

Life Well Spent

2023 report

An examination of major purchases in later life and their impact on overall happiness.



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Welcome to the Life Well Spent Report 2023



To better understand the relationship between happiness and major spending, each year SunLife asks more than 2,000 people over 50 to share:

- What big purchases they've made in later life
- The big purchases they'd like to make if money was no object
- How their spending has affected their happiness

The report covers [daily spending](#), [holidays](#), [home improvements](#), [cash gifts](#), [debts](#), [other big purchases](#) and [equity release](#).

With the cost of living on everyone's minds, the findings are a window into the lives, concerns and dreams of people over 50. Read on to find out how spending affects our happiness in later life, who the happiest over 50s are, and what they spend their money on.

For information on any of SunLife's current reports or past editions, email pressoffice@sunlife.co.uk.

Report background

The Life Well Spent research was undertaken between May and June 2023. 2,138 online interviews were completed with people over 50. 38% of respondents are retired, and 30% are in full time employment. 68% own their own home.

The report at a glance

Happiness and retirement

38% of over 50s rate their life satisfaction as an 8, 9 or 10 out of 10 – the same as in 2022

61% of over 50s would retire early if money was no object – just 1% down since 2022



Daily spending

73% of over 50s say the rising cost of living is their biggest financial concern

59% of over 50s say they are spending more on the weekly shop in the last year

Holidays

£2,411 The average cost of a holiday abroad for people over 50 (-£161 since 2022)

£732 The average cost of a holiday in the UK for people over 50 (+£27 since 2022)

£7,037 The average estimated cost of a dream holiday for people over 50 (-£4,365 since 2022)

The **USA** is the top dream holiday destination for people over 50



Home improvements

90% of over 50s who've paid for a new extension say it's improved their happiness (-1% since 2022)

36% would get a new kitchen if money was no object (-1% since 2022)

Debts

49% of over 50s have outstanding debts (+5% since 2022)

£65,290 The average amount left to pay on the mortgage for all over 50s (£504 more than in 2022)

Cash gifts

£29,616 The average amount gifted by over 50s to loved ones for a house deposit (+11% since 2022)

£1,610 The average amount gifted by over 50s to their loved ones to help with the rising cost of living



Other big purchases

44% of over 50s said they've made big purchases in the last five years (+6% since 2022) – with the most common purchase being a car

45% of over 50s want a new car and/or holiday home

Equity release

3% of homeowners have taken out equity release

£106,747 The average amount of equity people would choose to release (+£18,604 since 2022)

£43,579 The amount people who release equity spend on paying off their mortgage and/or other debts – £25,138 more than in 2022

38% of people who released equity spend it on home improvements (-1% since 2022)

3 in 4 people who released equity say it made them happier

Key findings

Over 50s are still worried about the rising cost of living

The UK is in a cost of living crisis, with 73% naming this as their biggest financial concern (-2% since 2022).

People over 50 are also especially worried about unexpected, sudden costs – and about running out of money during retirement.

When asked freely, money was the third most popular answer for “what brings you most happiness” – but it wasn’t having a lot of money that brings people joy. Most mentioned simply having enough to pay for essentials without worrying about paying the bills.

However, certain big spends do actually improve their happiness overall (for example, gifting cash to family or getting a new extension), despite the high cost.

How do the happiest over 50s spend?

According to our 2023 findings, the happiest over 50s:

- Spend more on longer holidays abroad and in the UK
- Spend on extensions, garden landscaping or new bathrooms to improve their homes
- Have paid off their outstanding debt
- Have given cash gifts to family, especially for early inheritance, special Christmas/birthday presents, or towards a house deposit

Supporting family matters most

Family is listed as one of the top three things that makes people over 50 the happiest, and 27% are worried about how their children and grandchildren are managing financially. So, it’s no surprise that gifting loved ones cash made them happier – whether it was for tuition fees, a special gift, a wedding, or a house deposit.

Most over 50s would also like to leave their family an inheritance when they’re gone, or give them an early inheritance while they’re still here.

Very few know all the facts about equity release

For some, equity release can make big purchases in later life possible.

Almost 3 in 4 people who released equity said it made them happier, with the most popular use of the money going towards paying off debts. Others chose to give family financial support, while some used it to supplement income.

But only 4% of over 50s know all the facts about [equity release](#), and misconceptions about the industry are still common. So there’s still a way to go when it comes to awareness about all the options available.

Happiness after 50

They're called our 'golden years' for a reason, but how much happier are we in later life?



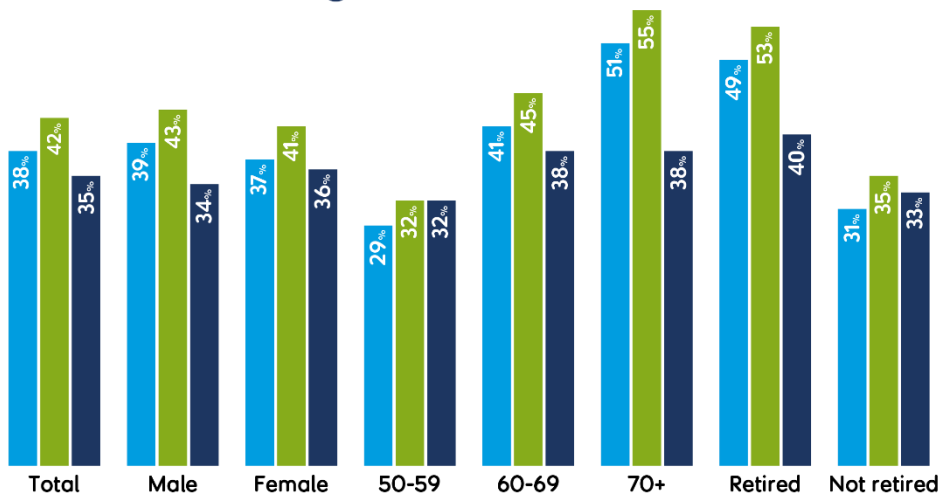
Happiness rises with age

When asked to rate “how satisfied are you with your life as a whole nowadays” out of 10, a decisive 69% answered 6 or above (-1% from 2022). In fact, 38% rated their life satisfaction an 8, 9 or 10 (the same as in 2022).

Reported happiness appears to rise both with age and upon retirement, with 51% of over 70s (+1% from 2022) and 49% of retirees (-1% from 2022) scoring 8 or higher for overall life satisfaction.

Which over 50s are happiest...

- 😊 with their life as a whole?
- 😊 with their life right now?
- 😊 about their future?



Percentage of respondents rating their happiness as 8, 9, or 10 out of 10

Similar results can be seen when asked “how happy did you feel yesterday?”, with 55% of over 70s reporting high happiness (+1% from 2022).

Looking forward, 35% of over 50s feel very positive about their future (the same as 2022), and only 19% rated their outlook between 1 and 4 out of 10 (-1% from 2022). Again, the over 70s showed the most optimism, with almost 2 in 5 feeling very happy about the future.

The happiest region is Yorkshire and Humberside, where 43% report feeling very happy in their lives overall. The least happy region is London, where only 28% feel the same.

What brings the most happiness?

When asked openly what three things make them happiest in life, almost 9 in 10 credited family and friends to their positive outlooks. 18% of people list good health as one of their top three, and almost 1 in 6 mentioned their favourite hobby or sport.

Money was also a popular choice – given as an answer by 17% of respondents. But it isn't having a lot of money that makes people happy – most answered that just having enough to get by and be free from money worries brought them the most joy.

Sunshine (mentioned by 14% of respondents), animals (14%) and nature (10%) are also stand-out mood boosters for people over 50. Many reported time spent in their gardens or with pets as bringing them most happiness.

Good food and drink were also popular choices (11%) with beer, chocolate, curry and even Jelly Babies getting specific mentions.

Finally, watching a favourite sports team is a key happiness driver for 1 in 20 people over 50. Football (and more specifically Manchester United) is the most common, but rugby is also a popular choice.

What three things make you happy?

● Percentage of over 50s



How does retirement affect happiness?

Over half (54%) of respondents who have retired did so before reaching the state pension age, although around 1 in 10 delayed their retirement to continue working full time.

Overall, retiring improves people’s happiness in both the long-term (66%) and short-term (67%). Only around 1 in 10 feel they are less happy now they are retired.

8 in 10 feel confident they retired at the right age, rising to almost 9 in 10 of the happiest people over 50. However, 14% feel they retired too early, rising to a third of 50–59-year-olds. One explanation for this could be the unexpected rise in the cost of living and interest rates, which are having an impact on retirement funds.

Those who have retired report enjoying freedom to do what they want, travel and spending more time and energy on their hobbies. However, others report missing socialising at work, and struggling with the feeling that they have less purpose.

Many respondents mentioned the cost of living or being financially worse off as reasons for being less happy since retiring.

What are your thoughts on retirement?

"After working in heavy engineering for 51 years it came as a shock to miss the comradeship of being in a team."

"Caused me stress retiring too early as now I'm worried I won't have enough money to let me be comfortable in my old age."

"Freedom!"

"Enjoyed the freedom and spare time at first but as time goes on some boredom sets in at times. Also I begin to worry that money will run out and so need to be more careful."

"I enjoy every minute of retirement, it is like going back to early childhood, you can do what you want when you like. Life is fun and you can do everything at your own pace. There is always something to do, you can join a bowling club or whatever takes your fancy. Absolutely nothing to dislike. If you have difficulty getting out, you can have a coffee morning and invite neighbours."

"Enjoyed travelling. Freedom to decide how to spend each day. Ability to take advantage of fine weather to go out."

"Once I got used to not going to work I found I liked it. So many housework things can be put off till you feel like it."

Of those yet to retire, 24% (-2% since 2022) plan to retire before reaching the state pension age and 37% (+2%) plan to retire upon reaching the state pension age. But the majority (39%) plan to delay retirement and continue working. 20% plan to continue working part time, and 19% plan to continue working full time.

Surprisingly, even if money was no object, 39% would still choose to continue working for as long as they are able, although more would prefer part-time work. 24% would choose to continue working part-time, and 15% would continue working full time. 61% would opt for an early retirement to pursue their hobbies.

Daily spending

How has daily spending for the over 50s changed in the last year, and what financial concerns do they have?

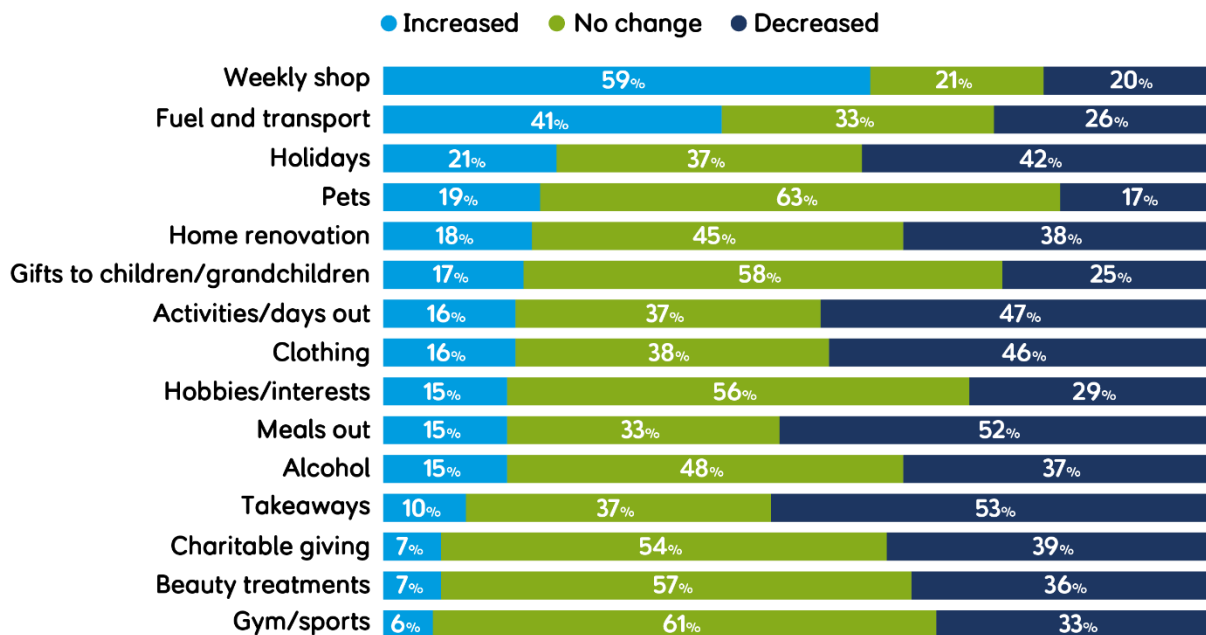


The research for this study was conducted in May 2023, during the current cost of living crisis in the UK. Over the last two years, the cost of everyday essentials such as food, fuel and energy bills have risen much faster than average household incomes or pensions.

Half of over 50s are cutting back on takeaways and clothing to tackle rising costs

When asked how their spending has changed in the past year, 59% report an increase in spending on their weekly food shop, and 41% on fuel and transport.

Spending changes in the last year



The biggest cutbacks people over 50 are making to save money are in takeaways, with 53% reporting a decrease in spending, and meals out, with 52% reporting a decrease. These are closely followed by activities/days out at 47% and clothing at 46%.

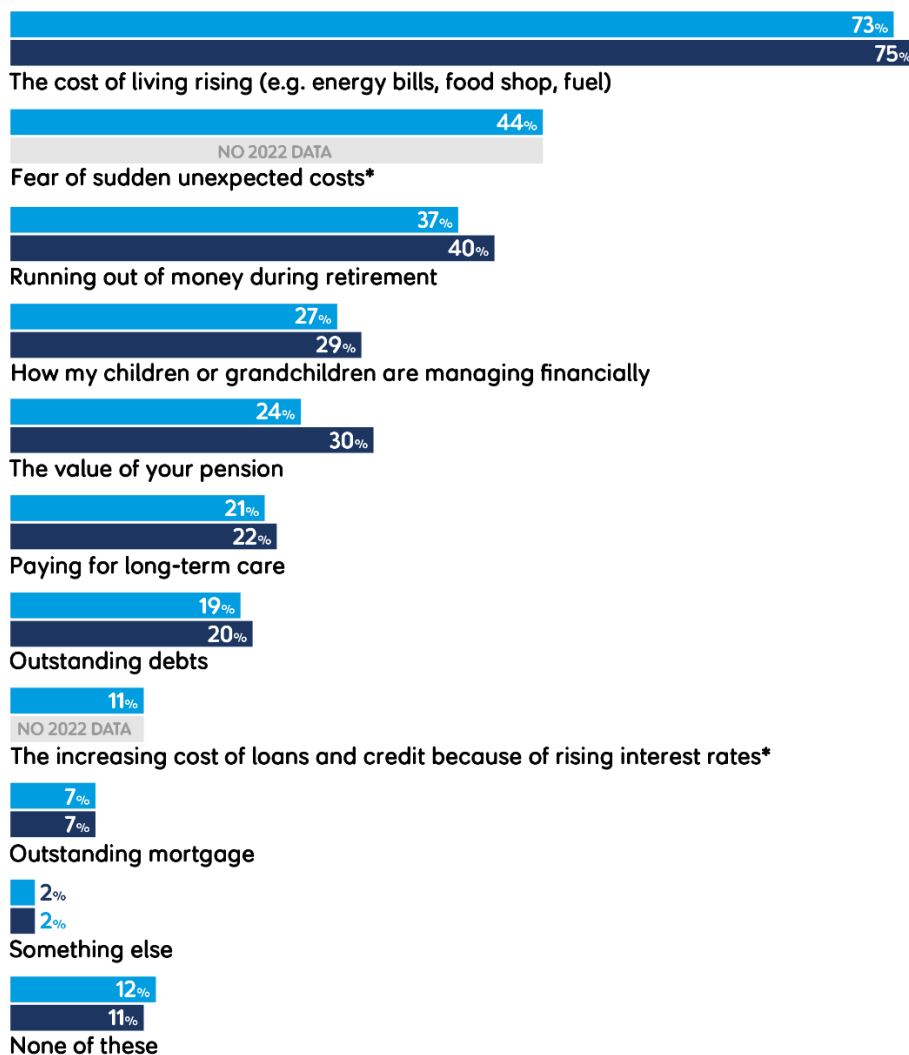
The area where fewest are reducing their spending is on their pets. 63% of respondents report no change to their spending on pets in the last year. And only 17% have decreased it.

What are the biggest money worries for over 50s?

On the whole, the financial worries bothering over 50s the most are the rising cost of living, and running out of money during retirement. The rising cost of living is still one of the biggest worries for 73% (-2% since 2022) of people over 50, rising to 78% of 50-59 year olds.

Biggest financial concerns

● 2023 ● 2022



*New addition to the 2023 survey

Overall, respondents are just as concerned about financial worries as they were in 2022, reflecting the ongoing uncertainty of the cost of living crisis.

The number of people with no financial worries at all (12%) has risen slightly since 2022 (11%), but is still much lower than 2021, where 26% of retirees and 14% of non-retirees reported having no financial worries. Today, only 18% of retirees and 9% of non-retirees are free from money worries.

Women are more worried than men when it comes to money

A higher percentage of women than men report being worried about each concern, except for the value of their pension, where 22% (-7% since 2022) of women versus 27% (-3%) of men report being worried.

The most notable differences are worrying about the rising cost of living (78% of women versus 68% of men), fear of unexpected costs (49% versus 39%) and how children or grandchildren are managing financially (32% versus 21%).

Men are also 50% more likely to have no financial worries (15% – the same as in 2022) compared to women (10% – up 3% since 2022).

A clear difference can be seen in the worries of retirees compared with those still working. Retirees show lower levels of concern for issues affecting themselves directly, such as the cost of living, but higher concern for issues that could impact their families, such as how their children/grandchildren manage financially, or paying for long-term care.

Regional worries

Certain differences can be seen between the worries of different regions across the UK.

At 78% (+1% since 2022), the North East is the region most concerned about the rising cost of living, compared to the South West, which is the least worried at 65% (-11% since 2022). The South West is also the region most likely to be free from any financial concerns (18% – up 4% since 2022).

Scotland are most worried about sudden or unexpected costs – with 52% naming this as one of their biggest financial concerns, compared to the national average of 44%.

42% (-3% since 2022) of those in the South East are worried about running out of money in retirement (compared to the average of 37%) and a quarter are concerned about paying for long-term care. Together with the West Midlands, they are the area where fewest are free from financial worries (10% – no change since 2022).

Holidays

Can people over 50 afford to go on holiday as often as they'd like? And where would they go if money was no object?



It's no surprise that those of us over 50 love a good holiday – in fact, 15% name travel as one of the [top three things that makes them happy](#). But can people afford to go on holiday as often as they'd like in later life? And where would they go if money was no object?

How many holidays do over 50s take?



On average, almost 9 in 10 (87%) people over 50 take at least one holiday abroad or in the UK every year – that's the same number as when we asked in 2022. They go on an average of one international break and two staycations.

When we break it down between all over 50s and the happiest group, the latter go on holiday more – both abroad and in the UK.

And nearly two thirds prefer to go somewhere new on holiday, whether abroad (66%) or in the UK (64%). But 13% of people over 50 say they don't go on holiday at all.

How much do over 50s spend on holidays?

Holidays abroad

On average, people over 50 spend £2,411 on holidays abroad – that's £161 less than last year. But the happiest over 50s spend £2,809 – a drop of £371 on 2022.

There is some regional variation in the amount spent on holidays, with East Anglia topping the list with an average spend of £2,952. Londoners spend the least on holidays abroad, an average of £1,998, perhaps helped by the breadth of flight options available at London airports.

The average length of holidays abroad has also fallen considerably since last year. Over 50s in general are going away for an average of 12 days (compared to 15 in 2022), and the happiest go for 13 (compared to 18 previously).

People over 70 and retirees take the longest holidays abroad, with average lengths of 15 and 14 days respectively.

Holidays abroad



£2,411

(-£161 since 2022)

The average cost of a holiday abroad



12 days

(3 days less than 2022)

The average length of a holiday abroad

Holidays in the UK

When it comes to holidays in the UK, over 50s are spending more than last year. A staycation sets them back £732 on average (+£27), and £806 for the happiest (+£53).

We've also seen some change in their length of holidays in the UK – seven days for all over 50s (down from nine days), and eight for the happiest (up from seven).

This average is significantly higher for those in the North West of England, whose staycations last an average of 12 days.

Holidays in the UK



£732

(+£27 since 2022)

The average cost of a holiday in the UK



7 days

(2 days less than 2022)

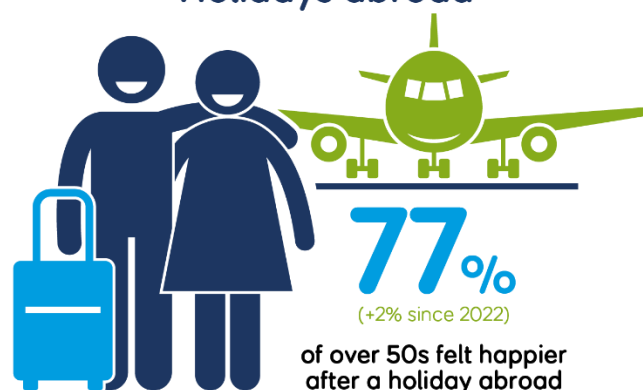
The average length of a holiday in the UK

More than three quarters said holidays make them happier

The good news is more than half (55%) of people over 50 felt happier in the short term after a holiday abroad (+3% since 2022). And, like last year, 40% felt happier in the long term.

Overall, a total of 77% said their holiday abroad made them happier in the short term, long term, or both – 2% up on 2022. But over 1 in 7 (15% – up 2% since 2022) said they wished they'd spent more to make the holiday last longer or do more activities, and 4% (-2%) wish they'd spent more on luxuries.

Holidays abroad



Three fifths (60%) of people over 50 felt happier in the short term after taking a holiday in the UK – 4% more than in 2022. 34% (the same as last year) felt happier in the long term after their staycation. This contrasts with holidays abroad, which made fewer people happier in the short term, but more happier in the long term.

In total, 76% said their UK trip made them happier in the short term, long term, or both – 2% up on 2022. That's just 1% less than those who said their trip abroad made them happier.

Like last year, 1 in 7 (14%) said they wished they'd spent more to make their staycation last longer. And 3% wish they'd visited a different destination altogether.

Holidays in the UK



What do over 50s look for in a holiday?

Rest and relaxation is what people over 50 are looking for most in holidays – both abroad (74%) and in the UK (69%).

Sunshine comes next for destination holidays, with 69% (-3% since 2022) of people saying it's one of the most important things when considering a trip abroad. Women are slightly more likely to be looking for sun, with 73% naming it as a factor compared to 65% of men.

Value for money is what matters for staycations, with 64% (-3%) saying it's something they look for most in a UK holiday.

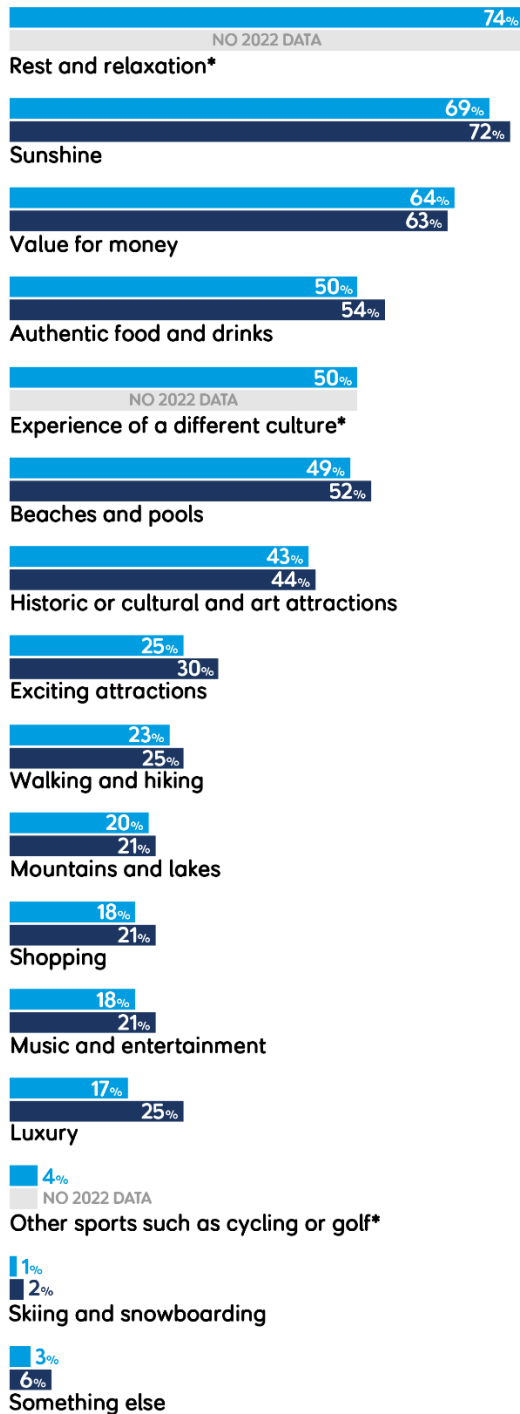
There are some notable regional differences in what people look for most in a holiday abroad. Northern Ireland are the least likely to care about sunshine (56% versus average of 69%), Wales are unlikely to look for holidays involving walking or

hiking (13% compared to the average of 23%) and Scotland are most likely to be looking for good shopping areas (28% versus 18% average). Also, the West Midlands are almost twice as likely to be looking for exciting activities such as theme parks or jet skiing.

What do over 50s look for in a holiday...

...abroad?

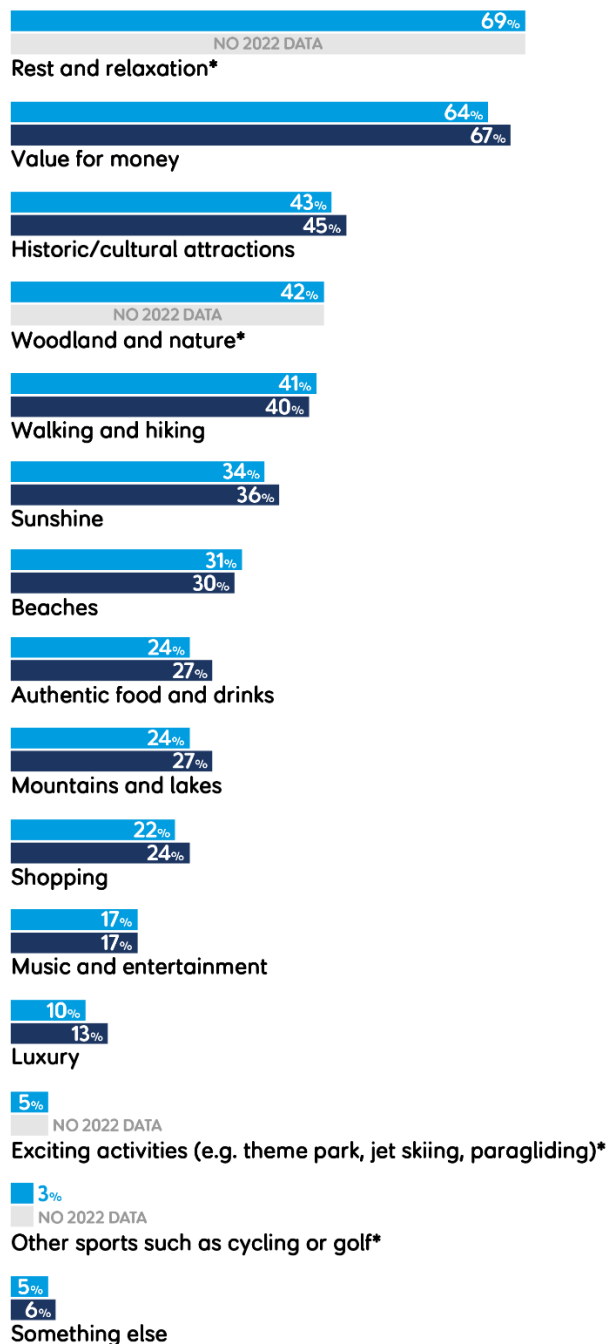
● 2023 ● 2022



*New addition to the 2023 survey

...in the UK?

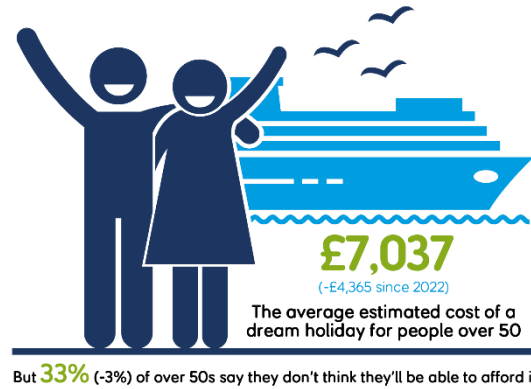
● 2023 ● 2022



*New addition to the 2023 survey

Most aren't sure they'll ever be able to afford their dream holiday

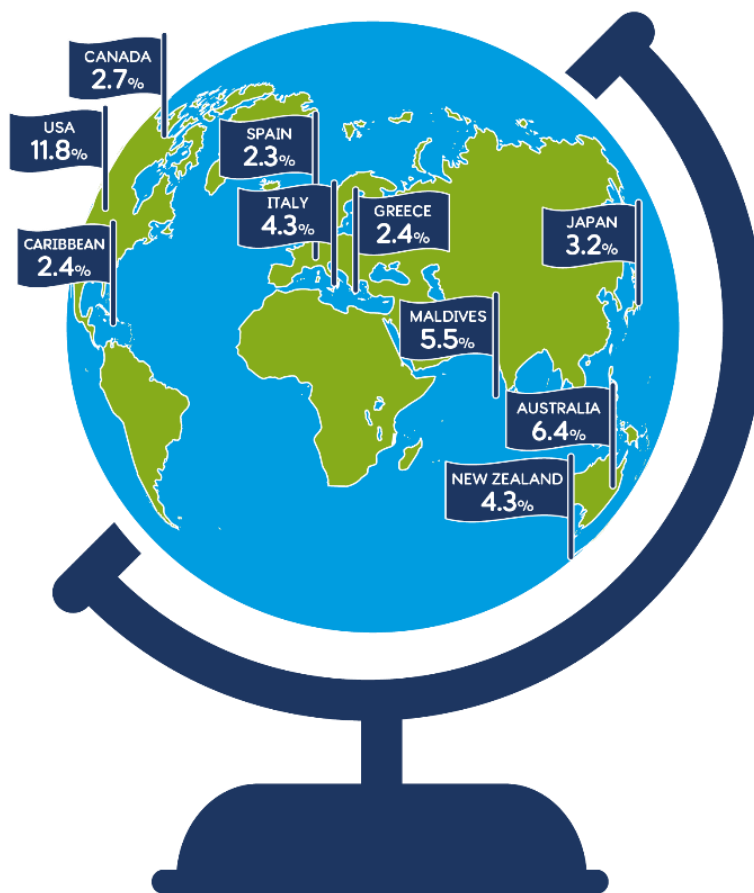
Over 50s expect their dream holiday to cost £7,037 on average – this is down a whopping £4,365 on last year. But 33% (-3%) don't think they'll ever be able to afford such a trip. 25% (+1%) hope to go one day, but also aren't sure it's within their budget.



Dream holiday destinations

The top three dream holiday destinations for people over 50 haven't changed since 2022. Here's the top 10 places they'd like to escape to...

Top 10 dream holiday destinations for over 50s



It's clear to see that while many of us are dreaming of travelling far and wide, a significant number prefer to stay closer to home. Although none of them make the top 10 individually, destinations across the UK are dream holiday spots for 10% of people over 50. Others say they feel happiest in their own homes, and no longer feel a need to travel.

Home improvements

Most of us dream about having the 'perfect' home. But can people over 50 afford to make home improvements during a cost of living crisis?



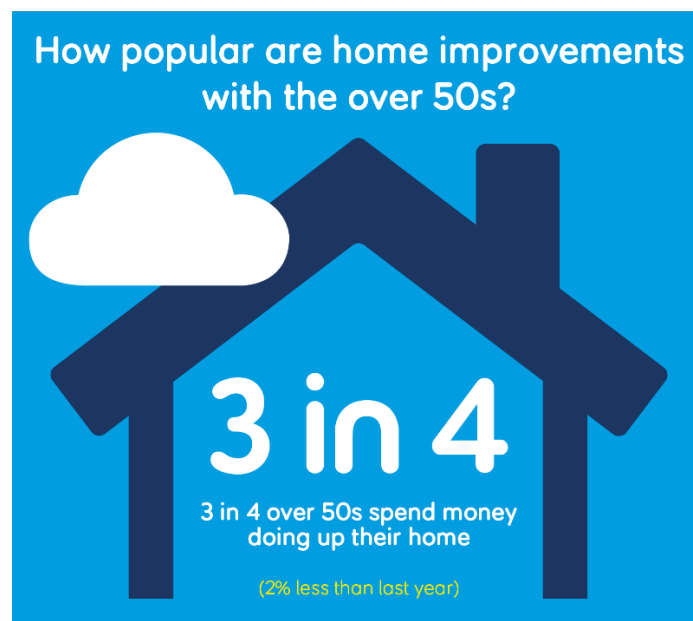
How popular are home improvements with the over 50s?

Fewer over 50s are spending money on home improvements in 2023 – but only just. Almost 3 in 4 (74%) say they've spent money doing up their house in the last five years, compared to 76% in 2022.

Once again, painting and decorating is the most popular home improvement, with 54% of over 50s taking on a paintbrush (although this is 4% less than in 2022).

And just like last year, this is followed by new carpets or floors at 31% (also 4% down on 2022), and garden landscaping at 22% (4% down since 2022).

1 in 4 (26%) over 50s didn't spend anything on home renovations at all – +2% since 2022.



How much are the over 50s spending on home improvements?

The priciest home renovations are still house extensions, although the average amount spent has gone down by almost £3,000 since last year. The average spent on an extension is now £29,015, compared to £32,000 in 2022.

Only 2% of over 50s have extended their home in the last five years (1% less than in 2022). Whereas 54% have spent money on painting and decorating, which costs just £473 by comparison (£56 less than in 2022).

The table below shows that over 50s are spending less on home renovations overall – albeit by a small percentage.

Average spend on home renovations by the over 50s

	Average spend (Change since 2022)	% of over 50s spending on this (Change since 2022)
Extension	£29,015 (-10%)	2% (-1%)
Loft conversion*	£9,493	2%
Conservatory	£8,876 (-37%)	2% (-2%)
Kitchen refitting	£8,021 (+10%)	14% (-2%)
Bathroom refitting	£4,360 (+17%)	17% (-1%)
Energy-saving renovations*	£4,061	6%
Adaptations for reduced mobility	£3,816 (+75%)	3% (-1%)
Replacement windows/doors	£3,746 (+11%)	15% (+1%)
Roof repair/replacement*	£3,385	12%
New/renovated garage	£3,554 (+0%)	2% (-1%)
Driveway repair/extending	£2,851 (-8%)	5% (-3%)
Garden landscaping	£1,923 (-4%)	22% (-4%)
In-built storage solutions	£1,367 (-16%)	5% (-1%)
New/renovated outbuilding*	£1,333	9%
New carpets/floors	£1,060 (-1%)	31% (-4%)
Painting/decorating	£473 (-11%)	54% (-4%)

*New addition to the 2023 survey

Home improvements make us happier

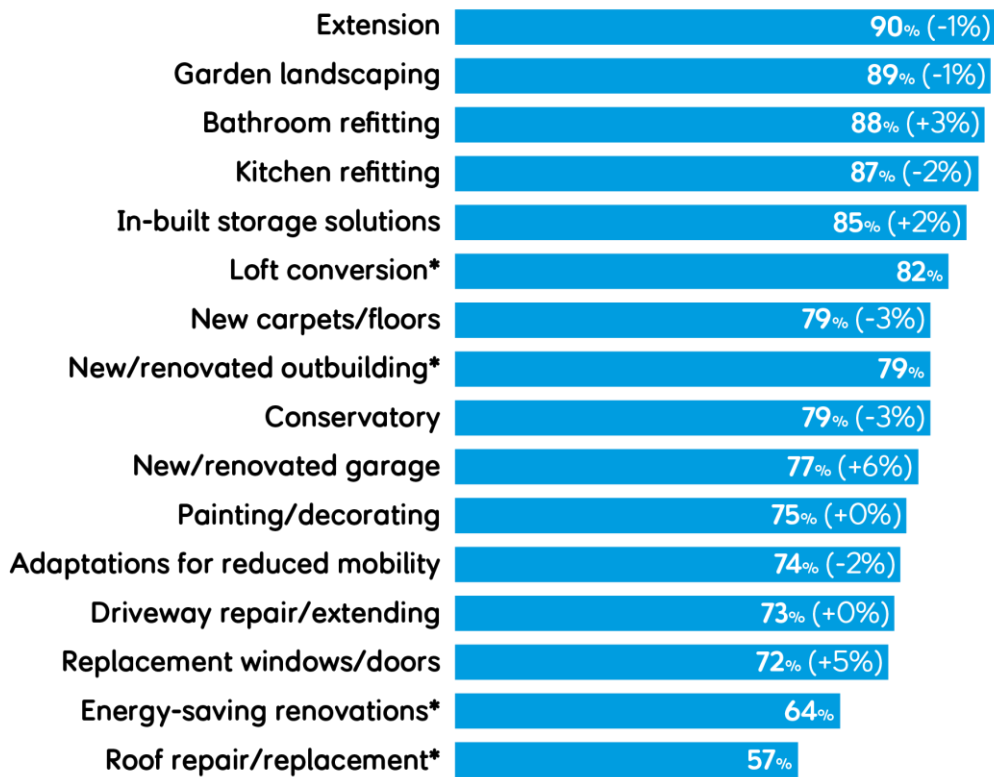
Just like in 2022, spending money on home improvements makes people over 50 happier. 83% of people spending on home renovations report feeling happier as a result. Once again, a new extension gives the most happiness – with 9 in 10 (90%) over 50s saying their new extension made them happier (only 1% less than in 2022).

This is followed closely by garden landscaping at 89% (also 1% down). In fact, around 10% of over 50s name being outside in nature as one of the top three things that makes them happiest.

At 88% (+3%), a new bathroom has become the third home improvement to bring the most joy – although it's closely followed by a new kitchen at 87% (-2%).

Improve your home, improve your happiness

● % who claim renovation improved overall happiness (Change since 2022)



*New addition to the 2023 survey

Are home improvements worth the money?

Almost 9 in 10 (86%) over 50s say their home renovations were worth the money – although this is down from 89% in 2022.

Just 3% wish they hadn't made the renovations at all, and 1% wish they spent the money on different home improvements.

6% (down 1% from 2022) wish they'd spent more on higher quality materials or workmanship, and another 6% (+2%) wish they'd spent less on these.

Dream home improvements

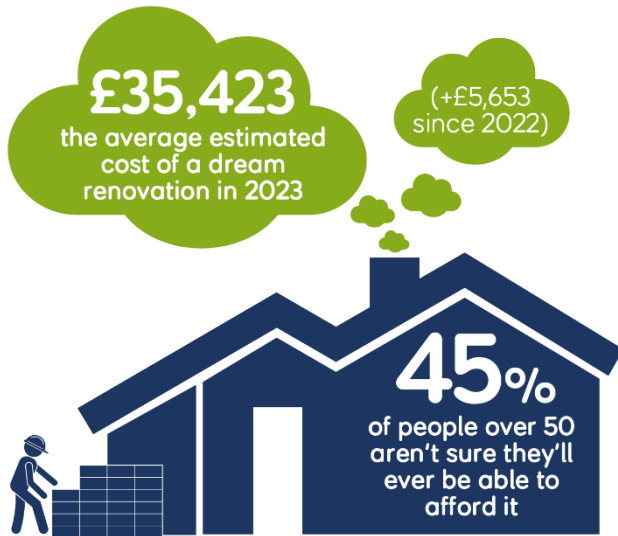
If money was no object, people over 50 would most like to redo their kitchen. 36% name it as their dream renovation – just 1% less than last year.

Also the same as last year, new carpets or floors are next on the 'dream renovations' list at 35%, then painting and decorating at 34% (+3%)



A new bathroom follows closely at 32% (+1%), then garden landscaping at 28% (-1%).

Most don't think they'll be able to afford dream home renovations



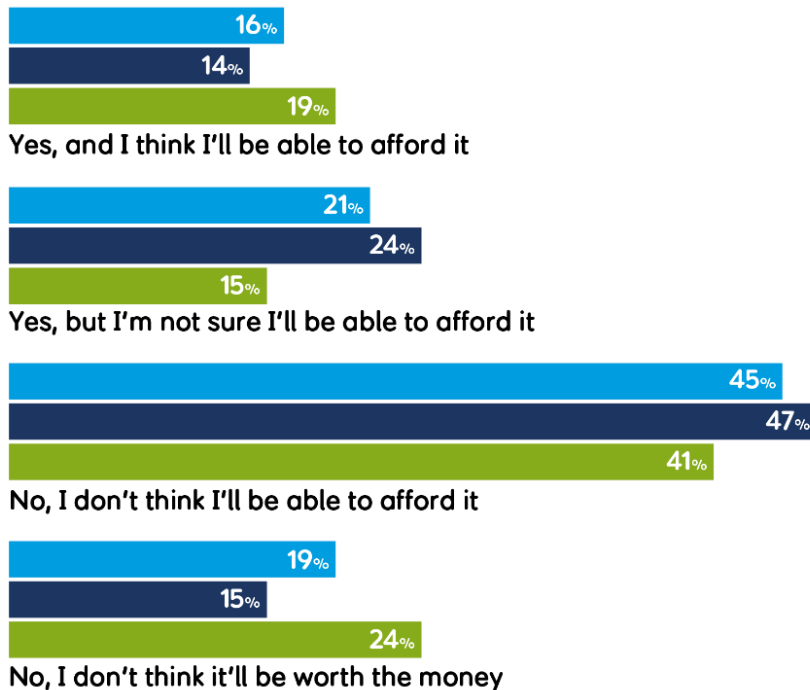
Most over 50s say they expect their dream home renovations to cost about £35,000 on average – that's over £5,000 more than last year.

But almost half (45%) think they won't be able to afford it in their lifetimes (+2% since 2022). In fact, only 16% are confident they'll be able to carry out their dream renovations at some point (-2%).

Interestingly, retirees are most likely to have confidence that they can afford their dream renovations, but also the most likely to think they wouldn't be worth the money.

Do you plan to make your dream home renovation?

● All over 50s ● Not retired ● Retired



Cash gifts

Can giving loved ones big financial gifts in later life make us happier?



A quarter of over 50s have given a significant cash gift

23% of people over 50 have given substantial cash gifts to family members in the last five years, rising to 34% of over 70s. The average amount gifted is £15,978. The most common reasons for cash gifts are:

1. As a special birthday/Christmas gift (26%)
2. To help them with the rising cost of living (21%)
3. For a deposit on a house (20%)
4. To help them repay debt (18%)
5. To put towards a vehicle (18%)

Reason for cash gift	Average £ gifted (Change since 2022)	% of gifters giving for this reason (Change since 2022)
Deposit on home purchase	£29,616 (+11%)	20% (-6%)
Early inheritance for tax purposes	£9,611 (-60%)	6% (-1%)
Early inheritance to see them enjoy the money	£8,604 (-59%)	15% (-4%)
To help repay debt*	£6,062	18%
Put towards home renovations	£6,050 (+19%)	11% (-1%)
Tuition/college funds	£6,007 (-46%)	8% (0%)
Put towards a wedding	£5,268 (+16%)	15% (-3%)
Put towards a vehicle	£4,276 (+36%)	18% (-4%)
To help out because of lost job/reduced income	£3,661 (-2%)	11% (-12%)
Medical or care expenses	£3,457 (-14%)	3% (0%)
Following birth of a baby	£1,732 (-14%)	8% (-5%)
Put towards a holiday	£1,690 (+6%)	14% (-2%)
As a special birthday/Christmas gift*	£1,688	26%
Help with rising cost of living*	£1,610	21%

*New addition to the 2023 survey

Overall, 83% of gifters have given significant cash gifts to their children, 25% to their grandchildren (rising to 40% of over 70-year-olds), and 13% to someone else.

Aside from Christmas and birthday gifts, the most common reason for gifting cash to grandchildren is to put towards college or tuition funds. 43% of cash gifts given for this reason are to grandchildren.

The biggest cash gifts are for house deposits

The biggest cash gifts given to loved ones were for house deposits. The average amount gifted for this reason by all people over 50 is £29,616, rising to £32,619 for over 55s.

The next largest gifts are for early inheritance. The average gift amount for early inheritance for tax purposes was £9,611, and the average amount for early inheritance just to see them enjoy the money was £8,604. Notably both these amounts are almost 60% lower than the 2022 averages, which were £23,745 and £20,778 respectively.

The biggest year-on-year increases in average gift size are seen in those to put towards a vehicle (+36%) and towards home renovations (+19%).

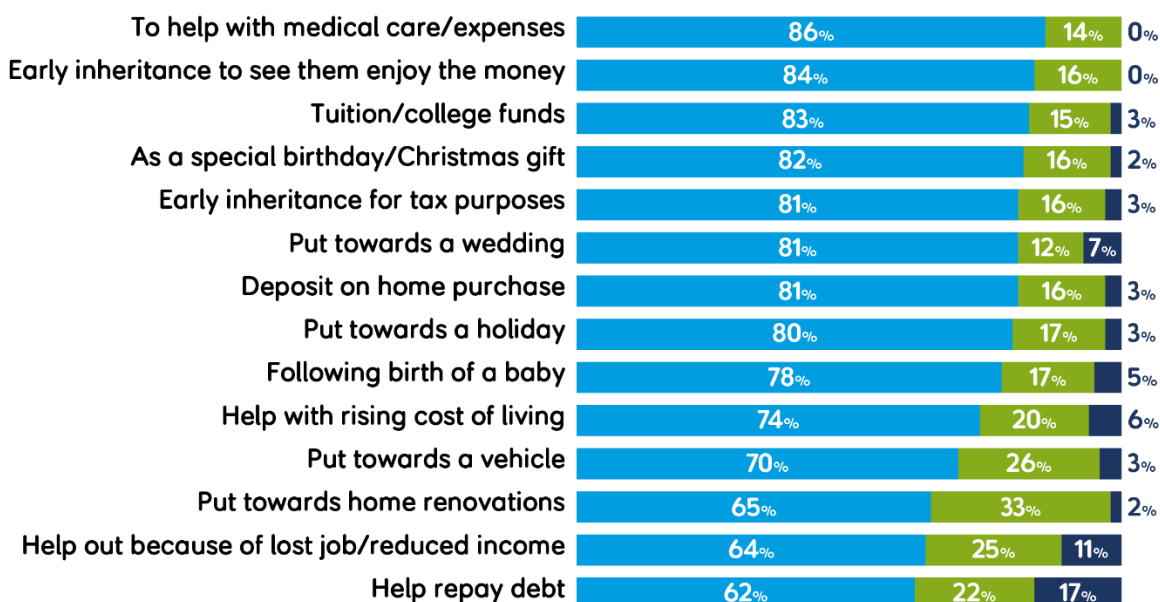
There is a significant year-on-year drop in the number of gifts given to help out because of a lost job or reduced income (-12%). But 21% of cash gifts are given to help family with the rising cost of living (a new category in 2023's survey), with an average gift amount of £1,610.

Giving cash gifts to family makes us happier

The vast majority (81%) of over 50s who gave cash gifts to family found that doing so improved their overall happiness. The happiest group were those who gifted money to help with medical care, with 86% reporting an increase in happiness as a result – up from 2022, when it came in last at 53% (although it should be noted this is from a very small base).

Impact of cash gifting on overall happiness

● Improved ● No impact ● Reduced



Early inheritance to see them enjoy the money is also a big happiness booster, with 84% (-6%) reporting an increase in happiness, including 57% who said it significantly improved their happiness.

Unsurprisingly, helping out due to redundancy or debt repayment is the most likely to reduce happiness, but still over 3 in 5 are happy to have helped in this way.

Most would like to leave an inheritance, but not if it means cutting back

Almost half of people over 50 would like their family to receive some inheritance when they're gone (up from 39% in 2022). 11% (+1%) would even cut back on spending in retirement to ensure they could save enough to leave an inheritance.

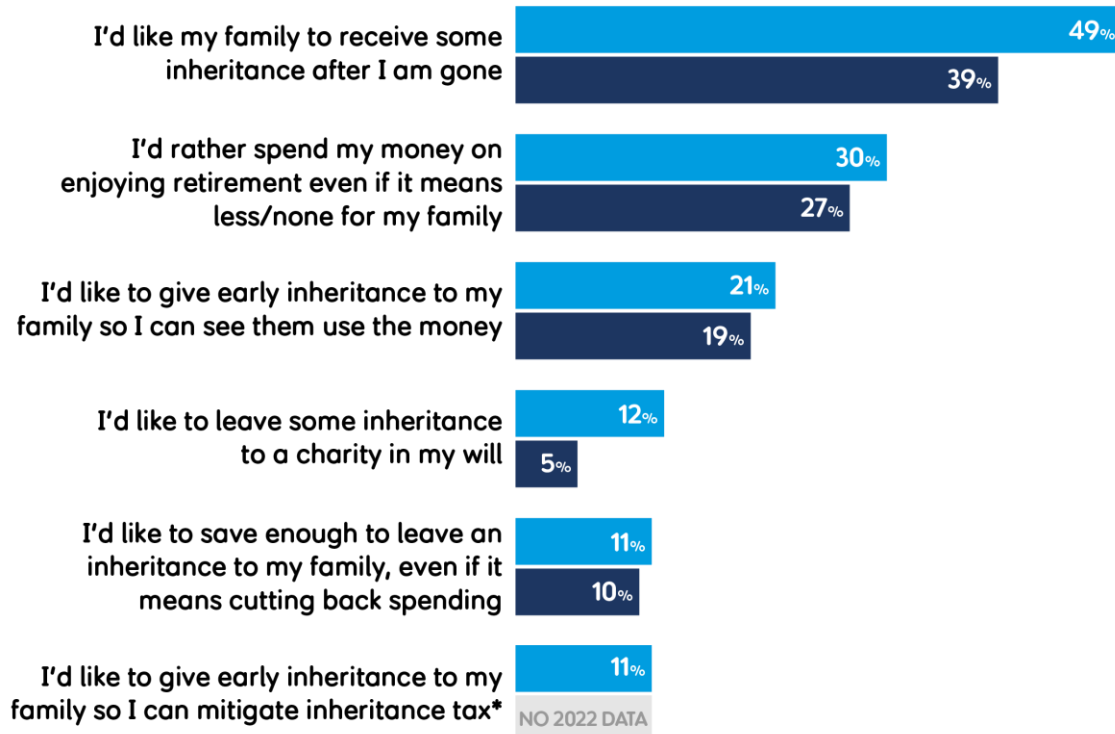
However, 3 in 10 (+3%) would rather spend their money on enjoying retirement, even if it means there is nothing left to leave as inheritance. 21% (+2%) would also prefer their money to be spent during their lifetime, but by giving early inheritance to see their loved ones enjoy the money while they are still around.

11% are planning to give early inheritance in order to mitigate inheritance tax.

12% would like to leave a legacy to a charity in their will, despite almost 2 in 5 reporting having reduced their charitable giving in the last year.

Attitudes towards inheritance

● 2023 ● 2022*



*New addition to the 2023 survey
 *2022's survey was single-selection only, 2023's survey allowed for multiple options to be selected

Debt and happiness

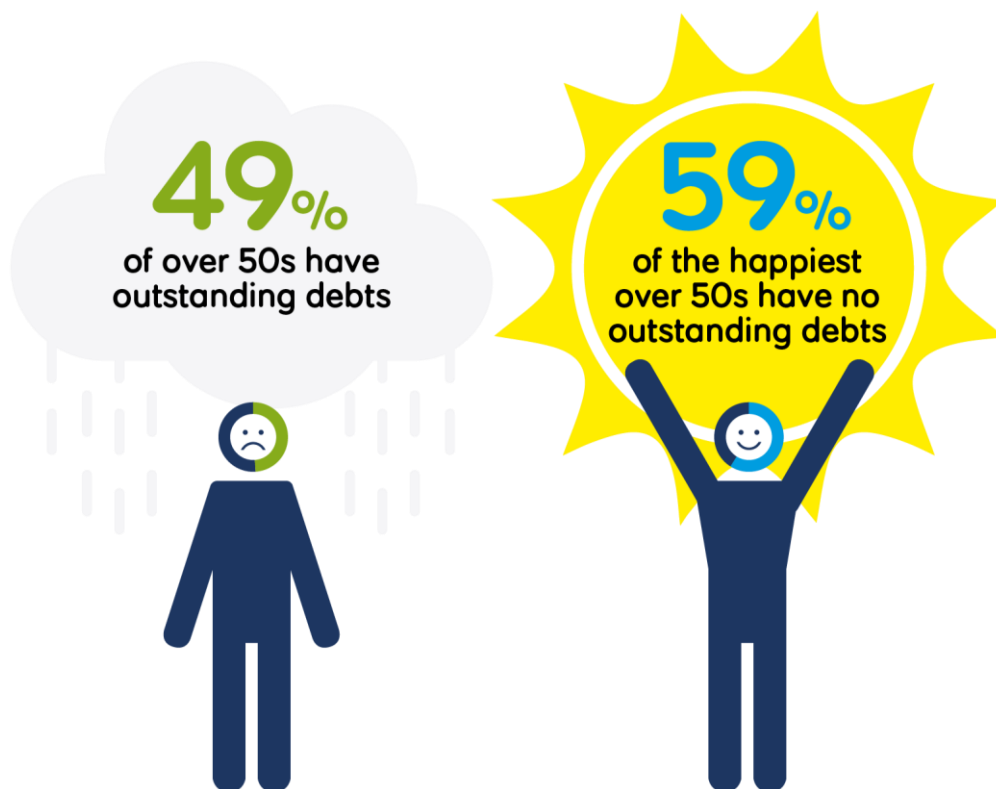
It's no surprise that debt can affect our happiness. But what debts are over 50s worried about the most?



What debts do over 50s have?

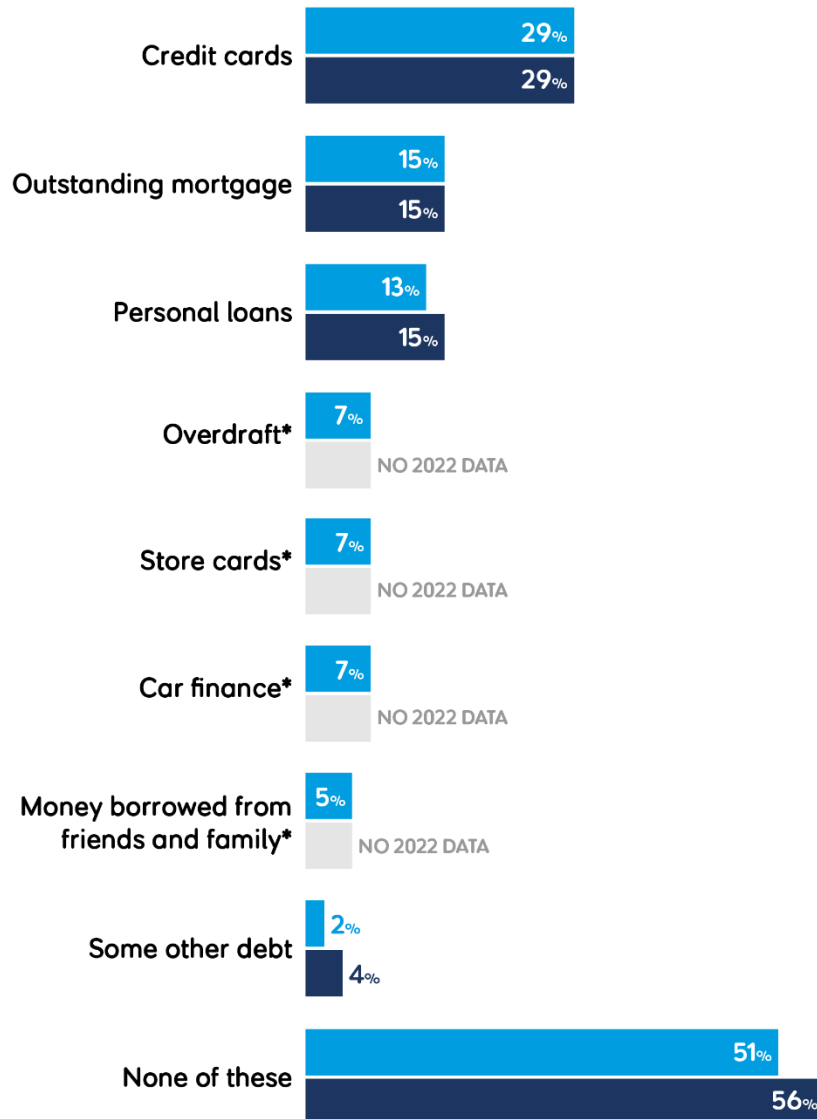
Around half (49%) of people over 50 have outstanding debts – mostly credit cards and mortgages – which marks an increase on the 44% we saw in 2022.

Retirees are 24% less likely to have outstanding debts than those still working. And perhaps unsurprisingly, the happiest over 50s are 8% less likely to be in debt than the average.



What debts do the over 50s have?

● 2023 ● 2022



*New addition to the 2023 survey

How much debt do over 50s have?

Over 50s yet to retire have higher outstanding debts than those already retired, across all categories except 'some other debt'.

Their remaining mortgage is up by £3,000 since last year, and is a hefty £36,000 more than the average retiree's.



Average debt still left to pay

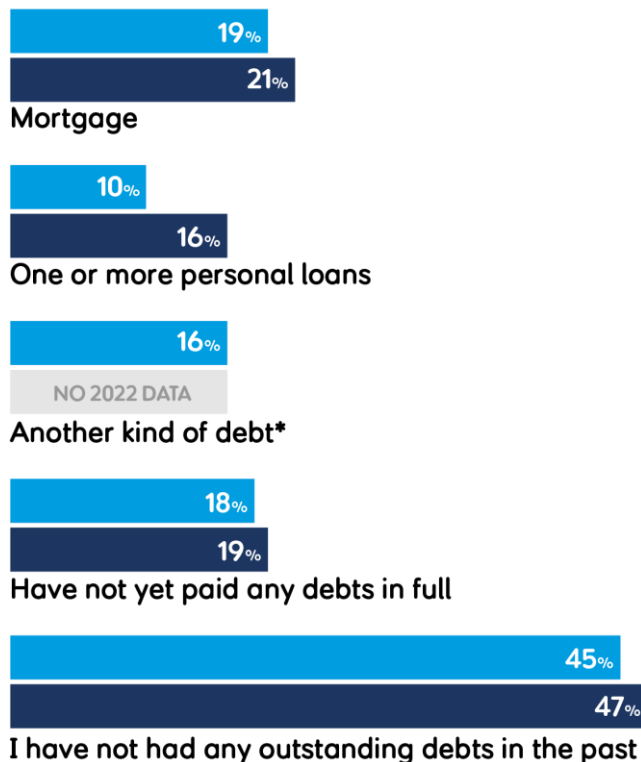
● All over 50s (change from 2022) ● Not retired ● Retired

Debt Type	All over 50s (change from 2022)	Not retired	Retired
Outstanding mortgage	£65,290 (+1%)	£70,051	£33,627
Car finance*	£11,341	£12,189	£7,206
Personal loans	£6,171 (-42%)	£6,407	£5,267
Money borrowed from friends and family*	£5,186	£5,526	£1,450
Credit cards	£2,487 (-28%)	£2,565	£2,306
Overdraft*	£996	£1,004	£952
Store cards*	£930	£948	£848
Some other debt	£6,907 (-15%)	£6,060	£9,824

*New addition to the 2023 survey

Which debts have you paid off in the last five years?

● 2023 ● 2022



*New addition to the 2023 survey

What debts have over 50s paid off?

Just over a third (37%) of over 50s have paid off their mid- to long-term debts in the last five years – that’s up from 34% in 2022.

But 18% haven’t yet paid off any of their debts in full (19% last year).

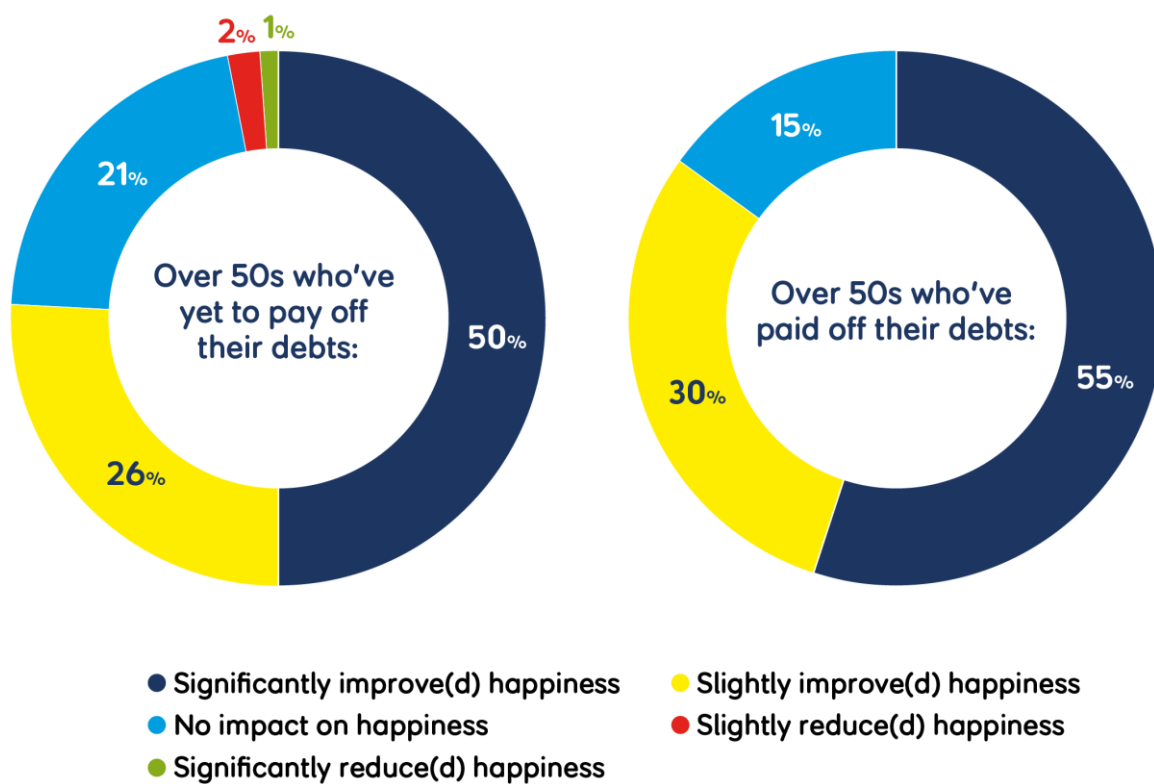
19% of people over 50 have paid off their mortgage in the past five years. When we asked this same question in the first half of 2022 – just as the Bank of England base rate rises were beginning – that figure was 21%.

Paying off debt significantly improves happiness

Unsurprisingly, most people over 50 who have paid off their debts feel happier as a result (85% – exactly the same as in 2022), including 55% (-1%) who say they feel *significantly* happier.

And three-quarters of those who still have debts to pay off think doing so would make them happier. However, 24% think that paying them off would have no impact on their happiness whatsoever, or would even reduce their happiness.

How would/did paying off your debts affect your happiness?



Other big purchases

When it comes to big spends, it can be tricky to weigh up whether the cost will be worth it.



What else are over 50s spending their money on?

For everything that doesn't fall into the categories of [holidays](#), [home improvements](#), [cash gifts](#), or [debt repayments](#), there are other big purchases that are popular spends in later life.

Think new cars, jewellery, and costly hobbies.

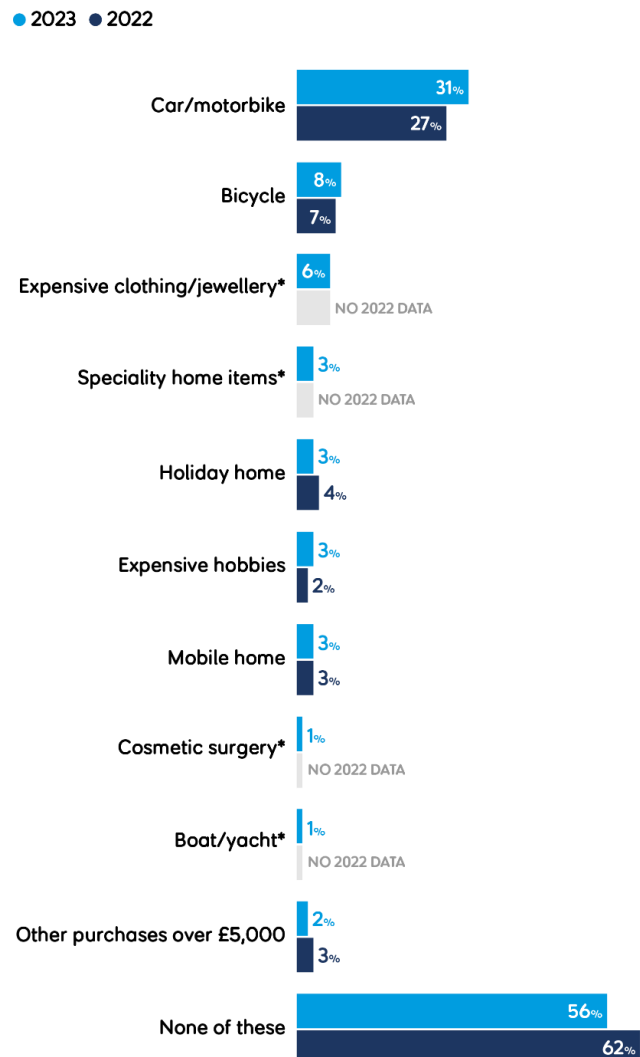
When asked if they'd made any of these big spends in the past five years, 44% of over 50s said they had – up from 38% in 2022.

The most common purchase is a car or motorbike, which 31% of people over 50 report having bought.

But how much did they spend? Holiday homes and mobile homes came out as most expensive – both around the £21,000 mark – meaning spend on holiday homes is down by over £8,000 since 2022.

New cars and motorbikes trail at an average of £15,000.

In the past five years, have you spent money on any of the following?



*New survey options for 2023

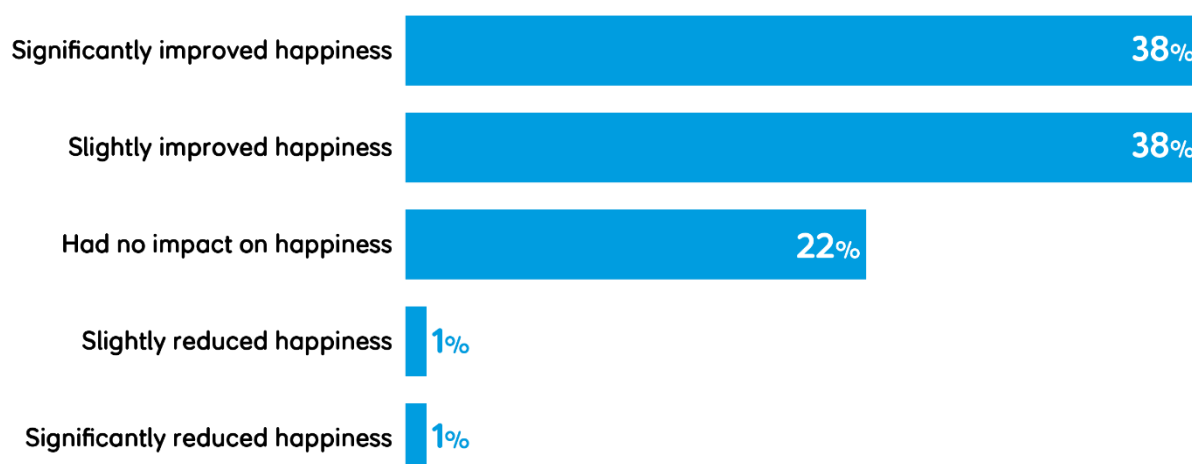
And how much did you spend on each of these?

	(Change since 2022)	
Holiday home	£21,439	(-29%)
Mobile home	£20,459	(+1%)
Car/motorbike	£15,252	(-21%)
Speciality home items*	£4,109	
Expensive hobbies	£3,960	(+31%)
Expensive clothing/jewellery*	£2,716	
Bicycle	£1,008	(-4%)

*New addition to the 2023 survey

How do big purchases affect happiness?

Of those who made big purchases, 76% reported that they felt happier afterwards – 5% less than last year. Only 2% (+1%) saw a reduction in their happiness. And when split by retirement status, those not yet retired were seen to be marginally happier (78% vs 74%).



New wheels and holiday homes top the list of dream purchases

When it comes to dream purchases, nearly half (45%) of over 50s want a new car or motorbike – 6% less than last year – and the same figure want a holiday home.

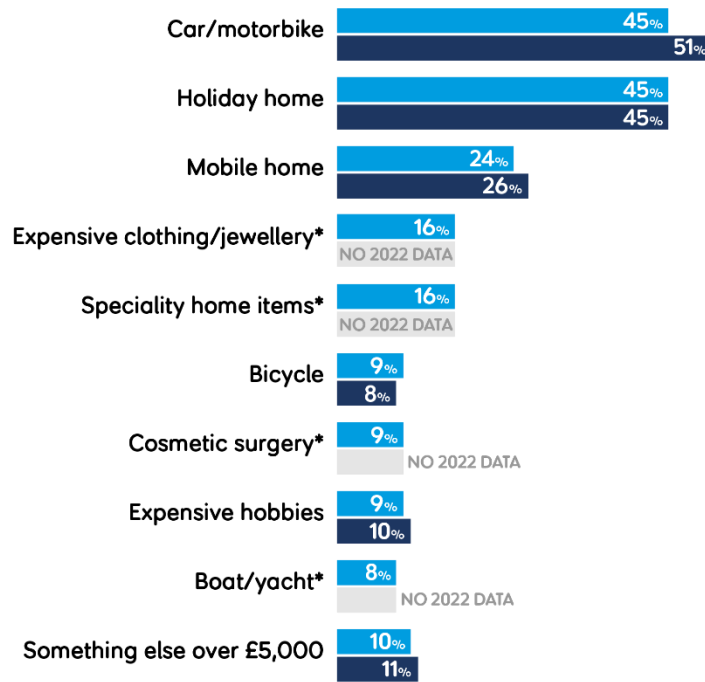
Mobile homes (24%), expensive clothing or jewellery (16%), and speciality home items (16%) are also very desirable – with unretired people dreaming about all of these significantly more than their retired counterparts.

The one thing retirees and unretired people agree on is wanting a new car or motorbike, with 45% of both groups dreaming of this. There is, however, a slight gender divide, with 51% of men versus 39% of women reporting cars as a dream spend.

Women on the other hand are more likely to dream of purchasing holiday homes (49% versus 41% of men) and more than three times more likely to want to purchase cosmetic surgery (13% versus 4% of men).

If money was no object, would you purchase any of these?

● 2023 ● 2022



*New addition to the 2023 survey

Equity release awareness and misconceptions

Equity release can make life-changing spends possible, such as dream [holidays](#), [renovations](#), [gifts to family](#), or [paying off debts](#). But many people don't know the ins and outs of equity release today.



Are the over 50s aware of equity release?

Equity release is a way to get tax-free cash from the value that's tied up in your house. It's a loan that's secured against your home, which is repaid when you die or move into permanent care. Releasing equity could enable you to take that dream holiday or give your loved ones an early inheritance – plus much more.

When asked if they are aware of what equity release is, 85% of people over 50 said yes – the same figure as last year. But awareness has risen to 95% among retirees – 2% more than in 2022.

3% of homeowners report having taken out equity release. And of those who haven't release equity, only 16% would consider it (although this is 1% higher than last year).

Percentage of people over 50 who are aware of what equity release is

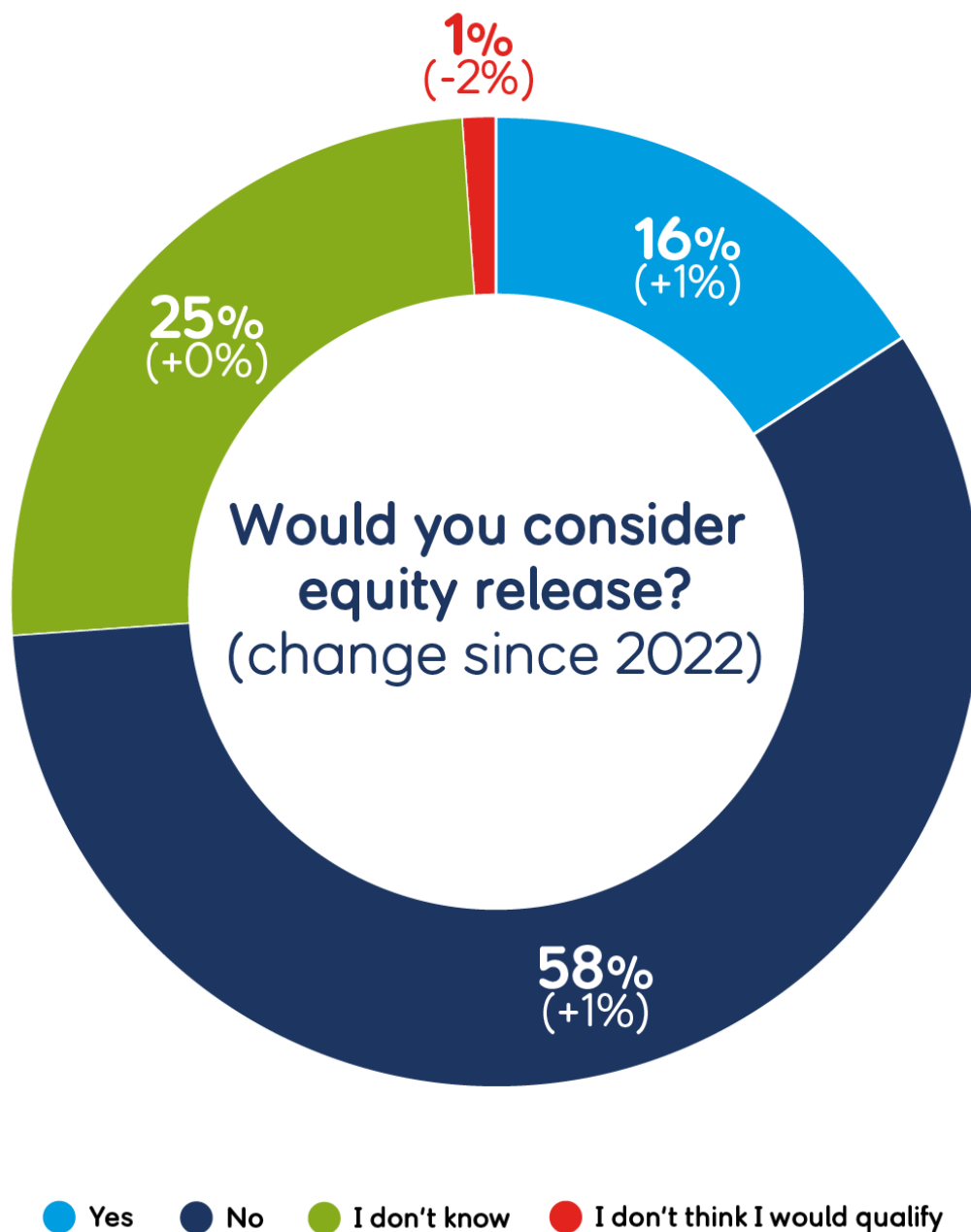


Only 4% know all the facts

Despite most over 50s being aware of equity release, many are unaware of the ins and outs. And awareness of most features has gone down since 2022.

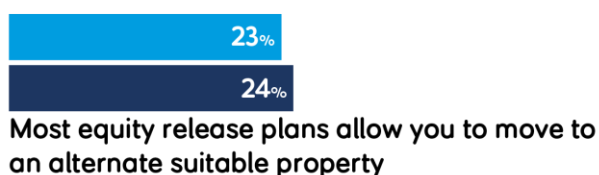
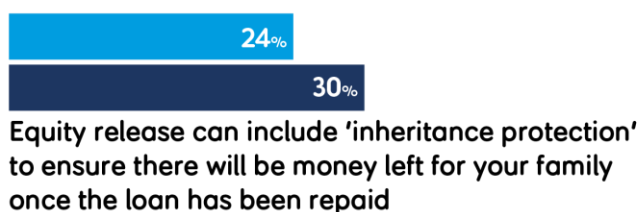
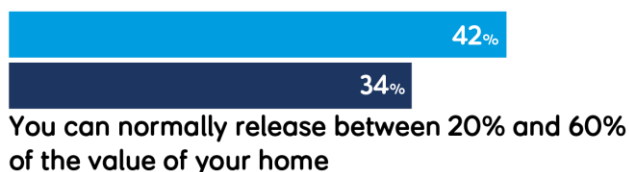
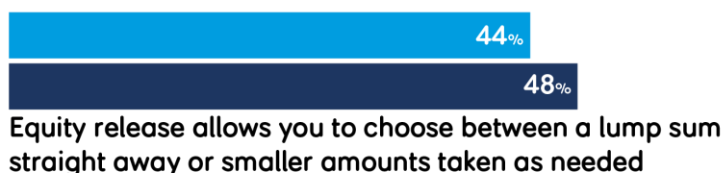
For example, 30% of over 50s knew about [inheritance protection](#) in 2022, but only 24% are aware of it in 2023.

And only 4% (-2%) of over 50s know *all* the facts about equity release. The least known fact is that most equity release plans allow you to move house to another suitable property and transfer your plan.



Which of the following facts about equity release are you aware of?

● 2023 ● 2022



When the over 50s who wouldn't consider equity release were asked why not, misconceptions once again played a part – just like in 2022. For example, some people thought releasing equity would involve too much risk, leave their family in debt, or that they would have to pay back interest.

However, equity release products that follow Equity Release Council standards have a 'no negative equity' guarantee. This means you'll never owe more than your home is worth, so debt can't be passed on to your loved ones.

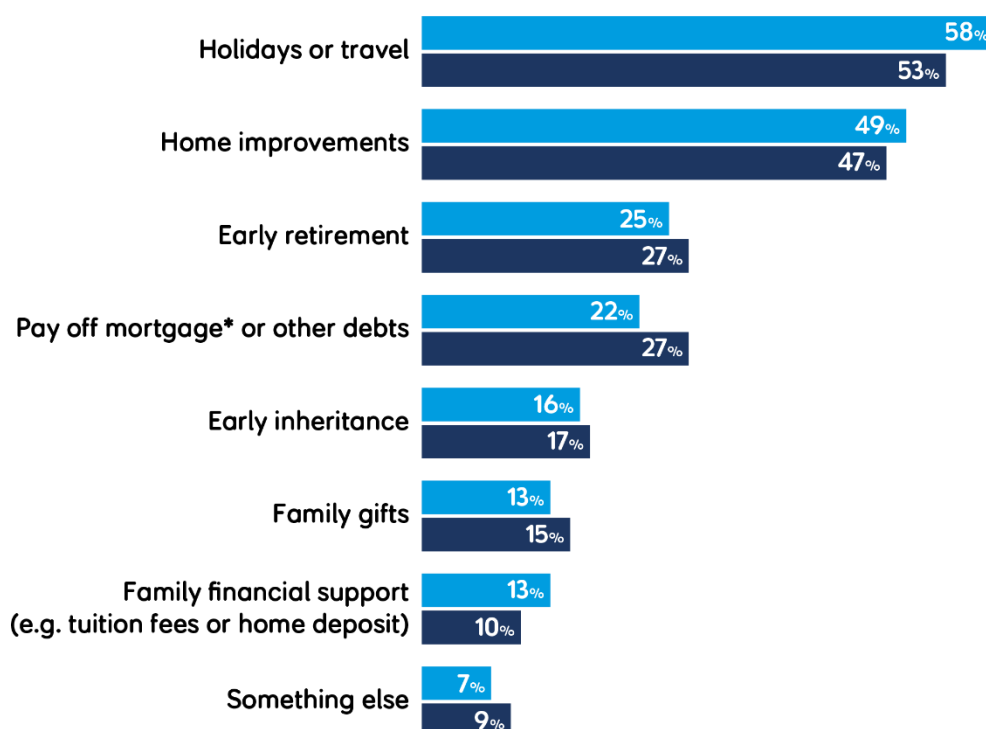
But it's worth keeping in mind that all types of equity release products will reduce the value of your estate and [could affect your eligibility for means-tested benefits](#). You should always discuss your options with an experienced adviser to make sure you choose the right equity release type for you.

How much equity would people like to release?

On average, people who would consider equity release would choose to release £106,747 in total – £18,604 more than last year.

If you took out equity release, what would you spend your money on?

● 2023 ● 2022



* Equity release money must be used to pay off any remaining mortgage on your property first.

At 58% (+5% since 2022), over half would spend at least some of the cash on holidays or travel, and 49% (+2%) would spend it on home improvements. At 25% (-2%), a quarter would use it to take an early retirement.

Of all the categories, holidays have the lowest estimated spend at £17,535 – just £290 more than in 2022.

But people are now saying they'd like to put aside £66,500 for early retirement – £7,687 more than last year.

There is also a significant rise in how much people would like to give as early inheritance and family gifts if they were to release equity.

This year, people over 50 would like to give £51,773 in early inheritance – almost £20,000 more than in 2022 – and £36,277 in family gifts – over £16,000 more than 2022.

If you released equity, how much would you spend on each of these?

● 2023 ● 2022

	2023	2022
Early retirement	£66,500	£58,813
Early inheritance	£51,773	£32,097
Family financial support (e.g. tuition fees or home deposit)	£37,840	£38,808
Family gifts	£36,277	£20,600
Pay off mortgage* or other debts	£35,311	£34,515
Home improvements	£27,905	£24,072
Holidays or travel	£17,535	£17,245

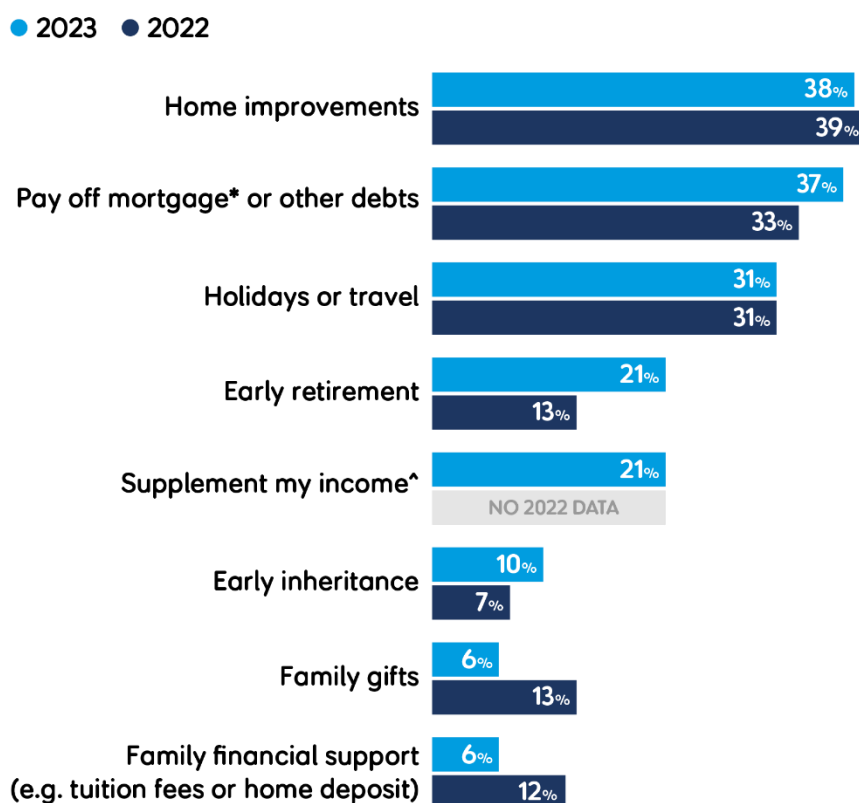
* Equity release money must be used to pay off any remaining mortgage on your property first.

How are people spending the equity they've released?

Of those who've taken out equity release (4% of all respondents), the priorities and amounts spent differ greatly from those who are considering it.

On average, these homeowners released £51,640 (just slightly up from £50,514 in 2022) – over £55,000 less than those in the consideration stage would like to release.

When you released equity, what did you spend it on?



* Equity release money must be used to pay off any remaining mortgage on your property first.
^ New survey option for 2023

Home improvements, paying off debts and holidays/travel are once again the most popular spends.

But this year, people are spending more on these, with £43,579 going towards the mortgage/debts (compared to £18,441 in 2022).

People are also using their equity to give their loved ones more support, with the average spend on this coming in at £22,667 (up from £12,525 last year).

Family gifting has also gone up, from £4,043 in 2022 to £15,267 in 2023.

Because of the cost of living crisis, we also asked people how much of the money they released had been put towards supplementing their income.

With over 1 in 5 (21%) saying they used some of the money for this purpose, the average amount set aside for it was £16,035 – the third highest spend overall.

It should be noted that with only 2% of people over 50 taking out equity release, these findings come from a low base.

After you released equity, how much did you spend on these? (Note: Low base)

● 2023 ● 2022

Pay off mortgage* or other debts	£43,579	£18,441
Family financial support (e.g. tuition fees or home deposit)	£22,667	£12,525
Supplement my income^	£16,035	n/a
Family gifts	£15,267	£4,043
Early retirement	£11,247	£17,111
Home improvements	£10,285	£11,100
Holidays or travel	£6,406	£6,500
Early inheritance	£2,800	£11,040

* Equity release money must be used to pay off any remaining mortgage on your property first.
^New addition to the 2023 survey

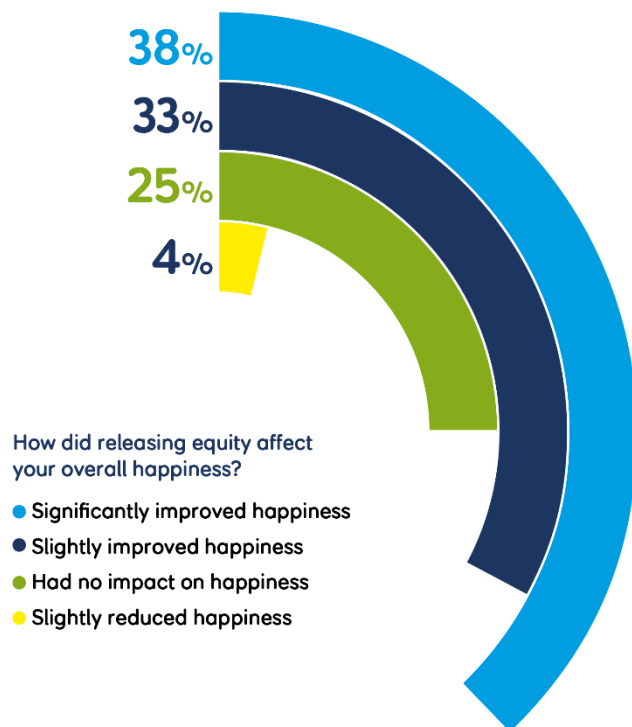
Equity release and happiness

At 71% (-4% since 2022), almost three quarters of people who've released equity say it's made them happier. 25% (+4% since 2022) say it's had no impact on their happiness.

When it comes to the correlation between equity release spending and happiness, all equity release spends improved happiness for the majority of people. Surprisingly, the spend with the least impact on happiness is home improvements.

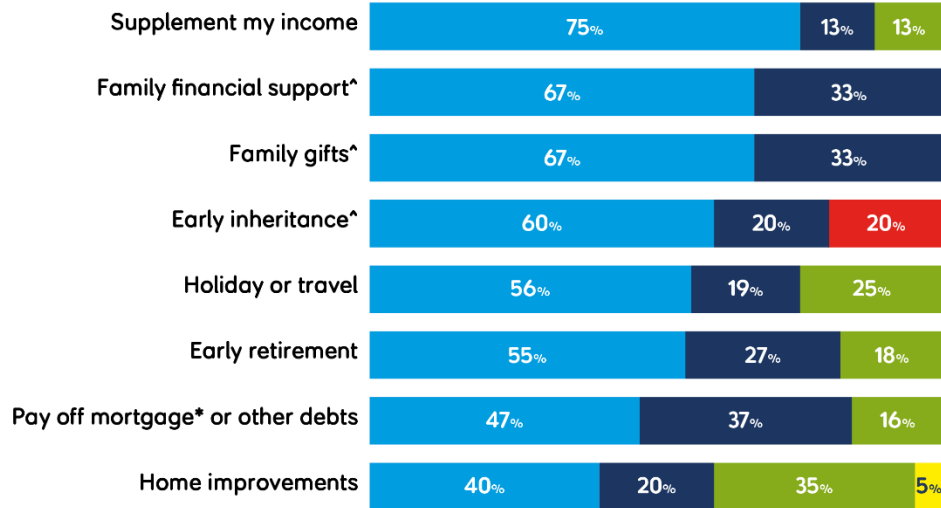
And once again, homeowners see the three main benefits of equity release as being able to continue living in your own home, receiving a lump sum of tax-free money, and being able to live more comfortably.

How did releasing equity affect your overall happiness?



How did spending your equity release on these things affect your overall happiness?

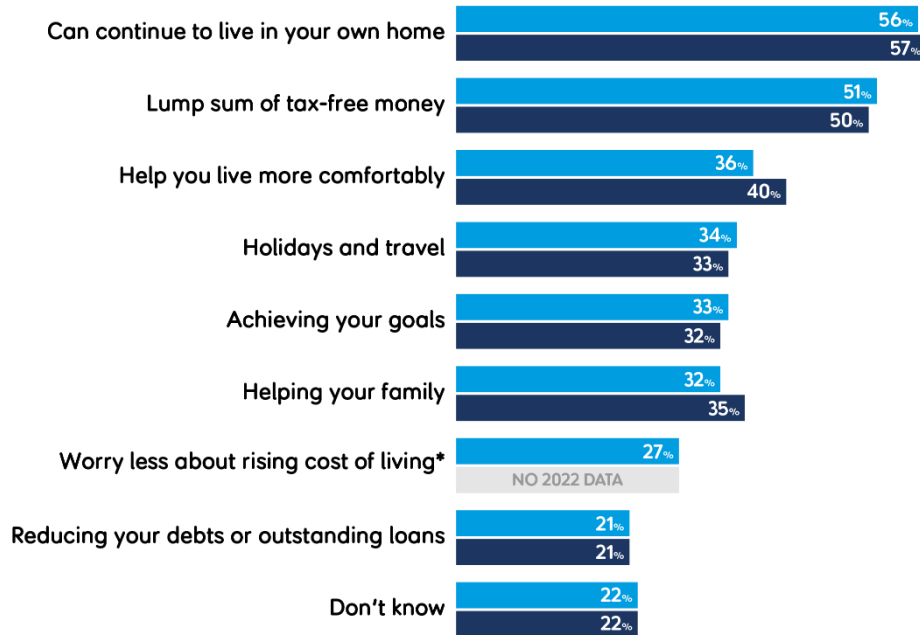
- Significantly improved happiness
- Slightly improved happiness
- Had no impact on happiness
- Slightly reduced happiness
- Significantly reduced happiness



* Equity release money must be used to pay off any remaining mortgage on your property first.
[^] Very low base


What do you think are the main benefits of equity release?

- 2023
- 2022




*New survey option for 2023

Reflections on equity release...



"My standard of living has improved and I am a lot less stressed as I can afford to do all the things I enjoy."




"Went on a great holiday for a wedding."

"I know my family is now financially stable."

"Reasonably comfortable financially. Can afford most of the things I want."

"After installing a lift I have full access to my house."

"I have enough in reserve to see out a comfortable life for my wife and I."



Thank you

If you have any questions about the Life Well Spent Report 2023, or any of our past reports, contact:

pressoffice@sunlife.co.uk

