

Midlifers set to be hit twice by the cost of living

- People in midlife who provide essential financial support to loved ones (17%) already face an annual bill of £3,577
- This group could be hit twice by the cost of living due to increases in their own household costs and those of the adult loved ones they support
- People in their early 40s face the most pressure due to higher outgoings and debts, despite their household income being at its highest point

According to new analysis from Legal & General, the financial responsibility of people in midlife (40 to 60 years old) could rise significantly in 2022¹. Midlifers who provide financial support to adult loved ones (17%) could be hit twice by the cost of living, due to increases in their own household bills and those of the adult loved ones they support.

Households are likely to see their income hit by £1,200 this year due to tax rises and soaring energy bills², which could see midlifer households' essential bills increase by 10% (£12,457-a-year to £13,657³). This is on top of the £3,577 that midlifers already provide in financial support to their adult loved ones.

This could be a particular problem for people aged 40 to 44-years old, who face the steepest levels of support. Despite the fact their household income is at its highest point (£38,956 on average), their outgoings (£13,491) and non-mortgage debt (£19,149) combined with their financial support for loved ones (£4,195) are the highest of any other group in midlife.

Table One: Average financial situation for people in midlife (40 to 60 years old)

Assets and debts	40-44	45-49	50-54	55-60
Value of assets	£79,532	£118,257	£148,205	£189,667
Pension savings	£38,098	£52,425	£84,128	£112,698
Other savings (inc. investments)	£24,293	£31,028	£42,739	£51,385
Debts (excl. mortgage)	£19,149	£12,890	£10,985	£10,593
Outstanding mortgage debt	£66,625	£56,460	£36,965	£32,613
<i>Assets minus debts</i>	<i>£56,149</i>	<i>£132,359</i>	<i>£227,123</i>	<i>£310,544</i>
Income and outgoings	40-44	45-49	50-54	55-60
Personal income	£29,852	£28,640	£25,879	£25,349
Household income	£38,956	£38,791	£34,355	£33,311
Essential costs	£13,491	£12,881	£12,064	£11,392
<i>Household income minus outgoings</i>	<i>£25,465</i>	<i>£25,910</i>	<i>£22,292</i>	<i>£21,918</i>
Financial support (annual)	40-44	45-49	50-54	55-60
<i>Total financial support (annual)</i>	<i>£4,195</i>	<i>£3,319</i>	<i>£3,372</i>	<i>£3,398</i>

Source: Legal & General, 2022

“People in midlife who provide financial support for their loved ones are often called upon to help with the cost of monthly essentials, so are likely to suffer from the cost of living twice. This is particularly true for people in their early forties, as our data shows, who have high outgoings and tend to provide a greater degree of financial support. It’s important that where possible, we equip people to make the best choices for their future, particularly as they near retirement, while they continue to meet their commitments to their loved one.”

Emma Byron, Managing Director, Legal & General Retirement Solutions

Legal & General's free [Midlife MOT](#) course, developed in partnership with The OU's experts, is a free online course for those aged 40 to 60. It is available to all, regardless of whether they are one of the insurance and retirement provider's customers, and has been designed to encourage people to think about their current and future work, wealth and wellbeing and to give them the knowledge and tools to approach later life with confidence.

-ENDS-

¹Opinium survey of 4,009 UK adults aged between 40 and 60 years old in the UK was conducted between the 28th December and 6th January 2021

²[Year of the Squeeze, Resolution Foundation](#)

³ Average essential outgoings for midlifers were £12,457, an increase of £1,200 as predicted by the Resolution Foundation could see them increase by 10% to £13,657

Details of Midlife MOT course

The Midlife MOT course, aimed at those aged 40-60, covers the key subject areas of wealth, work and wellbeing.

You look at how to get your personal finances in order both for today's needs and for later life. The course covers budgeting, how to cut spending painlessly, reorganising your debts and how to build up your investments to supplement your pension in later life. There's a ten-point checklist too that identifies what areas of your finances are in order and which need attention.

Then you get the chance to review your working life – is it the right time to change job, start a new career or even start a business? Or you may just want a steer on how to make more of the opportunities available at your current employer. You begin this part of the course by reflecting on what you really want from work and what would give you greatest satisfaction before assessing the different paths you could take.

In the third part of the course you explore your wellbeing – checking your physical and mental health. How healthy is your current lifestyle? You assess this with an interactive quiz that also provides tips on how to improve your wellbeing. This part of the course is arranged around the five pillars of wellbeing – nutrition, hydration, physical activity, cognitive stimulation and social stimulation. And links are provided to enable you to explore in detail specific ways to check and improve your wellbeing – for example with exercise routines.

Filled with videos, quizzes and interactive tools the course is fun and easy to study

Notes to editors

About Legal & General

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

** at 31 December 2021*

About Legal & General Retail

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

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

About The Open University (OU)

The Open University (OU) is the largest academic institution in the UK, operating in all four nations, and a world leader in flexible distance learning. Since it began in 1969, the OU has taught more than two million students worldwide and has 205,000 current students, including more than 8,000 overseas.

Over 76% of students are in full-time or part-time employment, and three out of five FTSE 100 companies have sponsored staff to take OU courses.

In the latest assessment exercise for university research (Research Excellence Framework, 2014), nearly three quarters (72%) of OU research was assessed as 4 or 3 star – the highest ratings available, awarded to research that is world-leading or internationally excellent. The OU is unique among UK universities having both an access mission and demonstrating research excellence.

Regarded as the UK's major e-learning institution, the OU is a world leader in developing technology to increase access to education on a global scale. Its vast 'open content portfolio' includes free study units, as well as games, videos and academic articles, which have reached over 36 million people.

For further information please visit [The Open University](#)

The Midlife MOT course is hosted on the **OU platform, OpenLearn**, the home of free learning from the OU, includes over 35,000 pages of high-quality resources, including 1,000 free courses as well as educational games, videos and academic articles, reaching an audience of over 14 million a year.

Beyond learning with OpenLearn

OpenLearn has recently achieved the milestone of serving 100 million visitors as one of the leading free learning platforms in the world. Since March 2020, OpenLearn has built on our pioneering experience in distance learning to give over 26 million people access to vital educational resources to help develop new skills.

"OpenLearn is a treasure – helping to build a healthier, fairer, and more environmentally aware society. It has been a learning lifeline for millions, especially through the pandemic. 100 million visitors – wow! I am incredibly proud of the achievement and the work of OU colleagues who make this possible."

Martha Lane-Fox, OU Chancellor

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