

Press release

Private sector female pension ownership increases 40% year on year

Women continue to lag men on retirement saving – 39% own a pension vs 54% of men

Average man to retire on almost three times more than average woman

September 25, 2019

Standard Life's most recent* survey of 1,000 adults reveals that private sector women's ownership of pensions has grown from 21% in August, 2018 to 29% in August 2019 – or a year on year increase of 40%.

"We appreciate the increase is coming from a small base but it suggests private sector women are more engaged with pensions and investing in a more comfortable retirement for themselves - not relying on husbands, partners etc." said Aileen Power, Standard Life's spokeswoman.

Far fewer women than men in Ireland own a private pension overall**. On average 46% of all people own a pension (excluding the state pension), 39% of women compared with 54% of men. This higher number is believed to be accounted for by public sector pension owning employees who are almost all automatically enrolled in their employer's scheme.

In the private sector only, on average, 36% of respondents own a pension with female ownership at 29% compared with male ownership of 44%.

The average private sector woman has saved a retirement income equivalent of €2,400 p.a.# while their male equivalent can look forward to almost three times that at €6,500 p.a.# This excludes the state pension of up to €12,900 p.a.

"We think the media and industry focus on women's pensions in recent years has prompted women to talk about pensions and importantly to take action and start one," she said. We now hope women will focus on saving more for an enjoyable retirement and being financially independent where at all possible," she said.

4/10 say they can't afford a pension

Almost 4/10 (39%) meant to start a pension but haven't gotten around to it /don't know how to start one

Why do you not own a pension? Asked of all respondents who said they didn't have a pension	All	Men	Women
I can't afford to save into a pension	42%	39%	44%
I don't really understand pensions or how to start one	22%	22%	22%
I meant to start a pension but just haven't gotten around to it yet	17%	18%	17%
I don't need to start saving into a pension yet – I'm too far away from retirement	15%	14%	16%
I don't think pensions are good value for money	7%	11%	5%
I don't need one as I have something else in place e.g. my partner's pension	6%	5%	7%
Other (please specify)	5%	4%	5%

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“It’s interesting to learn that after affordability at 42% as the top reason for not owning a pension, almost the same percentage again (39%) have not started a pension due to simply not getting around to it, not understanding pensions and/not knowing how to start one,” said Power.

Being informed is the key, according to Power. “Once people understand how important it is to have their own pension and how beneficial the tax breaks are – they take action. We hope this is what this survey is telling us,” she said.

Power’s top tips include:

- Talk to a family member/friend you trust on financial/pension matters so you can ask all your basic questions and get comfortable with the topic.
- At work, find out who is in charge of signing you up to a pension. Remember all employers, irrespective of size have to offer you access to a pension. In a smaller company it’s probably the accountant and in larger companies the HR department.
- If your employer is offering a percentage of your annual salary as a contribution towards your pension pot – sign up as fast as you can. Otherwise you could be leaving thousands of euro per year for your employer to use as they wish instead of watching your pension pot grow.

Ends

Notes for editors:

*These results are based on an independent online survey conducted by Research Plus Ltd on behalf of Standard Life Ireland of 1,000 Irish adults up to 12 August, 2019.

** Overall includes public sector and private sector pension owners

#Based on all women surveyed who own a pension. The average female pot is €57,900, times 4% equals €2,400 p.a. The average male pot is €163,900 times 4% equals €6,500 p.a. A flat rate annuity of 4% for a 67 year old adult was used i.e. there is no CPI link and no spousal pension. €163,900 divided by €57,900 equals 2.7x.

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