

Women more vulnerable to cost-of-living crisis, according to new report

- Research from Legal & General finds that working women are significantly closer to the breadline if they lose their income (14 days vs. 28 days for men)
- However, women are more likely to be taking action to address impact of crisis on household finances by cutting back on both essentials (72%) and luxuries (86%)
- Cost-of-living concerns could worsen existing gender pay gap and long-term savings inequalities

Research from Legal & General¹ has found that women are more vulnerable to the cost-of-living crisis. On average, working women are only 14 days away from the breadline in the event they lose their income. This is significantly less than the average working man, who would be able to meet their household costs for 28 days. The household average stands at 19 days.

While the average working woman has comparable debts to men (£558 vs. £665), they have significantly less set aside in all their savings and investments (£1,801 vs. £3,214). With a daily expenditure of £90, calculations show that women would only be able to fund their household spending for two weeks with no income. On average, women overestimate their financial resilience, assuming they are 60 days from the breadline; this is compared to men who assume they have 90 days.

Women are considerably more likely to view the cost-of-living crisis as a 'constant source of worry' (78% vs 68% of men) and therefore take action to address it. Women are much more likely to be cutting back on luxuries (86% vs 76% of men) and reducing essential spending, where possible (72% vs 65% of men).

Why are working women closer to the breadline?

On average, working women surveyed have a lower median annual personal income (£23,245 vs. £31,070), likely due to a number of reasons. Statistics show that in 2021, the gender pay gap among full-time employees was 7.9%, up from 7.0% in 2020,² signalling that women in full time employment continue to get paid less than their male co-workers. Similarly, working women are significantly more likely to be in part-time employment compared to men (31% vs 11% of men surveyed), with the expectation of domestic and caring responsibilities often placed on women's shoulders.

The long-term impact for women

While the cost-of-living crisis has placed an emphasis on budgeting and financial planning, women's financial wellbeing still faces considerable challenges in the long term. Research from Legal & General earlier this year showed that, on average, women's pensions are half the size of men's (£12,000 versus £26,000).³

“Throughout their lives, women face a number of challenges that can place them at a financial disadvantage compared to their male counterparts. This can include inequality of pay at work, taking career breaks, or taking part-time positions due to an expectation they will take on greater responsibility for family commitments. This often leaves them less financially resilient and in the context of the cost-of-living crisis, where everyone is feeling the pinch, it places additional pressure on their financial wellbeing. This can have an impact both in the here and now but can also contribute to inequalities in the long-term, such as with pension savings.

“With a significant strain on the nation's finances, it's important that everyone is aware of their financial situation to manage realistic expectations. It's encouraging that women are more likely to be taking steps to



address the cost-of-living crisis but it can be difficult to know where to turn for help. To help people better understand their money, and make informed decisions, we have put together a [financial safety net content hub](#) signposting free tools and resources available to help people.”

“Legal and General is actively involved in exploring solutions with government and industry, having reviewed its own gender gap and pledging to review it annually to ensure it is making progress. We are also calling for regulators and law makers to look at reform, such as further support to help families with childcare costs.”

Bernie Hickman, CEO, Legal & General Retail

-ENDS-

Notes to editors

¹Online survey among 5,021 UK consumers using Savanta’s proprietary consumer panel between the 28th June and 5th July 2022.

The survey covered employed & self-employed consumers aged 18 to 65 only, approximately nationally representative but ensuring a minimum sample in every region of the country. This extrapolates to approximately 31.228 million adults in the UK. Results were re-weighted to represent the UK population in terms of age/gender, region & employment status.

All averages that are shown are median values. References to income refer to household income.

Basic expenses are housing costs, loans/ credit card repayments, utility bills and food. When savings and investments are referred to it includes both personal and household.

Legal & General’s [Deadline to Breadline report](#), explores financial resilience, security and engagement of working households across the UK. The report contains key ‘conversation starters’ for advisers to help with tricky questions during this difficult time for clients.

²Office for National Statistics (ONS), [Gender pay gap in the UK: 2021](#), 26 October 2021

³Legal & General analysis of based LGIM’s proprietary data on c4.5 million defined contribution members as at 1 April 2022 but does not take into account any other pension provision the customers may have elsewhere.

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

* at 31 December 2021

About Legal & General Retail

As of 1st January 2022, Legal & General Retail Retirement and Legal & General Insurance (our two retail businesses) have been combined into one division, Legal & General Retail, to enable us to better serve the needs of our retail customers.

Legal & General Retail helps protect the lives and futures of our customers; the division covers the savings, protection and retirement needs of our c12 million retail policyholders and workplace members. In 2021, we wrote £957 million of annuity premiums, and issued £848 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.4 million members, while in the UK we paid out a total of £1,133.8 million in insurance claims.

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