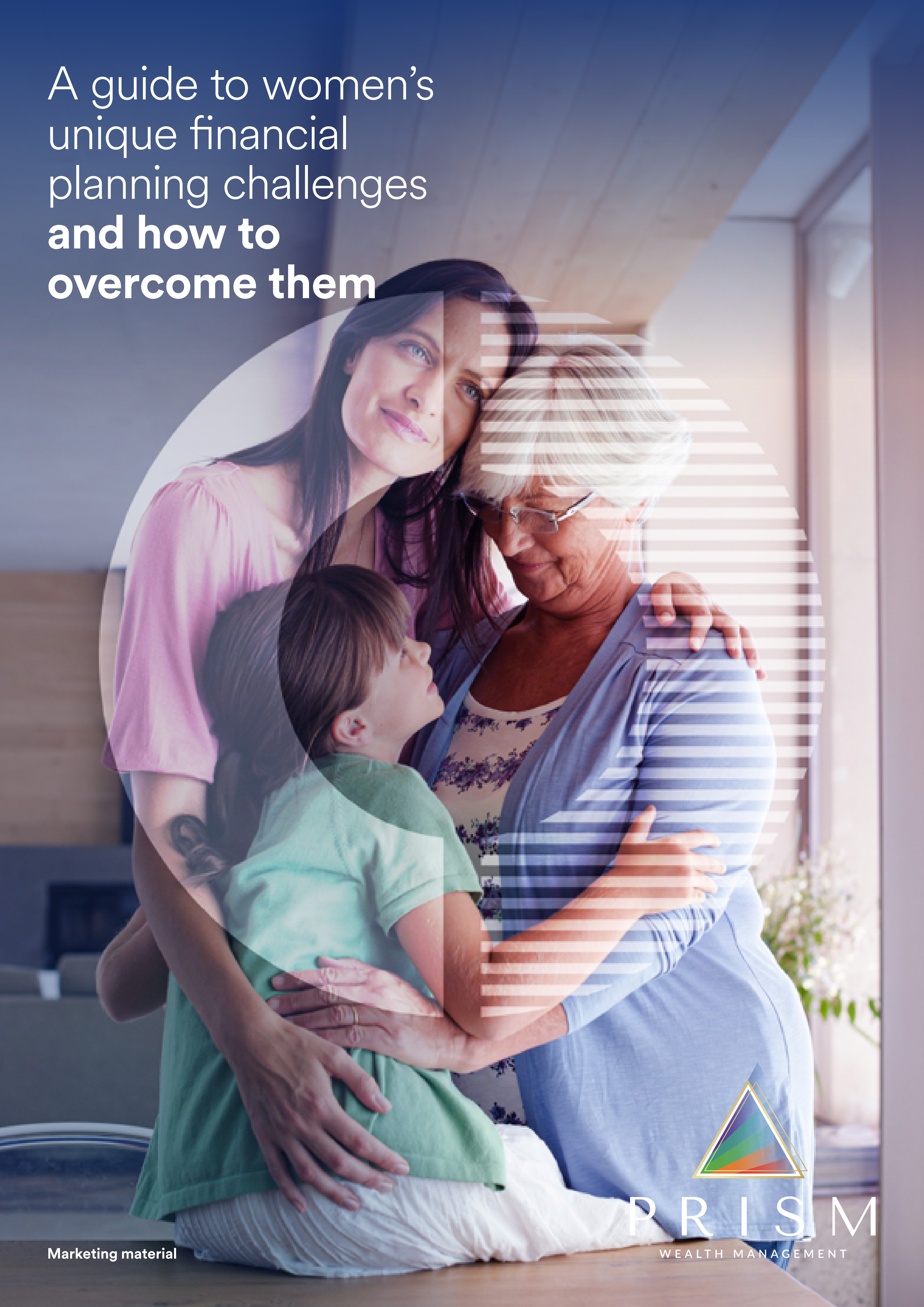
A guide to women's unique financial planning challenges **and how to overcome them**



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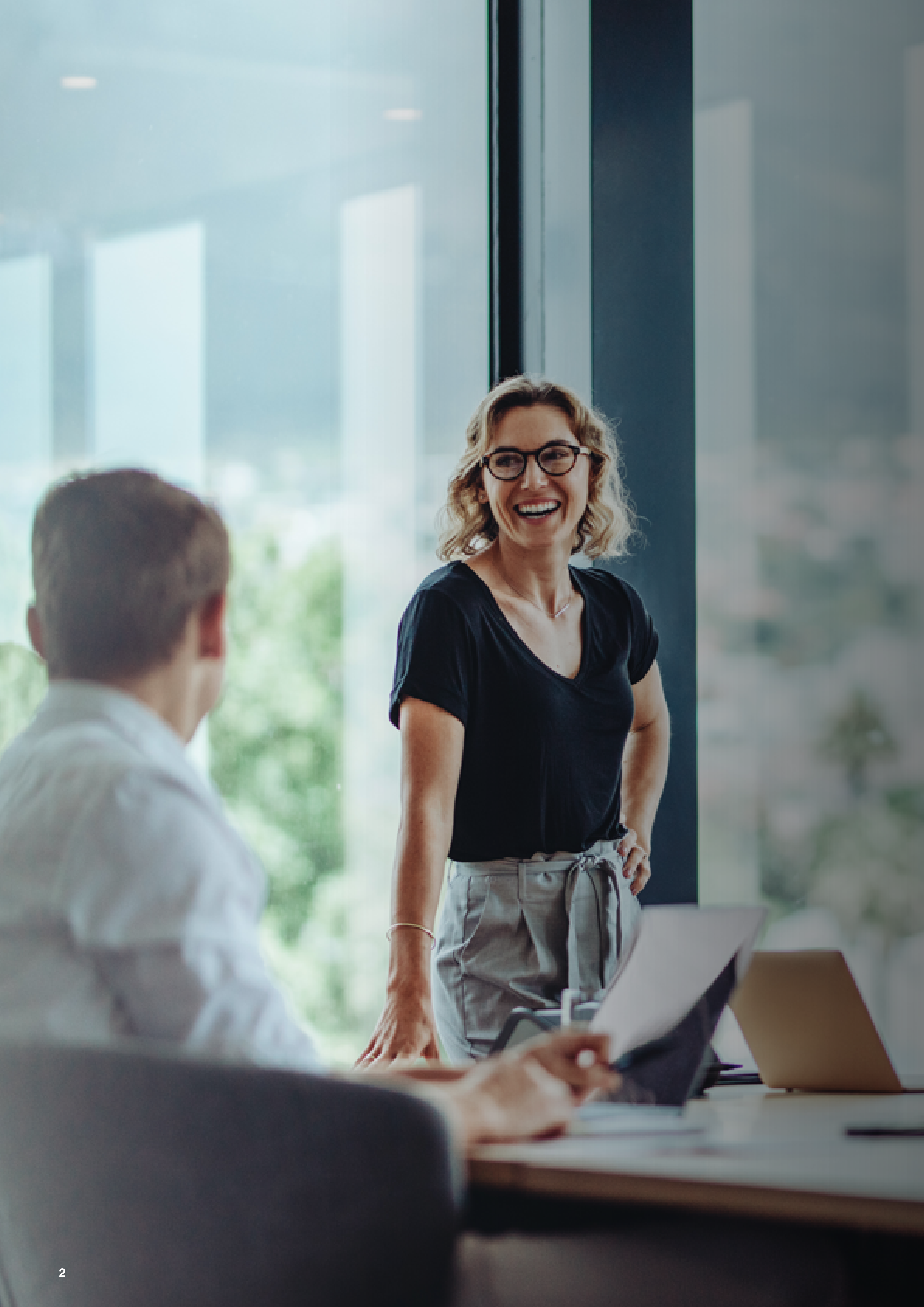


Introduction

We've made huge progress with gender equality in the past few decades, and women arguably have more social influence than ever before.

For example, women hold nearly 45% of seats on the boards of FTSE 100 companies[1]. Similarly, in early 2026, 29 countries have women serving as heads of state or government. This is a remarkable leap forward considering we couldn't even open a bank account without a man's signature in the UK until 1975.

Alongside these huge strides in gender equality, attitudes towards women's roles in the world of finances and work have changed significantly too. According to Statista, the female employment rate was 72.5% towards the end of 2025[2] and it's predicted that women now hold around 60% of the wealth in the UK[3].

However, it's important to remember that gender inequalities still exist, and we've only recently gained more independence over our finances.

So, despite the progress we've made, you might still be disadvantaged compared to men and face some unique financial planning challenges as a woman. For example, we:

- Statistically have lower financial confidence than our male counterparts and are less likely to take risks when investing, possibly because we've had fewer opportunities to engage with investments in the past
- Are often financially reliant on our partners as we may be paid less or take on a greater share of caring responsibilities, which affects our earning potential
- Have less in our retirement savings on average than men of the same age because our earnings may be lower and we're more likely to take a career break for childcare
- May be less likely to have adequate financial protection
- Are often at a financial disadvantage during a divorce

This guide will explore these challenges. As financial planners our job is to help you both prepare for them and help you overcome them, so you can build wealth and achieve your goals now and in the future.

[1] 16.02.2026 Women hold almost 45% of seats on FTSE 100 boards Guardian.
[2] 16.02.2026 Employment rate in the United Kingdon from 1st Quarter 2000 to 3rd quarter 2025 by gender Statista.
[3] 16.02.2026 How women from younger generations are shaping their financial futures and why it matters HSBC.

Women are statistically less financially confident than men

Although we now have greater financial freedom and more opportunities to control our wealth, women often still don't have the same confidence that men do when making decisions about money.

Traditional gender roles and established power structures meant that women in previous generations simply weren't allowed to make important decisions about money. As a result, they didn't have the opportunity to build knowledge and confidence in financial matters in the same way that men did. Some of these restrictions can still have an impact on women today, and while we're legally empowered, we still might not have the knowledge and confidence of our male peers.

Being excluded from the world of finance in this way means that we tend to underestimate our own abilities and may lack confidence when managing our money. We see the same phenomenon happening with male-dominated jobs, where women can feel apprehensive about working in those industries.

So, even though attitudes are changing, and we can make more financial decisions, some women still feel that they don't have the confidence to manage their wealth.

- Just one in three women feel confident making investment decisions, compared to just over half of men[4]
- Only 32% of women are managing pensions compared to 43% of men[4]
- Just one in every five women are responsible for managing investments compared to over one in three men[4]

And in many heterosexual couples, men still make most of the decisions.

In fact, a YouGov poll found that 1 in 3 UK women in relationships are financially dependent on their partner[5]. On top of this, a study from Aqua found that only 24% of couples in the UK discuss finances on a regular basis[6].

This 'confidence gap' could perpetuate the false idea that men are better suited to handling the household finances. It also means that we haven't had the opportunity to engage in many different areas of financial planning, and we're at a disadvantage as a result.

Fortunately, this lack of confidence is rooted in outdated stereotypes that we've consistently overcome in the past few decades. So, if you can engage with financial planning and build your knowledge, you can take control of your wealth and manage it just as well as your male counterparts. Here are some excellent ways to do this.

[4] 16.02.2026 Wealth Survey 2025 Handelsbanken.
[5] 16.02.2026 One in three women in relationships are financially dependent on their partner YouGov.
[6] 16.02.2026 What are the couple's spending habits in the UK? Aqua.

Understand your priorities and financial goals

If you want to take control of your finances, it might be useful to begin by thinking about your priorities and financial goals in life. Perhaps you want to start a business, or buy a second home? Maybe you'd like to spend time travelling with your family?

You'll probably have a mixture of short- to medium-term goals, including paying off debts or going on holidays, and longer-term goals including funding your dream retirement.

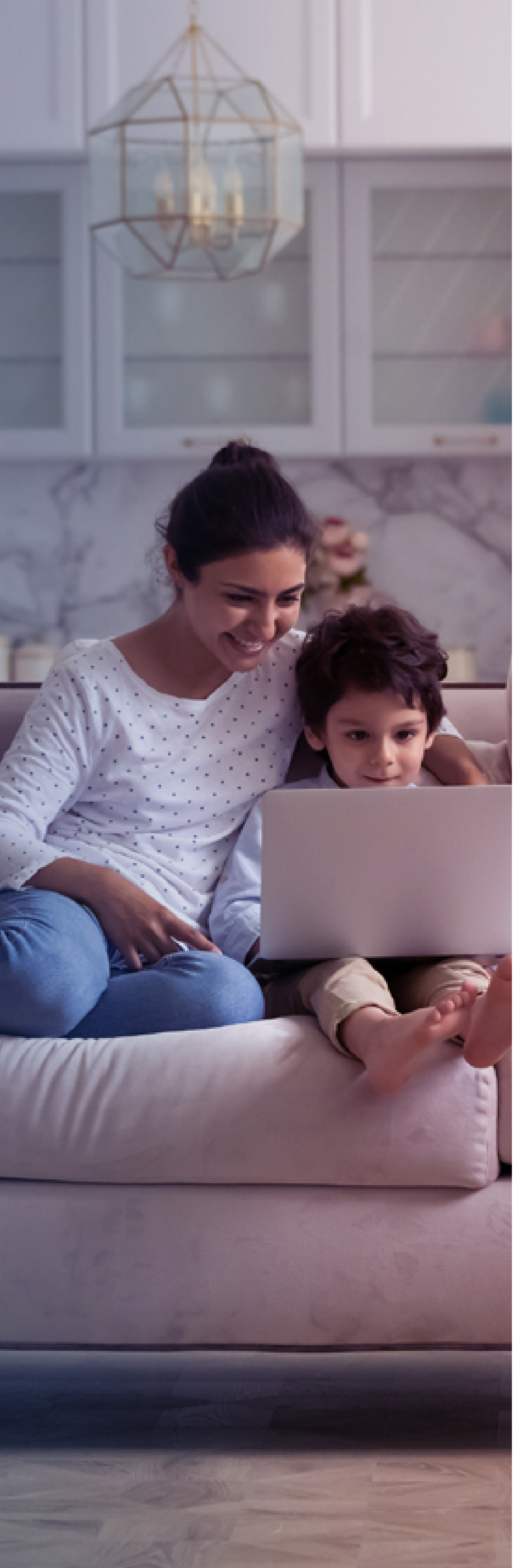
When you understand what's important to you in life and what you want to achieve, you can make financial decisions that align with those goals.

Make joint decisions about money with your partner

If your partner makes all the financial decisions in the relationship, your goals and aspirations might not be considered.

It's important that you make decisions together and ensure that your own financial goals take equal precedence to your partner's.

This might result in some challenging conversations if your financial aims don't align completely. But if you learn to navigate these difficult conversations, you can make sure your goals are on an equal footing with your partner's.



Save an emergency fund

An emergency fund offers a crucial safety net to help you cover unexpected costs such as home or car repairs. It can also be useful if you lose your job and can't earn an income for a short period. If you don't already have one, saving an emergency fund could give you more financial resilience. Most importantly, it allows you to absorb short-term financial shocks.

That's why you might decide to keep an emergency fund separate from your partner, so that you're always in a position to you support yourself.

Typically, it's sensible to save three months' worth of expenses in an emergency fund, although you might feel comfortable keeping more than this.

Start investing for the future

Investing for the future could help you build wealth, and also give you the confidence to take longer-term decisions about your money.

You may want to work with a financial planner to understand different investment products and start building a portfolio that aligns with your financial plan.

This might be beneficial later when you start planning for the future.

The average woman has less in retirement savings than a man of the same age

Preparing for retirement is a crucial part of financial planning. It's important to build your savings so when you finish working, you can fund your dream lifestyle without making sacrifices. You might need to think about other expenses such as care costs or supporting family members, too.

Unfortunately, we have, on average, less in our retirement savings than men. This is because we often face pay inequalities and normally take on a disproportionate share of caring responsibilities.

The latest research shows the gender pension gap is now even wider than we thought. Women reaching retirement typically have around £173,000 in their private pension, while men average about £286,000 – a difference of £113,000. In other words, women retire with roughly a 32% smaller pension pot, a gap that's grown in the last year[7].

According to **Today's Wills and Probate**, only 71% of women over 40 have a pension, compared with 83% of men[8]. This could mean that many women have a shortfall in their savings and can't afford to live their desired lifestyle in retirement.

There are a few potential reasons for the inequality in pensions. Understanding these causes could help you overcome the imbalance and increase your retirement savings.

Firstly, we might be paid less than men as the Office for National Statistics (ONS) reports that the "gender pay gap" was **6.9% in April 2025**[9]. So, even when we're paying into a pension, we might be contributing less than our male peers because our earnings are lower, making it harder to build a healthy retirement fund.

To add to this, career breaks play an even bigger role than we once thought. According to new research, around half of all women take time out of work, compared with just one in five men[10], and these breaks have a lasting impact on long-term earnings and pension savings. Taking time away from work often means missing out on crucial pension contributions, and many women find it harder to regain career momentum afterwards. That can lower peak earning potential and, over time, shrink the amount they're able to put into their pension. Put simply, the financial cost of caring responsibilities adds up – and it follows women all the way to retirement.

Luckily, with the right planning, you may be able to overcome the disadvantages you face and make sure that you have enough savings to fund your retirement.

[7] 16.02.2026 Gender pension gap widens to £113k Money Marketing.
[8] 16.02.2026 Women's pension pots 'worth half of mens' Today's Wills and Probate.
[9] 16.02.2026 Gender pay gap in the UK: 2025 Office for National Statistics (ONS).
[10] 16.02.2026 Why do women retire with less money than men? Lloyds.

Take advantage of tax relief and employer contributions to your pension*

When you contribute to your workplace or private pensions, you usually automatically receive 20% tax relief at source. This means that a £100 contribution effectively 'costs' you £80 and the government pays in the other £20 as tax relief.

Did you know?

The Pension and Lifetime Savings Association estimates that a single person needs £43,900 a year to achieve a comfortable retirement and a couple needs £60,600.

If you're a higher- or additional-rate taxpayer, you're entitled to 40% or 45% tax relief, taking the cost of a £100 contribution down to £60 or £55 respectively. You need to claim the extra 20% or 25% through self-assessment.

You might also benefit from employer contributions when you pay into a workplace pension.

It's important to take advantage of this while you can and consider increasing your pension contributions if you can afford to. This could help you to build the retirement savings you need.

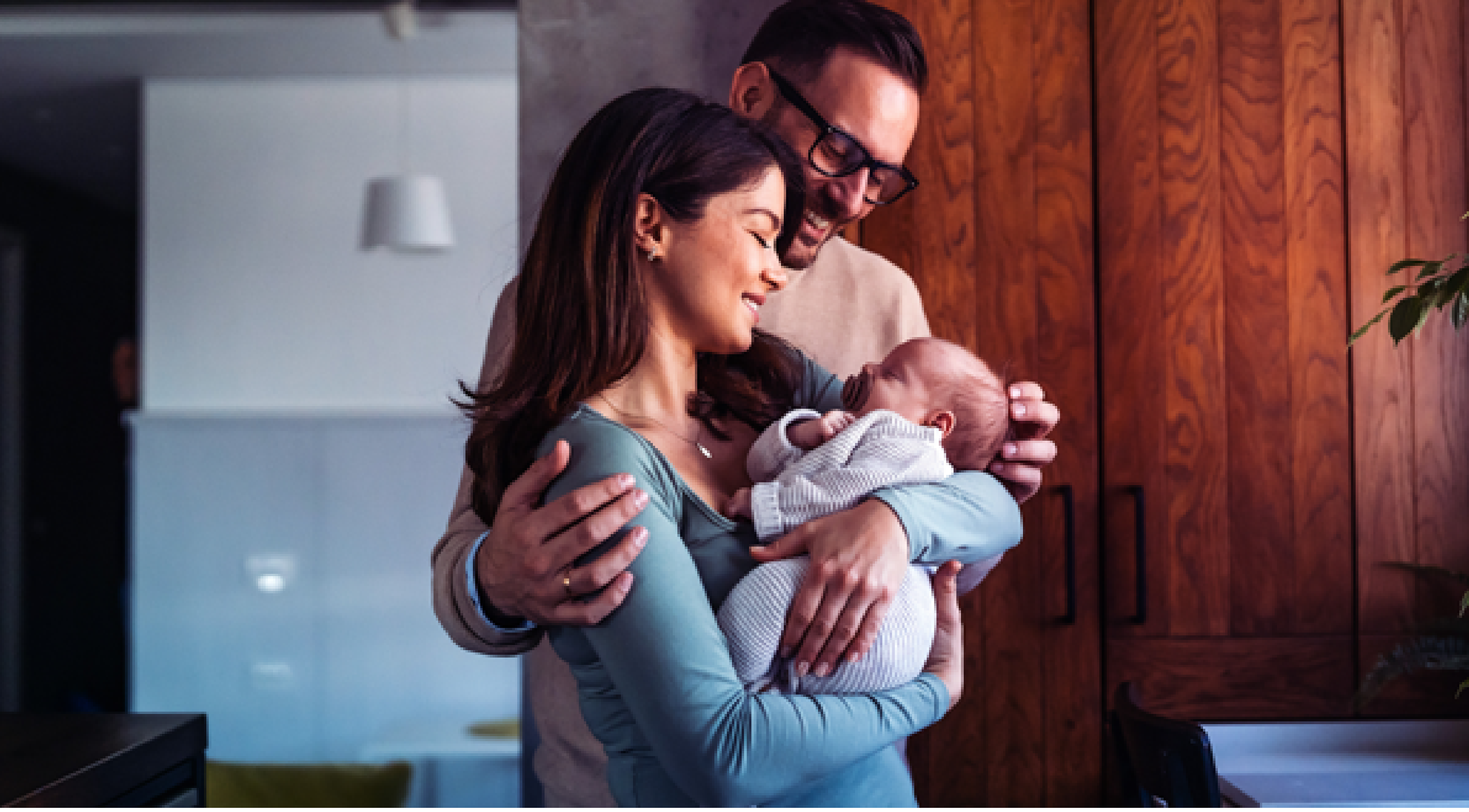
According to new 2025 figures from Standard Life, even the tiniest bump in pension contributions can make a real difference. Take someone who starts working at 22 on a £25,000 salary and pays the standard auto-enrolment rate (5% employee, 3% employer) – they're on track to build a pension of about £210,000 by the time they hit 68. But if they nudged their contributions up by just 2%, their pot could grow to around £262,000. That's an extra £52,000 simply from paying in a little more each month. It's a great reminder that small changes today can seriously boost your future financial comfort[11].

This demonstrates how even a small increase in your pension contributions could make a big difference in retirement.

It might be useful to increase your contributions in the lead up to a career break to maximise your pension savings.

Bear in mind that your pension Annual Allowance – the total amount you can contribute to your pensions each year without triggering an additional tax charge – is usually £60,000 or 100% of your earnings in the 2026/27 tax year.

*16.02.2026 Picture Your Future: Retirement Living Standards Pensions and Lifetime Savings Association.
[11]16.02.2026 A third of UK adults have voluntarily increased pension contributions Standard Life.



Ask your partner to contribute to your retirement savings during a career break

If you're taking on a disproportionate share of childcare duties, meaning you take a career break while your partner continues working, you could be at a disadvantage. Even if you pay into a pension while you're working, you'll miss valuable contributions while you're not working and this could affect your retirement.

Luckily, you could protect yourself and secure your retirement savings by asking your partner to contribute to your pension on your behalf.

The contributions are treated as if you'd made the payments yourself, so you benefit from tax relief as you normally would.

Having your partner pay into your pension ensures that you don't fall behind with your retirement savings while you take time out to raise a family.

Bear in mind that any third-party contributions count towards your Annual Allowance, which may fall if your income changes. Your Annual Allowance is £60,000 or 100% of your earnings, whichever is lower. As a result, the threshold may match the amount you receive in maternity pay if this is less than £60,000.

However, if you take a longer break and you're not earning at all for a certain period, your Annual Allowance will typically fall to £3,600 (2024/25).

Make sure you receive your full State Pension entitlement

In 2026/27, the full new State Pension is £241.30 a week. This amount usually increases each year by one of:

- Average earnings growth
- CPI inflation
- 2.5%

The State Pension payment rises by whichever of these figures is highest and is often referred to as 'the triple lock'. You also receive payments for the rest of your life, so it's a useful supplement to your private and workplace pensions.

However, you only receive the full amount if you have 35 'qualifying years' on your National Insurance (NI) record.

A qualifying year is any year in which you:

- Were working and paid NI contributions (NICs)
- Received NI credits – if you were caring for a child under 12 or a vulnerable adult, for example
- Paid voluntary NICs

If you take a career break or can't work for a period, you may have gaps in your NI record. You might have NI credits for those years if you were caring for a child under 12, but only if you claimed Child Benefit during that time.

The good news is that you can typically pay voluntary NICs for the previous six tax years to fill any gaps and ensure that you receive the full State Pension when you retire. It may be useful to check your NI record and fill any gaps if you have fewer than 35 qualifying years.

Building knowledge about tax-efficient opportunities can help women push back against the structural disadvantages that prevent us from building wealth to the same level as our male peers.

Women could be less likely to have adequate protection than men

Protection can act as a safety net to help you deal with the unexpected and continue working towards your goals, even if the worst happens.

If you have an illness or injury that means you can't work, you may struggle to cover your general living expenses. You might also be unable to contribute to pensions and other savings, and this could affect your lifestyle in retirement or, in some cases, prevent you from retiring altogether.

Similarly, if you die unexpectedly, your family could be left in a difficult financial position if the household income falls. They might have large expenses such as a funeral to pay for too.

The right protection could help in these situations as it ensures that you can continue meeting your short-term financial obligations and working towards your long-term goals. More importantly, it allows you to do that without relying on anybody else, so you retain your financial independence.

Unfortunately, many people don't have suitable cover – particularly women, as we're slightly less likely to invest in protection than men.

Research from the Post Office revealed that 51% of women have life insurance, compared with 56% of men[12]. Additionally, just 13% of women across the country have income protection in place[13].

Some of the different types of protection that you might benefit from could include:

- Life insurance
- Critical illness cover
- Income protection

Protection is usually cheaper when you're young and healthy, and you never know when the unexpected could happen. So, you may benefit from investing in protection as soon as possible if you haven't already.

[12] 16.02.2026 The nation's relationship with life insurance The Post Office.
[13] 16.02.2026 Women less likely to have protection in place Mortgage Solutions.

Women could be more likely than men to face estate planning challenges

Making plans for your wealth – collectively known as your 'estate' – for when you pass away is important for several reasons. It ensures your assets are passed on to the people that you intend and can avoid any difficult legal issues for your family.

Without clear instructions about how your estate should be divided, the courts might make decisions on your behalf and your family may need to go through a lengthy legal process before they have the right to administer your wealth.

Planning ahead could also help you reduce the financial burden on your family. This is crucial as SunLife reports that the overall "cost of dying" reached £9,797 in 2024[14].

However, it's important to consider the tax your family are likely to pay on your estate and find ways to mitigate this, so you can pass on as much as possible to your loved ones.

Our estates might be more likely to have an Inheritance Tax (IHT) liability than men's, meaning that our families could pay more tax – FTAdviser reports that women's estates are liable for £430 million more in IHT than male-owned estates[16].

This may be because, according to the UK government, we outlive men by an average of 3.9 years[17]. As a result, we often inherit the estate from our spouses first, and then pass it to our families when we die. This means that we're more likely to pass on a large amount of wealth and it falls to us to overcome estate planning challenges. Unfortunately, if we don't have the knowledge to implement an IHT mitigation strategy, it could leave our families with a large bill.

[14]16.02.2026 The cost of dying SunLife.
[15]20.02.2026 Poor planning means women pay more inheritance tax FTAdviser.
[16]20.02.2026 Men's Health UK Parliament.

Luckily, if you work with your financial adviser and follow these estate planning steps, you can make sure you protect your legacy and retain control over how your wealth is handled after you're gone.

- **Discuss estate planning with your family** – Organising your wealth as a family and explaining your wishes can help you avoid potential estate planning mistakes
- **Write a will** – A clear will outlines your wishes so your wealth is distributed in the way that you intended. It could also prevent complications for loved ones when you're gone
- **Create a Lasting Power of Attorney (LPA)** – An LPA allows you to choose who controls your wealth and makes important decisions about your care if you're not capable. This is crucial as it allows you to protect your assets and ensure somebody you trust manages your affairs
- **Plan for IHT** – Our estates are more likely to trigger an IHT charge so it's important to consider ways to mitigate a large tax bill, including lifetime gifting or trusts
- **Gather important paperwork** – Collecting important paperwork such as your will, details of pensions and investments, and your LPA makes it easier for your executors to administer your estate and follow your wishes

We may be more likely to face financial difficulty after a divorce than men

No one expects to get divorced, but it's sensible to prepare against the possibility; a divorce is a huge emotional challenge for everybody involved and it can take a long time to adjust to your new life afterwards. Unfortunately, we're often at a financial disadvantage after a divorce so we have more difficulties to overcome than men.

According to Legal & General, we see our household income fall by an average of 50% in the year after divorce, while men only see their income drop by 30%. We're also more likely to waive our rights to our partner's pension during a divorce, which could actually be the most valuable asset you have between you[18].

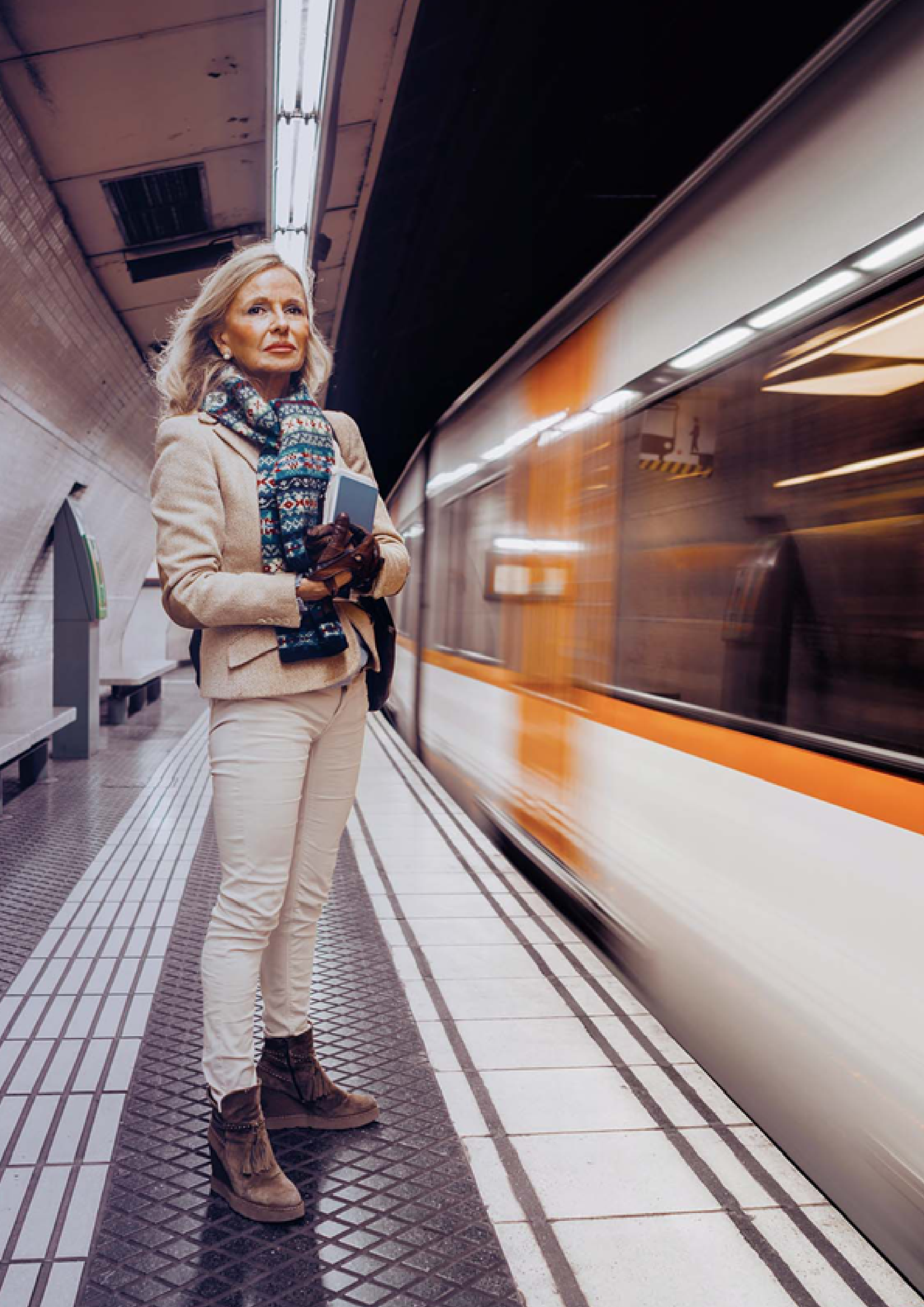
This means that, after a divorce, you might be left in a difficult financial position. Most importantly, you could find it hard to continue contributing to savings and pensions, so the divorce may have a knock-on effect on your long-term goals.

Fortunately, if you take control of the situation and work with your adviser, you can secure your own financial future.

Here are some important steps to consider:

- **Create a list of your assets** – Knowing precisely what assets you have, including joint wealth, could improve your chances of an equal split during divorce negotiations
- **Include all pensions in the negotiations** – Splitting pensions equally means you may be more likely to stay on track with your retirement savings. There are several ways to split a pension during divorce so it's important to discuss the options with your adviser
- **Write a personal budget to reflect your new situation** – Moving from a dual-income to a single-income household could mean you need to adjust your spending. Writing a new budget may help you continue working towards your short, medium and long-term goals
- **Seek professional advice** – Seeking professional advice could help you navigate the challenges and disadvantages of the divorce process, so you come out the other side in a strong position

[17] 20.02.2026 The Divorce Gap – women see their household income cut in half in the year after a divorce Legal & General.



We may be more likely to require long-term care than men

Women continue to make up the majority of care-home residents in the UK due to their longer life expectancy. According to the latest ONS life-expectancy data, women live to an average of 83 years, compared to 79 years for men, which drives the gender imbalance seen in care settings[18].

The following table shows the difference in life expectancy between men and women in care homes, depending on their age:

Age Group	Average life expectancy in a care home – women	Average life expectancy in a care home – men
65–69	7 years	6.3 years
70–74	5.7 years	4.7 years
75–79	4.9 years	3.8 years
80–84	4.2 years	3.1 years
85–89	3.6 years	2.6 years
90 and over	2.9 years	2.2 years

Source: ONS[19].

[18]20.02.2026 Gender gap means retired women 'have four months a year with no pension' Guardian.
[19]20.02.2026 Life expectancy in care homes, England and Wales: 2021 to 2022 ONS.
[20]20.02.2026 Life expectancy calculator ONS.

Life expectancy is a key reason for this difference. The ONS predicts that a 50-year-old man in 2024 has an average life expectancy of 84. In comparison, a woman of the same age is expected to live to 87[20].

So, if we're in a heterosexual couple, it could be more likely that our partners have already passed away or are too ill to care for us when we face health problems. As a result, we may be more reliant on paid care services in later life than men.

This means that we're likely to take on a much greater financial burden because we often have to pay for expensive care for longer if we ever need it.

Luckily, if you prepare ahead of time, you can ensure that you're able to comfortably afford care in later life.

You may want to:

Understand what support you're entitled to

In England, the local authority will pay for some or all your care once your total assets fall below £23,250 in 2026/27. This is known as your 'upper capital limit'.

The NHS may also cover care costs if you have a qualifying condition. It's important to understand what support you're entitled to when planning for care costs.

Use cashflow planning to forecast care costs

It's likely that you'll have to fund some of your care costs yourself. We can use cashflow planning to help you forecast care costs so you can understand how paying for care might affect your savings and ability to achieve other financial goals.

Set wealth aside to pay for care

We can explore ways to set wealth aside so you can be sure you can pay for care, should you ever need it.

The average cost of a care home in the UK in 2026

- Residential care – £1,298 a week
- Nursing care – £1,535 a week

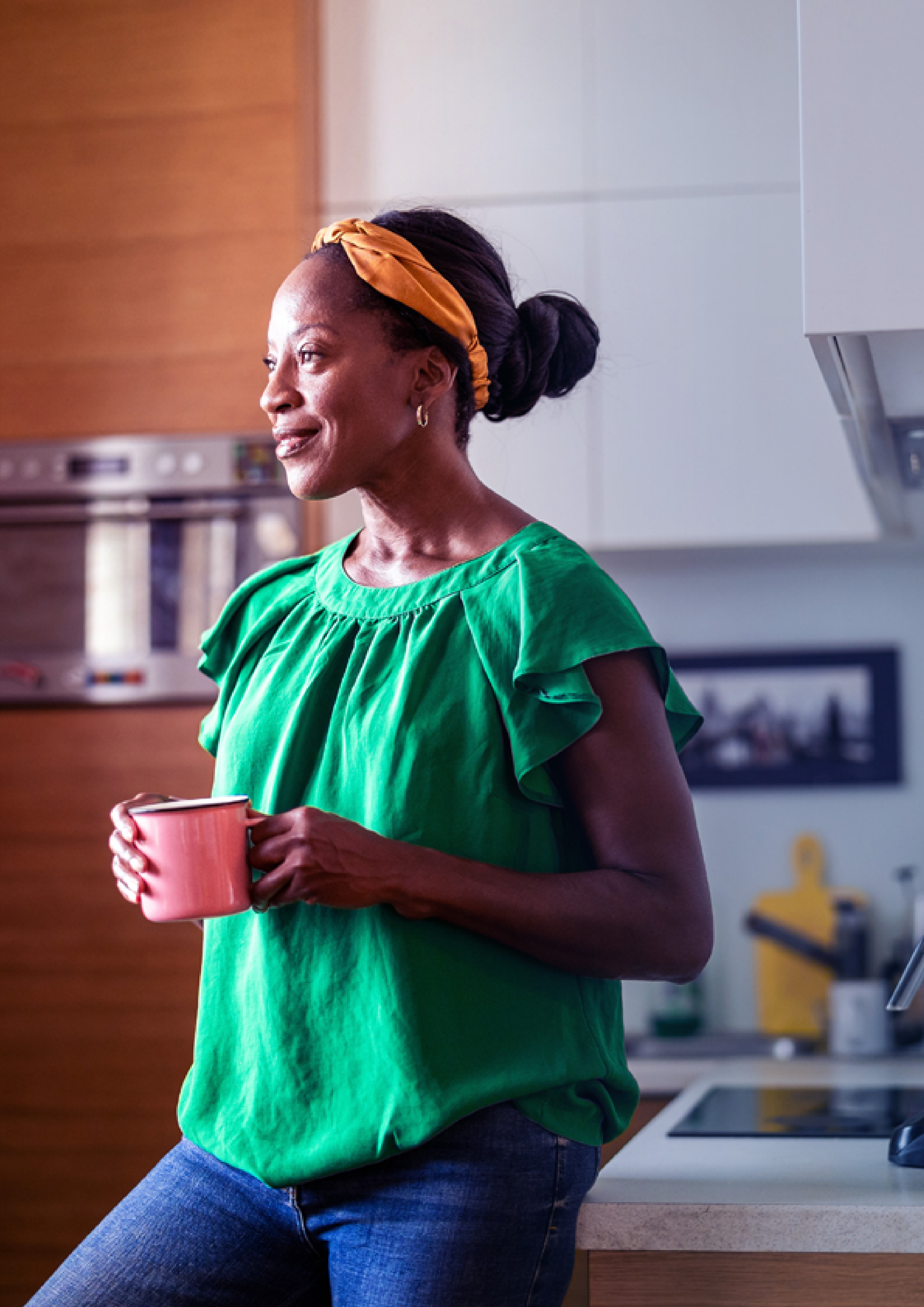
Source: Carehome.co.uk.

We are here to help you overcome the unique financial planning challenges that women face

If you want to feel more empowered when managing your wealth and pursuing your financial goals, we're here to support you. We can address the unique financial planning disadvantages you may face and find ways to overcome them.

If you need support with any of the issues outlined in this guide, please get in touch with your dedicated adviser.

Alternatively, if you're yet to work with an adviser, you can use the contact page on our website to find an office near you.



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The Financial Conduct Authority does not regulate estate planning, tax planning, Lasting Powers of Attorney, or will writing.

A pension is a long-term investment not normally accessible until 55 (57 from April 2028). The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. Past performance is not a reliable indicator of future performance.

The tax implications of pension withdrawals will be based on your individual circumstances. Thresholds, percentage rates, and tax legislation may change in subsequent Finance Acts.

Workplace pensions are regulated by The Pension Regulator.

The value of your investments (and any income from them) 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.

Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

Note that 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.

Cover is subject to terms and conditions and may have exclusions. Definitions of illnesses vary from product provider and will be explained within the policy documentation.

Approved by Best Practice IFA Group on 17 March 2026.

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