

Regrets: a few, or too few to mention?



From wishing we'd saved for retirement earlier in life, to panicking about the higher cost of living, there are plenty of worries to keep us awake at night. But what did our Wealth Survey reveal about the different worries faced by different age groups and genders, and - more optimistically - which financial decisions have made us most proud of ourselves?

Our *Wealth Survey* revealed that people in the UK expect to spend extra time managing their finances in 2024 than they did in the past. 41% of people claimed that they are likely to spend longer reviewing their spending on groceries, utility bills and household finances, with men expecting to spend more time than women reviewing their financial commitments.



In keeping with the pattern we saw in last year’s *Wealth Survey* results, women appear more likely to have oversight of day-to-day household finances like groceries and bills, while men were more likely to have responsibility for longer-term financial products such as credit cards, subscription services, pensions and investments. As we noted in last year’s report (and in the first chapter of this report), this is in keeping with the historical image of women managing households and – by extension – household budgets, whilst being largely excluded from the ‘male’ world of formal financial products and services.

What’s keeping us awake at night?

Not everyone expects to spend more time reviewing their finances this year – for some people, it’s quite the opposite. Among those who told us they’ll be spending less time managing their finances in 2024, almost half said this was because they’d simplified their financial situation.

However, almost a third of those planning to spend less time on money matters than in the past said that looking at their financial commitments was making them feel anxious. Younger respondents were more prone to giving this as a reason – 35% of 18-34 year olds, scaling down to just 19% for those over 55. As in 2023, our survey showed that concerns around inflation and the generally rising cost of living are among the UK’s top worries when it comes to the factors influencing their personal finances.

Younger people were again more anxious. Almost half of our survey respondents were concerned that their standard of living would drop in 2024 and beyond, but this was a particular worry for people in their 30s – more than half (55%) of this age group feared a standard of living drop, versus just 38% of people aged 55 years or older.

Alasdair Wild, Area Manager at Handelsbanken Wealth & Asset Management, is familiar with these generationally different reactions to high inflation and high interest rates:

“Many of our more mature customers are in the fortunate position of having paid down their mortgages, and this often translates into more generally sanguine feelings about the current higher cost of living. Meanwhile, some of our younger customers – even those who might be described as ‘asset-rich’ – are more likely to be feeling the pain of scaled-up costs, particularly around their mortgage repayments.

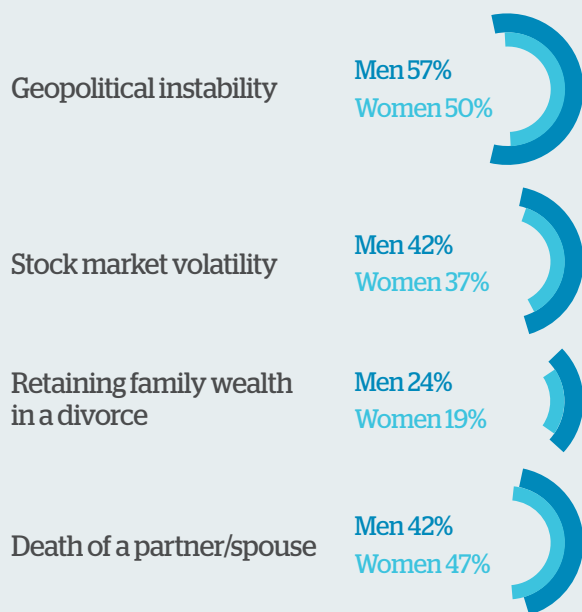
“Customers in younger age groups – 20s, 30s and 40s – have lived virtually all of their adult lives in a time of relatively low UK interest rates, which have been in place since the 2008 financial crisis. Cheap money has felt like a fixed feature of their financial landscape, and this is reflected in the debt they’ve acquired, including their mortgages. It could be that over half of mortgage holders in the UK have rarely seen interest rates above a couple of percent. Among customers in this position, we’re conscious of the higher potential need to liquidate some of their assets (such as selling investments) in order to service their mortgages in the near term.”

Politics are a hot topic in an election year

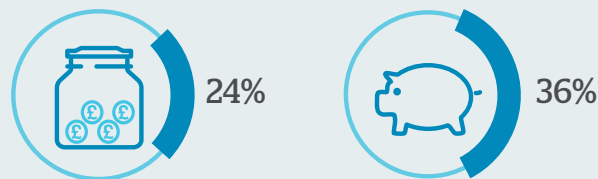
Turning back to gender, we found more patterns that matched 2023’s *Wealth Survey* results. Men worried more than women about the effects of geopolitical instability and stock market volatility on their financial circumstances (perhaps due to a greater tendency to be investors rather than savers). They were also more worried about retaining family wealth in the event of a divorce. Meanwhile, women once again tended to be slightly more concerned than men about the impact their partner’s death would have on their finances.



Men and women worry about similar things, but to different extents



Biggest financial regrets



Not starting a **pension** at a young age

Not **saving** consistently from a young age

Biggest financial accomplishments



Getting on the **property ladder** when I had the chance

Paying off **debt**

Beyond these long-run concerns, Alasdair has found that politics – both global and local – is the topic du jour for both male and female customers:

“As we head into an election year on both sides of the Atlantic, our customers are increasingly concerned about what the US and UK elections will mean for them. For the US election, this is more about how the next White House resident will impact global financial markets, while for the UK election, customers are more concerned with how a new government could impact UK taxation.

“We don’t have a crystal ball, but we do know that financial markets typically look through elections – focusing instead on the economic environment and the behaviour of central banks. And while the potential for changes in tax regimes can seem alarming, rest assured that we’re watchful and ready to advise on any changes to tax rules, always aiming to ensure the most tax-efficient outcomes for our customers.”

Unpicking the top causes for woe and celebration

As part of our Wealth Survey, we asked people about their biggest financial regrets, and their biggest financial accomplishments.

It turns out, our biggest financial regret is not saving consistently from a young age. Women were slightly more prone to this regret than men (40% of women, compared to 32% of men). This was true for all age groups surveyed. Sticking with the theme of accruing savings, many people also regretted leaving it too late to start a pension, and – on the flipside – incurring too much debt.

Happily, a quarter of our survey respondents told us that they have no financial regrets, rising to 39% for those aged 60+. Taking the chance to get on the property ladder was seen as the biggest financial accomplishment for people across all age groups, along with paying off debt, and saving consistently from a young age.

Alasdair sees it as part of his duty as a wealth adviser to help people to avoid financial regrets wherever possible, and to encourage different generations of savers to share their experiences and knowledge:

“The financial landscape has changed significantly between the youngest adult generations and those who are now retired or retiring. Defined benefit pension schemes are typically no longer the norm, student debt can feel overwhelming, and property prices relative to average salaries make home ownership seem much more out of reach. As a result, younger generations’ financial planning runs the risk of being pushed back by a decade or more while they grapple with nearer-term issues instead of worrying about retirement.

“While it’s easy to see why younger generations might shy away from thinking long-term, we think that building a financial plan can create a solid roadmap and a sense of security and purpose. We’d encourage older generations to share their wisdom (even if that means their regrets!) around issues like building up your pension, as this will become more critical than ever for younger generations too.

Avoiding regret through sound financial planning

- Don’t let short-term demands on your finances stop you from making a long-term financial plan
- Work with a trusted adviser to ensure your plan is fit for the future, and can weather a range of economic conditions
- Review your plan regularly to ensure it continues to match your personal circumstances and goals

Methodology

Research conducted by Opinium among a sample of 4,000 UK adults between 12th and 17th January 2024. Respondents were chosen on a nationally representative basis, weighted evenly by gender, age, region and value of financial assets. Of the overall sample, 1,765 (44.1%) were male and 2,216 (55.4%) were female, while 733 (18.3%) had a net worth of more than £100,000.

Results were analysed to focus on gender differences between 10-year age brackets and financial assets to identify trends between demographics. Any population figures are extrapolated based on a UK adult (18+) population (mid-2022), published by the Office for National Statistics in November 2023.

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