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Gender, Lifecourse and Pensions

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Context

Asset-based welfare

- Emphasis on personal assets to provide welfare, reducing state provision
- Asset ownership creates inequalities (Adkins et al., 2020)

Financialisation

- Growing dominance of financial tools, techniques and institutions, with everyday life now subject to financial calculation (van der Zwan, 2014)

In pensions, people are expected to accumulate personal assets in order to provide for their later life needs, based on a lifecycle where assets peak in midlife with financial products supporting consumption smoothing into retirement.

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Literature

Economic sociology

- Finance as meaningful practices, embedded in real-life contexts (Zelizer, 1997; Bandelj et al, 2017; Bandelj et al, 2021)

Gendered lifecourses and pensions

- Gender pension gap and gender wealth gaps - women as disadvantaged by heteropatriarchal structures (Grady 2015; Price, 2007, 2009)
- Specific experiences that affect asset accumulation in state/workplace pensions (Foster et al, 2017; Foster and Heneghan, 2018; Ginn et al, 2001; Ginn, 2003; Buckley and Price, 2022)

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My research

- 49 Semi-structured interviews with 42 people aged 25-45 years old who had been automatically enrolled into workplace pensions about their decision to save (or not)
    - Full time employees primarily recruited through 3 different companies
    - 26 women and 16 men, with mix of age, income levels, occupation, education levels
    - Mix of opting out, saving at default levels, saving at increased levels.

- What shapes workplace pension saving decisions?
    - Gender as constructed and entwined with life course narratives and experiences, in and through financial practices
    - Three key experiences: starting off, navigating parenthood, fully-fledged saving

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1. Starting off

- Young adults postpone engaging with pension saving as they feel they are not yet real adults (Suh & James, forthcoming)

Probably one of, like, the things you do as an adult, isn't it… I did actually post on social media saying, 'officially paying into a pension, does that mean I'm a real adult?', and everyone was like, yes!…. I recently opened a savings account for like help to buy, even though it's going to take me forever, like five to eight years, I thought at least I'd start. Because I figure once I've got that, then I can start saving for a pension. It comes first, in like, logical steps.

Kristina, 20s, single, minimum contributions

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1. Starting off

- Young adults postpone engaging with pension saving as they feel they are not yet real adults (Suh & James, forthcoming)
- Some participants demonstrated that they had engaged with pension saving more once they had achieved these things

I was paying minimum pension contributions at my old job… because I don’t earn enough, and I don’t want to stay here…. Whereas now, in the last few years I’ve had promotions at work, I’ve bought my own house. In terms of maturity, I’ve moved quite quickly. I thought I need to get stuck in, and it all fell into place quite naturally and my boyfriend was exactly the same. And now, we feel like fully-fledged adults.

Izzy, 20s, civil partnership, increased contributions

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1. Starting off

- Young adults postpone engaging with pension saving as they feel they are not yet real adults (Suh & James, forthcoming)
- Some participants demonstrated that they had engaged with pension saving more once they had achieved these things
- But for others, threshold adulthood extended into 30s and even 40s:
  - Achievement of ‘real adulthood’ supported by intergenerational resources
  - Women may find it harder to achieve some of these goals due to inequalities, e.g. income or property ownership

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2. Navigating parenthood

- Some people felt that parenthood would be or had been a trigger for them to think about the future, including pension saving, overcoming difficulties associated with the long-term (James et al, 2020)

I think I need to increase my contributions. It’s something I need to discuss with my husband, because we really need to do it, but I don’t know if it will happen this year or next year. I think as soon as we know we are expecting, we have a baby on the way that will push me to kind of think about it, whereas at the moment I kind of think there’s no responsibilities.

Anna, 30s, married, min contributions

I don't really know that much about it and I'm starting to, especially with [my daughter], knocking around, I'm starting to think of money a little bit more... I'm not that type of person, I will spend as much as I'm being paid ... then your brain just goes duffff and you start thinking differently, I mean, you definitely do. You're definitely not quite so self-centred and you just think, totally long-term, what's the best decision?

Matt, 30s, civil partnership, increased ctbns

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2. Navigating parenthood

- Some people felt that parenthood would be or had been a trigger for them to think about the future, including pension saving, overcoming difficulties associated with the long-term (James et al, 2020)
- However, women tended to reduce their workplace pension saving at the point of maternity leave and often do not raise it upon return to work because of childcare costs (Foster et al., 2017; Agunsoye and James, 2022)

The only reason I stopped paying in was when I became pregnant… The amount I was paying in pension was about £350 a month, that was a big chunk of what I needed to pay for my childcare, so I stopped paying in the pension purposely to put it towards childcare […] I've opted out twice if you'd like, as I've opted the first time for two years [first child] and then I've opted out again for another two years [second child] […] I kind of felt my hands have been tied.

Alison, 30s, married with young children, opted out

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- Agunsoye and James (2022) argue that this normative context shapes women's saving, and pushes them towards other forms of investment which seem more suited to their needs, yet these ultimately reinforce wealth inequalities.

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3. Fully-fledged saving

- Once individuals felt they were in a position to fully engage with pension saving, the vast majority tended to contribute the amount which attracted the most employer contributions and stick to other defaults (Robertson-Rose, 2019).

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- However, men and women tended to employ different logics in justifying why they do so

…it sounds really bad but I'm not that bothered [about the scheme] because I trust that the system's well and I trust that everybody else is doing it so it's going to work for me…

Jemma, 20s, married, max contributions

I put in the max up to where the match is best. It's free cash right? … Whatever I put in is doubled straight away, because the employer matches the contribution. And then the doubled money goes into the stock market, and then it can grow there too. So win-win.

Will, 30s, married with children, increased ctbns

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- James and Agunsoye (forthcoming) argue that socialised gender roles and norms influence how individuals perceive and respond to financial risk when accumulating assets, leading to divergent investment strategies outside workplace pensions.

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Conclusions

- Pension saving is not a smooth curve, as practices of saving evolve with lifecourse narratives and experiences, which are often gendered.
- As assets, particularly pensions, accumulate over the lifecourse, practices of finance – including who feels able to do finance and how – will have an impact on resources in later life.
- Solutions like automatic enrolment help, but need to move away from 'one-size-fits-all' policies to put greater attention on where and how lifecourses differ from assumptions, with targeted solutions for those who need it.
- Research opportunities to explore the interaction of financial practices and lifecourse for groups whose experiences vary along other axes.

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