



**CARIBBEAN
ACTUARIAL
ASSOCIATION**



GENDER WEALTH EQUITY

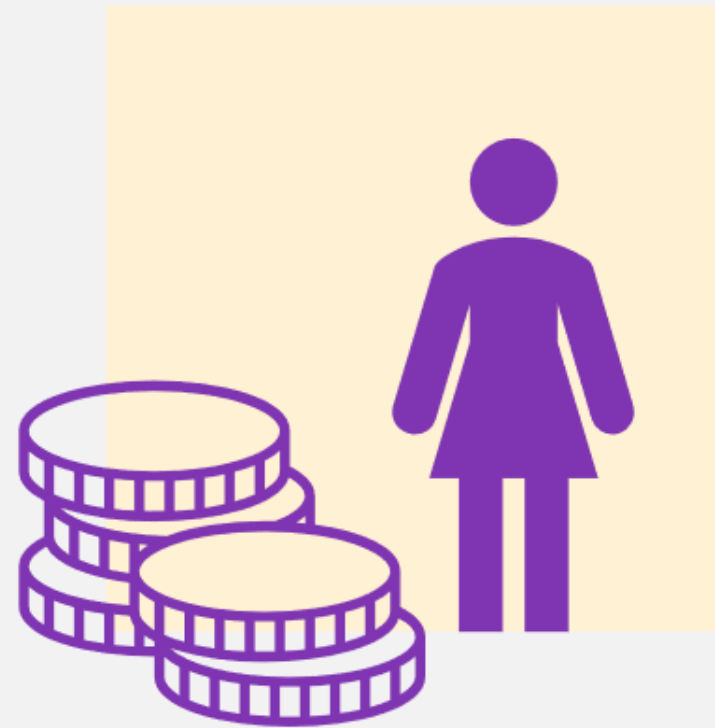
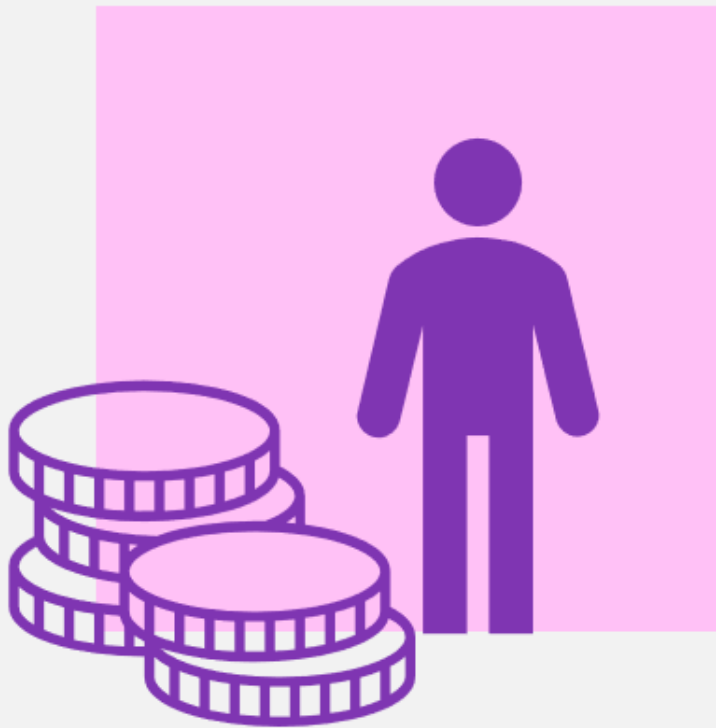
This presentation has been prepared for the 2023 Caribbean Actuarial Association (CAA) Conference.

The CAA wishes it to be understood that opinions put forward herein are not necessarily those of the CAA and the CAA takes no responsibility for those opinions.

Setting the Context

Gender wealth equity

Wealth Equity Index = Female Accumulation Wealth ÷ Male Accumulated Wealth



gender wealth equity is where men and women - who start in similar roles and with similar pay - will have accumulated similar wealth at the end of a career.



Why prioritize gender wealth equity now?

Attract
and retain
female talent



Maximize
workforce
participation



Address
ESG
agendas



Realize
DEI priorities



Meet
gender
equity
legislation



Drive
business
performance
and success



Focus
on **holistic**
wellbeing





Global

Quantification of the gender inequity in wealth accumulation

WTW collaboration with World Economic Forum

Key findings

- 39 countries – all industries
- Globally, upon retirement **women are only expected to accumulate 74% of the wealth** that men have (individual country indices range from 60% - 90%).
- **Women in senior positions have the largest gaps** in accumulated wealth.
- **Retirement plans are a significant component of accumulated wealth** – impacted by pay inequity between genders, caregiving and differences in financial literacy / risk tolerance.

Key drivers



Gender pay gap



Delayed career trajectories



Family responsibilities



Financial literacy



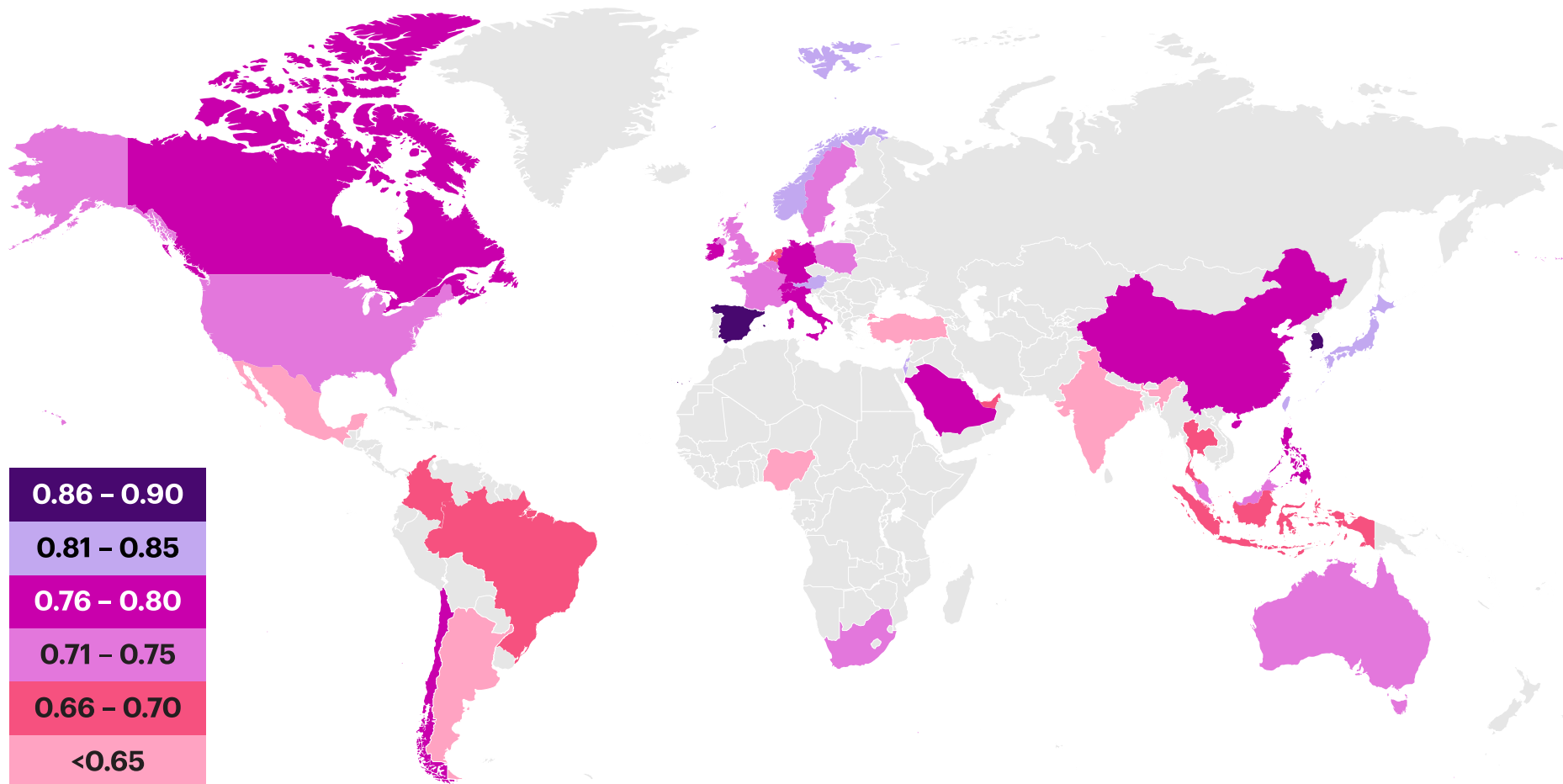
Single-earner household





WTW Wealth Equity Index focused on relative accumulated wealth

Women are at a considerable disadvantage in the accumulation of wealth at the end of their careers



The WTW Wealth Equity Index* takes a holistic view of gender inequities across women's lifetimes and attempts to quantify the extent of the gender wealth gap for a selection of countries globally. Local indices ranging from 0.60 to 0.90 – where 1.0 would be wealth equity between men and women.



Points of interest

- **Covid** – some winners (working from home), many losers (increased care responsibilities, many women left the workforce or reduced their hours)
- **By job roles**, the average gap is
 - operational = 11%
 - professional/technical = 31%
 - senior expert + leadership = 38%
 - + Europe/North America (more in senior roles but don't get the reward)
 - + Asia, Africa & Latin America (very few in senior roles – wealth gap is towards 50%)
- **Benefit and salary caps embedded in social security and mandatory retirement benefit systems** leading to similar benefits for all – limits the wealth gap. South Korea, Austria, Denmark + Norway score strongly here.
- **Culture biases** which lead to women being the primary caregiver widens the gap. India and Latin America particularly acute.
- Lack of availability of **affordable caregivers** worsen the gap. Japan + Australia very acute, with many cities having “childcare deserts”.
- **UK, Germany and Italy** - despite high level of education amongst women, lack of family support leads to lower rate of workforce participation and time spent employed.
- **Gender equality and equal pay for work embedded in law**, reduces the gap. Differences in statutory leave related to childcare widens the gap.
- **Latin America's average gap is 33% (worse than the global average)**. Hyper inflation erodes savings. Argentina and Mexico have high proportion of women in senior roles (but they lose out on pay). Chile has strong national pension system with considerable financial education for all leading to better expected returns on invested wealth.
- **Nigeria – gap is 40%**. Child-rearing age is relatively young, high number of children – limits salary, savings, career and pay. Relatively poor benefits as well.



United Kingdom

Case study - gender inequity in wealth accumulation – financial services U.K. company (1 of 3)

9



key roles analysed

- Application Development
- Brand Marketing
- Retail Banking Sales & Services
- Risk Management
- Project/Program Management
- Financial Analysis & Tax
- Credit Policy and Administration
- Accounting
- Data Science & Business Intelligence

59

organizations

- Compensation package includes typical base, bonus and LTI for role/industry
- Typical retirement and leave benefits for industry
- Typical headcount in roles

2nd Industry-Specific Gender Wealth Equity Index

Given challenges facing organizations in attracting and retaining female talent, WTW believes the financial services industry is poised to understand the importance of quantifying the gender wealth gap and taking action or developing solutions to address it.



United Kingdom

Case study - gender inequity in wealth accumulation – financial services U.K. company (2 of 3)



Key findings

In the UK, women in financial services are only expected to accumulate **79% of the wealth men have in similar roles**

Retail Banking employees experience smaller gaps in accumulated wealth (**90%**), all other roles analyzed have more significant gaps (**54%**).

LTI is a significant source of accumulated wealth for employees in the application development, project management, and marketing roles

Wealth accumulated by the end of the career is lower for women. Pay gaps, delayed career progression and senior role opportunities influencing LTI grants are drivers of this wealth disparity.

Key drivers



Delayed career trajectories



Gender pay gap



LTI differences



Family responsibilities

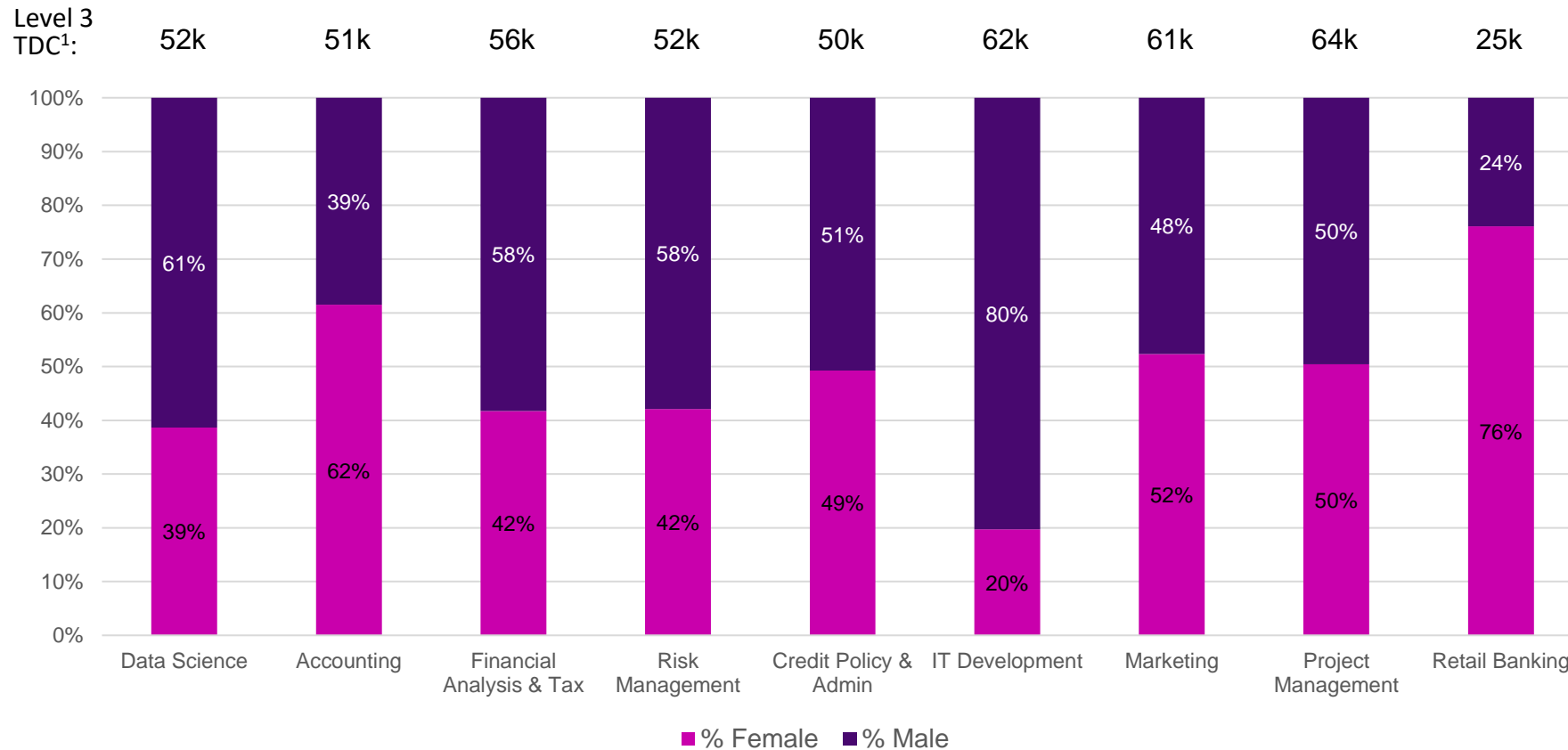


Financial literacy



United Kingdom

Case study - gender inequity in wealth accumulation – financial services U.K. company (3 of 3)



Lowest paid roles more likely to be filled by women

¹50th percentile of compensation



Actions for employers

Purpose driven leadership, culture and programs

Career Equity and representation

- Intentional career enablement, mapping of career trajectories, pay transparency
- Skills architecture on developing women into managerial and leadership roles
- Focus on female talent pipeline
- Broaden talent sourcing
- Mentoring and sponsorship

Reduce the gender pay gap

- Assess HR programs and processes to understand the causes and make improvements
- Recruiting processes, initial offers, pay negotiations and how they may result in inequity

Financial literacy and confidence

- Financial resilience workshops
- Female financial advisers
- Avoid investing overly conservatively
- Inclusive benefits – access, flexibility and cost
- Better communication of opportunities (not just risks)

Reduce the gender pensions gap

- Continuation of pension contributions for women during career breaks
- Catch-up contributions when able to
- Better scheme design – e.g. higher contribution rate of first part of salary
- Better communication with focus on gender diversity

Enhance caregiving support

- Insurance products for care of elderly parents
- Parental leave for men
- Extensive childcare support
- Expanded family leave

Flexibility in the workplace

- Work from home
- Work variable hours / shifts / Modified work weeks
- Shared senior roles
- Support in balancing career and caregiving responsibilities
- Telehealth + Onsite / Near site clinics



Find out more...

Explore WTW's 2022 Global Gender Wealth Equity Report:

wtwco.com/WealthEquity

Collaboration with World Economic Forum

WTW collaborated with the World Economic Forum to release new insights on the relative gender wealth gap featured in the [Global Gender Gap Report 2022](#). See the results of the Wealth Equity analysis in chapter 2.6.

Related content

Articles published with the WEF [Measuring wealth is a key step](#) and [Wealth equity for women can be achieved. Here's how](#)

[Forbes: Solving the global gender wealth equity gap](#) (also published by [WTW](#)).

“It will take 132 years to reach gender parity.”

Gender Gap Report 2022, *World Economic Forum*

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Thank you