

Understanding women's relationship with investing

Women and investing



Welcome



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"I was fortunate to begin learning about saving and investing early in my career.

I realised that starting sooner rather than later can make a big difference to your financial future, even with as little as £20 a month. As a mother with teenage daughters, the Women and Investing project is something I feel really passionate about. And it's been my personal mission to make sure they understand the potential benefits of investing! It's so important to educate and empower women about how investing can outperform savings in the long term. I hope this report will support women in understanding the power of investing and how it could help to provide future financial security, inspiring them to take their first step into investing with confidence."

In January 2023 we commissioned fresh research to help us understand more about what makes women tick around investing and how we can best support them.

We made a deliberate choice not to compare male and female attitudes to investing. It's been done many times before with the usual conclusion that men are more likely to invest.

We know many women are good with money. The real question is, **why are women often happy to save but reluctant to invest?** What holds them back? We decided to dig deeper into the confidence versus competence gap for women around investing.

We worked with **Emma Maslin** to design the research and learn more about women's attitudes. Emma's an experienced money coach who works with many women in her practice. Her focus is on women's beliefs, their feelings, thoughts and how their inner voice talks to them about money. What we discovered through our research was fascinating. It supported Emma's experience that women's money mindsets are often affected by their childhood experiences and can play a significant part in the way they manage money today.

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You'll see observations from Emma highlighted throughout this report.

Our research focused on women with either the ability to invest, or who already do so. This let us compare the views and experiences of each group. It paints an encouraging picture of these women as largely in control of their finances, even in today's challenging economic times.

For women reading this report, even if your experience with money when you were growing up was less than ideal, or you struggle to make the most of your money today, we hope it will help you to understand when emotions and subconscious beliefs may be at play. And to be inspired by other women's experience.

In turn we hope this will encourage you to consider building financial resilience through investing. If it's right for you it could be a major step towards an improved financial future.

In summary

The women we surveyed have a level of income or assets that make them more likely to have the means to invest. That's reflected in their age profile. Most (62%) are over the age of 55.

They told us they've weathered recent economic storms well, aren't too worried about money and expect to meet their financial goals. Those who already invest were more positive than the non-investors.

Many of our women said that they have at least some knowledge of investing. Despite that, confidence around investing is much lower than

for choosing savings accounts or mortgages.

Most of our investors talk to someone else before making investment decisions. And risk and lack of knowledge are the main reasons our non-investors indicate they don't get involved.

Last but not least, respondents' childhood experience of money affects their relationship with money today, including whether they invest or not. Knowing this gives us an opportunity to find new ways of supporting women who may benefit from investing but find there's something holding them back.

About our research

All figures in this report, unless otherwise stated, are from YouGov plc.

The total sample size was 2,233 women who have a personal income of £35,000 or more, or a household income of £60,000 or more, or investible assets of £10,000 or more.

Of these, 1,122 had invested already ('investors' in the rest of this report), 1,008 had no investments at the time ('non-investors') and the remaining 103 either didn't know or preferred not to say about their investments.

Fieldwork was undertaken from 3 to 11 January 2023. The survey was carried out online.

A few highlights

73% said they have emergency funds of **3 months** or more to keep them going if they lose their income.

59% agreed that they generally feel positive about their finances. **67%** of investors agreed, compared to **48%** of non-investors.

56% said having a comfortable retirement was their most important long-term goal. **72%** of those who chose this option are confident they'll achieve it in the future.

89% are confident choosing a savings account compared to **44%** being confident deciding whether to invest.

62% of those who said their childhood left them feeling that managing money is a source of conflict and stress reported that they do not invest, compared to **40%** of those who said their childhood left them feeling that money is a tool that helps you get what you want from life.

Women and money today

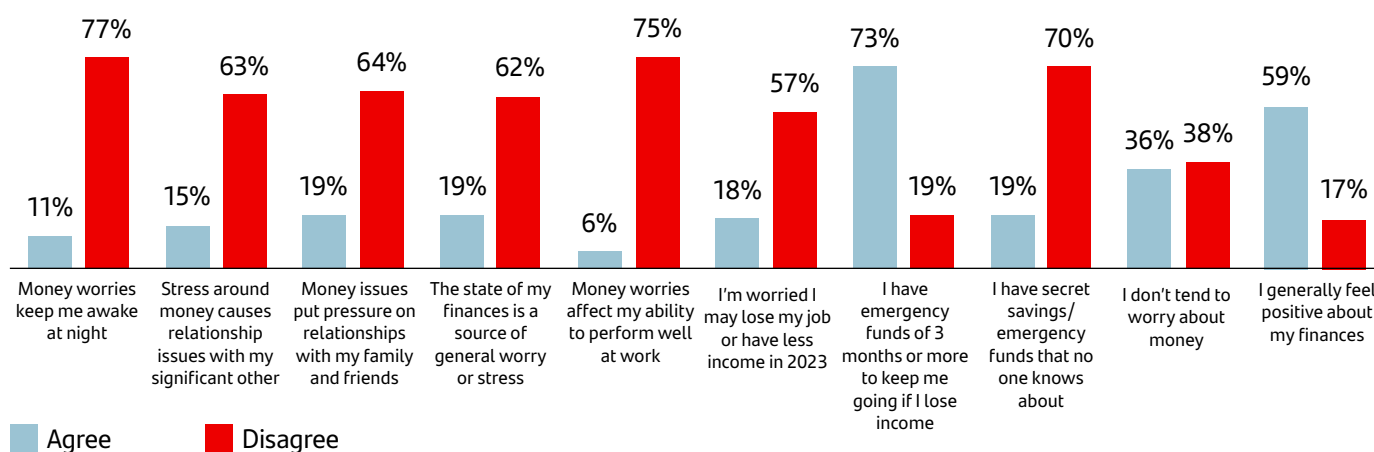
2022 was a challenging economic year, and we saw a sharp rise in the cost of living and a downturn in financial markets. But most women in our sample weren't seriously worried about money and had still managed to save.

Nearly three quarters of the women we surveyed (73%) had emergency funds of 3 months or more.

Over half (59%) said they generally feel positive about their finances.

That said, a little over a third (36%) disagreed with the statement 'I don't tend to worry about money'. A minority (up to 19% in some cases) also agreed with statements that suggest money worries may be having a significant impact on their mental health and relationships with others.

How women feel about money today



Our respondents also had the option to select 'neither agree nor disagree' and those who did so make up the balance to 100% for each statement.

Investing and financial wellbeing

Our investors were able to save more than non-investors and were less worried overall. 43% don't tend to worry about money, compared to 29% of our non-investors. Likewise, 67% of our investors generally feel positive about their finances, compared to 48% of non-investors.

Investors were also much more likely to have emergency funds of 3 months or more (82% compared to 63% of non-investors).

40% of investors surveyed have put away more than £5,000 in savings and investments since January 2022 compared to **23%** of non-investors.



Emma's perspective

In my experience, financial wellbeing comes from four key pillars.

- The mindset you have towards money and how you think and behave as a result.
- Having a clear plan to help you achieve your financial goals.
- Feeling in control of your day-to-day finances.
- Being able to cope with financial shock (with insurance and emergency savings).

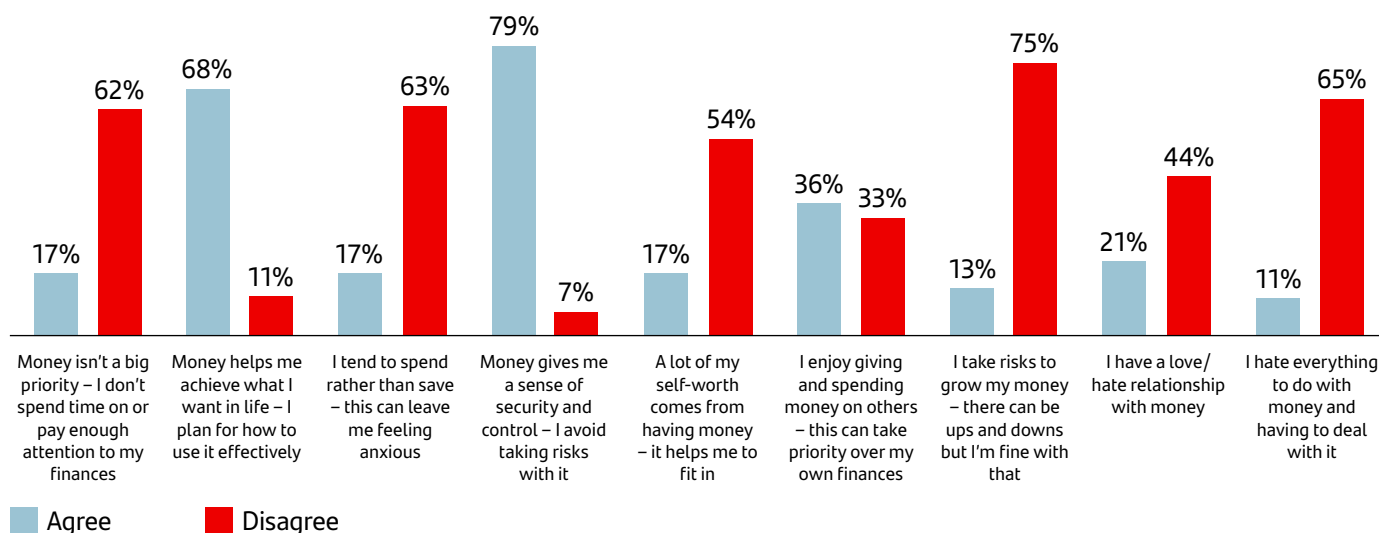
We don't know if the investors in our sample have these pillars in place, but their more positive outcomes on measures of worry and saving are difficult to ignore.

A complicated relationship with money

When we asked women about their broader relationship with money today, planning, control and risk avoidance emerged as dominant themes. This paints a picture of careful competence and close attention to money matters.

It's striking that 75% of women surveyed disagreed with the statement 'I take risks to grow my money – there can be ups and downs but I'm fine with that.'

Women's relationship with money today



Our respondents also had the option to select 'neither agree nor disagree' and those who did so make up the balance to 100% for each statement.

Despite their reluctance to take risks to grow their money, our respondents are generally confident of achieving their most important long-term goal. The percentages shown here are of the women who chose the following goals as their most important.

- 72% supporting children
- 72% a comfortable retirement
- 72% leaving a legacy to help future generations

79% being able to travel/taking the trip of a lifetime

72% buying a home/moving up the housing ladder/buying a second home



In women's own words...wealth
What does the word 'wealthy' mean to you?

"Being able to enjoy all that life can offer, with no worries about how to afford it."

"More money than you need, abundant health, friends, loving family."

"Second home plus holiday home. Flash car and kids privately educated."

"Never having to ask the price."

"Being financially independent, not having to work or worry about money."

"Wealthy means having good health and friends."

"Freedom."

Women and children

As investing is about making the most of your money over the longer term, we asked women to tell us which common long-term goals were important to them.

Self-care won out here. Having a comfortable retirement was important for 86% of our respondents. Over half (56%) chose it as the most important long-term goal for them.

Taken together, supporting children and leaving a legacy to future generations were the single most important financial goals for 24% of the women surveyed who reported having children.

Having children at home affects financial wellbeing

The women we surveyed who had children living with them at home were less likely to focus on their own personal needs when it came to their goals. Supporting children came out top at 35%, with 32% opting for a comfortable retirement.

Our respondents with children at home were less likely to have money set aside for emergencies. And they were also more likely to suggest that money worries may be having an impact on their mental health and relationships. We're not saying having children is bad for you, but it does seem to ramp up the money stress while they're in your day-to-day care!

58% with children at home have emergency funds of 3 months or more, compared to **76%** who don't

19% with children at home agree money worries keep them awake at night, compared to **9%** who don't

28% with children at home agree money causes relationship issues with their significant other, compared to **12%** who don't

32% with children at home agree they're worried about having less income in 2023, compared to **17%** who don't

Emma's perspective

For women, societal pressures and biological instincts mean that we're often guilty of putting others' needs ahead of our own.

However, when it comes to money, it's vital that we put our own oxygen mask on firmly first. We can do this by building our financial literacy, getting advice, and then taking appropriate action.

By making sure we're financially secure, we're then in the best place to support others. This is particularly important for the 'sandwich generation'. These are adults who still have children at home but are also starting to take care of ageing parents.

Achieving our potential

The relatively affluent women in our sample are mostly confident in their finances today and prospects for the future. But if we focus on their feelings around investing and the products they're using to save for the longer-term, a more nuanced picture emerges.

These women reported being far less confident about making investment decisions than they are around savings accounts and mortgages.

89% are confident choosing a savings account.

64% are confident taking out a mortgage or re-mortgaging.

44% are confident deciding whether to invest.

That's despite 66% of women surveyed reporting they have at least some knowledge of investing. Unsurprisingly, investors were far more likely to have some knowledge (83%) than non-investors (47%). But 16% of our investors told us they don't know anything about investing.

It's good to talk

When we asked our investors to choose a statement that best described them when it came to investing, 24% reported investing without consulting anyone else. But the majority (54%) chose to talk to someone else first.

Where they spoke to someone else before investing, most of our respondents gave positive reasons for doing so.

27% because they know more about investing than I do

27% because I value their opinion on money generally

27% because I prefer to get expert advice

Only a minority (15%) felt they had to or just didn't want to make an investment decision on their own.

When is investing not investing?

Just over a fifth (22%) of our investors selected 'I don't invest' to describe themselves. Our best guess is that this is because they have investments which don't need them to make any active decisions once they've been set up. So they don't see themselves as investors based on their perceived definition of that word.

The confidence vs competence gap

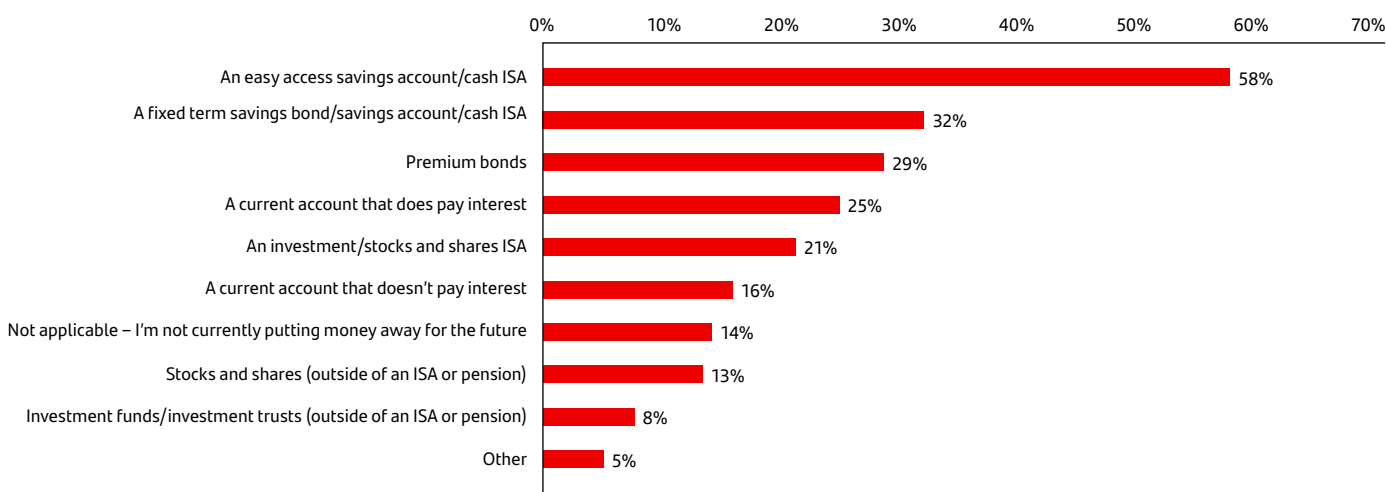
Women might not **feel** confident, but their approach to taking investment decisions looks sensible. This reinforces earlier themes of competence and control when it comes to managing their finances.

Not all the products women report using to save for the future may be helping them get the most from their money though.

For this report, we defined 'saving for the future' as five years or more. This is the typical timeframe where investing may be worth considering.

Over half of all women surveyed (58%) are using easy access savings accounts and 29% use Premium Bonds. Worryingly, a significant minority (16%) keep their savings in a current account that pays no interest.

How women save for their financial future (multi-select)



Our respondents could choose as many products as applied to them. The percentages shown represent how many from the total sample chose each product.

Why don't women invest?

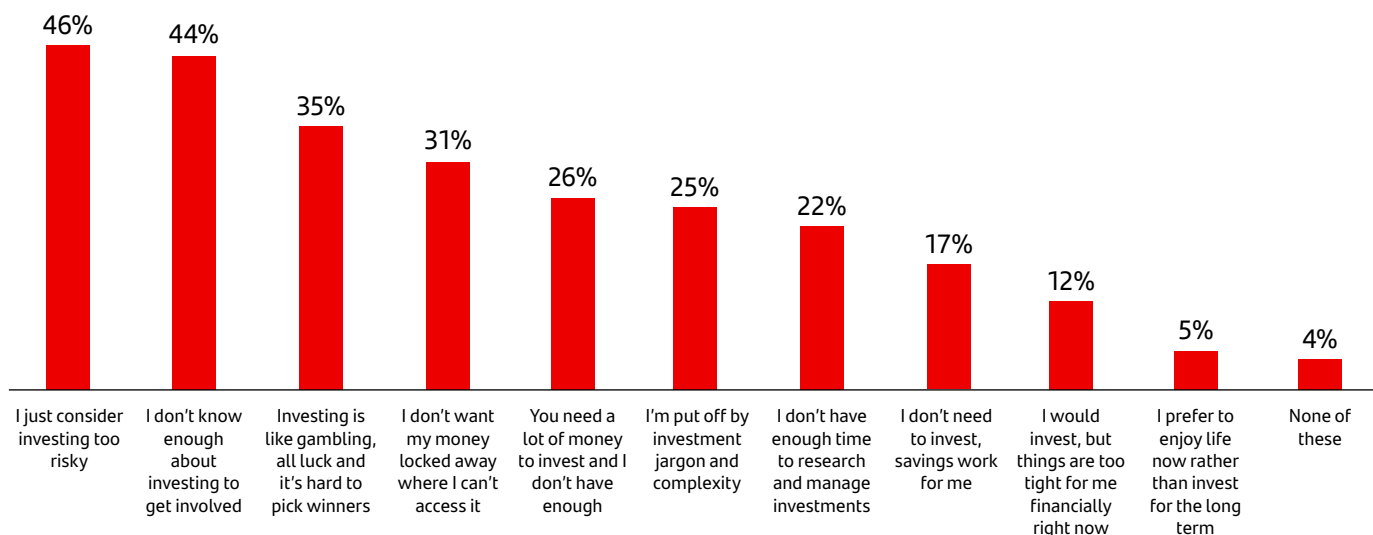
For women who self-identified as not investing, lack of knowledge and the risks involved are the two most common reasons they gave us for not investing, reinforcing themes we've already highlighted.

When we asked all of the women in our sample (not just the non-investors) what support they

might find helpful to learn more about investing in the future, a third (33%) told us they don't want to learn more.

For some women, it looks like a combination of fear, worry and lack of interest are holding us back from our true potential. There may be ups and downs, but the evidence suggests that being an investor can be good for our financial wellbeing.

Why women don't invest



Our respondents could choose as many reasons as they felt applied to them. The percentages shown represent how many from our total sample of non-investors chose each reason.





In women's own words...investing
 Overall how do you currently feel about the decision you've taken to invest your money?

"I wish I had invested more in the past."

"I am happy with the investments I have made as I take a diversified approach to ensure risk is spread. I undertake research and regularly review my investments."

"I feel confident but I use a financial adviser that I trust. I don't feel I know enough about investing to do it on my own."

"I feel pretty good about it even though currently my investments aren't doing that well. I know that they are long term investments for my retirement, so I still have about 20 years left to earn and save."

"Very pleased."

"My investments have served me well. Things have been a bit tricky over the last 3 years but the diversity of the investments has smoothed out some of the lows."

"I was advised to invest by my father 50 years ago and I followed his advice. I am very grateful as it has given me peace of mind that I have reserves."

Tell me about your childhood...

This is where things get interesting. We found evidence that women's childhood experiences of money can leave a mark that influences their financial behaviour today.

First, we asked women to choose one of eight statements about how their childhood left them feeling about money.

Women's childhood experience of money



There's a clear front runner here – 'you should spend money carefully and save whenever you can'. We found it's more dominant for those aged 55 or over (59%) compared to those aged 18-54 (51%). That's not surprising - they're more likely to have had links in childhood to those who went through the years of austerity after the second world war.

We then looked at our respondents' answers to other questions in the survey based on the choice they made for this question. We found clear differences between groups.



...you should spend money carefully and save wherever you can

As an example, here's how the responses compare for our biggest group who chose 'you should spend money carefully and save wherever you can' and those who said money was a source of conflict or stress.



My experience was that you should spend money carefully and save wherever you can.

My experience was that managing money is a source of conflict or stress.

10%	I tend to spend rather than save, this can leave me feeling anxious	42%
7%	I hate everything to do with money and having to deal with it	23%
14%	The state of my finances is a source of general worry or stress	42%
15%	Money issues put pressure on relationships with my family or friends	35%
80%	I have emergency funds of 3 months or more	56%
65%	I generally feel positive about my finances	37%
42%	I don't invest	62%

Emma's perspective

Our belief system about money is formed while we're still young children. How our parents handle and talk about money to us and around us tends to become the strongest foundation for how we go on to approach it ourselves. However, the influence of teachers, friends, religious teaching and the media also count.

Other meaningful events like parents getting divorced or losing their job are also significant. For the tech-savvy youngsters of today, social media is increasingly playing a role too.

We form our attitudes and beliefs about money doing what all children do – watching the adults around us and making sense of their behaviour. We internalise that, and it becomes our reference point for how the world of money works and how we'll go on to interact with it throughout our lives.

Once you can consciously acknowledge your current beliefs as an adult and question whether they are true or not – then you can do something about them. You can create a new way to guide how you react to future situations.

Investing in your future

Our conclusion? It's not just about understanding how we behave when it comes to investing. That's important, and it's already a big focus for us at Santander. But it can only take us so far if we really want to help women get more practical knowledge and support.

Emma's perspective

We can learn, learn, learn with our educated, rational mind and ask questions and feel like we're ready to invest... and then still not do it because of our subconscious programming.

Women have taken the time to educate themselves or take advice. They understand **why** they should invest, have the money to, but still can't pull the trigger. I see it all the time!

The reality is that humans are emotional creatures. We often don't take the most sensible course of action, even though we know logically it's the right one.

We're all individuals. Taking the time to dig deeper about why we might subconsciously hold ourselves back from investing could be the key to making a change. Doing so could improve our financial futures over the longer-term.

Finding ever more effective ways to help women (and men!) achieve that is the challenge we need to rise to now.

Explore more

Do you want to learn more about investing? Get inspired by other women's stories through our women and investing series. Including many articles, and our research report, **Understanding women's relationship with investing**.

If you're ready to think about investing, visit santander.co.uk and search Investment advice, to see how we can help you.



Case study Laura Burton: New investor

Laura started investing for the first time in 2022. Originally from Manchester, Laura is 28 years old and has a six-year-old daughter. She now lives and works in Derby as a teacher and has been in early years education for seven years.

Laura says: "I was a single mum at the age of 23 and had a few years where I was very much on my own financially. I got used to being very cautious with my money and would check my account almost every day. If I had even £2 or £3 spare, I would move that cash into savings."

Investing had not even crossed Laura's mind until she inherited a lump sum when her father passed away, just two weeks before her wedding.

"Until then, I'd only ever held money in current and savings accounts," she says. "But when I received an email from Santander inviting me to look at opportunities to invest, this led to me setting up a meeting with one of the bank's financial advisers. I was quite nervous ahead of this, as I had never invested before, and was very much a novice."

"Even thinking about investing for the first time felt like a big jump. I didn't want to commit to anything until I was absolutely sure. I didn't want to risk making any mistakes."

"The adviser spent lots of time finding out about where we stood financially and why we wanted to invest. Having an adviser was such a big help. After talking to them, I was able to choose investments which matched the level of risk I was happy to take."

"I do see my money going up and down, but I know it is spread across different investment types, and that I'm invested for the long term. I currently pay in £150 a month as my adviser explained that drip-feeding smaller, regular amounts can help smooth out the impact of market highs and lows. It's been really amazing having support from a dedicated person, and knowing I'm not alone when making important financial decisions. If I have any worries or queries, they can help put my mind at ease."

Laura says being more engaged with her money has helped her feel more confident.

"Taking the plunge and setting up these investments has helped me create more financial stability. I now also pay into a Junior ISA for my daughter each month, helping to build a nest egg to set her up for a good start in life. Getting into investing has been a big step, but I now feel a lot more comfortable with the idea."

"I would definitely urge other women to believe in themselves that they can do it too. If, like me, you're not sure of the best options, speaking to a financial adviser can be a real help."

"Taking the plunge and setting up these investments has helped me create more financial stability"

