

The Daily Telegraph

Rising cost of raising a family means record numbers of women failing to save enough for a pension

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The increasing cost of raising children and looking after elderly parents means record numbers of women are failing to save enough for their own retirement, a new report claims.



46pc of 18 to 29-year-old women believe the state pension - £144 a week - will provide enough money to fund their lifestyle in retirement Photo: Alamy

Nearly a quarter of over 40-year-olds are prioritising "financially supporting their children" over building up a pension pot or taking career breaks to run the family home.

And hundreds of thousands of older mums are also having to find the money to look after their parents or pay-off debts.

In a report published on Wednesday, insurance giant Scottish Widows said 37pc of all women across the UK have no pension provision at all.

Only 40pc are putting enough money aside for an "adequate" retirement, down from 50pc two years ago and the lowest amount since Scottish Widows started tracking the number in 2006.

On average women who are saving are putting aside £182 each month, compared with £260 for men, a pensions "gender gap" of £1,000 in contributions each year.

Married women are still saving more than younger women, the bulk of whom claim they will rely on state pensions, and twice as much as women who are "cohabiting".

Lynn Graves, Scottish Widows' head of business development, corporate pensions, said: "What we are increasingly seeing is that as women come out of their Thirties and into their Forties there is a 'Sandwich Generation'.

"Many of them still have dependent children but increasingly are having to look after their elderly parents as well. They are being squeezed on both sides."

She added: "Overall, the growing gender gap in retirement savings means that women are facing an ever increasing shortfall when it comes to retiring and must act now to ensure they will not be exposed in later life."

The insurer's report comes a day the Pensions Policy Institute claimed so few Britons were saving enough for retirement that the Government may have to make it compulsory for people to put money aside.

And it follows a growing number of surveys showing the burden place on the "Bank of Mum and Dad", as kids rely on their parents to fund home deposits or contribute towards raising their own children. In July housing charity Shelter said parents were paying out £2bn a year to help their children onto the property ladder.

But as well as the increasing financial burden on women, Scottish Widows also highlighted the alarming numbers of women had no idea when it was best to start saving and were now reliant on their other half to fund their retirement.

The insurer said that 46pc of 18 to 29-year-old women believe the state pension - £144 a week - will provide enough money to fund their lifestyle in retirement.

It added that more than third of over 60-year-olds had no idea what an annuity was, despite being close to having to convert their pension savings into one, to provide a guaranteed income for the rest of their life.

While 37pc of all women have no pension whatsoever, the number rises to 54pc for 22 to 29-year-olds. But some 30pc of 50 to 59-year-olds and 29pc of 60 to 64-year-olds have no retirement pot.

Sarah Pennells, founder of financial advice website SavvyWoman, said: "The continued squeeze on the cost of living has made it much harder for many women to consider saving for their retirement and, in previous years, the gender pay gap has played a significant part in explaining why this is."