

Putting life on hold

Cost-of-living crisis delays homeownership, having children and retirement

Rising living costs have been so significant in recent months 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.

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^[1]. Almost two-thirds (64%), the equivalent of 33 million people across the country, are concerned about the future due to the current state of their finances.

TACKLING RISING EXPENSES

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.

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.

WEDDING DREAMS DELAYED

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.

FUTURE FINANCIAL SUPPORT

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.

LONG-TERM GOALS

Longer term, 45% of people who had dreams for retirement anticipate that they will have to put them on hold. This is the equivalent of 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 ten (12%) of people think they are never likely to retire.



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 professional financial advice.

PRESSURE ON FINANCES

One way to help ease the pressure on household budgets is to make sure that people are getting all the benefits and tax credits they are entitled to. There are a number of government schemes available which can help with things like childcare costs, housing costs and council tax. Make sure you are claiming everything you are entitled to by checking the government's website.

Another way to ease the pressure on your finances is to make sure you are getting the best deal on your essential bills. This includes things like your energy bills, your water bill and

your broadband package. There are a number of comparison websites which can help you to find the best deals. It is also worth speaking to your current providers to see if they can offer you a better deal. ■

HEADING OFF DIFFICULTIES LATER DOWN THE LINE

Life is becoming unaffordable for many people due to the cost-of-living crisis. Obtaining professional financial advice is invaluable, especially when navigating more complicated financial situations, such as retirement. Seeking the right help now could head off difficulties later down the line.

Source data:

[1]Opinium survey of 4,001 UK adults was conducted between 27–31 May 2022 for Legal & General.

