SunLife

Life Well Spent

2025 report

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



Contents

3 Welcome
4 At a glance
5 Key findings
8 Happiness
13 Retirement
19 Daily spending
25 The home
33 Holidays
39 Cash gifts
45 Debts
50 Equity release

Welcome

to the Life Well Spent Report 2025

Report background

The Life Well Spent research was undertaken between May and June 2025.

2,040 online interviews were completed with people over 50.

40% of respondents are retired, and 30% are in full time employment.

70% own their own home.

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

- Attitudes to money and spending
- 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 and financial concerns**, **retirement**, **holidays**, **happiness** and our **homes**, **cash gifts**, **debt**, and **equity release**.

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 are the happiest people, and what they spend their money on.

The Life Well Spent report is now in its fourth year. For information on any of SunLife's current reports or past editions, email **pressoffice@sunlife.co.uk**.

The report at a glance

76% of people who released equity said it made them happier

Equity release

42% of people don't realise that the equity release industry is regulated by the Financial Conduct Authority.



Debts

45% of us have outstanding debts – down 3% since 2024.

Happiness

Happiness rises both with age and upon retirement. **51%** (-1%) of retirees score 8 or higher for overall life satisfaction, compared to just **34%** of those who are still working.



Holidays

At an average of **£6,098**, we have more modest expectations about what our dream holiday will cost in 2025 – that's **£1,003** less than in 2024.

Our top dream holiday destination is the **USA**

Daily spending

The rising cost of living is worrying far fewer of us in 2025, with 55% saying it's our biggest money worry, compared to 75% in 2022. In fact, financial concerns have dropped across all categories this year.



Home improvements

Extensions, garden landscaping, and new kitchens are the cheeriest home renovations.

9 in 10 say these improvements made them happier.



Cash gifts

The average cash gift given to family in 2025 is £12,323.

But the average amount gifted to help loved ones with living costs has risen from £1,416 to **£1,943**.



Key findings



Family and friends matter most

50% of us say family and friends are the biggest contributor to our happiness – rising to 58% for the happiest people.

The good news is, the number of people who are most worried about how their children and grandchildren are managing financially has dropped from 23% in 2024, to 15%. But retired people are twice as likely (10%) to list their family's financial wellbeing as their main worry, compared to non-retirees (5%).

Giving early inheritance makes us happier

With loved ones clearly being the most important factor for so many, it's no surprise that gifting family money makes people happier – whether it's for fertility treatment, the arrival of a new baby, a special gift, or a home deposit.

This may also explain why so many would like to leave an inheritance behind (**46%**, up from 43% in 2024). And just **19%** said they would prefer to spend their money enjoying retirement, compared to 31% in 2024.

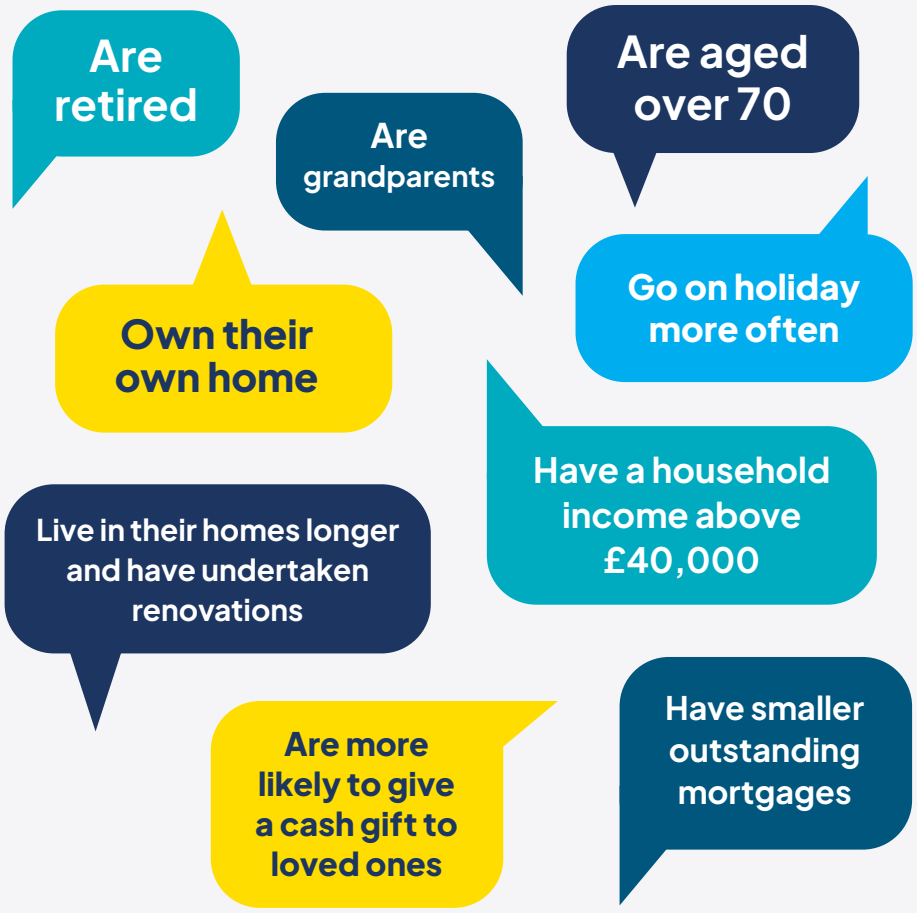
The number of us worried about the rising cost of living has dropped



55% of people in the UK name the rising cost of living as one of their biggest financial concerns in 2025 – that's 8% down since 2024, and 20% down since our first report in 2022.

But, while the number of people reporting each individual concern has gone down, the number of people with at least one financial concern is going up. Just **9%** report having no financial worries at all, down from 17% in 2024.

The happiest people...



Travel confidence is low for some

Holidays are important to all of us, with **1 in 10** saying travel is what makes us happiest. In fact, the happiest people go on more holidays, both abroad (11% more) and in the UK (5% more).

But despite holidays being a big contributor to overall happiness, **1 in 5** people have decided not to travel because of a health condition. And of those who get travel insurance, 17% say they wouldn't feel confident making a claim.

People would like to release over £80,000 of equity

On average, eligible people who'd consider equity release in 2025 would choose to release **£81,091**. They'd like to spend at least some of the money on holidays and travel, home renovations, supplementing their income, and an early retirement.

But when people actually release equity, they release an average of **£69,982** – £11,109 less than those in the consideration stage would like to access. The most popular ways to spend the money are paying off the mortgage (which is a prerequisite) and other debts, home improvements, supplementing income, and holidays and travel.



Happiness

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

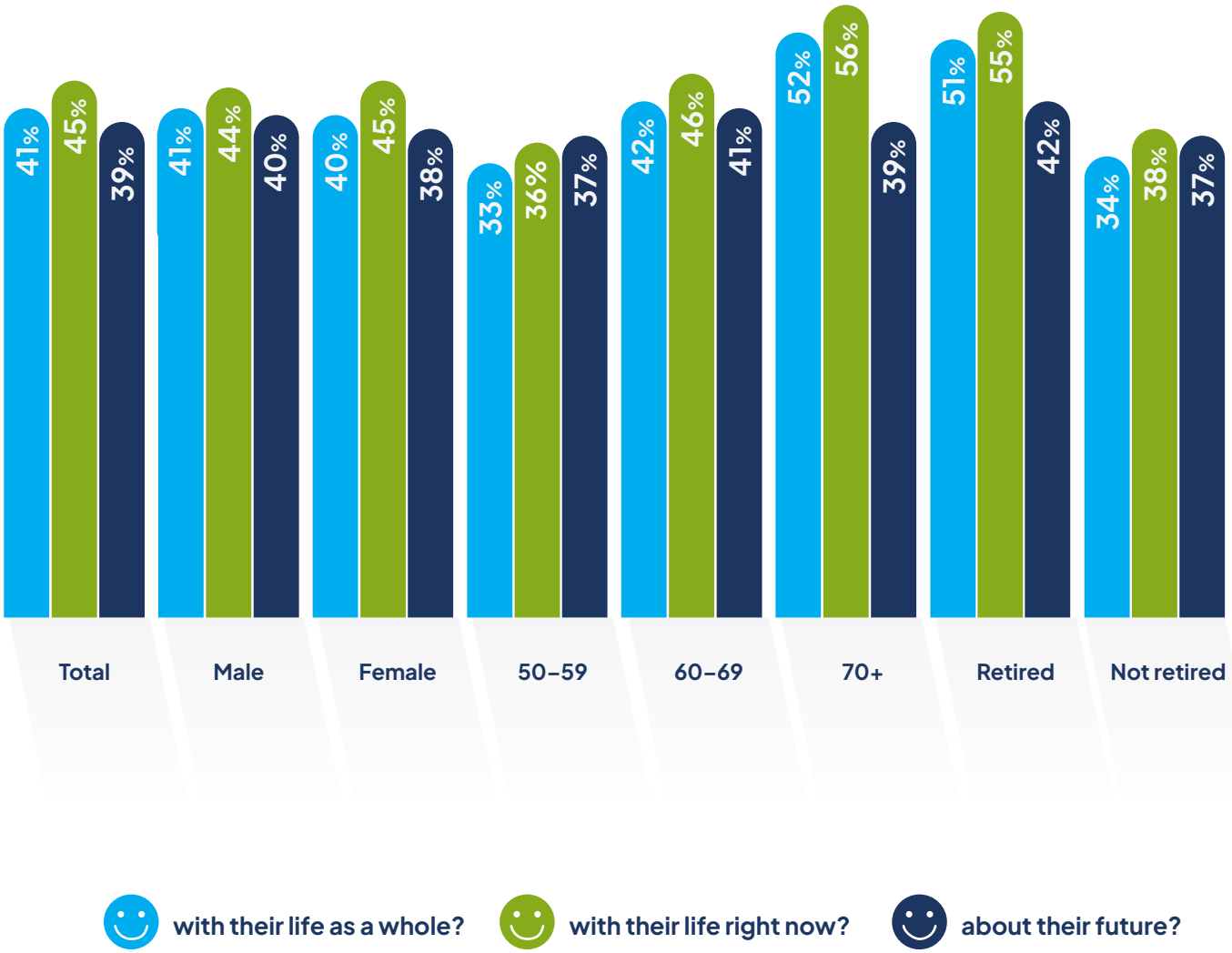
Happiness rises with age

When we asked people to rate "how satisfied are you with your life as a whole nowadays" out of 10, 72% answered 6 or above (exactly the same as in 2024). And 41% rated their life satisfaction an 8, 9 or 10 – also the same as last year.

Happiness rises both with age and upon retirement. 51% (-1%) of retirees score 8 or higher for overall life satisfaction, compared to just 34% of those who are still working. And 52% of people over 70 also gave these higher happiness scores.

What's more, the number of people who rate their outlook as between 1 and 4 out of 10 has gone down by 1% to 15%. That's also 4% less than in 2022 when we released our first report.

Who is happiest...



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

Happiness varies by region

Similar results can be seen when asked “how happy did you feel yesterday?”, with 56% of over 70s reporting high happiness, and 55% of retirees. This is compared to just 36% of 50 to 59–year-olds, and 46% of 60 to 69–year-olds.

In 2025, Wales has been overtaken as the happiest region by North East England, with 48% rating their overall happiness at 8 to 10 out of 10. This is closely followed by East Anglia at 44% – quite the turnaround, as this region was one of the least happy in 2024! The least happy region is the West Midlands, where only 35% feel the same.

Retirees are the most optimistic

Like last year, 39% of people feel very positive about their future. Retirees show the most optimism, with 42% (-1%) feeling very happy about the future. This could mean the anticipation of retirement, and the initial ‘high’ after finally retiring, may have a big effect on our outlook.

The most optimistic age range overall, however, is found in people aged 60 to 69, with 41% feeling very happy about what’s to come.



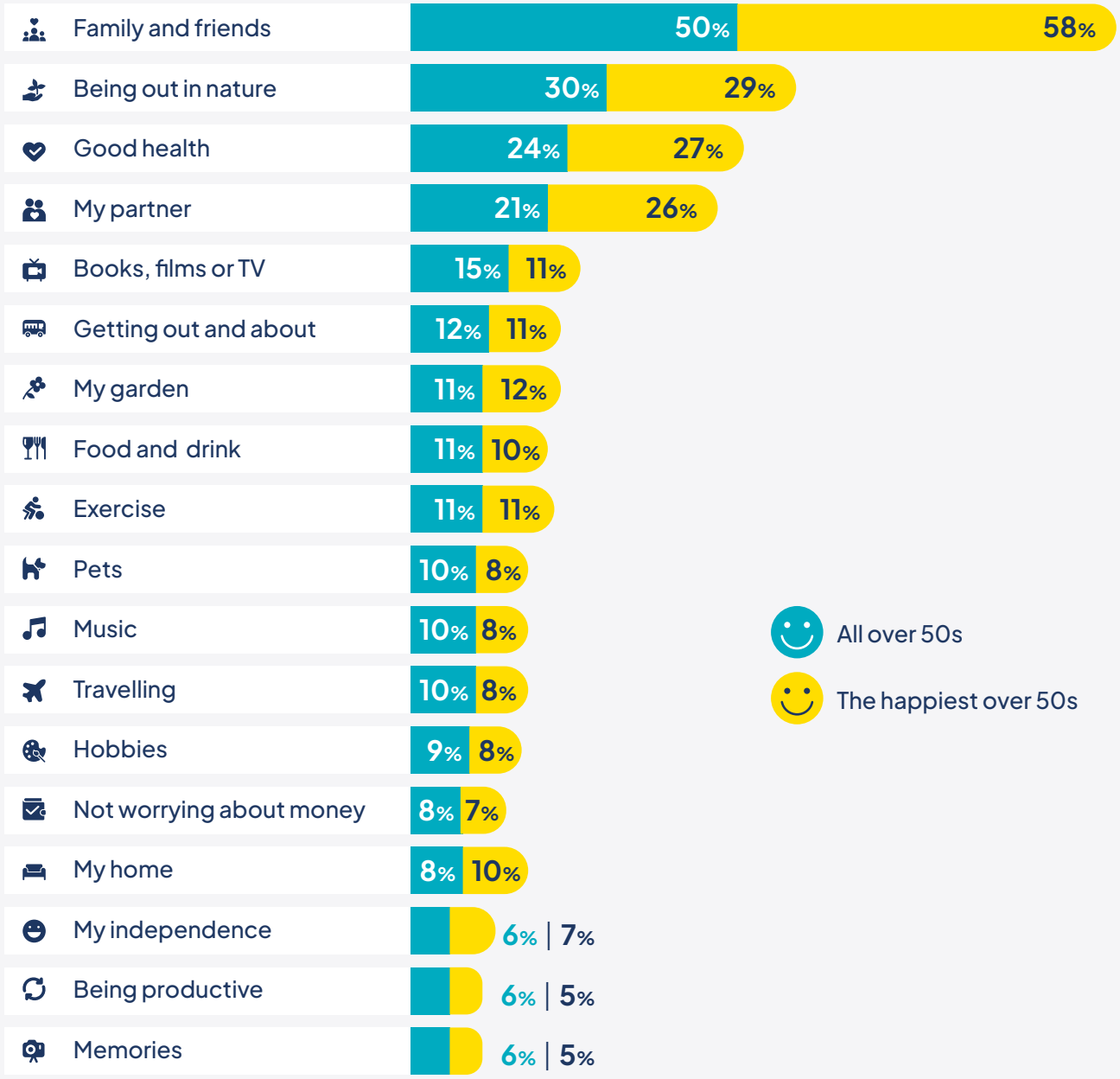
Family, friends and nature make us happy

When asked what makes people happiest in life, the most popular answer is family and friends (50%). Second is being out in nature (30%), third is good health (24%), and fourth is a partner (21%).

The percentages shift if we look at what matters most to the happiest people. Family and friends keep the top spot, but with an 8% rise (58%). Being out in nature remains in second place at 29%, while good health is in third place 27%. Our partner sits at fourth place with 26%.

Those who are the *least* satisfied with their lives as a whole are the most likely to name having lots of money (12%) and not worrying about money (15%) as their main sources of happiness.

What makes you happy?



The happiest people work less and spend more time in nature

The most popular pastime by quite a margin – for both the average and the happiest people – is watching TV and/or films. Second is working or volunteering, although the happiest of us spend an average of 95 minutes less on this a week. This supports our finding that happiness tends to increase upon retirement.

Seeing family and friends comes third, followed by hobbies, browsing social media, and spending time in nature. For the latter, the happiest spend 43 more minutes a week in nature than the average person. The happiest also spend less time cleaning and budgeting.

Those who report the least satisfaction with their lives are most likely to not spend any time on hobbies (27%) or seeing friends and family in person (21%). This group also spends the least time in nature (3.5 hours a week) and the pub (1 hour a week). In fact, 69% of the least satisfied don't spent any time at the pub, compared to just 55% of the happiest people.

How people spend their time

Activity	**All over 50s** Average hours per week spent on activity	**Happiest over 50s** Average hours per week spent on activity	**Difference** in minutes between the happiest vs all over 50s
Watching TV and/or films	17hrs 38m	18hrs 1m	23 minutes
Working/volunteering	12hrs 25m	10hrs 50m	-1hr 35m
Seeing family/ friends in person	5hrs 23m	5hrs 31m	8m
Hobbies	5hrs 8m	5hrs 49m	41m
Browsing social media	5hrs 2m	4hrs 54m	-8m
Spending time in nature	4hrs 8m	5hrs 22m	43m
Driving/ using public transport	4hrs 8m	4hrs 29m	21m
Cleaning	4hrs 2m	3hrs 52m	10m
Watching sports	2hrs 23m	2hrs 26m	3m
Budgeting/ managing finances	1hr 35m	1hr 26m	8m
Going to the pub	1hr 17m	1hr 29m	12m
Learning/ practising a skill	1hr 11m	1hr 17m	6m
Having sex	48m	1hr	12m



Retirement

Does retirement make us happier?
It would seem so – but what is it that makes retirement such a happy time for so many?

Happiness and retirement

As we've seen in our section on happiness, retiring improves people's happiness. 65% of those who've retired say they are happier in the long term (1% down since 2024, and 2% down since our first report in 2022), and 63% in the short term (down 3% since 2024, and 1% since our first report).

And like last year, only **1 in 10** say they feel less happy since retiring.

How retirement affects happiness...

... in the short term



63% Improved



27% No impact



10% Reduced

... in the long term



65% Improved



26% No impact



9% Reduced

The average retirement age is 61

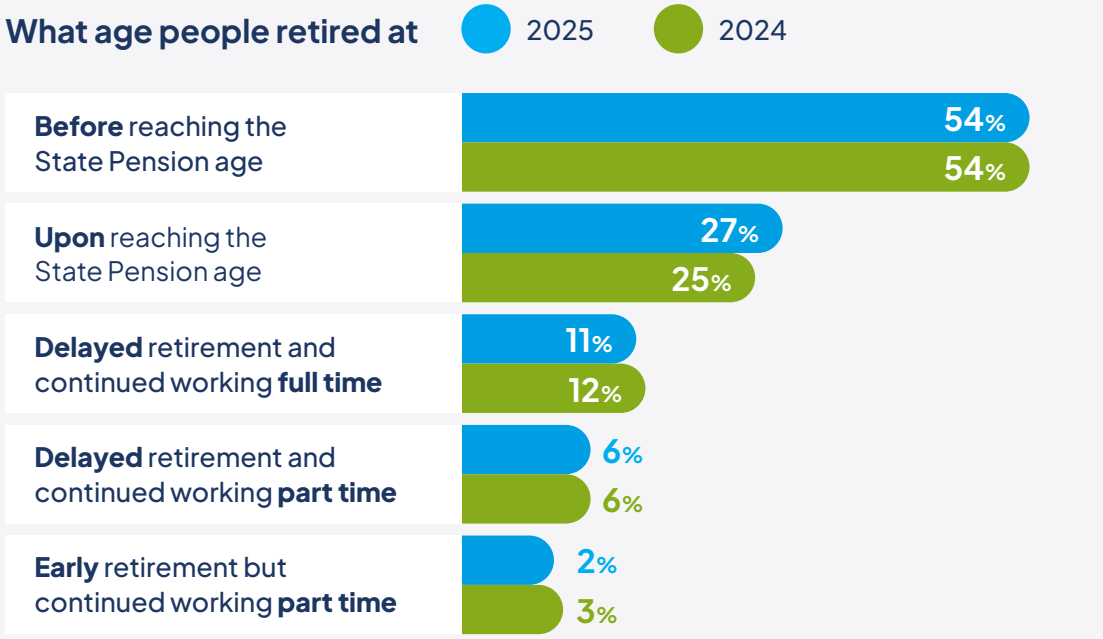
Like last year, the average age of retirement is 61 – but once again, retirees wish they could have retired a year earlier at age 60. For those not yet retired, they would like to retire at an average age of 65 years old (also the same as in 2024).

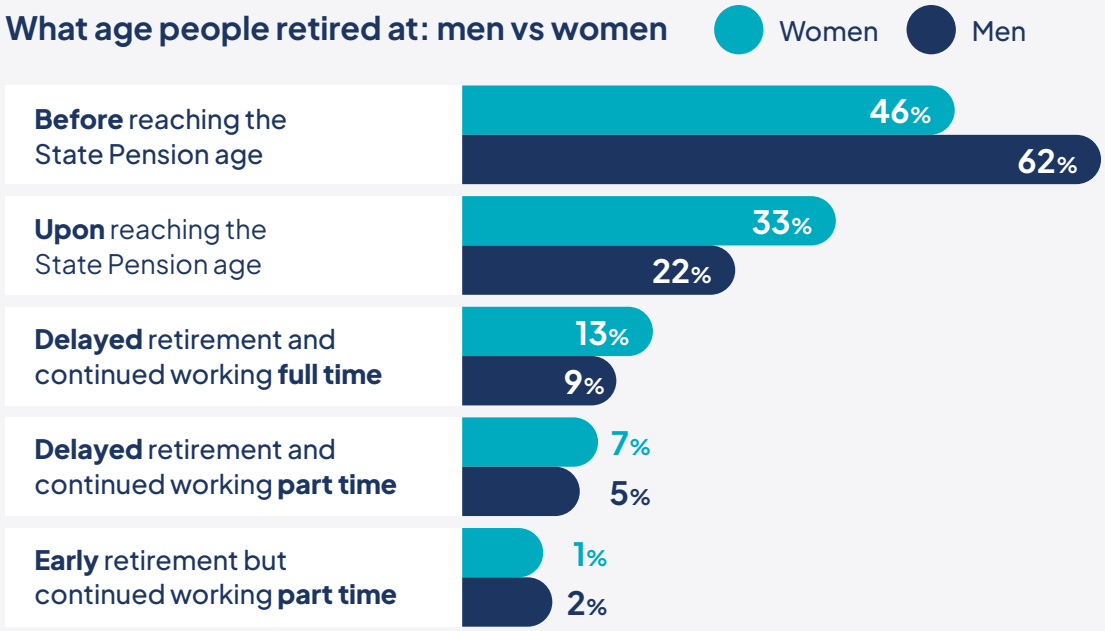
Over half (54%) of respondents who are retired did so before reaching the State Pension age – 2% more than in our first report in 2022. And like in 2022, around 1 in 10 delayed their retirement to continue working full time.

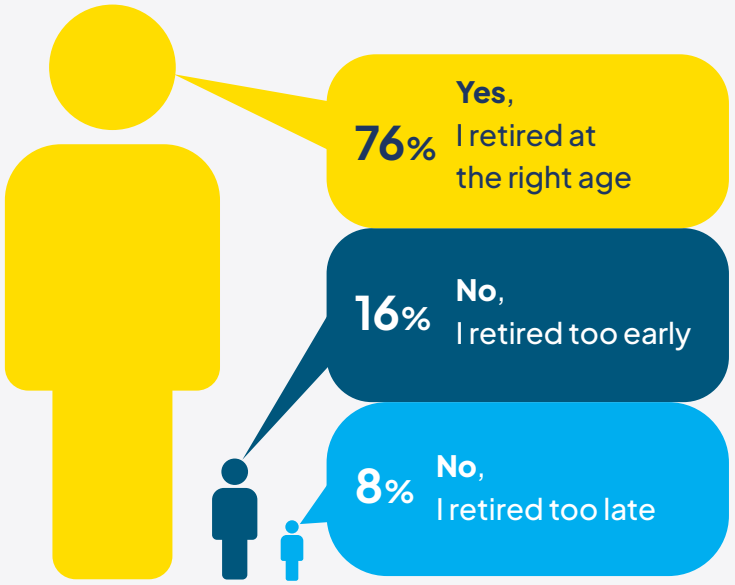
In fact, when we take into account those who delayed retirement to work both full and part time, it amounts to 17% of people in 2025.

Interestingly, there's no major difference in retirement age between the unhappiest and the happiest people.

However, men retire earlier on average, with 62% (up 4% since 2024) retiring before State Pension age, compared to 46% (-3%) of women. This correlates with the fact that our data shows 30% of women over 50 have no private pension savings, compared to just 21% of men.







Did you retire at the right age?

Like in 2024, **3 in 4** retirees feel they retired at the right age – rising to 83% for the happiest people (-1% since 2024). But 16% feel they retired too early – 2% down since 2024. And over 1 in 4 (26%) of retirees only have a State Pension.

More people are planning to retire early

Of those yet to retire, 32% plan to retire before reaching the State Pension age, 8% more than last year. 36% (-1%) plan to retire at the State Pension age. And 32% (up 2% since 2024) would like to delay retirement and continue working – 15% (-3%) part time, and 17% (-1%) full time.

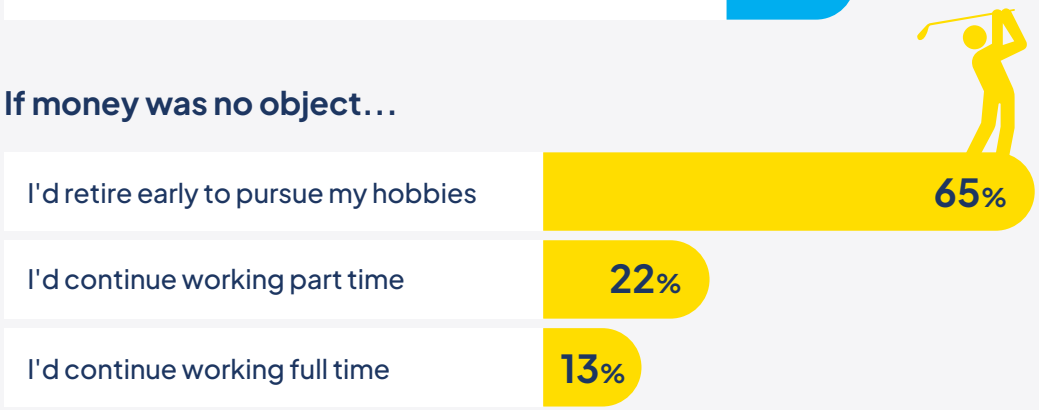
The unhappiest people are the most likely to delay retirement to continue working full time, with 20% saying this is their plan – compared to 16% of the happiest people.

If money wasn't an issue, 65% of people who are yet to retire would like to retire early to pursue their hobbies – 10% up since 2024. 35% would continue working either full or part time, compared to 45% last year.

When are people planning to retire?



If money was no object...



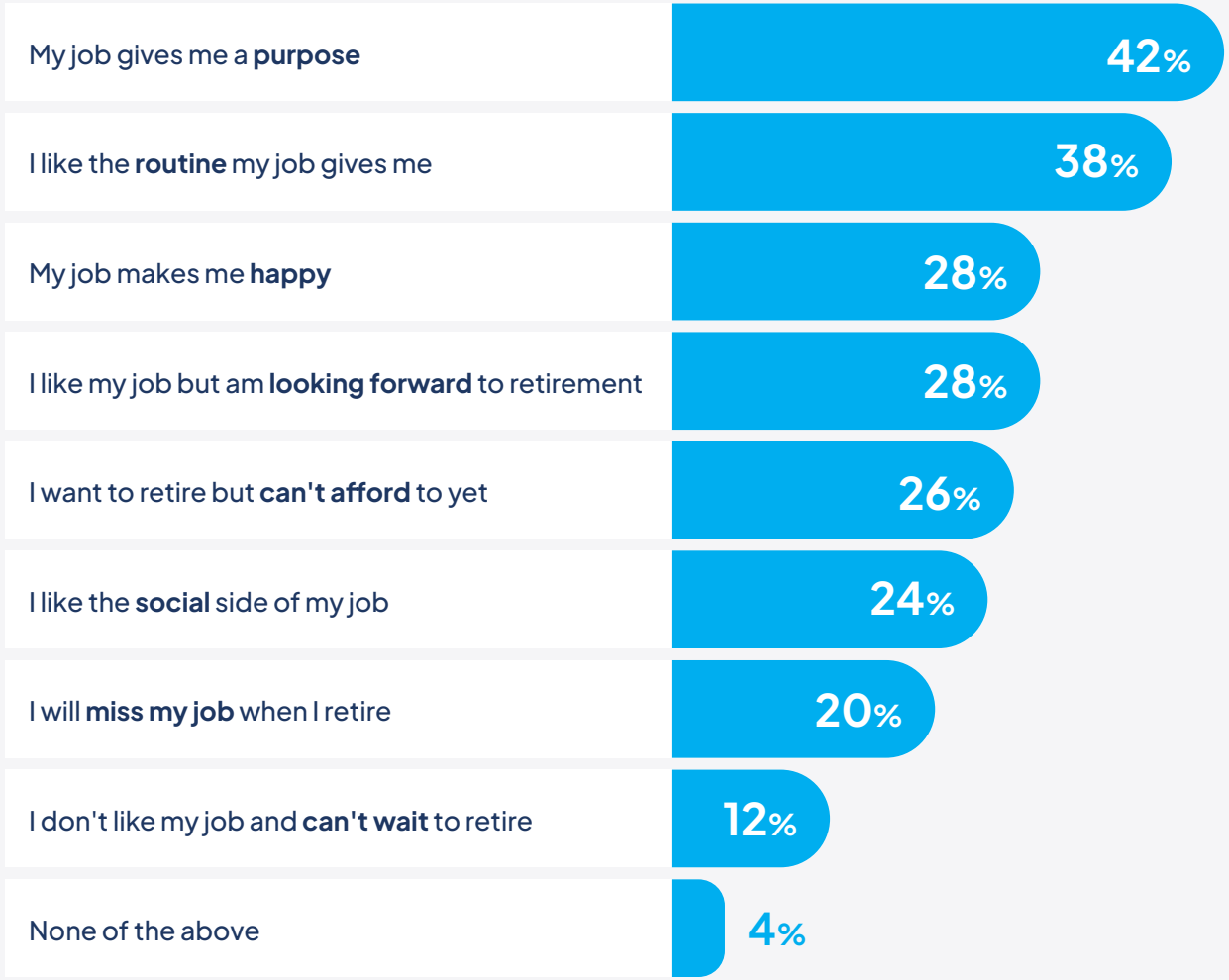
Thoughts on work and retirement

Those who've retired say they enjoy having more time to do what they want, not having to answer to anyone, and spending time with loved ones.

But this doesn't mean that those who haven't retired are unhappy with their jobs. On the contrary, over two thirds of working people are positive about their job, with 2 in 5 saying their work gives them purpose. Meanwhile, some who are retired report feeling lonely or bored, and not having as much money coming in.



How people feel about their job



Thoughts on retirement

"My time is my own now and I don't have to get up in the dark and get home in the dark."

Female, aged 78

"I have enjoyed all of my life since retiring but I would be financially better now if I had not retired when I did."

Male, aged 81

"I enjoy not having to answer to anyone and don't miss the politics of working."

Female, aged 69

"No hobbies and moved away from friends so I get quite bored and lonely at times."

Female, aged 69

"Being able to help my daughters by looking after my grandsons. Having more time to spend in my garden and nature."

Male, aged 66

"Thought it would give me more freedom to enjoy days out and holidays but due to partner's ill health I've now become an unpaid carer."

Female, aged 70

Thoughts on work

"I enjoy working, it keeps me active, I have a good team and I find it rewarding, I feel retiring will make me lazy."

Male, aged 55

"I enjoy interacting with nice people. We all need money and why people are negative I don't know but days pass routinely and so does work."

Male, aged 56

"I enjoy working and would miss it if I didn't, I don't have a partner so it is nice to get out and see people at work."

Female, aged 50

"I've worked in a high paced, intensive industry for 40 years and it's time to slow down with less pressure."

Female, aged 50

"Too many daily problems at work that never get resolved, been working fulltime for 39 years... and the government keeps increasing my pension age."

Female, aged 55

"It makes you feel of use to society, that you continue to contribute towards the economy, keeps my mind busy and alive and still in touch with the world."

Female, aged 60



Daily spending and financial concerns

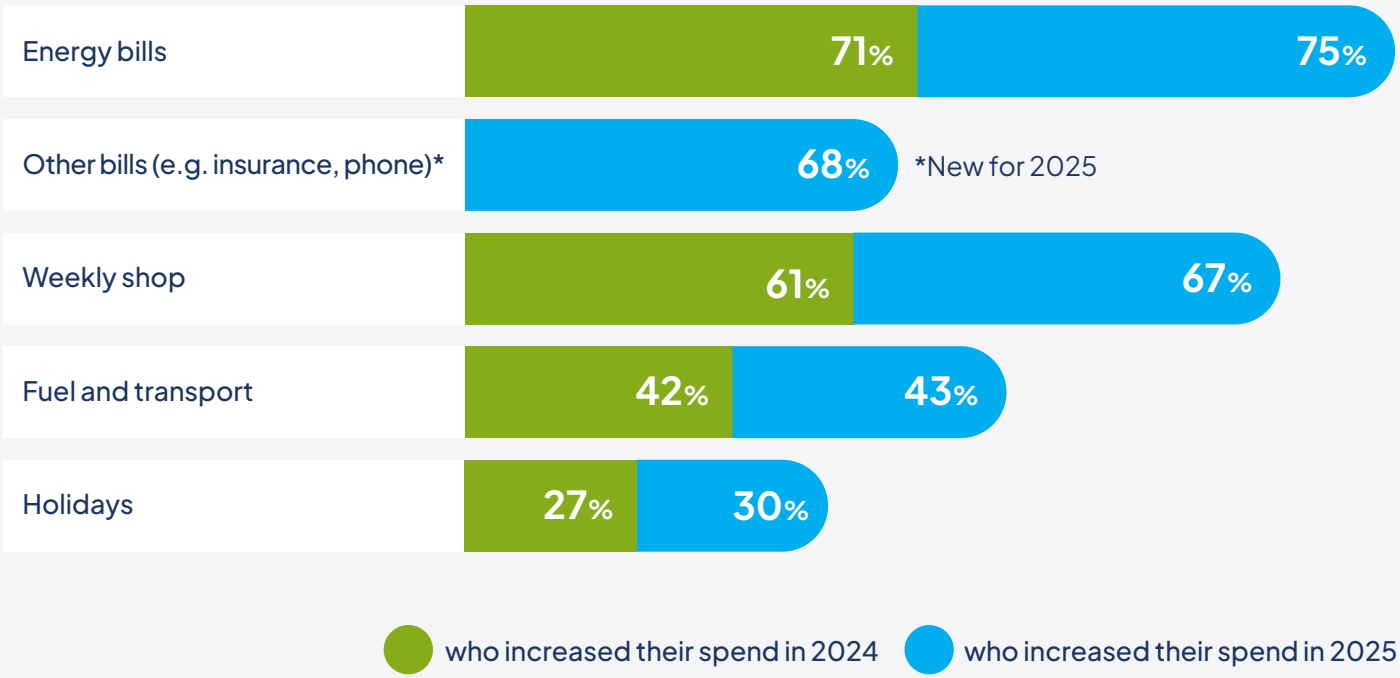
How has our daily spending changed in the last year, and what financial concerns do we have?

Over two thirds of people are paying more for their weekly shop

The research for this study was conducted in Spring and Summer 2025, while the high cost of living was still affecting many in the UK. So it's no surprise that 75% of people say they're spending more on energy bills, and 68% on other bills such as phones and insurance.

What's more, due to the pressures of inflation, 67% of people are spending more on their weekly shop in 2025 – 6% more than in 2024, and 16% more than when we released our first report in 2022. While 43% are shelling out more on fuel and transport – a figure that has changed little since our first report.

What people are spending more on

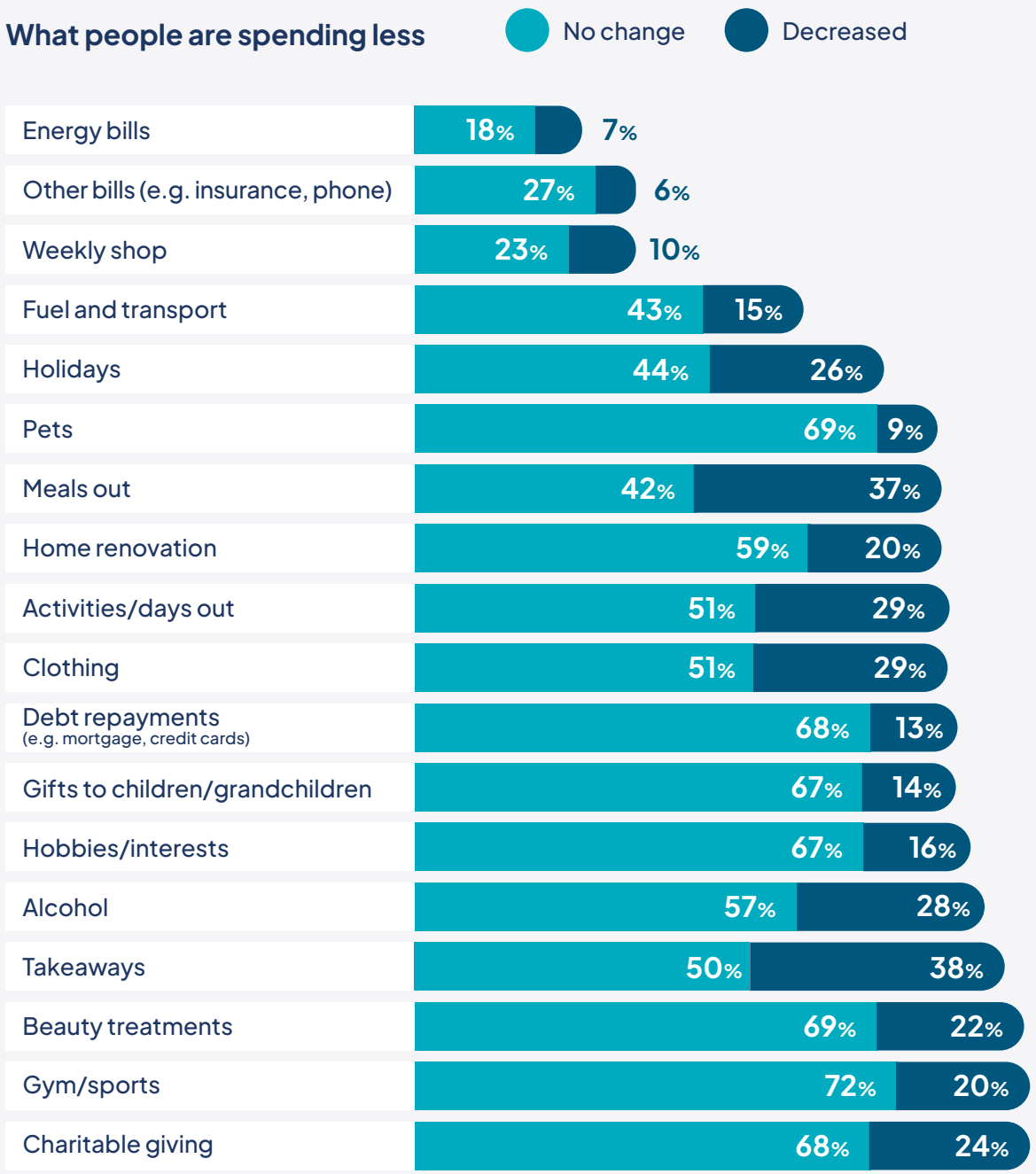




Takeaways and meals out are the first to go

In a year that's seen significant cost increases across food and drink, labour and other consumer goods, takeaways and meals out are the most common areas to cut back in 2025. However, fewer people are tightening the purse strings, with 38% of people choosing to spend less on takeaways – compared to 50% in 2024 and 47% in 2022, when we released our first report. This trend continues for meals out, with 37% spending less on this compared to 44% last year, and 47% in 2022.

Another continuing trend is that people aren't keen on reducing the spend on their furry friends. 69% report no change to their spending on pets (+3% since 2024, and +15% since 2022). And only 9% have decreased it (-6% since 2024, and 17% since 2022).



Financial concerns are rising, but fewer are worried about the cost of living

The number of people with no financial worries at all has dropped to 9% - 8% down since 2024, and 2% down since our first report in 2022. This means financial concerns are rising, but also that they are diversifying. So, while fewer people are worrying about the same thing, more people have at least one financial concern on their mind.

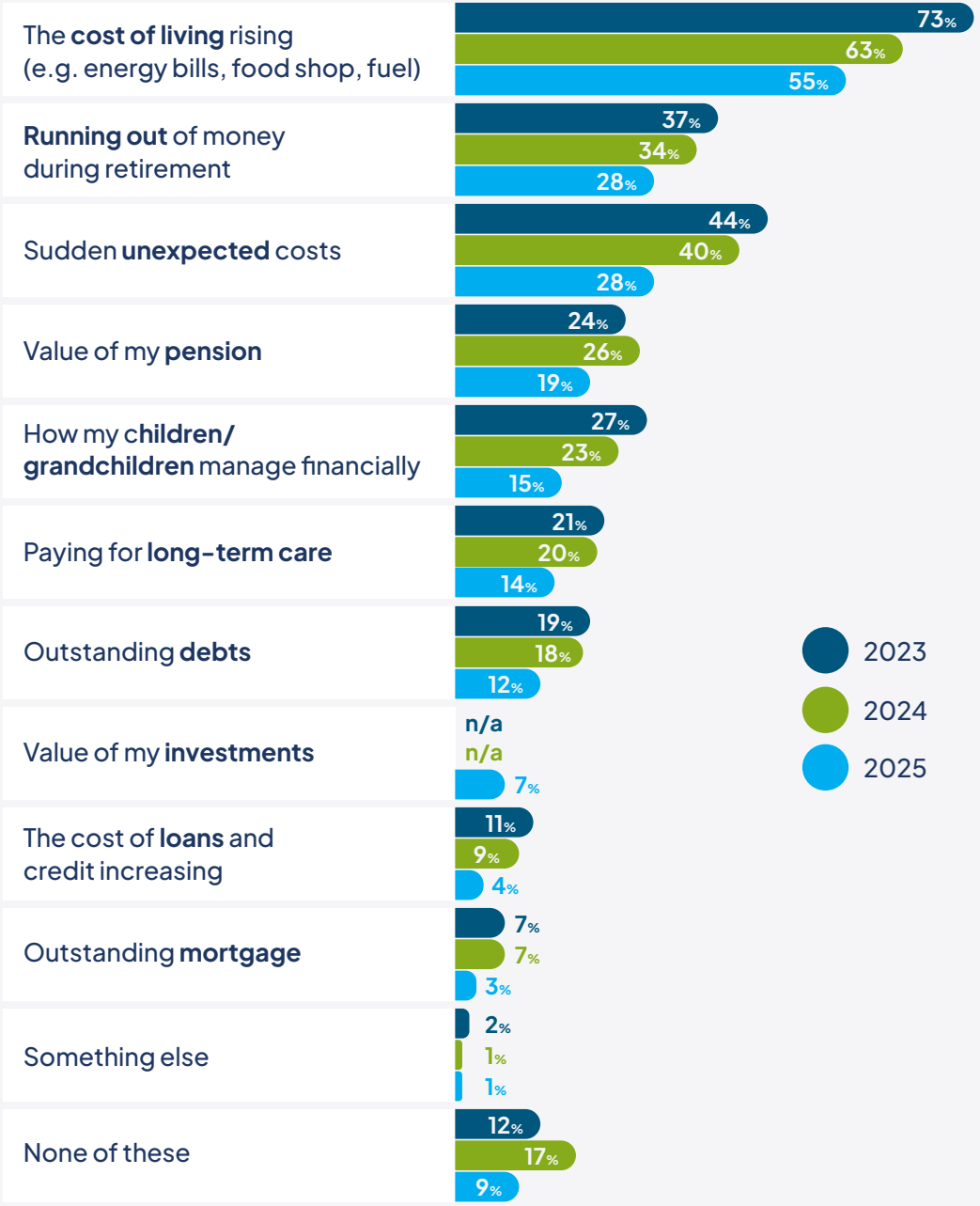
Like previous years, the rising cost of living is the most common financial concern. But in 2025 it's worrying far fewer of us, with 55% of people saying it's their biggest money worry, compared to 63% last year, and 75% in 2022.

However, when we look at certain demographics, the rising cost of living concerns some more than others. For example, those aged 50 to 59 are more likely to name it as their top concern (43%) compared to people over 70 (33%).

The fear of running out of money during retirement and unexpected costs have both come in at 28%, making them the second biggest financial concerns.

But – like the rising cost of living – the percentage of people saying they're worried about these things has dropped. Running out of money during retirement has dropped by 6% since 2024 (and by 12% since 2022), and sudden unexpected costs by 12% since 2024.

Biggest financial concerns



Money worries: men versus women

More women than men name the rising cost of living, sudden unexpected costs, running out of money during retirement, and how children and grandchildren are coping financially as their biggest money worry.

While the overall balance between men's and women's financial worries is more even than in 2024, fewer women report being completely free of money concerns at all (8% – down 3%). This is only 1% less than in 2022, when the cost-of-living crisis first hit the UK. 12% of men say they're completely free of money worries (down 10% since 2024, and down 3% since 2022).

Financial concerns: men vs women

Biggest financial concerns	Women (% difference since 2024)	Men (% difference since 2024)
The cost of living rising (e.g. energy bills, food shop, fuel)	58% ↓ 10%	51% ↓ 7%
Sudden unexpected costs	30% ↓ 15%	24% ↓ 11%
Running out of money during retirement	29% ↓ 9%	24% ↓ 7%
How my children or grandchildren are managing financially	17% ↓ 9%	14% ↓ 5%
Value of my pension	17% ↓ 10%	19% ↓ 6%
Paying for long-term care	13% ↓ 7%	16% ↓4%
Outstanding debts	10% ↓ 12%	11% ↓ 4%
Value of my investments	5% (n/a)	9% (n/a)
Outstanding mortgage	4% ↓ 4%	3% ↓ 3%
The cost of loans and credit increasing	3% ↓ 8%	7% ↓ 1%
Something else	1% → 0%	2% ↓ 1%
None of these	8% ↓ 3%	12% ↓ 10%

Regional worries

Certain differences in financial concerns can be seen across the UK.

At 56%, both England and Scotland are the most worried about the rising cost of living, compared to 41% in Wales. Wales is also the least worried about sudden unexpected costs, at 13%, compared to Northern Ireland at 32%.

In fact, people in Wales are the most likely to have no money worries at all, at 13%. Whereas people in Northern Ireland are least likely to be completely free of financial concerns, at 4%. However, at 15% this region is worried the least about the value of their pension, compared to Scotland at 25%.

The biggest difference appears when we look at paying for long-term care. 42% of people in Northern Ireland name this as one of their top worries, compared to just 5% of people in Scotland. (This is no doubt due to the fact that Scotland has a more comprehensive care provision than the rest of the UK.)



The home

Our house is our haven – but what makes the ‘perfect’ home? And can we afford to make home improvements while the cost of living is still so high?



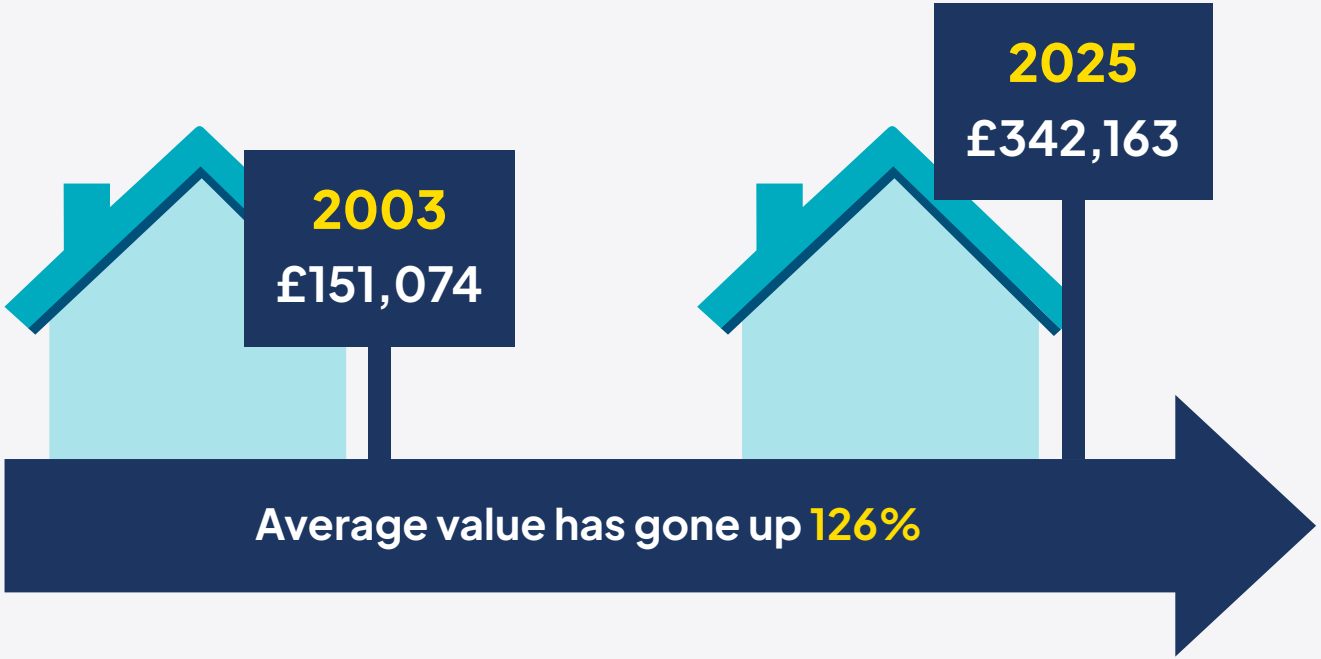
The average homeowner over 50 has made over £65,000 in property equity

It won't come as a shock to many that most house prices in the UK are still rising.

In fact, on average this year's respondents say the value of their home has gone up 126% – from £151,074 to £342,163. That's over a period of 22 years, which is the average length of time they've lived in their current home.

Even when adjusted for inflation, that's still an average profit of over £65,000 that homeowners over 50 have built in home equity.

Over a quarter (26%) of respondents have lived in their homes for over 30 years. And almost a third (32%) purchased their properties for less than £60,000.



32% purchased their properties for less than £60,000

26% have lived in their homes for over 30 years

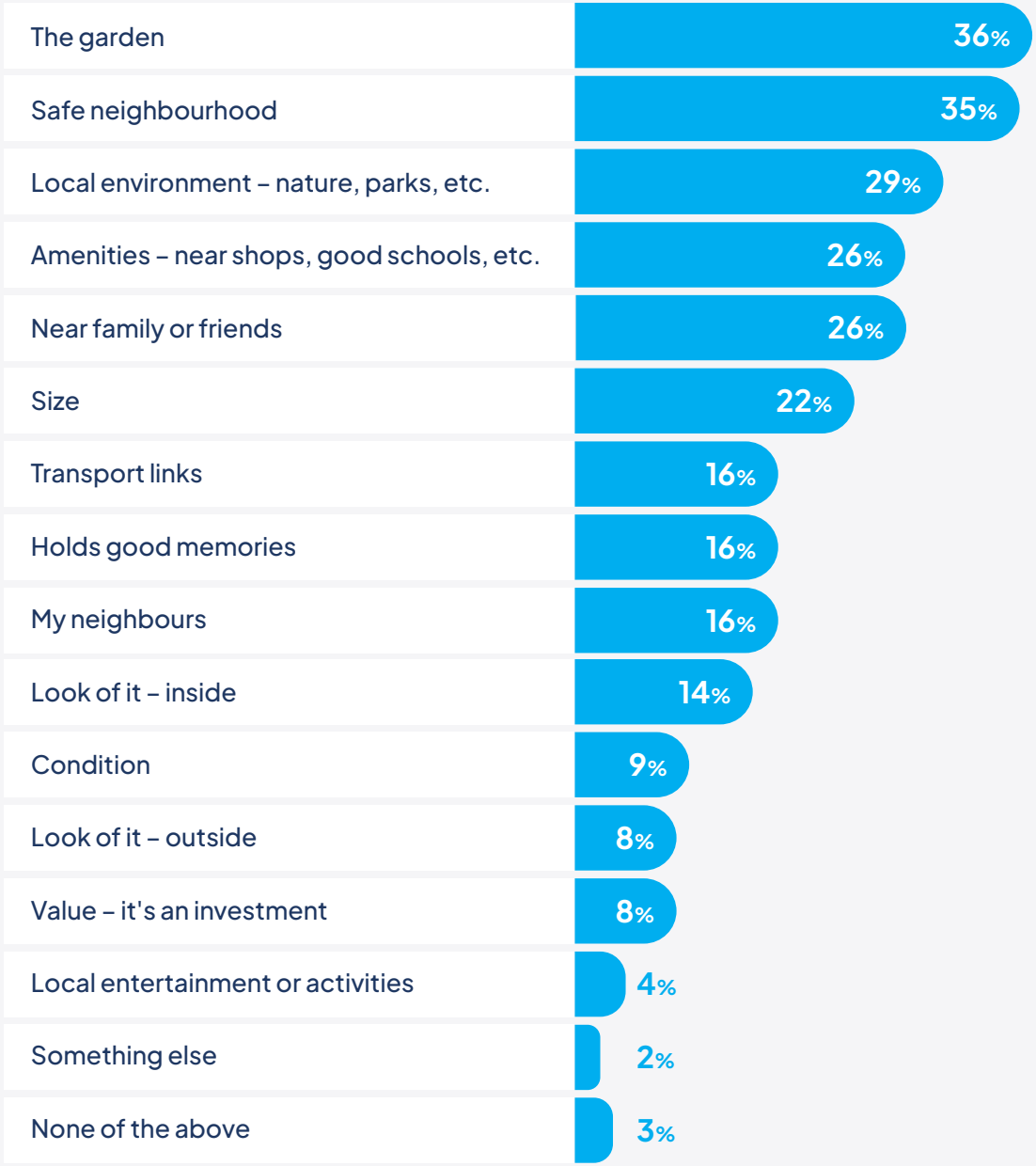
Our gardens are the most-loved part of our homes

The monetary value of their property isn't what matters most to people. Instead, 36% say their garden is one of the most loved parts of their home. 35% say it's the safe neighbourhood, and 29% the local nature and parks. Amenities such as shops and schools, plus being near family and friends, tie in fourth and fifth place at 26%.

Only 8% of people say the value of their house is their favourite thing about it.



What we love most about our home



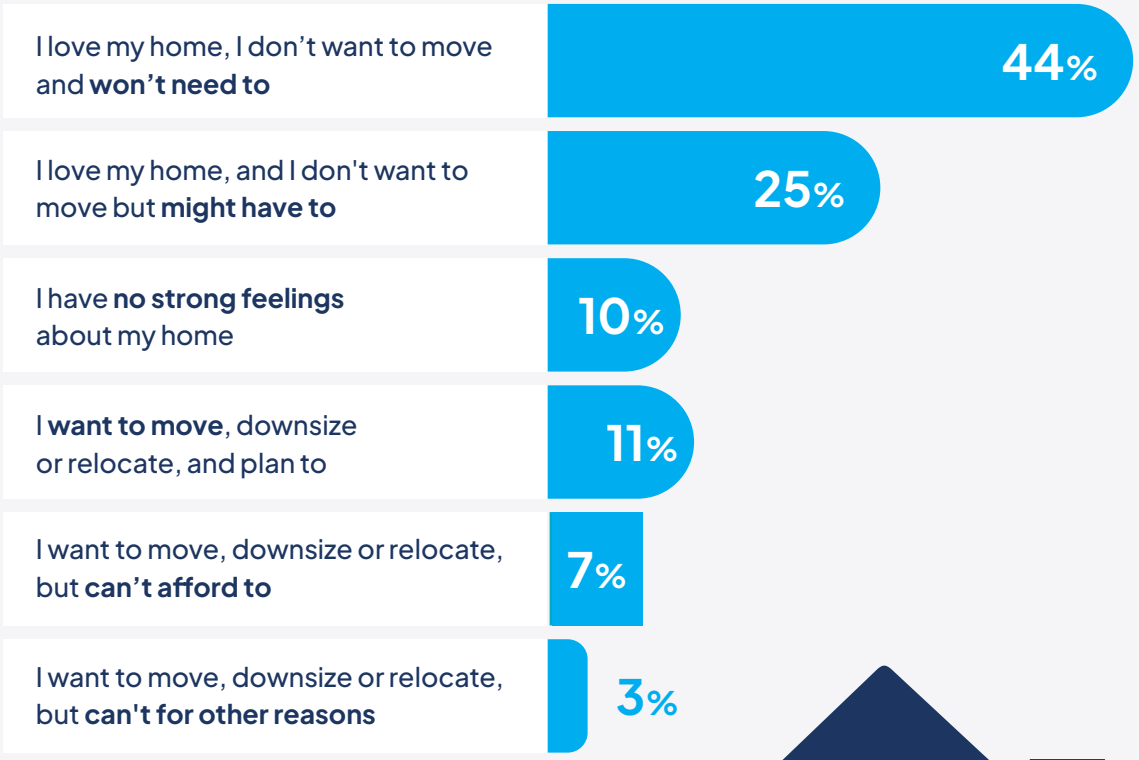
1 in 4 say they don't want to move house but might have to

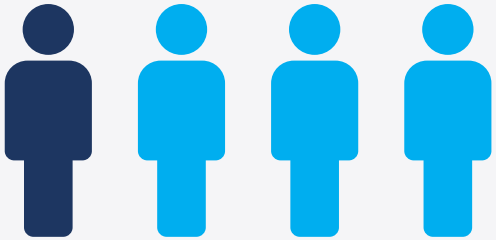
69% (up 1% since 2024) of people say they love their home, with 44% (+2%) saying they don't want to – or need to – move house. This rises to 59% (+1%) for the happiest people.

11% are planning to relocate – the same as last year. While 7% (-3%) want to move, downsize or relocate, but can't afford to. This rises to 15% (-6%) for the unhappiest people. And 3% of people want to move, but can't due to non-financial reasons.

.

How we feel about our homes





And **1 in 4** people (+1%) say they might have to move even though they don't want to.

For some homeowners, equity release could be a way to stay in their own home.

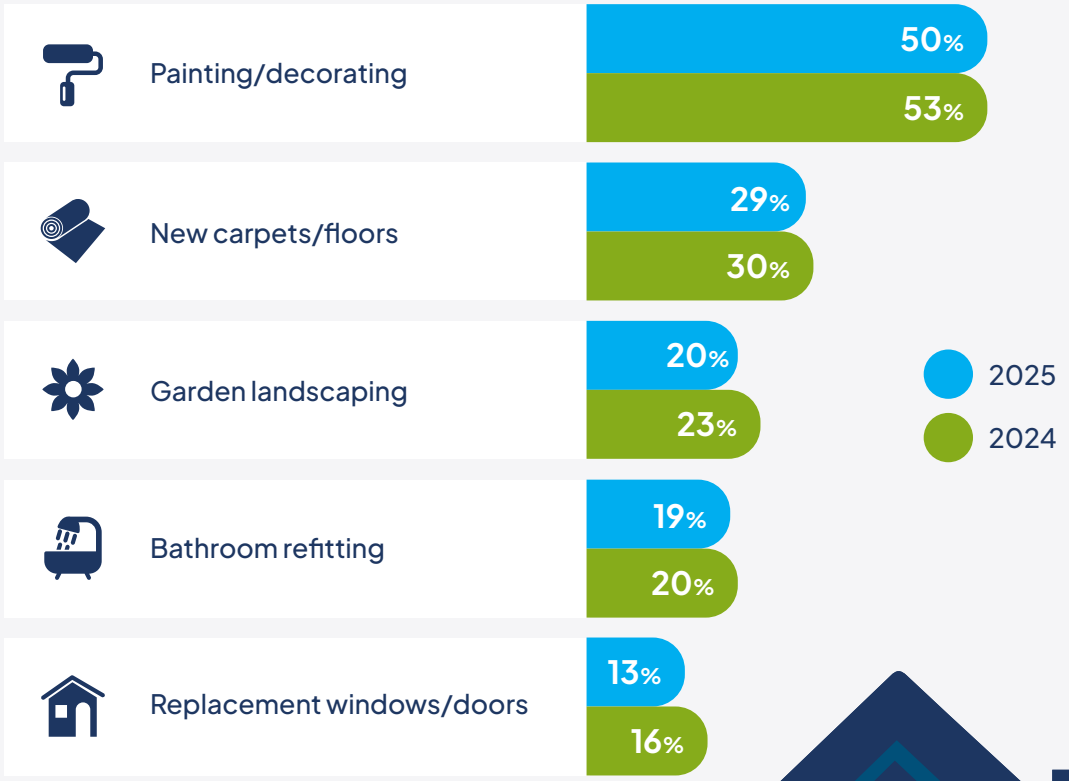
Three quarters of people spend on home improvements

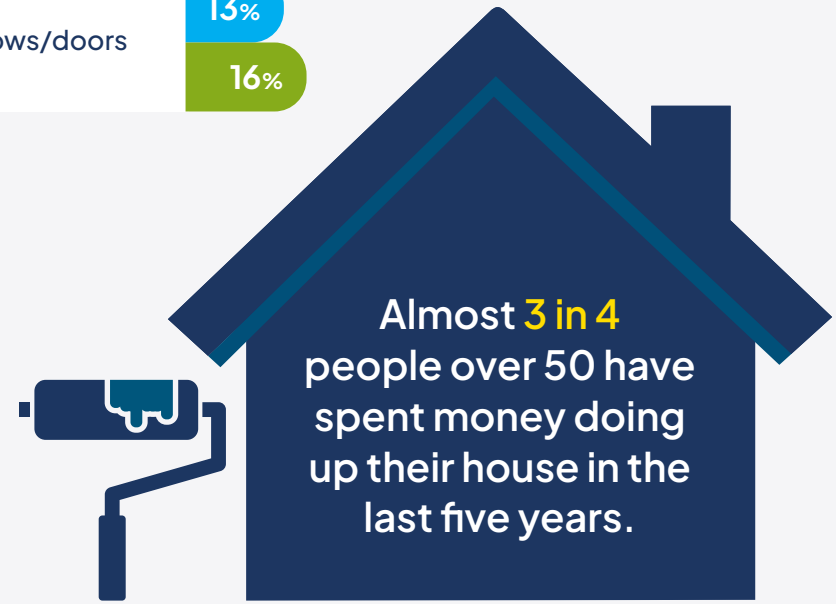
Almost 3 in 4 (73% – the same as in 2024) people have spent money doing up their house in the last five years.

Once again, painting and decorating is the most popular home improvement, with 50% (-3%) of people picking up a paintbrush. This is followed by new carpets and floors at 29% (-1%) and garden landscaping at 20% (-3%) – although a new bathroom closely follows at 19% (-1%).

A new kitchen, which came fifth in our first report in 2022, doesn't make an appearance in the top five this year. Instead, new windows and doors come in fifth place at 13% (-3%).

The top 5 home improvements





Home improvements make us happier

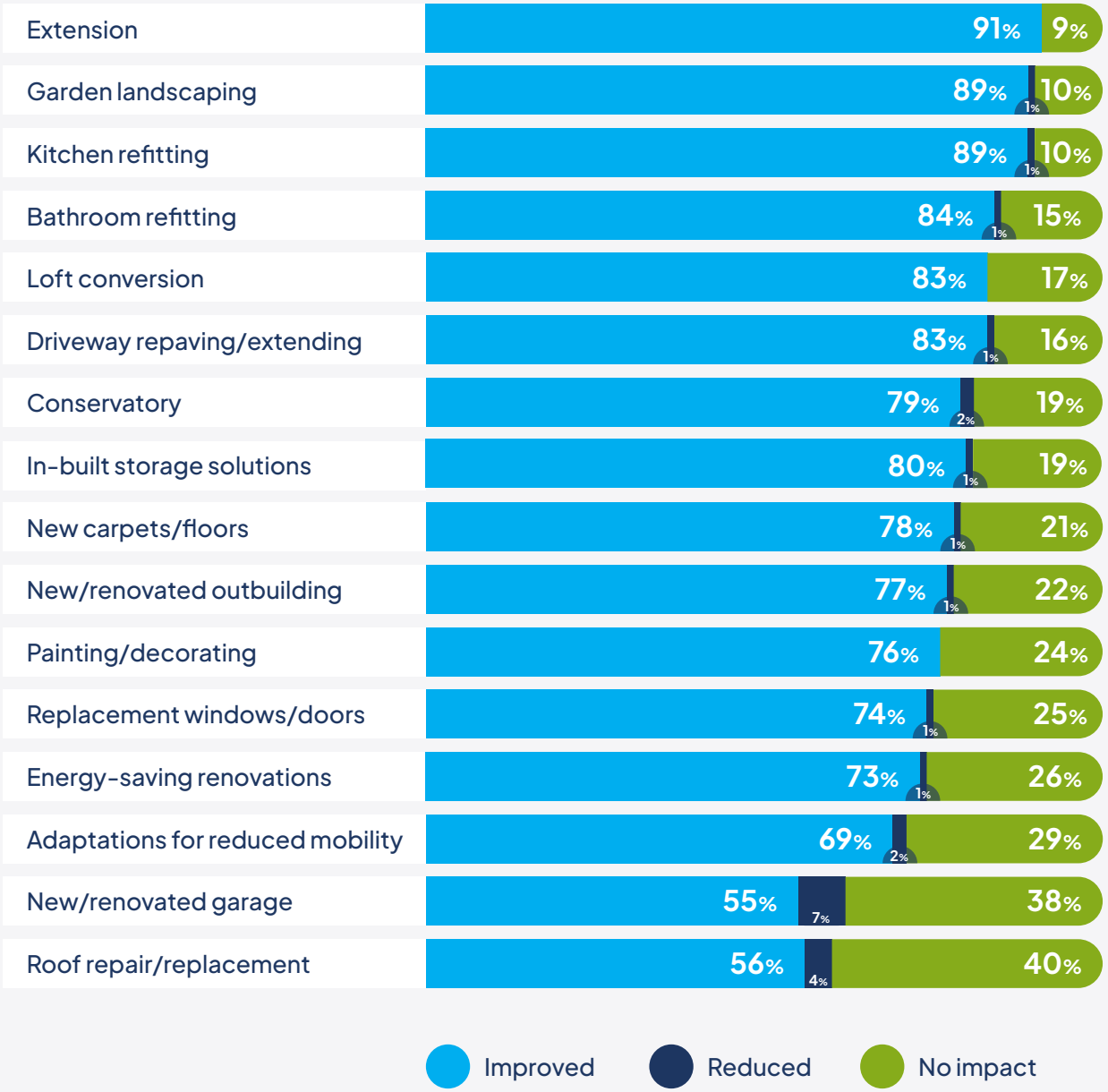
Just like in previous years, spending money on home improvements makes people happier. Overall, **84%** of people who spent on home renovations say they felt happier as a result.

9 in 10 people said an extension, garden landscaping and a new kitchen made them happier – almost identical to 2024. While last year's top renovation for happiness – a loft conversion – is now in fifth place.

But a more affordable way to boost happiness is painting or decorating, with over three quarters (76%) of people saying they are happier as a result – almost identical to previous years.



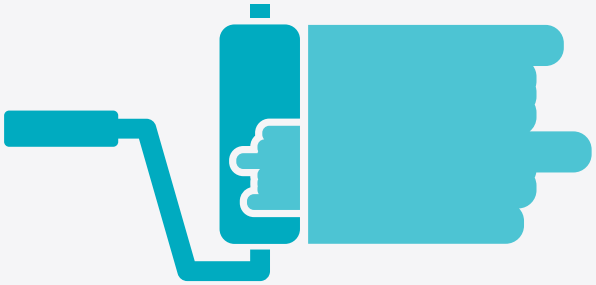
How home improvements make us happier



Half choose painting and decorating to spruce up their home

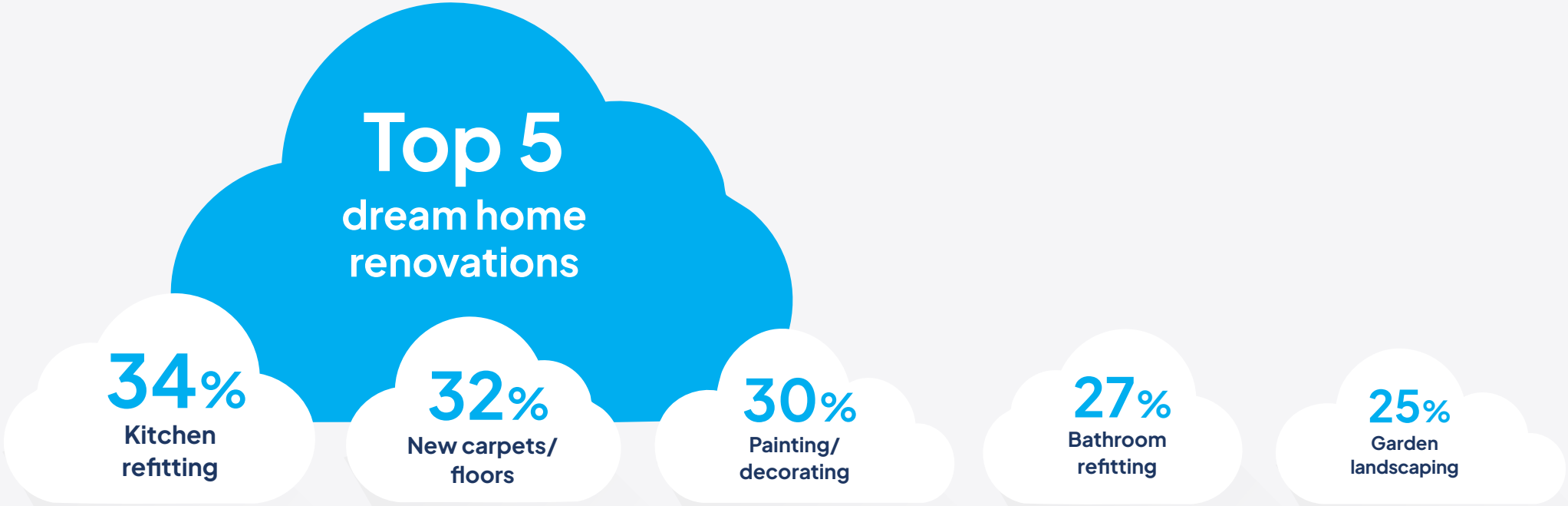
The priciest home renovations are still extensions. But the average amount spent on an extension has gone down to £22,325 – £4,092 less than in 2024 (and £9,782 less than in 2022).

Only 2% of people have extended their home in the last five years (-1% since 2024). Whereas 50% (-3%) have spent money on painting and decorating, which costs just £565 by comparison (just £2 more than in 2024).



What we spend on home renovations

Average spend	2025	% of people spending 2025	2024
Extension	£22,325	2%	£26,417
Conservatory	£9,196	3%	£7,592
Loft conversion	£8,741	2%	£8,806
Kitchen refitting	£8,670	13%	£7,961
Replacement windows/doors	£4,778	13%	£4,384
Bathroom refitting	£4,759	19%	£4,225
Roof repair/replacement	£4,323	12%	£3,916
Energy-saving renovations	£3,478	5%	£3,964
Driveway repaving/extending	£3,270	6%	£2,709
New/renovated garage	£1,985	2%	£2,318
Garden landscaping	£1,902	20%	£2,191
New/renovated outbuilding	£1,458	7%	£1,323
In-built storage solutions	£1,411	4%	£1,315
Adaptations for reduced mobility	£1,254	2%	£1,708
New carpets/floors	£1,252	29%	£1,220
Painting/decorating	£565	50%	£563



Most would like a new kitchen

If money was no object, people would still most like to redo their kitchen. 34% name it as their dream renovation (-1% since 2024).

Also like last year, new carpets or floors are next on the list at 32% (-2%). Third is painting and decorating at 30% (-1%). And a new bathroom follows at 27% (-3%), then garden landscaping at 25% (-1%).

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

Most people say they expect their dream home renovations to cost £24,493 on average – £4,172 less than in 2024, and £5,277 less than in 2022.

But 59% say they may not ever be able to afford their dream home improvement (-3% since 2024). In fact, only 17% are confident they'll be able to carry out their dream renovations at some point – the same as the last two years, but 1% lower than in 2022.

Our dream home renovations are expected to cost £24,493…

Out of all the age brackets, the over 70s have the most confidence that they can afford their dream renovations (19% – down 1% since 2024). But the happiest people are the most confident overall, with 26% (-1%) saying they can afford it – compared to the average of 17%.

For some homeowners, equity release could be one way to make dream home renovations possible.



Holidays

Can we afford to go on holiday as often as we like? And where would we go if money was no object?

4 in 5 go on at least one holiday a year

It's no surprise that we love a good holiday. And like last year, over 4 in 5 (82%) people over 50 take at least one holiday abroad or in the UK every year – although this is around 5% less than previous years.

And once again, people go on one international break a year on average. But the average number of staycations has dropped from two to one since 2024.

The happiest of us go on holidays more than those who rate their happiness as only one to four out of ten – 88%, compared to 67%.

And 18% don't go on holiday at all (+4% since 2024, and +5% since 2022), although this drops to 12% for the happiest people.



On average people go on **one** international break a year



The average number of staycations has dropped from two to **one** since 2024

Over a third of the happiest people have increased their holiday spend

Overall, people are spending more on holidays in 2025. And 36% of the happiest people have increased their spending on holidays this year, compared to just 16% of the unhappiest.

36%
of the happiest over 50s have increased their spending on holidays this year



Average cost of holidays abroad	All over 50s	The happiest over 50s
2025	£2,646	£2,918
2024	£2,573	£2,943
2023	£2,411	£2,809
2022	£2,730	£3,180

Holidays abroad

On average, people spend £2,646 on holidays abroad – £73 more than in 2024, and £74 more than in 2022.

But the happiest people spend £2,918 on holidays abroad – £25 less than last year. And the over 70s are spending more on them too, with an average of £2,842, compared to £2,622 for people ages 50 to 59, and £2,536 for people ages 60 to 69.

There is some regional variation in the amount spent on holidays abroad, with the Welsh once again topping the list with an average spend of £3,962. While those in Northern Ireland spend the least at just £1,758.



Average cost of holidays in the UK	All over 50s	The happiest over 50s
2025	£826	£917
2024	£808	£812
2023	£732	£806
2022	£705	£753

Holidays in the UK

When it comes to holidays in the UK, a staycation sets us back £826 on average (-£18 since 2024) – rising to £917 for the happiest (+£105).

Regionally, people in the West Midlands spend the most on staycations – £1,064 – and those in Northern Ireland spend the least at £570.

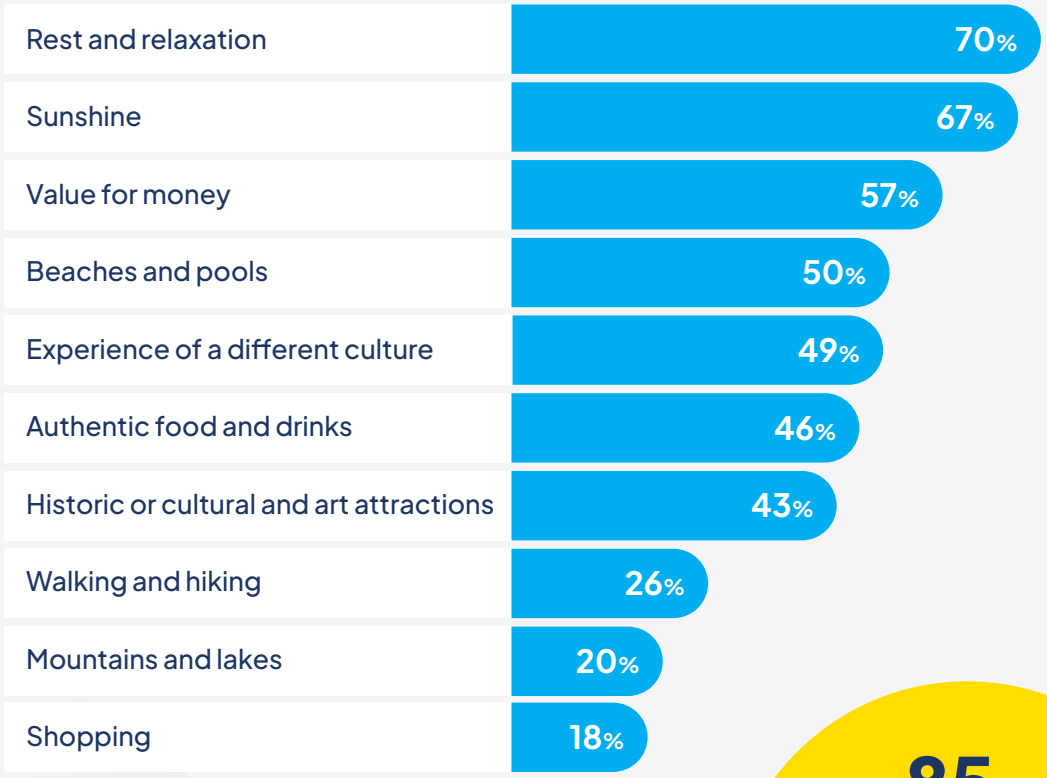
7 in 10 prioritise rest and relaxation when holidaying abroad

Rest and relaxation are what people are looking for most in a holiday abroad, with 7 in 10 naming it as their top priority. This is followed closely by sunshine at 67%. Value for money comes in third at 57%.

Women are slightly more likely to be looking for sun, with 71% naming it as their top consideration, compared to 63% of men. Whereas men are more likely to look for walking and hiking than women, at 30% versus 22%.

There are some notable regional differences in what people look for most in a holiday abroad. 79% of people in Wales list rest and relaxation as their top priorities, compared to 64% of East Midlanders.

What we look for in a holiday abroad





85% of people in Northern Ireland prioritise sunshine, compared to 61% of those in East Anglia

The USA is still our dream holiday destination

The top three dream holiday destinations have changed a little since last year. Australia has been bumped to third place after the Caribbean – but England still comes in fourth.

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

People expect their dream holiday to cost £6,098 on average – down £1,003 since 2024, and down £5,304 since 2022.

While 31% plan to take their bucket list trip one day, 24% are hopeful but not confident they'll be able to afford it. Sadly, 32% say they don't think they'll ever be able to afford to go. And 12% think it wouldn't be worth the money.

For some homeowners, equity release could be a way to release tax-free cash from their home's value, making their dream holiday possible – find out how at our dedicated equity release hub.

The average estimated cost of a dream holiday is £6,098

But 56% don't know if they'll ever be able to afford it

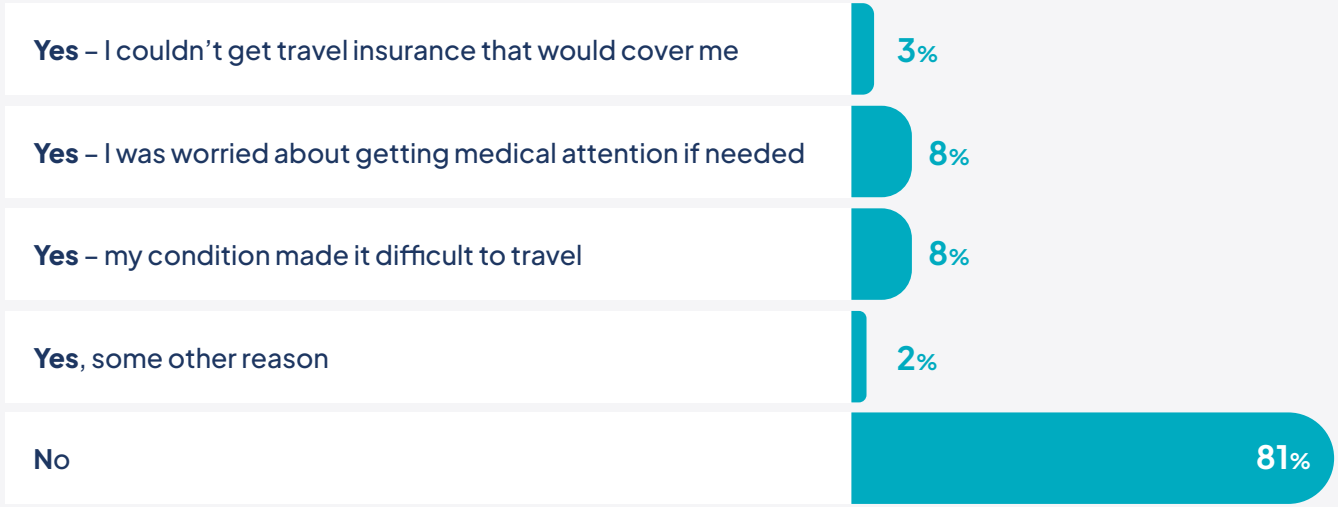


1 in 5 choose not to travel due to a health condition

3 in 4 people (74%) always take out travel insurance when they go on holiday abroad. 5% take it out often, and another 5% occasionally. But 1 in 6 (16%) have been put off taking out travel insurance because of the cost.

It seems health is a concern for many people over 50 when they're thinking about travelling. In fact, almost 1 in 5 (19%) have chosen not to travel due to a health condition. And 17% of over 50s aren't confident about making a claim on their travel insurance.

Have people ever chosen not to travel due to a health condition?



Do people feel confident making a travel insurance claim?



40% Very confident

40% Slightly confident

15% Not very confident

4% Not at all confident



Cash gifts

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

A quarter have given a significant cash gift

Over 1 in 5 (22%) people over 50 have given substantial cash gifts to loved ones in the last five years. That's down 3% since 2024.

But this number rises to 27% (-1% since 2024) for the happiest people, and 32% for the over 70s (-4%).

The average amount gifted is £12,323, which is £7,698 less than in 2024, but £1,966 less than in 2022.

Reasons for giving a cash gift



The most common reason for gifting the money is as a **special birthday or Christmas present**.

Most cash gifts are given to our children

79% of gifters give significant cash sums to their children – down 4% since 2024. While 16% (-6%) give a significant sum to their grandchildren, and 20% (+3%) to someone else. When we look across all age brackets over 50, the over 70s are most likely to leave a sizable cash gift to their grandchildren (28%).

Of all the gifts that are given for a house deposit, 89% (-2%) go to children. Of those that are given to help with home renovations, 82% (-2%) go to children. And for wedding funds, 79% go to children.

Of the gifts that are given for college/tuition funds, 30% go to grandchildren.
To help following the birth of a baby, 28% go to grandchildren. And for special birthday/ Christmas gifts, 20% go to their grandchildren.

Who we're gifting cash to

	% gifting for this reason	Children	Grandchildren	Other family member
As a special birthday /Christmas gift	33%	65%	20%	15%
Help with living costs	32%	74%	4%	21%
House deposit	18%	89%	7%	5%
Put towards a vehicle	16%	78%	15%	8%
Help repay debt	16%	74%	7%	18%
Put towards a holiday	15%	77%	12%	11%
Put towards a wedding	14%	79%	7%	13%
Put towards home renovations	9%	82%	5%	13%
Following birth of a baby	8%	56%	28%	16%
Help out because of lost job /reduced income	7%	72%	3%	25%
Tuition/college funds	6%	59%	30%	11%
Medical or care expenses	6%	53%	6%	41%
Help start a business	2%	63%	12%	25%
Fertility treatment	1%	46%	0%	54%

The biggest cash gifts are for house deposits

Once again, the biggest cash gifts given to loved ones are for house deposits. The average amount gifted for this reason by all people over 50 is £30,634. That's £1,601 more than in 2024, and £3,954 more than in 2022. And this amount rises to £40,285 for 60 to 69–year-olds (up £5,464 since 2024).

18% of those who've gifted cash did so to put towards a house deposit – down 8% since our first report in 2022.

The next largest gifts are for help with home renovations, with an average of £8,932 – up £499 since last year. This is followed by an average of £6,722 to help to start a business (+£206).

32% (+9%) of those giving cash gifts are doing so to help loved ones with living costs, with an average gift amount of £1,943 – down £482 since 2024.

Average amount gifted for a house deposit	
2022	£26,680
2023	£29,616
2024	£29,033
2025	£30,634

Average amount of cash gifted

	2024	2025	% gifting for this reason
Deposit on home purchase	£29,033	£30,634	18%
Put towards home renovations	£8,433	£8,932	9%
Help start a business	£6,516	£6,722	2%
Tuition/college funds	£6,775	£5,858	6%
Put towards a wedding	£4,291	£4,659	14%
Put towards a vehicle	£4,050	£4,348	16%
Help repay debt	£2,269	£2,615	16%
Help out because of lost job/ reduced income	£2,397	£2,065	7%
As a special birthday/Christmas gift	£1,590	£1,835	33%
Following birth of a baby	£2,050	£1,833	8%
Medical or care expenses	£1,618	£1,690	6%
Fertility treatment	£2,000	£1,659	1%
Put towards a holiday	£1,541	£1,419	15%
Help with living costs	£1,416	£1,943	32%

Giving cash gifts to loved ones makes us happier

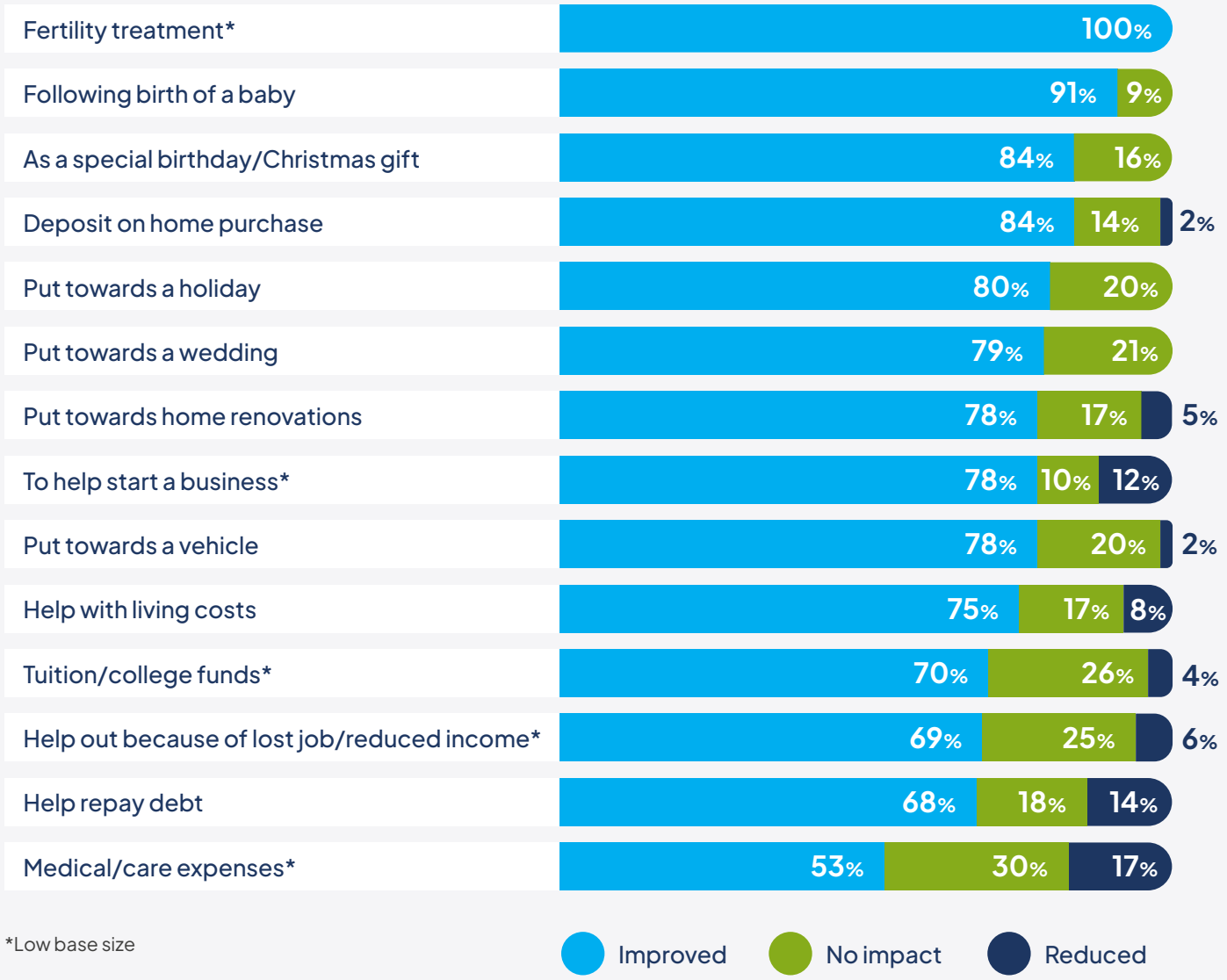
Almost 78% (up 1% since 2024) of people who give cash gifts to loved ones say doing so made them happier.

Gifting cash to help with fertility treatment seems to make gifters happiest, with 100% saying it increased their happiness. But it's worth noting that this has a very low base size, with few gifting for this reason.

If we look at more common reasons for gifting cash, the one that makes gifters happiest is to help out following the arrival of a baby. Over 9 in 10 say this increased their happiness. This is followed by gifting for a special birthday or Christmas present (84%) and for a house deposit (also 84%).

Gifting money to help cover medical expenses is the most likely to reduce happiness or have no impact on it. But over half (53%) still feel happy to have helped in this way.

How spending on cash gifts improves happiness



*Low base size

Most of us would like to leave an inheritance

There's a growing trend towards wanting to leave an inheritance when we're gone, with 46% saying they'd like to leave some money behind - up 7% since 2022. Supporting this, fewer would prefer to keep the money to spend on their retirement, even if it means nothing for their family (19% - down 8% since 2022, and down 12% since last year's report).

However, 10% (-2%) would consider cutting back on spending in retirement to ensure they can leave an inheritance. And 18% (-3%) want to give an early inheritance, so they can see their loved ones enjoy the cash.

Almost 1 in 5 (19%) people say they can't afford to leave their loved ones any inheritance, even if they wanted to.

For some, equity release could be a way to offer early inheritance when loved ones really need it without having to cut back on retirement spending.

46% would like their family to **receive some inheritance** after they're gone

19% would rather spend their money on **enjoying retirement**, even if it means less/none for their family

18% would like to **give early inheritance** to their family so they can see them use the money

14% would like to **leave some inheritance to a charity** in their will

10% would like to ensure they save enough to leave an inheritance to their family, even if it means **cutting back spending in retirement**

9% would like to give early inheritance to their family so they can **mitigate the inheritance tax**

19% **can't afford to leave any** inheritance for their family, even if they wanted to



Debt

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

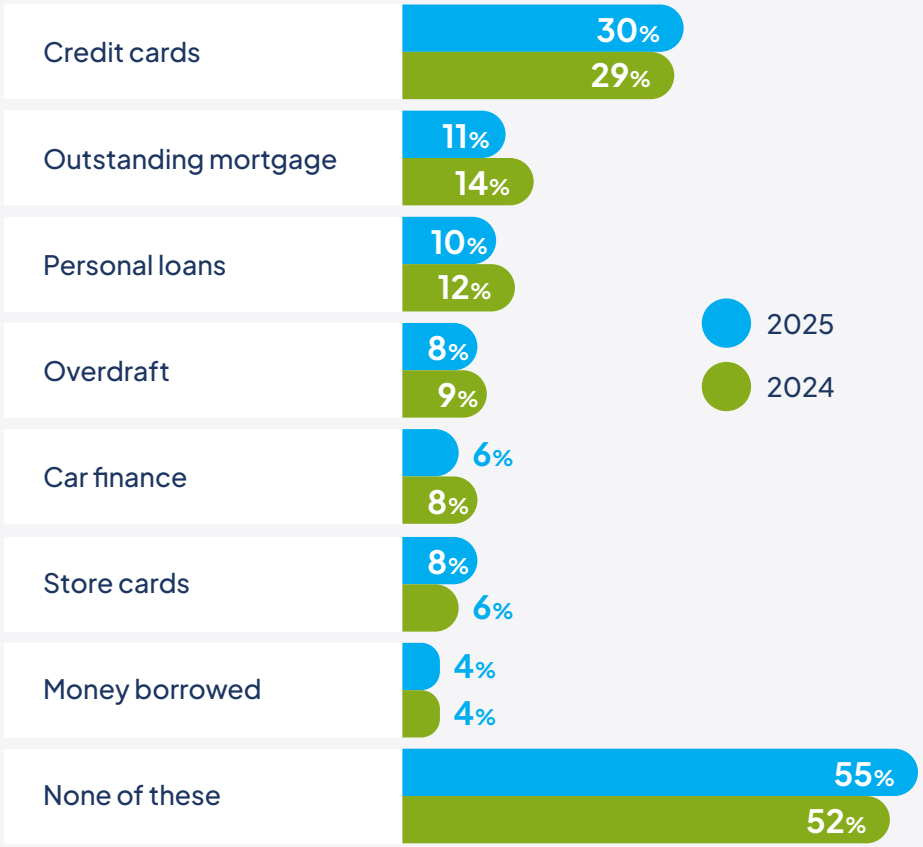
Almost half of us have outstanding debts

45% of people have outstanding debts – 3% down since 2024, and 1% up since our first report in 2022. Like previous years, the debts are mostly credit cards, mortgages and personal loans.

32% of retirees have outstanding debts (down 2% since 2024), compared to 54% of non-retirees (-2%).

And perhaps unsurprisingly, the happiest people are 8% less likely to be in debt than the overall average (-2% since 2024).

The most common debts





45%

of people over 50 have outstanding debts

The happiest over 50s are

8%

less likely to be in debt

The average amount left to pay on the mortgage is almost £70,000

Those who are still paying off their mortgage have £67,538 left to pay on average – £1,253 less than in 2024, but £2,752 more than in 2022.

4% of retirees still have outstanding mortgages (down 1% since 2024), versus 16% of non-retired (-4%). They have an average outstanding amount of £48,643 – down £15,001 since last year – compared to those not yet retired, who have an average of £71,008 (-£2,912 since 2024) outstanding.

Average debt still left to pay

	2025	2024
Outstanding mortgage	£67,538	£68,791
Car finance	£11,375	£9,982
Personal loans	£5,793	£6,393
Credit cards	£3,922	£3,887
Money borrowed	£3,870	£4,178
Overdraft	£1,575	£1,377
Store cards	£1,067	£1,003

The debt that's risen the most in 2025 is car finance, which has gone up by £1,393 to £11,375

We're spending almost £700 a month on repayments

Those with outstanding debt are spending a total of £696 per month on repayments on average – £28 less than in 2024. This represents 30% of total annual personal income (£27,382) or 23% of total annual household income (£36,113) being spent on debt repayment, and that's before tax or other deductions are made.

At £842 per month, paying off the mortgage is the biggest repayment on average – down £45 since 2024. This is followed by car finance at £425 (+£26) per month, and credit cards at £403 (+£22 per month).

Retirees are repaying an average of £630 (+£28) per month across their debts, which is 24% of their average annual household income of £31,682.

£696 per month on repayments on average. This represents 30% of total annual personal income

Average monthly repayments

	2025	2024
Outstanding mortgage	£842	£887
Car finance	£425	£399
Credit cards	£403	£381
Personal loans	£320	£312
Money borrowed	£150	£143
Overdraft	£107	£132
Store cards	£92	£125

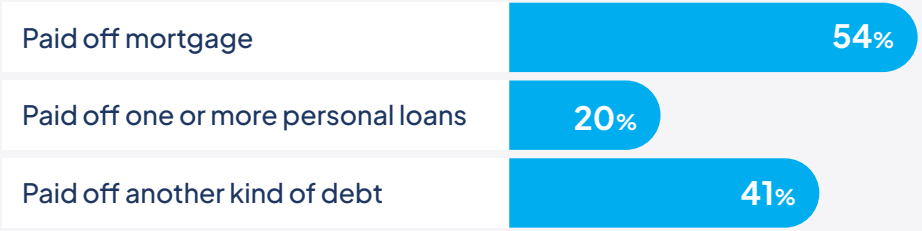
38% have paid off debts in the last five years

Almost 4 in 10 (38%) people have paid off some mid- to long-term debts in the last five years – up 1% since 2024, and up 4% since 2022. But 16% (-1%) haven't yet paid off any of their debts in full.

54% of people have paid off their mortgage in the past five years. This rises to an average of 61% for retirees, and 60% for the happiest people.

On average, the people who've paid off their mortgage in the last five years are 63, meaning they paid it off between ages 58 and 63. Those who are most worried about their outstanding mortgage, however, are slightly younger than this at 56.

Debts that have been paid off in the last 5 years



Paying off debt significantly improves happiness

Of those who haven't yet paid off their debts, just 56% think it would make them happier to do so, 1% less than last year. 41% (+1%) think it would have no impact on their happiness. Just 3% think paying everything off would reduce their happiness (-1%).

But in reality, most people who've paid off their debts do feel happier as a result (85% – 2% up since 2024), including 52% (+1%) who say they feel significantly happier. And no one said paying off their debts reduced their happiness.

How paying off debts affects happiness



Equity release

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



4 in 5 are aware of equity release

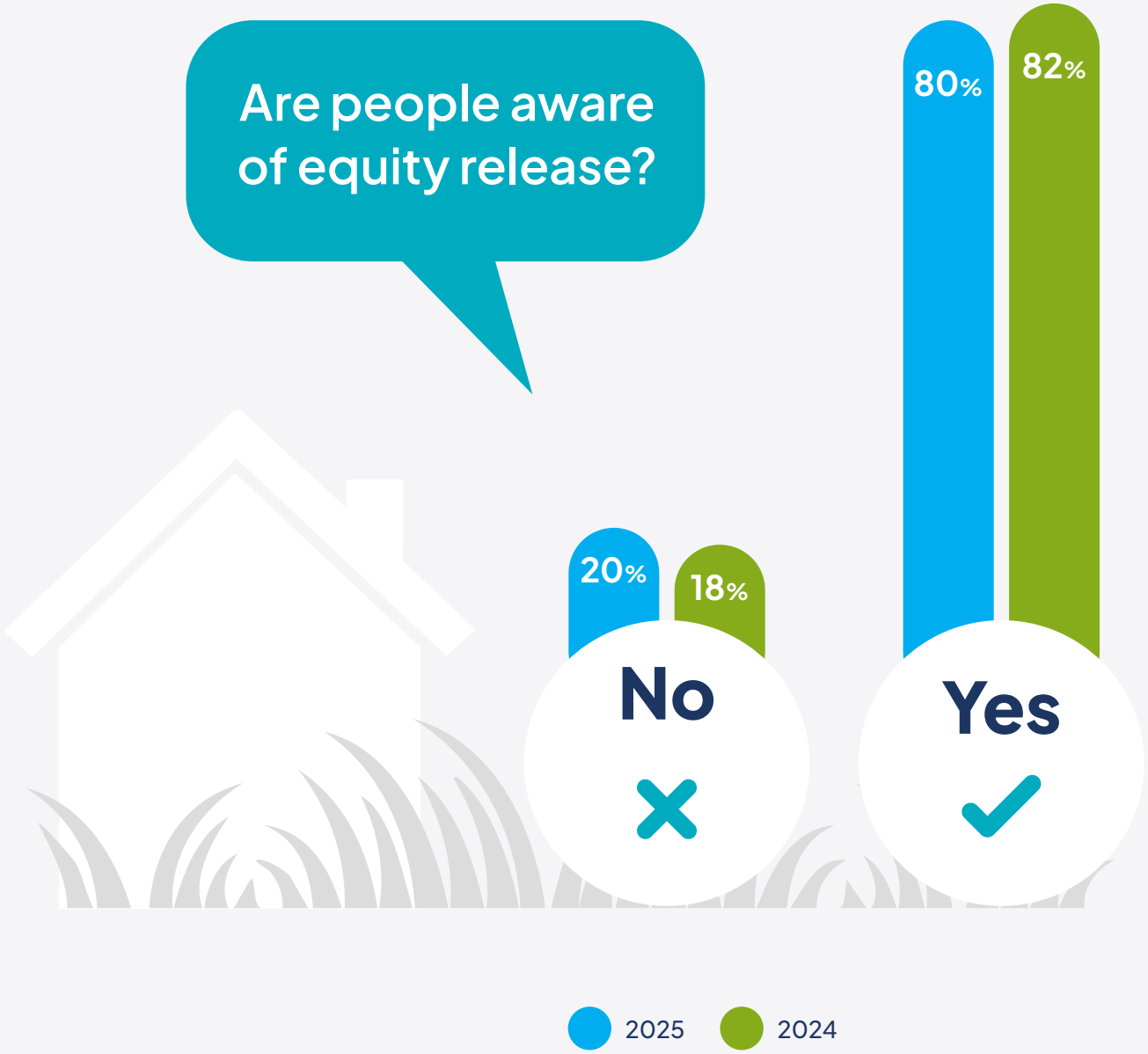
Equity release is a way to get tax-free cash from the value that's tied up in your house. The most common type of equity release, a lifetime mortgage, is a loan that's secured against your home. This is repaid when you die or move into permanent care.

Releasing equity could enable you to pay off debt, undertake home improvements, take that dream holiday or give your loved ones an early inheritance – plus much more.

80% of people are aware of equity release – 2% less than last year. Awareness rises to 89% among retirees, but this is also 2% less than in 2024.

5% of eligible* homeowners have taken out equity release – down 1% since last year – representing under 3% of all people over 50. But of those who haven't released equity, only 13% would consider it (-1%).

*Homeowners aged 55+ who are aware of equity release.



Only 6% know all the facts about equity release

Despite most people being aware of equity release, many are unaware of the ins and outs. And, like last year, awareness of many features has gone down.

For example, 38% of people know that equity release allows you to choose between taking a cash lump sum straight away, or smaller amounts over time – down from 45% last year.

What equity release facts are people aware of?

2025	2024	
58%	58%	Equity release is **regulated by the Financial Conduct Authority**
55%	53%	Equity release **requires financial advice** before purchase
55%	51%	You **must be 55 years or older** to qualify for equity release
38%	45%	Equity release allows you to **choose between a lump sum** straight away **or smaller amounts taken as needed**
36%	42%	You can normally **release between 20 and 60%** of the value of your home
30%	27%	You can include a **'no-negative-equity guarantee'** to ensure your estate is never left in debt
29%	33%	**Some types** of equity release have **no monthly repayments**
28%	32%	Some equity release products come with the option of making **regular payments to help reduce the total cost** of borrowing
26%	26%	Equity release can include **'inheritance protection'** to ensure there will be money left for your family once the loan has been repayed
25%	26%	Many equity release plans allow you to **move to an alternate suitable property**

Equity release facts continued

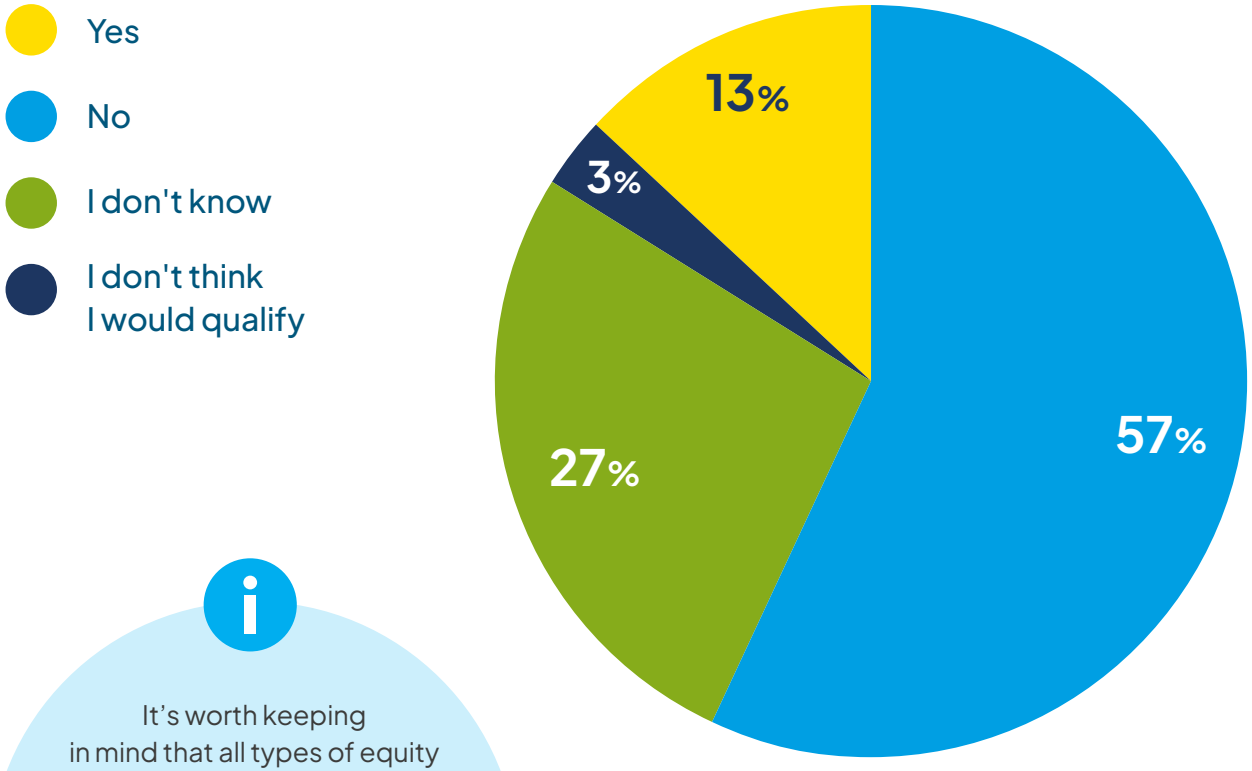
Only 6% of homeowners who haven't released equity know all the facts about equity release – the same as last year.

The least known fact is that many equity release plans allow you to move to another suitable property. 25% of homeowners who are aware of equity release don't know this.

70% don't know that equity release products that follow Equity Release Council standards have a '**no negative equity' guarantee**. This means homeowners releasing equity will never owe more than their home is worth, so their loved ones can't be left in debt from equity release.

Those who wouldn't consider equity release cite wanting to keep their home in the family, and not knowing enough about it.

Would you consider equity release?



It's worth keeping in mind that all types of equity release products will reduce the value of an estate and **could affect eligibility for means-tested benefits**. Anybody considering equity release should discuss their options with an expert adviser.

People would like to release over £81,000 of equity

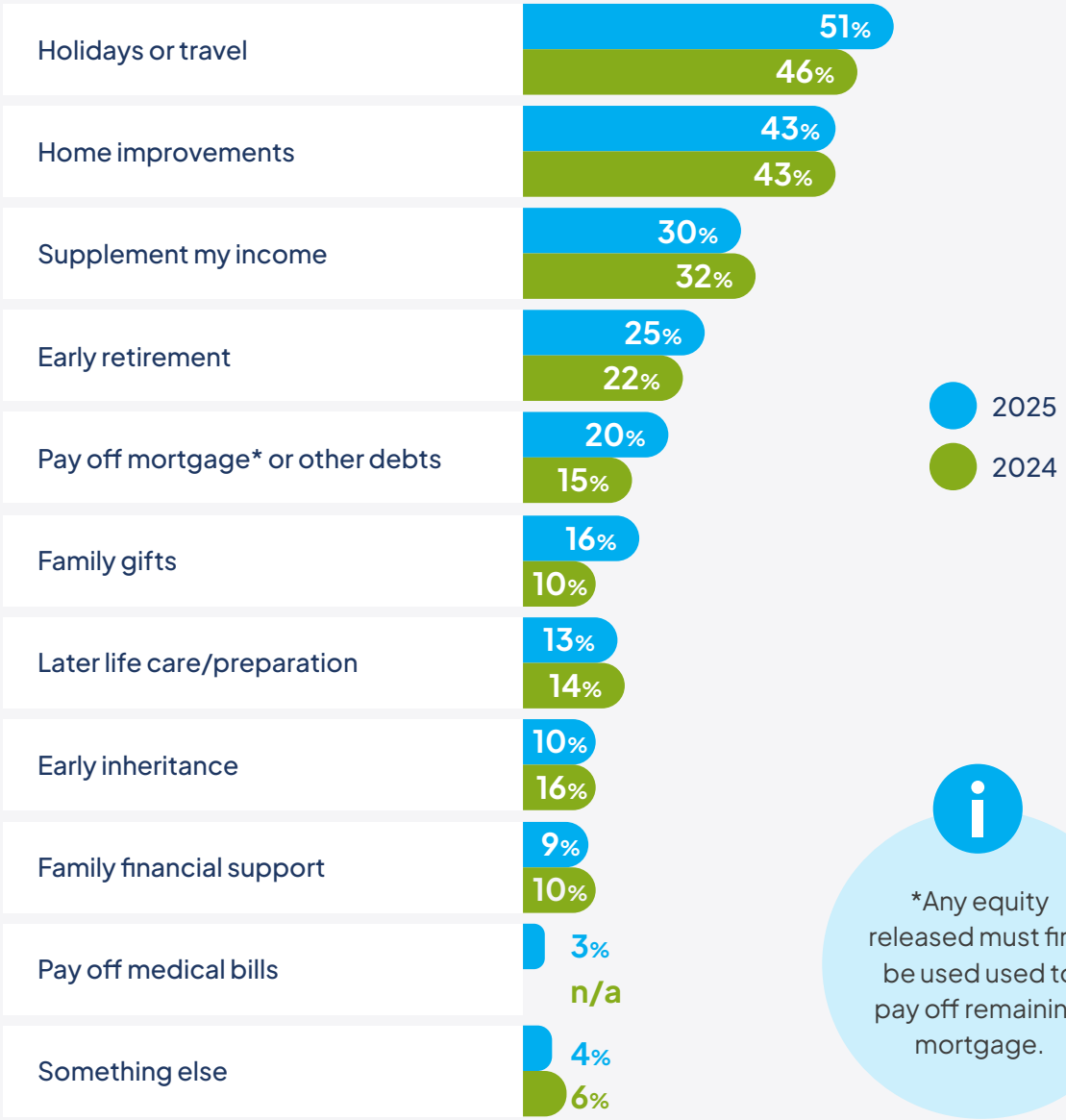
On average, people who would consider equity release would like to release £81,091. That's £656 less than last year, and £7,052 more than in 2022.

51% (up 5% since 2024) would spend at least some of the cash on holidays or travel. 43% would spend it on home improvements – the same as last year. 30% (-2%) would use it to supplement their income. And 25% (+3%) would take an early retirement.

The amount of equity release people would spend on holidays has dropped to £20,573 – down £2,455 since 2024 (but up by £3,328 since our first report in 2022).

The amount people would use to give their family financial support has dropped significantly from £31,563 in 2024, to £23,715 in 2025. And it's dropped £15,093 since 2022.

What people would like to spend their equity release on



*Any equity released must first be used used to pay off remaining mortgage.

The amount of equity release people would spend, and on what

The amount people say they'd spend on giving their loved ones an early inheritance has risen slightly, from £31,457 to £33,000.

Last year, the most people said they'd spend was on supplementing their income. But in 2025, early retirement is at the top spot, with respondents saying they'd spend £61,014 on this – up £2,453 since 2024, and up £2,201 since 2022.

The amount people would like to spend on supplementing their income is still high, at £52,023 – although this is down £9,785 since last year.

This is followed by later life care/preparation, at £47,932 – £5,975 more than last year.

When we look at average figures across the last three years, people would choose to spend £62,759 of their released equity on early retirement, £56,408 on supplementing their income, and £44,711 on later life care/preparation.

If people released equity, what's the average amount they'd spend on each of these?

	2025	2024	% who would spend on this	3-year average (2023-2025)
Supplement my income	£52,023	£61,808	30%	£56,408
Early retirement	£61,014	£58,561	25%	£62,759
Later life care/preparation	£47,932	£41,957	13%	£44,711
Pay off mortgage* or other debts	£28,655	£32,808	20%	£32,754
Early inheritance	£33,000	£31,457	10%	£40,846
Family financial support	£23,715	£31,563*	9%	£32,232
Home improvements	£21,713	£25,568	43%	£25,304
Family gifts	£16,183	£15,906*	16%	£23,641
Holidays or travel	£20,573	£23,028	51%	£27,996
Pay off medical bills	£6,848	n/a	3%	£6,667

*Any equity released must first be used used to pay off remaining mortgage.

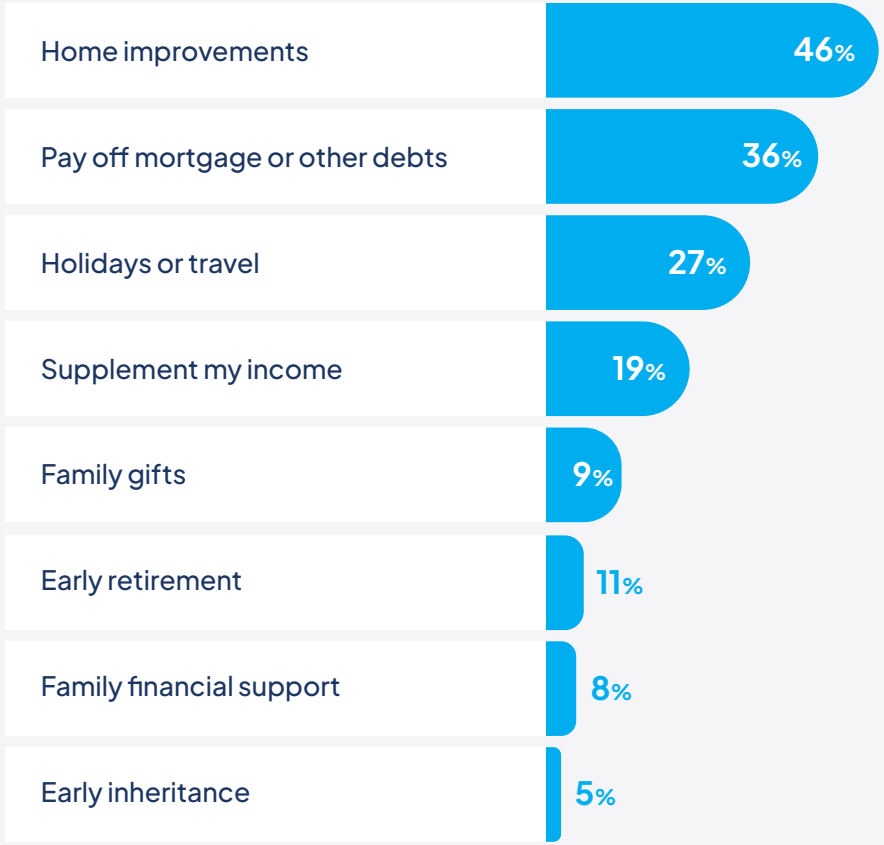
People release just under £70,000 of equity on average

Of those who take out equity release (3% of all people over 50), the priorities and amounts spent tend to be quite different from those who are considering it.

£62,057

the average amount of equity released.

What people are spending their released equity on



Home improvements are the most popular way to spend equity release cash, with 46% using the money for this purpose.

Second is paying off debts (including the mortgage, which is a requirement of all equity release schemes) at 35%. Third is supplementing income, at 19%. And fourth is holidays and travel, at 26%.

People spend most on paying off their mortgage and other debts

When we asked how much of their equity release cash was spent on each category, paying off the mortgage and other debts comes out on top, with an average spend of £28,411 £767 more than last year.

At £18,332, supplementing income is the second biggest average spend. This is up significantly from last year, when it was just £12,706. Family financial support is third at £17,540, which is just £328 more than last year. But on average, people are spending less of their equity release cash on early retirement, early inheritance and family gifts compared to last year.

What's the average amount of equity release spent on each of these?

	Average spend (2023–2025)*	Average spend (2022–2024)*
Pay off mortgage or other debts	£28,411	£27,644
Supplement my income	£18,332	£12,706
Family financial support	£17,540	£17,212
Home improvements	£12,361	£11,188
Early retirement	£7,891	£10,929
Later life care preparation	£7,886	£6,700
Holidays or travel	£7,569	£6,878
Early inheritance	£7,333	£9,836
Family gifts	£7,331	£8,270
Pay off medical bills	n/a	n/a

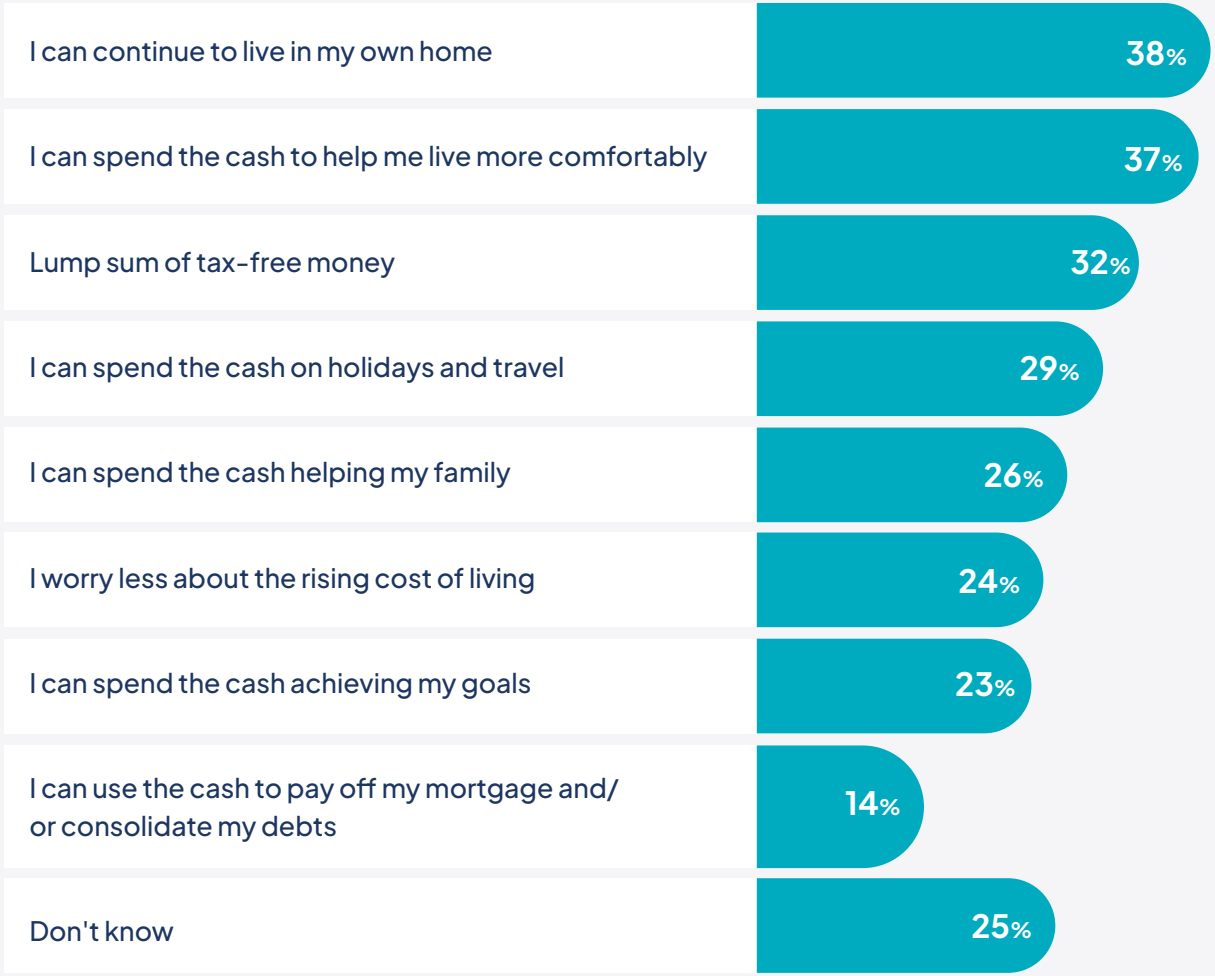
*Due to low base size, these figures are a three-year combined average. i.e. the 2025 figure combines data from our 2025, 2024 and 2023 research.

3 in 4 say equity release made them happier

At 76% (+4% since 2024), over 3 in 4 people who release equity say it's made them happier, with 4 in 10 (43%) saying it's made them significantly happier. 19% (-3% since 2024) say it's had no impact on their happiness.

Homeowners see the three main benefits of equity release as being able to continue living in your own home (38% - up 1% since 2024), being able to live more comfortably (37% - down 1%), and receiving a lump sum of tax-free money (32% - down 4%). So, if you'd like to know more, visit our equity release hub.

The main benefits of equity release



SunLife



Thank you

If you have any questions about the Life Well Spent Report 2025, or any of our past reports, contact:

pressoffice@sunlife.co.uk