

Women Still Not Financially Independent

For some years now, women have headed up the British intelligence services, risen to the top of the business world and gained equal prize money on Wimbledon's Centre Court. One in five women are currently earning more than their male partners, with this proportion likely to rise steadily over the coming years.

Sadly, however, women are still falling short when it comes to financial planning for the future, meaning that, far from being independent, many are continuing to rely on their partner's wealth.

In the worst case scenario, post-divorce women are often finding themselves struggling financially not as a result of a legal settlement with their former partners, but due to the fact that they are significantly less likely to have savings in place to rely upon.

Even when marriages do carry on happily, figures from Scottish Widows show that it is men who are better at putting money away for the future, both through savings accounts and investing in pension schemes. For example, while fathers' saving rates fall by around four per cent following the birth of a first child, for new mothers, this rate falls by a massive eleven per cent.

"You find some women who do, rather naively, think that they can rely on their husband's assets – so even if divorce doesn't happen, there will be enough income from just his provision," explained Lianne Mealing, managing director at the independent financial advisory firm MDM Associates Limited.

With the cost of living steadily increasing and news of a looming 'pensions crisis' seemingly on every news bulletin, such neglect could cost couples dearly in the long-run. Not only do both partners equally saving and paying into pension schemes make for double the income in retirement, but by saving in their own right, women are able to take advantage of tax benefits to ensure that they get even more, experts point out.

"If you can demonstrate that you've actually accumulated those assets in your own right, it gives the revenue less of a case to argue against using double allowances, transfer of assets prior to death," added Ms Mealing.

While no-one who has just got married should dwell on matters such as divorce and death, to completely ignore the future in all its forms could be unwise and extremely costly.