



EMBARGOED FOR 00.01AM WEDNESDAY 14th MARCH 2018

**BREADWINNERS AND LOSERS: IS WOMEN'S LACK OF CONFIDENCE TO INVEST PUTTING
THEIR FINANCIAL FUTURE AT RISK?**

- Nearly half (46%) of men say they are very or extremely confident when it comes to money matters compared to less than one in three (31%) women
- A far higher proportion of men (25%) invest into a stocks and shares ISA than women (12%), with men also more likely to be saving or investing for their retirement
- Women say they're not investing in stocks and shares because they are afraid of losing money and/or don't fully understand it
- Median UK household has £1,105 left each month after paying for essentials

The latest [Disposable Income Index \(DII\)](#) published today by ISA provider Scottish Friendly reveals a stark contrast in the level of confidence between men and women when it comes to money matters, while also highlighting a clear difference in their approach to saving and investing.

The new report found less than one in three (31%) women say they are very or extremely confident when it comes to managing their finances, compared to nearly half of men (46%) – see figure 1.

These contrasting attitudes can be clearly seen when comparing the reasons for not putting money aside in stocks and shares ISAs, which are used by 25% of men and only 12% of women. For men the most likely reason is they are waiting until they earn more money (20%) followed by a preference for the security of cash ISAs and bank/building society products (17%). The most common reason given by women was that they were afraid of losing money (20%), followed by a lack of full understanding (18%).

The quarterly report, compiled in conjunction with leading think-tank the [Social Market Foundation](#), shows that the median UK household has £1,105 left each month after paying for absolute essentials of housing, energy, water and a broader basket of goods including groceries, transport, childcare and broadband internet. These goods are required to play a full role in modern society. Money left at the end of the month is available for other key items like clothing, furniture and savings as well as luxuries like holidays.



At a time when the vast majority of cash ISAs, if not all, are offering returns below the current rate of inflation (3%), women could be losing out on the prospect of potentially greater returns from stocks and shares due to a fear of investing. Currently, a far higher proportion of men (25%) invest into stocks and shares ISAs than women (12%) but there is very little difference between genders when it comes to cash ISAs.

Furthermore, over the past 12 months, 30% of men have opened a savings or investment product for the first time, compared to just 23% of women. The findings also reveal that the purpose for saving and investing, and the vehicles they use to do so, differ greatly between men and women. Men are more likely to be saving into a pension (36%) than women (23%), while women place a greater priority on saving or investing to help buy a house (12% compared to 6%) or to put towards a holiday (14% compared to 11%) – see figure 2 and 3.

Calum Bennie, savings expert at Scottish Friendly, says: “A lack of confidence when it comes to money matters is very often down to a lack of knowledge or understanding. These figures are particularly worrying as this seems to be an issue for large swathes of people, particularly women, which is impacting their approach to savings and investments.

Bennie continues: “Taking a long-term view of your finances is incredibly important to building your and your family’s financial future. Although discussing finances with your other half or making arrangements for yourself may not be as exciting as planning your next travel trip, taking the time to talk about money matters, which should include considering your attitude towards stocks and shares investments, could potentially be one of the best investments you’ll make.”

The value of your investments can go down as well as up and the value of the original investment is not guaranteed.

-ENDS-

Notes to Editors

[Data appendix](#)

	Income after housing costs	Income after essentials	Proportion spending more than income on housing costs	Proportion spending more than income on essential costs
REGION				
Scotland	£1,779	£1,052	3%	7%
Northern Ireland	£1,859	£1,615	0%	4%
Wales	£1,298	£1,038	9%	10%
South West	£1,491	£1,105	6%	13%
West Midlands	£1,416	£1,100	7%	12%
North West	£1,310	£1,027	6%	10%
North East	£1,351	£1,042	4%	7%
Yorkshire	£1,542	£1,187	5%	8%
East Midlands	£1,445	£1,060	2%	9%
East England	£1,355	£1,007	6%	15%
South East	£1,405	£1,016	5%	12%
London	£1,771	£1,291	8%	14%
AGE GROUP				
18-24	£991	£666	17%	24%
25-34	£1,467	£985	8%	15%
35-44	£1,505	£1,050	3%	8%
45-54	£1,374	£959	4%	11%
55-64	£1,465	£1,129	4%	8%
65+	£1,873	£1,538	1%	5%
EMPLOYMENT STATUS				
Employed full-time	£1,640	£1,161	5%	10%
Employed part-time	£1,225	£844	6%	11%
Self-employed	£1,255	£975	5%	14%
Unemployed	£1,040	£775	7%	16%
Student	£808	£457	18%	28%
Retired	£1,939	£1,559	1%	4%
UK MEDIAN				

	£1,500	£1,105	5%	11%
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Figure 1 – Confidence with money matters

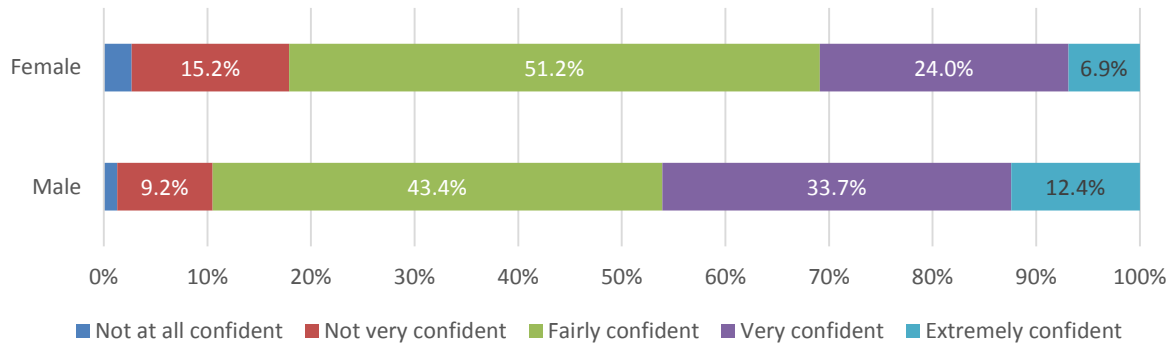


Figure 2 – Proportion of those who save into the following products each month

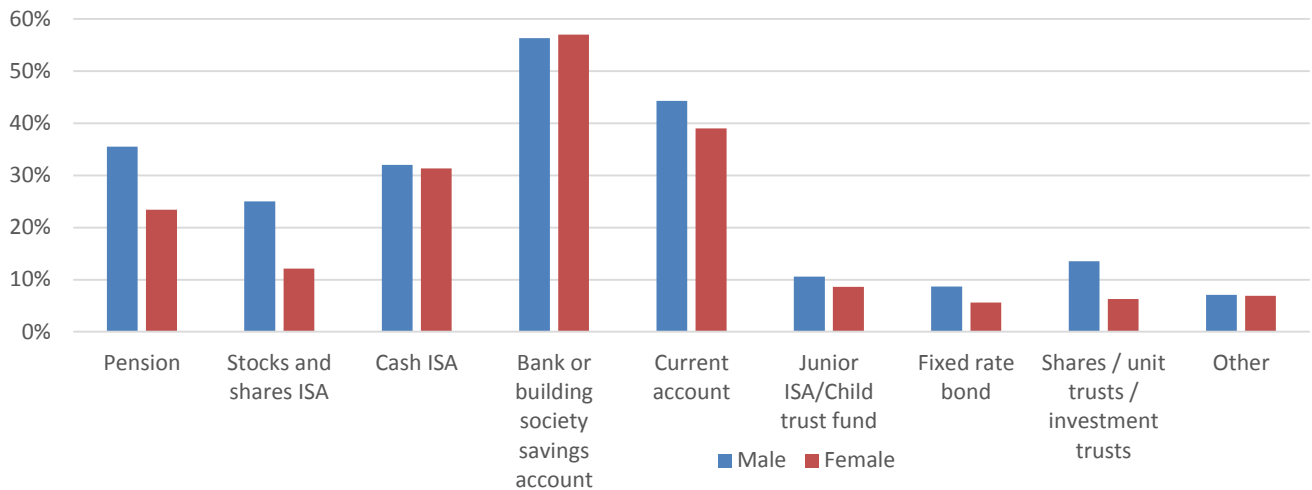
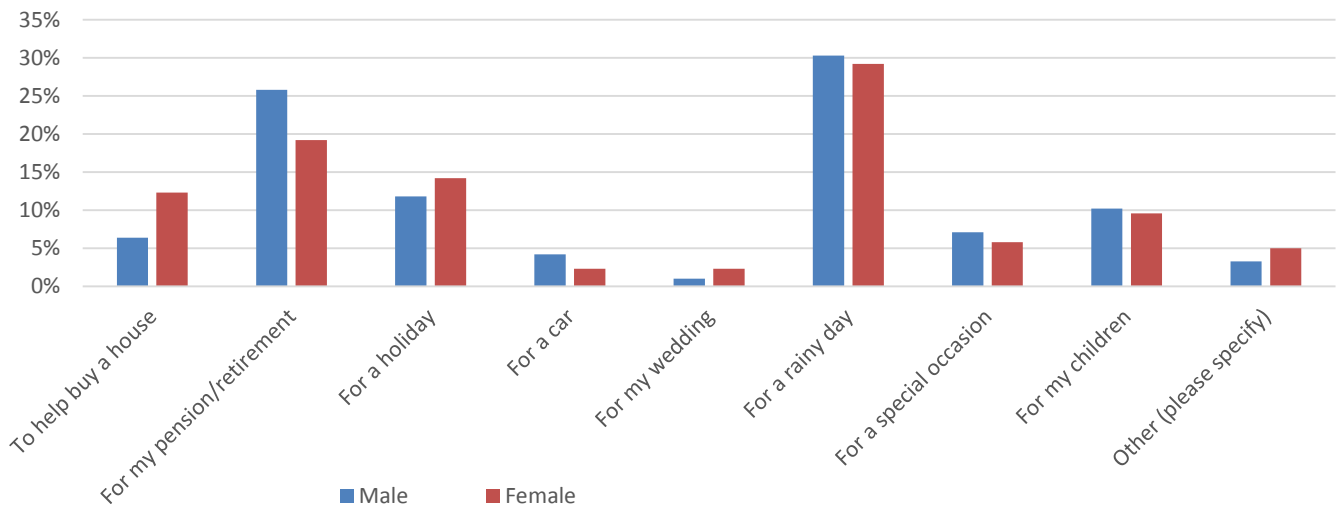


Figure 3 – Proportion stating the main reason for saving and investment





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About the Disposable Income Index

This quarterly report is compiled along with leading think-tank the Social Market Foundation and provides a unique insight into the financial health of the UK population. It analyses consumer sentiment, current economic data and trends to chart UK consumers' saving and spending habits and the consequent impact on disposable income.

For more information visit <http://www.scottishfriendly.co.uk/my-insights>

Methodology

The Scottish Friendly Disposable Income Index is based on a quarterly online nationally-representative survey of 2,000 UK adults, carried out by 3Gem. Survey data was collected between January 31st and February 8th 2018.

Within the survey, respondents are asked for details of four components of income:

- Post-tax income from work
- Income from benefits or tax credits
- Income from investments
- Income from private or occupational pensions

In each case, respondents are asked for monthly data as this is basis on which most income will be paid. Where reasonable, they are prompted to think of sources of this information, for example pay slips.



These data are aggregated to provide an accurate picture of income at a household level. Asking questions about specific components of income allows us to build a more complete picture.

Respondents are then asked about essential bills, including:

- Housing costs: rent or mortgage costs
- Council tax
- Water
- Gas, electricity, solid fuel (including a dual fuel option)
- Buildings & contents insurance
- Ground rent and service charges

We ask both how often bills are paid, and how much they are, allowing respondents to provide information in the form that is most familiar to them and removing as far as possible the need for bills to be estimated. The data is then cleaned to provide a monthly estimate of total essential costs for each household.

We also consider a set of costs which are not absolutely essential for human life, but are nonetheless necessary to play a full and active role in modern society, including:

- Groceries
- Broadband or other internet services, telephone calls and television subscriptions
- Mobile phone bills
- Childcare
- Transport (petrol, public transport fares)

These costs are subtracted from reported income at each household, to create an estimate of disposable and discretionary income – here defined as income after housing costs, and after a basket of essentials needed to participate fully in modern society are purchased.

Data is not equivalised for household size, but we do check median household size across sub-groups to ensure any significant differences are flagged to the reader.

Scottish Friendly



Scottish Friendly is a leading UK mutual life and investments organisation. It provides investors and their families with a wide range of investment solutions and provides administration of life and investment products to other financial organisations.

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Social Market Foundation

The Social Market Foundation is a non-partisan think tank. It believes that fair markets, complemented by open public services, increase prosperity and help people to live well.

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