SCOTTISH WIDOWS

Women and Retirement Report 2025

Contents

Jill Henderson, Head of Workplace Strategic Relationships

Foreword – Jill Henderson

"The 32% gender pension gap is a stark reflection of the realities of unequal pay, career breaks and wider structural factors."

Last year marked 20 years of the Scottish Widows Women and Retirement Report, in which we said it would take at least another two decades before the gender pension gap was closed.

In this year's report we've actually seen that gap widen further from 30% to 32%, resulting in women on track to retire with an average retirement income of £13,000, compared to £19,000 for men.

That 32% gap is a stark reflection of the realities of unequal pay, career breaks when having children, lack of shared parental leave and wider structural differences that have worked against women.

Arguably the biggest driver of the gap is the impact of taking a break from working to raise a family on a woman's career, income and pension contributions.

Half of all women take time out of work during their careers, compared to just one in five men. Many leave the workforce for five years or more. During that time, pension contributions are paused, often without an understanding of the long-term impact. Emergency savings take priority. Investment opportunities are missed. And retirement planning is pushed to the bottom of the list.

Health, too, plays a critical role. Life stages like the menopause can have a profound effect on women's financial wellbeing throughout their lives – yet these challenges are too often left out of the conversation.

Despite this, there is cause for optimism.

Younger women are most likely to see the potential in the government's proposed 'targeted support' digital-first services which can provide financial guidance throughout their lives. With fewer assets and less need for financial advisers, this is a generation ready to take control of their financial futures if we can provide the right tools and support.

Alongside this year's report, we're incredibly proud to launch our new Career Break Modelling Tool. It's designed to help everyone – and especially women – understand the long-term financial cost of stepping away from work and to plan with confidence for the future.

Through our Women and Retirement in-app journey, Scottish Widows customers can explore how different choices affect their retirement savings, identify ways to boost their pension and understand how investing can help them build wealth.

Because when women are given the right tools, knowledge, and support, we don't just close gaps. We help them create more secure futures.

Executive Summary

National Retirement Forecast

- Our National Retirement Forecast (NRF) shows women are on track for lower retirement incomes than men, with a projected 32% gender gap in median annual income (£19k vs £13k).
- As a result, women are currently more likely to fall short of the minimum lifestyle (36% vs 31% of men) and less likely to reach comfortable standards (24% vs 36%), gaps that can narrow with earlier saving and better support.
- With targeted guidance, confident planning and accessible products, more women can achieve comfortable retirements.

Career Breaks

- Career breaks remain a major driver of financial gaps: half of women have taken a break compared with one in five men. A quarter of women over 55 have spent 5+ years on a career break during their working life.
- Childcare is the standout explanation, though health and menopause also play a role, increasing financial strain and extending working lives.
- Women report they manage money well during breaks but are less likely to plan for them in advance and more likely to find the loss of earnings a struggle. Better information, employer policies and planning tools can turn this into a strength.
- Uptake of Shared Parental Leave remains low, indicating clear scope for awareness and workplace improvements to unlock more choice for families.

Savings and Investments

- Women are just as likely as men to invest via a workplace pension. However, they are less likely to invest in all other products (often preferring to build savings first) or see themselves as an investor.
- Framing investing as a natural next step after building a savings buffer can accelerate participation.

Executive Summary

Financial Resilience

- Women are more likely than men to prioritise emergency savings and 71% (vs 59% of men) set a clear target of at least £1,000 for their rainy-day fund.
- Despite this, women report having less emergency savings. So, supporting women to build larger cushions from strong day-to-day savings habits would strengthen resilience further.
- Among self-employed women, saving for emergencies is more common, and they are more likely to hold buffers above £10,000.

Financial Planning

- Women are slightly less likely to use digital planning tools, though clearer guidance and trusted delivery would encourage greater use.
- Women are less likely than men to manage investments directly in retirement, but they are just as likely to use financial advisers, demonstrating a strong appetite for professional support.
- Younger women in particular see value in the FCA's proposed 'targeted support', signalling demand for simple, timely guidance delivered through trusted channels.
- With practical tools, clear pathways and early nudges, more women can plan and invest with confidence and close today's investment and retirement gaps.

Equity Release

- Equity release, which allows over-55s to draw on the value of their home tax-free, may form part of a balanced retirement plan for some women.
- Our survey suggests that women who own their home at retirement could, on average, access around £100,000 of housing equity, providing an option to strengthen retirement outcomes where pension income falls short.
- With the gender pension gap at retirement around £113k (men £286k vs women £173k), accessing ~£100k of housing equity could help to narrow this gap for homeowners*.

*though suitability will depend on individual circumstances and access to advice.

Expert Voice: Maria Herrero-Bullich

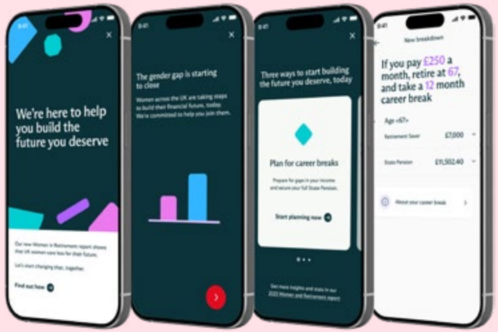
"Our new in-app content alerts users to the issues, explains what the gender pension gap is and provides reassurance that taking action is easier than you might think."

Women face a unique set of barriers when it comes to their wealth, their autonomy and the ability to take control of their financial future.

Changes to pensions over the years have led to a societal shift, with many people in the UK heading for a future income that's below the minimum living standard. If we then overlay the systemic barriers women specifically face, we're looking at an even bigger challenge. 36% of women are heading for a below minimum living standard compared to 31% of men. But the vast majority of women aren't even aware there's an issue.

Which is why we have created gamified content in the Scottish Widows app which addresses some of the challenges this report raises. Our new in-app content alerts users to the issues, explains clearly what the gender pension gap is and provides some reassurance that taking action today isn't as difficult as you might think. We also include some practical and simple tips for a better tomorrow.

As a woman working in the financial sector I care passionately about this subject and throughout the report you'll see some examples of the ways in which the Scottish Widows app content is encouraging women to take control of their financial future by understanding what they've got, if it will be enough, and what steps they can take next.



GET IT ON Google Play

Download on the App Store

National Retirement Forecast

In this section we use our National Retirement Forecast to show the gender gap in the retirement outcomes people are on track for.

The NRF compares the retirement income people are on track for based on their current saving behaviour to the costs they could face: living expenses for different retirement living standards defined by Pensions UK, and housing costs for those who expect to rent or continue to pay off a mortgage in retirement.

Women are projected to achieve a median annual retirement income after expected housing costs that is 32% lower than men's (£13k for women vs £19k for men). As a result, fewer women are expected to achieve a moderate or comfortable retirement (32% vs 45%) (page 08).

However, many women are already building strong retirement foundations and reducing this gap, so more women achieving comfortable rather than minimum standards in retirement is within reach with earlier investing, targeted guidance and confident planning.

There remains a significant gender gap in projected retirement outcomes

The NRF, first run in our 2023 Retirement Report with Frontier Economics, projects retirement outcomes for those aged 22 to 65 based on savings, behaviours, and income sources, comparing expected income to potential living and housing costs in retirement.

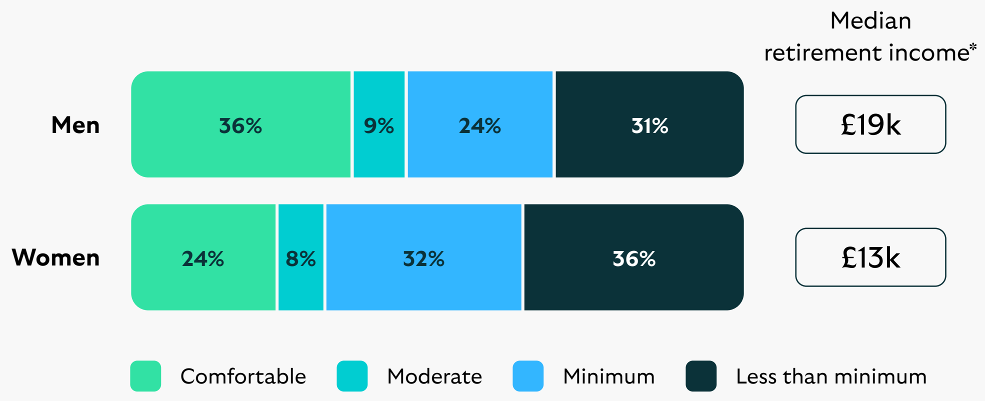
We find a 32% gender gap in projected median net annual retirement income, based on current saving behaviour

- Based on current savings behaviour, the average woman is on track to receive £13k per year of income in today's money during retirement compared to £19k for men.
- This includes private pension, other long-term savings, inheritance and the state pension or pension credits and is after paying income tax and any expected housing expenses.

Women remain at greater risk of not being able to cover their needs in retirement

- Women are significantly more likely to fall short of even a minimum lifestyle, with 36% not on track in comparison to 31% of men.
- Similarly, only 24% of women are on track for a comfortable lifestyle compared to 36% of men.
- These differences mean women face both lower expected annual incomes and lower accumulated savings at retirement, amplifying risks of financial insecurity.

Proportion of people on track for different retirement lifestyles



Median pension gap: Men £286k vs Women £173k, a difference of £113k at retirement.

*Median retirement income after paying for expected housing expenses if relevant.
Source: Frontier Economics modelling based on Scottish Widows' annual Retirement Report survey, and using Pensions UK's Retirement Lifestyle Standards.
Note: This chart uses the 2025 Pensions UK's Retirement Living Standards, which were updated after the May 2025 Retirement Report. The revised thresholds, reflecting recent falls in energy costs and related factors, mean more people are projected to achieve at least a minimum retirement standard. As Pensions UK's thresholds are periodically revised, comparisons with earlier reports should be treated with caution.

Our retirement forecast is benchmarked to Pensions UK's Retirement Living Standards

	Minimum	Moderate	Comfortable
One person	£13,400 (-7%*)	£31,700 (+1%*)	£43,900 (+2%*)
Two person	£21,600 (-4%*)	£43,900 (+2%*)	£60,600 (+3%*)
	Covers all your needs with some left over for fun • £95 a week on groceries • £30 a month on takeaways per couple • No car • One week holiday in the UK annually	**More financial security and flexibility** • £100 a week on groceries • £20 a week on takeaways per couple • Three-year-old car replaced every 7 years • Two-week holiday and a long weekend UK break.	**More financial freedom and some luxuries** • £130 a week on groceries • £80 a week on takeaways per couple • Three-year old car, replaced every 5 years • Two-week holiday and three long weekend UK breaks

Pensions UK's standards show the income thresholds for different retirement lifestyles, in terms of the amount that can be spent on food, clothing, transportation, holidays, and maintenance of a home.

This year the standards switch from "single/couple" to "one person/two person" households, reflecting that retirees may share housing and costs without being partners.

Pensions UK's retirement living standards have fallen for minimum retirees due to lower energy prices and a shift in public expectations of what constitutes acceptable standards in retirement. Meanwhile, moderate and comfortable standards have edged up, driven by inflation in other areas, though those increases are partially offset by the same lower energy costs.

Note: The costs shown in this table are for one person and two person households living outside of London. The forecast also considers standards for those who live in London.
*% increase to the 2025 Pensions UK standards based on 2024 data, compared to previous Pensions UK standards based on 2023 data.
Source: Pensions UK thresholds.

Career Breaks

In this section we explore how career breaks affect women's earnings, savings and retirement outlook, and how differences in planning and support make these breaks a greater financial struggle for women.

Career breaks are a major driver of differences in women's financial resilience compared with men (pages 13-14), and arguably the single biggest driver of the gender pension gap. Around half of all women have taken a career break compared with only one in five men, and around one quarter of women over 55 have spent five years or more out of the workforce (page 11).

Childcare, in addition to maternity leave, is the standout reason for career breaks, but health and other factors also play a role. Women experiencing menopause or perimenopause (the transitional phase leading up to menopause) report slightly higher financial strain and are more likely to say they need to work for longer as a result of their career break (page 13).

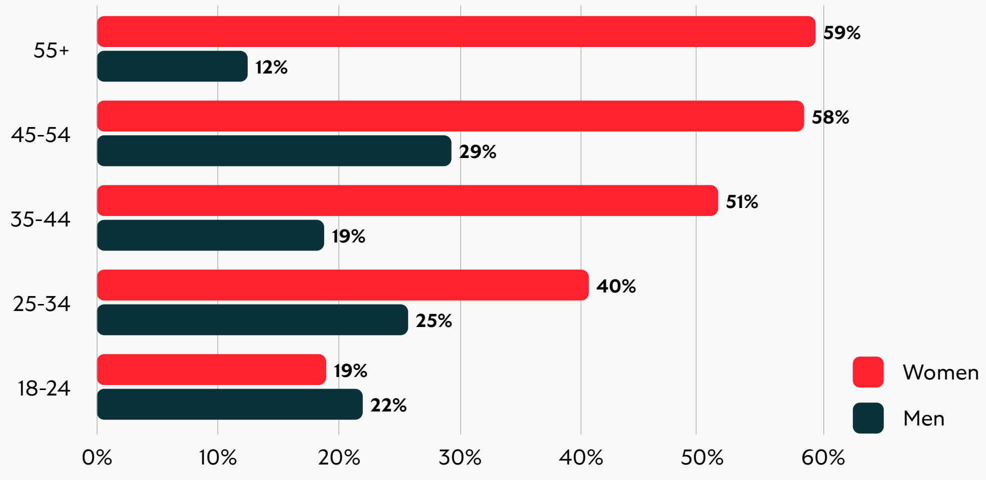
Half of all women have taken a career break and a quarter over 55 have taken breaks totalling 5 or more years

Women are more likely to take a career break.

50% of women have taken a career break. This compares to 20% of men.

The gap is largest for those 55+, where nearly 60% of women have taken a break whereas only around 10% of men have done so.

Have you taken a career break since you were 18?

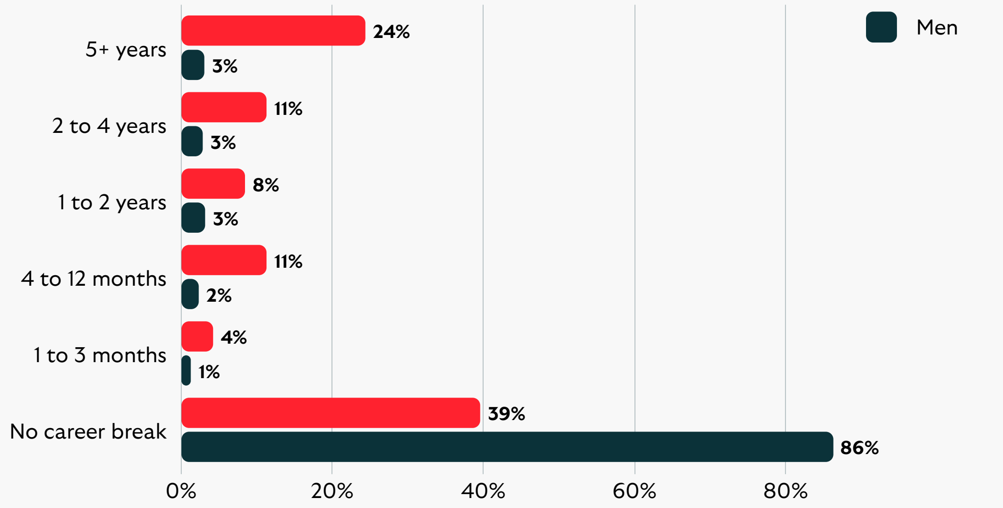


Base: All respondents who have taken a career break (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.
Note: “No” and “Don’t know” answers have been excluded from the chart.

By age 55+, one in four women (24%) have cumulatively taken 5+ years out of work. This compares to just 3% of men.

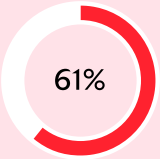
When reaching retirement, many women have effectively lost multiple working years, with knock-on effects for earnings and pensions.

For those aged 55+, how long was cumulatively taken off work during your career break?



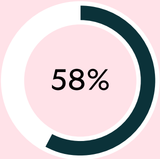
Base: All respondents ages 55+ (1,888).
Source: YouGov survey, between 29th August and 8th September 2025.

Women manage their money well during career breaks but they are less likely to plan financially for them

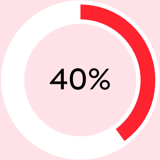


Women manage their money slightly better than men during career breaks:

61% of women stated they managed their money well during their career break (vs **58%** of men)

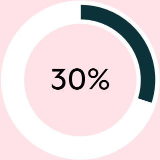


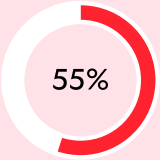
Perhaps because women are more likely to take career breaks for childcare, we find that…



Women are less likely to plan financially for their career break:

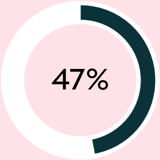
40% of women did not plan financially in preparation for their career break (vs **30%** for men)





Women find career breaks a greater financial struggle:

55% of women found the loss of earnings a financial struggle (vs **47%** for men)



Women are 12x more likely to have taken a career break for childcare and those in menopause report being more likely to need to work longer

36%

Childcare is the stand-out driver of career breaks for women, followed by personal health reasons

3%

36% of women take a career break to care for children, in addition to maternity leave, whereas this proportion is **3%** for men. A recent ONS study revealed a clear motherhood penalty, mothers lose around **£65,600** in earnings by their first child's fifth birthday, with the biggest drop in income seen during the first year after birth*.

The next top 3 reasons women take career breaks are:

- **6%** take leave for personal health reasons such as an injury, menopause and recovery (vs **3%** for men)
- **6%** take leave for further education (vs **5%** of men)
- **6%** take leave for travel (vs **7%** for men)

Women aged 45-54 who take career breaks and currently report menopause or perimenopause may face a slightly greater financial strain and are more likely to work longer than women who are not currently facing menopause.

For those women aged 45-54 who take career breaks and currently report menopause or perimenopause we find:

- **44% mention they worry about the impact of their career breaks** on their retirement income (**vs 42%** who do not currently report any type of menopause).
- **57% mention the loss of earnings was a financial struggle** at the time of their career break (**vs 56%** who do not currently report any type of menopause).
- **37% mention they need to work for longer** as a result of the breaks they have taken (**vs 34%** who do not currently report any type of menopause).

*Source: The impact of motherhood on monthly employee earnings and employment status, England – Office for National Statistics.

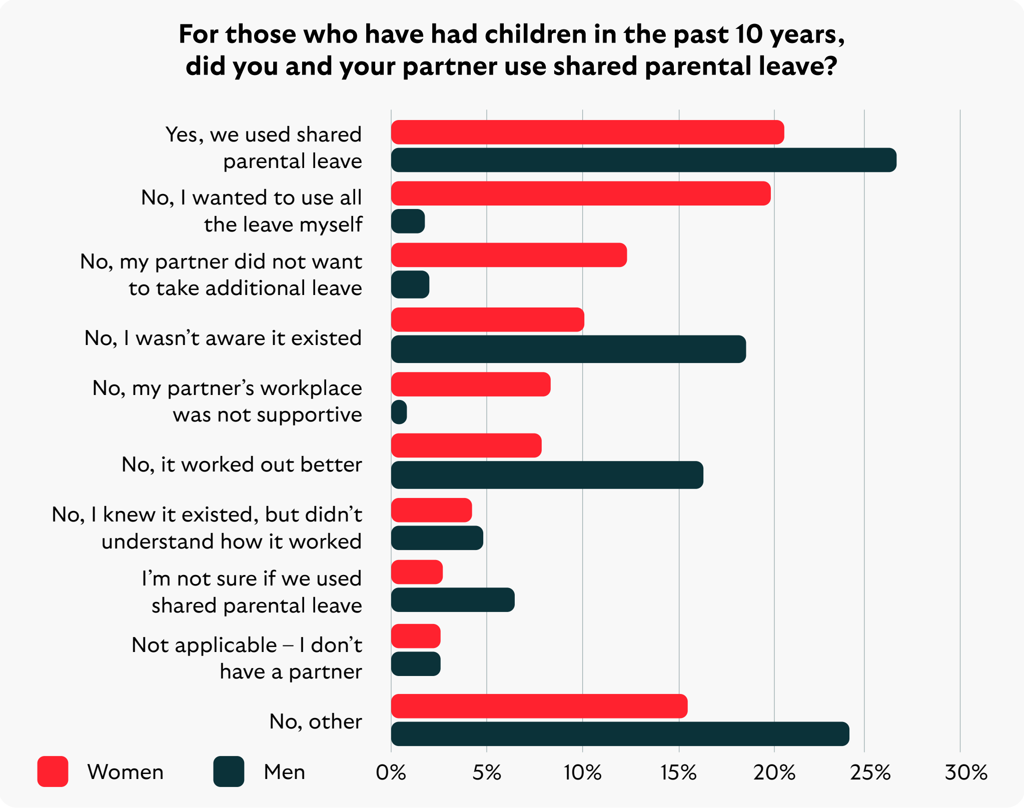
Shared parental leave is rarely used, with clear gender differences in the rationale

Experiences of shared parental leave (SPL) differ

- Shared parental leave (SPL) is a policy that allows parents to share maternity or adoption leave.
- Despite the increased prevalence of SPL being offered by employers, women still carry the burden of childcare.
- One in five women and around one in four men say they used SPL. This difference in reported usage may reflect that some men believe they are using SPL, while they may just be making use of paternity leave – offered on a statutory basis or by their employer.

Around **one in five women say that it was their decision to take all the leave themselves** – the most common reasons they did not use SPL. A further **one in five say that either their partner did not want to take additional leave or their partner's workplace was not supportive**.

- Men are more likely to say they weren't aware that SPL existed or that it worked out better for the partner to take all eligible leave. Around a third cite one of these two reasons.



Base: All respondents who have had children in the past 10 years (616).
Source: YouGov survey, between 29th August and 8th September 2025.

Expert Voice: Susan Hope

Susan Hope,
Business Development Director

"Women are 12 times more likely to take a career break for childcare."

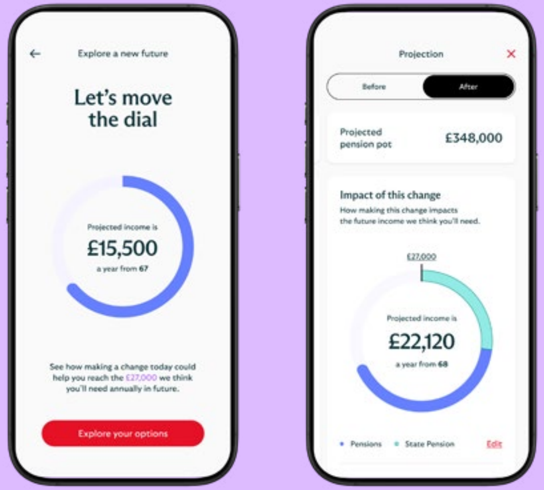
The gaps hit women at multiple stages of their lives. They begin to open when we take time off to have and raise children. They widen when we return on fewer hours or with a career that has potentially stalled and deepen again with health issues or further caring responsibilities as we go through life.

Women are 12 times more likely to take a career break for childcare. This is the current reality, but it doesn't have to be. Employers have a key role to play in making a difference. When flexibility is visible, practised as business as usual and communicated clearly and positively, it encourages others to use the policies, showing they aren't just words on a page!

Two in five women told us they didn't plan for the financial impact of their time away. That's why our new career break modeller is so critical. We must make sure we put this in the hands of our members and employers, so conversations can happen before the event. This will help women fully understand the financial impact of time out, and more importantly what actions they can take to reduce their personal gap.

Try the Career Break Modeller in the Scottish Widows app

Our new tool works like a 'what if?' simulator, letting users try out different variables to see what impact the choices they make today can have on their tomorrow. With this feature we hope to promote better understanding, better planning and better financial support for women who take time out of paid work to do unpaid care.



Financial Resilience

In this section, we explore these patterns in financial resilience, looking at how women's savings expectations compare with actual buffers, and how employment type affects saving behaviours.

Women are more likely than men to prioritise saving for emergencies (page 17), and more likely to believe they need at least £1,000 put aside for rainy-day savings (page 18). However, fewer women report having £10,000 or more saved compared with men, highlighting a resilience gap at higher savings levels.

Differences are also visible between self-employed and permanent workers. Self-employed women are more likely to say they are saving for a rainy day, and more likely to report having £10,000+ in emergency savings (page 18).

Women prioritise saving for a rainy day and want to build a savings buffer, but have fewer savings than men

More women than men prioritise savings for emergencies

44% of women prioritise saving for emergencies or a rainy day, in comparison to **39%** of men.

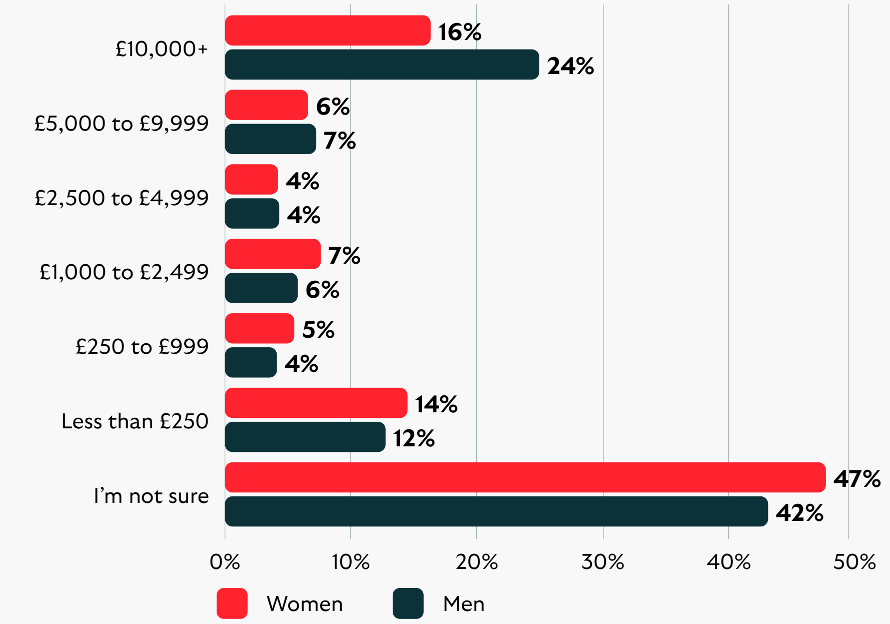
Women are more likely to say they need £1,000+ saved for rainy days.

71% of women and **59%** of men believe they need at least £1,000 for rainy days.

Men are more likely to have larger rainy day funds of £10,000+

24% of men have savings above £10,000 compared to only **16%** of women

How much money do you currently have in savings to cope with any unexpected emergencies?

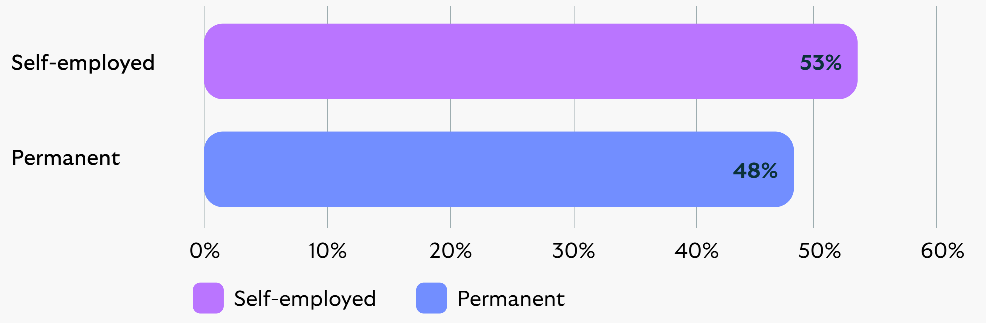


Base: All respondents (5,167).
Source: YouGov survey, between 22nd January and 11th February 2025.
Note: This data comes from the main retirement report survey.

Self-employed women are more likely to save for a rainy day and are more likely to report higher savings despite having lower income on average

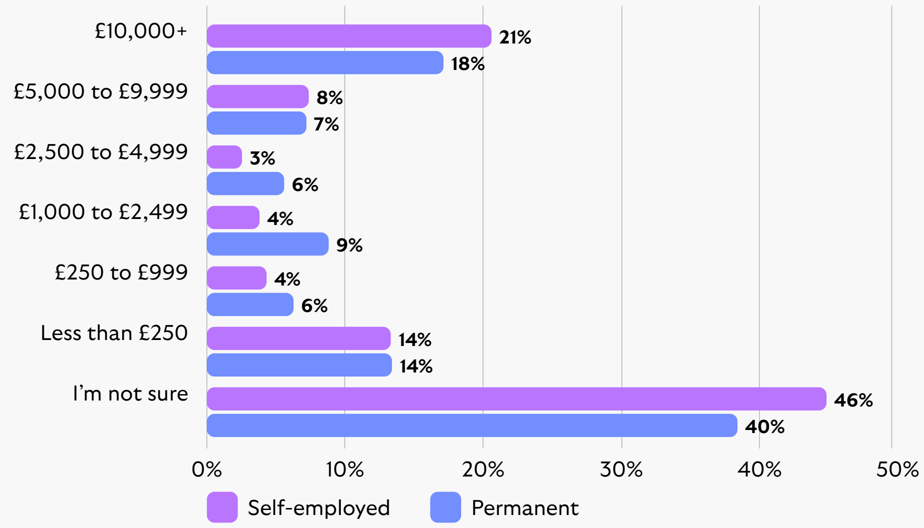
More self-employed women are saving for a rainy day compared with those in permanent roles.

Women: Are you currently working towards savings for emergencies or a rainy day?



Self-employed women are more likely to have £10,000+ saved for emergencies. That's despite them having a lower average gross income of £21,000 compared to £32,600 for women in permanent roles.

Women: How much money do you currently have in savings to cope with any unexpected emergencies?



Base: Self-employed and permanent employees (1,306).
Source: YouGov survey, between 22nd January and 11th February 2025.
Note: This data comes from the main retirement report survey.

Expert Voice: Lily McNally

> "Developing digital tools aimed at helping people understand their financial future better has to be done with empathy at the core."

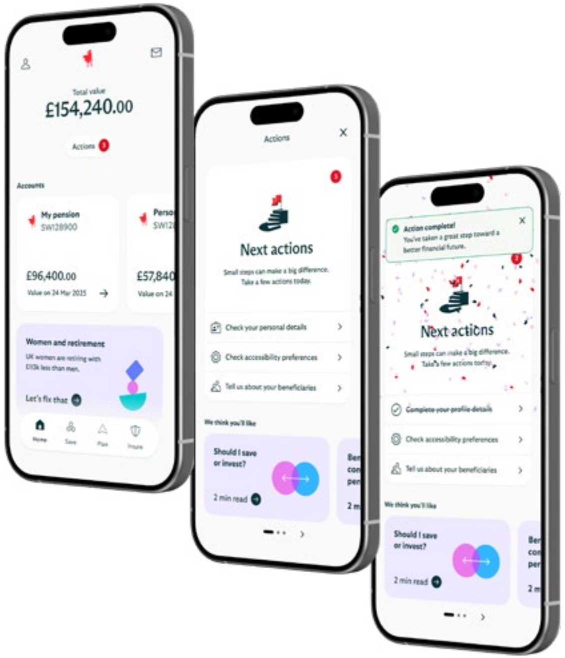
When creating new digital content designed to help women engage with their pensions, it's crucial that we keep in mind the 'mental load' which women face and can get in the way of saving for their retirement.

Much of what we've designed in the Scottish Widows app this year focuses on supporting people through topics that feel confusing and stressful. In 2025, women still carry around 70% of the mental load, juggling household, family, social diaries, careers and financial planning. This invisible burden can make decisions feel overwhelming.

Financial planning should feel simple and achievable. That's why we designed Next Actions, inspired by mental health apps, to 'gamify' the experience and make it easier and more enjoyable for people to engage with.

Developing digital tools aimed at helping people understand their pension and financial future better has to be done with empathy at the core – to help lighten the cognitive burden and build financial confidence.

Designing with heart means recognising unseen pressures and creating experiences that truly support women – because financial wellbeing should empower, not overwhelm.



Savings and Investments

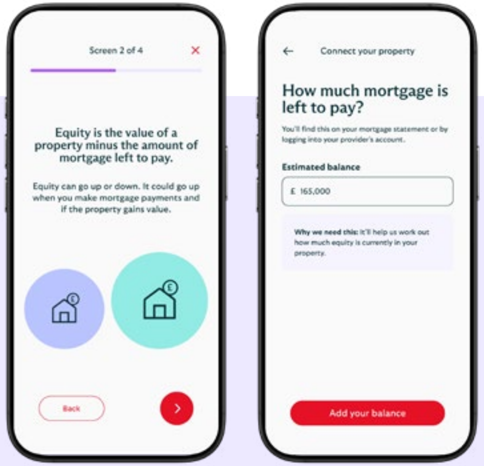
Women are just as likely to invest via a workplace pension. However, they are less likely than men to invest outside of pensions, often preferring to build up a savings buffer before committing to investments (page 21).

Many women also say they do not see investing as “for them” or that they would not invest regardless of the amount of savings they had, even though large numbers are already investors through workplace pensions.

In this section, we explore these patterns and highlight the importance of broadening women’s confidence and access to a wider set of investment opportunities.

Scottish Widows’ app helps you understand the value of your assets

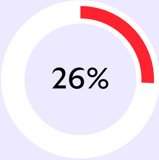
The first step when it comes to planning for your retirement is to get a full view of all of the assets you hold. In our app you can view everything in one place, from savings to ISAs, pensions and property equity.

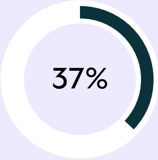


There are gender gaps in investment outside of pensions and a feeling among many women that investment is not for them

Men are much more likely to invest alongside their workplace pension

- Workplace pension participation is similar between men and women.

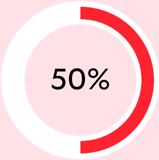


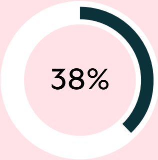


37% of men have a stocks and shares ISA compared to 26% of women.

Women are more likely to think investing is not for them – even if they are already investing in a workplace pension

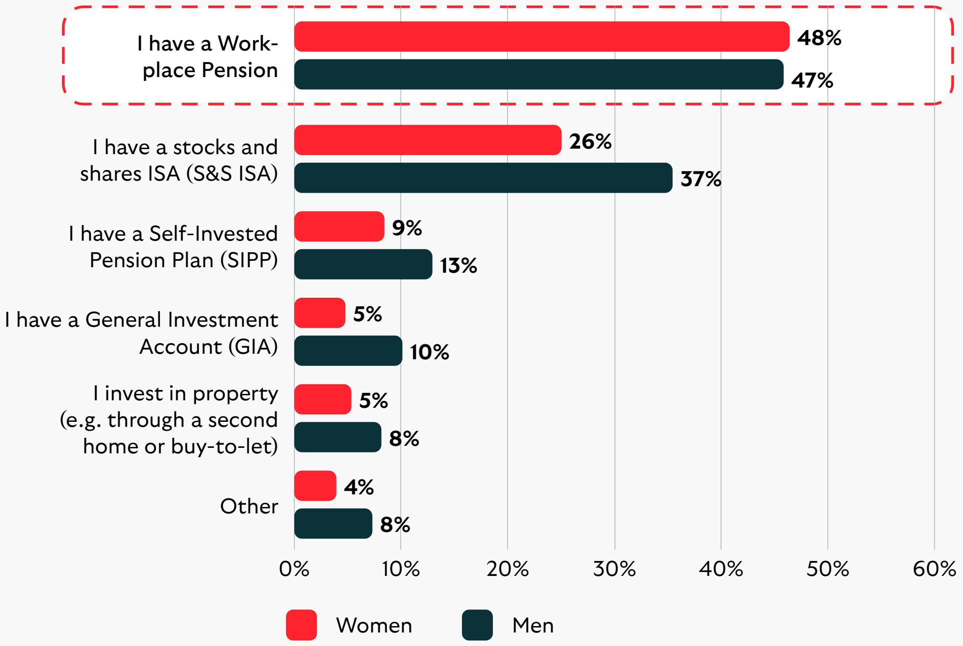
- 44% of women who think investing is not for them do have a workplace pension.
- Shifting perceptions of what an 'investor' is may help to encourage more women to take active savings and investment decisions.





50% women do not feel investing is for them, this compares to 38% of men, and is a similar proportion (49%) that said the same in 2024

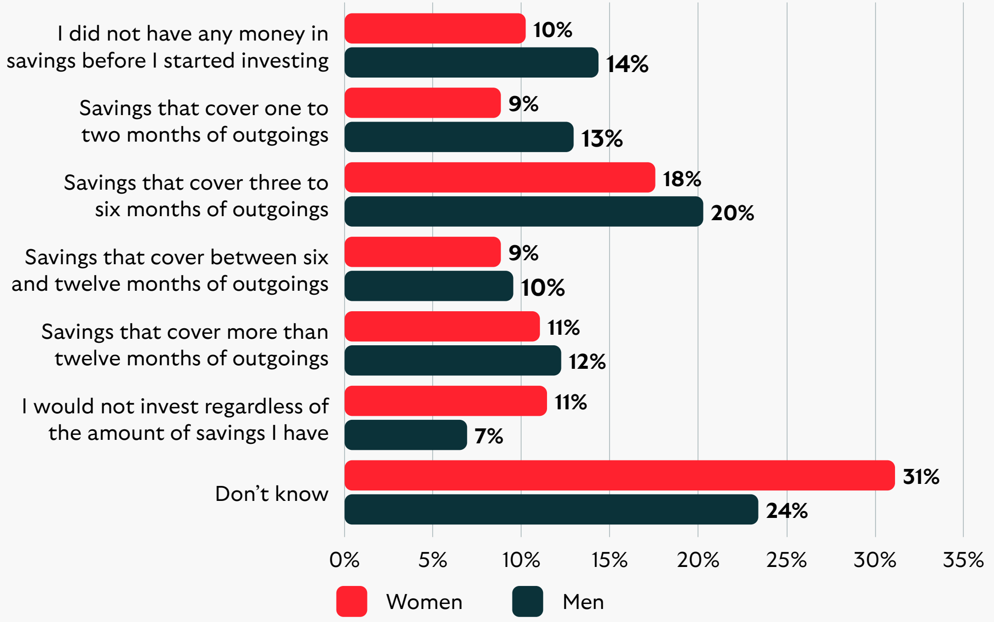
Which, if any, of the following do you use to invest?



Base: All respondents (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.

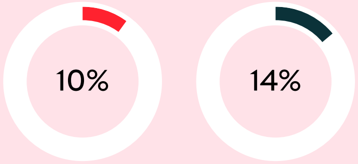
Women are more likely to ensure they have savings in place before investing, though a minority say they would never want to invest

How much money did you have or think you needed in savings before starting to invest?



Base: All respondents (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.

Women tend to be more prepared before investing, often ensuring they have some savings in place first.



Fewer women start investing with no savings (10% vs 14% of men), showing a more prepared, cautious approach to investing.

However, a higher proportion also indicate that they do not know how much they should have saved before investing (31% vs 24%) showing significant confusion about how to balance savings and investments.

11% of women say they would <u>not</u> invest regardless of their savings, many are in fact already investors

- 30% of these women have a workplace pension and may not realise that this makes them investors.
- As outlined on the next page, this is a recurring theme of women who do not feel like investors but nevertheless are investors.
- Similar to trends in last year's report, these women may still not invest regardless of their savings due to finding investing to risky or not being interested in investing.

Financial Planning

Women are slightly less likely to use digital planning tools to support their financial decisions (page 24) but clearer guidance and trusted delivery would encourage greater use.

- Women are less likely than men to actively manage their investments in retirement, even though they are just as likely to seek professional advice when making financial decisions (page 25). This suggests that while women may be less hands-on in managing their portfolios, they are equally willing to engage with financial support.
- At the same time, younger women in particular see value in the FCA's proposed 'targeted support', highlighting the potential for new forms of guidance to bridge gaps in financial planning.
- In this section we explore these patterns and argue that there is a real opportunity to empower women with timely, accessible support that helps them plan and invest more confidently for later life.

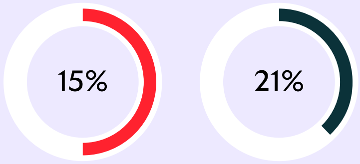
Women are as likely as men to plan their finances but are less likely to use financial planning tools and may benefit most from clearer guidance

Women are as likely as men to plan their finances.

The same proportion (**81%**) of women and men say they actively plan their finances, for example setting budgets, tracking bills and planning for retirement.

Women are less likely to use digital planning tools

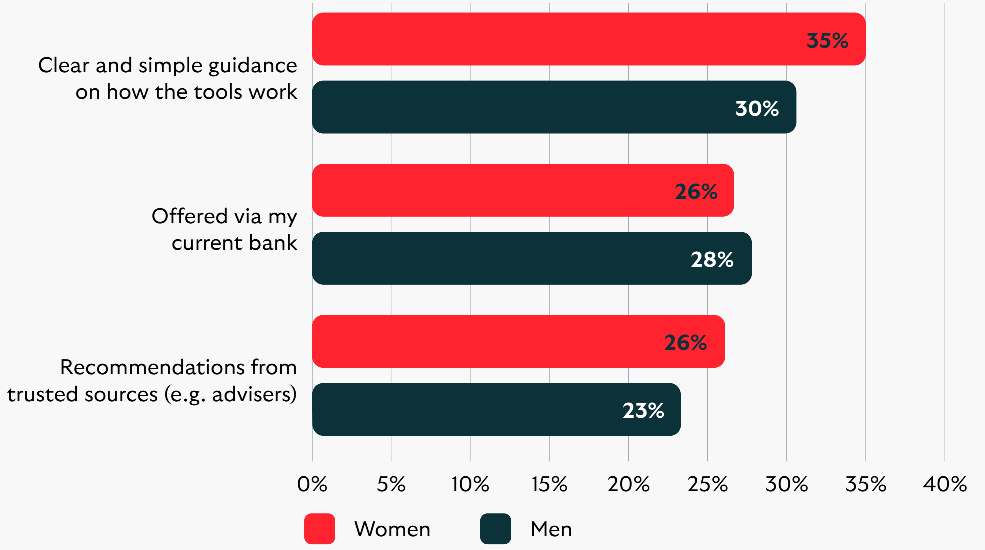
When it comes to using digital planning tools (e.g., apps, bank portals, online calculators), women report lower usage than men.



For long-term goals such as savings and pensions, **15%** of women vs **21%** of men use digital tools; for short-term budgeting/day-to-day planning, the figures are **14%** vs **19%**.

Both women and men say clear guidance would encourage them to use digital planning tools more, with trusted sources and bank delivery also important

Which of the following would make you more likely to use digital financial planning tools to plan your finances?

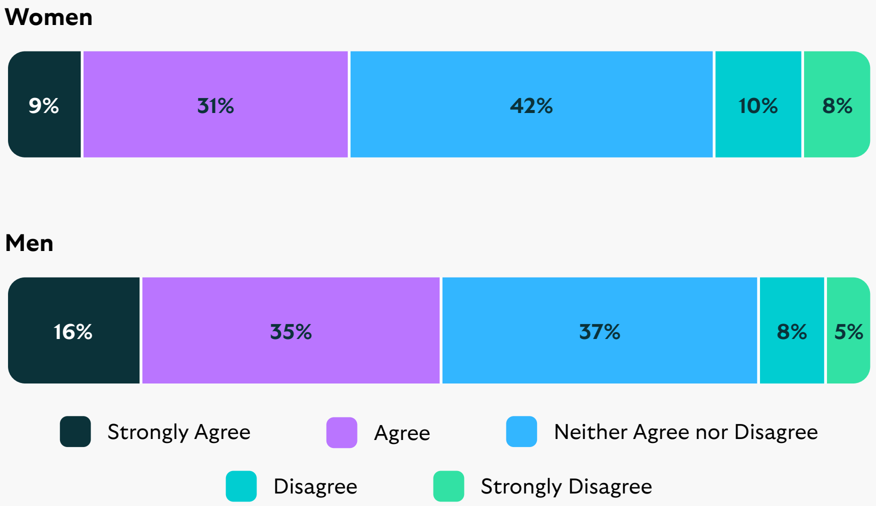


Base: All respondents (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.

Women say they are less likely to actively manage investments in retirement, but they show a similar appetite for financial advice

Women are less likely than men to say they actively manage investments themselves in retirement.

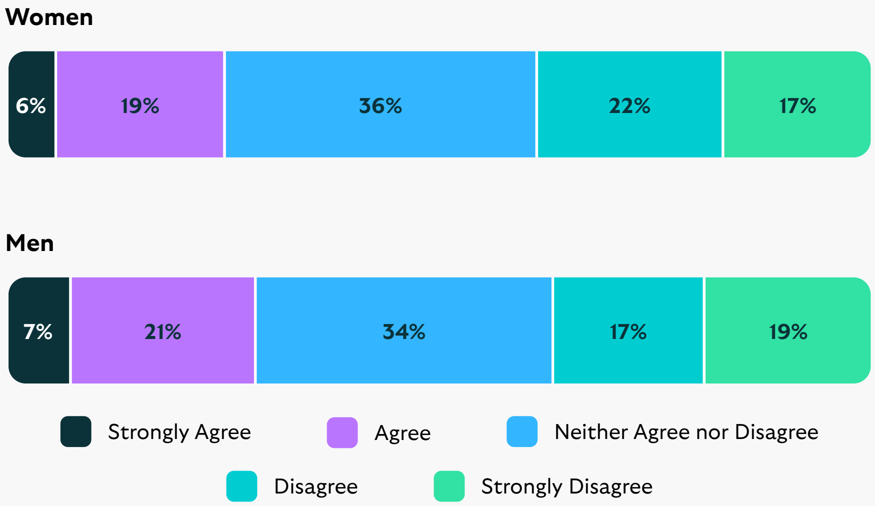
To what extent do you agree with the statement "I (will) actively manage investments (when I am) in retirement?"



Base: All respondents (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.

Whereas women draw on financial advisers at similar rates to men, showing equal willingness to seek professional support.

To what extent do you agree with the statement "I will use a financial adviser to make decisions about my finances during retirement?"

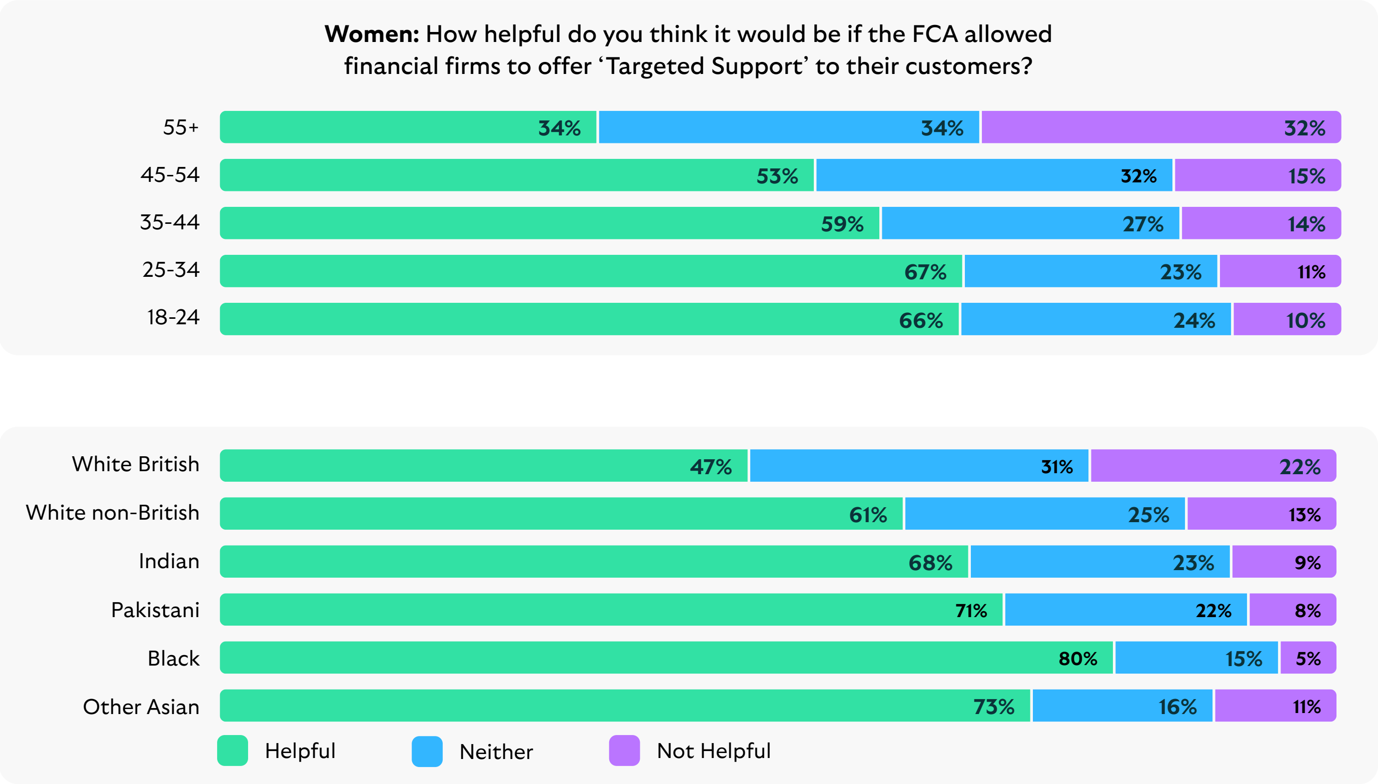


Base: All respondents (4,091).
Source: YouGov survey, between 29th August and 8th September 2025.

A majority of women think the FCA's 'targeted support' will be helpful, especially younger women and women from ethnic minority groups

The FCA is introducing 'targeted support', tailored help that sits between guidance and advice and can be delivered through digital channels, potentially including AI-enabled tools.

- These tools will not be for everyone, but it is still encouraging to see a majority of women (**50%**) and men (**52%**) think this support will be helpful.
- Two thirds of women aged 18-34 said that targeted support would be helpful to them, substantially higher than those 45.
- Younger women are less likely to have substantial assets and complex financial needs – they are therefore less likely to make use of financial advisors.
- Perceived helpfulness of this policy was also higher among women from ethnic minority groups. For example, **80%** of Black women and **71%** of Pakistani women think targeted support would be helpful, compared to **47%** of White British women.



Base: All respondents (2,800 respondents).
Source: YouGov survey, between 29th August and 8th September 2025.

Expert Voice: Rebecca Leiper

Rebecca Leiper,
Pensions Retirement Expert

> "The small steps you take now can have a huge impact later on."

As a young woman navigating today's society, I believe it's more important than ever to keep momentum behind this work. We've seen some brilliant progress in recent years, and the gender gap is gradually narrowing – but there's still a long way to go. I'm genuinely committed to doing everything I can to help close it for good.

I want more women in my generation and most importantly, in future generations to understand the choices available to them when it comes to financial planning. A pension isn't just something for "future you" to worry about – the small steps you take now can have a huge impact later on.

It's also vital to challenge the idea that saving for the future means sacrificing your lifestyle today. You can start small, even at the beginning of your career, and still save for other goals like a mortgage or paying off loans. As your circumstances evolve – whether through career progression or changes in income – you can reassess and adjust your approach.

Right now, 50% of women still feel that investing isn't for them. Why is that? I think it's because society continues to frame investing as something complex, risky, and male-dominated. The perception gap is just as significant as the pension gap itself. We need to shift how society views financial empowerment and make it clear that what we're striving for is simple: gender parity.

Retirement Calculator

Scottish Widows' new and improved Retirement Calculator can help you understand the lifestyle you could have in retirement and show you the estimated value of your retirement savings.

Once you get your results, you can also explore how making changes to things like pension contributions, retirement age and your retirement options can impact your lifestyle in retirement.

Your results will be based on what you tell us and some assumptions about how investment markets might perform.

Try it on our website here:

Women could unlock substantial housing equity at retirement

The gap to a moderate or comfortable retirement remains large for many – and especially so for women

- The National Retirement Forecast finds that only 24% of women and 36% of men are on track for a comfortable lifestyle in retirement.
- This year's report focuses on women's career breaks, savings and investments, financial resilience and financial planning – all factors that can help shape the retirement outcomes women achieve.
- However, even with considered actions to save more throughout their working lives, for some women the gap to a comfortable retirement will remain substantial.

Equity release could supplement women's retirement funds

- Equity release lets anyone over 55 draw on the value of their own home, tax free, without having to move. This could help those retiring, especially women – who on average face larger retirement shortfalls, achieve a comfortable retirement.
- The ONS* shows that net property wealth (the value of all properties minus mortgage debt) accounts for 40% of the UK's £13.6tn household wealth. This is more than the 35% accounted for by private pension wealth. Importantly, property wealth grows substantially with age – peaking for those aged 55-64 and creating the opportunity for equity release.

On average women could release £100,000 from their property in retirement

- Women are often left with sole ownership of their home following a divorce, or due to their, on average, longer life expectancy.
- In this year's survey, we find that 82% of women aged 55+ own their own home – either solely or with a partner – and on average they expect to have around £300,000 of equity in their home by the time they retire**.
- Assuming that women who own their own home in retirement could release approximately one third of the value of their equity from their homes, they could each secure an additional £100,000 to support their retirement. This equates to approximately £1 trillion in total across all women in the UK at or near retirement.
- The median total private pension*** for women at retirement is £173,000 (vs £286,000 for men) according to our survey. So, an additional £100,000 released from housing equity would represent a near 60% uplift in private funds for retirement for women.
- The gender pension gap at retirement is around £113,000. For women who own all or part of their home (including joint ownership with a partner), unlocking ~£100,000 of housing equity would almost close this gap.

*Source: ONS (2025): Household total wealth in Great Britain: April 2020 to March 2022.
**See equity release methodology section (page 34) for more detail.
***Median private pension pot size for those with a private pension. This does not include other savings available at retirement.

Looking to the Future – Policy Recommendations

Beyond the pensions system there needs to be adequate provision of childcare to allow women to fulfil their ambitions in the workplace, and not only in those wealthier local authorities which have the necessary resources. There also needs to be continued action in closing the gender pay gap.

Reform auto-enrolment

Within the pensions system, reforms to auto-enrolment could allow those working part-time, or juggling multiple jobs to benefit from pension contributions, including contributions from their employer where they themselves are unable to save at that point in time.

Enhance visibility of annuities

Reform is also needed to the way in which annuities are presented to the public by making joint life annuities more prominent, and greater prominence needs to be given to pension pots in divorce discussions.

Improve pension decision-making support

In this year's research, women have told us that they need better decision-making support. A new framework from the FCA could make this possible. Termed 'targeted support' this will allow retirement experts to propose a good course of action without having to levy and advice charge. Targeted support conversations could be developed by industry to tackle specifically the challenges faced by women.

Flexible retirement solutions for self-employed women

We see that self-employed women are making the best preparations. Separate research which we conducted amongst the self-employed suggested that a regime equivalent to Auto Enrolment for the self-employed would be welcomed. However, its design would need to recognise the need for greater flexibility in terms of when money can be put away for retirement, and greater flexibility as to when it sometimes needs to be accessed.

Integrating housing equity into retirement planning

Increasingly people will get to retirement and find that their pension preparations alone have not been sufficient to allow them to retire as early as they wanted, or to enjoy the standard of living that they had hoped for. Housing equity could play a major role in bridging the gap for many. The impact of divorce settlements and higher life expectancy means that women can end up with significant property wealth. The role of housing equity needs to be comprehensively integrated into retirement planning throughout life. This would be disproportionately beneficial to women.

Closing the Gender Pension Gap: Key Actions for Individuals, Employers and Advisers

For Individuals

- **Plan for life events early:** Even small, regular top-ups before and after career breaks help preserve long-term pension growth.
- **Build confidence with manageable steps:** Start with emergency savings (e.g. £1,000 target) and then move gradually into investing once buffers are in place.
- **Consider all assets:** Explore how property equity or additional voluntary contributions could strengthen future retirement outcomes.

For Employers

- **Communicate at key life moments:** For women, include clear examples in member comms (e.g., a ~1 percentage-point increase in pension contributions sustained across a career can offset a five-year career break*).
- **Enable shared choices:** Raise awareness and normalise Shared Parental Leave to help reduce long-term gender gaps.
- **Support returners and mid-career women:** Provide targeted guidance, flexible benefits, and access to planning tools for those balancing childcare or health-related breaks.
- **Actively encourage employees to opt in from age 18:** Those four years extra contributions can significantly boost long term outcomes.

For Advisers

- **Use life-stage framing:** Highlight the cumulative impact of breaks and show how small contribution changes or equity release can close the £113k gender pension gap.
- **Encourage proactive planning:** Help clients translate short-term saving discipline into long-term investing and retirement strategies.
- **Promote accessible advice models:** Tailor support to women's preferences for trusted, clear guidance, especially digital or hybrid options aligned with FCA 'targeted support.'
- **Divorce:** When advising customers who are going through a divorce, it's important for advisers to remind them that they need to consider their full financial picture including pensions and all assets.

Survey Methodology

The results in this report come from the following surveys

The **Women and Retirement Survey** was conducted online by YouGov Plc from 29th August to 8th September 2025 across a total of 4,091 adults aged 18+, weighted to be representative of the UK adult population. The survey asked general questions on pensions and retirement planning, as well as savings, investments, career breaks and financial planning behaviours.

The **Retirement Report Survey** was conducted online by YouGov Plc between 22nd January and 11th February 2025 across a total of 5,167 adults aged 18+, weighted to be representative of the UK adult population, and underpins the National Retirement Forecast (NRF) analysis benchmarked to the Pensions UK's Retirement Living Standards. This main survey included general questions on pensions and retirement planning.

Throughout this report, the graphs come from the Women and Retirement survey unless stated otherwise. Percentages may not sum to 100 due to rounding.

National Retirement Forecast Methodology

Retirement Income

We estimate people's retirement income as the sum of (1) an annuity purchased using their DC pension pot, other long-term savings and inheritance at retirement, (2) any DB pension income and (3) the State Pension. We present retirement income in real terms, so after accounting for inflation.

- **Real income growth:** We assume people will have a real wage growth of 2% each year.
- **Retirement age:** We assume everyone will retire at 65.
- **Defined contribution (DC) pensions and other long-term savings:** We assume people's DC private pensions and other long-term savings pot would grow until retirement based on the following assumptions:
    - **Current stock:** We asked people for the current total value of all DC pensions and other long-term savings. If people didn't know the total value of their DC pensions or other long-term savings, we conservatively assumed they were zero.
    - **Current retirement savings rate:** We asked people how much they are saving each month into their DC pensions and other long-term savings, and also how much their employer was contributing. If people didn't know how much they or their employer were contributing to their DC pension, we assumed they were contributing in line with auto-enrolment (with thresholds £6,240 & £50,270, and savings rate 8%). If people didn't know how much they were saving into other long-term savings, we assumed they were not saving anything for these.
    - **Savings rate growth:** We assume people's saving rates will change over time between age bands in line with the average profile of savings rate growth we see across people of different ages in our sample.
    - **Real rate of return:** We assume a real rate of return on investments of 2% each year.
- **Inheritance:** We asked people how much inheritance they expect to use for retirement.
- **Annuity rate:** We assume that upon retirement people will use all of their DC pension pot, other long-term savings and inheritance to purchase an annuity. We assume an annuity rate of 3.5%.
- **Defined benefit (DB) pensions:** We generously assume anyone who is currently contributing to a DB pension has been doing so since the age of 22 and will continue to do so until the age of 65 (given this generous assumption, we assume none of them additionally receive any DC pension income). We assume they will accumulate an accrual for each of the 43 years they contribute into the DB pension, with different accrual rates for people working in the private or public sector. We then apply the accumulated accrual to their projected salary at 65 to estimate their retirement income from their DB pension.
    - **Public sector accrual rate assumption:** 1/43. This means we assume anyone who is currently contributing into a DB pension and works in the public sector will have a DB pension income equal to 100% of their projected salary at 65.
    - **Private sector actual rate assumption:** 1/60. This means we assume anyone who is currently contributing into a DB pension and works in the public sector will have a DB pension income equal to 72% of their projected salary at 65.
    - **State Pension:** we generously assume everyone will receive the full State Pension at £11,502 per year.

We estimate people's retirement income left to pay for their retirement lifestyle by subtracting estimated housing costs.

- **Housing costs:** We asked people whether they expected to pay rent or mortgage in retirement, and which area they expect to live in. For people who expect to pay rent or mortgage in retirement, we assume their housing costs are equal to the median rental cost in the region they expect to live in, sourced from the Valuation Office Agency, the Scottish Government and the ONS.

National Retirement Forecast Methodology

Estimating the proportion of people on track for different retirement lifestyles

We then compare retirement income after housing to the costs of the Pensions UK's Retirement Lifestyle Standards to estimate the proportion of people on track for each lifestyle.

- **Pensions UK Retirement Living Standard:** We use the annual costs Pensions UK estimated for 2025. These vary between singles and couples, and also people living in and outside London. Because we represent future retirement incomes in real terms, we do not need to apply inflation to 2024 housing or lifestyle costs.
- **Couple's adjustment:** For people married or in a civil partnership, we asked what proportion of their couple's retirement income they expect to provide. We scaled up the retirement income of these people assuming they are correct in the proportion of their couple's retirement costs they will pay, before we subtract housing costs and compared to the costs of the Pensions UK benchmarks. This assumption may be generous if in reality people underestimate how much of their couple's retirement income they will provide. If people do not state their contribution share, we assume a share of 50% per spouse.
- **Excluding people:**
  - We excluded people who didn't know which type of pension they were contributing to. Whilst this could bias our results, we checked that the breakdown of people who did know what pension they were currently contributing to was not substantially different to the national average: 20% currently contributing to DB and 50% to no pension in our sample which excludes people who don't know, versus 23% and 43% respectively from ONS.
  - We also excluded people who did not know or say how much they were saving for retirement income, or who gave implausible answers. To account for this, we (1) calculated our headline results (i.e. the proportion of people on track to meet different retirement lifestyles) separately for people currently contributing to DB, DC and no private pensions, and then (2) estimated weighted average headline results by weighting the results for each pension type by the number of people currently contributing to each pension type in our nationally representative sample.

Limitations of our analysis

Our results are sensitive to the assumptions we use and the accuracy of responses to survey. The purpose of our analysis is to show at a high level the broad proportions of people who are or are not prepared sufficiently for retirement.

Equity release methodology

To estimate the total housing equity that women could unlock at retirement, we followed a structured approach:

1. Identify the relevant population

- We focused on women aged 55+ who own all or part of their home (either outright, with a mortgage, or through shared ownership). From our survey, 1,312 women aged 55+ responded, of whom 1,072 (82%) reported owning housing equity.

2. Collect data on property values

- For respondents who owned all or part of their home we asked them how much they estimated it was worth. Respondents could select from one of a number of options and we used the midpoint of their selected property value band (e.g. £175,000 for the £150,000–£199,999 band) as their property value.

3. Collect data on expected ownership share

- Respondents were then asked what proportion of their house they expect to own – either solely or jointly with a partner – when they retire. Respondents could select from one of a number of options and we used the midpoint of their selected ownership share band (e.g. 75%-79% = 77%) as their ownership share.

4. Estimate individual equity

- For each respondent, we estimated equity as: equity per woman = property value × ownership share
- For example, a 55+ woman who values her home at £175,000 and expects to own 77% would have £134,750 (= £175,000 x 77%) in property equity.
- We calculated an average equity per 55+ woman in our survey of £335,865.

5. Scale to the UK population

- To estimate the total equity across all women aged 55+ in the UK, we scaled up our average equity per 55+ woman (£335,865) to the UK population of women aged 55+.
- The most recent ONS (2025)* estimates show approximately ≈ 11.7 million women aged 55+ in the UK.
- From our survey, we find that 82% of women aged 55+ own some or all of their home.
- Thus, we have 11.7 million × 82% ≈ 9.5 million equity-holding women 55+ in the UK.

6. Final Result

- Combining these steps, we estimate that women aged 55+ in the UK will own, or co-own with a partner, housing equity worth £3.2 trillion (£335,865 × ~9.5 million) at retirement.
- The amount of equity that someone can release from their home varies, with common estimates given between 20%-60%. We conservatively assume that women could unlock around a third of the equity of their home, or a total of around £1 trillion (£3.2 trillion × 33%). This is the equivalent of around £100,000 (£335,865 × 33%) on average.

*Source: ONS (2025): Estimates of the population for the UK, England, Wales, Scotland, and Northern Ireland (Mid-2024).

Biographies

Jill Henderson

Head of Workplace Strategic Relationships

Jill celebrates 27 years at Scottish Widows this year, having spent most of this time in and around Workplace Pensions.

Most recently Jill took on the role as Head of Workplace Strategic Relationships, building relationships with Financial advisers, consultancies and workplace clients.

Previous roles include Head of Workplace Business Development, and Partnership Director.

Jill has a long-standing passion for financial equality, is Chair of the Sottish Widows Women and Retirement workstream and sits on the Advisory Board of Her Wealth Network.

Maria Herrero-Bullich

Chief Customer & Digital Officer

Maria Herrero-Bullich leads the Chief Customer & Digital Office (CCDO) within Insurance, Pensions & Investments at Scottish Widows.

Under Maria's leadership, data-driven personalisation is helping women and younger audiences feel seen and empowered, while inclusive design and empathetic digital experiences are at the heart of every innovation. Her team combines insight, technology, and creativity to make financial planning simpler, fairer, and more relevant for all.

With over 20 years in the insurance industry, Maria has held senior roles across motor, home, life, and business insurance. She is passionate about building diverse, high-performing teams and championing gender equality in financial services. Maria believes collaboration across industry, technology, and policy is essential to closing the gender pension gap.

Susan Hope

Business Development Director

Susan Hope is a Chartered Financial Planner and Business Development Director at Scottish Widows, where she leads a business development team focused on workplace pensions and employee engagement.

With over three decades of experience in the financial services industry, Susan is a passionate champion for closing the gender pension gap and empowering women to build financial resilience. Her advocacy recently took her to the House of Lords, where she spoke on the critical importance of financial wellbeing for women across the UK.

Combining personal insight with deep professional expertise, Susan is a regular contributor to both trade and consumer media. She frequently speaks on the intersection of money, motherhood, and the financial lessons often missed.

Susan currently holds the title of Women in Financial Advice Role Model of the Year (2023 & 2024) and was recently honoured as Diversity and Inclusion Advocate for Women in Finance by Business Women Scotland.

Biographies

Pete Glancy

Head of Pensions Policy

Pete is the Head of Policy, Pensions and Investments at Scottish Widows, part of Lloyds Banking Group's Insurance and Wealth division.

Pete has worked at Lloyds Banking Group for 36 years, holding a wide range of senior positions, including Head of Individual Pension Propositions and Head of Workplace Pension Propositions before taking on the pensions policy brief 11 years ago. Pete is on the Pensions Panel at the CBI, the Strategy Council at TISA and the DC Committee at Pensions UK, in addition to numerous industry and trade body working groups.

Rebecca Leiper

Pensions Retirement Expert

Rebecca is an Pensions Engagement Consultant within the Workplace Strategic Relationships team at Scottish Widows, working at the heart of member engagement across workplace pensions.

Rebecca's role spans both digital and face-to-face engagement, including webinars, benefits fairs, and tailored client events and also contributes to client strategy plans, ensuring engagement solutions are aligned with client needs and workforce demographics.

She is also a passionate contributor to the Women in Retirement campaign, helping shape the narrative around financial empowerment for women, and particularly engaging the younger generation to plan for their financial future and help close the gap.

Lily McNally

App Design Lead

Lily leads the design team behind the Scottish Widows app, creating experiences that are simple, emotionally engaging, and delightful. Her mission is to meet customers where they are, make it easy for them to achieve what matters most, and leave them feeling confident and in control. Passionate about enabling everyone in the UK to secure a better financial future, Lily champions experience-led design as the strategy to turn that ambition into reality.

Scottish Widows
Women and Retirement Report 2025

SCOTTISH WIDOWS

61536 11/25