

## Diversity

Annual report 2019/20

# Diversity

## Annual report 2019/20

### Contents

<b>1</b>	Overview of strategy and approach	3
<b>2</b>	Reflecting the society we serve	6
<b>3</b>	Inclusive culture	9
<b>4</b>	Our consumer focus	10
<b>5</b>	Leading by example - our role as a Regulator	12
<b>6</b>	Workforce profile and network groups	13
<b>Annex</b>	Financial Lives 2020 diversity insights	22

# 1 Overview of strategy and approach

This is the FCA's seventh Annual Diversity Report and fulfils part of our Public Sector Equality Duty (PSED) under the Equality Act 2010 and related secondary legislation.

Diversity and inclusion are central to our approach, both as an employer and a regulator. Diversity and inclusion matters, both to us as a regulator and to the firms we regulate. A diversity of perspectives and thought, when capitalised on as part of an inclusive culture, delivers better judgements and better decision-making in the public interest. It reduces the risk of group think and encourages innovation.

- Our work touches the daily life of almost everyone in the UK, and the lives of millions who rely on UK markets, so as an employer we need to reflect the society we serve. We operate in an increasingly complex environment. We need diverse teams capable of dealing with the tough challenges we face and the complex judgements we need to make every day. We have an Executive Diversity Committee which is responsible for taking strategic decisions about diversity and inclusion in the FCA. Diversity and inclusion matters even more in times of crisis and we are paying particular attention to inclusion and the wellbeing of our staff.
- As a regulator, we know that diversity and inclusion are central elements underpinning good culture in firms – so they are important features of how we evaluate firm culture and conduct.
- As a public body, we comply with the PSED, both as an employer and in our regulation. This means we must look for ways to eliminate discrimination, advance equality of opportunity and foster good relations between people with a protected characteristic and those without – both within the FCA and in the way we regulate.

## How we make it happen

---

- We have an Executive Diversity Committee (EDC) that leads on our diversity and inclusion (D&I) strategy. EDC is a sub-committee of our Executive Committee (ExCo). EDC is chaired by the Chief Operating Officer (COO). EDC determines the diversity and inclusion and PSED objectives of the FCA and monitors our progress against these objectives. Members of EDC include the Equal Opportunities Officer, HR Director, Head of Corporate Responsibility, Senior Champions of our network groups, and representatives of General Counsel Division and Risk. The COO has overall Senior Manager Regime responsibility for Corporate Responsibility, including equality and diversity. The Corporate Responsibility team sits in the COO's office and reports to ExCo and the Board.
- EDC is advised and challenged by our Diversity and Inclusion Advisory Group, a representative group of members from across the organisation. There are also Divisional D&I working groups in each of our key divisions. These groups help shape our overall strategy and ensure our Divisions bring the agenda to life. We also have 8 network groups who support diversity and inclusion by providing subject matter

expertise, insights around difference and lived experience as well as providing a platform for engagement. They work collaboratively with each other and our Staff Consultative Committee and take an intersectional approach.

Intersectionality is a term for understanding how aspects of a person's social and political identities might combine to create unique modes of discrimination and privilege. Intersectionality identifies advantages and disadvantages that are felt by people due to a combination of factors. For example, considering the experience of a BAME woman or a man with a disability.

Our overarching D&I vision and strategy to bring this all together follows:

### Our 2020 vision and equality objectives



All aspects of diversity and inclusion are important to us; that includes diversity in the context of the nine protected characteristics, but also in relation to diversity of experience, background and working style – because diversity of perspectives and thought delivers better judgements and better decision-making in the public interest. Our Executive Diversity Committee priorities are gender, ethnicity and social mobility, because these are areas where we know we have some specific challenges, and where addressing those challenges could have a significant impact, not just for those groups, but for diversity and inclusion in the widest sense.

As part of our focus on both gender and 'Leading by example', in June 2016, we signed the Women in Finance Charter. This seeks to increase women's representation in the financial services sector, particularly at senior levels. The Charter requires us to set and report on gender targets (covered in Section 2 of this report). We also set BAME targets for our senior leadership team.

As we said in previous year's reports, we created a 'Positive Action Framework' to guide our work internally. This is about everyone learning to value differences, when it is easier to favour those who are similar to us. The work we described last year continues, and we provide details in Section 2.

We will be reviewing and updating our strategy for 2021-2023.

These next four sections look at our progress against the 4 equality objectives outlined above, focusing on the key activity and successes over the year. Any data used is for the year ending 31 March 2020 unless otherwise stated.

## 2 Reflecting the society we serve

- Our targets for female representation are: 45% of the FCA's Senior Leadership Team (SLT) to identify as female by 2020, and 50% by 2025
- Currently 40% of the SLT identifies as female, which is the same as last year. The figure without including the Payment Systems Regulator is also 40%, last year it was 39%.
- Our Black, Asian and Minority Ethnic (BAME) targets are: 8% of the FCA's SLT to identify as BAME by 2020, and 13% by 2025
- Currently 10% of the SLT identifies as BAME. This has moved from 7% last year. The figure without including the Payments Systems Regulator is 11%, last year it was 8%.

Reaching our interim 2020 gender target was always going to be challenging. While we are taking positive action, we do not have a high turnover or large number of new positions at SLT level. As a result, we have not yet been able to achieve enough positive changes to reach the 45% interim gender target. Additionally, our SLT is a relatively small group so slight changes can make a big impact.

We are pleased to have met and exceeded our interim 2020 ethnicity target though we must keep a continued focus as we still have more work to do to ensure we reach our 2025 target. However, we have to look at both targets holistically because progress in one could be at the expense of the other.

We will continue with our positive action programme and hope to see the level of female recruitment and promotions increase.

- We continue to use our diversity data dashboard which captures gender and ethnicity across all divisions at all grades. It analyses data such as new staff information, turnover, acting-up opportunities and internal development programmes. It also allows us to look at trends data and drives focused and positive action. We have also been working with colleagues in our Behavioural Data Unit to further develop our work.
- We continue to take forward our resourcing D&I strategy which aims to bring together 'inclusive recruitment' practices to deliver the right solutions for the FCA. We recognise the importance of having diverse teams and our strategy aims to achieve this through more inclusive recruitment practices. Our key objectives are:
  - create a level playing field for diverse talent by removing barriers
  - challenge and support hiring managers' decision-making from the start of the process, through to assessment and offer (eg job description design, considering non-traditional routes, assessment design)
  - use data insights to inform action and drive better outcomes.

Over the past 12 months we have carried out a number of business pilots. This includes better use of data insights, diverse hiring panels, skills-focused job descriptions and sharing interview questions with candidates before their assessment. We are also exploring flexible working as a tool to attract candidates, conducting interview skills training redesign and a full review of our interview and assessment practices.

- All members of the Senior Leadership Team and Managers have a shared objective to promote diversity and inclusion
- As part of our 'At our best' Leadership Programme, run in partnership with Oxford Said Business School, we ran a workshop on making more inclusive decisions. It encouraged our leaders to challenge the innate cognitive biases we all have and participants identified and discussed practical strategies for doing this.
- We are working with Mind Gym to deliver our leadership and people management training for managers. This includes a specific module on inclusive leadership, and inclusion is a part of all modules.
- We have reviewed divisional D&I plans and updates to identify gaps and common factors, to share best practice and highlight initiatives that the whole organisation can implement
- EDC hold our Executive Committee members to account on their divisional D&I statistics and progress against targets, through an annual discussion and challenge session. This year the session focussed on their personal accountability and role as inclusive leaders.
- We collect diversity data, which is included in Section 3. The percentage of colleagues who give their ethnicity is 97%, gender is 100%, age is 100% and sexual orientation is 80%. The percentage of colleagues who submitted diversity data covering the remaining protected characteristics and educational background and caring responsibilities was between 69-71%, an increase from last year when it was 64-67%.

## **Our gender, ethnicity and disability pay gaps**

---

The full details of our gender, ethnicity and disability pay gap figures for the year ending 31 March 2020 have been published on our external [website](#).

Our median gender pay gap is **20.4%** and mean **18.4%**. The figures show a small movement from those reported in 2019. The overall median has decreased by 0.2 percentage points (from 20.6% to 20.4%) This represents a total 0.8% percentage point decrease since the first published figure in 2018. The mean has increased by 0.6% (17.8% to 18.4%) and has returned to a similar figure as reported in 2018. Our median gender bonus gap is **22.6%**, which is a decrease of 0.9% from 2019 and the mean is **19%** a decrease of 1.5%. Both the median and mean have shown a continuous downward movement since 2018.

Last year we published our ethnicity pay gap for the first time, even though there is no legal requirement to report, as we believe that data transparency drives positive action. We know that the experience of the ethnic groups that make up the 'BAME' grouping is not the same, and we need more granular data to help us better understand our challenges and take more targeted positive action. This year we have sought to provide an increased level of transparency by:

- further breaking our ethnicity pay gap down into the UK census ethnicity categories;
- looking at our pay gaps by contractual grade; and
- publishing our intersectional gender and ethnicity pay and bonus gap.

The overall ethnicity gap has not changed significantly since 2019. The median is **28.9%** up by 0.2 percentage points (28.7% to 28.9%) and mean **27.0%** down by 0.2 percentage points (27.2% to 27.0%). Our ethnicity median bonus gap is **32.0%** a decrease by 0.9 percentage points, while the mean **31.8%** has decreased by 1.5 percentage points. Details of the additional pay gap breakdowns can be found on our website.

This year we have also included the pay gap for a further protected characteristic, disability. Again, there is no mandatory requirement to report but we believe the data should also be published, to drive positive action. Our disability median pay gap is **7.7%** and the mean **3.9%** for this year. The median bonus gap is **11.6%** and the mean bonus gap is **5.2%**.

There have been small improvements, but little consistent change from the actions taken so far, to address the pay gaps. Our analysis has shown that even if we reach the targets set for the representation of women and BAME within our Senior Leadership Team (SLT) by the end of 2020, this alone will not have a significant impact on the pay gaps.

Our actions now need to be bolder and more challenging. There are similar trends presented when we look at gender, ethnicity and disability, but our data demonstrates we have the most to do on ethnicity, where we see an imbalance in representation at all levels in the organisation. We will work with all our people to ensure that we push forward with impactful sustainable change – for our own organisation and the financial services sector.



## 3 Inclusive culture

- Every year we carry out an employee survey. The survey asks several questions about diversity and inclusion. Some of the results from these questions include:
  - 'I can be myself around here' – 69% of respondents agreed, last year this was 70%
  - 'I am treated as a full member here regardless of my position' – 72% of respondents agreed, last year this was also 72%
  - 'People are treated fairly here regardless of their gender' – 80% of respondents agreed, last year it was 81%
- Over the past year we have been placed in:
  - the Stonewall Workplace Equality Index Top 100 at 59, up from 69 last year
  - the Social Mobility Employer Index at 23, up from 37 last year
- We worked with our Network Groups to run a series of inclusive events. We promoted them as "mystery events" because our people did not know which network group event they were attending until they arrived. They had a great turn out and very positive feedback. We also held a 'This is me' campaign in the summer, which encouraged people to share a personal photo and some facts about themselves, which we displayed on office screens. The purpose of this was for our people to be authentic, tell their stories to capture their whole selves and to encourage conversations in the organisation about people's life experiences.
- As part of our intersectionality work we have also run a programme of blogs on our intranet, with our people telling their stories about social background and class, mental health and being a carer.
- A BAME Women's group has been formed to recognise the intersectional nature of the challenges for BAME women and they held a panel launch event which was extremely well attended. The group was set up to support BAME Women in the FCA by empowering them to reach their full potential, harnessing the rich source of experience and diversity of BAME women, and applying this to inform policy at the FCA. They provide a forum for BAME Women to meet and are working to recognise and use their intellect and talent across the organisation.
- Following our successful pilot last year, we launched a second cohort of our BAME sponsorship programme and opened up coaching and development opportunities to this cohort. We have also continued our reverse mentoring programme.
- We increased our provision of gender neutral toilets so they are now available on an additional floor.
- We held a specific Leadership Forum for all our SLT to discuss inclusive leadership and what personal accountability they take in furthering our D&I agenda.

## 4 Our consumer focus

### Our Financial Lives survey

---

This year we undertook a second Financial Lives survey.

Through this survey we set out to:

- estimate the number of UK adults holding any of around 90 financial products and profile those who do and do not hold these products
- understand consumers as people, and observe their financial behaviours and their experiences with financial products and services, in the context of their everyday lives
- demonstrate differences in behaviours and experiences, by many important aspects, including by region, income, generation and other demographics
- profile, and quantify, the consumers experiencing actual or potential harm from financial services
- and also to see how these results have changed since our first survey in 2017

With a sample of over 16,000 adults, weighted to be representative of all UK adults, the survey reveals a wealth of information about different types of consumers.

The survey represents diverse groups. We know this, because we collect survey data on age, gender, sexual orientation, marital status, ethnicity and disability. We can use the survey findings to explore the experiences of UK adults with these protected characteristics. This gives us the potential to understand the impact of our policies and processes on various groups in the UK population.

In the Annex we provide a small selection of findings among adults about their attitudes and experience of financial services, broken down by gender and ethnicity. We will be able to achieve much more with these findings, including using advanced analytics to understand the drivers of some of the differences we see.

### Making our information more accessible

---

- We design and test our external website to Web Contents Accessibility Guidance (WCAG) AA standards as a minimum. We aim for higher where possible.
- Our Supervision Hub has continued to increase the accessibility of our services, working to the British Standard of Inclusiveness. We receive an average of 10,000 consumer contacts a month via our different channels - telephone, email correspondence, letters and live webchat. We receive an average of 30 contacts a month where we use our translation service for our Correspondence Team and an average of 40 contacts a month for our Telephony Teams. Our top 3 translations for written correspondence are Italian, Arabic and German.

- We offer a 48-hour callback service to consumers who are potentially vulnerable to check how they are getting on and if they have understood the guidance we gave them. We also offer a transfer service to the Financial Ombudsman Service for consumers who have contacted us and need us to help explain their complaint or need more help in making a complaint to the Ombudsman.
- We have a good relationship with the Samaritans and we offer a referral service to them in exceptional circumstances. This is in addition to telling consumers about them if they do need someone to talk to. We also have relationships with Age UK, Shelter and Scope who sometimes refer consumers to us.
- We continue to work with our divisional Equality Superusers, who sit across all divisions and act as the first point of contact for people writing papers or involved in new pieces of work, such as strategy or policy initiatives. Superusers help assess the equality implications of this work. They are thoroughly trained and supported by the Corporate Responsibility team. In the past year, we undertook 10 full equality impact assessments.

## 5 Leading by example - our role as a Regulator

- We now have a permanent place on the Women in Finance Charter Board, recognising the important role of the FCA, not just as a signatory but as the regulator, in furthering the Charter's objectives.
- We held two events in our London office for trade body signatories of the Women in Finance Charter to discuss progress against the Charter and share best practice.
- We have worked to embed our approach to diversity within our day to day work. This year we set up a specific Public Sector Equality Duty working group, to further evolve this work. The working group consists of senior leaders across the organisation and they will be developing a strategy to further our work in embedding diversity and inclusion in financial services.
- As part of our ongoing work to transform culture in financial services to reduce harm to consumer and markets we published a Discussion paper in March 2020 about Transforming culture in financial services.
- Our leaders continue to speak externally about why diversity and inclusion is important to us both as an employer and as a regulator.
  - Nausicaa Delfas, Executive Director of International made a speech at the City and Financial: Women in Finance 2019 event on 6 June 2019 on Diversity: delivering excellence for the future
  - Christopher Woolard, Interim Chief Executive made a speech on 10 October 2019 on 'Class cliques and social codes: doing more on diversity'
  - Georgina Philippou, Chief Operating Officer was interviewed by the FT Adviser on D&I at the FCA and in the financial services industry more widely

## 6 Workforce profile and network groups

We want to make sure our workforce is broadly representative of the society we serve and that every employee feels valued and supported. One of the key ways we track our progress is by reviewing the diversity data we collect. This section reports against each of the 9 'protected characteristics' as well as additional metrics, including educational background and caring responsibilities.

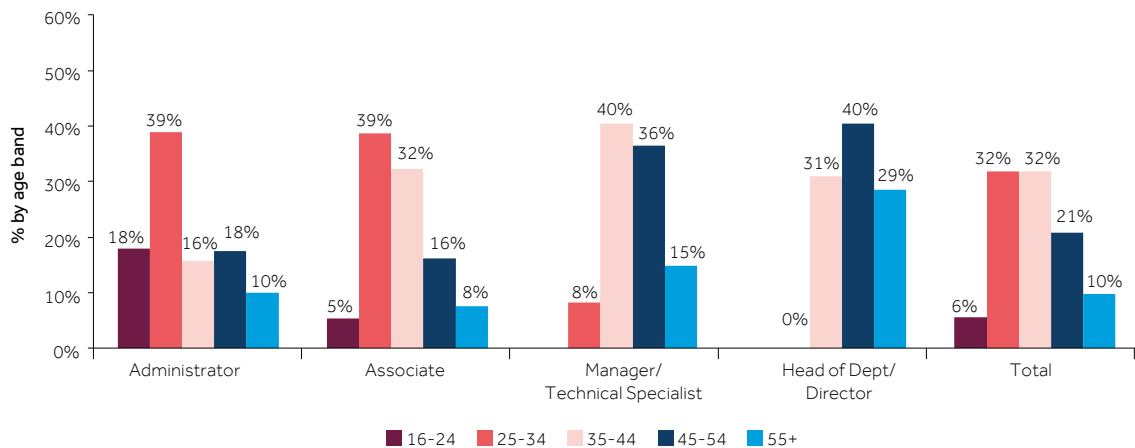
We have continued to focus on increasing the number of employees providing their diversity information and these rates have increased. We ask for some information when people first join us, which is why there are higher declaration rates for sections such as gender, ethnicity and age.

These figures<sup>1</sup> include both the FCA and our subsidiary, the Payment Systems Regulator.

### Age

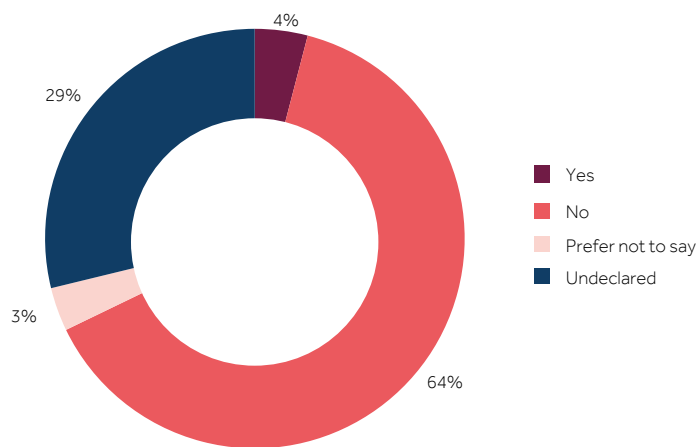
We have a 100% declaration for this area and people of all ages working at all contractual levels:

- those aged 25-34 are represented most at Associate and Administrator level
- most Heads of Department and Directors are in the 45-54 bracket



<sup>1</sup> Some figures add up to more than 100% due to rounding.

## Disability



We hold data on this area for 71% of our people, an increase from 67% last year.

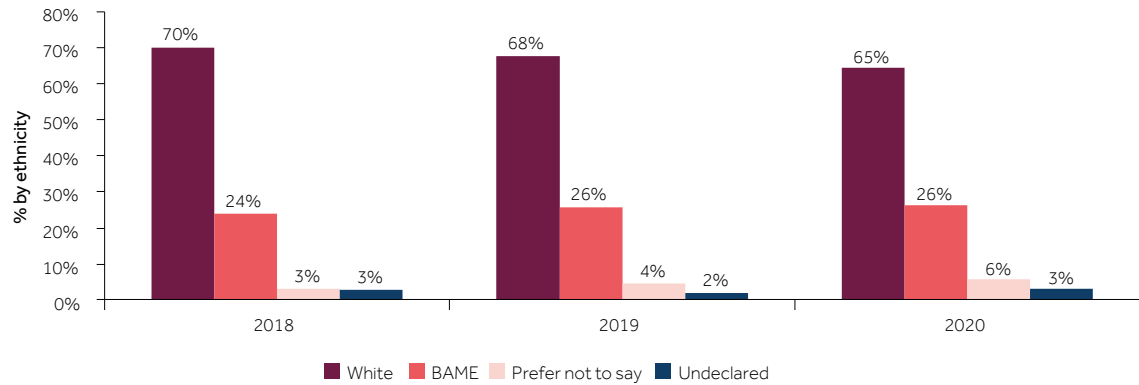
64% do not have a disability, 4% have a disability and 3% prefer not to say. We want to ensure we support people affected by mental and physical wellbeing issues. We are members of the national Disability Confident scheme.

Our Disability and Mental Health network group, Embrace, organised a range of activities throughout the year. On Time To Talk Day we again ran a successful series of local 'cuppa, cake and chat' sessions across the organisation, encouraging colleagues to check in on each other and to help destigmatise mental health. On International Day of Persons with Disabilities, two-time paratriathlon World Champion, Steve Judge, gave a powerful talk to our staff on building resilience, achieving goals and overcoming setbacks.

The Embrace network's focus continues to be on embedding best practice among managers and to signpost colleagues with a disability or mental health condition to the support services available. A particular highlight of the past year has been the launch of Mental Health First Aiders, Mental Health Champions and a new Employee Assistance Programme (EAP) provider, which will further strengthen the support available to colleagues.

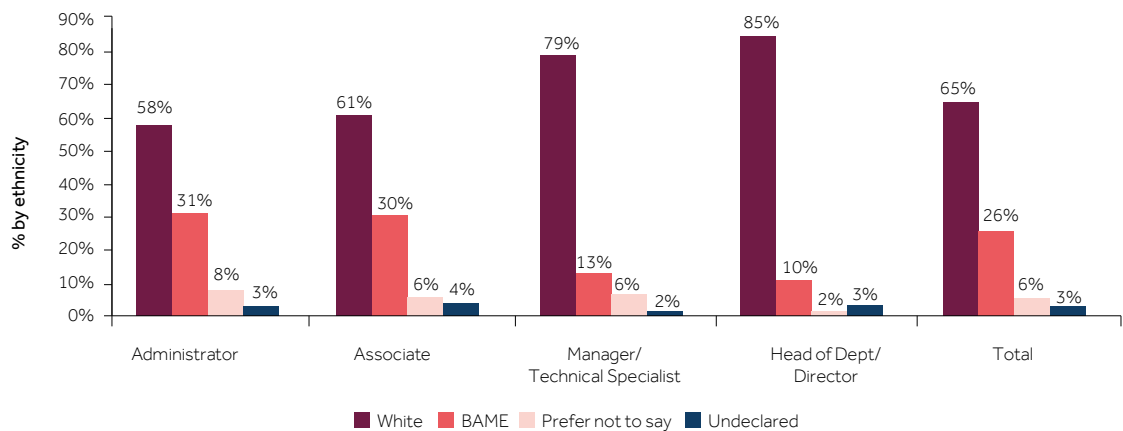
## Ethnicity

We hold data on 97% of our people.



The chart above shows that our overall representation of BAME colleagues has remained at 26%, the same as last year.

The chart below shows the ethnic breakdown, by contractual grade and overall figure, for 2019/20.



10% of our Senior Leadership Team (Head of Department/Directors) are from the BAME community, an increase of 3 percentage points from 7% last year

- 30% of our Associates are from the BAME community, an increase of 3 percentage points from 27% last year
- During this period, 28% of all people promoted from one job grade to a higher one (eg from Administrator to Associate or from Associate to Manger) were from the BAME community. The figure last year was 18%.

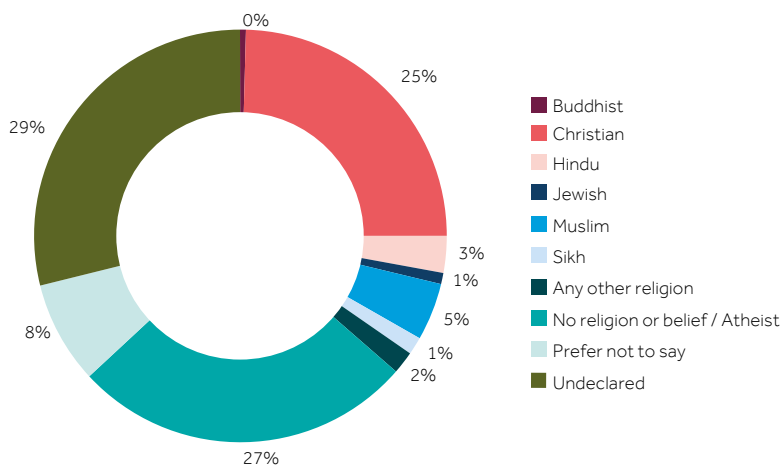
Our ethnicity network, Spectrum, has been very active this year and hosted a wide range of events aimed at making the FCA more race-confident. This means being able to have meaningful and open conversations to raise BAME-related issues. Spectrum has seen a significant increase in its membership this year. Support for the network is now extending beyond BAME staff, reflecting its efforts to be an inclusive Network and living those values.

We celebrated 'Diversity in BAME', Black History Month and held joint events with other staff networks to highlight crossover issues. Spectrum organised and promoted blogs from all employees because everyone's voice matters, including our housekeepers, who have generously and openly shared their stories and views on BAME related issues.

Spectrum invited a guest speaker who was a founding member of the Civil Service Race Forum to share his thoughts on challenging organisational norms. Spectrum hosted a unique session to explore the often-unspoken reality of privilege where colleagues participated in an open discussion and had the opportunity to gain new insights.

Spectrum has continued to support central initiatives including the launch of the BAME sponsorship programme and reverse mentoring.

### Faith/belief



We hold data for 71% of our people, an increase from 66% last year.

The 71% comprises 25% Christian, 27% no religion or belief/atheist, 8% prefer not to say, 5% Muslim, 3% Hindu, 2% 'any other religion', 1% Sikh and 1% Jewish. We also have employees who identify as Buddhist but this groups forms less than 1%.

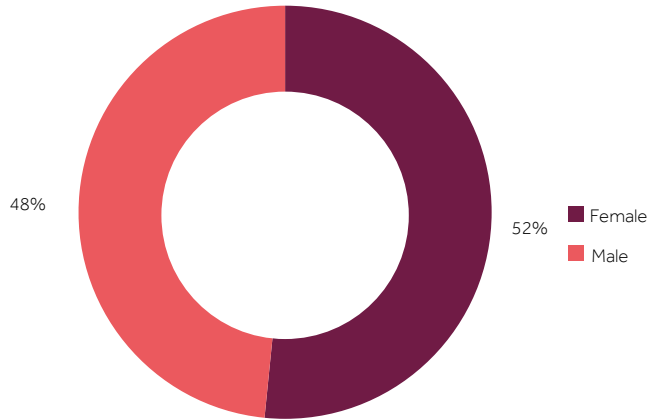
We have a multi faith group called Faith and Roots. Over the past year they have publicised and commemorated significant religious festivals and supported individual faith group events, such as the Christmas Carol Service for the Christian Group.

They have also been involved in our Chair's round table for community faith leaders – discussing 'Faith and Financial Services'.

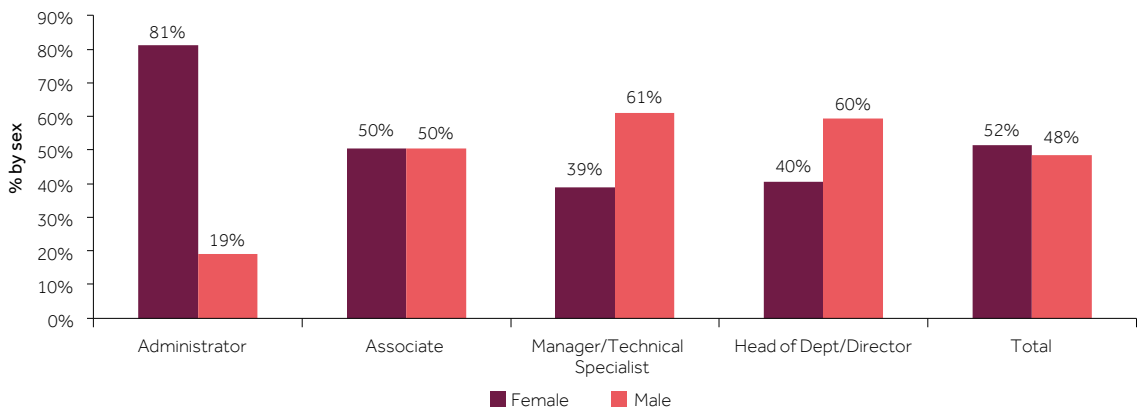


## Sex

The chart below shows the overall split is 52% female/48% male, the same as last year.



As this chart below shows, 40% of our Senior Leadership Team (Heads of Department/Directors) are female, the same as last year.



Our Gender network Balance have had a busy year with some key highlights being an event they held with a female MP who talked about the women MPs who have shaped British politics and public life since 1919.

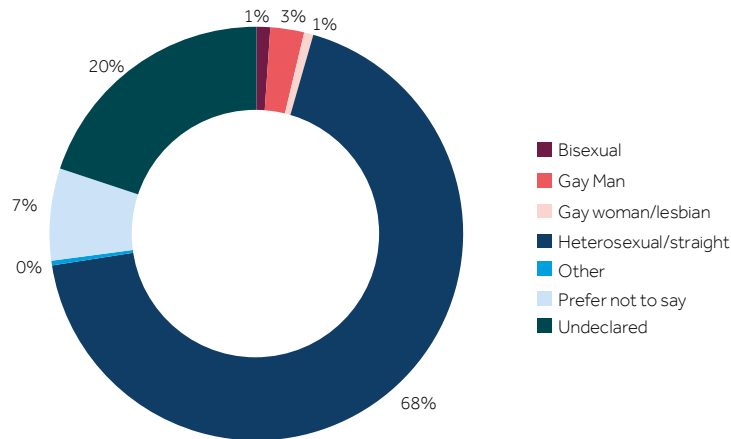
They used their International Women's Day event to highlight the challenges that women face in the workplace, and to encourage discussions around these issues, as well as collecting money for Mind and Refuge.

We were also delighted to be placed in the Times Top 50 best places for women to work, showing our commitment to female progression and inclusion.

## Sexual orientation

80% of people shared information about their sexual orientation, an increase from 76% last year. This year the data shows 3% gay men, 1% lesbians and 1% bisexual.

The group that selected 'Other' was less than 1% so shows on the chart as 0%.

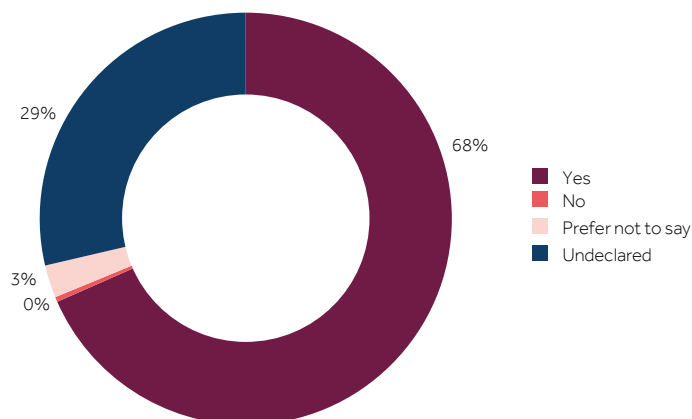


Our LGBT+ network, InsideOut, are proud that the FCA has achieved 59th place in the 2020 Stonewall Top 100 Workplace Equality Index. The rainbow lanyard joint network collaboration resulted in over 1,000 colleagues wearing the lanyards in support of all LGBT+ colleagues. They have also continued to focus on non-binary and trans inclusion work including helping with policy development and again marching in Pride in London and Edinburgh.

## Gender identity

We ask 'is your gender the same as you were assigned at birth?' and we hold this data for 71% of our workforce, an increase from 66% last year.

The chart below shows that 68% of people told us that their gender is the same, and 3% preferred not to say. The group that said it was not the same was less than 1% so shows on the chart as 0%.



## Marriage/civil partnership

---

We hold data about marriage and civil partnership for 34% of our people:

- 27% are married/civil partnership
- 1% are separated/divorced/widowed
- 6% are single

## Pregnancy/maternity

---

Over the past year:

- 215 women took maternity leave
- 40 men and 5 women took shared parental leave
- 3 men and 3 women took adoption leave
- 75 men took paternity leave

There has been a continued growth in the number of people taking shared parental leave, last year 38 people took it and the previous year only 15.

We continue to run quarterly pregnancy and parenthood clinics. These are drop-in sessions for pregnant women and new or expectant parents of any gender. They provide an opportunity to discuss questions or concerns on parenting related issues, flexible working, and pay during maternity, paternity or adoption leave.

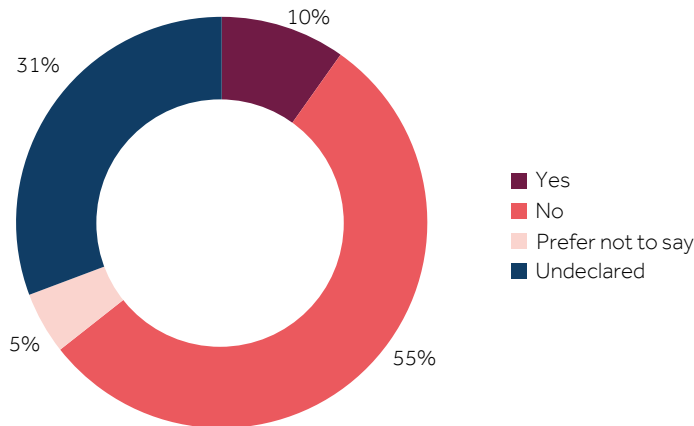
## Additional data

---

The following section contains data that we are not obliged to collect, but do so as part of our commitment to go beyond our diversity and inclusion statutory obligations.

## Carers

We ask our employees if they have caring responsibilities, aside from being a carer for a child. We hold data for 69% of our workforce, an increase from 64% last year. 10% say that they do have caring responsibilities, up from 9% last year; 55% say they don't and 5% preferred not to say.

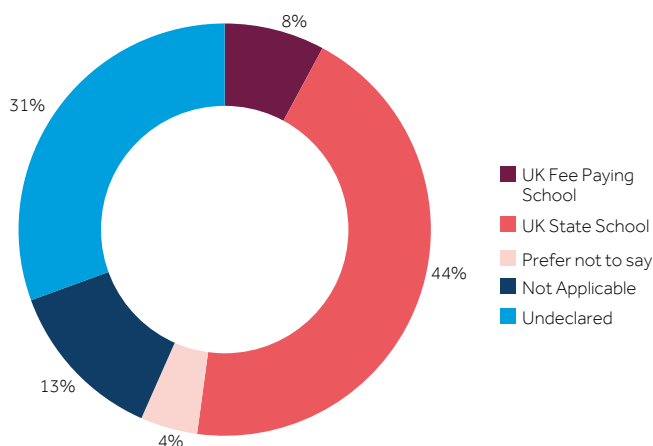


This year the Carers network changed its name to Carers & Parents Network to give carers and parents equal billing in the network. The positive result of this is that they have an increased direct contact with parents requesting support.

During Carers Week they held some Dementia Friends sessions which were well received. In January, the network launched bi-monthly carers/parents connect sessions. The first focused on colleagues who are foster carers and the second on caring for adults with mental health conditions.

## Educational background

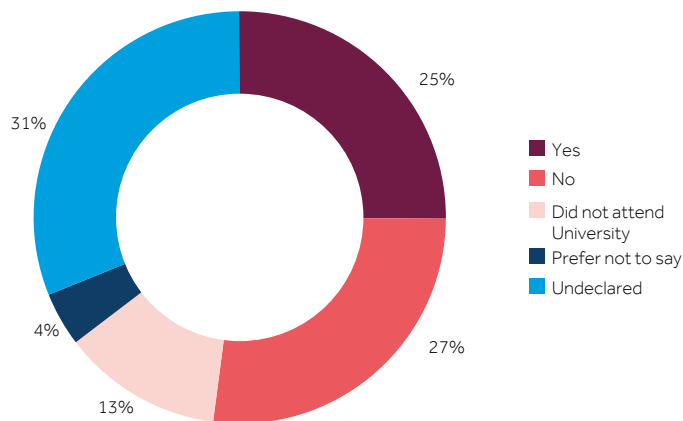
We ask our employees what type of school they went to. We hold these data for 69% of our workforce, an increase from 64% last year. It tells us that 44% went to a UK state school, 8% went to a UK fee-paying school, 4% preferred not to say and 13% said not applicable as, for example, they were educated abroad.



## University

---

We ask our employees whether, if they went to university, they were the first in their family to do so. We hold these data for 69% of our workforce, an increase from 64% last year. It tells us that 25% were the first in their family, 27% were not the first, 13% did not attend university and 4% preferred not to say.



The Social Mobility Network launched a monthly newsletter, ran a series of blogs and talks on social mobility matters in the workplace, held an official network launch event for staff, and collaborated with other networks on cross-cutting initiatives.

The FCA moved from 37th to 23rd in the Social Mobility Employer Index, which reflects the fantastic work of everyone involved in the FCA's social mobility agenda.

## International

---

We have an International Network who are active in supporting our people who are EU Nationals and Non-UK Citizens during the Brexit process. The Network, in partnership with HR, have been providing legal updates and guidance on status.

A highlight for them this year was unveiling a global map in our restaurant, with people encouraged to mark where they consider home. The purpose of this was to demonstrate and celebrate the diversity of our workforce.

## Annex

# Financial Lives 2020 diversity insights

The Financial Lives 2020 survey lets us explore in some detail the behaviours and experiences of UK adults by different protected characteristics. This Annex provides a spotlight on women and on ethnic minorities, using selected statistics.

With research completed in February 2020, the survey provides a baseline, pre Covid-19, of some of the harms more likely to be faced by women than by men, and by BAME adults than by adults whose ethnicity is White.

### Gender

---

#### Demographic profile

- Women make up just over half of all UK adults (51%, vs men 49%), but are disproportionately represented among those aged 65 or over (54%, vs men 46%) and more so among those 65 and over and single (68%, vs men 32%) – and more women say they have physical or mental health conditions that have lasted or are expected to last for 12 months or more (30%, vs men 26%).
- Fewer women are working (56%, vs men 65%). Average personal incomes and levels of combined savings and investments are lower for women. As examples: of those with a personal annual income of under £15,000 66% are women (vs men 34%) and of those with no savings or investments 53% are women (vs men 47%).
- More women are among the one-twentieth of UK adults that have never used the internet: 64% are women (vs men 36%).

#### Financial products and providers

- Fewer women (39%) than men (46%) have confidence in the UK financial services industry. Aligned with this, more women (68%) than men (62%) like to stick with a financial brand they know, and more women (19%) than men (16%) claim never to have shopped around for financial products like current accounts, savings accounts or ISAs.
- Linked at least in part to more not working, fewer women have any private pension provision: of the fifth (21%) of UK adults confirming they have no private pension provision, meaning they neither save into a pension nor have accessed one, 61% are women and 39% are men.
- More women (36%) than men (27%) among those aged 45 or over and not retired expect the State Pension to be their main source of income in retirement. Among retirees who worry about not having enough money to last them through retirement, two-thirds (62%) are women (vs men 37%).
- Women are also more likely than men not to have protection products such as life insurance, critical illness cover and private medical insurance (PMI); for example, 11% of all women have PMI, while the same is true for 16% of men. Of those with PMI, men (71%) are more likely than women (64%) to have got their cover through their

employee benefits package. Women have a lower risk appetite: of the three-quarters (76%) of UK adults with a low risk appetite (defined as scoring themselves 0 to 6 out of 10 on their willingness to take risks), over half (56%) are women (vs men 44%). It follows that fewer women (43%) than men (51%) say they are comfortable using credit – that it feels quite normal to them.

- Yet half again as many women as men (36% vs 24%) in the last 12 months have used retail finance (store cards, catalogue credit and shopping accounts, rent-to-own, other hire purchase and/ or instalment credit), and more women (13%) than men (8%) have used any high-cost loan. More than twice as many women (9%) as men (4%) have used catalogue credit and not paid off the balance every month or in most months. In the last 12 months more women (19%, vs men 12%) have bought goods on a 'buy now pay later' basis.

### Characteristics of vulnerability

- Survey results can be used to compare the genders on different characteristics of vulnerability (covering the indicators of financial resilience, financial and digital capability, recent experience of negative life events and health issues), suggesting that at least 40% of men but 51% of women demonstrate any such characteristics.
- More women are over-indebted (15%, vs men 12%), for example, and more live in a household not able to cover living expenses for more than a week, were the main source of household income to be lost (9%, vs men 6%).
- More women count as digitally excluded due to poor or non-existent digital skills (11%, vs men 7%). More too assess themselves as less capable in terms of financial knowledge and confidence in managing money; for example, among the tenth (9%) of UK adults assessing their knowledge of financial matters as 0 to 3 out of 10, 63% are women and 37% are men.

## Ethnicity

---

### Demographic profile

- BAME adults make up one in eight of all UK adults (12%, vs White 88%), but are disproportionately represented among the unemployed (20%, vs White 80%), those in the gig economy (25%, vs White 75%) and those who rent (17%, versus 83% White). They also live in larger households: on average, BAME adults live in a household with a total of 2.7 adults, while that number is 2.2 for White adults.
- They are disproportionately represented among those 18-34 years old (17%, vs 83% White) and among those 65 or over (5%, vs 95% White). The average age of BAME adults is 40.6 (vs White 49.4).
- They are disproportionately represented among the third (33%) of all UK adults who own their home outright without a mortgage: this is true of 35% of White adults, but only of 15% of BAME adults. Put another way, of all UK adults who own their home outright, only 5% are BAME.
- They are also disproportionately represented among those with no savings and investments: 16% are BAME and 84% are White. One in four (23%) BAME adults have household incomes of less than £15,000, while the same is true for one in six (17%) of White adults.

### Financial products

- The difference in age profiles may help to explain some of the significant differences in product holdings. BAME adults are disproportionately represented among those confirming they have no private pension provision: 19% are BAME and 81% are White. This means that a third (33%) of BAME adults in the UK have no private pension provision, whereas the same is true of only one in five (19%) of White adults.
- With lower incomes on average, fewer BAME adults have savings products of any kind, including cash ISAs and NS&I bonds: 67% do, compared with 79% of White adults.
- Fewer too have any general insurance (77%, vs White 90%) or any protection products (40%, vs White 48%). For example, only two-fifths (39%) of BAME adults have home contents insurance, compared with seven in ten (70%) White adults; a quarter (24%) of BAME adults have life insurance, compared with a third (32%) of White adults.
- Credit holdings are similar: excluding adults whose only credit products are running-account products like credit cards that they pay off every month or most months, 58% of BAME adults and 57% of White adults have any credit or loan products. Equal proportions are overdrawn (26%) and reported having had high-cost loans in the last 12 months (11%).
- BAME adults, on average, report lower levels of debt, which may reflect fewer revolving balances on credit cards (18%) and catalogue credit (5%), compared with White adults 22% and 7%, respectively). It may also reflect a higher proportion borrowing from family and friends: 13% of BAME adults and 9% of White adults had done so in the previous year.

### Characteristics of vulnerability

- Younger and less affluent on average, at least 51% of BAME adults demonstrate characteristics of vulnerability, compared with at least 45% of White adults.
- More BAME adults have low financial resilience: BAME 28%, vs White 20%. Contributory factors include these: more BAME adults are over-indebted (22%, vs White 13%), for example, and more live in a household not able to cover living expenses for more than a week, were the main source of household income to be lost (10%, vs White 7%).
- More BAME adults also have low capability: BAME 25%, vs White 19%. More, for example, give themselves 0 to 3 out of 10 for confidence in managing money: this is true for 7% of BAME adults but 5% of White adults. More BAME adults count as digitally excluded due to poor or non-existent digital skills (12%, vs White 9%).
- The contrasting vulnerability of BAME and White adults can also be shown by looking at where they live: the composition of the top decile (the least deprived area) in the Index of Multiple Deprivation is 4% BAME (vs White 96%), the composition of the bottom decile (the most deprived area) 19% BAME (vs White 81%).



**Different ethnic minorities**

- Of BAME adults, over half (53%) are Asian, a quarter (25%) are Black or Black British, 16% are Mixed Race and 6% are either Arab or from another ethnic group.
- When we report results for BAME adults, differences for the different ethnicities within this group are hidden. Survey sample sizes do not allow us to report all differences robustly.
- We can compare some results for Asian and Black adults. Asian adults, on average, are, for example, better educated (23% have higher degrees/ postgraduate qualifications, vs Black 15%); fewer count as vulnerable (45%, vs Black 63%); fewer are over-indebted (18%, vs Black 27%); and fewer had had high-cost loans in the 12 months prior to the survey (8%, vs Black 13%).

