The investment glass ceiling? Less than half of women own an investment product

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Less than half of UK women own an investment product, such as a stocks and shares ISA or pension, according to new research commissioned by RateSetter.

Men are significantly more likely to own investment products (66 per cent of men compared to 48 per cent of women), indicating that women may be missing out on potential returns relative to men. Women are more likely than men to hold their own savings account (62 per cent compared to 55 per cent), but half as likely to hold stocks and shares (23 per cent versus 11 per cent).

When deciding what to do with money left over each month after paying for living expenses, men and women save around the same proportion of it (one-third), however, men invest twice as much of it compared to women (6 per cent versus 3 per cent).

RateSetter is publishing these findings a week in advance of its event to explore why more women aren't investing, what impact this has on their finances and what can be done to encourage greater involvement and engagement.

Rhydian Lewis, CEO at RateSetter, commented:

> "This research confirms something which many industry commentators have talked about anecdotally: women are significantly less likely to invest their money than men – in effect creating an investment glass ceiling.
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> "This is particularly important in the context of investing to provide an income in later life. £1,000, invested shrewdly and earning an average of 5% a year, turns into £4,300 after 30 years. The same amount left in a savings account paying 1% would be worth just £1,350 after the same period.
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> "There is a very real danger that even with equal incomes, women could end up poorer than men if they do not invest more. The challenge is for the finance industry collectively to take a lead, identify what the right response should be to this and take effective action."

The research sheds light on a number of potential explanations for the gender investment gap.

Complexity appears to play a part: just one in twenty women (5 per cent) say that they are comfortable with investment complexity – compared to three times as many men (15 per cent). A third of women (31 per cent) say that any degree of complexity is enough to put them off investing, compared to less than a quarter of men (23 per cent).

Risk appetite may also be an important factor, with women almost twice as likely as men to describe themselves as "strongly risk averse" (28 per cent compared to 15 per cent).

Women are also less likely than men to say they understand investment products. Around half of women say they understand stocks and shares compared to three quarters of men; a quarter of women say they understand peer-to-peer lending compared to four in ten men; and six in ten women say they understand pensions compared to more than three quarters of men.

Full data sets are available on request

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Notes to editors

Populus surveyed 2,072 UK adults online between 24-25 February 2016. Data were weighted to be demographically representative of all UK adults. Populus is a member of the British Polling Council and abides by its rules.

INVESTigate: Why aren't more women investing?

RateSetter is holding an event on 10 March 2016 exploring the reasons why more women aren't investing, what impact this has on their finances and what can be done to encourage greater involvement and engagement.

For more details on the event visit https://www.eventbrite.co.uk/e/investigate-why-arent-more-women-investing-tickets-20418992757.

RateSetter is one of the UK's largest marketplace lenders, and has lent more than £1bn to UK individuals, businesses and property developers, including £500m in 2015 alone.

The platform offers a ground-breaking proposition that allows retail, institutional and corporate lenders to invest at interest rates set in an open market. RateSetter's market rates can be found here. RateSetter is not covered by the FSCS and capital is at risk. RateSetter's £17m Provision Fund has ensured that no individual investor has ever lost a penny since RateSetter launched in 2010 - a unique feat amongst the major platforms in the industry. All borrowers pay into the Provision Fund, which repays investors in the event that a borrower misses a payment.

In 2014, RateSetter became the first marketplace lender to launch with a retail license in Australia. In December 2015, the platform won Best Peer-to-Peer Lender in the FT and Investors Chronicle Wealth Management Awards for the second year running In March 2015 Rhydian Lewis was named *FinTech Leader of the Year*, and RateSetter was the highest-rated platform by Which? readers in 2015.

RateSetter is authorised and regulated by the Financial Conduct Authority.

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