Press release

Nearly 75% of women over 39 want to cut pay laggards out of their pensions

- **Nearly three quarters of women aged 40 and over would divest their pension from companies with poor pay practices – led by 74% of female 'boomers'**
- **Majority of men of the same age group agree – but younger women are split 50:50**
- **By contrast, many Millenials want to divest their pensions from the fossil fuels industry**
- **Half (49%) of all age groups prefer a policy of engagement before divestment**

London 18.05.2020 – An overwhelming majority of older women would divest their pension from investments in companies with poor pay and governance practices, according to new research from Legal & General Investment Management (LGIM).

Women aged 40 and over are much more likely than men of the same age group to agree with such steps, with a slimmer 59% majority of men of the same age willing to do the same.

Within the older female age group, 74% of female 'baby boomers' and 73% of women belonging to 'Generation X' would invest less, or not at all, if they knew their pension was invested in companies that have attracted criticism for their governance and pay practices.

However, younger women are split on the issue. Only half of millennial women would follow the same policy of cutting out these companies from their pensions.

Revealing clear generational differences, LGIM conducted interviews with over 1000 UK adults with a private sector workplace pension, focusing on the views of baby boomers (aged 55-65), generation X (aged 40-54) and millenials (aged 25-39).

The findings highlight a strong contrast between the relative importance of social and governance issues to older generations and the views of younger people, who are more focused on climate issues.

Millennials were more likely than any other generation to want to reduce their exposure to the fossil fuel industry, despite any potential consequences. Even if there was a resulting performance impact, 45% of millennials would opt to divest their pension from fossil fuels. This compares to 30% of Generation X, while Baby Boomers (at just 23%) were half as likely as Millenials to divest from fossil fuels regardless of the investment outcome.

Including a further 41% of millennials who would only divest from fossil fuels if it didn't impact investment returns, a combined 86% of millennials would choose to divest their workplace pension from fossil fuels if it would have no negative impact on their pension.

Across all age groupsnearly half of all adults (49%) would prefer a policy of engagement to encourage change, before divesting. It is also notable that only half of respondents were already aware of the types of investments within their workplace pensions, implying many more may not be aware of possible inconsistencies between these investments and their own beliefs.

Emma Douglas, Head of Defined Contribution at LGIM, comments on the findings: "This should be a wake-up call to the industry. There is clearly a role for more education, helping people to understand and shape the impact their pensions make on the world.

"It's also clear that older generations do care about doing the right thing with their money, but they are more likely to prioritise issues where they have real-life experience or see a financial impact. In particular, women who have decades of lived experience in the workplace are most aware of the difficulties that poor governance and pay policies can have.

"While this research was conducted prior to the global pandemic, we're seeing the same trends only further highlighted in recent weeks. Social and Governance issues appear to have risen in importance for all demographics. With a spotlight now being shone on these issues, we believe that fair treatment of employees, particularly around pay and poor labour practices, will continue to gain prominence among members of all ages.

"Our survey shows that there are many different views and issues at play under one 'environmental, social and governance' banner. Taking appropriate action through all the tools available, particularly through engagement, will be key in contributing towards the building blocks of a better future as we emerge from this crisis."

-ENDS-

Media contact:

Adam Kirby
JPES Partners
0207 5207 634
Adam.Kirby@jpespartners.com

Notes to editors

About this research:

Fieldwork conducted by Watermelon Research: 22 – 29 October 2019 consisting of 1,000 interviews (online) with UK adults between the ages of 25 and 65, who have a workplace pension and work in the private sector.

Legal & General Investment Management:

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.2 trillion[1]. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

[1]LGIM internal data as at 30 December 2019. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.