WEALTH SURVEY 2024

Gender and generation: unravelling the wealth gap

Handelsbanken

Wealth & Asset Management

Contents

Methodology

Research conducted by Opinium among a sample of 4,000 UK adults between 12th and 17th January 2024. Respondents were chosen on a nationally representative basis, weighted evenly by gender, age, region and value of financial assets. Of the overall sample, 1,765 (44.1%) were male and 2,216 (55.4%) were female, while 733 (18.3%) had a net worth of more than £100,000.

Results were analysed to focus on gender differences between 10-year age brackets and financial assets to identify trends between demographics. Any population figures are extrapolated based on a UK adult (18+) population (mid-2022), published by the Office for National Statistics in November 2023.

Welcome to our Wealth Survey 2024

Welcome to the second edition of our national Wealth Survey. In keeping with our first edition, our 2024 report gets to the heart of how the nation feels about money matters, including personal finances, financial education and long-term financial planning.

It was no surprise to find that this year's results delivered strong and sobering evidence of an ongoing gender wealth gap – the disparity in wealth between women and men which also showed up clearly in last year's edition. In this report, we add a fresh layer to this information, by taking a closer look at how older and younger generations might be experiencing the financial world very differently.

Throughout this report, you'll find a series of chapters covering wealth gap topics, including an added focus on these generational differences. The report highlights the findings of our 2024 Wealth Survey, with input from around the Wealth team at Handelsbanken Wealth & Asset Management.

What will this Wealth Survey report cover?

1. Our first chapter, *Is lower confidence widening the gender wealth gap?*, considers why financial literacy and education among women still appear to be so low. How does this affect women's attitude to taking on financial risk, and what does it mean for their wealth over the long run?

2. In our second chapter, *Pensions: the final frontier for the gender wealth gap?*, we revisit the gap in pension savings between women and men, taking a closer look at the challenges particularly facing more mature women. We also consider what a career change could mean for your retirement prospects.

3. Revisiting a crucial topic in last year's report, our illustrated timeline – *A short history of women and wealth* – provides a whistle stop tour of some of the ways the financial world has historically held women at arm's length, and how this has begun to change.

4. Our fourth chapter, *A word of advice… but from whom?*, uncovers where people look for sound financial advice. We discuss significant generational differences surrounding who people trust with money matters, and uncover what people really think of financial professionals.

5. Finally, our fifth chapter – *Regrets: a few, or too few to mention?* – considers the financial regrets keeping people awake at night, as well as the financial decisions that have made them proud. We also lift the lid on the array of topics weighing on women and men's minds, from politics to divorce.

Given the historical and systematic factors in play, there are no easy solutions to closing the gender wealth gap. We know that this is a long-term project, and that it affects different age groups and segments of society very differently.

As trusted wealth advisers, we believe we have an important role to play in finding solutions to ongoing disparity, and empowering all of our customers to have confidence in their ability to build secure financial futures for themselves.

As always, we look forward to your reflections, comments and feedback.

PK Patel, Head of Wealth Management

Is lower confidence widening the gender wealth gap?

We know that, broadly speaking, women convey a lower level of financial confidence. Our annual Wealth Surveys have repeatedly shown that women feel they have a limited understanding of financial products, and that they're less confident in their financial decision-making.

Does this impact their willingness to take on financial risk in search of financial reward, and what does this mean for the gender wealth gap?

The results of our 2024 *Wealth Survey* are in, and the simple truth is that across the UK, and across genders, our understanding of financial products is low.

The financial products that most of us have the worst understanding of include investments, pensions, and personal insurance products. Worryingly, women of all ages are more likely than their male counterparts to state limited or no understanding of these products. For example, 43% of men told us that they had limited understanding of investments, but this figure rose to 69% for women. This is a consistent pattern, with our 2023 and 2024 *Wealth Surveys* delivering similar results.

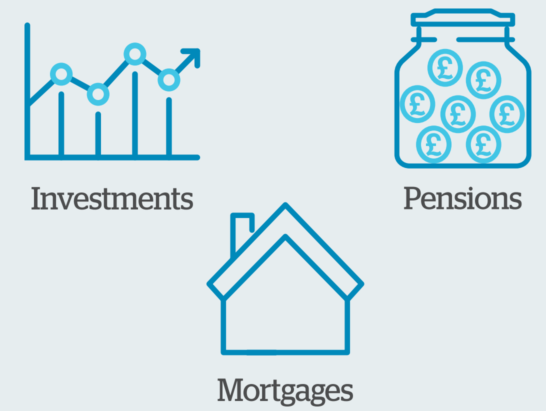
Lucy Allington, Client Director at Handelsbanken Wealth & Asset Management, says that this evidence of a widespread lack of understanding surrounding financial products is extremely concerning, but that the gender differences are sadly unsurprising:

“The financial world has a long history of overtly excluding women, and this has certainly taken its toll. A number of the women reading this report will remember a time when they did not have the right to open a bank account or credit card, or take out a loan or mortgage, without the authorisation of a male guarantor. Incredibly, this did not change until the 1970s!

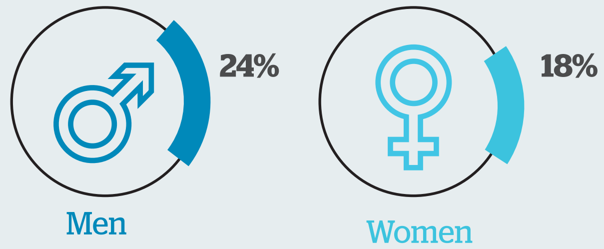
“Thankfully, we're now living in a very different world, but the damage caused by that era will take time to undo. As a result, it shouldn't come as a shock to discover that we're still seeing stark gender differences in financial literacy. As a wealth adviser, it's part of my job to help to bridge the gap.”

In keeping with last year's results, a higher level of affluence appears to close some of the financial literacy gap. Women with financial assets over £100,000 are most likely to have a good understanding of financial products - in particular investments. However, wealthier women are still more likely than wealthy men to be apprehensive about investments and pensions.

Which **products** are we most **apprehensive** about **making decisions** on?



Who thinks they had a **good financial education**?

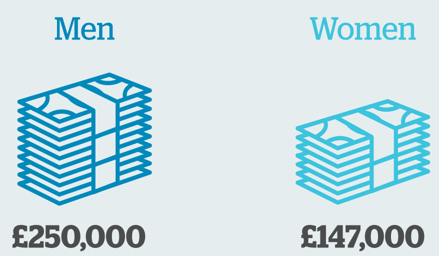


Where does poor financial confidence come from?

Looking back to when they were younger, just a fifth (21%) of our survey respondents claim to have received a good education on managing money in school. Breaking this down by gender, this equates to 24% of men versus just 18% of women. As a professional adviser, Lucy finds these figures very concerning, especially in an era when people are being encouraged to take more control over their financial futures.

Change may be afoot, though, as younger generations are more likely to believe that they've had a good financial education (36% for 18-29 year olds) versus older age groups (14% for those over 50 years old). However, breaking it down by gender again, it's clear that even among younger age groups, men feel more confident than women about the financial education they've received. 46% of men under 30 believe they received a good education on managing money compared to 28% of women the same age.

Average **financial assets**



Lucy sees both good and bad news in this data:

"I do see some causes for celebration among younger women's views of their own financial literacy, and I hope that in twenty years' time we'll be looking at a very different picture.

"However, the financial literacy figures for more mature women today are a huge concern. I want these women to know that it's not too late to receive the financial education they deserve. It can seem overwhelming, but we'd really encourage everyone to take full advantage of accessible learning opportunities, from events at your local bank branch to one-to-one conversations with a professional wealth adviser. You might be surprised by how quickly you can build up your knowledge and confidence, given the right tools."

How do we feel about risky investments?

Our survey suggested that most people prefer lower risk investment options. When asked to imagine picking an investment with the potential for large gains alongside the risk of large losses, 15% said that they would feel panicked and very uncomfortable. A further 27% said they would feel quite uneasy.

Tellingly, wealthier individuals were more likely to be comfortable with the idea of higher risk investment options. 82% of people with assets of over £100,000 felt comfortable with a higher risk product in their search for higher returns, compared with just 68% of those with assets under £100,000.

Women were more risk-averse than men, with nearly half saying they felt either quite uneasy or panicked and very uncomfortable by high-risk options. By contrast, only 10% of men said they would feel this way. More than a third of women said they would never pick a high-risk investment.

These findings completely chime with what Lucy has witnessed in practice as a wealth adviser, and her awareness surrounding these issues has recently been heightened:

"Since our first *Wealth Survey* in 2023, whenever I speak to a mixed-gender couple about their investment options, I'm more aware than ever of their potentially differing feelings about taking on risk.

"Interestingly, I often get the feeling that women are much more open than men when it comes to admitting their reservations. Perhaps, for men, a little bravado can creep in! Making sure that everyone's voices are heard equally can therefore be really helpful in checking that everyone is truly comfortable with the risks they're taking on in search of financial returns."

Is a lower tolerance for risk contributing to the gender wealth gap?

Study after study has shown that men are more likely to invest their capital than women, with women more inclined to keep money in straightforward savings accounts rather than putting it to work in financial markets. As a result, even men and women with similar incomes can end up with quite different wealth levels over time. Could getting more comfortable with risk help to close the gender wealth gap?

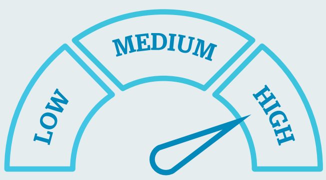
Lucy points out:

"No investment comes without risk, and that's certainly true for investment in shares, bonds and other financial market instruments. However, as a business that specialises in building long-term financial plans, I would encourage everyone to think about what they need their money to help them achieve over the long run. Focusing on short-term certainty, such as interest rate returns on cash savings, can make you feel safe in the near term, but could leave your longer-term aspirations out of reach.

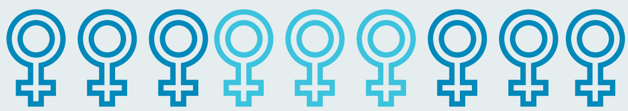
"Yes, staying out of financial markets removes your exposure to financial market risk, but it also means missing out on the potential to build up financial returns over the long-run. Meanwhile, inflation can make your cash savings worth much less in the future, picking your pocket over time. Unfortunately, there's no such thing as a free lunch: there's simply no gain without risk."

Getting comfortable with financial market risk

- Closing the gender wealth gap could involve women becoming more comfortable about the risks involved in investing
- Be honest with your adviser about your financial knowledge, your goals, and your tolerance for risk
- Make sure you understand what you're invested in – if your financial adviser can't explain it to you, it's time to look elsewhere



Four out of **five people** with **assets** of **over £100,000** are **comfortable** with **riskier investments**



More than a **third of women** (34%) **would never pick** a **high risk investment**

Pensions: the final frontier for the gender wealth gap?

Despite the majority of the UK population building up a pension pot, just a third of us are confident that we will be able to retire comfortably. Breaking this down by gender, 38% of men felt optimistic about a financially secure retirement versus just 27% of women.

What's holding the UK population back from a peaceful retirement, are women right to be more worried than men, and are younger people saving enough?

According to this year's *Wealth Survey*, three quarters of us have a pension, with an average pot of £272,045. In keeping with last year's results, women are still less likely than men to have a pension, though this improves among younger age groups. Women over 40 are generally less likely to have a pension than men of a similar age (71% of women versus 83% of men), whereas this is more equal among people in their 30s.

Who **doesn't** have a pension?

However, among women who do have a pension, their savings are typically much smaller. This year, our survey told us that the average (median) pension pot for a woman is roughly £37,500 – half the size of the average (median) male pension pot of £75,000.

Women's pension pots are **around half** the **size** of **men's** pension pots

Why are women's pensions pots so much smaller?

Most people's pension savings are tied to their income, whether this is because it defines how much they can afford to contribute to a private pension, or because their workplace pension is linked to their salary one way or another. With this in mind, perhaps it shouldn't come as a surprise to hear that women's pension pots are typically much smaller than men's.

But isn't the gender pay gap narrowing? In some ways, yes, but unfortunately there is still some way to go. While average hourly wages for younger men and women (18-21 years old) are now roughly even, a pay gap starts to emerge quite quickly as people age. According to Office for National Statistics data, the wage gap between men and women is highest for those aged over 60 years, but even among relatively younger age groups, there has been a worrying creep up in recent years. Over the past few years, the wage gap between men and women for workers in their 20s and 30s has risen back up to levels last seen over a decade ago.[1]

We can only speculate about the cause of this, but it's hard to ignore the potential effect of the COVID-19 pandemic on the workforce in general, and on people's career choices individually. Recent UK labour market statistics have highlighted that the UK workforce has shrunk, with many people leaving the workforce completely in recent years. We know that some of this is sadly due to ill health, but it's difficult to ignore the gendered wage gap data for workers in their 20s and 30s – the most common age for people to raise children.

Christine Ross, Client Director at Handelsbanken Wealth & Asset Management, suspects this is no coincidence, and worries about the effect this could have on many women's retirement savings:

"As businesses call upon their staff to return to the office environment, are women in their 20s and 30s resisting? Perhaps they want to maintain the more flexible time with their family that they've experienced over the past few years. Or maybe – in this era of high costs of living – they simply can't afford the extended childcare they'd need to return to higher paying or full time roles.

"Whatever the cause of the increased gender pay gap within these age groups, given the strong link between incomes and pension contributions, this is a very concerning picture for many women's longer-term finances."

What will stop us from paying into our pension pots?

Perhaps surprisingly, our *Wealth Survey* didn't show family or childcare among the top factors people imagined would cause them to take a break from pension contributions. A fifth (20%) of our respondents did expect to take a longer break from making pension contributions, averaging an expected 9 years when they foresaw that they would not be paying into their pension pots.

The main reasons given for this were travel (21%), and health reasons (18%) – the latter is naturally far more worrying given the recent UK labour market statistics on losing workers to ill health. Around 16% of those surveyed thought they would take a break from contributing at some point because they

[1]Source: Office for National Statistics

would have accumulated enough wealth and would no longer need to work, while the same number (also 16%) – at the opposite end of the scale – imagined that they would need to take a break from paying into their pensions due to affordability reasons.

Given the UK's spike upwards in the cost of living, Christine is not surprised to hear this, but she does caution against deprioritising your pension savings if at all possible:

"We know that there is currently a huge amount of competition for our financial resources. More immediate concerns like a higher cost of living and increased mortgage payments are making it really challenging for many people to maintain regular pension contributions.

"Even acknowledging these challenges, it would be irresponsible of us not to point out that making up for any lost pension contributions further down the line can be really tricky. If you find yourself unable to save for retirement at the moment, we'd really encourage you to take some professional advice to build a long-term financial plan. It might seem like a contradiction in terms to pay for help when you're trying to save money! But it could save you from an expensive misstep."

Do we understand our pensions?

When we asked our survey respondents about who was involved in managing their pension, the most common answer was their workplace (38%). Under UK law, all employers must offer a workplace pension scheme. However, according to our *Wealth Survey* results, only 36% of people felt that their employer was helpful in explaining their workplace pension and post-retirement planning.

As Christine notes, this lack of information from employers can be especially problematic if coupled with a lack of engagement from pension scheme members (employees).

"Usually, there will be lots of different investment options within a pension scheme, but most members will simply stick with the default option. This may not offer the right level of risk and potential financial reward that best fits with their retirement aspirations.

"We see this disengagement in particular with younger pension savers, for whom retirement feels a very long way off, especially once set against other competing near-term financial priorities. This is really unfortunate, as the contributions they make to their pension savings in the earliest years will be given the longest time to attract investment growth. Younger people will also have a very different experience of retirement planning to older generations, who were much more likely to benefit from 'defined benefit' or 'final salary' pension schemes."

What do your career choices mean for your pension?

With workplace pensions in mind, how could career changes affect people's retirement savings? According to our *Wealth Survey*, most people have had an average of two careers so far – this means working in two distinctly different industries or career paths. Those who have not yet retired expect to average three different careers over their lifetime.

What makes people **switch careers**?

- Career opportunities that didn't exist in the past: 27%
- Seeking a better salary: 23%
- Building a varied career path: 22%

While career changes can present fantastic opportunities (personal and financial), Christine is keen to highlight that switching industries could mean facing up to some pension-related risks:

"Restarting in a new industry, or returning after an extended break, can feel like entering the workplace for the first time all over again. If you're moving to a self-employed role having previously enjoyed the benefits of a workplace pension scheme, can you afford to make private pension contributions? If your new role includes a workplace pension scheme but offers a lower salary (likely lowering the amount paid into your workplace pension), can you make up the shortfall? These considerations needn't stop you from branching out into exciting new careers, but they should feature in your financial plan."

Why do we need to engage with our pension planning?

- We have more choice than ever in how we build up (and spend) our retirement savings, but we must be fully informed about the options available
- Pensions form a critical battleground in the gender wealth gap: women need the confidence and information to make viable retirement plans
- Younger men and women need to engage with pension planning earlier, to make the most of the potential for long-term growth in their retirement savings

A short history of women and wealth

UK women have not always been systematically excluded from the financial world. In the 800s, Anglo-Saxon law allowed both married and unmarried women to own property in their own right.

From the 1100s onwards, 'coverture' (the belief that a married couple were one financial entity) morphed into the idea that women were the property of their husbands. Married women could no longer own property, run taverns or shops, and their legal rights were more limited than those of men.

In modern history, it's been a slow journey back towards equality...

1870

Married Women's Property Act

Married women own their own wages and investments. They can inherit property and small amounts of money from close family. However, husbands still retain significant control, and the act is not backdated: it only applies to new marriages.

1919

The Sex Disqualification (Removal) Act

Women can enter professions (e.g. law, accountancy), serve in high profile civic roles (e.g. magistrates, judges), sit on juries, and be awarded a university degree.

1922-1925

The Law of Property Act

Married men and women are given equal rights to inherit property from one another. Subsequent legislation (1926) allowed women to own property on the same terms as men.

1970

The Equal Pay Act

It is illegal for women to be paid less than men for the same type/ amount of work. (The act is a direct response to the 1968 women's strike at Dagenham's Ford factory.)

1973

The first women join the London Stock Exchange

Six women appear on the floor of the London Stock Exchange for the first time in its 200-year history.

1975

The Sex Discrimination Act

It is illegal to discriminate against women in work, education, training, or financial services. Women can now have bank accounts, credit cards, mortgages and loans in their own name (without a male guarantor).

1977

International Women's Day

8 March becomes an official annual event, formalised by the United Nations.

1982

Legal ruling on serving women in pubs

Women have the right to spend their money in pubs: following a landmark legal case, women can no longer be refused service at the bar on gender grounds.

1987

Statutory maternity pay for some women

Eligible women are entitled to receive six weeks of maternity pay.

1990

Independent Taxation

With the introduction of Independent Taxation laws, a married woman's income no longer counts as part of her husband's income for tax purposes.

1993

Statutory maternity pay for all working women

Following a European Commission directive, all working women are entitled to statutory maternity pay.

2014

Shared parental leave

Families are given more choice over how they look after their young children in the first year of parenting.

2017

Government regulations on the gender pay gap

Companies with more than 250 employees must report their gender pay gap information on an annual basis.

A word of advice... but from whom?

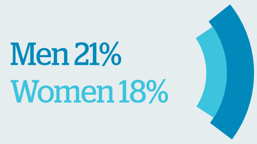
In last year's edition of our Wealth Survey report, we stressed the importance of taking the right financial advice. But who do women and men trust to give them good advice? And do they trust themselves enough to offer advice to others?

Do we trust ourselves?

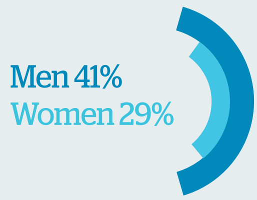
While fewer women than men believe they've had a good financial education, they are less likely to think of themselves as naturally bad at managing money than men – a pattern that we saw in last year's survey results too. (18% versus 21%).

But despite being slightly less confident than women in their own natural abilities, men are more confident than women when it comes to offering up financial advice to family and friends (41% of men versus 29% of women). Again, we saw this pattern in last year's results.

Who thinks they are **naturally bad** at **managing finances**?



Who is **confident** in **offering financial advice** to **friends and family**?



It could be that confidence comes with age, though as younger age groups (18-39 = 34%) are the most likely to believe they are bad at managing money, even though they also report that they had a better financial education than older generations.

Do we trust our friends and family?

Our survey showed that most of us are comfortable talking about our finances, most commonly with our children (74%), partner (69%) or friends (60%). Over a third (36%) of us are even comfortable discussing personal money matters with our colleagues.

Delving deeper into the data showed another generational divide, with younger people much more open with their friends, family and colleagues when it comes to finances. More than two-thirds of people (69%) in the 18-34 bracket are comfortable talking to their friends about money matters compared to only around half (51%) of those aged 55+. This younger age group is also heavily reliant on their parents for financial tips – 79% of 18-34 year olds are comfortable talking to their parents about their finances.

Lydia King, Head of Wealth Planning, was not surprised by these results:

"Younger generations have a bit of a reputation for being much more comfortable when it comes to opening up about personal matters, and our survey indicates that this includes money matters. Broadly speaking, older generations are less inclined to openly discuss areas they consider personal, like their finances.

"We'd say that open and frank conversations are great, provided you're being open and frank with the right people, and you're being discerning about the advice you might receive in return. Likewise, while it can certainly be sensible to play some of your cards close to your chest, we'd say it's also important to make the most of secure routes to learning and information, such as through a trusted professional adviser."

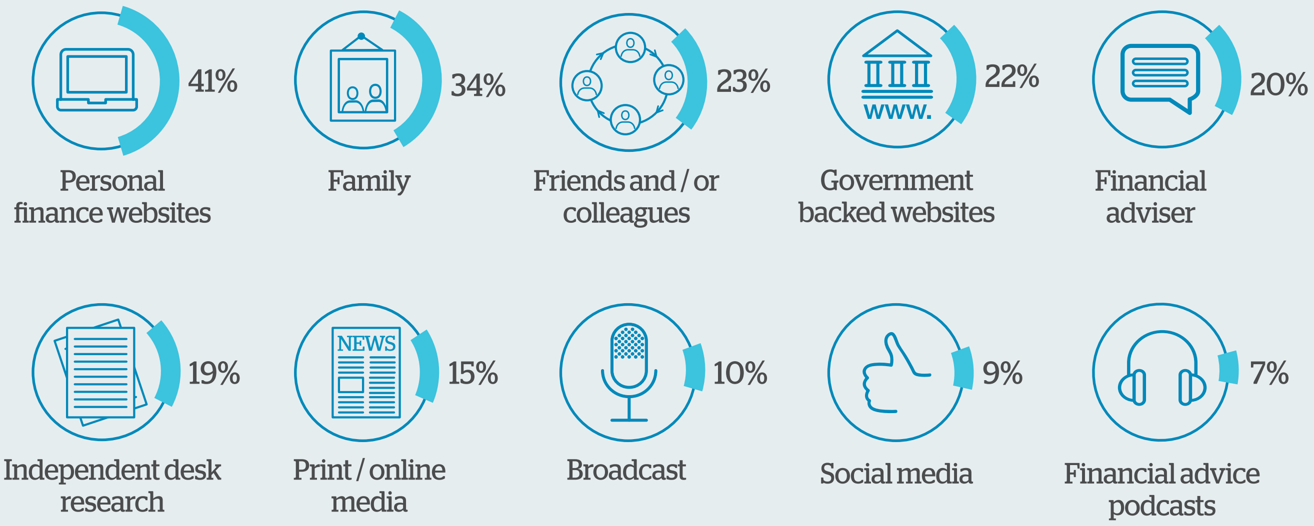
Our survey also discovered that younger respondents were more likely to turn to social media, online resources, and podcasts for advice. While Lydia welcomes the wide availability of money tips, she cautions against conflating these sources of information with personalised, long-term advice:

"It's fantastic that so many guides and resources are now available to help people save money, budget well, and avoid some critical financial pitfalls. It's important to be discerning, but many of these resources can be invaluable in helping to lift people out of poverty and improve their disposable income in the near term.

"Nevertheless, we'd caution against conflating consumer finance guides with tailored, long-term financial advice. Wealth planning is a very personal journey, and with so much information to take into account (including your individual tax considerations and your appetite for investment risk), we believe that most people's personal financial circumstances would benefit from professional advice. You wouldn't tackle complex legal or health issues without professional support, so why do this with your finances?"

1 in **5** people **do not seek** or receive any **financial advice**

Where do people look for financial advice?



Do we trust professionals?

Worryingly, our survey showed that many Brits have not had a good experience of professional financial advice providers. 46% of our survey respondents had used the services of a financial adviser at some point, but a rather damning two fifths of these respondents have had a negative experience. Disappointingly, younger people – with a lifetime of financial decision making ahead of them – were more likely to have had a negative experience of financial advisers than older groups: 70% of survey respondents under 30 years old had been through a negative experience, as opposed to just 21% of those over 60.

Our survey showed that one in five people do not receive any financial advice at all. As Lydia acknowledges:

“If you’ve never experienced a financial adviser before, it can feel daunting – and even counterintuitive – to consider paying for a service to improve your financial situation. However, we’d really encourage everyone to consider picking up the phone to a trusted source of professional advice. In our view, there is simply no substitute for long-term planning tailored to your own personal goals and circumstances.”

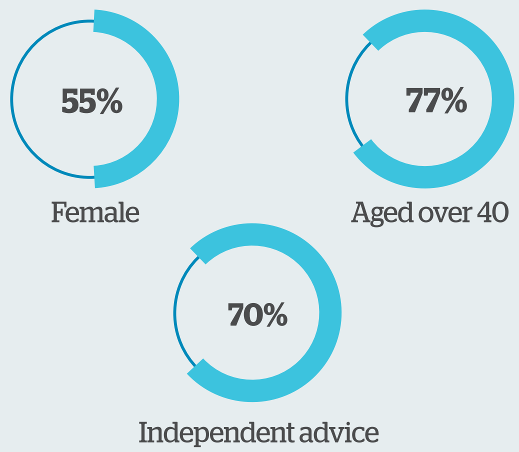
Our survey indicated that most people have a preference for an adviser whose gender matches their own. Women are significantly more likely to want to talk to another woman (69%), and men preferred speaking with a male financial adviser (60%). Interestingly, this trend wanes with affluence: 71% of women with assets below £100,000 would prefer a female financial adviser, but women with assets of over £100,000 were more indifferent: just 54% said they’d prefer a female adviser.

What does Lydia make of this?

“It’s understandable that if you’re feeling a little nervous about taking financial advice, you might hope to hear from someone who seems quite a lot like you. However, as people become more financially confident, it’s possible that they don’t need their adviser to be quite so representative of themselves.

“In our view, the qualifications you should look for in an adviser are experience, professional credentials, and great customer service – not any specific gender. Our own team of advisers are relatively evenly split by gender, and happily we feel that our customers simply see a professional person, and the right person for the job.”

Ideal adviser according to our poll:



Finding the right advice for you

1. Choose an adviser you really trust, with the backing of a strong professional team
2. Create a long-term wealth plan, tailored to your personal goals and circumstances
3. Revisit your wealth plan regularly with your adviser, ensuring your plan evolves with you

Regrets: a few, or too few to mention?

From wishing we'd saved for retirement earlier in life, to panicking about the higher cost of living, there are plenty of worries to keep us awake at night. But what did our Wealth Survey reveal about the different worries faced by different age groups and genders, and – more optimistically – which financial decisions have made us most proud of ourselves?

Our *Wealth Survey* revealed that people in the UK expect to spend extra time managing their finances in 2024 than they did in the past. 41% of people claimed that they are likely to spend longer reviewing their spending on groceries, utility bills and household finances, with men expecting to spend more time than women reviewing their financial commitments.

In keeping with the pattern we saw in last year's *Wealth Survey* results, women appear more likely to have oversight of day-to-day household finances like groceries and bills, while men were more likely to have responsibility for longer-term financial products such as credit cards, subscription services, pensions and investments. As we noted in last year's report (and in the first chapter of this report), this is in keeping with the historical image of women managing households and – by extension – household budgets, whilst being largely excluded from the 'male' world of formal financial products and services.

What's keeping us awake at night?

Not everyone expects to spend more time reviewing their finances this year – for some people, it's quite the opposite. Among those who told us they'll be spending less time managing their finances in 2024, almost half said this was because they'd simplified their financial situation.

However, almost a third of those planning to spend less time on money matters than in the past said that looking at their financial commitments was making them feel anxious. Younger respondents were more prone to giving this as a reason – 35% of 18-34 year olds, scaling down to just 19% for those over 55. As in 2023, our survey showed that concerns around inflation and the generally rising cost of living are among the UK's top worries when it comes to the factors influencing their personal finances.

Younger people were again more anxious. Almost half of our survey respondents were concerned that their standard of living would drop in 2024 and beyond, but this was a particular worry for people in their 30s – more than half (55%) of this age group feared a standard of living drop, versus just 38% of people aged 55 years or older.

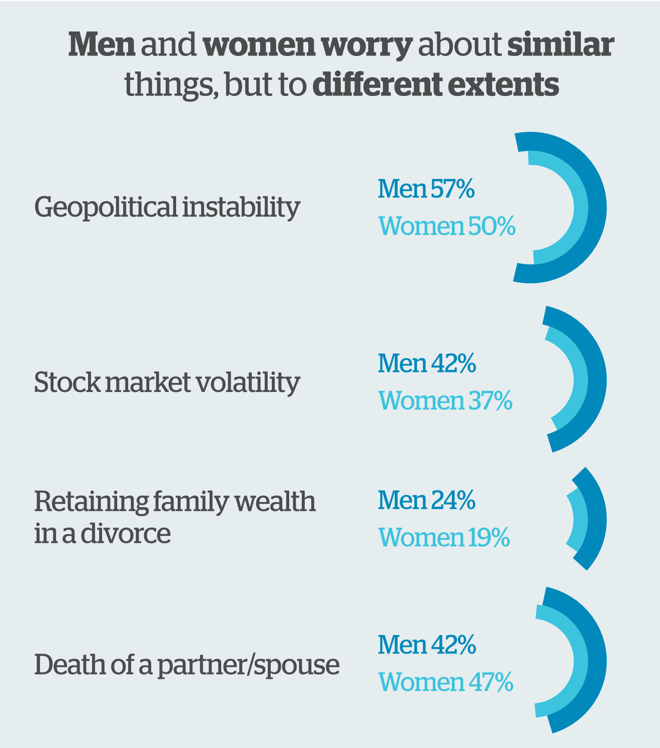
Alasdair Wild, Area Manager at Handelsbanken Wealth & Asset Management, is familiar with these generationally different reactions to high inflation and high interest rates:

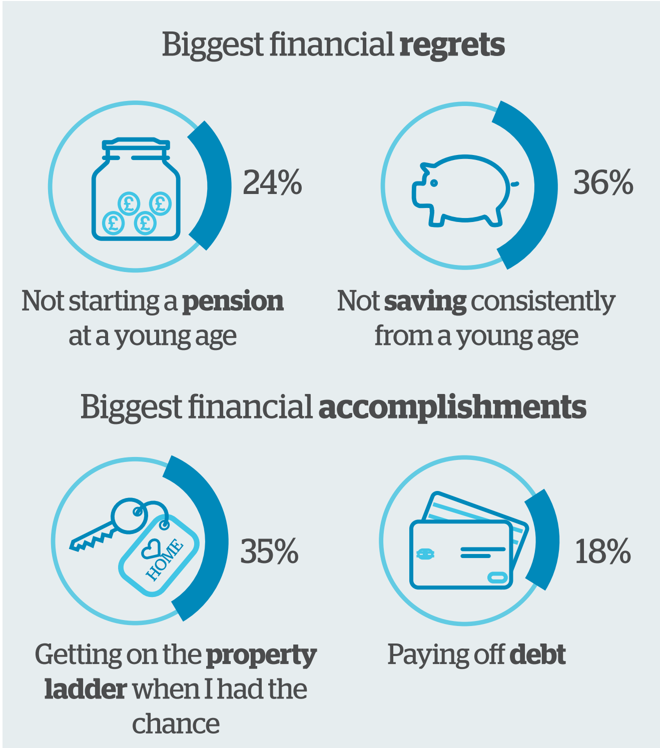
"Many of our more mature customers are in the fortunate position of having paid down their mortgages, and this often translates into more generally sanguine feelings about the current higher cost of living. Meanwhile, some of our younger customers – even those who might be described as 'asset-rich' – are more likely to be feeling the pain of scaled-up costs, particularly around their mortgage repayments.

"Customers in younger age groups – 20s, 30s and 40s – have lived virtually all of their adult lives in a time of relatively low UK interest rates, which have been in place since the 2008 financial crisis. Cheap money has felt like a fixed feature of their financial landscape, and this is reflected in the debt they've acquired, including their mortgages. It could be that over half of mortgage holders in the UK have rarely seen interest rates above a couple of percent. Among customers in this position, we're conscious of the higher potential need to liquidate some of their assets (such as selling investments) in order to service their mortgages in the near term."

Politics are a hot topic in an election year

Turning back to gender, we found more patterns that matched 2023's *Wealth Survey* results. Men worried more than women about the effects of geopolitical instability and stock market volatility on their financial circumstances (perhaps due to a greater tendency to be investors rather than savers). They were also more worried about retaining family wealth in the event of a divorce. Meanwhile, women once again tended to be slightly more concerned than men about the impact their partner's death would have on their finances.





Beyond these long-run concerns, Alasdair has found that politics – both global and local – is the topic du jour for both male and female customers:

"As we head into an election year on both sides of the Atlantic, our customers are increasingly concerned about what the US and UK elections will mean for them. For the US election, this is more about how the next White House resident will impact global financial markets, while for the UK election, customers are more concerned with how a new government could impact UK taxation.

"We don't have a crystal ball, but we do know that financial markets typically look through elections – focusing instead on the economic environment and the behaviour of central banks. And while the potential for changes in tax regimes can seem alarming, rest assured that we're watchful and ready to advise on any changes to tax rules, always aiming to ensure the most tax-efficient outcomes for our customers."

Unpicking the top causes for woe and celebration

As part of our Wealth Survey, we asked people about their biggest financial regrets, and their biggest financial accomplishments.

It turns out, our biggest financial regret is not saving consistently from a young age. Women were slightly more prone to this regret than men (40% of women, compared to 32% of men). This was true for all age groups surveyed. Sticking with the theme of accruing savings, many people also regretted leaving it too late to start a pension, and – on the flipside – incurring too much debt.

Happily, a quarter of our survey respondents told us that they have no financial regrets, rising to 39% for those aged 60+. Taking the chance to get on the property ladder was seen as the biggest financial accomplishment for people across all age groups, along with paying off debt, and saving consistently from a young age.

Alasdair sees it as part of his duty as a wealth adviser to help people to avoid financial regrets wherever possible, and to encourage different generations of savers to share their experiences and knowledge:

"The financial landscape has changed significantly between the youngest adult generations and those who are now retired or retiring. Defined benefit pension schemes are typically no longer the norm, student debt can feel overwhelming, and property prices relative to average salaries make home ownership seem much more out of reach. As a result, younger generations' financial planning runs the risk of being pushed back by a decade or more while they grapple with nearer-term issues instead of worrying about retirement.

"While it's easy to see why younger generations might shy away from thinking long-term, we think that building a financial plan can create a solid roadmap and a sense of security and purpose. We'd encourage older generations to share their wisdom (even if that means their regrets!) around issues like building up your pension, as this will become more critical than ever for younger generations too.

Avoiding regret through sound financial planning

- Don't let short-term demands on your finances stop you from making a long-term financial plan
- Work with a trusted adviser to ensure your plan is fit for the future, and can weather a range of economic conditions
- Review your plan regularly to ensure it continues to match your personal circumstances and goals

To find out more, as a Handelsbanken bank customer, please speak to your local branch.
Alternatively, contact us directly at Client Support:
01892 701803 or clientsupport.hwam@handelsbanken.co.uk

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