EVA WEALTH

Financial Planners
Chartered

YOUR GUIDE TO

THE GENDER WEALTH GAP AND HOW TO CLOSE IT

The 4 main types of financial protection you should consider

7 practical tips that could help you secure a pay rise

5 inspiring women who broke the glass ceiling

How divorce can affect your financial security

YOUR GUIDE TO THE GENDER WEALTH GAP AND HOW TO CLOSE IT

In recent decades, strides have been made to close the gender wealth gap. Today, women have more opportunities and wealth at their disposal than ever before.

However, there are still significant gaps in wealth when you compare women and men. Research shows that women still experience a pay gap and this has a knock-on effect on overall wealth and financial security.

Recognising the gap and understanding how it affects you means you're in a better position to improve your finances and bridge the gap. Taking control of your finances can help you reach your goals and provide peace of mind.

This e-zine covers some of the key reasons why the gender wealth gap exists, how big the gap is, and what you can do to secure your own finances. The areas covered include:

If you have any questions about your finances or creating a financial plan that suits your goals, please contact us.

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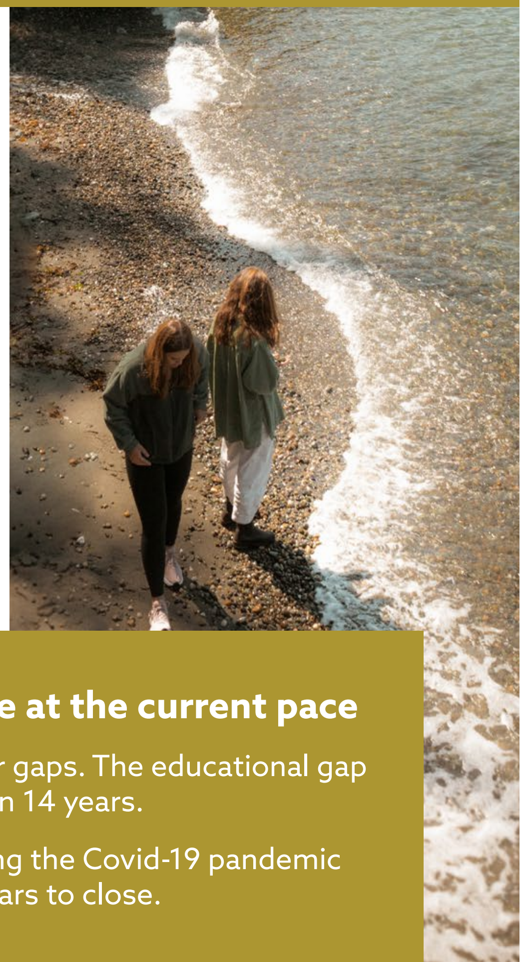
THE GENDER PAY GAP: PROGRESS IS STILL NEEDED TO CLOSE THE 10.4% GAP

Women in the UK are paid 90p for every £1 earned by a man



Strides have been made to close the gender pay gap in the last few decades. Yet, statistics show that, on average, women still earn less than men.

The gender pay gap calculates the difference in average hourly wage for men and women. It highlights where companies may be paying women less for the same role, or where women are working in positions that are lower paid.

According to statistics from the Chartered Institute of Personnel and Development (CIPD), across the UK in 2021 there was a pay gap of 10.4%. That means for every £1 a man earns, women earn 90p.

In some sectors and businesses that gap is far larger. For example, the construction industry has the largest gap with female employees receiving just 76p for every £1 a man earns.

The global economic gap will take 268 years to close at the current pace

Globally, there has been significant progress in closing some gender gaps. The educational gap looks set to be almost completely diminished within 14 years.

However, research suggests that the economic gap widened during the Covid-19 pandemic and, at the current pace of progress, will take 268 years to close.

Source: World Economic Forum

With men and women having access to equal education opportunities in the UK, you may expect the gender pay gap to be much smaller. However, there are several reasons why it persists.

In some cases, bias may play a role or women may be less likely to pursue better-paying roles. Another key factor that influences gender pay is having children.

Previous research from the Institute for Fiscal Studies found that different working experiences after the birth of their first child can explain up to two-thirds of the gender pay gap in graduates. Taking time away from the workplace or choosing to work part-time means women earn less, but having children can also affect progression opportunities and limit pay growth over the long term.

THE PAY GAP HAS **FALLEN** BY AROUND **25%** SINCE THE MID-1990S

Steps for women to access equal pay in the UK go back to 1888.

Clementina Black, who was the honorary secretary of the Women's Trade Union Association, moved a motion for equal pay when she attended the Trade Union Congress.

But it wasn't until 1975 that the Sex Discrimination Act and the Equal Pay Act were introduced.

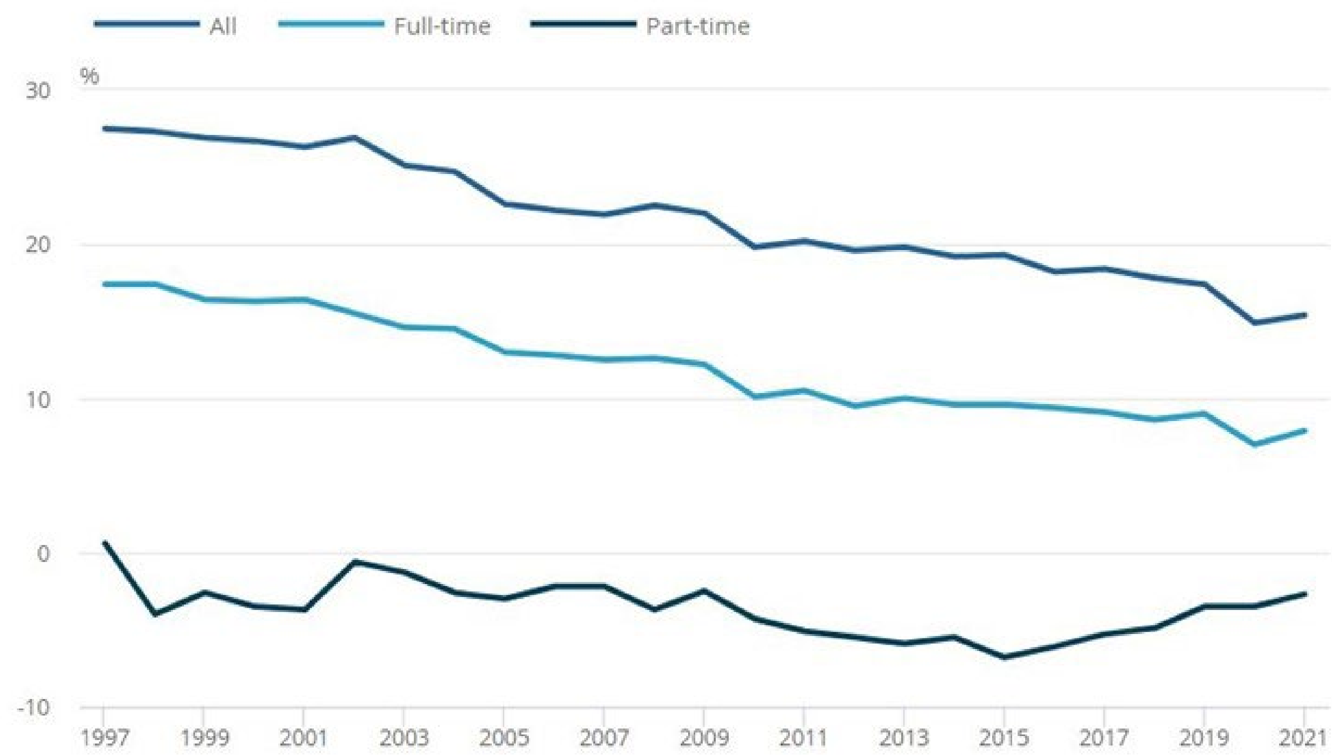
Since 2017, all employers with a headcount of 250 or more must comply with regulations on gender pay gap reporting. This includes providing information on the average pay gap for hourly and bonus pay.

The Equal Pay Act prohibits less favourable treatment of women in terms of pay and conditions of employment. It also helps employees take tribunals to court if they experience discrimination in the workplace. This meant there was a process if women were being unfairly paid.

Due to different or no reporting standards at all, it can be difficult to measure how far the UK has come since 1888.

However, according to the Institute of Fiscal Studies, the earnings gap is about 25% lower now than it was in the mid-1990s. This reduction has been linked to greater educational opportunities for women and increases in the minimum wage.

Government data also shows how the pay gap has narrowed since 1997. The below graph shows the gender pay gap for median gross hourly earnings.



Source: Office for National Statistics

The statistics also find that the largest gender pay gap is among managers, directors, and senior officials. This suggests that some women are struggling to progress to leadership roles.

WHICH INDUSTRIES HAVE THE LARGEST PAY GAPS?

INDUSTRIES WHERE MALE SALARIES EXCEED FEMALE SALARIES

PRODUCTION MANAGERS & DIRECTORS IN MINING & ENERGY
Men earn **£23.88** per hour
Women earn **£13.12** per hour
WITH A PAY GAP OF 45%

ASSEMBLERS (VEHICLES & METAL GOODS)
Men earn **£14.63** per hour
Women earn **£9.77** per hour
WITH A PAY GAP OF 33%

CHEMICAL & RELATED PROCESS OPERATIVES
Men earn **£14.96** per hour
Women earn **£10.09** per hour
WITH A PAY GAP OF 33%

FINANCIAL MANAGERS AND DIRECTORS
Men earn **£36.15** per hour
Women earn **£25.00** per hour
WITH A PAY GAP OF 31%

METAL MAKING & TREATING PROCESS OPERATIVES
Men earn **£13.54** per hour
Women earn **£9.39** per hour
WITH A PAY GAP OF 31%

FUNCTIONAL MANAGERS & DIRECTORS N.E.C
Men earn **£31.12** per hour
Women earn **£21.96** per hour
WITH A PAY GAP OF 29%

MOBILE MACHINE DRIVERS & OPERATIVES N.E.C
Men earn **£13.27** per hour
Women earn **£9.45** per hour
WITH A PAY GAP OF 29%

ELECTRONICS ENGINEERS
Men earn **£27.36** per hour
Women earn **£19.77** per hour
WITH A PAY GAP OF 28%

IT ENGINEERS
Men earn **£15.29** per hour
Women earn **£11.33** per hour
WITH A PAY GAP OF 26%

INDUSTRIES WHERE FEMALE SALARIES EXCEED MALE SALARIES

MIDWIVES
Women earn **£20.90** per hour
Men earn **£13.49** per hour
WITH A PAY GAP OF 55%

SPECIAL NEEDS EDUCATION TEACHING PROFESSIONALS
Women earn **£22.70** per hour
Men earn **£18.09** per hour
WITH A PAY GAP OF 25%

BUILDING & CIVIL ENGINEERING TECHNICIANS
Women earn **£15.79** per hour
Men earn **£12.84** per hour
WITH A PAY GAP OF 23%

COUNSELLORS
Women earn **£15.48** per hour
Men earn **£13.05** per hour
WITH A PAY GAP OF 19%

SCHOOL SECRETARIES
Women earn **£10.97** per hour
Men earn **£9.45** per hour
WITH A PAY GAP OF 16%

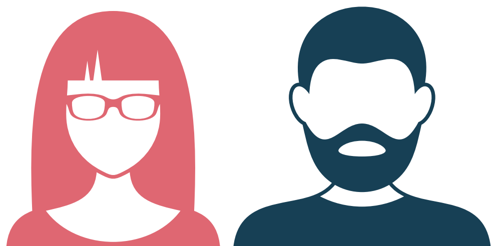
PERSONAL ASSISTANTS & OTHER SECRETARIES
Women earn **£12.50** per hour
Men earn **£10.98** per hour
WITH A PAY GAP OF 14%

SECURITY GUARDS & RELATED OCCUPATIONS
Women earn **£12.02** per hour
Men earn **£10.56** per hour
WITH A PAY GAP OF 14%

HOTEL & ACCOMMODATION MANAGERS & PROPRIETORS
Women earn **£13.32** per hour
Men earn **£12.02** per hour
WITH A PAY GAP OF 11%

CONSTRUCTION & BUILDING TRADES N.E.C
Women earn **£13.64** per hour
Men earn **£12.35** per hour
WITH A PAY GAP OF 10%

The **official data**[1] highlights which jobs and industries have the **largest gaps**, and those where women are likely to be paid **more** than men.



Looking at **specific companies** also highlights how the **gender pay gap** affects incomes. For the **2021/2022 tax year**:

Women working at **easyJet Airline Company** earned **36p** for every **£1** a man earned[2]

On average, women employed by estate agents **Savills** earn **41p** per hour less than their male counterparts[4]

Online fashion retailer **ASOS** paid women **55p** for every **£1** a man earned[5]

HSBC reported a pay gap of more than **50%**[3]

The bonus pay gap was even larger at **72.2%**

IN CONTRAST, OTHER WELL-KNOWN BUSINESSES HAVE ALMOST CLOSED THE PAY GAP FOR THEIR EMPLOYEES OR WOMEN ARE EARNING MORE.

Marks & Spencer pays women **95p** for every **£1** that men earn[6]

Unilever which includes brands like **Dove & Knorr** on average, pays women **3.9% more** than men[7]

[1]https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2021

[2]https://gender-pay-gap.service.gov.uk/Employer/EMxvV2qy/2021

[3]https://gender-pay-gap.service.gov.uk/Employer/AFV2D97I/2021

[4]https://gender-pay-gap.service.gov.uk/Employer/4zzZMdWT/2021

[5]https://gender-pay-gap.service.gov.uk/Employer/67NfujDq/2021

[6]https://gender-pay-gap.service.gov.uk/Employer/HsVMNQE8/2021

[7]https://gender-pay-gap.service.gov.uk/Employer/O2nxMscC/2021

WHY IS THE GENDER PAY GAP SO IMPORTANT?

> *When we pay women less than men, we're telling women their work isn't as valuable. We're all equally valuable. And we should be paid equally.*
>
> – Maria Shriver, American journalist

As you'll see throughout this guide, there are many ways that women are affected by the wealth gap, but equal pay is crucial to closing this.

Lower salaries or fewer opportunities in the workplace have a knock-on effect on other areas, such as the amount women can save into a pension or their ability to invest. Closing the pay gap will help to close the wealth gap.

Closing the workplace gap is about more than salary

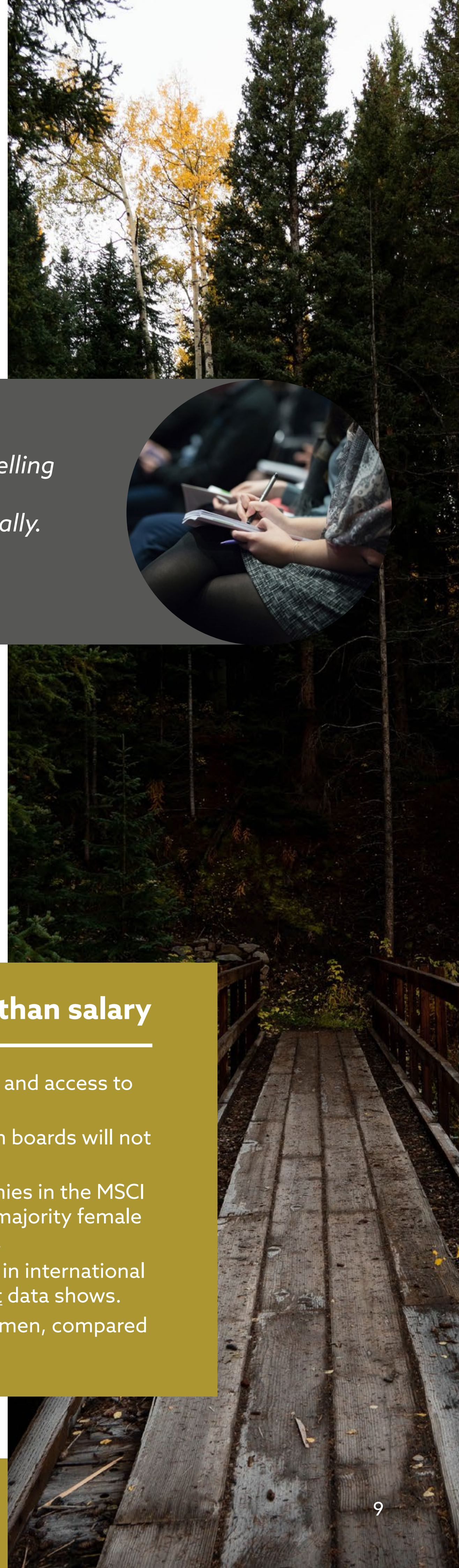
Closing the gender gap isn't just about pay – representation and access to higher paying roles is crucial too.

According to a report in FTAdviser, women's representation on boards will not reach parity with men globally until 2042.

When reviewing the number of women on boards on companies in the MSCI ACWI Index, it was found that just 1.2% of companies has a majority female board. In contrast, 14.2% had all-male boards.

There is progress being made though. The UK is now second in international rankings for female representation on boards, government data shows.

Almost 40% of FTSE 100 board positions are now held by women, compared to 12.5% just a decade ago.



7 PRACTICAL TIPS THAT COULD HELP YOU SECURE A PAY RISE

Another reason for the gender pay gap is that women are less likely to ask for a pay rise. And when they do, it's more likely to be refused.

According to a report in the Guardian, 43% of men have asked for a pay rise, compared to 33% of women. 1 in 5 women who ask for a pay rise are successful, while almost 1 in 3 men were. The gap is most prominent among workers over 30.

Asking for a pay rise can be difficult to handle, but it's important to ensure you're fairly compensated for the skills and experience you have, as well as contributing to closing the pay gap.

While these tips can't guarantee you'll receive a pay rise, they can help you better prepare for a meeting with your manager and give you confidence.

1. *Have a realistic figure in mind*

It can be difficult to know how much to ask for, but don't go into your meeting without a figure in mind.

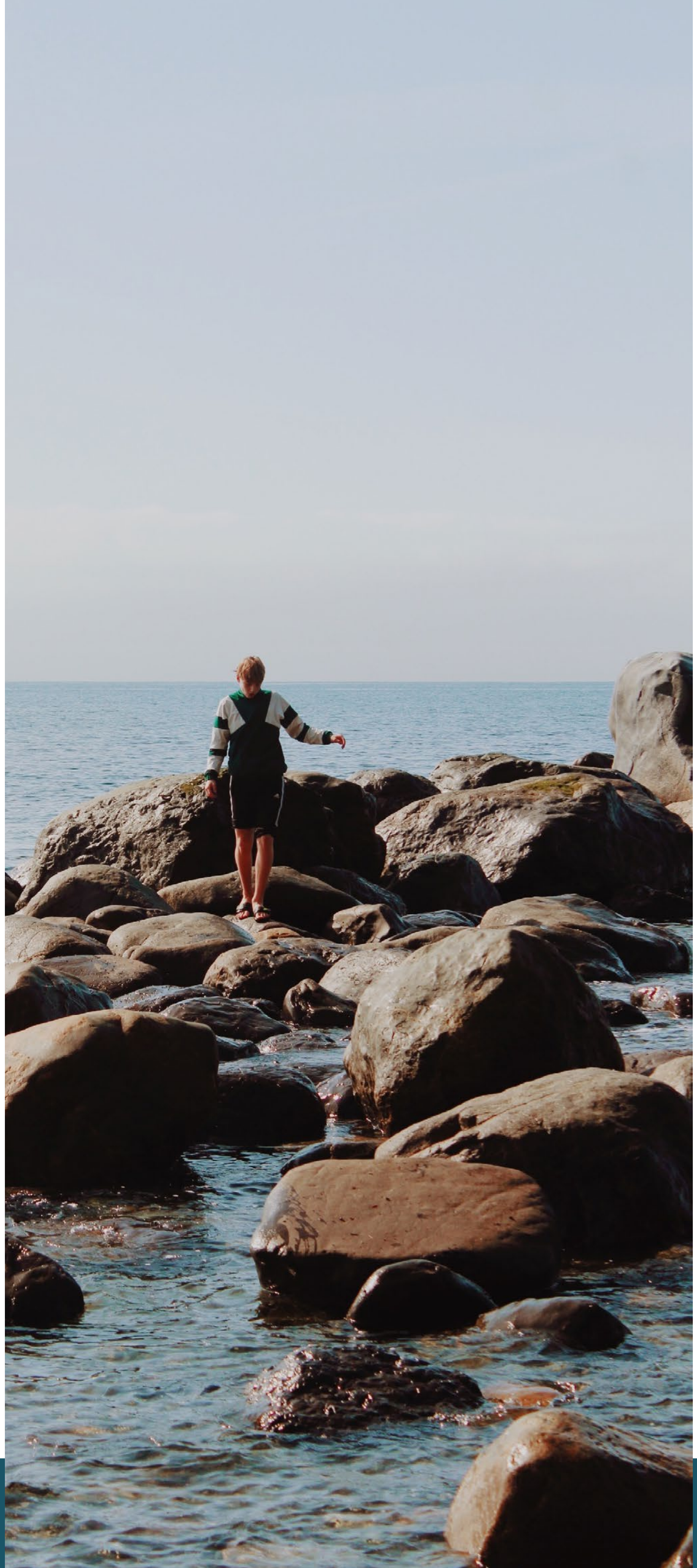
There are plenty of resources online, such as Glassdoor and LinkedIn, that can give you an overview of the average salary for your role and area. Compare your skills and experience to job adverts to understand what competitors are paying.

While everyone would love a huge pay rise, be realistic.

2. *Gather evidence*

Demonstrate the value you bring to the business to support your request for a pay rise.

Look through what your role is and see if it's changed – perhaps you've taken on more responsibility. Highlight your key achievements too. If you've made improvements to the way the firm works or increased revenue, discussing these successes puts you in a better position.



3. *Keep it professional*

It can be frustrating if you feel like you're not being fairly compensated for your work.

However, keep the meeting professional. Rather than stating that a colleague isn't pulling their weight or you do more work, focus on what you bring to the company and the importance of your skills.

4. *Timing is important*

Don't just spring a request for a pay rise on your manager unexpectedly. They may say "no" to give you a quick answer rather than fully thinking it through or allowing you to discuss things. They may also need to discuss pay rises with other people.

If you have regular reviews, this may be a good time to request a rise. If you decide you want to ask sooner than this, ask to book a meeting and outline what you'd like to talk about.

5. *Have notes ready*

If you feel nervous about asking for a higher salary, prepare some notes or even a script to follow. This can help you present a better argument and ensure you don't forget important points.

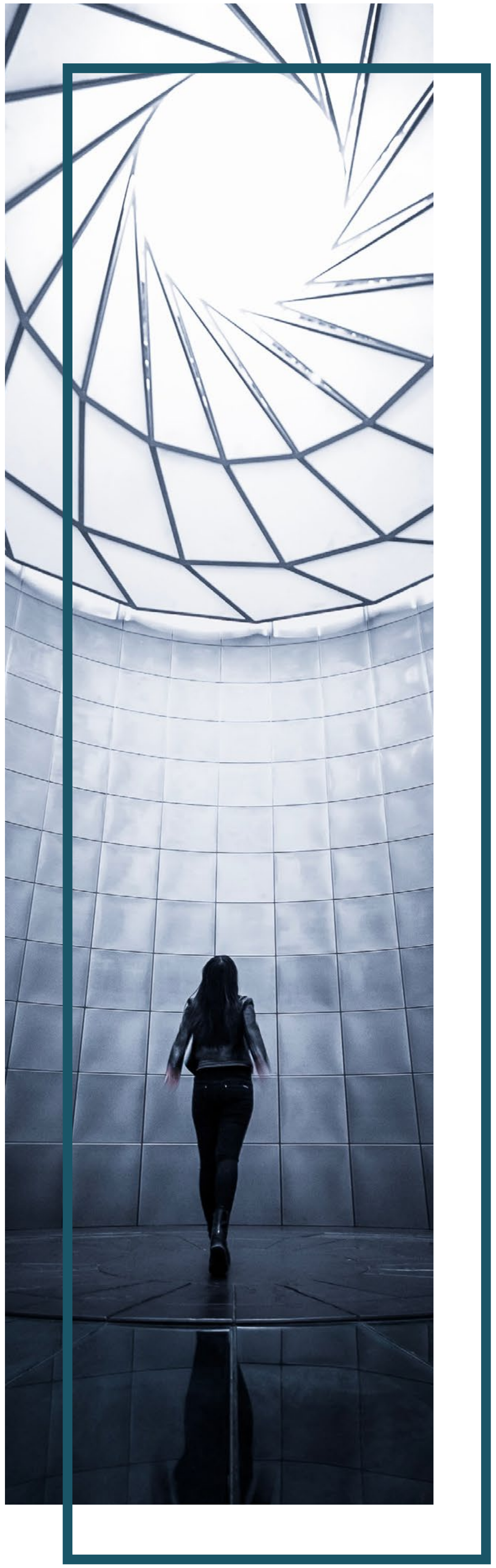
6. *Be prepared to compromise*

In some cases, your manager may agree with you and give you exactly the salary you request. In others, you will need to be willing to compromise.

This may mean accepting a pay rise that isn't as much as you hoped, or agreeing to take more responsibility or a higher workload.

7. *Don't be disheartened if the answer is "no"*

Rejection can be difficult, but don't be disheartened. Ask your manager when the situation can be reviewed again and what you can do in the meantime to secure the raise you want. Having clear targets about what you need to do can improve your chances when you ask next time.



5 INSPIRING WOMEN WHO BROKE THE GLASS CEILING

The term "glass ceiling" was first coined four decades ago to describe how high-achieving women struggled to rise above a certain level in the workplace due to a male-dominated hierarchy. The pioneers that broke that ceiling have played a huge role in creating new opportunities for women.

Today, there are more women than ever with leadership and board positions, partly due to the efforts and achievements of women like these five.

LADY HALE

Lady Brenda Hale was the first female president of the Supreme Court, the UK's highest court, in 2017. When you consider that the first female judge was appointed in 1962, just a year before Hale began studying at university, it's quite the achievement and shows just how far gender equality has come.

In an interview with the Yorkshire Post, Hale noted the importance of role models to encourage the next generation, as well as addressing the gender pay gap.

In 2004, she joined the House of Lords as a Lord of Appeal in Ordinary; again, she is the only woman to have been appointed to this position.

KATHERINE GRAINGER

One industry that continues to be male-dominated is sport. If you have to name leading sportspeople, the likelihood is that most of them would be men. Rower Katherine Grainger is helping to shift the focus.

During the London 2012 Summer Olympics she and her partner, Anna Watkins, broke the Olympic record when they qualified for the double sculls final. They then went on to secure the gold medal. Grainger became Britain's most decorated female Olympic athlete.

She now serves as chair for UK Sport, which is responsible for investing in Olympic and Paralympic sport across the UK.

KATHLEEN CULHANE LATHBURY

Biochemist Kathleen Culhane Lathbury took advantage of the demand for innovation in her field following the first world war and worked at leading pharmaceutical company British Drug Houses. She became known for her work with insulin and vitamins.

Yet, despite her talent and graduating with honours in chemistry from Royal Holloway College, she spoke out about the obstacles she had to overcome. When searching for a job, she would sign her applications with "K" rather than "Kathleen" but still faced prejudice at interviews. Even when she was hired, the lunchroom was male-only, so she was forced to eat away from colleagues and missed out on important informal interactions in the workplace.

Lathbury was married in 1933 when the British Civil Service bar on marriage was still in place. The bar prohibited married women from joining the civil service and required women civil servants to resign when they became married. This wasn't abolished until 1946 for the Home Civil Service and 1973 for the Foreign Service.

However, contrary to this, Lathbury remained employed as directors viewed her work as important.

MARGARET THATCHER

Margaret Thatcher's policies continue to be divisive, but she made history when she became the first female prime minister of the UK in 1979 as the leader of the Conservative Party.

She followed in the footsteps of Nancy Astor, who six decades earlier became the first woman member of parliament, and was known for her uncompromising leadership style. Serving as prime minister until 1990, Thatcher was also the longest person to hold the position in the 20th century.

In 1979, just 3% of elected MPs were women. While there's still a significant gender gap, female representation in the House of Commons is more than a third in 2022 for the first time.

THE FIRST FEMALE MEMBERS OF THE LONDON STOCK EXCHANGE

Financial services continues to be an industry where women can face challenges, but there have been improvements.

In 1973, six women – Muriel Wood, Susan Shaw, Hillary Root, Anthea Gaukroger, Audrey Geddes and Elizabeth Rivers-Bulkeley – became the first female members of the London Stock Exchange after 20 years of campaigning. Apart from the late Queen, these women are deemed the first to set foot on "the House" floor.

The London Stock Exchange never officially barred women. However, every time they applied, they were voted down by existing members. This means that while women could be stockbrokers and manage money on the behalf of clients, they could never become partners of their own firm. It also meant they were excluded from the social network at the London Stock Exchange until the 1970s.

THE PENSION GAP:

THE PAY GAP AND CAREER BREAKS ARE LEADING TO LOWER PENSION WEALTH

1 in 4 women over 35 have no retirement savings.

If you're still working, you may focus on your income and wealth now. However, neglecting your pension could mean you face challenges when you retire.

Research shows that there is a significant gap between how much men and women save for their retirement. There are several reasons for this, including taking time away to look after children, the pay gap, and being more likely to work part-time.

While retirement can seem a long time away, the pension contributions you make throughout your working life can have a huge effect on your financial security in retirement.

Research from Aviva suggests that the gender pension gap begins to significantly widen from the age of 35. It's often around this age that women are making milestone career and childcare decisions.

The table on the right shows how pension contributions differ between men and women at different ages.

Age	The gap in pension contributions
20–24	13%
25–29	16%
30–34	15%
35–39	18%
40–44	23%
45–49	29%
50–54	35%
55–59	40%
60–64	45%
65–69	49%

Source: Aviva

Lower pension contributions have a direct effect on your pension wealth as you'll be adding less. It can affect your total pension value in other ways too:

- When you make pension contributions, you will receive tax relief, which is usually added automatically to your pension. In effect, this is "free money" that can help you grow your pension. This is given as a percentage of your contributions, so the lower your contributions the less tax relief you receive.
- As the money in your pension is typically invested, those making larger contributions can see their pension grow at a faster pace. Over the decades you'll be saving, this can compound even further.

It's not just lower contributions that are having an effect – many women aren't paying into a pension at all.

According to a report in the FTAdviser, 1 in 4 women over the age of 35 don't have anything saved for their retirement. Just over half of women aged over 35 have saved up to £1,000 in their pension.

With 94% of women saying they need up to £30,000 a year to fund the retirement lifestyle they want, the statistics suggest many are going to face a gap. It could mean some women will need to adjust their retirement expectations or work for longer than they want to.

The significant pension gap means that far more women are likely to be reliant on the State Pension when they retire.

The report suggests that 27% of women are solely dependent on their State Pension, compared to 15% of men. The State Pension is an important income in retirement. However, it's unlikely to support a comfortable lifestyle that you want to enjoy when you give up work.

3 reasons why women may experience a pension gap

The gender pay gap can have a direct effect

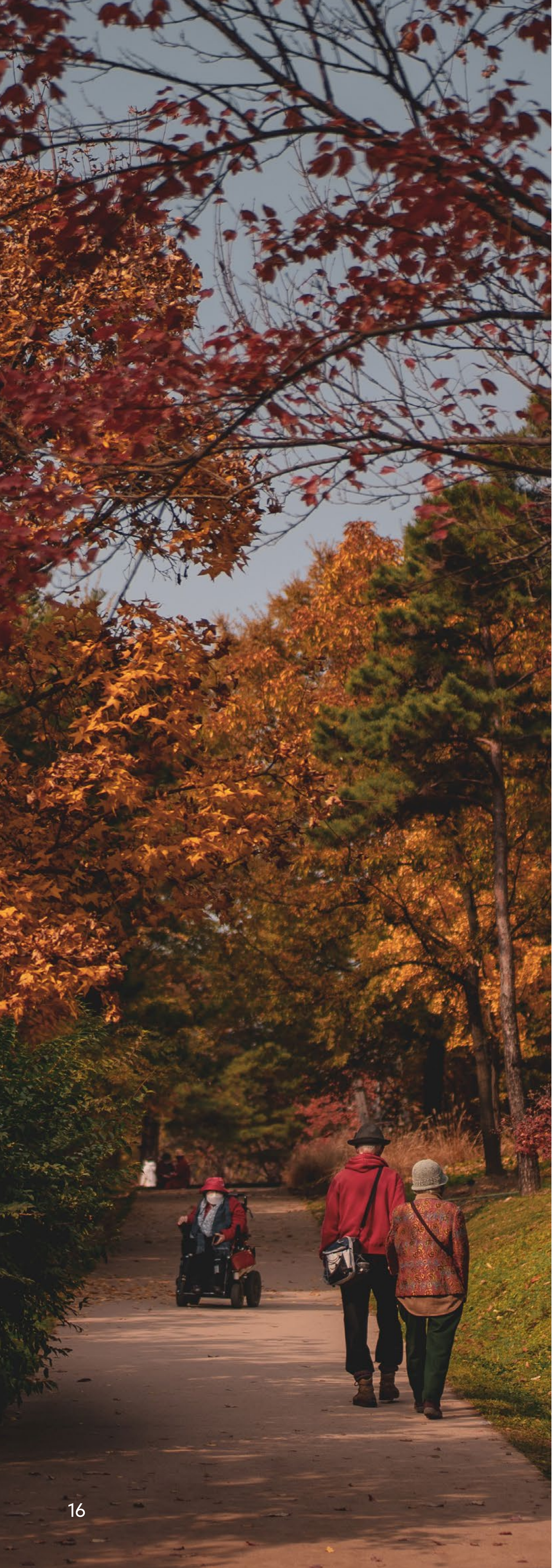
How much you can save for retirement is directly affected by your income. As a result, the gender pay gap affects the amount some women are putting away for their retirement.

Auto-enrolment may exclude women working part-time

Many workers must now be automatically enrolled into a pension by their employer, which they must also contribute to on the employee's behalf. However, you must earn more than £10,000 to be included in the 2022/23 tax year. This means part-time workers or those that combine multiple jobs can miss out.

A career break can mean contributions are paused

Women are far more likely to take a career break. During this time, it's common to stop contributing to a pension. Halting contributions for a couple of years can seem like it'll have a small effect over the decades you'll be saving. However, it can add up, particularly when you consider the compounding effects of investing.



5 WAYS YOU CAN CLOSE THE PENSION GAP

While there are some things you can't change, there are things you can do to make the most of your pension. These five steps can help you build up your pension to fund a more comfortable retirement.

1. *Increase your contributions*

If you're in a position to do so, increasing your regular pension contributions can really add up. You don't need to increase your monthly contributions by a huge amount especially if it's a step you take when you're younger.

The minimum auto-enrolment contribution level of 5% of your pensionable earnings is often not enough alone to achieve the lifestyle retirees want.

As you'll be contributing over several decades and your pension will usually be invested, it can support your goals much more than you expect.

2. *Make contributions during career breaks*

When you take a career break, your pension may be the last thing on your mind, but it is worth thinking about.

If you can, maintaining contributions during this time can ensure you aren't faced with a shortfall later. You can choose to contribute to a pension an old employer may have opened on your behalf in the past, or open a new one.

If you do need to stop contributions, opt back in when you're ready to start work again.

3. *Claim all the tax relief you're entitled to*

If you're a basic-rate taxpayer, your pension provider will usually claim the tax relief you're entitled to on your behalf. However, you should check.

For higher- and additional-rate taxpayers, you will need to complete a self-assessment tax return to claim the full amount that you're entitled to.

4. *Review the schemes your workplace offers*

It's worth looking at the benefits your employer offers that could boost your pension.

Some employers may increase the contributions they make to your pension if you also contribute more. It means you can get more out of your pension.

Another option may be a salary sacrifice scheme, which could increase how much goes into your pension if you take a lower salary. This can seem counterproductive, but it can make financial sense if you have a long-term view.

5. *Check how your pension is invested*

Usually, your pension is invested with the aim of delivering returns over the long term.

If you haven't selected how your pension is invested, it will often be through your provider's default pension fund. This may not be the right option for you, so it's important to check what the other choices are and how they fit into your plans.

You should also check that your provider has the correct retirement age for you, as this may affect how your risk profile changes. Traditionally, pension providers have reduced the amount of investment risk you're exposed to as you near your retirement date.

Longer lives mean women need to save an extra £185,000 for retirement

Compounding the pension gap is the fact that women usually live longer than men. It means that to achieve the same lifestyle, women need to save more.

According to figures from Just Group, female centenarians outnumber their male counterparts almost 5 to 1. In 2021, more than 12,400 women had celebrated the milestone birthday, compared to just 2,700 men.

In financial terms, Scottish Widows estimated that women need to save an extra £185,000 in their pension to achieve the same income as men. This includes £100,000 to bridge the current savings gap, £50,000 to cover longer life expectancies, and £35,000 to pay for the associated care costs of living for longer.

WHAT CAN YOU DO IF YOU WILL BE RELYING ON YOUR PARTNER'S PENSION?

If you'll be relying on a partner's income, it's important to consider how it could affect your long-term financial security, including if they passed away before you.

Many women are approaching retirement with less in their pension than men after taking on the traditional role of the main carer at home. According to Scottish Widows, women baby boomers are retiring with half the pension of a man.

So, if you're retirement planning with a partner, what can you do to ensure your long-term security? Here are five things to do.

1. Check the beneficiary details of defined benefit pensions

If your partner is paying into a defined benefit (DB) pension, also known as a "final salary" pension, they will often come with additional benefits, including providing a pension for a spouse or civil partner if the pension holder passes away. It could provide a partner with a reliable income for the rest of their life.

You and your partner should ensure the pension provider has the correct beneficiary details.

2. Complete an expression of wishes for defined contribution pensions

A defined contribution (DC) pension can also be passed on if the pension holder passes away. They must complete an expression of wishes, which tells the pension provider who they'd like to receive the pension if they die before the savings are accessed.

An expression of wishes must be completed for each DC pension.

3. Purchase a joint annuity

An annuity is something you purchase with a lump sum, often from your pension savings. An annuity will then provide an income for the rest of your life. You can choose for an annuity to be linked to inflation, which can protect your spending power during your retirement.

If you're planning as a couple, choosing a joint annuity can make sense. It would continue to pay a proportion of the income to the surviving partner when one passes away.

4. Ensure your wills are up to date

A will is the only way to ensure that your assets are passed on as you wish when you die.

If you're not married or in a civil partnership, your partner will not inherit anything under intestacy rules if you don't have a will.

Even if you're married or in a civil partnership, writing a will is still valuable. For instance, if the value of your estate exceeds £270,000, your partner may not receive all of your estate unless you have a will in place setting out your wishes.

5. Take out life insurance

Life insurance is a form of financial protection that pays out a lump sum if the policyholder passes away during the term. They are often used to provide your loved ones with financial security in case the worst happens.

You can choose a term life insurance, which will run for a defined period, which you may link to financial commitments, like paying a mortgage, or one that runs for the whole of your life.

WILL YOU RECEIVE THE FULL STATE PENSION IN RETIREMENT?

27% of women are solely dependent on their State Pension in retirement

The State Pension often isn't enough to retire comfortably alone. However, it does provide a reliable income that you can build on.

The State Pension Age is now the same for men and women, and it's gradually rising. It will reach 67 by 2028 and is kept under review, which means it could rise further.

While men and women can both receive the full State Pension, how it's calculated means some women miss out.

You will usually need at least 10 qualifying years on your National Insurance (NI) record to receive any State Pension, and 35 years to receive the full amount. If you have between 10 and 35 years, you'll receive a proportion of the full State Pension.

If you're working and paying NI, you get a qualifying year if you're employed and earn more than £190 a week from one employer. If you work part-time or for multiple employers, it may not count.

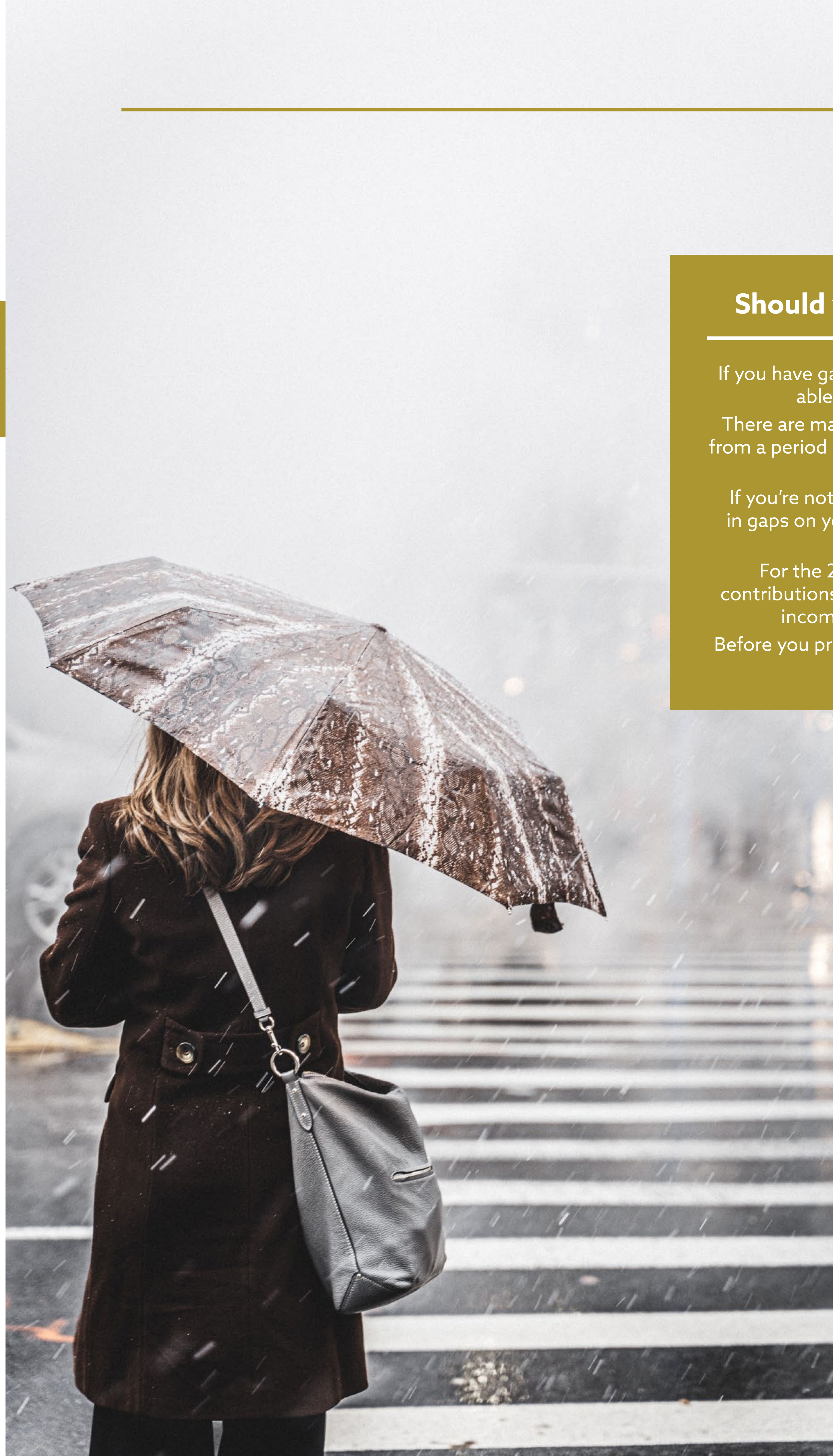
As women are more likely to work part-time or take career breaks to raise children or look after elderly relatives, they're more likely to have fewer than the necessary 35 years of NI records.

According to 2020 statistics from the Department for Work & Pensions, the average male retiree received £160.09 from the State Pension, compared to £152.90 for women.

For older women, their pension entitlement may also be linked to their husband's National Insurance contributions (NICs). This complicated system meant that thousands of women were underpaid their State Pension.

Understanding how much you could receive when you reach State Pension Age is crucial for effective long-term planning.

You can use the government's State Pension forecast to check how much you will receive and when you can claim it.



Should you fill in National Insurance gaps?

If you have gaps in your National Insurance (NI) record, you may be able to make voluntary contributions to fill them.

There are many reasons why you may have a gap in you NI record, from a period of unemployment or low earning to working outside of the UK.

If you're not entitled to the full State Pension, you can usually fill in gaps on your NI record from the past six years to increase your income in retirement.

For the 2022/23 tax year, the rate to fill in gaps for Class 3 contributions, which includes those that are unemployed and low-income workers, is £15.85 a week, or £824.20 a year.

Before you proceed, you should check the effect it will have on your State Pension.

How claiming benefits can help parents fill in NI gaps

If you or your partner earns more than £60,000, you're not entitled to receive Child Benefit, but that doesn't mean you shouldn't claim it.

Even if you would not receive any money through Child Benefit, you can still receive credits towards your State Pension. This can help you prevent gaps and maximise your retirement income if you're taking time away from work to raise children.

SAVING AND INVESTING: A RISK-AVERSE APPROACH IS WIDENING THE WEALTH GAP

Men are twice as likely to invest as women

Saving and investing are both vital for long-term financial security. However, research suggests that how men and women approach this is different, and it could be contributing to the wealth gap.

First, the pay gap directly affects how much you can save or invest. So, it's not surprising that a savings gap exists.

Data from the government suggests that both genders are equally likely to have a savings account in 2018/19. Roughly equal numbers of women and men have an ISA, which offers a tax-efficient way to save and invest.

Despite this, men, on average, have more held in their ISA. The average man has £30,089 in ISAs, while this falls to £27,098 for women. Much like pay and pensions, the gap starts to widen from around the age of 30.

While the savings gap can have a significant effect on overall wealth, the decisions men and women make also have an effect.

Statistics suggest that men are far more likely to invest than women.

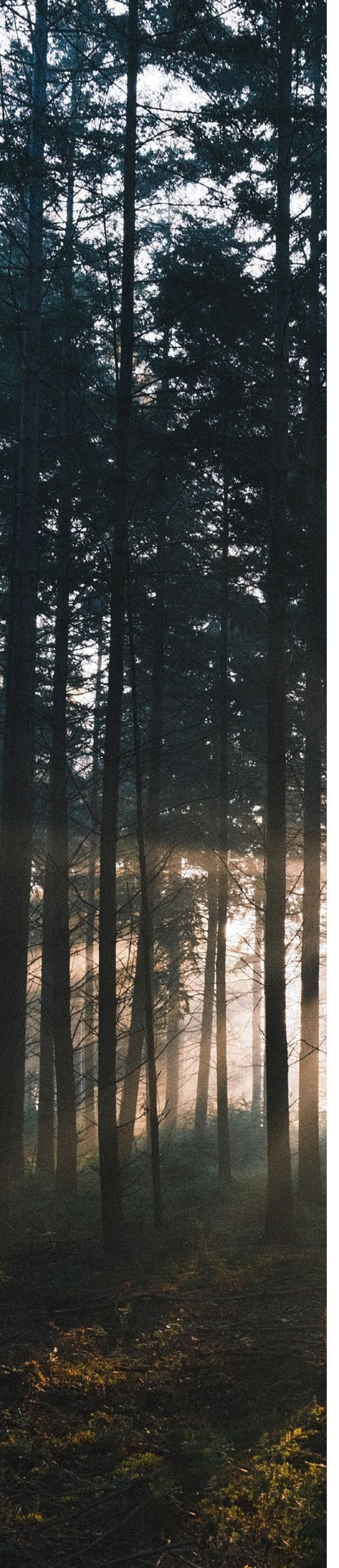
According to a report in Unbiased, just 10% of women have a Stocks and Shares ISA, compared to 17% of men.

Research from the Royal Mint also supports this.

- Only 26% of women say they regularly invest, compared to 51% of men.
- 41% of women rarely invest, compared to 14% of men.

The findings suggest that a lack of investment knowledge and confidence plays a role in this. 53% of women said they'd like to invest. However, only 37% said they understood the basics of investing and 54% said they felt overwhelmed and didn't know where to start.

As a result, women are more likely to opt for cash savings, and this risk-averse approach could be contributing to the wealth gap.



HOW DOES THE INVESTMENT GAP CONTRIBUTE TO THE WEALTH GAP?

Investing provides an opportunity for your wealth to grow at a faster pace. So, by choosing cash savings over investing, the money women are putting aside is likely to grow at a far slower pace, and in real terms could be falling in value.

While cash savings benefit from interest and are safe, when you factor in inflation, they can be less appealing. This is particularly true in a high-inflation, low-interest-rate environment.

This is because the growth cash savings experience is likely to be lower than the rate of inflation. So, the spending power of cash savings can fall in value in real terms over time.

The below table shows how savings of £10,000 would have needed to have grown between 2000 and 2020 just to maintain the same spending power.

Year	Value of cash savings
2000	£10,000
2005	£10,746.65
2010	£12,302.81
2015	£13.758
2020	£14,959.90

Source: Bank of England

This is because inflation averaged 2% a year during these 20 years. If your savings weren't providing interest at this rate or above, the value of your savings will have decreased in real terms.

Investing can provide an alternative option.

While investment returns cannot be guaranteed, historically, markets have outperformed interest rates and inflation. As a result, this means that your wealth could grow in real terms. If you're saving with long-term goals in mind, investing can help you build wealth and security.

As women are less likely to invest, many could be missing out on this opportunity despite it being appropriate for them.

When should you invest?

Investing can help grow your wealth, but it isn't right in every circumstance. There are times when cash savings may be more appropriate.

Your emergency fund should be held in an easily accessible cash account. If you're saving for short-term goals that are less than five years away, cash can also make sense.

However, if you're saving for goals that are further than five years away, it's worth considering if investing is right for you.

THE 7 INVESTMENT BASICS EVERYONE NEEDS TO KNOW

Research has suggested that women are less likely to invest partly because they're not sure where to start. Here are the essentials you need to know about investing.

1. You should set out your goals

First, don't rush into investing without setting out your goals. What you want to achieve when investing can help you create a long-term strategy.

Your goals and how far away they are should play a role in things like how much investment risk you take, and which investments are right for you. So, setting out your reason for investing is crucial.

2. All investments carry some risk, but this varies

All investments carry some form of risk. This means the value of investments can fall and you may not get all your money back.

However, not all investments carry the same level of risk. This means you can tailor your portfolio to suit you. A balanced portfolio should consider your risk profile, which can help you understand what level of risk is right for you and your goals.

3. You should have a long-term view

While thinking about investment risk and the value of your investments falling can be worrying, it's important to take a long-term view.

There will be points when investments experience volatility. However, when you look at investment market performance over decades, rather than weeks or months, these peaks and troughs typically smooth out. This is why investing with a long-term goal in mind is important.

It can be difficult to stick to your plan during periods of volatility, but it's often the best course of action if you've built a well-balanced portfolio that reflects your risk profile.

4. Diversification can help reduce investment volatility

Spreading out your investments can help limit the effect of market volatility on your portfolio. This means investing in a range of companies, industries, and geographical locations. While one area of your portfolio may fall in value, stability or gains in other areas can help to balance this out.

In short, you shouldn't put all your eggs in one basket.

For individual investors, investment funds can provide a useful way to create a diversified portfolio.

A fund would pool your money with other investors to allow you to invest in a greater range of businesses. A fund would also be managed, so you don't need to make day-to-day investment decisions. Funds have different risk profiles, allowing you to choose one that suits you.

5. An ISA is a tax-efficient way to invest

If you're new to investing, a Stocks and Shares ISA can be a useful place to start.

For the 2022/23 tax year, you can add up to £20,000 to an ISA. You don't need to pay Income Tax or Capital Gains Tax on investment returns for assets held within an ISA, so it can be a tax-efficient way to invest.

6. You need to consider investment fees

When investing, you will need to pay fees, such as a fee to the platform you use. This may be a flat fee or a percentage of your investment portfolio.

As fees can directly affect your returns, it's important to understand them and the value different providers offer.

7. You don't have to go it alone

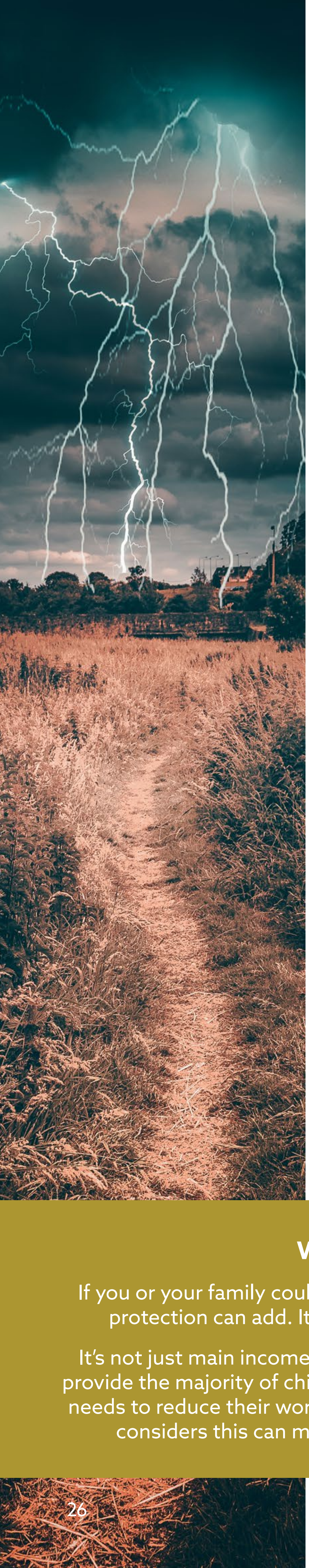
Finally, investing can be overwhelming and there's a lot to consider. You don't have to do it by yourself.

As financial planners, we can answer questions you may have and help you create an investment portfolio that suits you. From discussing what an appropriate level of risk is to creating a long-term strategy, we're here to offer support to help you get the most out of your money by investing.

Don't forget about your pension

Even if you're not actively investing your savings, you likely do have some investments. Usually, your pension contributions will be invested on your behalf.

So, it's worth looking at how your retirement savings are being invested and regularly reviewing their performance.



FINANCIAL PROTECTION:

WOMEN ARE MORE LIKELY TO BE VULNERABLE TO FINANCIAL SHOCKS

As women are likely to have less in savings and investments, it also means they're more likely to be exposed to financial shocks.

Financial shocks can occur for a range of reasons, from losing your income because you're too ill to work to facing an unexpected bill. Having the financial resilience to weather these shocks is crucial for long-term financial security and peace of mind.

Yet, research shows there is consistently a financial protection gap in the UK.

According to a Sky News report, around 18% of people take out insurance to provide cover for their pets. However, just 6% of people take out personal health cover to protect their own wellbeing in case the unexpected happens.

There are several steps you can take to reduce the effect of financial shocks, including building up an emergency fund that you can access when you need to. However, if you're overlooking the value of financial protection, you could face challenges if you experienced a long-term financial shock, such as needing to take an extended period off work.

While women are just as likely to experience financial shocks as men, fewer consider financial protection.

According to a report in the Independent, 56% of women have not considered taking out income protection or life insurance, despite a growing awareness of the benefits. This means they could be more vulnerable to financial shocks.

When women do take out financial protection, research also suggests the level of cover is less when compared to men.

For example, in 2019, figures show that when choosing critical illness cover for three years, cover for men was £10,985, compared to £5,790 for women.

So, even when women are taking out financial protection, they could still face financial challenges and it may not provide the safety net they had hoped for.

It's vital to understand in what circumstances financial protection can add value and what level of cover is needed to provide you with security.

Who could benefit from financial protection?

If you or your family could be affected if your income stopped, it's worth reviewing the value financial protection can add. It can provide peace of mind and financial security when you need it most.

It's not just main income earners that can benefit from financial protection either. For instance, if you provide the majority of childcare in your home, the diagnosis of a critical illness could mean your partner needs to reduce their working hours or that your childcare bill would increase. Financial protection that considers this can mean you and your family are secure even when the unexpected happens.

THE 4 MAIN TYPES OF FINANCIAL PROTECTION YOU SHOULD CONSIDER

There are several different types of financial protection that could provide you with security if you become ill or ensure your family are financially secure if you pass away. Which ones are suitable for you will depend on your circumstances and priorities.

You will have to pay regular premiums for financial protection or the cover will lapse. The cost of the premiums will vary depending on the level of cover you need, your health, and your lifestyle. However, they could be lower than you think and add real value to your financial plan.

Here are four key types of financial protection to consider.

1. *Income protection*

If you're unable to work due to an accident or illness, income protection will pay you a regular income, usually a proportion of your normal salary.

It's an option that can mean you're able to focus on recovering. Income protection will continue to pay an income until you're able to return to work, retire, or the term ends.

2. *Critical illness cover*

Critical illness cover pays out a lump sum if you're diagnosed with an illness named within the policy during the term.

This lump sum can be used how you wish, such as making adaptions to your home, paying off your mortgage, or using it to create an income if you do not continue working.

Keep in mind that not every illness will be covered. You should review what's included and understand how comprehensive a policy is before you take it out.

Does your employer offer benefits?

If you're reviewing your financial protection, it's also worth looking at what benefits your employer offers.

Some have an enhanced sick pay policy that means you can take out income protection with a longer deferment period. Others may offer group life insurance, which can provide your loved ones with financial security if you pass away.

Going over the benefits your employer provides can help you fill in gaps and ensure you're not paying for unnecessary cover.

3. *Life insurance*

A life insurance policy pays out a lump sum to beneficiaries if the policyholder passes away during the term.

It's a way to ensure that loved ones, often a partner and children, are financially secure if the worst happens. The lump sum can be used however they wish, from paying off a mortgage to covering day-to-day costs.

If you rely on a partner's income, it's important to discuss what would happen if they passed away. Life insurance could provide you and your family with financial security.

4. *Family income benefit*

Again, family income benefit is used to provide loved ones with financial security if the policyholder passes away.

Rather than paying out a lump sum, this type of financial protection will provide a regular income for a defined period. It can help loved ones keep up with financial commitments. This can be valuable if your family rely on one person's income.

HOW DIVORCE CAN AFFECT YOUR FINANCIAL SECURITY

The breakdown of a relationship can be challenging for many reasons, including financial ones.

When you're going through a divorce, you may be focused on the short-term financial issues that you face. Your household may have lost a significant proportion of its income, you may need to move, and your day-to-day budget may be very different.

So, it can be easy for the long-term financial issues to be overlooked during this time.

While it's natural, not considering the long-term when a relationship breaks down means you may make decisions without fully considering the implications.

Figures suggest that women are more likely to accept short-term financial security and overlook how it will affect their life in the future, particularly when it comes to pensions.

Just 15% of divorcing couples include their pensions in their financial settlements, according to a Which? survey. 58% of people said pensions weren't even discussed when divorcing.

This is despite pensions usually being the single biggest asset for divorcing couples. Pensions make up 42% of household wealth. This compares to the 36% that is made up of property wealth, which is often discussed more.

According to a report in This Is Money, women are far more likely to be affected by the omission of pensions from divorce proceedings. The table across shows the gender pension wealth gap.

	Aged 45 to 54	Aged 55 to 64	Aged 65 to 69
Married men	£86,000	£185,000	£260,000
Married women	£40,000	£55,800	£28,000

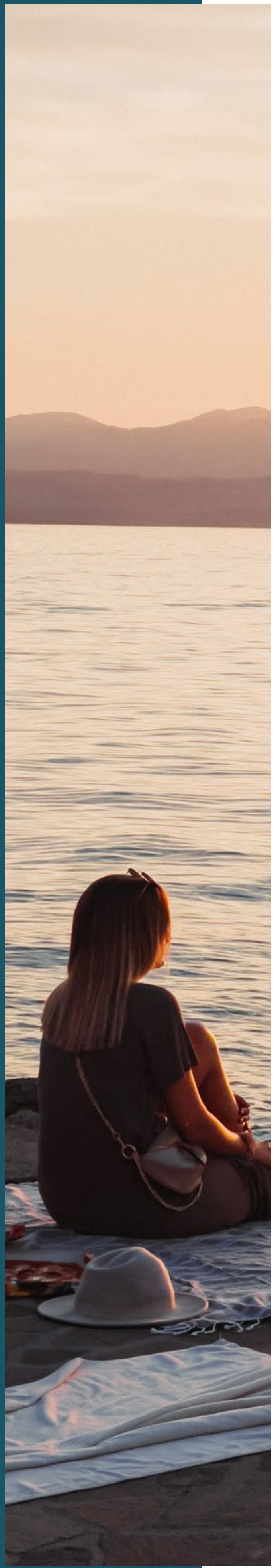
Source: This Is Money

The research also found that in half of couples with retirement savings, one partner has more than 90% of pension wealth. Less than 15% of couples have roughly equal pensions. So, by overlooking pensions, divorce is rarely likely to lead to an equal share of assets.

The common law myth

Despite it being commonly said, common law partners do not have any legal protection if a relationship breaks down.

Even if you have lived together for years or have children together, an ex-partner does not have to split assets that are in their name, including property or savings. If assets are in your partner's name, it can mean you're financially vulnerable if the relationship ends.



3 WAYS A PENSION CAN BE SPLIT DURING A DIVORCE

If you decide to consider pensions when divorcing, they are not automatically split 50/50, and there are three ways they can be dealt with.

1. Pension offsetting

With this option, pensions are considered, but not divided. Instead, one partner may receive a larger portion of other assets, such as the family home or cash savings, to balance out the gap.

This option has the advantage of providing couples with a clean break and doesn't interfere with existing pensions.

However, as mentioned previously, it can harm the partner that doesn't have pension savings or a lower amount in the long term.

2. Pension sharing

A Pension Sharing Order would award a portion of one person's pension to the other. This can provide couples with a clean break and mean that both partners have some pension savings.

The money awarded in the Pension Sharing Order must be transferred to another pension scheme. It means the person that has been awarded the pension has full control over how it's invested and when to access it.

3. Pension earmarking

Pension earmarking, also known as an "attachment order", is when the person with the higher pension savings agrees to give their ex-partner a portion of their pension income when it starts being paid.

This can provide the partner with an income throughout retirement or a lump sum. In Scotland, pension earmarking can only be paid as a lump sum.

However, it means finances remain intertwined, and it can present challenges. For example, if your ex-partner decides to delay accessing their pension, it may also affect your plans as you're not in control of the pension.

THE IMPORTANCE OF REVIEWING YOUR RETIREMENT PLANS AFTER A PENSION ORDER

Whichever option is chosen, there are financial decisions that need to be made, such as where to transfer the pension wealth, and it's important to review if you're on track to reach your retirement goals.

You may need to make changes to your plans to secure the retirement lifestyle you want.

Your goals may also be different to what they were previously, perhaps you now want to retire at a different time or the lifestyle you'd planned now isn't appealing.

Taking some time to review your long-term plans after any major life event, including divorce, can give you confidence in the future.

HOW FINANCIAL PLANNING CAN HELP YOU ACHIEVE FINANCIAL SECURITY

Just 27% of women would seek professional financial advice

Financial planning can help you get the most out of your assets.

The process of financial planning can help you understand what you want to achieve and the steps you need to take to reach these goals. Whether you want to retire with a comfortable income, ensure you can travel more in the future, or build a nest egg for children, financial planning can help.

As well as building a tailored financial plan that considers your goals, financial planning can help your wealth to grow.

Yet, research suggests that women are less likely to seek professional financial advice, which can further compound the wealth gap.

According to a Canada Life survey, 42% of women would turn to family for financial advice. Just 27% would go to a financial adviser.

In contrast, 30% of men would use a financial adviser and are much less likely to go to family for advice.

The findings suggest that women could also be missing out on professional advice at key milestones or when dealing with complex financial situations.

Among those who would seek financial advice, half of men would do so to discuss their retirement or pension planning, compared to 42% of women. The decision you make about your pension, whether you're just contributing or are ready to access the savings, can have a long-term effect so understanding the implications is crucial.

The second most common reason for seeking professional financial advice for both men and women was "finding investments". Again, men are more likely to seek professional advice; 47% of men would arrange a meeting with financial advisers, compared to 35% of women.

This financial advice gap could mean women are missing out on valuable opportunities to create long-term financial security and have confidence in the steps they're taking.

A previous report from the International Longevity Centre suggested that Brits that took professional financial advice between 2001 and 2006 saw their assets increase by, on average, £48,000 over 10 years, when compared to those that did not take advice.

The report also suggested that lower income groups benefited more from financial advice than those that were affluent.

Working with a financial planner can help women get the most out of their assets now and in the future.

Contact us to discuss your goals and financial plan

The gender wealth gap can mean women face financial challenges and insecurity.

Taking control of your finances and understanding the effect your decisions can have now and in the future means you're in a better position to reach your goals and have confidence in what you're doing. If you'd like to talk to us about your finances and goals, please contact us.

Contact Us

Phone: 01935 315611

Email: hello@evawealth.co.uk

Please note: This guide is for general information only and does not constitute advice. The information is aimed at retail clients only.

A pension is a long-term investment not normally accessible until 55 (57 from April 2028). The value of your investments (and any income from them) can go down as well as up, which would have an impact on the level of pension benefits available.

Your pension income could also be affected by the interest rates at the time you take your benefits. The tax implications of pension withdrawals will be based on your individual circumstances. Levels, bases of and reliefs from taxation may change in subsequent Finance Acts.

The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.

Financial protection plans typically have no cash in value at any time and cover will cease at the end of the term. If premiums stop, then cover will lapse.

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