



Filling the gaps

Nest women and their pensions





Auto enrolment revolutionised the UK's saving landscape. But while more women than ever are saving into workplace pensions, women still end up with less pension income than men – currently 40% less than men on average when they retire.



Zoe Alexander
Director of Strategy and Corporate Affairs



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Introduction

It's time we help women fill in the pensions gender gap.

Auto enrolment has revolutionised the UK's saving landscape. But while more women than ever are saving into workplace pensions, women still end up with less pension income than men – currently 40% less than men on average when they retire. The gap is even greater for women from an ethnic minority background.

There are actions we can take as individuals, as employers and across the pensions industry to not only equalise access to pension savings but also help to equalise retirement outcomes for men and women.

At Nest we believe that key changes in auto enrolment, some already being actively considered by the government, could drastically improve many women's retirement outcomes. If the eligibility age for workplace pensions were lowered from 22 to 18, it would help establish the savings habit earlier. This would provide four extra years to build up savings before people decide to start a family, a milestone event that leads to reduced working hours for more mothers than fathers.

Lowering, or removing entirely, the earnings trigger of £10,000 would help boost pension contributions of lower-wage earners and part-time workers. It would also bring workers into auto enrolment who have multiple jobs which individually are below the current earnings trigger – for example, a person working two part-time jobs earning £7,500 a year at each one. This would help women save because more lower-wage earners and part-time workers are women.

We should wait for the economy to recover to introduce these measures, but we should not lose sight of them.

To help fill in the gap, employers can join us in supporting these changes to auto enrolment. They can also support women's saving for retirement in more practical ways.



There are actions we can take as individuals, as employers and across the pensions industry to not only equalise access to pension savings but also help to equalise retirement outcomes for men and women.



Employers can share information with their workers about how milestone events, such as the arrival of a new child or the break-up of a long-term relationship, can affect savings. They can publicise policies that support women's saving during and after such events, for example ensuring that women know that during parental leave many workers are entitled to full employer pension contributions based on their usual salary. And they can make sure their workers know they have the option of increasing contributions or making top-up contributions to their pension when that's possible for them.

There are also steps women can take to maximise their pension savings beyond asking for a pay rise. Increasing pension contributions, even if only to the top level matched by an employer, during peak earning years will build a bigger pension pot because their pot will have more time to grow. Continuing contributions into a pension pot during breaks from work can add up in this way too. Even a small amount a week will make a difference over the long term.

Introduction

In our discussion forums with women saving with Nest, they tell us that they are worried about their future. They are trying their best to juggle the demands of work and home, caring for children and ageing parents, bills due this month and security in retirement. It's not easy.

The economic impacts of the coronavirus pandemic will make this harder for many, as we have seen in our member surveys and forum discussions. But steps taken today will significantly help to close the pensions gender gap tomorrow. Each extra year of saving makes a difference.

Together, we can support women to build upon the successes of auto enrolment and help ensure they are prepared for a better retirement.

Zoe Alexander
Director of Strategy and Corporate Affairs,
Nest Corporation



The pensions gender gap

At Nest, we want to help all of our members to achieve the retirement they want. For women saving with Nest, this often means looking for other ways to help fill in the gaps caused by women's experience of the labour market.

So why do women experience a pensions gender gap of 40%¹? For an average woman working full-time in the UK, that adds up to £41,000 less in her pot. When taking part-time work on the average UK wage into account, she could have £70,000 less in her final retirement pot compared to a man².

On average, women still earn less than men, with the pay gap still standing at 8.9% overall³. Women are also more likely than men to:

- take breaks from work to undertake caring responsibilities⁴
- work part-time (42% of women, compared to 15% of men⁵) – and part-time work pays less per hour on average than full-time work
- earn below £10,000 in any one job they have⁶
- be excluded from workplace pensions saving altogether⁷
- have only the basic state pension to survive on after divorce

Women also live longer than men do – by 3.7 years on average⁸. So they often need their pension savings to last longer.



Women saving with Nest

We've learned a lot about the women who save with Nest⁹.

In some ways they are similar to the men who save with us. For example, women saving with us are 40.3 years old on average, while men saving with us are 39.6¹⁰.

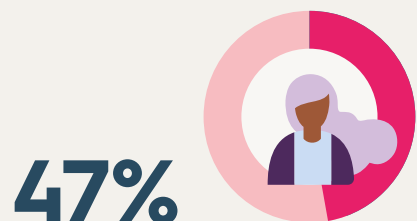
But in some fundamental ways, their saving reflects the systemic nature of the pensions gender gap.



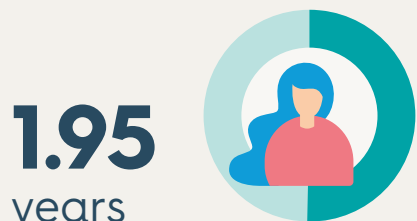
Key facts¹¹

Closing the gap

Nest's membership shows the gains made by women in pensions saving because of auto enrolment.



of Nest's 9.8m members are women



Average time saving with Nest (men, 1.92)

Seeing the gap

But no matter how long they've been saving with us, women's average earnings, pension contributions and pot balances fall short of men's.

£5.3k
less



in annual earnings on average

£424
less



in auto enrolment contributions in a year on average¹²

£1,677



Average pension pot (men £2,282)

How people save

At Nest, we also don't see much difference in how women and men save into their pensions. Both women and men tend to stay in our award-winning default investment strategy, the Nest Retirement Date Funds, and they both tend to contribute the minimum amount.

So how does the pensions gender gap emerge?

At Nest we see the origins of the pensions gap in the pay gap. Because they are more likely to work part-time, women earn less than men, on both an hourly and annual basis.

3x
more likely



Women saving with Nest are more likely to work part-time for less than 30 hours per week (24%), compared with men who save with Nest (8%).

2x
more likely



Nest members in our highest income bracket, earning more than £25,000 a year, are more likely to be men.

Women on their savings journey

Women face extra challenges when saving for retirement. These challenges, which begin at the start of their working life and continue as they raise families, have ripple effects in their later life and retirement.

As a result, women aged 25 today are predicted to accumulate 20% less on average in their workplace pension by the time they reach their State Pension age compared with men of the same age. This is even though the pay gap between men and women has been closing¹³.

And for women from an ethnic minority background, the gap is greater. Women who are Black, Asian or Minority Ethnic are predicted to have about half the income in retirement compared to men from a white ethnic group¹⁴.



20s

Young women are more likely to do apprenticeships and have qualifications in lower-paid sectors and subjects than young men. Starting out in a lower-paid job adds up over time, contributing to a lifelong pay and pensions gender gap¹⁵.

- Female apprentices earn 21% less per hour than male apprentices.
- Twice as many female graduates work in low- to middle-skill jobs compared to male graduates.

20s-30s

When women and men become parents, it affects their working lives and finances differently. Mothers are more likely to leave paid work or work part-time than fathers.

- Women with children spend significantly fewer hours per week in paid employment than women without children. In contrast, men with children and men without children work virtually the same number of hours per week across their working lives¹⁶.
- By the time they reach the age of 28, mothers spend 15 hours less per week in paid employment on average than fathers¹⁷.
- The number of hours worked per week by women peaks in their mid-20s at 30.4 hours on average, compared to men who hit their peak of 39.0 hours per week in their late 40s¹⁸.



30s-40s

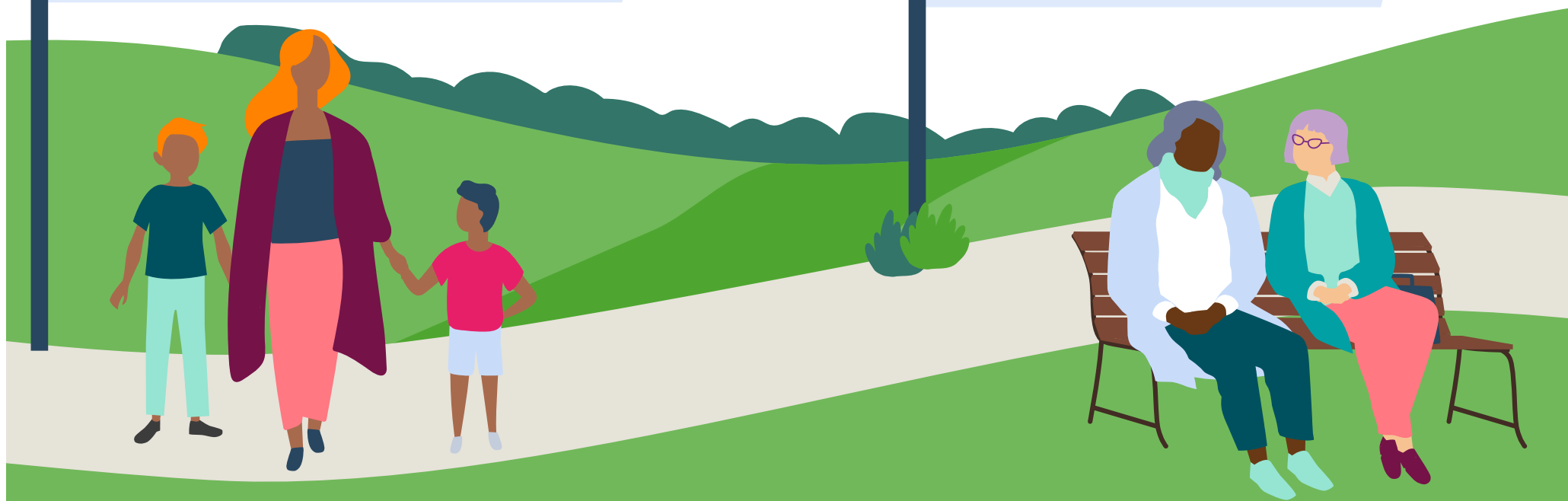
The 'motherhood penalty' continues after women return to work, and grows larger as families have more children.

- Women's average annual earnings plateau around their mid-30s, while men on average see increases until their late 40s¹⁹.
- 61% of mothers return to work part-time, and when they do they earn less per hour – 30% less per hour compared with women working full-time.
- 81% of part-time workers earning less than £10,000 are women, meaning they're not included in auto enrolment.
- Women in their 30s have about £1,000 in savings on average, but those with three children have only £300 while those with four children have only £100.

40s-50s

Women are more likely to take on informal caring roles, which can mean reducing their hours working and thus their ability to save into a pension.

- 60% of people caring for both children and elderly relatives – 'sandwich carers' – are women.
- It's predicted that there will be a 40% rise in informal carers over the next 20 years.
- Men work for wages 9 hours more per week than women on average, while women do 9 hours more unpaid work per week than men²⁰.



50s-60s

Financial and parenting decisions are often made as a household, but when households break up, women are often left with fewer financial resources for later life. Women are also less likely to be planning for retirement.

- Only 14% of divorce settlements include pension sharing, leaving women more vulnerable to financial hardship²¹.
- Nearly 75% of women say they don't know how much they'll need in retirement, compared to 52% of men.
- Only 36% of women report seeking general professional financial advice, compared to 46% of men.

65+

Women live longer than men on average, with some spending 30 or more years in retirement.

- Among couples aged 55 to 70, more than 96% consult their partner before taking a financial decision. But the 'breadwinner' – the person who has typically earned more – often takes over²².



Women's voices: the challenges of saving

We asked women in our online member forum²³ to tell us more about the challenges they face in preparing for retirement.

These women, regardless of their age, told us they often feel unprepared for retirement. Many said that they were resigned to the fact they won't have a large pension pot and feel there is little they can do about it. Some struggle with whether to increase their contributions. They know their retirement income will be low but feel unable to afford higher contributions.



Knowing what's enough

I'm only in my 20s yet I worry that the small amounts I save each pay day may not be enough when I retire when I could really use that money now. My advice to my daughter would be to save as much and as often as you can but don't forget to live each moment in the present. Don't let saving for your retirement ruin your current way of life.

Female, in her 20s,
single without children

I've just turned 30 and I worry a lot about pensions. I am not eligible for auto enrolment and I'm never sure what the right course of action is. Do I pay off all my debts first then think about a pension? Should I contribute even if it's just a little (say £10?) Should I worry less about the debts and make a pension a higher priority? I have already had periods of no contributions to National Insurance, and I am sure I will have more, but how to prepare for this??

Female, in her 30s,
single without children

Competing demands

I have spoken to a few friends who decided to [stop contributing to] a workplace pension because they felt they needed the extra money now and would be okay later. Nobody knows what's going to happen in the future. Things change all the time.

Female, in her 30s,
single without children

I think women try to plan ahead more when it comes to providing for their family. However, they have a lot to juggle and are constantly reprioritising.

Female, in her 50s,
married with children at home

Facing the gap

I have always earned less than my husband. However, I started paying into my pension earlier, so our pension pots are fairly similar. I received good advice from my parents and started saving into a pension as soon as I started work after graduation.

Female, in her 40s,
married with children at home

As someone who had to take a large number of years out from work to care for a disabled child, I have only been able to contribute in the last few years. I have regularly topped up my pension with overtime payments but still feel I am playing catch-up.

Female, in her 40s,
divorced with children at home



LIVE LOCAL
LOVE LOCAL
SHOP LOCAL

A shock to women's finances

The coronavirus pandemic has had a wide-ranging impact on the economy. During the first half of 2020, a substantial number of workers were furloughed or asked to work reduced hours, and many are worried about their finances.

The Covid-19 crisis has affected men and women somewhat similarly. More men (4.8m) were furloughed during the lockdown through the Coronavirus Job Retention Scheme (CJRS) than women (4.2m)²⁴. But because women and men tend to work in different parts of the economy, their financial outlook has shifted in different ways.

Younger workers and lower-paid workers are more likely to work in the parts of the economy that were shut down to slow the spread of the virus²⁵. As the CJRS is unwound during autumn 2020, these workers may be more vulnerable to continuing reductions in work hours as well as job loss. These impacts may disproportionately impact women's long-term earning and savings outlook.

In general, women are more financially vulnerable than men. Before the pandemic, the Money Advice Service²⁶ found that women were 58% of those who it considered to be 'struggling', its most financially vulnerable group. And according to the Women's Budget Group²⁷, the Covid-19 crisis threatens to strain women's finances further, particularly because women are more likely to be on casual, or 'zero-hours', contracts²⁸.

At Nest, we can see that reduced income and uncertainty about longer-term job prospects during the first months of the pandemic had an impact on women's financial situation and outlook, just as they have had on men's²⁹.

73%

feel that Covid-19 will affect their personal finances (similar to men - 70%), with 26% saying it will affect their finances 'a great deal' in the longer term, versus 21% of men (not statistically significant).

34%

say they were just managing to make ends meet, significantly more than men (25%).

14%

had been forced to draw on savings or run into debt to pay bills, about the same as men (18%).

Yet some women told us that lockdown has got them into the habit of saving, perhaps because they're spending less or because they're worried about the future:

49%

are currently saving at least some money, about the same as men (53%).

61%

expect the pandemic to have some impact on their pensions saving, with significantly more men (27%) than women (20%) saying it will only have a limited impact.

Women's voices: Covid-19 and saving

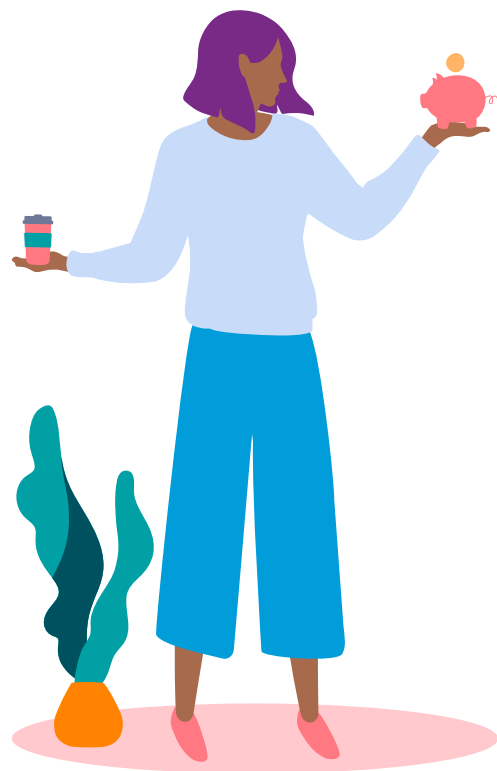
As the lockdown began to ease in summer 2020 we asked members in our online community forum, 'My way', about the impact of the Covid-19 crisis³⁰.

Both men and women in the forum told us they are worried about what is ahead, and they're trying to save more to protect themselves over the coming months. Many said they had a little extra money for this because they couldn't go out and weren't spending as much.

Most were putting money into an emergency pot or their home. Low interest rates concerned them. While some were putting more into their pension, it was often a lower priority – a sentiment borne out by the stable contribution volumes we observed at Nest in the first three months of the pandemic.



Some women in our member forum expect the saving habits developed during lockdown to stick. They said the financial shock of the pandemic had made them realise they didn't need to spend as much as they'd thought. And they'd gained some mental space to get their priorities in order during the lockdown.



Rebalancing priorities

My finances are honestly the best they have ever been. I have been furloughed and usually my money is spent on fancy restaurant meals, nights out, day trips (typical 20s girl stuff). Now all of that has come to a stop. For the first time in years I have savings! It's honestly changed how I view money and I think I'll stick to it when this is over.

Female, in her 20s,
single with no children

I have been more 'money aware', and it has been an eye opener how much I used to spend when everything was open. At the moment I am just plodding on really, but after the crisis there is no way I will go back to my old spending, now I am aware just how much can be saved and was unnecessary.

Female, in her 60s,
married with adult children

Building a buffer

I've been furloughed since the beginning of April... This whole situation has made me think about all the money I usually waste and makes me want to try and direct that money somewhere more useful. I've started a lifetime ISA and I've increased my Nest monthly payment. However, I do realise that furlough will have to end and I'm unlikely to be able to work the same amount of hours due to childcare issues. I may have to use the money I have saved over the last few months to pay my outgoings until the kids go back to school and I can go back to full-time work. I just hope that's before my savings run out!

Female, in her 30s,
married with children at home

Putting more in the pot

I'm currently working from home. I haven't felt at risk as my job is technically classed as a key worker.

I haven't been spending more than usual on non-essential items, but I have spent a little more on food each month. Saving has increased only because my commute costs have been almost non-existent. Financially, I feel better off as I've still been working and have more disposable income.

Due to the increased disposable income, I have increased my pension contribution by 50% each month and hope to add a little more as and when.

Female, in her 30s,
living with partner without children

I am spending less so therefore in a better position to save more and, in my particular case, help others in need by sending additional donations to charities. If possible I will add to my pension pot as well. I have looked into my pension very recently, so it's not a 'fingers crossed' scenario.

Female, in her 50s,
living with partner without children

Covid-19 and the pensions gender gap

As the lockdown eased, we could see how some factors which contribute to the pensions gender gap are also causing some women saving with Nest to feel even more financially vulnerable.

Among the members we surveyed, about 17% of both men and women had been furloughed³¹ through the Coronavirus Job Retention Scheme (CJRS). But because women are more likely to be in lower-paid work, part-time work or zero-hours contracts, they were being furloughed from less secure jobs.

In our online forum³², women said the first phase of CJRS furlough payments, where the government provided 80% wage and pension contributions through 31 July 2020, allowed them to just get by. They were worried about the future of their jobs and their finances as the CJRS winds down. Some reported they'd lost enough hours to fall below the threshold for auto enrolment.

Those in our forum discussions who were divorced or separated from a partner told us they felt especially at risk. These women are also among those likely to experience the pensions gender gap.



Falling below the threshold

I am about break-even, as I'm spending a lot less due to not commuting or spending going out. But my hours were cut by my employer so I am earning less.

Due to the reduction in hours my employer has stopped my National Insurance and Nest contributions as I don't meet the thresholds. This is a worry.

Female, in her 60s,
married with adult children



Furloughed and on their own

I will certainly start to invest in my pension as being furloughed also made me think more of my future. I just need to get back to work and save up a little in order for me to feel safe, I think.

Female, in her 50s,
divorced with children living at home

I have had a lot less money. I have been furloughed, and when I do return to work my hours have been halved. I've tightened my budget more severely than any time in the past and massively cut my spending.

Female, in her 50s,
divorced with adult children

I have been furloughed because of medical reasons. I'm happy as well as thankful to be safe at home and to get 80%, but it is a significant drop of income, especially if you are only getting a minimum wage.

I'm very frugal these days because I'm not feeling secure about my job and don't know when I can safely return to work. Pensions and contributions are not in my mind at the moment as I am struggling financially, and I try not to think about that as it will overload me in a negative way.

Female, in her 50s,
divorced with children living at home

My biggest concern is that my work is reliant, as a contractor, on the office staff returning to their desks. It leaves me and I'm sure many others worried for the future and their livelihood... I cannot save as I'm barely covering my outgoings on just 80% salary. My salary wasn't high or particularly good anyway!

Female, in her 60s,
divorced with adult children

Build back better

Recovering from the pandemic gives us an opportunity to 'build back better', a concept for recovery and risk reduction first put forward by the United Nations in 2015.

Governments and organisations around the world are exploring ways to improve people's lives as economies begin to recover from the Covid-19 crisis³³. For example, some businesses are looking at allowing more employees to work from home on a regular basis, which may benefit some with caring responsibilities. Others are also improving accommodations made for workers with caring responsibilities, and increasing support for employees' physical and mental health.

Many of the conversations around 'build back better' involve addressing climate change head-on.

This resonates strongly with female Nest members³⁴. Nearly two thirds (64%) say they want climate change to be a priority in the economic recovery from Covid-19, compared to 55% of men saving with us.

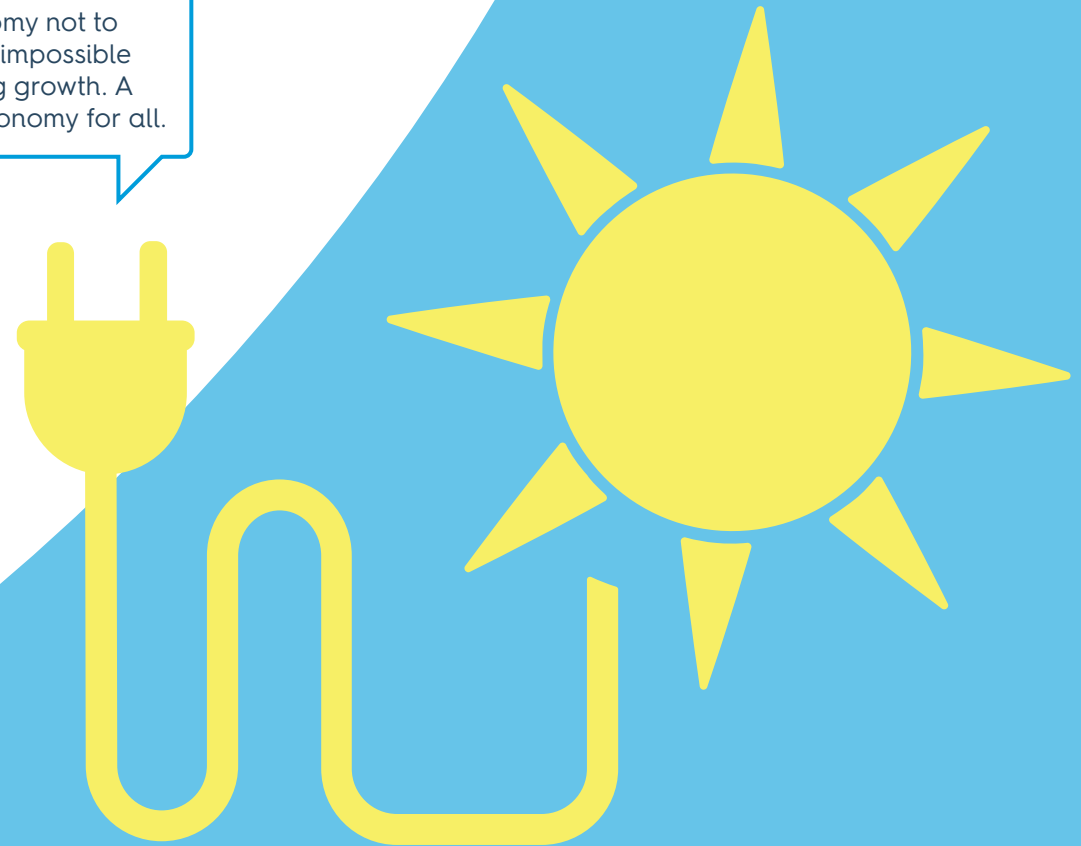
About half of men and women saving with us (47% and 53% respectively) want their pension to support a 'green' economic recovery.

We should learn from the lockdown time and invest in cleaner industry and renewable energy...

Female, in her 60s

I would like our economy not to be based on endless, impossible and planet-destroying growth. A greener and fairer economy for all.

Female, in her 40s³⁵



Building better outcomes for women

Together, we can fill in the pensions gender gap, even in the face of the challenges of the Covid-19 crisis.

The pandemic has significantly affected many people's financial situation and their outlook. Lockdown allowed many to get into the habit of saving – a habit they say they want to see stick. And it's put more focus on financial resilience, making this a good time to look at ways to save more for retirement even out of a limited budget.

This is especially important for women, who live longer on average yet typically have less savings available to support them through retirement.

We can build back better when it comes to pensions, starting by filling in the gender gap. Here are key things we can do.



Employers

- ✓ **Help your workers** to get a clearer idea of how much they need to save towards retirement and whether they are on target to achieve that goal by signposting them to the **Money Advice Service pension calculator** on the Nest website.
- ✓ **Share information** from the Pensions Advisory Service about how **life changes** that often affect women can shape their retirement outcomes. For example, do your workers know that if they continue to make pension contributions on their pay during parental leave, then they are entitled to employer contributions based on their pre-parental leave salary?
- ✓ **Consider contributing** to all employees' pensions from the first pound of earnings rather than from the earnings threshold, or consider offering a pension with employer contribution to employees earning less than £10,000.
- ✓ **Consider introducing a structure** for matching additional pension contributions made by your workers up to a capped percentage. It would also be worth reviewing take-up of pensions and any additional contributions by gender to understand any differences.
- ✓ **Ensure your workers know** they can increase their pension contributions or make top-up contributions at any time, even if they are furloughed or on temporary leave to care for a family member.
- ✓ **Publish pension and shared parental leave policies**, including your contribution to employees' pensions, when advertising job vacancies. Not only is this transparent, but it encourages job candidates to take into consideration long-term pension planning when applying for roles.
- ✓ **Look into using existing forums** (for example, employee networks) as a communication channel.



Savers

- ✓ **Use the Money Advice Service pension calculator** on the Nest website to understand whether your pension savings are on track for where you want to be.
- ✓ **Explore the Retirement Living Standards** to get an idea of the amount of savings needed to achieve a 'minimum', 'moderate' or 'comfortable' standard of living in retirement. You can also compare the savings needed for a single person versus a couple.
- ✓ **Consider increasing your monthly pension contributions**, even by a small amount. Our research shows that paying an extra £2.50 each week could grow your pension pot by £13,600 by the time you retire³⁶. You can use the **Money Advice Service contribution tool** to work out if this is affordable for you. You can ask your employer to adjust your monthly contribution to take advantage of any employer match. For women in their 20s, who may be in their peak earning years, small increases have more time to grow.

- ✓ **Consider making a one-off additional contribution** to your pension pot, if and when it's affordable for you. You can do this at any time, even if you're taking a break from work. Nest has a **step-by-step guide to making additional contributions**. Nest automatically claims basic tax relief from HMRC on behalf of our members and adds this to your retirement pot. This means that for every £80 you save to your pot, an extra £20 in tax relief is added on top.
- ✓ **Check your State Pension record** for any gaps and explore whether you may be eligible for National Insurance credits if you've spent time out of the workforce for caring responsibilities or other reasons.
- ✓ Though it can be uncomfortable to do so, **plan for adverse events** such as relationship break-down, divorce or death and take action to ensure that each partner has a financial plan which will endure.

Pensions providers

- ✓ **Explore how the use of good defaults** can help members navigate complex choices, especially at retirement.
- ✓ **Work with industry partners** to create better tools, like pensions dashboards. Consumer-focused dashboards will help savers to see all their pension information in one place and could support better planning for retirement. 39% of women saving with Nest tell us having more certainty about their pension pot's value would encourage them to contribute (compared with 28% men)³⁷.
- ✓ **Explore whether responsible investment** can engage members in pension saving. Climate change is a priority for many of Nest's members and Nest is among the first UK pensions providers to announce a **climate change policy** outlining how we're changing our investments in line with the Paris Agreement for our low-carbon future.

- ✓ **Develop ways to support emergency saving** alongside retirement saving. Fear of short-term financial hardship can discourage lower earners from saving into a pension, particularly during economic shocks like the Covid-19 crisis. Innovations like the **sidcar savings trial led by Nest Insight** are exploring how access to emergency savings can be combined with long-term retirement savings. Three employers are already participating in the trial, with more coming on board.
- ✓ **Think about creating high-quality communications** to educate your members. Provide them with links to resources for estimating their standard of living in retirement and for supporting saving around milestone events. Nest has found that our members are more engaged by personalised video messages, and these can be used to support employers in sharing relevant information with their workers.

Government

- ✓ **Implement the 2017 Automatic enrolment review recommendations** so that women don't miss out on pension savings during key years of work before age 22. When the time is right, set timetables for:
 - lowering the minimum age for auto enrolment to 18
 - removing the qualifying earnings band (currently £6,240) so pension contributions are made from the first pound of earnings and people holding multiple jobs are not disadvantaged
- ✓ At the same time, **cut the £10,000 earnings trigger for pension contributions** – if not entirely, then at least to the primary National Insurance threshold (currently £183 a week, about 21 hours a week working at the National Minimum Wage). This change would bring in half a million new pension savers, three quarters of whom would be women and 15% of whom would be from a Black, Asian and Minority Ethnic background³⁸.

- ✓ **Extend gender pay gap reporting** to businesses with fewer than 250 employees, and include ethnicity pay gap reporting³⁹ and reporting on employer pension contributions as additional disclosures.
- ✓ **Continue work** to ensure that savers in pension schemes operating net pay arrangements don't miss out on basic-rate tax relief. This is estimated to affect 1.75 million low earners⁴⁰. Nest members get basic-rate tax relief, and we think it's important that all savers do.



Resources and references

Resources

The **Money and Pensions Service pension calculator** on the Nest website can help you get an idea of how much you need to save towards retirement and whether you are on target to achieve your goal.

moneyadvice.service.org.uk/en/tools/pension-calculator

The **Money Advice Service contribution tool** can help you work out if it's affordable for you to increase your monthly pension contributions, and by how much.

moneyadvice.service.org.uk/en/tools/workplace-pension-contribution-calculator/your_details/new

When things change from the **Pensions Advisory Service** looks at how parental leave, the end of a relationship, caring for others or working part-time can affect pension saving.

pensionsadvisoryservice.org.uk/about-pensions/when-things-change

The **Retirement Living Standards tool** can help you get an idea of the amount of savings needed to achieve a 'minimum', 'moderate' or 'comfortable' standard of living in retirement.

retirementlivingstandards.org.uk

The **State Pension forecast** allows you to review the National Insurance contributions on record for calculating your State Pension.

gov.uk/check-state-pension

If you decide to make an additional contribution to your pension saving, you can follow **Nest's step by step guide**.

nestpensions.org.uk/schemeweb/memberhelpcentre/contributions/make-additional-contributions.html

References

- ¹ Prospect, Tackling the gender pension gap (2019), prospect.org.uk/article/what-is-the-gender-pension-gap
- ² Based on Nest modelling of data from Office for National Statistics (ONS), Annual survey for hours and earnings (2019), ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/previousReleases Model is based on 8% of pensionable salary for the UK median wage for women aged 18 to 22 with assumed investment growth, less fees and charges. The investment growth assumptions are based on the stated investment objectives of the Nest default investment fund, the Nest Retirement Date Funds, and are calculated net of Nest's 0.3% annual management charge and 1.8% contribution charge. The Nest Retirement Date Funds aim to outperform inflation, as measured by the consumer price index (CPI), over the long term and to outperform CPI by 3% during the growth phase. See [Nest's website](#) to learn more about the Nest Retirement Date Funds.
- ³ ONS, Gender pay gap in the UK (October 2019), ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2019
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