

Life on hold: cost-of-living delays homeownership, having children and retirement for millions of people across the country

- Long term impact of the cost of living revealed: two thirds of UK adults (the equivalent of 33 million people) worry that rising living costs will have an impact on their future plans
- More than 11 million people have put their retirement plans on hold
- Despite worries, half of UK adults (52%) haven't sought financial guidance
- Returning for season three, Legal & General's 'Rewirement' podcast tackles the big financial decisions we face throughout our lifetime to help listeners plan their financial futures in these challenging times

Millions of people across the UK fear that the long-term impact of today's rising living costs could see their life goals delayed or even missed altogether, according to new research from Legal & General.¹ Almost two thirds (64%), the equivalent to 33 million people across the country are concerned about the future, due to the current state of their finances.

Households are tackling rising expenses by turning off the heating (48%), reducing their grocery spend (37%) and even driving their vehicles less (24%). However, over half of UK adults (56%) feel they have already done everything they can to save money, while savings have also taken a hit. Nearly a third (30%) no longer have a 'savings buffer' to cover unexpected costs.

The long-term impact of the current crisis

The study amongst 4,000 people across the UK, found that people were already worrying about the long-term impact of the cost-of-living crisis.

Homeowners

More than nine million potential homeowners – 48% of all people planning to purchase a home – now estimate they will need to delay this goal, with almost a fifth (18%) of this group expecting it will need to be delayed by five years or more. An additional 12% of prospective homeowners now don't ever think they will own a home due to greater financial pressures. Dreams of getting married (7.2 million potential brides and grooms – 47%) and even parenthood (50% of those who plan to have a/another child – 6.8 million people) have also been delayed as a result.

Parents

Parents who hoped to provide future financial support for their children are cutting back or scrapping their plans. Almost two in five (39%) people who planned to set a lump sum aside for their children now think they will have to delay this. Almost a fifth (16%) do not see themselves ever being able to help out their children as a result, while 39% of people who had planned to give their children a deposit on their home now say they will delay this. Almost one in four of these parents (23%) say they will never be able to fund their children's deposit.

Retirees

Longer term, 45% of people who had dreams for retirement anticipate that they will have to put them on hold. This is the equivalent to over 11 million people across the UK and includes 38% of people in the crucial decade before retirement who expect to delay retirement by at least a year, if not more. More than one in 10 (12%) of people think they are never likely to retire.

The role of guidance and support

Despite current challenges having such a fundamental impact on people's long-term goals, half of UK adults (52%) haven't sought guidance or support to better understand how to tackle their money woes. Those that have looked for help most commonly turn to price comparison websites (19%), their family (15%) or the news (12%). Only 7% (3.9 million people) have sought out independent financial advice.

Legal & General has today launched the third season of its award-winning 'Rewirement' podcast, which aims to give listeners the knowledge, understanding and confidence to navigate the big financial decisions we face throughout our lifetime. During this eight-part podcast series, broadcaster Angellica Bell explores topics ranging from how to buy your very first home or create a sound financial future in your 20s, right up to the important decisions on retirement plans and pensions. It will also cover how to balance financial security and family needs, financial priorities for the self-employed, the topical issue of managing the rises in the cost of living and more.

Top 10 ways UK adults have sought advice or guidance	
Price comparison websites	19 %
Family	15 %
News	12 %
Friends	10 %
Budgeting tools and apps	9 %
Independent financial advice	7 %
Social media	7 %
Government guidance	7 %
Independent charities	6 %
Educational materials	3 %

Source: Legal & General, 2022

“Rising living costs have been so significant that most UK households will have noticed a squeeze on their monthly budgets. Not only does this have a direct impact on people’s lifestyles, even though they are making every effort to cut back, but it has a knock-on effect on their lifelong goals such as owning a home or retiring comfortably.

“Financial guidance can be helpful for people of all ages to tackle these challenges, but while there are many free resources and support like Moneyhelper and Pension Credit, they are largely underutilised. We want to make it easier for people to find the right help and feel confident researching their options. Where people can afford it, independent financial advice can also be invaluable, especially when navigating more complicated financial situations, such as retirement. Seeking the right help now could head off difficulties later down the line.”

Emma Byron, Managing Director, Legal & General Retirement Solutions

-ENDS-

Notes to editors

¹ Opinium survey of 4,001 UK adults was conducted between the 27th and 31st May 2022

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** at 31 December 2021*

About Legal & General Retail

As of 1st January 2022, Legal & General Retail Retirement and Legal & General Insurance (our two retail businesses) have been combined into one division, Legal & General Retail, to enable us to better serve the needs of our retail customers.

Legal & General Retail helps protect the lives and futures of our customers; the division covers the savings, protection and retirement needs of our c12 million retail policyholders and workplace members. In 2021, we wrote £957 million of annuity premiums, and issued £848 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.4 million members, while in the UK we paid out a total of £1,133.8 million in insurance claims.

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