THE GOOD GUIDE TO FINANCIAL WELLBEING FOR WOMEN 2025

GOOD WITH MONEY

MORE MONEY, FEWER PROBLEMS

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Why do women need their own guide to finances?

Financial wellbeing means feeling secure and in control of your money - both now and in the future.

It's a cornerstone of overall wellbeing, affecting everything from mental and physical health to our relationships and sense of freedom. But for many women, achieving this goal is more challenging than it should be.

Despite progress, the gender wealth gap remains stark. Women in the UK are still paid on average 6.9 per cent less per hour than men and have less than HALF the pension pot by retirement age. They also have £567 billion less invested than men - that's greater than the GDP of Poland or Argentina.

This inequality is rooted in long-standing societal and industry stereotypes, with men considered the primary earners and financial decision makers. A study by King's Business School and investment platform eToro found that men dominate three quarters of screen time in finance-related films and TV shows. They typically portray CEOs or financial experts while women are cast as wives or romantic interests.

But here's the truth: when women do invest, they tend to outperform men. Digital bank Revolut found women's investments outperformed men's by four per cent on its platform last year.

With women living longer than men and taking more time out of work to care for children and elderly relatives (meaning our money has to stretch much further), it is REALLY important that we take control of our own finances, and as early as possible.

This guide is here to help you do exactly that. Are you ready to make #FinancialWellbeing your new life goal?

6 psychological barriers - and how to overcome them

Let's start with the first (and biggest) hurdle to financial wellbeing: ourselves.

Many of the roadblocks women face with money are based not in reality, but in beliefs we've absorbed over time. Here are six common limiting beliefs - and how to move past them.

1 "I'm not good at maths"

From an early age, we are led to believe that as females we are better at words than numbers. This myth can have lasting effects on our financial confidence. The truth is, you don't need to be a maths whizz to manage your money or invest. You likely have all the numerical skills you need - you've just been conditioned to believe otherwise.

2 "I don't understand finance"

You don't need a finance degree - or a pinstripe suit - to be financially savvy. If you're open to learning, you'll quickly find that managing money is far less complex than it's often made to seem.

In fact, research shows women may have a natural edge: by favouring diversified portfolios over risky personal bets, women tend to earn better long-term returns.

3 "I don't have enough money to invest"

Investing isn't just for the wealthy. Many platforms let you start with as little as £5 a month, though £50 is more typical.

If you have even a small amount of spare cash (meaning money not needed for essentials or debt repayment), you can and should start investing. The key is starting early and being consistent.

4 "My husband takes care of this sort of thing"

While many women manage day-to-day household spending, research from Royal London shows that men still tend to make the "big" financial decisions. But your partner probably isn't more qualified than you - society may have simply nudged you into traditional roles.

A large-scale UK survey - "Sex Differences in Money Pathology in the General Population" - of around 100,000 participants found women are more likely to associate money with love and generosity, while men link it to power and freedom. Take some time to explore your own feelings about money - and how they might be holding you back.

5 "I have too much debt to invest"

Debt doesn't always mean investing is off the table. It depends on the type of debt, how much you owe, and the interest rate.

If you're on track to pay it off, make more than the minimum payments, and your debt isn't costing you interest (e.g. you have a zero per cent credit card), you might consider investing. But - always avoid putting yourself at risk of more debt through investing.

6 "I'm just waiting for the right time"

Women like to be prepared and often delay investing. But waiting for the stars to align could mean missing out on valuable time for your money to grow.

The best time to start? Now - even if it's just a small step.

Jeannie Boyle
Financial Planner at EQ Investors

Menopause your finances

A few years ago, the idea of a prime-time TV documentary about the menopause was unimaginable. It was something our mothers silently suffered through.

Now, thanks to Davina McCall, we're more open about how the perimenopause and menopause affect us. Gen X women aren't keeping quiet about how they are feeling.

If you're a woman in your late 40s, it might feel like every conversation is about the perimenopause. Your social media feed is probably awash with information about the physical and emotional impacts you might feel, but the financial implications of menopause remain overlooked. All that collagen and ashwagandha costs money.

Understanding the financial challenge

The gender pay gap and career interruptions can mean we can get to our late 40s with a lower level of savings, investments and pensions as our male peers. Then perimenopause hits us as we reach our key earning years.

Research from AJ Bell's Money Matters campaign, suggests that roughly one in 25 women reduce their working hours due to menopause, and one in 20 stops working altogether.

Clearly there is much to be done to make working environments better suited to women's needs, but taking control of your own finances will give you more options during this phase of life.

How should we plan for this?

When I'm helping clients in their 30s and 40s build a financial plan, I talk about the need for three pots of money. The short term and long term pots are simple. Your short term needs are covered by cash savings and your long term pot is your pension. But there's also a less distinct medium term pot. You might not have a goal for this right now, but you don't want it sitting in cash earning nothing and you don't want it locked away until 57.

For women, this medium term pre-retirement ISA fund is so important. This is the money that's going to give you more choices as you go through the perimenopause years.

If your money has been working hard prior to hitting your late 40s, you'll be able to deal with a reduction in income if you need to change how you are working or take some time off.

Saving versus investing

In today's uncertain economy, having a financial safety net is more important than ever. That's where saving comes in.

Ideally, aim to keep three to six months' salary in an easy-access savings account. Check out our [top-paying sustainable savings accounts]() for options that are good for your wallet and the planet.

BUT: saving alone is not enough.

Women need to invest far more than we do - whether that's upping your pension contributions or putting money into a Stocks and Shares ISA or Lifetime ISA.

Why? Because while savings are low risk and easy to access, they offer limited returns - especially now. Interest rates have been cut twice already this year by the Bank of England, and with inflation rising, your cash savings will lose value in real terms over time (meaning your money buys less in the future than it does today).

Investing, on the other hand, offers the potential for real growth. Yes, markets can be volatile (especially in response to global events like Trump's trade tariffs), but investing is a long game - and historically, it pays off.

To put it into perspective:

- Over the past 100+ years, stocks and shares have outperformed cash in 91 per cent of 10-year periods.
- If you had invested in the FTSE 100 a decade ago, you'd have earned an average of five per cent per year - compared to an average of 1.42 per cent in a Cash ISA.

So yes, save for the short term - but invest for your future. The sooner you start, the better your money can work for you.

The cost of NOT investing

Although more women than men held ISAs in 2022/23, according to HMRC, women were far more likely to stick with Cash ISAs while more men opted for stocks and shares:

- 51.8 per cent of all ISA holders were women
- Just 42.6 per cent of Stocks and Shares ISA holders were women

That choice matters. Because investments almost always outperform cash over the long term, women who stick to savings are missing out on significant growth. In fact, men's ISAs are now worth £3,000 more on average than women's, adding up to a staggering £6.6 billion gender ISA gap in the UK.

Why the gap?

A mix of traditional gender roles, risk aversion, lower financial confidence, and less exposure to investing all play a part.

But with the tax-free limit for Cash ISAs expected to fall in the Autumn Budget, the pressure is on for women to shift toward investment if they want their money to grow.

Women are switching on to investing

The good news is that the dial is starting to shift, especially among younger women. According to Moneybox, in 2024:

- 27 per cent of women aged 25 to 34 and 16 per cent of those aged 18–24 started investing - both above the national average of 14 per cent
- 19 per cent of women aged 25 to 34 opened a Stocks and Shares ISA - more than double the national average of nine per cent

Women are also gaining more financial power. They're earning more, inheriting more, and holding more assets than ever before. The Centre for Economics and Business Research predicts that this year, 60 per cent of inherited wealth will go to women.

And confidence is rising. A Hargreaves Lansdown report found that 87 per cent of women now feel more financially independent than the generations before them.

Investing really can have a life-changing effect on our savings and, when done in positive impact funds and projects (see more in this below), can also help to protect our planet for our children and theirs after that.

'Invest like a girl' (and why that's a power move)

Investing has long been seen as a man's game, but the data tells a different story. When women invest, they often outperform men.

Many of the traits women bring to the table, such as long-term thinking, discipline, and a steady hand during market dips, are exactly what successful investing requires.

[Research](#) from Alliance Trust found that women are less likely to panic-sell during market downturns, such as those caused by the pandemic or Trump's tariffs. It found:

- 48 per cent of men sold investments at a loss, compared to 38 per cent of women
- 17 per cent of men stopped their regular investment payments, compared to 12 per cent of women
- 24 per cent of men reduced their contributions compared to 21 per cent of women

This calmer, more consistent approach helps women avoid the "impatience tax" - the cost of emotional, short-term decisions that can hurt long-term returns.

It's not just about risk management, women are also seeing stronger results:

- Fidelity found women outperformed men by 0.4 per cent per year on average over a decade. On a £1 million investment over 25 years, that's an extra £316,000.
- Warwick Business School found female investors beat the FTSE 100 by 1.94 per cent, while men outperformed by just 0.14 per cent. Women also traded less (about nine times per year compared to 13 for men) indicating a more goal-oriented, less reactive approach.
- Hargreaves Lansdown found female clients saw their investments grow 0.81 per cent more on average over three years - which could mean 25 per cent higher returns over 30 years.

Professor Neil Stewart of Warwick Business School said:

"Women tend to invest to support long-term goals, not for the thrill - and that makes them better investors."

Zoe Brett

Financial Planner at EQ Investors

Five tips for women who want to invest

Typically, women invest less than men and do so more cautiously with a lesser degree of investment risk. The factors behind this are varied but by far the most commonly reported is a lack of confidence in making investment decisions.

We want women to feel confident and empowered in every decision they make, including their money. So here are some tips for women thinking of starting to invest.

1 Know where you are starting from

To build a good plan you need to know your starting point. If you have a good understanding of what's coming in and going out, you'll be in a much better position to build a plan that is affordable and easy to stick to. Start off by creating a budget.

This budget should include all of your monthly outgoings, no matter how small, plus the cost of irregular outgoing such as annual insurance, holidays, birthdays, motor expenses, annual membership fees etc.

You need to build an accurate picture of where your money is going so that you can see how much money is available for investment without leaving yourself short.

2 Set up an emergency fund before making your first investment

Financial emergencies can ruin even the most well thought out investment plans so being prepared for these ahead of time is key to a successful investment journey. An emergency fund should be held in an instant access account, preferably with a good interest rate.

A good rule of thumb is to have three to six months' expenditure saved before moving onto investing. This pot is for emergencies, thinking about 'needs' not 'wants.'

It is an important form of self-insurance, allowing you to cope with unexpected financial shocks – a bigger-than-expected tax bill, the boiler breaks, an unexpected financial pressure that needs urgent attention, car problems, temporary unemployment etc.

3 Understand your willingness and ability to take risk

A common mistake when first investing is to find an investment that's either really risky or really cautious. This might be based on a recommendation from a friend, something you read in an article, positive or negative news stories.

But this is often done without considering your own circumstances, and your own personal feelings about risk and your ability to take risk. Getting this wrong can make or break your first investment experience.

Risk is a very personal thing. It's driven not only by your ideas but by your own personal experiences as well as your capacity to absorb short term volatility. What's right for your friends and family, may be very uncomfortable for you.

Before making any investments, determine how much risk you are willing to take and can afford to take - there are a few free online risk assessments available. Or speak to a professional financial adviser who can assist with starting your investments in the appropriate risk profile and keeping them on track.

Once you have ascertained your ability and appetite to take risk, find investments that compliment your risk preferences.

4 Invest where your heart is

More than ever, we are seeing investors who want to align their investments with their personal values. And the best part is that we now can invest in a way that reflects this. Sustainable, ethical and impact investing have all built credible track records and there is a lot of choice in this space.

Spend some time thinking about the type of investments you may wish to avoid, the impact you may wish to have, the type of companies you would like to support and find investments that align with this. Part of our job as financial planners is enabling clients to use their wealth to really make a difference, not just for themselves and their families, but also for people and planet.

5 Stay invested

Investing should be a long-term commitment. It is inevitable that an investment will, at some point, experience volatility. This can be scary when it happens but it's a perfectly normal part of a healthy and functioning economy. Knowing this and feeling this are very different things though.

When markets are volatile, people are often tempted to sell out of panic. It's human instinct that when things are not going according to plan, we want to make changes. However, during periods of volatility, with investments, the best course of action is often to stay the course and ride out the storm.

Do not let the headlines push you into making irrational decisions and trying to time the market by selling and reinvesting. If you do this, there is a high risk of missing out on some of the best performing days, which can result in a significant difference in your long-term return.

Equally, if you're investing for the long-term, you shouldn't worry about investing at high or low points in the market, over the long-term investments tend to trend upwards. If you prefer not to invest a large lump sum all at once, then you can consider spreading it out, this is a concept called pound cost averaging. This refers to investing small amounts of money regularly - this can help with a non-emotional approach to investing because you'll be investing no matter what state the stock market is in.

Different types of investments and ISAs

ISAs (Individual Savings Accounts) are tax-free wrappers for your savings and investments. This matters because investments held outside an ISA can attract capital gains, dividend, or income tax on returns.

Here are the key features of each ISA type:

Type	Limit	Risk level	Typical interest/return	Features
Cash ISA	£20,000	Low	Low. Up to 5% easy access or up to 4.5% fixed	Allows savers to deposit savings up to the annual limit in accounts covered by the Financial Services Compensation Scheme
Stocks and Shares ISA	£20,000	Low to high depending on type of shares or funds held	Varies, depending on risk level, performance and fees. Equity not debt, and therefore capital growth rather than interest	Can be a mix of stocks and shares. As with a Cash ISA, you can have more than one Stocks and Shares ISA as long as you don't exceed the £20,000 tax-free limit
Junior ISA	£9,000	Low to high depending on type of shares or funds held	Varies, depending on risk level, performance and fees. Equity not debt, and therefore capital growth rather than interest	Cash or stocks and shares, or a mix of the two. In the child's name so does not form part of your annual allowance. Only the child can access the pot, when they reach 18
Innovative Finance ISA	£20,000	Medium to high depending on diversification / interest rate	Varies - around 6-12%. Debt-based, therefore pays interest not capital growth	You can have multiple IFISAs but all new contributions in a single tax year must go in the same IFISA
Lifetime ISA (Currently there are no sustainable or 'good' Lifetime ISA products available)	Up to £20,000 (but only first £4,000 eligible for the bonus)	Low to high (cash or stocks and shares)	Varies depending on type/risk level, performance and fees. Equity not debt, therefore pays capital growth not interest	Government will top up annual savings of up to £4,000 by 25% (so a maximum £1,000 per tax year). You must be aged 18 to 39 to open a LISA and the government will pay the bonus until you are 50. Savings in the LISA must be used to buy a first home or for retirement. Pension can be accessed from age 60. Part of annual £20,000 limit.

Jeannie Boyle
Financial Planner at EQ Investors

Sustainable investment approaches

Financial jargon can be hard to keep track of at the best of times - and just when you think you've gotten a handle on the latest money mutterings, they change all over again.

But whether it's termed ethical, ESG (environmental, social and governance), responsible or sustainable investing, the aim is generally the same: it's making money while making the world a better place.

Historically, ethical investing focused on excluding specific companies and sectors - like tobacco or arms. Today though, most strategies have evolved to include companies that have best in class ESG scores in a particular sector.

Impact investing goes a step further by investing in companies whose products and services generate social and environmental impact as well as financial returns.

At EQ Investors (EQ), we offer a wide range of sustainable investment options that are suitable for ISAs and personal pensions.

With a ten-year track record, the EQ Positive Impact Portfolios are mapped against the UN Sustainable Development Goals and designed to address the biggest challenges faced by humanity.

Our EQ Future Leaders Portfolios combine the growing preference for socially responsible portfolios with the increasing popularity of low-cost passive funds. The core of the portfolios invests in businesses that are strong performers when measured on environmental, social and governance (ESG) criteria. They also invest in sustainable sectors, such as clean energy, healthcare, and green bonds.

Launched in early 2025, the EQ Sustainable World Portfolios consider the full spectrum of sustainable investments, around three key pillars: Impact Solutions, ESG Leaders and Climate Focus.

Going forward, investment portfolios will need to continuously decarbonise to tackle global climate change and low emissions portfolios are better prepared for climate change transition risk, so we measure the carbon footprint for all our portfolios.

But no investment is included based on its environmental or social credentials alone. It must also aim to deliver an attractive return for investors. Demand is being driven by this combination and an increasing number of people who prefer to invest in alignment with personal values.

Many studies from heavy-hitting financial institutions including Morgan Stanley have shown that green investment can boost returns while reducing risk. This makes sense when you consider this approach favours companies that are actively trying to do good and run their businesses in a sustainable way.

Such companies avoid fines and other penalties and have stronger relationships with their customers, suppliers, and employees. Moreover, they tend to operate in new sectors with high-growth potential. In short, these are the sustainable companies of the future, and those we want to be invested in.

Avoid greenwashing

Greenwashing is when a fund or company markets itself as more environmentally friendly or ethical than it actually is.

Here's how to spot the signs:

- **Check the fund's actual holdings.** Does it still invest in oil majors or fast fashion giants?
- **Look for transparency.** Genuinely sustainable funds will clearly state what they do (and don't) invest in.
- **Use third-party ESG ratings**. Independent analysts like MSCI or Morningstar can provide an unbiased view of how sustainable a fund really is.

New Financial Conduct Authority (FCA) rules - and what they mean for you

To combat greenwashing and boost trust in sustainable finance, the FCA has introduced the Sustainability Disclosure Requirements (SDR).

These came into effect in 2024 and affect all UK investment firms offering sustainable products. A labelling system now reflects different investment approaches and makes it easier to spot genuinely sustainable funds:

- **Sustainability Focus** - Invests mainly in assets that focus on sustainability for people or the planet.
- **Sustainability Improvers** – Invests mainly in assets that may not be sustainable now, but aim to make measurable improvements to their sustainability for people or the planet over time.
- **Sustainability Impact** - invests mainly in solutions to sustainability problems, with an aim to achieve a positive, measurable impact for people or the planet.
- **Sustainability Mixed Goals** - Invests mainly in a mix of the other three labels.

Funds must also publish sustainability objectives, report on outcomes, and avoid misleading claims.

Step-by-step guide to investing

STEP 1

Choose an investment product

Make the most of your tax-free allowances with an ISA. This could be a Stocks and Shares ISA, Lifetime ISA, or Innovative Finance ISA (see table above).

STEP 2

Choose a platform, app (or a financial adviser)

To ensure that your savings work for the future of the planet as well as your own, choose a platform or app that offers both the ISA product you want and sustainable investment options.

Platforms to consider:

- **The Big Exchange** – Co-founded by The Big Issue Group, The Big Exchange only lists actively-managed sustainable funds. It has awarded each with a gold, silver or bronze medal according to its level of impact.
- **Moneybox or Wealthify** – These apps are ideal for lower-cost, passive investing and offer sustainable options.
- General investment platforms such as **Interactive Investment** (with its ACE 40 list), **Hargreaves Lansdown** and **AJ Bell** have sustainable or socially responsible options.

Financial advisers can be expensive if you don't have at least £50,000 to invest, but they will take a holistic look at what you want to achieve. EQ Investors, Path Financial and Switchfoot Wealth are on our list of top ethical financial advisers, and all three have a 'Good Egg' mark from Good With Money.

Advisers typically charge one to two per cent of the amount invested. The larger your investment, the lower the percentage. Ultimately, the goal is to make you better off in the long run.

STEP 3

Choose an amount you can afford each month

Many platforms allow you to begin with as little as £5 to £50 per month. Or you can invest a one-off lump sum, provided you won't need the money soon.

STEP 4

Review your existing savings pots

Check the interest rates on any current savings pots. If your money is sitting in a low-interest account, it may work harder by being invested. Only move money you won't need in the short term - and always keep a cash buffer for emergencies.

STEP 5

Choose your fund, project or portfolio

Platforms like EQ Investors offer ready-made sustainable portfolios, which are ideal if you don't want to pick individual funds or stocks.

Others offer projects you can invest in directly. Energise Africa invests in solar energy projects across Africa while sister company Ethex focuses on UK-based projects tackling climate and social issues (these are higher risk investments and should only form part of a diversified portfolio).

STEP 6

Check the minimum investment term

When you invest, look to lock your money away for around 10 years. Make sure that you will not need the savings you are investing in this timeframe.

A word on risk

You'll often see the phrase "Capital at risk" and yes, investments can go down as well as up.

This can seem daunting, especially for first-time investors or anyone with less disposable income. But remember, not all risk is equal. A diversified fund in a Stocks and Shares ISA is a very different risk to betting on cryptocurrency.

- **Higher return = higher risk** - but not always. Fund managers work to balance this.
- **Your risk tolerance matters** - choose options that match your comfort level.

Some providers ease first-time fears. For example, Energise Africa offers a £100 capital guarantee for first-time investors.

About Good With Money

Good With Money is a money website with a difference: it is all about how your money can do more good for people and planet, as well as line your pocket.

It created the Good Egg mark, a licence for financial services companies which make a positive impact.

Sign up to the weekly newsletter for the latest reviews and deals here.

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EQ's financial planners help people at all stages of life with their financial goals. Over the years they have found that the best way to start this process is an initial meeting to get to know each other and to understand more about what you need and what they can offer. They offer these meetings free of charge as they are as beneficial for them as they are for you.

Learn more here: https://eqinvestors.co.uk/meet-us-for-coffee