



# Aviva Times of our Lives Report

April 2012

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# Introduction

The Aviva Times of our Lives Report tracks the experiences, ambitions and concerns of people in the UK today as they journey through the ages of life.

At a time of significant economic upheaval and financial pressure, the report provides a unique picture of how this is affecting Britons, revealing generational splits on issues such as achieving key milestones and contentedness.

The report also reveals people's financial highs and lows, including how much extra income they wish they had in order to feel secure and provides an insight into the hopes and fears for the future and their reflections on the past.

Using detailed Aviva data from 2011, the report paints a picture of the possessions and assets people build up through their lives and the importance placed on protecting them.

And it puts a value on those assets, calculating people's net wealth as they move from one generation to the next with home contents, number of cars and family sizes increasing as they move towards retirement age.

The findings show that overall family and health are the greatest lifetime priorities, but after health comes wealth, with financial issues coming to the fore.

While 35 is the age that most Brits say they want to be, increasingly the "squeezed middle ages" of 35-54s are feeling the pinch – weighed down with responsibility, financial pressures and making ends meet - it's no wonder that this age group feels the most pessimistic.

But it's pleasing to see today's 20-somethings are still striving and ambitious – optimistic about what life will bring, even if the realities of today's economic climate might mean they don't meet their key milestones, like buying a home in their 20s.

At the other end of the age spectrum, baby boomers and over-65s say they are the most satisfied and content with their lot and have the highest net worth, but there's still a fear about unexpected costs and a concern for the future of their children.

As the UK's largest insurer, protecting people's assets from the unforeseen and unexpected is at the heart of what we do - whether it's their finances, cars, homes or belongings.

Aviva strives to listen and learn from changing consumer trends and reflect that in the policies and products we create for our 14 million customers.

The report is based on detailed Aviva 2011 data and new research with over 2000 UK adults aged 18 to 65+ (see notes to editors for full details).

# The U-shaped Curve of Life and the Paradox of Being 35

The research reveals two intriguing and contradictory themes about people's experience of life: how the most difficult time is mid-life from 35-54, and yet how everyone votes 35 as the best age to be!

- In terms of optimism, **life is a U-shaped curve**. Young adults are highly driven and optimistic, but least content. People then become more pessimistic in middle life when weighed down with responsibility and financial pressure, before re-emerging as optimistic in older age, when people are also most content of all.
- However, contrasting sharply with this picture of mid-life worry, is the fact that **the age of contentment is identified as...35**.

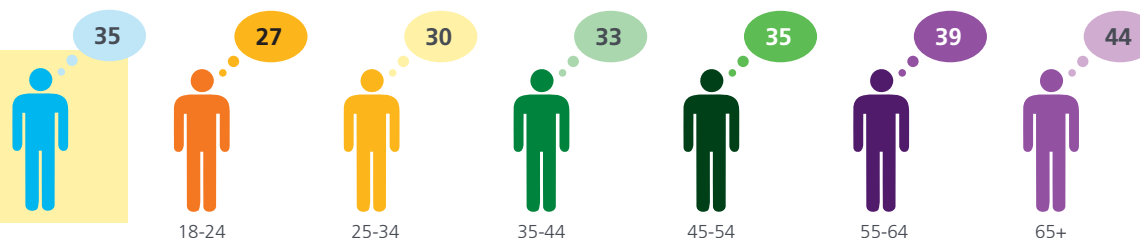


# Ideal Times of our Lives

## The Age of Contentment

It's not 21! Brits vote 35 the best age to be

This age of contentment is after people feel most of life's major milestones should have been achieved (see below), but the paradox is that this is the time when they still have much to strive for and are shouldering a lot of responsibility and worry.



The age perceived as the 'best age to be' increases the older people get, to a maximum of 44 among those aged 65+. However, essentially people think they want to be older when they're younger and younger when they're older.

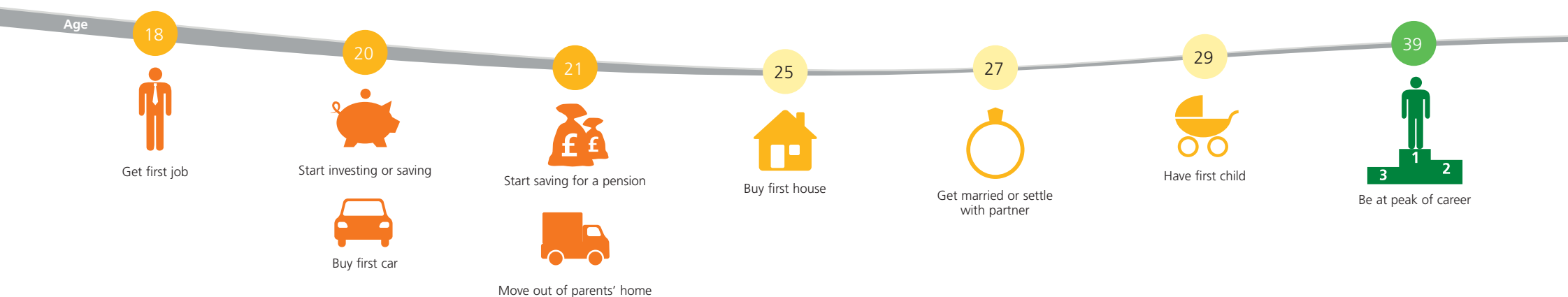
## Ideal Milestones

From getting first job to peak of career in just 21 years

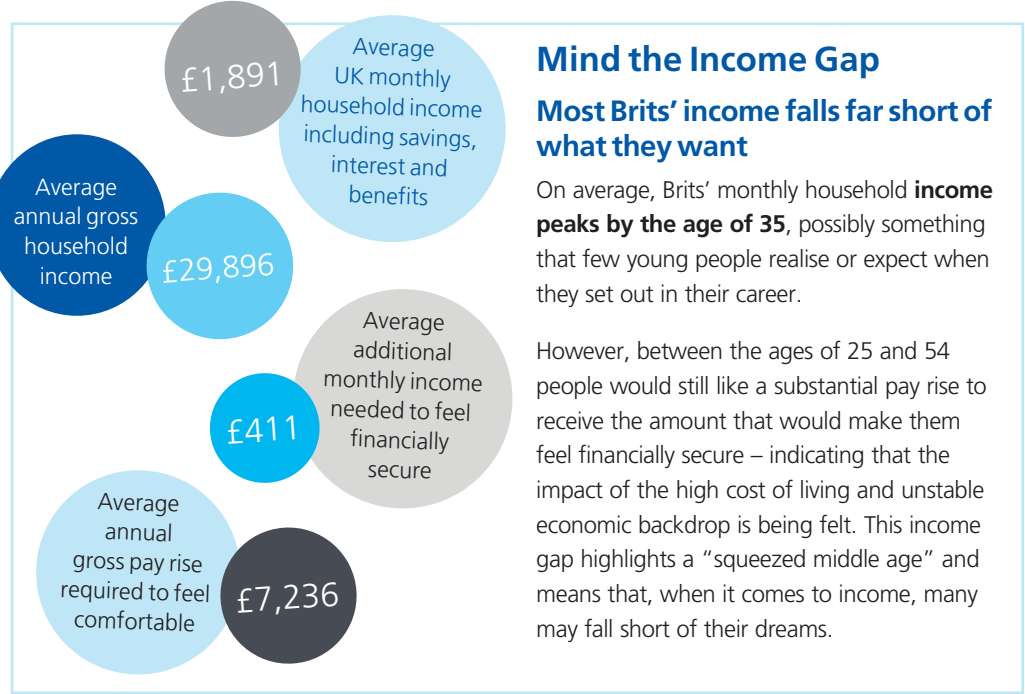
It's all happening in the 20s and 30s. A conventional national picture emerges of the order in which people feel key milestones in life should ideally be accomplished, although it is all expected to happen in an astonishingly short space of time, with just **21 years** from getting a **first job at 18 to peak of career at 39**.

## The generation split

But looking at the ideal milestones of the different age groups reveals that the generations are slightly split in their expectations. Reflecting rapid demographic changes taking place and the harsh economic climate, people under 35 who have yet to achieve many of these milestones tend to set the ideal ages higher than the over 35s who have already achieved them and are looking back. Longer life expectancy and the increasing challenges of getting onto the career and housing ladders mean people now commonly take longer to settle down than used to be the case.







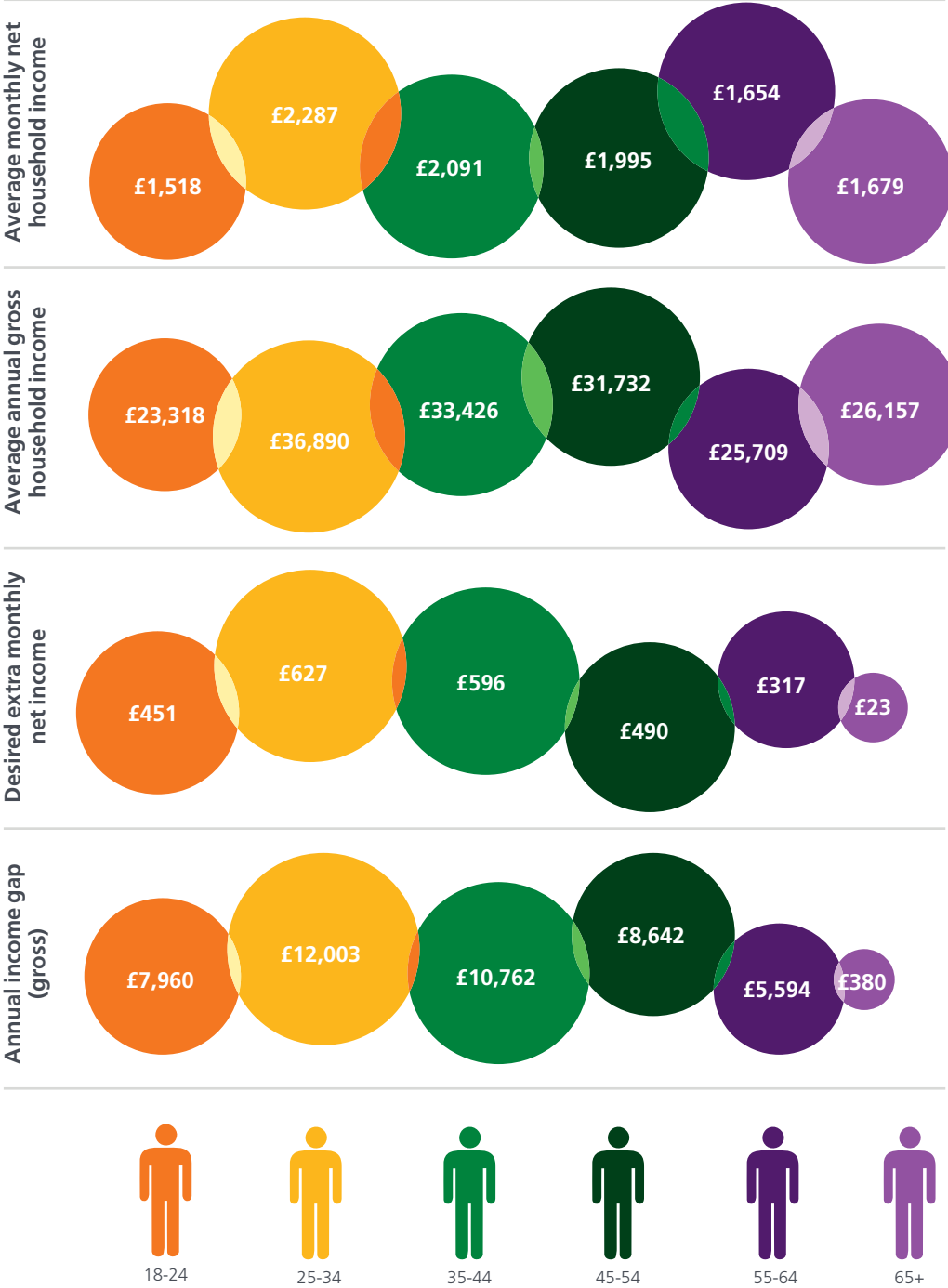
**The more you have, the more you want**

The **25-34 year old age group** receives the highest income with £2,287 monthly net household income or an annual gross household income of £36,890. It is likely that income peaks at this stage because couples may be living together as one household, both in work and progressing in their career. Many may be yet to start a family, which could take one of them out of full time employment.

However, **25-34 year olds** feel they **need the most extra income to be happy - £627** a month or a gross annual pay rise of **£12,003**. As average income drops off from this point, they may be forever financially unfulfilled. It seems the more money people have, the more they want.

The **35-44 year old age group** would like the second highest extra amount - £596 net income each month or an annual income rise before tax of £10,762. This desire of the “squeezed middle ages” is potentially explained by the fact that they are most likely to have a family and more financial commitments and concerns.

More content with their lot and possibly more practical, retirees believe they need only £380 extra each year before tax in order to feel financially secure.



# Real Times of our Lives

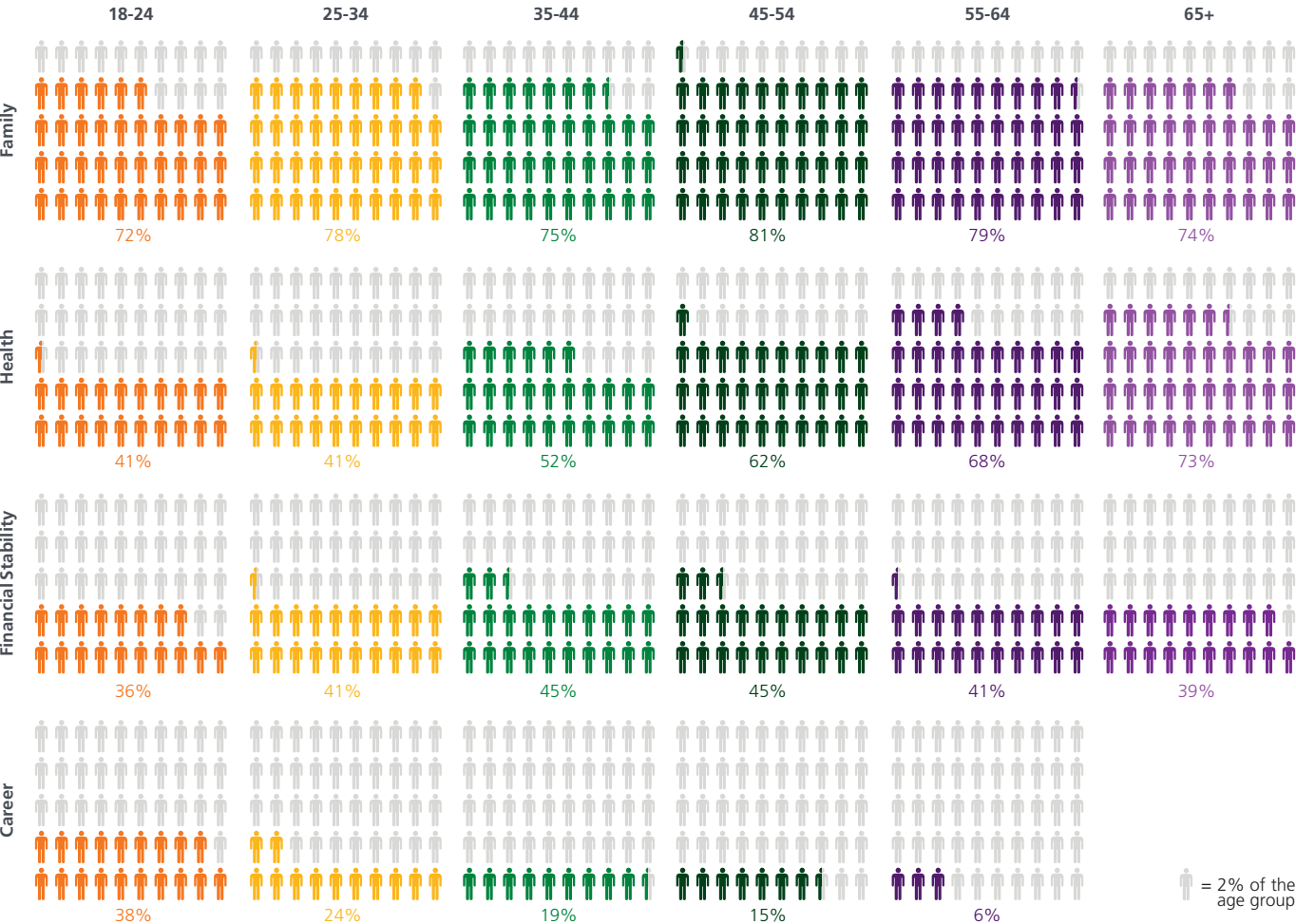
## What we Value and Want to Achieve

### Hearth, health and then wealth

Reflecting traditional values, **family is the most important** thing in people's lives with **health** coming second and rising in importance as people get older. In contrast, while career, health and financial stability are of equal importance when people are 18-24, **career declines rapidly in importance** as they get older while **financial security is valued highly** throughout people's lives, suggesting that people increasingly want to maintain their lifestyle rather than significantly change it.

When looking at what people want to achieve over the next five years, maintaining these valued aspects of their lives is key. A continued strong relationship with family is the most common aim and financial goals are important at all stages of life.

### What we Value



## Starting Out

Family is the thing that the youngest age group value most, but it is valued by a smaller proportion of people than in the older age groups. More focussed on themselves and their own goals, the 18-24s place least importance on their partner (33%) and most importance on their career (38%) compared to other age groups. Financial stability is valued by 36% of 18-24s, making this the only age where people value their job itself more than the financial stability it provides.

As people start to settle down in the 25-34 age group, the value given to family (78%) and partners (50%) increases in importance and the value placed on career declines rapidly (24%). A gap opens up between the importance placed on their job (24%) and the importance placed on financial stability (41%) which continues to widen as people get older, suggesting that people value the income that their job brings rather than the prestige or status it holds.

Asked about their aims over the next five years, people between the ages of 18 and 34 are remarkably conventional, **seeking to maintain many of the things they most value** currently, including a good relationship with their family or partner (40%), getting married or settling in a relationship (26%) and having children (24%). Targets aimed at achieving financial stability include continuing to save regularly (33%) and getting established in their career (31%).

## Squeezed middle ages

For 35-54 year olds, health starts to grow in importance, with 52% of 35-44s and 62% of 45-54s identifying this, and **financial stability peaks in importance** (45% for both). The 45-54 age group also places more importance on family (81%) than any other age group, perhaps as this is the age where people are most likely to have children as well as elderly parents.

When looking at their five-year goals, **financial targets come to the fore** for these age groups. While good relations with a partner or family remain top (37%), continuing to save regularly (34%) comes a close second. People in the middle age groups have conflicting priorities of repaying debts from early adulthood and preparing for later adult life, with key goals including paying off the mortgage (27%), paying off unsecured debts (24%) and saving for retirement (16%).

## Approaching retirement

The 55-64 age group **places highest value on family**, though slightly less than 45-54s, but health continues to increase in importance (68%). However, the importance of financial stability begins to decline (41%) perhaps as children leave home and there are fewer demands on the family finances.

As they look at their five-year goals, with retirement on the horizon, the baby boomers hope to maintain a good relationship with their family or partner (35%) and want to improve their home, perhaps readying themselves to give up work. Continuing to save (24%) and paying off debts (25%) are placed highly, as in the previous age groups.

## Retirement

In the oldest age group, 65+, **health is almost as important as family** (73% to 74%) and partners are more valued than in the other age groups (56%) as are homes (28%) as people grow old together.

Looking at goals for the next five years, the desire to have a **good relationship with family or a partner is the highest** of any age (49%), and three in ten (29%) want to help their children out financially. Financial concerns are less important, but not everyone is well prepared for retirement, with 13% planning to continue to pay off debt and 23% continuing to save.



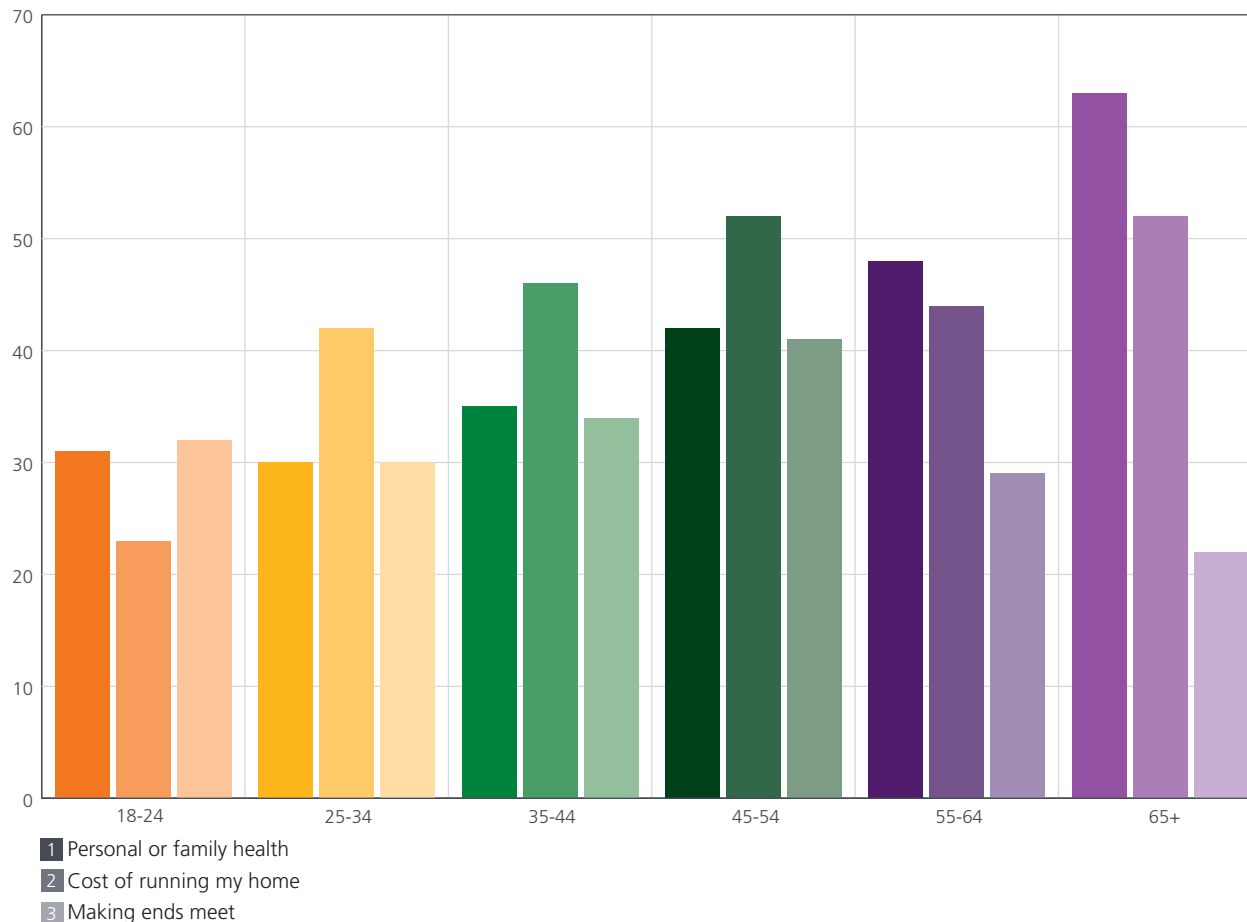
## What are the Worries?

### Our biggest concern is deteriorating health – both medical and financial

Having asked about their goals, Aviva also **asked people about their concerns**. **Health** and the current **cost of running a home** top people's list of worries. For the "squeezed middle age" groups, the cost of running their home is the number one worry, peaking at over half of the 45-54s.

**Concerns over personal and family health increase with age**, eclipsing home costs as the main concern for those over 55.

#### Top Worries - Health and Household Finances



### Changing ages, changing worries

The younger generation of **18-24 year olds** is not as footloose and fancy-free as they once might have been, with top concerns such as getting a job (36%) and making ends meet (32%), reflecting the difficult climate. Personal and family health ranks third most important. However, overall this age group lists **fewer concerns** than those older than them.

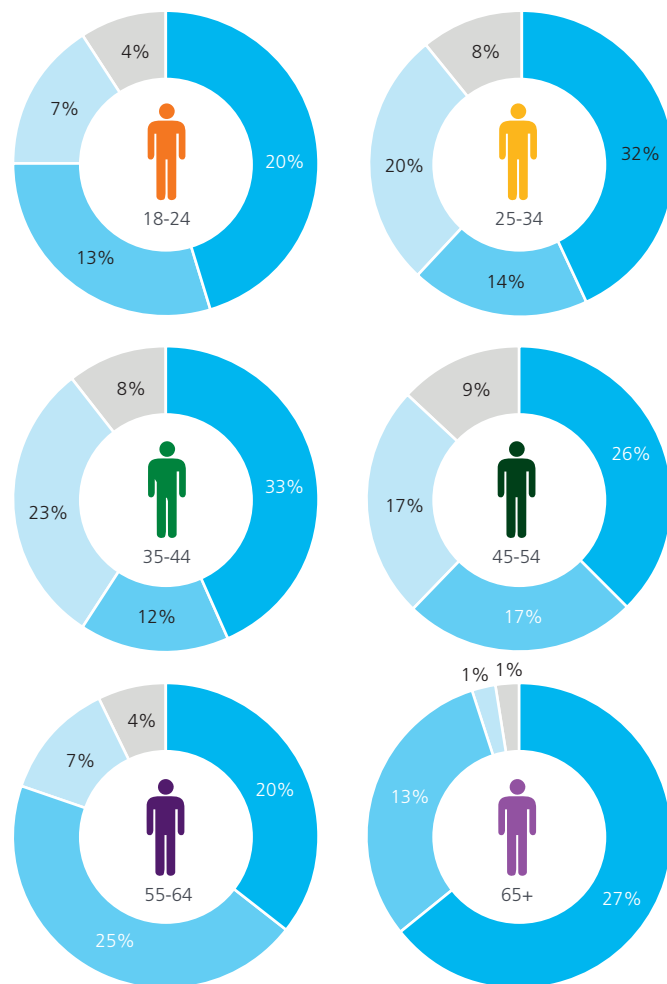
The top worries of 25-34 year olds are the cost of running a home (42%), unexpected expenses (32%), making ends meet (30%) and personal and family health (30%).

**More responsibility equals more worry** and those at the age most likely to have families and heavier financial burdens – 35 to 54 – list a greater number of issues among their worries. After the cost of running a home and health, concern number three is making ends meet (34% for 35-44s and 41% for 45-54s) – and this age group worry about this more than all other age groups. Around a fifth (23% of 35-44s and 17% of 45-54s) are concerned about being made redundant and, knowing their finances are not as safe as houses, they worry about meeting the costs of mortgage repayments and losing their home more than other age groups at 8% and 9% respectively. The 35-44 year old age group is also the most nervous about facing nasty surprises in the form of unexpected costs such as car repairs or a replacement boiler (33%).

As people get older (55 - 64 and 65+), as well as worrying about health and home running costs, they tend to become more worried about their children's progress through life (22% and 19%). The 65+ group are also concerned about being able to afford unexpected costs and are thinking about the cost of elderly care (14%) and being a victim of crime (14%) as they enter retirement.



### Other Worries



- Unexpected costs
- Not having enough savings
- Being made redundant
- Meeting mortgage repayments

## Will we Achieve our Goals?

### Reaching for the stars or happy with our lot?

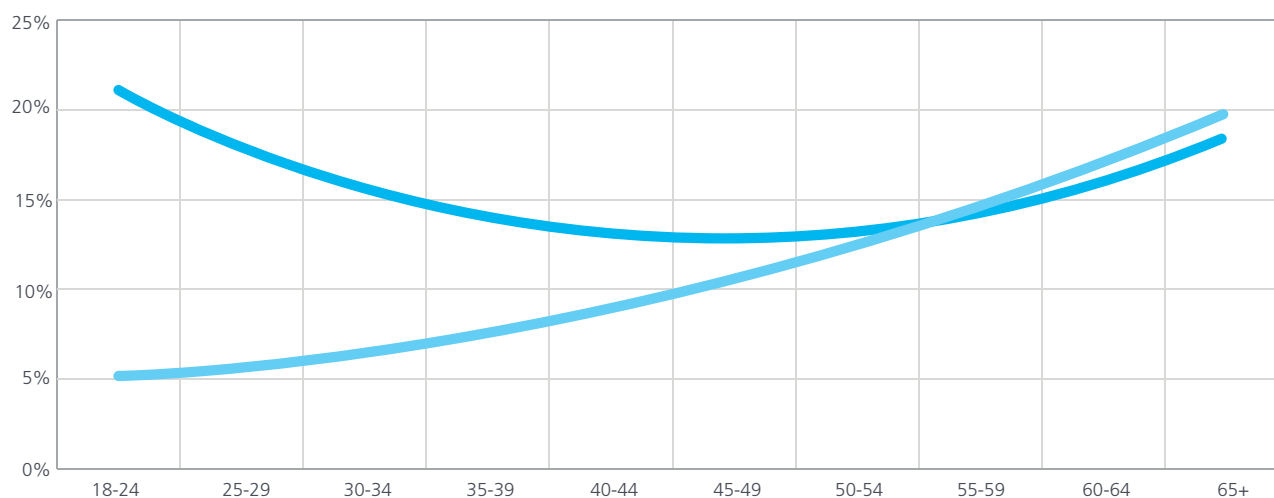
People at the youngest and the oldest ends of the age spectrum are most likely to say they are optimistic about achieving all of their goals, and people in the middle ages the least likely. However, **contentedness steadily increases as people get older**. This suggests that people start out with great ambition in their youth, yet become more pessimistic in middle age, and then become more content as they achieve some goals and let others fall by the wayside.

The possibility of youth means that **18-24 year olds are most optimistic**, with only 8% believing they won't achieve any of their goals while 29% say they will achieve all their goals (a net overall optimism score of 21%).

The **"squeezed middle age" groups are the most pessimistic**; those in the 35-44 and 45-54 age groups were most likely to say they won't achieve their goals (13% and 14%) and were least likely to say they would achieve all their goals. The overall optimism scores for these age groups are 14% and 12%.

The **oldest age group** sees a rise in the percentage of people saying they will achieve all their goals (29%) and a fall in those saying they won't (10%), indicating they **are more content** and possibly that their goals are less ambitious or more realistic. Overall optimism is 19%.

### Optimism vs Contentment



- I'll achieve my goals (overall optimism score)
- I'm content as I am

# Wealth Throughout our Lives and Protecting It

## Wealth: What we're Worth

### Wealth peaks in retirement

The average household's **wealth grows steadily through life**, peaking at 65+, when the average homeowner's net wealth is £308,317 and the average non-homeowner's net wealth is £75,834. Net wealth comprises the key assets of home, income, savings, home contents, belongings and cars, minus mortgage and other debts such as credit cards.

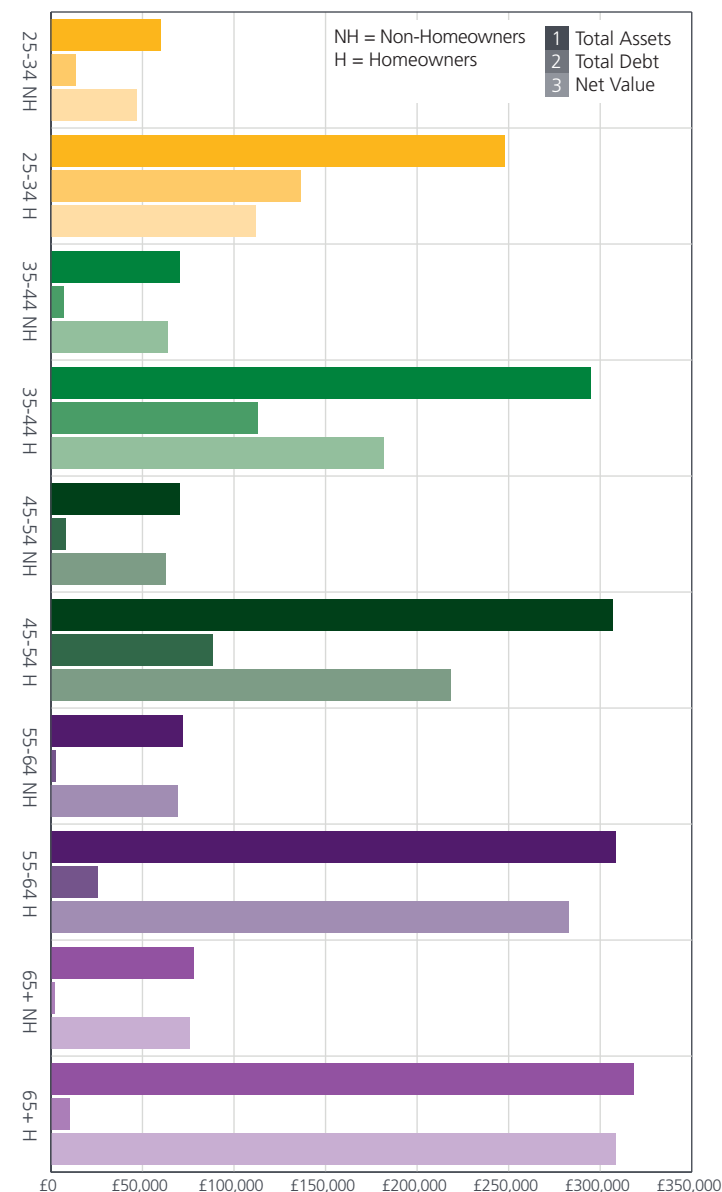
Unsurprisingly, **homes are the biggest source of wealth** by far, showing how critical getting on the property ladder is to building a lifetime's wealth. Being a homeowner means a person is twice as wealthy as a non homeowner at 25-34 and four times wealthier when they are 65+. The data shows how, as people progress through life, they also accumulate possessions and pay off debts, and their net assets steadily increase.

**The value of home contents and personal possessions peaks at £37,893** at age 55-64. Typically people have two cars per household between the ages of 35 and 64, boosting the value of their car assets, to a peak of £9,850 at age 35-44. Both savings and house assets peak when we are 65+. Debt is greatest at age 25-34.

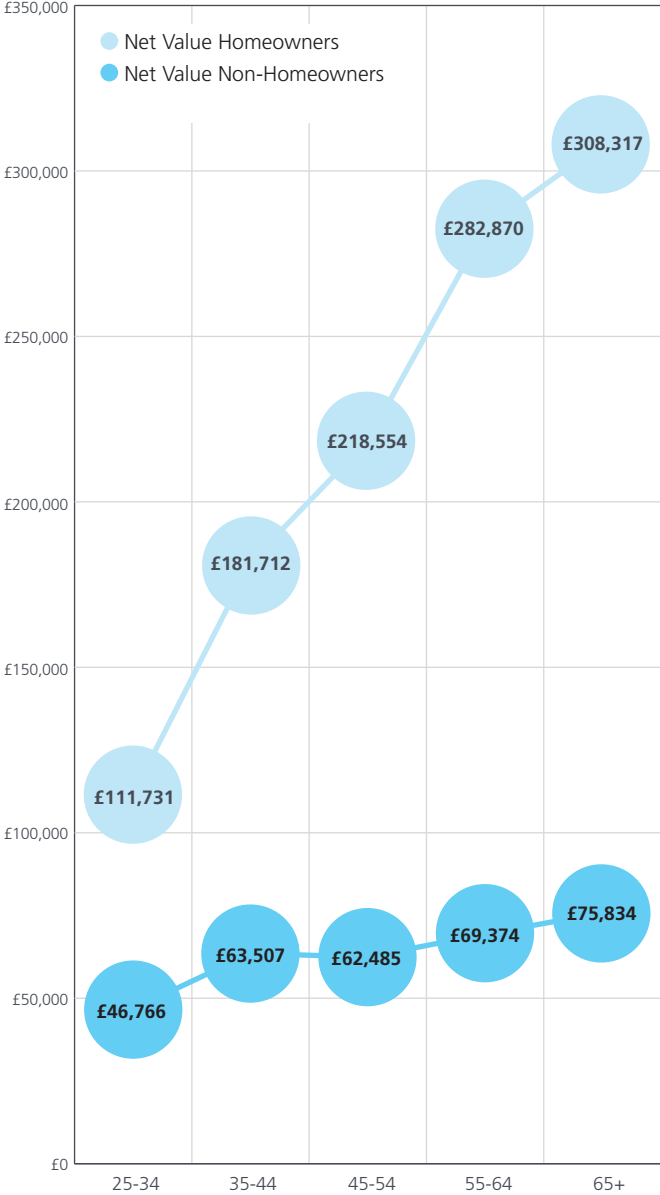
	25-34	35-44	45-54	55-64	65+
% non homeowners	49%	32%	27%	24%	18%
% homeowners	51%	68%	73%	76%	82%
Household net monthly income	£2,287	£2,091	£1,995	£1,654	£1,679
Household net annual income	£27,444	£25,092	£23,940	£19,848	£20,148
Savings and investments	£493	£1,004	£1,787	£6,665	£18,556
Home contents and personal possessions	£29,001	£34,546	£37,079	£37,893	£34,321
Car(s)	£3,225	£9,850	£7,700	£7,700	£4,875
<b>Total Assets non-homeowners</b>	<b>£60,163</b>	<b>£70,492</b>	<b>£70,506</b>	<b>£72,106</b>	<b>£77,900</b>
House value	£187,865	£224,043	£236,355	£236,181	£240,347
<b>Total Assets homeowners</b>	<b>£248,027</b>	<b>£294,535</b>	<b>£306,861</b>	<b>£308,287</b>	<b>£318,247</b>
Unsecured debt	£13,397	£6,985	£8,021	£2,732	£2,066
Mortgage outstanding	£122,899	£105,838	£80,286	£22,685	£7,864
<b>Total debt non homeowners</b>	<b>£13,397</b>	<b>£6,985</b>	<b>£8,021</b>	<b>£2,732</b>	<b>£2,066</b>
<b>Total debt homeowners</b>	<b>£136,296</b>	<b>£112,823</b>	<b>£88,307</b>	<b>£25,417</b>	<b>£9,930</b>
<b>Net value non homeowners</b>	<b>£46,766</b>	<b>£63,507</b>	<b>£62,485</b>	<b>£69,374</b>	<b>£75,834</b>
<b>Net value homeowners</b>	<b>£111,731</b>	<b>£181,712</b>	<b>£218,554</b>	<b>£282,870</b>	<b>£308,317</b>

See notes to editors for sources

## Assets, Debt and Net Value for Homeowners and Non-Homeowners



Net Value of Homeowners and Non-Homeowners



Contents, Cars and Homes

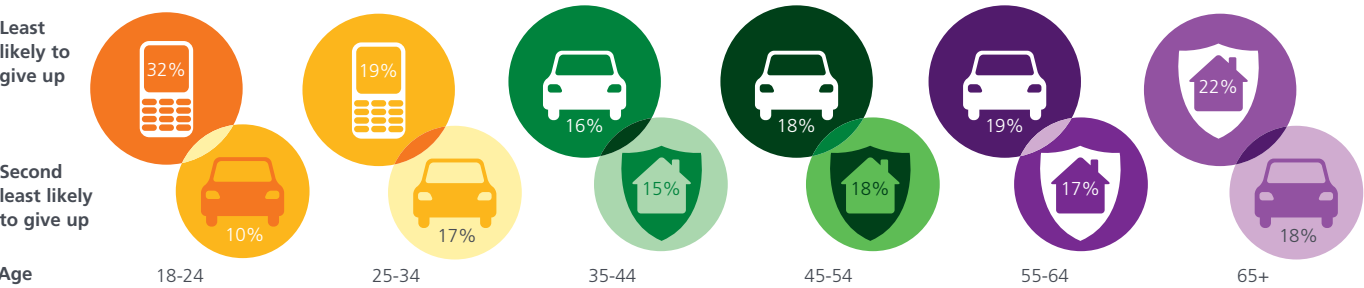
Bricks, mortar and motors our most important assets

Homes and cars are central to wealth and this research shows how much Britons focus on protecting and enhancing them.

**Brits prize their cars and want to protect their homes.** When it comes to making cutbacks, cars are the last thing that people would give up, followed by home insurance, with this particularly the case for everyone aged 35 and above. It is not surprising that home insurance is so highly valued as people hold the majority of their wealth in bricks and mortar rather than the bank, with the **over 35s having an average of more than £35,000 worth of possessions** to safeguard. Insurance protects people’s greatest sources of wealth - their home, its contents and their personal possessions.

Socialising, holidays, Sky subscriptions, savings and even mobile phones would be dispensed with first for most people if they had to give something up for financial reasons. However younger age groups will hang onto their mobile phones until the last and place less emphasis on home insurance.

Cars, phones and home insurance are the last things people would give up



## What Brits are driving: Superminis rule from youth to old age

(Aviva 2011 data)

	Most owned car	Second most owned car	Third most owned car
18-24	Vauxhall Corsa SXI 16v (2004)	Ford Ka (2004)	Ford Fiesta Zetec (2004)
25-34	Ford Focus Zetec 16v (2005)	Ford Ka (2005)	Vauxhall Corsa SXI 16v (2005)
35-44	Ford Focus Zetec 16v (2006)	Vauxhall Corsa SXI 16v (2006)	Ford Ka (2006)
45-54	Ford Fiesta Zetec (2006)	Vauxhall Corsa SXI 16v (2006)	Ford Ka (2006)
55-64	Ford Fiesta Zetec (2006)	Honda Jazz SE (2006)	Ford Ka (2006)
65+	Honda Jazz SE (2006)	Ford Fiesta Zetec (2006)	Ford Focus Ghia 16v (2006)

Aviva's data from 2011 reveals that Brits are most likely to be found behind the wheel of a 'Supermini' Ford or Vauxhall car throughout their lives. The top three cars driven by each adult age group from 18 to 65+ are superminis and just six cars make up this list. Ford dominates, making up four of the top six cars, although from age 55 the Honda Jazz becomes a top three choice and Vauxhall slips out of the rankings.

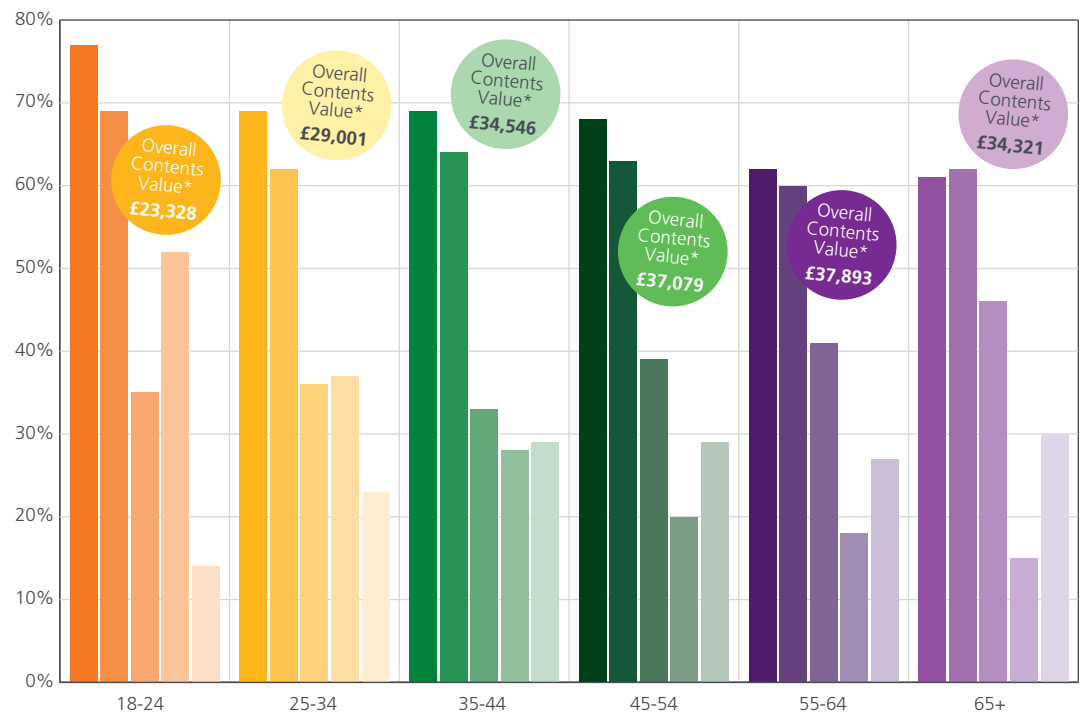
## Screens rule: more valued than personal possessions

If any further proof were needed, this research shows that screens now rule our lives and our hearts.

**Laptops, computers and TVs – 'screens' – are Brits most important possessions** by far (67%), even ahead of personal possessions such as jewellery and photographs (63%) and well ahead of our clothing (27%) and general furnishings (26%). This clearly reflects the central role of computers in people's lives, including being a digital archive of personal mementoes such as photos and videos.

The youngest age group is the most materialistic, valuing their computers (77%), photos and jewellery (69%) and clothing (52%) more than any other age group.

### Top Possessions by Age:



- 1 Electrical screens: computer/laptops/tv
- 2 Personal possessions such as jewellery, art, photos, ornaments and heirlooms

- 3 Car
- 4 Clothes/shoes
- 5 General furnishings

\* Aviva 2011 data



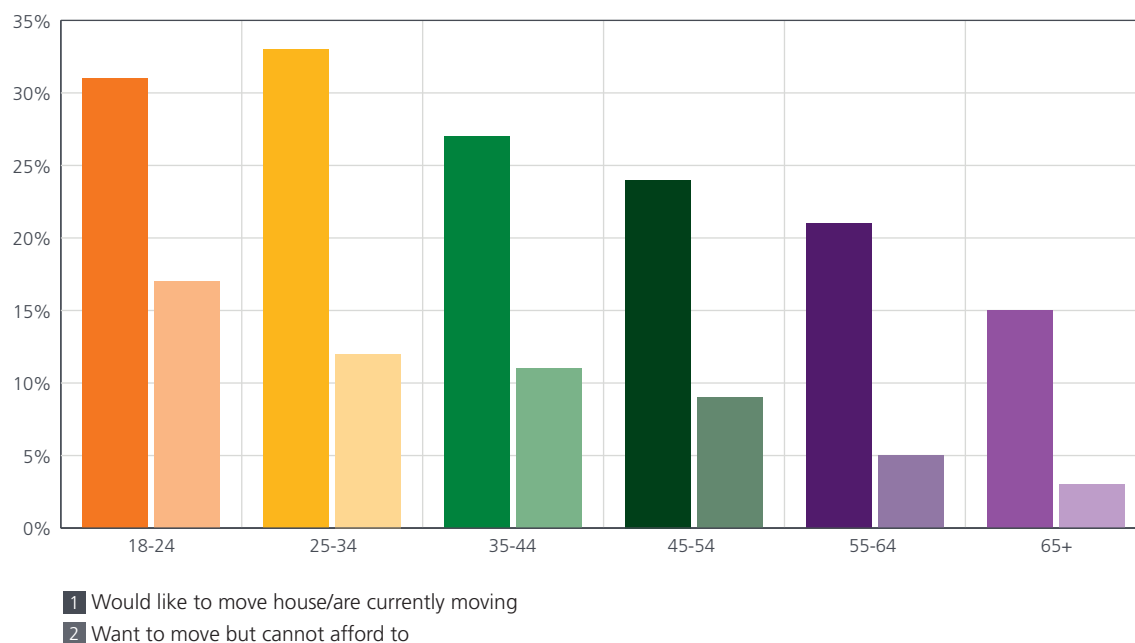
## Increasing home wealth

For many people, plans to move home or improve their home are key concerns throughout all stages of life. Twenty-five per cent of all homeowners would like to move house in the next 12 months, with this ranging from 31% of under 25s to 15% of over 65s. Many more plan to invest in their homes with redecoration, new kitchens and bathrooms and garden improvements.

## Moving issues

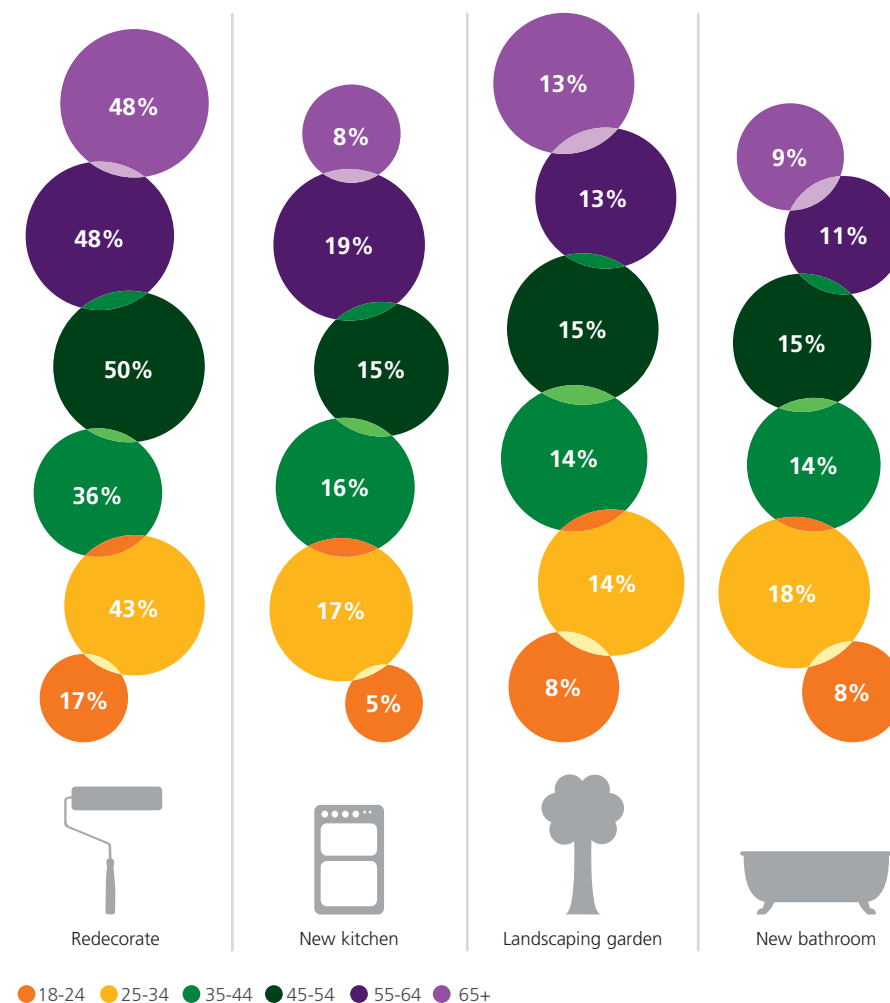
But ambitions to move are thwarted by money issues, affecting around one in ten of those aged 25-54, and one in two of those under 25 who say they would like to move but can't afford it.

### Moving Plans for next 12 Months



## Home wealth enhancement: key improvements planned in next two years

Paintbrushes at the ready... almost half of us will be redecorating in the next two years.





## Conclusion

The Aviva Times of our Lives Report offers an insight into how the current economic and social backdrop is impacting on the values and goals, concerns and finances of Britons today. It examines the effect these factors have on people's optimism and contentment over the different stages of their lives and compares this with their picture of the ideal life.

As people journey through adulthood, it will be interesting to see if what they value, including their goals and aspirations, changes in the current economic climate - certainly making ends meet comes out as a real concern for people today and as a result, many expectations may remain unfulfilled.

But despite all of that, home is definitely where the heart is, with family and health still the greatest lifetime priorities - an encouraging sign that traditional values still hold strong whatever is going on around us.

# Notes to Editors

The Aviva Times of our Lives Report was produced by The Wriglesworth Consultancy.

As part of this, 2024 UK adults were interviewed by ICM between 10th and 13th February 2012.

The report also contains Aviva General Insurance data and additional statistics from the sources detailed below for the net worth calculations.

## What are we worth?

The financial value of people's assets and possessions at different ages of life is their total assets less their total liabilities. Desk research has combined Aviva quote data from 2011 with consumer research from the Aviva Real Retirement Report (RRR) Q4 2011, conducted among 1028 UK adults over the age of 55 in October/November 2011 by Opinion Matters and Aviva Family Report (FR) Q4 2011, conducted among 2056 UK adults in October 2011 by Opinion Matters, to ascertain the following assets and liabilities:

Assets	Source
1. Percentage of non/homeowners	1. Q4 2011 Aviva RRR/FR data
2. Net income	2. Median value: ICM research Feb 2012
3. Savings and investments	3. Median value: Q4 2011 Aviva RRR/FR data
4. Contents sum insured	4. Aviva 2011 data
5. Car values / cars owned	5. Glass's Guide 2011 / Aviva 2011 data
6. House value	6. Mean value: Q4 2011 Aviva RRR/FR data
Liabilities	Source
1. Unsecured debt	1. Mean value: Q4 2011 Aviva RRR/FR data
2. Mortgage outstanding	2. Mean value: Q4 2011 Aviva RRR/FR data

## Further information

For further information on the report or for comment, please contact

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