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Pensions planning in the UK: A gendered challenge

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Abstract

Gender differences in the accumulation of pension savings are well documented. Work in this field has concluded that while differing lifetime work profiles (and family history) explained much of the difference, other factors such as pension knowledge and confidence in decision-making, may also be significant. This research, commissioned by the Fawcett Society and funded by Scottish Widows, explores some of these factors through the use of 30 semi-structured interviews and a focus group with women (aged 24-39) about their attitudes and motivations towards pension saving. It concentrates on discussions around pension knowledge, advice and decision-making, and identifies challenges in relation to women's pension knowledge and the use of male 'role models' in making decisions. The article then explores potential policy mechanisms to enhance women's pension saving for retirement, including the manner in which information and advice is provided and strategies to improve confidence in pension decision-making.

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Key words

inequalities, knowledge, parenthood, power, saving

Introduction

Debates about the sustainability of pensions and 'under-saving' for retirement have become widespread within the context of concerns about a 'demographic timebomb' (Ebbinghaus, 2015). These concerns are particularly relevant to women given their lower life time earnings and lower likelihood of engagement with retirement planning (MacLeod et al., 2012). In order to better understand pension inequalities between men and women it is important to consider how attitudes, knowledge, expectations and savings habits affect pension provision, in addition to understanding differences in work trajectories (Bryan and Lloyd, 2014). As such, this research uses 30 semi-structured interviews and a focus group with women (aged 24-39 and earning between £25,000 and £40,000) to explore their attitudes and motivations towards pension saving.

The article concentrates on discussions around individual responsibility, pension knowledge, advice, planning and parental responsibilities. Initially it provides an overview of pensions, placed within a wider neoliberal economic context, before considering gendered pension inequalities. This is followed by the methodology. The key themes identified in relation to pension planning are then explored: individual responsibility and fiscal sustainability; pension knowledge; advice and guidance; saving priorities and triggers; parenthood; and male role models in pension saving. Finally, policy mechanisms to enhance women's pension saving are discussed.

The UK pensions context

Ageing populations and a projected increase in pensioners has led to political and economic pressure to reform pensions. In 2013 of the 64.1 million UK population, 11.1 million (17.4%) were aged 65 years and over. It is estimated that this age group will grow twice as fast as the working age population, accounting for 24% of the population by 2037 (Office for National Statistics (ONS), 2015a). This will result in increasing old age dependency ratios (Ebbinghaus, 2015). These trends present challenges for pensions. To secure financial sustainability and lessen the impact of the so-called 'pension's crisis', international organisations such as the World Bank and the International Monetary Fund (IMF), along with national policy-makers, have advocated a shift towards multi-pillar pension architecture and limiting public pension expenditure (Ebbinghaus, 2015). Over the last 35 years UK governments have

responded to these challenges by emphasising a political economy focused on neoliberal concerns of private pension saving and individual responsibility.

Neoliberalism and the culture of capitalism

Under the Thatcher government (1979–90) there was a switch from Keynesian to monetary economics, with its anti-inflationary espousal of controlling the money supply and restraint on public spending. Neoliberals asserted that population ageing would overwhelm public pension systems, proving unsustainable and creating unfair tax burdens on working age citizens. It promoted the role of markets and private pensions (it was also under pressure to create new sources of economic growth in financial markets), challenging whether governments could, or should, provide pensions above a minimum (Foster, 2010; Walker, 1999). The role of the Basic State Pension (BSP) has been undermined since 1980, with changes to indexation resulting in more pensioners requiring means-tested benefit top-ups. In addition, the Social Security Act (1986) undermined the redistributive (in terms of gender) effect of the State Earnings Related Pension Scheme (SERPS), an additional form of state pension (replaced by the State Second Pension in 2002), by increasing the years which benefits were based on (Ginn, 2003). Considerable financial incentives to switch from SERPS to personal pensions were also introduced (Walker, 1999).

The neoliberal paradigm installed by Thatcher was not just economic and political, but also cultural. The liberalisation of capital fostered a new ‘culture of capitalism’ (Sennett, 2006). In Sennett’s terms, this reorganised the institutional structure of the firm and, as a consequence, became more focused on the short-term to satisfy the needs of global capital. Dismantling institutional structures, reorienting roles and continual structural overhaul became a signal to shareholders that something positive was being done. The institutional certainty under the old capitalism was abolished, in its place, a more fluid form of capitalism, with flexible contracts for employees and provisional job roles continually under threat from technological advance. The new employment landscape threatened job security, particularly in long-term employment in one firm or industry.

This new culture of capitalism had consequences for the welfare state. Reformers of the welfare state viewed this new fluid structure as a template for reform. The rigid bureaucratic nature of the old state was to be replaced by the ‘enabling state’ (Gilbert, 2002), a far more flexible entity that encouraged the new model of capitalism. The new model eschews dependency. In place of a comprehensive package of social protection provided by the state, reformers wanted ‘individualised enterprise and initiative – one’s welfare conducted like a consulting business’ (Sennett, 2006: 46). This influences perspectives on whose responsibility it is to provide an income in retirement. The old economic structure gave individuals the stability to plan their lives. It enabled saving patterns and retirement ideas to be planned with a high degree of certainty. The new dynamic structure has stripped away this certainty (Berry,

2016). In its place is a shift towards the financialisation of welfare, each person their own financial adviser, setting aside resources that move with them from job to job with only a basic safety net from the state.

Individualisation and decision-making

Building on the legacy of its predecessor the New Labour government (1997–2010) advocated an increased role for private pensions stating its intention to move from 40% to 60% private pension provision by 2050 (Department of Social Security (DSS), 1998). Financial decision-making is increasingly important when responsibility is transferred from the state to individuals. To facilitate this, in accordance with the notion of the enabling state, New Labour attempted to assist people to become ‘rational actors’ in their approach to pension saving, enhancing pension education and facilitating ‘choice’. This individualisation and ‘choice’ is concomitant with the privatisation of pensions and creation of new markets underpinned by a neoliberal model of economic decision-making grounded in rational choice theory and expressed through utility maximisation (Clark et al., 2012). However, the relative lack of impact of these strategies points to a false conceptualisation of individuals as economically rational, simply requiring appropriate incentives to save for the future (Webb et al., 2014). In practice decision-making is challenging in a complex pensions environment where individuals, especially women, have unpredictable life-course trajectories (Price, 2015). The promotion of a discourse of responsibility in negotiating economic risks places many women in particular without the means to accumulate adequate retirement savings in a particularly difficult predicament (Ginn and Macintyre, 2013).

The hegemony of the rational actor model has been challenged through critiques from behavioural finance and the financial crisis, which raise doubts about individual’s ability to play the role assigned them by neoliberalism (Langley, 2008). The view that behaviour is not always an instrumental response is evident in the development of auto-enrolment, introduced in 2012. The logic behind auto-enrolment is that while structured advice and information can improve understanding, behavioural barriers, including myopia, cynicism and inertia still stymie saving (Wicks and Horack, 2009). Insufficient understanding of risk and inadequate saving is offered as a justification for supporting the ‘libertarian paternalism’ inherent in auto-enrolment (Clark et al., 2012). Auto-enrolment entails enrolling eligible individuals (generally low-to-median earners) without access to good quality workplace pensions into a low-cost portable occupational pension, while allowing existing schemes, with benefits/contributions above the National Employment Savings Trust (NEST) (the default option auto-enrolment scheme) minimum, to continue. An element of choice is embedded within the scheme as participants may opt-out. By October 2014 4.8 million people had been auto-enrolled with less than one in ten opting-out (Webb, 2016).

However, there are concerns that auto-enrolment will not deliver sufficient retirement incomes (Grady, 2015). NEST does not guarantee the fund at retirement will exceed the contributions and it provides no credits during times out of employment and excludes those with an annual income of less than £10,000. As such, it is unclear whether it will pay for people to save into such schemes. For women, the risk of a making a decision which is not the most beneficial for their income in retirement is especially high, as unpredictable careers are combined with uncertainties regarding future investment returns, charges and annuity rates (Ginn and Macintyre, 2013).

The Role of the State

The Coalition government announced a number of further pension measures. The age of State Pension receipt was increased more quickly than planned under New Labour (in 2010 it was announced that it would be extended to 66 in October 2020), on top of the gradual equalisation of women's State Pension Age. The indexation of the BSP and the Pension Credit were improved in 2011. This reform is called a 'triple lock' measure, with the BSP rising each year in line with prices, earnings or 2.5%, whichever is the highest. A new Single Tier Pension (STP), combining the basic and second (earnings-related) state pensions, was also introduced in 2016 at about £155 per week if payable in full (Crawford et al., 2013). Since no extra money is forthcoming there will be both gainers and losers, with estimates of gainers being 35% of men and 61% of women (Crawford et al., 2013). The increased years of National Insurance (NI) contributions (or credits) required to qualify for full entitlement of the STP will adversely affect women. By continuing to link pension entitlement to NI governments demonstrate a preference for a heteropatriarchal experience of work, which serves to privilege 'an idealized worker who is able to perform an expected, masculinized occupational life-course' (Grady, 2015: 450).

The proposed reforms to the state pension system may ultimately provide a foundation for private pensions with additional clarity about the (relatively low) level people are likely to receive (Price, 2007). The response may be to increase private saving to compensate for this (Crawford et al., 2013). Berry (2016: 16) states that this represents a process of 'redefining the purpose of the state pension as enabling private retirement saving by individuals, the reform represents a subtle form of welfare retrenchment through which the state withdraws from any attempt to provide a genuine income-replacement benefit for pensioners'. This may be viewed as a strategy to incentivise citizens to work, save and invest (Nyqvist, 2016).

At the same time, structural factors have increased pension insecurities. For instance, the financial crisis led to higher unemployment, lower growth and financial market volatility. This sped up moves towards Defined Contribution (DC) schemes from Defined Benefit (DB) schemes. These pensions, unlike DB schemes, offer no guaranteed income. Instead, income depends on

the performance of the funds invested. This trend represents a change from more buffered and collective private pensions to individualised exposure to financial market risks.

This individualisation of risk and privatisation runs counter to arguments put forward by Blackburn (2002) for a socialist road towards state investment of pension funds. The market has been criticised for creating a confused and costly tangle of commercial facilities, credit networks and financial products (Blackburn, 2006; Vickerstaff et al., 2012). By absorbing state fiscal subsidies, they effectively reduce funds available for state pensions (Ginn and Macintyre, 2013). As discussed later, retirement costs could be funded through alternative means which have a less negative gendered impact, such as increased social contributions, higher taxes and changes to tax relief (Ebbinghaus, 2015).

Inequalities in saving for retirement

It is important to recognise that some people pursue alternatives to pension provision to save for retirement, including housing (Pettigrew et al., 2007). Kotecha et al. (2010) found respondents who favoured property over pensions felt that property was more reliable and tangible. Under Pensions Policy Institute (PPI) (2009) assumptions, pensioner housing wealth is projected to increase by around 40% to £1274 billion in 2030. This could lead to further use of housing to support retirement. However, similarly to pensions, UK housing wealth is unequally distributed. The top 10% of wealthiest households in 2012–14 held 31% of housing wealth compared with 34% for the least wealthy 50% of households (ONS, 2015a). Housing wealth is also highly correlated with other wealth. As a result, for most people housing is likely to complement, rather than substitute, other forms of retirement saving.

There is greater pension disparity associated with wealth. The top 10% of wealthiest households in 2012–14 held 40% of pension wealth compared with only 29% for the least wealthy 50% of households. This disparity improved slightly from 42% and 21% respectively in 2006–08 (ONS, 2015a), which is associated with a larger number of individuals retiring with DB pension schemes. However, an emphasis on DC pensions may result in greater future pension inequalities.

Women, employment and pensions

While women's employment levels and opportunities to contribute to pensions have increased, caring roles still influence employment patterns and subsequent retirement incomes (Foster, 2010). The assumed typical male working pattern remains the reference point for pension entitlements, with gender differences in employment and family care largely overlooked (Grady, 2015). Women's work

histories are more likely to be characterised by interrupted work patterns, high levels of part-time work (43% of women compared with 12% of men worked on a part-time basis in 2015 (PPI, 2016)) and lower-paid employment. The gender pay gap for median earnings of full-time employees was 9.4% in 2014. This figure has changed relatively little in recent years (ONS, 2015b). Prior to this, the reduction in the overall gender wage gap was largely the result of more women becoming highly educated, and a decline in the wage gap among the lowest-educated. Despite this, the hourly pay of higher-educated men and women has not closed at all in the past 20 years (Allen, 2016).

Children have a considerable impact on employment patterns. In 2010/12 76% of women aged 21–30 without children were working compared to 44% of women with children (PPI, 2016), with implications for private pensions. For instance, in the UK 54% of men and 58% of women working full-time were occupational pension scheme members, compared with only 30% of women employed part-time (ONS, 2014). On average, women receive a smaller pension in retirement than men. The mean average weekly household income from state pensions for men was £194 compared with £145 for women in 2014/15 (PPI, 2016). The Joseph Rowntree Foundation (JRF) produces a 'Minimum Income Standard (MIS)'. This indicates the income required by households that the public believe is needed to reach a minimum acceptable standard of living. In 2016 this figure was £267.39 per week for a pensioner couple or £186.77 for a single pensioner after housing costs (Davis et al. 2016). Pensioners in the tax year 2016/17 could top up their weekly income to a guaranteed minimum of £155.60 if they were single or £237.55 if they were a couple through the means-tested Pension Credit (Ni Direct Government Services, 2017). This is some way short of the MIS, indicating that state pensions alone are not enough to ensure the MIS is reached for many women. Private pensions have a considerable impact on men and women's pension income in retirement and whether their income falls short of the MIS. However, there are considerable gender differences in private pension saving. On average among those aged 16–64, women have saved £1,500 in defined contribution pension schemes compared to £4,300 for men, and in DB schemes women typically have £22,900 in savings, compared with £36,000 for men (PPI, 2016). It is also worth noting that personal pensions with front-loaded charges and penalties for cessation of contributions are unsuitable for women (and men) who may have fragmented employment histories (Ginn, 2003).

While differing lifetime work and family histories explain much of the differences in gendered pension inequalities other factors also have an impact. For instance, Clark et al. (2012) identified distinct differences in risk tolerance and decision-making confidence between men and women in relation to pensions. Women, on average, have been found to start pension planning later than men (MacLeod et al., 2012). The Scottish Widows (2014) identified that self-reported knowledge of pensions was generally low, but women were less likely to state that they fully understand pensions. MacLeod et al. (2012)

also noted that men provided more accurate responses to pension questions. In addition, women are more likely to place importance on the role of family and friends in relation to pension decisions than men and less likely to obtain advice from a financial advisor (International Longevity Centre – UK, 2015). Furthermore, women may be more likely to rely on husband/partners to provide for them in retirement (Strauss, 2014). It is these types of patterns which require further exploration to comprehend women's attitudes and motivations towards pension saving.

Methodology

The method of our research consisted of 30 qualitative semi-structured telephone interviews and one focus group with ten women aged between 25 and 39 and earning £25–40,000, between December 2015 and January 2016. This approach enabled the women to express their own views and interpretations in detail regarding pensions. These age and income characteristics were selected as it is important to plan for pensions early in the working life but those on limited incomes may have few opportunities to contribute to pensions (Pettigrew et al., 2007). Those under 24 were excluded from the study as they have been identified as having the most limited knowledge and experience in relation to pensions. For instance, only around one in eight (13%) of 18–24 year olds have ever had a private pension compared with eight in ten (81 per cent) of 45–54 year olds (MacLeod et al., 2012). Given that the research focused on young women with an income which one may expect to provide opportunities to contribute to a private pension, those earning under £25,000 were not included in the study. In 2015 full-time workers had an average median income of £25,000 a year (women's median income was £22,200) (PPI, 2016). Those earning over £40,000, considerably above the average income, were excluded from the study given that they are more likely to have access to private pensions and less likely to find it problematic to contribute to a pension (Ginn and MacIntyre, 2013).

Quota sampling was employed to ensure that a mixture of ages and incomes (within the broader categories), occupations (although due to the income criteria these tended to be workers classified as being in professional or intermediate occupations according to the National Statistics Socio-economic Classification employed by the ONS), public/private sector employers, ethnicities, marital statuses and whether women had children were represented. Given the relatively small numbers involved this did not allow for detailed consideration of these characteristics. For instance, it only included four women from ethnic minority groups and it was not possible to identify whether their ethnicity had an impact on occupational pension planning (see Vlachantoni et al., 2015). The sample was recruited using an email advert to

a regional database of external partners and the researcher's contacts in the Yorkshire and Humber region.

Participants were asked a variety of questions regarding pension planning. Topics such as trust, knowledge, advice, the impact of family, partnership, responsibility and uncertainty were all explored. The interviews and focus group were recorded, transcribed and pseudonyms employed. NVIVO was used to identify themes employing an open, axial and selective coding process. Due to the sample size and strategy, theoretical saturation could not be assumed. The study is therefore illustrative rather than extensive, with quotes and examples utilised to indicate the themes identified.

Findings

What follows is a critical overview of the main findings identified through the analysis.

Individual responsibility and fiscal sustainability

Despite extensive evidence that a limited role for the state in providing an income in retirement disproportionately impacts women (Ginn, 2003), the respondents stated that the primary responsibility for income security in old age lies with the individual:

I think the individual has to take responsibility for retirement because we know that there isn't gonna be enough money. (Phoebe, aged 32, insurance broker)

The main driver regarding individual responsibility was an assumption that the state pension system was unsustainable in the long run:

Our generation aren't gonna have anything, well very little if anything, from the state pension so I guess we're gonna have to provide for ourselves. (Helen, aged 32, travel consultant)

The interviews suggest that dominant neoliberal ideas about the fiscal sustainability of pensions, and the balance between the state and the market, have not only been influential over successive governments, but have also shaped the ideas of ordinary women. The new culture of capitalism is not just embedded in business practices or Whitehall departments, it is embedded in the everyday ideas of British women. Further evidence of this was present in the fact that the overall discussions on pensions rarely touched on state pension issues. Rather, pensions were thought of in their market form, they were primarily discussed in terms of savings, not entitlements.

Pension knowledge, advice and guidance

The participants lacked confidence in pension decision-making, particularly as a result of limited knowledge. Many participants found pensions advice and guidance inadequate and others were unsure where to find out about pensions. This lack of knowledge has tended to leave them disengaged and disempowered from making pension decisions. This can lead to pension inactivity and provides justification for the introduction of auto-enrolment (MacLeod et al., 2012). Many participants felt decision-making was hindered by the inaccessibility of advice, which is too technical and written in jargon:

There's either way too much jargon or basically it's too basic and wishy-washy, you can get a really basic answer that doesn't really answer your question or you just don't understand it. (Rachel, aged 36, university administrator)

The language is very technical ... I just don't think they're very user friendly. It's just automatically off putting. (Linda, aged 31, marketing assistant)

The complexity of UK pensions and suitable advice is an issue in relation to enhancing pension knowledge and for women in particular (Scottish Widows, 2014). More accessible advice was highlighted as a factor which would assist participants to make pension decisions and motivate them to contribute more to pensions. While targeted information may have a positive effect on saving (Oehler and Werner, 2008) a 'one size fits all' approach to engagement is unlikely to be effective (Foster, 2012). Generic advisory services may do little but encourage confidence among those who can least afford to make errors in saving (Clark et al., 2012).

Most participants expressed a desire for pension face-to-face advice. This may evoke a sense of security for women in particular, with men tending to trust the internet more than women in informing decision-making (Clark et al., 2015):

I would benefit from one-to-one guidance and if somebody did put it in complete layman's terms. I think if I was just given a lot of documentation to read, which I think can be the case with these things, then for me I just shut down. (Jessica, aged 27, commissioning officer for local government)

I've kind of tried to look online at sorts of resources and I still find it a bit complicated. So if somebody explained it to me I'd probably understand it but nobody's ever really explained it to me. (Kathleen, aged 37, arts manager)

There was also evidence that mis-selling scandals such as Equitable Life have adversely affected trust in the financial market with an awareness of the

short-comings of expertise in terms of its capacity to predict future pension developments (Price, 2015).

You're also quite influenced by horror stories in the media about pensions, people who've paid into pensions all their lives and then something's changed ... If you feel like you can try to save in something else, you feel more in control of it, rather than putting your money into something which might go bust in a few years. (Terry, aged 27, civil servant)

Trust promotes ontological security, providing a psychological bridge between expectations and the future. It increases the likelihood of compliance and enhances the chances of successful policy implementation (Webb et al., 2014). At the same time, trust is not necessarily a positive attribute. The history of pension mis-selling is littered with examples where people trusted too much. Individuals require discriminating trust and for this they need some confidence in their ability to make judgements about the available advice (Vickerstaff et al., 2012). Bosanquet et al. (2008) argued that trust is the main factor motivating young people to obtain financial advice from family rather than financial services. This is problematic if the advice lacks the required technical proficiency. While informed discussion with family and peers should not be discouraged, necessary knowledge is required in order to facilitate informed discussion (Berry, 2016).

A paucity of understandable pensions advice resulted in a lack of informed decision-making in relation to participant's pension plans. While most were contributing to a private pension, many paid minimum contributions stipulated by their scheme and no one had made calculations about projected income in retirement. In a sense auto-enrolment is perceived as eschewing individuals having to make decisions. What becomes key is the appropriate pensions apparatus created by the expertise of others (Webb et al., 2014). Reliance on these 'embedded' pension mechanisms is especially significant in the context of low levels of pension literacy as evidenced in the interviews. Trust in the scheme chosen by their employer and the competency of the scheme provider are paramount (Bryan and Lloyd, 2014). This is problematic if auto-enrolment does not deliver what are considered to be satisfactory outcomes.

Saving priorities and triggers

For many women the main financial priority upon entering paid work was to pay off debt accumulated during higher education. Even when controlling for age, the impact of student loan debt has been found to adversely affect pension contributions (Lloyd, 2011). The next priority was saving for a deposit to buy a house. Following this, many viewed parenthood as the next saving

priority. It was only after these savings objectives that pensions came onto (or they thought it would come onto) their sequenced financial agenda.

People tend to come out of university with quite a lot of debt ... we all have to get rid of that debt before trying to buy a house ... then start thinking about the children's future and then I guess it's kind of like right, they're done, now pension. (Helen, aged 32, travel consultant)

Pension planning was commonly identified as something to consider in the future with immediate financial needs taking precedence. This echoes Bryan et al.'s (2011) research, which found 38% of people preferred a good standard of living today to saving for retirement. Although many people do not think about retirement until they reach their 40s (MacLeod et al., 2012) women, on average, start planning for retirement later than men, which may be related to their greater role in childcare (Scottish Widows, 2014). Clark et al. (2012) also found women less likely to believe financial planning was important than men. This myopic approach of a future that will 'take care of itself' is emphasised in the following participant responses:

Any information I get about pensions I put it away somewhere safe and think when I grow up I'll deal with it then. (Mandy, aged 30, associate lecturer)

You get to a certain magical age and these sorts of responsibilities are like expected on you. I'm just avoiding that for as long as I can. (Charlotte, aged 31, school teacher)

Pensions were not perceived as a current financial priority for many women in the study. In some cases, the lack of planning confirms doubts about an individual's capacity to conform to the role assigned them as rational planners by neoliberalism (Langley, 2008). The distance to retirement presents a particular challenge, both regarding active engagement with pensions and uncertainties throughout the life-course, many of which people have no control over (Price, 2015). Indeed, many workplace pension scheme members identified pensions as something that was 'done to them' (in terms of auto-enrolment), not something in which they had an active role (Shaw and Waite, 2015).

Parenthood

For a significant number of participants with children, the birth of their first child made them reassess saving priorities. However, just as pension saving becomes higher up in their savings priorities, they have less resources to devote to pensions because of the costs associated with parenthood (Ginn and Macintyre, 2013).

Because childcare is so expensive it's almost one of those other things that kind of downgrades the importance of pensions in my life because I think 'oh well I should pay a higher percentage into my pension but I've got about a grand in childcare fees to pay this month'. (Helen, aged 32, travel consultant)

Many of the participants recognised the impact of parenthood on pension contributions and planning. While their employment was affected by the birth of their children their partner's work status was largely unaffected. Having children represented a triple cost: first, they took time out of work for maternity leave; second, many reduced their hours (and earnings) on returning to work; third, they had the ongoing costs of childcare. Some participants expressed the view that childcare and its associated costs were primarily perceived as the domain of women which had implications for pension planning:

Females tend to have the main role in childcare so I think men would tend to go out and work and probably pay more attention to pension schemes, whereas women would focus more on raising children and working. (Nicole, aged 28, trainee solicitor)

Some women felt relaxed about their reduced pension contributions due to partners still paying full pension contributions. Relationships are correlated with individuals' risk-management strategies given some people plan for the future based upon their intimate relationships. This reliance on joint savings is particularly concerning given the increase in divorce rates. Scottish Widows (2012) found that in the UK over half (54%) of women under 30 rely on joint savings for a retirement that may be 40 years ahead. Given that many pension schemes are abolishing or severely restricting survivor benefits in favour of more strongly individualised systems such an approach is potentially problematic (Foster, 2017). For instance, DC pension plans are less likely to include benefits for spouses on death than DB schemes and the STP ends the previous system of derived and inherited rights. As such there is an increasing need for women to have their own independent pension in retirement (Price, 2015).

Male role models in pension saving

It is common for people to neither have the cognitive ability or skills to be expert decision-makers. As such they rely upon others, commonly family members, to improve financial decision-making (Clark et al., 2012). Previous research has indicated different preferences amongst men and women regarding where to locate financial advice (Clark et al., 2015). However, there has been little focus on whether that advice is from men or women. This research found many participants alluded to the use of male role models for pensions

advice. In particular, a significant proportion of the participants sought advice from their fathers, echoing research in the USA which identified fathers as more likely than mothers to assist children with financial resources and guidance (Ha et al., 2006).

If they did change it again they'll send out all the information ... I'll give it to my dad, he'll tell me what to do and that's what I'll do. (Elizabeth, aged 32, nurse)

My dad and my husband probably more than anything made me make sure that I have a pension and that it is a reputable one. (Janine, aged 34, research fellow)

Many participants stated that male partners had a better understanding of pensions and finance than their own limited comprehension.

He understands pensions, like figures and all that a lot more so he really understands his pension. (Lauren, aged 31, marketing officer)

I only trust it because of what my partner has said ... otherwise I probably wouldn't have even thought about it. (Phoebe, aged 32, insurance broker)

A number of women expressed the idea that 'I don't have a head for numbers really' (Lauren, aged 31, Marketing Officer). This contrasted greatly with views about managing other household finances. Only one participant lived in a household where their male partner was the main decision-maker on all household finances. For the others, the decision-making was joint or the female took the lead role in decisions. This correlates with research findings elsewhere which identified a key role for women in household saving (Scottish Widows, 2014; Wood et al., 2012). Thomas et al. (2009) found that many women are in control of short-term financial planning but rely on their partners to manage longer-term financial matters. Men seemed to be 'more associated with the bigger money decisions and women with shorter term apportionment' (Thomas et al, 2009: 10). This creates a concern that women may end up without control of their long-term savings plan (Price, 2007).

The active role played by fathers and male partners in the pension decisions of their daughters or female partners may reinforce an idea that pension provision is a masculine domain. It is evident that women's representation in the financial sector is predominantly in administrative and secretarial roles. Men in the financial sector tend to have higher qualifications than women and the gender pay gap is double that in the economy as a whole (Metcalf and Rolfe, 2009). One participant described this subordinate position of women within the field of the finance.

We just go back here don't we, to the root of sexism? I think that environment is a gendered environment ... so I think it is structurally geared towards men. The financial world is quite exclusionary to women. (Rosie, aged 36, business development manager)

This points to a deeper structural concern that may impact upon female pension decision-making. Boaler et al. (2011) investigated the low participation of females in post-compulsory mathematics. They argue that whilst females tend to perform well at GCSE mathematics, the teaching practices and socialisation around the subject is highly gendered and deters women from participating. In 2014 only 39% of A-level Mathematics entrants were female (WISE Campaign, 2015). This gendered experience may lead to disengagement with other aspects of life that appear mathematical, such as pensions. This is likely to reinforce the sense that pensions are an area where men hold the expertise and are better placed to make decisions.

Discussion

The findings revealed five key characteristics: first, in accordance with the rhetoric of a culture of capitalism, respondents largely perceived it to be the individual's responsibility to ensure financial security in retirement. Second, participants had limited knowledge and confidence in pension planning and found the advice available inaccessible; third, active engagement with pensions was often perceived to take place at a later stage in the life-course; fourth, respondents were more likely to rely on male counterparts for pensions advice; and, fifth, childcare was still seen as a predominantly female domain with implications for gendered pension inequalities. These characteristics require further policy consideration.

The study showed that, in accordance with the literature, the current system of guidance or advice is underused, and lacks personalised detail and trust (Lloyd, 2011). This indicates the need for further impartial information tailored to individual requirements explained in clear language. At a minimum, guidance must include examples of how longevity risk could affect financial wellbeing, as well as the tax implications of taking money from a pension. As the average person moves employer 11 times over their working life an online 'pensions dashboard' would allow people to see all their pension savings in one place (Pensions World, 2016; HM Treasury, 2016). Women with interrupted careers as a result of caring commitments may be more likely to lose track of pensions and suffer financially. If people had a clearer sense of the pensions they were accumulating and what it may translate into in retirement this may encourage pension saving. In addition to face-to-face advice,

typically favoured by women (PPI, 2016), attention needs to be given to the potential use of digital channels of communication (Shaw and Waite, 2015).

Despite pensions being perceived as an individual's responsibility they were often seen as something that could be actively considered later in the life-course or at various trigger points. These could be used to target individuals with pensions information at particular points, such as when someone finishes paying their student loan, starts a family or owns their home outright (HM Treasury, 2016). Despite most of the women in the study not actively engaging with pensions, most were contributing to a private pension, with a large number auto-enrolled. Bryan and Lloyd (2014) used the Wealth and Assets Survey to show that the proportion of employed men (50%) and women (33%) who report knowing enough about pensions is lower than average rates of pension saving (64% and 62% respectively). It is therefore apparent that large numbers of employees save into pensions without feeling they know enough about pension saving. If individuals are nevertheless saving into a pension then policy measures to encourage pension take-up (such as auto-enrolment) may be deemed effective. However, there are concerns about whether people, and women in particular, are saving enough for retirement and the manner in which women not in employment are excluded from private pensions (Ginn and Macintyre, 2013). Within auto-enrolment there are also concerns that the contribution rate of 8% is too low (Grady, 2015), with Webb (2016) advocating a system of 'automatic escalation' where individuals pre-commit part of any future pay-rise to increasing their rate of pension contributions.

Many women alluded to men's influence in their pension decision-making, who were perceived as having superior pension knowledge. This hints at a deep structural inequality embodied within decision-making about finance. The socialisation of women away from mathematics and finance (Boaler et al., 2011) leads to deeper inequalities later in life. Women make up only 13% of those working in Science, Technology, Engineering and Maths occupations (WISE, 2015), and financial services remain dominated by men with women constituting only 19% of senior roles (Metcalf and Rolfe, 2009). While pensions and savings have recently been introduced into the national curriculum (in 2014), it is important to evaluate the effectiveness of these developments and whether this teaching is accessible to females.

The impact of motherhood was commonly expressed as affecting pension planning. Some participants expected to rely on their partner's pension. This suggests that whilst neoliberal policy approaches may be steering an individual approach to pension saving the male breadwinner ideology is still inherent in many women's pension decision-making. Women (and men) need a greater understanding of the importance of accumulating a pension in their own right (Price, 2007). Neoliberal pension policies which promote individual responsibility do not account for the realities of women's employment experience. The pension system institutionalises disadvantages experienced in

the labour market by not sufficiently recognising experiences and contributions that are not heteropatriarchal and diverge from typical male employment patterns (Grady, 2015). Policy effort towards increasing provision for retirement through private pensions brings about greater income inequality between older women and men, and between those with intermittent or low-paid employment histories and those with an advantaged employment position (Foster, 2010).

This recognition requires a reevaluation of productive and socially reproductive activities, valuing the ethic of care as much as employment, and rebalancing the gender division of labour. For instance, it would be possible to redevelop pension systems in a manner which de-couples income in retirement from labour market participation (Strauss, 2014) thus avoiding the penalty for caring years incurred in private pensions (Ginn and Macintyre, 2013). In effect, we need to move beyond policies that solely reinforce the liberal celebration of better paid employment and explore ways to reward all forms of work, including unpaid labour (Fraser, 2009; Strauss, 2014). Currently carer credits are not provided in NEST as they are in state pensions, providing no recognition for the value of caring years. One option is to introduce an unconditional Citizens Pension set at an adequate level. This could be part funded through progressive taxation such as the removal of the tax favoured status for private pension contributions which serves to exacerbate pension inequalities between men and women (Blackburn, 2006; Strauss, 2014). This would reduce gendered inequalities in pensions. If an additional voluntary-tier of pensions is deemed to be required to enhance the opportunity for wage replacement, Ginn and Macintyre (2013) have advocated auto-enrolment into a Voluntary Earnings-related State Pension Addition (VESPA), which would be a fully portable pay-as-you-go (PAYG) scheme, allowing workers to save for retirement without the investment and annuity risks inherent in DC schemes, and would be better placed to meet women's needs than NEST-type schemes. In effect contributions could be similar to those in NEST (with auto-escalation) but with additional carer credits, thus avoiding the penalty for caring years incurred in private pensions. Carer credits would require either an intra-VESPA cross-subsidy, as in NI, or a grant from the Exchequer in lieu of tax relief. These would represent a fundamental rethinking of the pension system in a manner which runs counter to the neoliberal preference for increased privatisation and risk transferal (Grady, 2015). It would also reduce the impact of the many challenges identified in the interviews.

Conclusion

This article has shown that women's attitudes, knowledge and expectations influence their pension savings. Despite the emphasis on the 'ability' or

'capability' of individuals to act as informed consumers in order for them to be self-sufficient in retirement (Price, 2015), the capacity to predict retirement income, especially for younger cohorts, is challenging. This is often particularly difficult for women with disrupted career trajectories in a system that is built around a heteropatriarchal experience (Grady, 2015). Pensions are influenced by factors outside an individual's control, including stock market returns, interest rates and policy changes (Clark et al., 2015). Broader structural factors such as increasing housing costs and student loans have also impacted on pension planning. There is a concern that 'even people who have tried to conform to government expectations, been prudent financial planners and responsible savers, have endured falling interest rates, poor returns on savings and investments, and capital losses in financial markets' (Price, 2015: 46). There is a danger of burdening workers with the risk and responsibility for assuring an adequate income in retirement, even within the context of auto-enrolment, without guaranteeing adequacy, especially for women (Clark et al., 2012). As such, while enhancing pension knowledge should not be ignored it needs to be placed within a context of collective policy solutions to pension challenges, rather than framing pensions in a purely individualised neoliberal discourse and policy framework which adversely impacts on women's pension prospects.

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