

PRESS RELEASE

FRIDAY 18 NOVEMBER 2016



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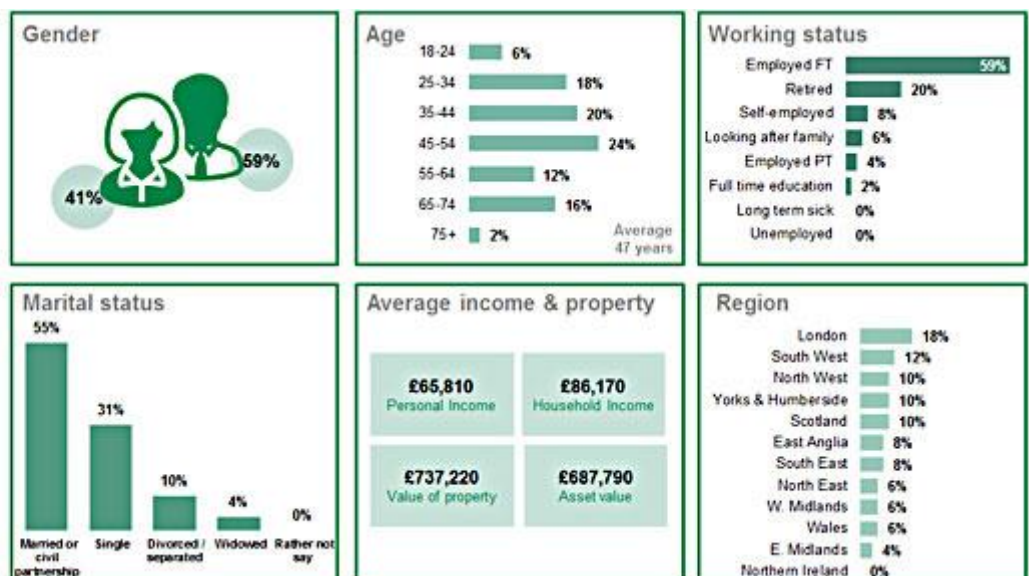
You don't need to earn millions to feel wealthy in the UK today

- People that feel wealthy on average earn £65,810 and have a household income of £86,170.
- However many people that feel wealthy have significant levels of equity in their homes and own an investment property.
- Still over one in four (26%) of those that say they're wealthy have never sought any financial advice.

The latest research from Lloyds Bank reveals the perceptions of wealth in the UK today, which show that those that feel wealthy aren't always earning a fortune.

However, the research found that there is a correlation between income and the perception of wealth, as would be expected. Those that feel they are wealthy earn over £65,000 on average, rising to just over £86,000 for their total household income. These average salaries are significantly higher than the average UK salary which stood at £34,576 in July 2016*, but the research showed that there are more factors that contribute to a feeling of being wealthy than just income.

What do those that 'feel wealthy' look like?



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Sarah Deaves, Private Banking Director at Lloyds Bank, commented:

“Feeling wealthy is about more than just the amount of pounds people have in their pocket to spend. We know that in particular homes, but also cars, investments and lifestyle also play a part.

“Those that feel wealthy today tend to be middle aged. They have perhaps benefited from better pensions, large house price inflation, no university fees and have lived through a number of years of a low inflation, low interest rate environment.

“Given the wide range of uncertainties faced today with, amongst other things, stretching affordability for housing, education and care in later life, taking financial advice can help people feel more in control of their options. Making a considered plan for monthly income and expenditure can help to improve people’s perception of their wealth and how they allocate their money, no matter their income level.”

43% of people that feel wealthy own an investment property

For many, the biggest expense each month is their mortgage payment, however for those that say they’re wealthy, over three quarters (76%) own their property outright. This compares to 33% on average nationally. In addition, over two in five (43%) own an investment property, again compared to nearer one in ten (11%) for the whole population.

Half (51%) of all those who feel wealthy have a detached house (more than twice the percentage for the average population at 21%), and their average property value stands at £737,220. When it comes to levels of equity in their main property, on average they have £606,670 as a result of the average outstanding mortgage debt being £130,550.

Unsurprisingly, financial holdings tend to be more common among those who are wealthy, especially stocks and shares (47% of those that are wealthy hold stocks and shares vs 16% nationally), investments bonds and funds (41% vs 13%), and other investments (24% vs 4%).

However, there is a divergence of views amongst those that are wealthy about how they manage their investments. Just under one in four (24%) get professional advice about their investments at least every three months, but a further quarter (26%) have never sought any financial advice.

Most people say they are either financially ‘managing’ (36%) or ‘comfortable’ (37%) and just 2% of the UK population feel that they are ‘wealthy’. Those that do feel they’re wealthy are generally male (59%), 47 years old on average and significantly more likely than the national average to be in full time employment (59% vs 36%).

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Editors' Notes:

*National Average Earnings FT all workers is £34,576 (mean) July 2016 based on a Halifax estimate.

Independent research undertaken by BDRG Continental in May 2016. 2,508 online interviews completed with a nationally representative sample of UK adults. Sample sourced via Toluna consumer panel.

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