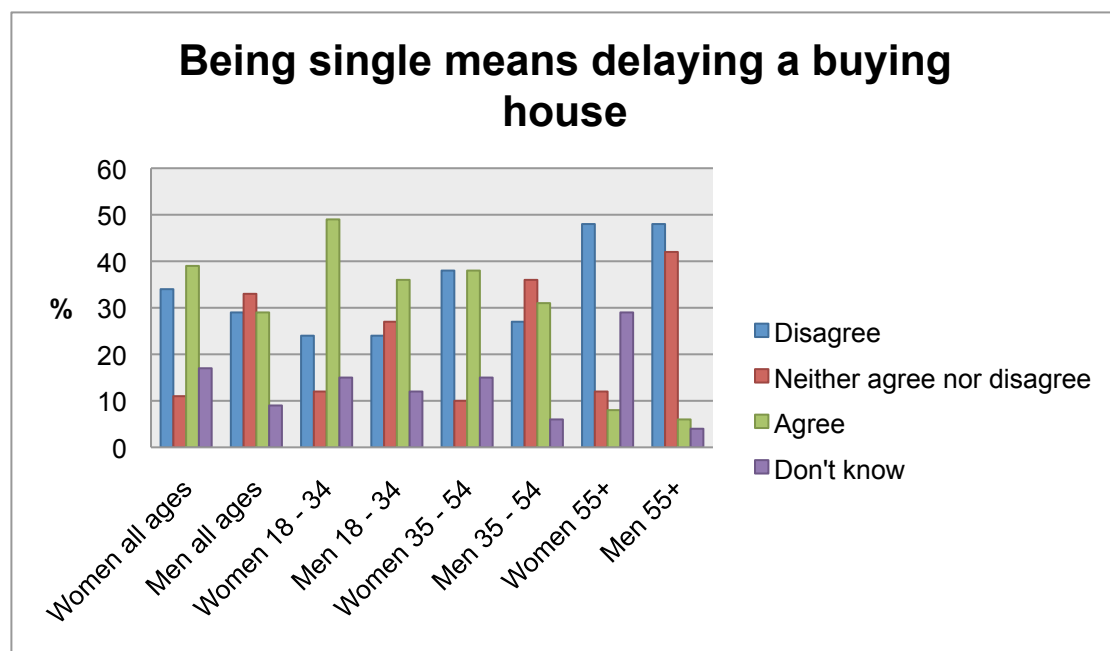


Chart: Single women and men – all ages. Sample size 375. Source: SavvyWoman/Opinium

Being single cuts savings

Lastly, Opinium asked women and men who are single whether they think that being single has meant they can't afford to save for a rainy day, which they would be able to do if they were married/in a civil partnership. Overall, almost four in ten women (37 per cent) and three in ten men (29 per cent) say they believe it has.

There was a significant spike in the percentage of single women in their thirties and forties who say they can't afford to save. Over half of women aged 35 – 54 (51 per cent) say that being single means they can't afford to save for a rainy day, compared to only a third of men (33 per cent). This age group was most likely to say that being single meant they couldn't save for a rainy day.

By contrast, just over a third of women (35 per cent) and one in four men (25 per cent) aged 18 – 34 say that they can't save because they are single. The over 55 age group is the only one where fewer women than men (16 per cent compared to 29 per cent) say being single means they can't save.

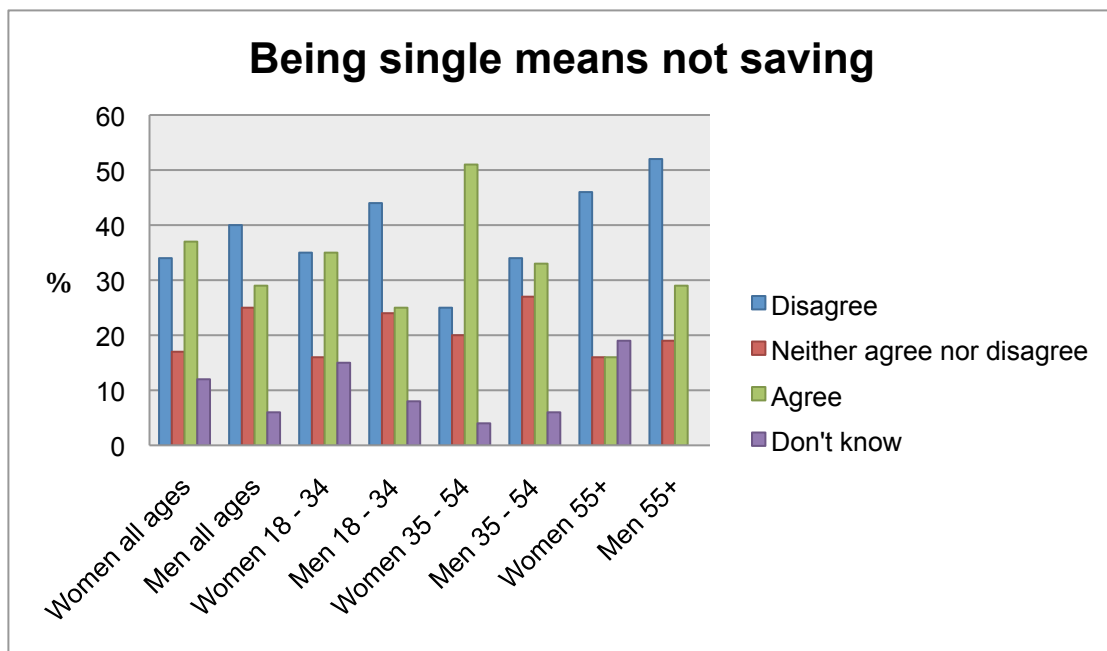


Chart: Single women and men – all ages. Sample size 375. Source: SavvyWoman/Opinium

The sample size was small, so results should be interpreted with caution, but it's an interesting area and, against the backdrop of the housing affordability crisis and the rise in single adult households, one we will continue to explore. According to the latest ONS figures, in 2014, 7.6 million peopleⁱⁱⁱ in the UK lived alone, with another two million lone parents living with their children, and single adult households are growing.

Women & Money Report: Pensions and retirement

The state pension system is due to undergo a major change for both women and men who reach state pension age from April 2016, when the new 'single tier' or flat rate state pension is introduced. But there's another change that's already taking place, which affects women only, and which is continuing to cause concern and confusion among many women.

The state pension age for women has been rising from the age of 60 to 65 since 2010. Women currently receive their state pension at 62 years and eight months (this means women born between 6th November and 5th December 1952 are able to receive their state pension from 6th July 2015). However, the age at which women can receive their state pension is rising and will reach 66 on 6th October 2020.

We don't yet have updated government figures for 2014, but data from the ONS show that in September 2012^{iv}, almost two thirds (62 per cent) of a single female pensioner's income came from the state pension and pension credit. Far more men than women receive the full basic state pension. In 2012, four out of five male pensioners (80 per cent) receive the full basic state pension compared to 46 per cent of women. ONS data shows that ten per cent of women received less than half the full basic state pension compared to seven per cent of men.

At SavvyWoman we receive a steady stream of emails and have had hundreds of comments to articles on the subject, from women who have said they will have to delay their retirement as a result of the rise in state pension age. In some cases they are happy to do this, in many cases they are not.

Ideal retirement age

As part of the research for this Women & Money report Opinium asked almost 1,000 men and women (935 in total) over the age of 50 about the age at which they would – ideally - like to retire.

Summary:

- Sixty is the most popular age chosen by both women and men, with almost one in eight women (13 per cent) and one in nine men (11 per cent) saying they'd like to retire then.
- The next most popular answer – perhaps unsurprisingly – is 65. More men (ten per cent) than women (six per cent) say they'd like to retire then.

- The average age women would like to retire at is 61, but younger over 50s want to retire earlier than those aged 55+.

Overall, the average age that our respondents say they'd like to retire at, excluding 'don't knows' and those who've already retired, is 61 for women (compared to 62 last year) and 63 for men (the same as last year). We are surprised that the average ideal retirement age has fallen since last year as we would have expected the ongoing publicity about people not saving enough for their retirement to result in those we surveyed expecting they will have to retire later and work for longer.

No-one said they'd like to retire before 50 (whereas last year one per cent of men gave this answer). Almost one in ten (nine per cent) of women say they don't know when they'd like to retire.

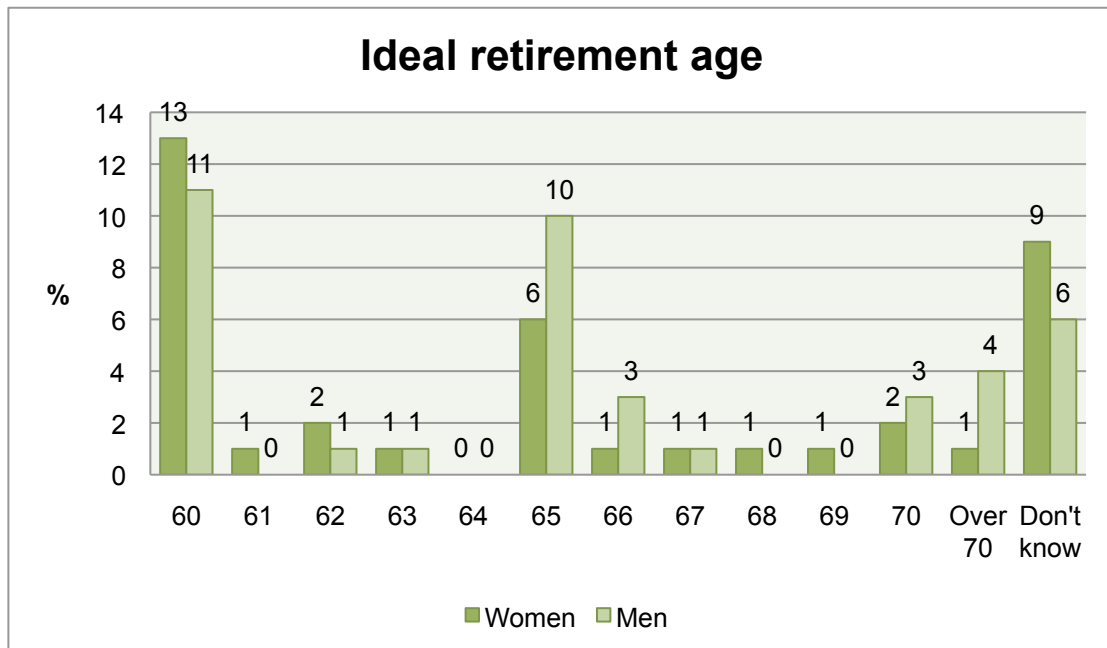


Chart: Women and men – aged 50+. Sample size 935. Source: SavvyWoman/Opinium

As was the case last year, there are some differences across the age ranges. Both women and men aged 50 – 54 want to retire at 60 (last year this was 62 for women and 61 for men). This time round women aged 55+ say they'd like to retire at 62 (a year earlier than last year) while men want to retire at 66 (two years later than those we questioned last year).

The difference in ideal retirement ages between women aged 50 and those aged 55 or over could be down to a number of factors. It may be that they prefer to continue working or are offered a new opportunity at work or that

they realise they don't have the retirement funding in place that they think they will need.

Likely actual retirement age

We also asked those aged over 50 who had not retired (with a sample size of 448) the age at which they actually think they will be able to retire. The average age for all respondents, excluding the 'don't knows' is 65, with women thinking they will not be able to retire at 65, and men believing their actual retirement age will be 66.

This means that women think they will retire four years later than the age they'd like to retire at (65 compared to 61) - the same age difference as we saw when we asked this question last year. Men think they will actually retire three years later than they'd like to - at the age of 66 compared to their ideal retirement age of 63.

Over one in eight men think they won't be able to retire until they are over 70 compared to fewer than one in 17 women (six per cent) expect to have to work beyond 70. Half as many women (ten per cent) as men (19 per cent) expect to have to work until they are 70 or over before they can retire.

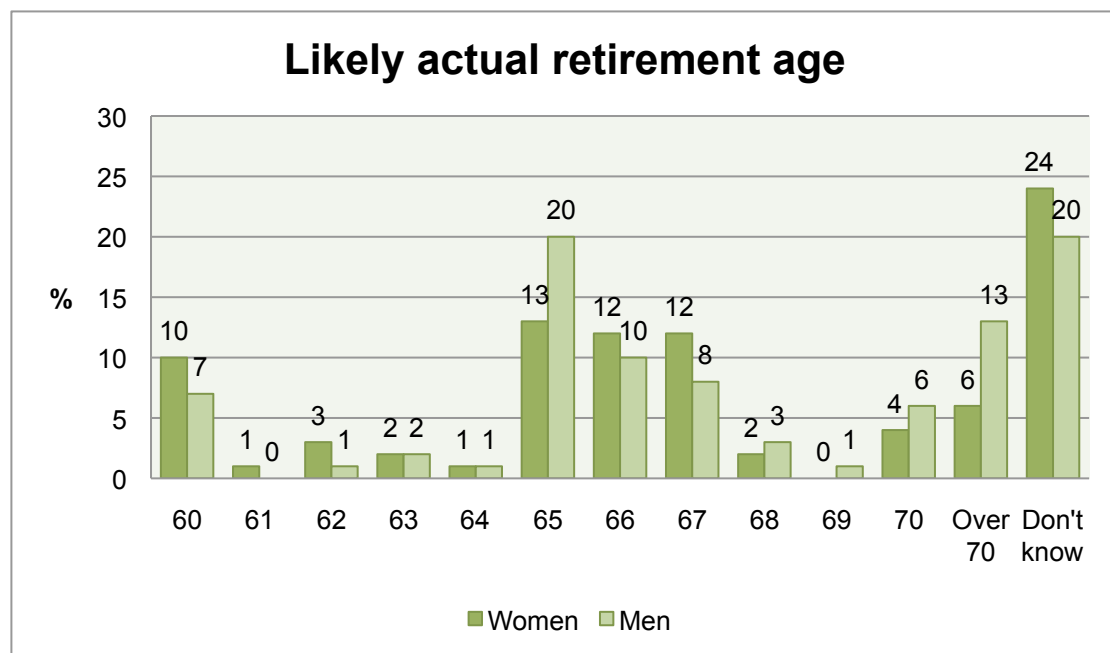


Chart: Women and men – aged 50+ who've not yet retired. Sample size 448. Source: SavvyWoman/Opinium

Last year a third of women (33 per cent) didn't know when they would be able to retire. This was more than double the percentage of men who said they didn't know when they'd retire (15 per cent). This year far fewer women and men say they don't know when they'll be able to retire – although one in four

women (24 per cent) and one in five men (20 per cent) are unsure of when they can stop work for good.

As was the case last year, fewer than one in five women and men think they will be able to retire between 60 and 64 - 17 per cent of women and 11 per cent of men. While one in five men think they will be able to retire at 65, only one in eight women (13 per cent) do. This is similar to last year when 14 per cent of women and 19 per cent of men said they expected to be able to retire at 65.

A similar number of women (12 per cent) but only ten per cent of men think they will be able to retire at 66. This may be in response to the widely publicised forthcoming increase in the state pension age to 66.

This year's report shows that the average age at which women expect to retire is the same (at 64) for women in the 50 – 54 age group and the 55+. This is a contrast to last year when older women thought they'd retire later than those in their early 50s.

It also contrasted with the answers men gave: men aged 50 – 54 think they'll retire at 65 while men aged 55+ believe retirement won't begin until their 68th birthday (a rise of two years from last year).

Women & Money: Optimism about finances

As was the case last year, we wanted to gauge how women feel about the economy. While both women and men say they feel more optimistic about their finances now than when we questioned them in for the Women & Money report in 2014, most feel either worse off or no different than a year ago.

Summary:

- Over three out of ten women (32 per cent) say they feel worse off financially than a year ago, while over one in five (22 per cent) say they feel better off. This compares to 40 per cent who said they felt worse off in 2014 and 19 per cent who said they felt better off.
- As was the case in our report in 2014, this year men are more optimistic about their financial situation than women, with only one in four (25 per cent) men saying they feel worse off and a third (33 per cent) saying they feel better off.
- Only three per cent of women describe themselves as feeling a lot better off than last year.
- Once again optimism about finances is highest among 18 - 34 year olds with 29 per cent of women saying they feel better off.
- Almost a third of women aged 55+ (32 per cent) describe themselves as feeling worse off financially than a year ago. Once again this is the age group where women are most likely to say they feel worse off financially.

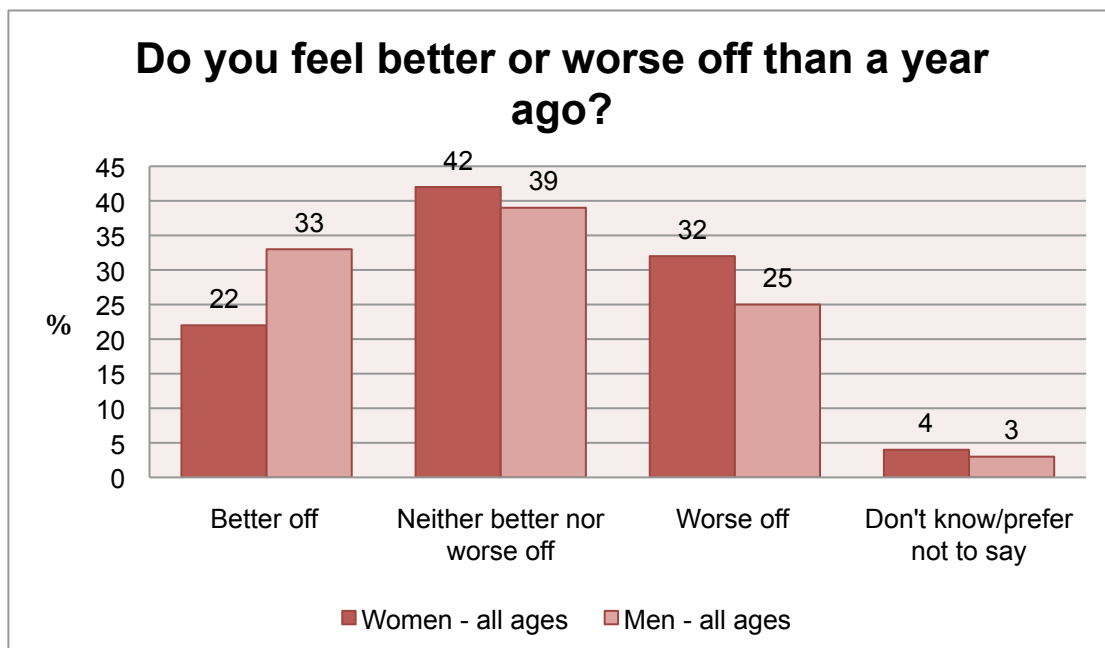


Chart: Women and men – all ages. Sample size 2,003. Source: SavvyWoman/Opinium

Opinium questioned just over 2,000 adults. Overall, just over one in five women (22 per cent) say they feel better off, compared to a third of men (33 per cent). Women are less likely to say they feel better off than men, and younger age groups are more optimistic about their finances than older women and men. Only three per cent of women say they feel much better off, compared to seven per cent of men.

Among the 18 – 34 year olds, just under a third of women (29 per cent) say they feel better off, but this was significantly fewer than the percentage of men (47 per cent). The 18 – 34 year old age group is the only one where more women and men say they feel better off than those who say they feel financially worse off. Once again there was a big difference in the percentage of women who say they feel much better off (five per cent) compared to men (15 per cent).

There wasn't much of a gender difference in the percentage of respondents aged 18 – 34 who say they feel a lot worse off (12 per cent of women compared to ten per cent of men). However, while only 12 per cent of men say they feel a little worse off, one in five women do.

Among those in their 30s and 40s (35 – 54), 22 per cent of women say they feel better off, compared to 29 per cent of men. Over a third of women aged 35 – 54 (35 per cent) say they feel worse off, compared to one in four (25 per cent) of men.

Fewer than one in five women aged 55+ (18 per cent) say they feel financially better off compared to a year ago. This is a significant increase on last year, but still the lowest percentage across all age groups. Once again, men are more optimistic, with more than one in four (26 per cent) saying they feel better off than a year ago.

This age group also has the biggest percentage of respondents who say they feel neither better nor worse off. Almost half of women aged 55+ (49 per cent) say they don't feel any different about their financial wellbeing compared to a year ago.

ⁱ Institute for Public Policy Research (IPPR) The Condition of Britain, Who's Breadwinning report: http://www.ippr.org/files/images/media/files/publication/2013/08/whos_breadwinning_August2013_11082_11082.pdf?noredirect=1

ⁱⁱ Resolution, One on four face financial trouble following relationship split: http://www.resolution.org.uk/news-list.asp?page_id=228&n_id=254

ⁱⁱⁱ Office for National Statistics (ONS), Living alone: <http://www.ons.gov.uk/ons/rel/family-demography/families-and-households/2014/families-and-households-in-the-uk--2014.html#tab-Living-alone>

^{iv} ONS, Summary for Pension Trends Chapter 5: State Pensions, 2013 Edition: <http://www.ons.gov.uk/ons/rel/pensions/pension-trends/chapter-5--state-pensions--2013-edition/sum-chp5-2013.html>