Foreword

This is the second Aviva Real Retirement Report, a quarterly analysis of the finances and related concerns of people in three distinctive ages of retirement (55 - 64; 65 - 74 and age 75 and over) (see page 3).

We were delighted with the interest and response from the media and the industry to our first report, published in February 2010. In particular, splitting retirement into three age groups has shown clearly that there is no such thing as a ‘typical’ older person or retirement experience.

We are committed to helping to develop as broad an understanding as possible of this key growing population group and we are pleased to present this second report.

The key trends identified in this quarter’s report are:

- **Fall in energy prices a bonus** - With over 55s spending 13% of their income on this expense, so falling energy costs are a big help. (See page 4)
- **Income drops as fall-out from economic turmoil hits** - Over 55s saw their household income fall by 4% over the last three months. (See page 6)
- **Pre-retirees continue to under-save** – Of all over 55s, pre-retirees boast the worst savings ethic. (See page 8)
- **Worried about tax changes** – Over 55s worried about increased taxes (64%) overtake all other worries including the death of a partner (35%), the need to pay for care (27%) and unexpected expenses (26%). (See page 10)
- **Part-time pension** – 63% of over 55s want to work beyond their ‘traditional retirement age’; as do 68% of all adults aged 16 and over. (See page 14)
- **Regional overview** – Over 55s in London and Scotland continue to enjoy the highest monthly household incomes.
The Three Ages of Retirement

The Aviva Real Retirement Report considers the retirement age group as three stages to reflect the fact that ‘retirement’ is a long and changing experience.

Three Ages of Retirement

- **Pre-retirees** - (55 to 64 years old) are on the countdown to retirement but according to our research they appear to be financially unprepared and likely to face a shock when they retire.

- **Retiring** - (65 to 74 years old) have passed the current Government retirement age. However some may still be working while others are looking to relax after a long working life.

- **Long-term Retired** - (75 years and older) most are at least 10 years into retirement and those with private pensions have started to collect income from their annuities, in many cases for some time.

See Appendix I for a more detailed review of the three retirement ages.

Population Trends

Source: ONS
Inflation and Spending Patterns

While general inflation (RPI) rose at a roughly similar rate for non-pensioners as it did for pensioners over the last ten years, the ‘pensioner’s shopping basket’ is skewed towards certain products and services, thus they experience different peaks and troughs than other consumers.

**Annual Inflation Rate**

For over 55s, the cost of living in the year to March 2010 increased by 3% (RPI) which is below the 4% (RPI) experienced by all population groups in the UK. However, as this group generally has certain income sources which are less likely to grow than those of other age groups, such as the state pension, this increase is likely to hit them harder.

**Inflationary Pressure Points**

One of the over 55s’ largest expenditures is on fuel and light (13%) so the 4% fall in the cost of this essential is good news for this population section. Those aged 75 and over are likely to be most glad of this change as they spend 17% of their income on energy. However, while this is good news in the short term, there is concern about increases in the near future.

Motoring which accounts for 9% of over 55s spending and remains roughly steady as people age (55-64: 8%; 65-74: 9% and 75 and over: 8%) has recorded a sharp rise over the last twelve months (+17%) as petrol prices have soared. This increase might be expected to encourage the use of public transport amongst the over 55s – especially with the free passes available to older age groups. However, for those who do not qualify for these yet or find it hard to access these facilities, they have experienced an inflation busting 5% increase in the cost of fares and other travel costs.
Entertainment, recreation and holidays (10% of spend) also saw a 5% price increase over the past twelve months which will be a blow to the economically retired. Other notable rises for the over 55s were furniture, appliances and pet care (+5%) and clothing and footwear (+4%). For those smokers amongst the over 55s, they would have seen the cost of tobacco increase by 6%.

**Spending Overview:**

The Aviva survey enables a detailed analysis of the key aspects of the three age groups' spending. All three groups spend most of their overall income on food: this quarter as a proportion of spending it represented 27% for 55-64s, 26% for 65-74s and 29% for those aged 75 and over, all slight increases on our previous report.

Following food, the over 55s spend the most on housing (15%), fuel and light (13%), entertainment (10%) and motoring (8%). The relatively low spend on housing for this age group (15%) has insulated them somewhat from the 2% inflation that other consumers have seen in housing over the last twelve months. However, the 14% of retired over 55s who are still repaying their mortgage are likely to have felt the increase especially if they have come to the end of their mortgage deals and are unable to remortgage.

Spending patterns vary through the three age groups tracked but the top three costs for each age group remain the same as in our February report. For the 55-64s, housing costs are the second greatest expenditure (17%), and fuel and light third (12%). Housing costs fall to fourth place for both the 65-74s (11%) and 75 and overs (8%), reflecting the progressive paying off of mortgages. Fuel and light is the second largest expenditure for 65-74s and those 75 and over, representing 13% and 17% of their budgets, followed by socialising (12%, 11%).
Income

Our research shows that the recent economic turmoil has hit this population group hard with falling household incomes reported over the past three months.

Average Incomes
Over this period, the average income for households in the over 55s age group fell 4% from £1,284 per month in February to £1,239 in May. This is 31% less than the average UK monthly income (£1,855).

Of the age groups tracked, pre-retirees saw the most significant quarter on quarter fall as their income fell by 6% from £1,433 to £1,352. This drop may be due to a combination of factors. Economic circumstances could have led to more people taking early retirement, while the tougher job market and low income available from savings may also have played a part. The 65-74 age group average household income fell slightly from £1,385 to £1,360, while the income for the 75 and over age group reported a rise to £1,416 (£1,136).

Men’s income is some 39% higher than women’s - £1,640 per month compared to £997. While some of this gulf may be caused by the difference in retirement ages and longevity, it is still likely to be in part due to women taking maternity breaks and having traditionally lower salaries.

Over 55 Income Sources

“Pre-retirees generally choose to use the last few years of full-time work to make as much provision for their retirement as possible. However, this research shows that salaries can – and do – fall immediately prior to retirement often due to circumstances beyond peoples’ control, so a long term approach to pension planning is crucial.”

Clive Bolton, ‘at-retirement’ director for UK Life, Aviva
Extremes of Rich and Poor
As reported in February, a wide variation of incomes exists within the over 55s, with more than one in five (22%) subsisting on less than £750 per month while 19% of the age group enjoy monthly incomes of £2,501 and above. However the disparity of monthly incomes is most pronounced among the over 75s where 24% struggle on less than £750 while 22% have over £2,500 per month. At age 55 – 64, 22% have less than £750, while 20% have over £2,500, and among 65 – 74s, 20% have less than £750 while 15% have over £2,500.

Income Sources
The data compiled exclusively for this Aviva Real Retirement Report looks at the variety of sources of income rather than the value of each source. The largest source is state pension and benefits (32%), which rises to 38% of the long term retireds’ income. However this research shows that benefits comprises 12% of 55-64s income, compared to 5% and 4% of 65-74s and 75 and overs’ income, which implies either that older age groups need less or are claiming less.

State pension and benefits are followed in order of importance by employer pensions (16%), personal pensions and annuities (16%), wages/earned income (13%) and investments/savings (12%). Naturally wages and earned income falls as a proportion of income across the age groups – from 20% of 55-64s, to 2.5% of over 75s.

Rental income from property contributes to 1.5% of retirees and pre-retirees income with the younger age groups (1.7%) most likely to derive financing from this source.

While it is very low (0.6%), some pensioners do receive ‘income support’ from their families. Women (0.8%) are almost twice as likely to receive this type of help than men (0.5%) and – somewhat surprisingly – pre-retirees (0.7%) are the most likely to receive this type of support. This indicates not only that this generation has serious financial issues but also that the ‘bank of mum and dad’ that many people rely on for a house deposit, might expect the loan to be repaid.

Savings Income Continues to Plummet
With over 55s deriving an average of 12% of their income from investments/savings, the low Bank of England (BOE) base rate continues to hit this section of the population hard. This will almost certainly continue to be an issue in the near future – unless we see significant interest rate increases. The median or typical savings pot recorded this quarter is just £13,893 which would earn £6 in monthly income (based on a branch based notice account).

“It is concerning to note that even though people in the 55-64 age bracket are often still working and therefore have more of an opportunity to save than the long-term retireds, many are still failing to do so. This might then suggest that in some cases, this is down to their attitude towards saving, rather than the ability to save.”

Clive Bolton, ‘at-retirement’ director for UK Life, Aviva
Savings

The Savings Divide
Despite pressure on over 55s’ incomes, a general improvement in the savings ethic following a period of economic crisis is apparent amongst the older age groups. However, there remains a significant gulf between those who have high levels of savings and those who have little or none.

Indeed, 23% of over 55s have less than £2,000 in savings and 35% have savings under £10,000 but 13% have more than £100,000. This gulf is likely to widen as while the mean monthly savings for over 55s is £142, 41% are saving £0. This is a 2% increase on February (39%) and seems to indicate that while some have boosted their savings (regularly or with one off payments), others have given up completely.

Due to the number of ‘non-savers’, the typical amount being saved regularly per month remains low and has fallen across all age groups. The median or typical amount saved by all over 55s is £29 per month (February 2010: £33).

There is also a significant male/female divide when it comes to savings with women (£7,891) having 59% less than men (£19,286). It appears that although there is a standard state pension for both sexes, the impact of child-related career breaks and historically lower salaries, significantly affects the savings, income and – ultimately – standard of living of many women over 55.

"Many women take a career break to have children and, as a result, stop saving or put pension plans on hold. However, this research shows that it is vitally important for women to continue to save independently and contribute to their pension plan - even if it is a nominal amount."

Clive Bolton, ‘at-retirement’ director for UK Life, Aviva

Average Savings
The average (mean) amount held in savings for those aged 55 and over has increased to £61,945 (February 2010: £58,074). This is a significant increase over a relatively short period and we believe that it may reflect some older people who have chosen to take redundancy payouts – a not uncommon occurrence as unemployment is running at 8% (highest level since 1996).

However, while this increase is welcome, the mean amount held in savings is distorted by the extreme wealth of a few. In fact the median or typical amount of savings is far lower at £13,893 across the whole group.

Median savings rises across the three age groups and while it is good news that savings overall have risen over the last few months, for most, savings remain low when it is taken into account that over 55s derive 12% of their income from their savings and investments.

Shockinglly for those approaching the normal retirement age (55-64s), the typical savings pot is just £11,176, for those aged 65-74 £15,595 and those aged 75 and over £22,500.

Debts
For most over 55s non mortgage debt is not a major issue, with the typical (median) over 55 household having no credit card debt, loans or overdrafts. However, the average (mean) debt held is £2,736 (February 2010: £2,582) which is a 6% quarter-on-quarter increase. This is not good news for a part of the population whose income has fallen over this period and seems to highlight that some people are relying increasingly on credit cards for unexpected expenses.
Homeownership

80% of the entire 55 and over age group own their homes either with a mortgage (18%) or outright (62%). The long-term retired have the highest degree of homeownership (88%) followed by the retiring (83%) and the pre-retirees (77%).

The average home value of the 55 and above age group is higher than the UK average at £236,654 (Average UK House price - £168,521 – March 2010) and rose 1.57% over the quarter (February: £232,985). The average equity in their property is £225,224 and the average mortgage £11,430.

While the majority of over 55s have no mortgage debt, of those who do, it is a significant level - £50,402 on average. However, there was some good news over this quarter as this debt fell by 8% from the previous quarter (£54,567) which may indicate that some over 55s chose to repay their mortgage rather than up their savings levels.

Average House Prices

![Average House Prices Graph]

Average home values, equity and mortgage debt by age group

The 75 and above age group own the most valuable homes (£249,322), with equity of £246,893 on average. However, one in four (25%) of this age group is surviving on less than £750 per month – a fact which lends impetus to the argument for the use of housing equity to improve retirees’ standard of living.

While only 19% of over 55s still have a mortgage, for those who do it represents a significant debt burden. The 55-64s (£231,766) own the least valuable homes and are the most heavily mortgaged (£51,367 for those with a mortgage). However, they only owe £280 more than 65-74s with a mortgage (£51,087) whose homes are worth £240,584. This difference seems to indicate that for some consumers paying off their mortgage as they age is not a significant priority or that they have been forced to take out additional borrowing. While most 75 and overs have no mortgage, for those that do it remains an average £30,682.

Multiple Property Ownership

A not inconsiderable 10% of over 55s own more than one property. The mean value of these properties is £207,989 and the mean equity £171,658. However, only 1.5% earns any income from renting out said properties so this suggests that the incidence of holiday and second home ownership is high amongst certain sections of this age group.

Long Term Care Implications

While the value of unmortgaged equity in the over 55s’ homes represents a potentially significant untapped asset to support incomes in later life, it also has long term care cost implications.

Currently, those with an estate worth more than £23,500 need to pay for their own care fees. However, as the political landscape changes following the election, this position may change as new policies are introduced, with each of the main political parties having put forward new proposals in their manifestos. Today’s pre-retirees may still be able to use some of the equity in their homes to help with long term care costs without losing their property totally.
Over 55 Fears

**Six Month Outlook**

While the four greatest fears for this age group over the next six months remained similar to those in February’s report, there has been a slight fall in the number of people worried about them. Worries about the rising cost of living continue to be the dominant concern for 67% (February: 74%). Unexpected expenses (45% to 34%), the falling return on savings (38% to 34%) and falling return on investments (26% to 20%) are the next greatest concerns. The slight easing of these financially focused fears appears to be in line with the increased optimism about the world economic outlook that many other age groups have expressed.

However, while the majority of over 55s were less worried about these factors, a significant number (27%) were worried about an increase in taxes. Pre-retirees (27%) were the most worried about changes to the tax regime and the long-term retired (23%) the least. While older consumers have a selection of tax-breaks such as the tax-free lump sum available from an annuity, many still find themselves paying income tax and inheritance tax is often a worry.

“While many consumers are now cautiously optimistic about the economy, it appears that the over 55s are concerned that this will happen only with an increase in taxes. This age group is particularly vulnerable to this type of move as they often have a set income but significant assets. It is therefore more important than ever to make the most of all tax allowances.”

Clive Bolton, ‘at-retirement’ director for UK Life, Aviva

Somewhat surprisingly, ill-health (14%) is not a significant concern for the over 55s in the short term although this does increase with age – 55-64 (14%), 65 – 74 (14%) and 75 and over (17%). While it is human nature to put aside negative thoughts, this possibility should be factored into retirement planning as around 40% of people cite ill-health as a reason for retiring.

**Falling Optimism Over Standard of Living**

Although over 55s are slightly less worried about their financial future than in February, they appear to be more concerned about their overall standard of living over the next three months. Indeed, 27% believe it will deteriorate compared to 22% in February.

**Five Year Outlook**

Over the next five years, over 55s’ worries about increased taxes (64%) overtake all other worries including the death of a partner (35%), the need to pay for care (27%) and unexpected expenses (26%). More than 60% of all age groups were worried about this factor with the retiring (69%) being the most concerned.

<table>
<thead>
<tr>
<th>Threats to Standard of Living over next 5 years</th>
<th>Overall</th>
<th>Male</th>
<th>Female</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in taxes</td>
<td>64%</td>
<td>63%</td>
<td>65%</td>
<td>62%</td>
<td>69%</td>
<td>61%</td>
</tr>
<tr>
<td>Death of my partner</td>
<td>35%</td>
<td>31%</td>
<td>39%</td>
<td>36%</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>Need to pay for care for me or my partner</td>
<td>27%</td>
<td>33%</td>
<td>19%</td>
<td>29%</td>
<td>25%</td>
<td>18%</td>
</tr>
<tr>
<td>Unexpected expenses</td>
<td>26%</td>
<td>27%</td>
<td>25%</td>
<td>26%</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td>Losing my/our job(s)</td>
<td>24%</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td>26%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**Alone in Retirement**

It has been reported that divorces in the older age groups are steadily growing and 9% of over 55s are concerned that they will separate from their partner in the next five years. Women (10%) are marginally more concerned than men (9%) – however – should this occur both sexes are likely to suffer financially with divorced over 55s (£880) having significantly less monthly household income than their married counterparts (£1,493).
Spotlight on Part-tirement

As the UK population ages so the concept of retirement has evolved for all age groups. Financial necessity, individual self-perception and a quest for emotional well-being is changing how people intend to spend their ‘golden years’. The concept of working past the traditional retirement age either full time or taking ‘part-tirement’ is becoming far more popular.

Working into retirement

Aviva research commissioned for this report shows that 68% of all adults aged 16 and over in the UK intend to work beyond the ‘standard retirement age’ (currently: 60 years old for women and 65 for men). Looking outside the three ages of retirement, younger age groups are particularly committed to working beyond today’s standard retirement ages.

Three quarters or more of 16-44s say they will work longer (16-24s: 79%, 25-34s: 77%, 35-44s: 73%), while only 64% of over 55s agree, perhaps as the reality of a long working life, a better overview of their financial situation and the opportunity to relax appears to appeal to more.

A significant number (70%) of all adults between 16 and 54, expect to retire above the current standard retirement age (men: 65 and women: 60). The age that most people expect to retire at is 61-65 (31%), followed by 66-70 (29%). For those over 55s who have yet to take retirement, 52% intend to retire between the ages of 66 and 74. Indeed, 18% are looking to retire between the ages of 71 and 74.

Benefits of extending your working life

The overwhelming majority of over 55s (68%) see numerous financial and social benefits to working past standard retirement age. The top reason is to improve their finances (60%). However an equally significant 54% saw work as ‘keeping them from under their partner’s feet’, 44% felt it provided them with an opportunity to keep their mind active and 43% said it gave them the opportunity to interact with others.
The social aspects of work were most important to those people 75 and over as they placed the highest emphasis on interaction with others (44%) and an opportunity to stay out from under their partner’s feet (58%).

“When we talk about getting older, we generally focus on the importance of making sufficient financial provision. However, moving from full-time employment into retirement has social, emotional and mental impacts on people that also need to be taken into account.”
Clive Bolton, ‘at-retirement’ director for UK Life, Aviva

Men (36%) were less likely to see benefits of extending their working life than women (26%). And despite women having historically lower pension income, money was not the only driver behind this willingness to work – interaction with others (47%) and keeping their mind active (47%) were also significant reasons.

Health Issues
While the majority of people intend to work beyond the traditional retirement age, ill health might see this ambition abandoned. Indeed, it is estimated that as many as 8 million over 50s will be obese - and dealing with the associated health issues - by 2025. Currently, ill health is cited by around 40% of retirees as the reason for giving up work so the implications for UK business in the future are significant.

“When we have seen the average lifespan of people in the UK increase over the last fifty years, this is a trend that may become more complex for future generations. Obesity and the resulting health issues are going to have a real impact on how long a person lives. In terms of life expectancy, it’s likely we will see the gap continue to widen between those who look after themselves and those who make less healthy lifestyle choices.”
Clive Bolton, ‘at-retirement’ director for UK Life, Aviva

Not necessarily downshifting
A significant 41% of over 55s would continue working for their current employer beyond their official retirement date if possible. Of these, most (24%) would opt for part-time working, while 13% would work full time. One in twenty over 55s (5%) say that while they would like to continue to work for their current employer, it would not be possible due to an enforced retirement date.

Wide range of career options in retirement
When asked about the type of work thought to be available to retirees, over 55s voted self-employment (61%) with its flexibility as the top choice, followed by retail work (44%), volunteer work (32%) and leisure/hospitality work (27%).

An encouragingly optimistic 40% of over 55s say that “everything” is available to retirees who wish to work. Pre-retirees (42%) are most optimistic on this but this belief declines with age – 65-74 (39%) and 75 and over (35%). The work thought less available to retirees is services and offices (13%) and care work (13%). Somewhat worryingly, 7% believed that no work was available for people once they hit traditional retirement age.

Redefining retirement
Historically, retirement has been known as a definite point in life when a person gives up work permanently, but just 35% of all UK adults (aged 16 and over) still hold this view. For the majority it means many other things; for 20% it is the day you give up your main career even if you are moving into part-time, and for 14% it is when you start to wind-down and think about giving up work. 11% think it is the day you give up all work, paid and unpaid.

Very few see retirement beginning when you start drawing your state pension (7%) or when you reach 65 (6%) – irrespective of your working status.
Regional Overview

The over 55s in London (February: £1,681 and May: £1,731) and Scotland (February: £1,531 and May: £1,524) continue to enjoy the highest monthly household incomes. By contrast, those in the North West (February: £1,286 and May: £1,275) have the lowest mean income. This largely mirrors the general population income spread – however – those over 55s in Scotland appear to benefit from an excellent savings ethic and appear higher up the table.

With regards to the source of this income of all those surveyed, those in Wales derive the highest percentage of their income from the state pension (26%) and a personal pension (17%) but the lowest from an employee pension (11%). Those in Northern Ireland (20%) appear to be the most likely to benefit from an employee pension.

Those in London (£20,714) also have the highest typical savings as well as the highest number of over 55s with more than £100,000 in savings (21%). Those in Northern Ireland (£10,000) have the lowest typical savings as well as the lowest number of people with savings over £100,000 (8%).

For many people in this age group, their house is their most significant asset and on average 80% own their own homes (entirely or with a mortgage). However, those in London – which traditionally has the highest house prices – are less likely to own their properties outright (55%) when compared to those in the Yorkshire and Northern Ireland (79%).

Over 55s in Scotland (72%) and the North East (73%) are the most likely to want to work past the traditional retirement age. However, those in Northern Ireland (61%) are the least likely to want to work past this traditional transition period.
## A Regional View

### Monthly Household Income**

<table>
<thead>
<tr>
<th>Region</th>
<th>Income</th>
<th>Savings*</th>
<th>House price</th>
<th>Own House Outright</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 East</td>
<td>£1,350</td>
<td>£8,750</td>
<td>£235,177</td>
<td>59%</td>
</tr>
<tr>
<td>2 London</td>
<td>£1,731</td>
<td>£20,714</td>
<td>£366,797</td>
<td>58%</td>
</tr>
<tr>
<td>3 East Midlands</td>
<td>£1,292</td>
<td>£13,615</td>
<td>£191,690</td>
<td>57%</td>
</tr>
<tr>
<td>4 West Midlands</td>
<td>£1,297</td>
<td>£12,782</td>
<td>£217,722</td>
<td>58%</td>
</tr>
<tr>
<td>5 North East</td>
<td>£1,449</td>
<td>£9,000</td>
<td>£192,120</td>
<td>58%</td>
</tr>
<tr>
<td>6 North West</td>
<td>£1,275</td>
<td>£14,000</td>
<td>£200,424</td>
<td>58%</td>
</tr>
<tr>
<td>7 Northern Ireland</td>
<td>£1,363</td>
<td>£10,000</td>
<td>£248,611</td>
<td>85%</td>
</tr>
<tr>
<td>8 Scotland</td>
<td>£1,524</td>
<td>£8,269</td>
<td>£196,121</td>
<td>54%</td>
</tr>
<tr>
<td>9 South East</td>
<td>£1,515</td>
<td>£17,273</td>
<td>£288,462</td>
<td>60%</td>
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<tr>
<td>10 South West</td>
<td>£1,417</td>
<td>£16,071</td>
<td>£256,897</td>
<td>59%</td>
</tr>
<tr>
<td>11 Wales</td>
<td>£1,470</td>
<td>£12,500</td>
<td>£227,404</td>
<td>70%</td>
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<tr>
<td>12 Yorkshire</td>
<td>£1,435</td>
<td>£13,000</td>
<td>£186,968</td>
<td>67%</td>
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<tr>
<td>UK</td>
<td>£1,389</td>
<td>£13,893</td>
<td>£236,654</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Aviva / Lloyds Banking Group / ONS

* = Median/Typical

** = Mean / Mathematical Average
## Appendix

**Aviva Real Retirement Report: today’s UK’s retirees at a glance**

<table>
<thead>
<tr>
<th>DESCRIPTOR</th>
<th>All over 55s</th>
<th>Aged 55-64 Pre-retirees</th>
<th>Aged 65-74 The retiring</th>
<th>Aged 75 and over Long term retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>% surviving on under £750 per month</td>
<td>22%</td>
<td>22%</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>Savings and investments**</td>
<td>£13,892</td>
<td>£11,176</td>
<td>£15,595</td>
<td>£22,500</td>
</tr>
<tr>
<td>Zero savings</td>
<td>12%</td>
<td>15%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Savings of £2000 or less</td>
<td>23%</td>
<td>27%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td>Savings of £100,000 or more</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>% not saving monthly</td>
<td>41%</td>
<td>41%</td>
<td>43%</td>
<td>33%</td>
</tr>
<tr>
<td>Amount saved monthly**</td>
<td>£29</td>
<td>£28</td>
<td>£25</td>
<td>£40</td>
</tr>
<tr>
<td>% who are homeowners</td>
<td>80%</td>
<td>77%</td>
<td>82%</td>
<td>88%</td>
</tr>
<tr>
<td>% who own their home outright</td>
<td>60%</td>
<td>51%</td>
<td>71%</td>
<td>81%</td>
</tr>
<tr>
<td>% with a mortgage</td>
<td>19%</td>
<td>25%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Average mortgage (those with a mortgage)</td>
<td>£50,000</td>
<td>£51,000</td>
<td>£51,000</td>
<td>£31,000</td>
</tr>
<tr>
<td>Average house price</td>
<td>£237,000</td>
<td>£232,000</td>
<td>£241,000</td>
<td>£249,000</td>
</tr>
<tr>
<td>Average house equity*</td>
<td>£225,000</td>
<td>£216,000</td>
<td>£234,000</td>
<td>£247,000</td>
</tr>
<tr>
<td>Spending on food as % of all spending</td>
<td>27%</td>
<td>27%</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>Spending on housing as % of all spending</td>
<td>15%</td>
<td>17%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Spending on utilities as % of all spending</td>
<td>13%</td>
<td>12%</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>

* mean/true average  ** median/typical
Methodology
The Real Retirement Report was designed and produced by Wriglesworth Research. As part of this over 1,400 UK consumers aged over 55 and more than 1,200 under 55 were interviewed via an exhaustive online survey in April 2010. This data was used to form the basis of the Aviva Real Retirement Report.

Additional data sources include:
- Halifax House Price Indices
- Office of National Statistics – Retail Price Index
- Bank of England – Average Savings Accounts Statistics
- British Bankers Association

Technical Notes
- A median is described as the numeric value separating the higher half of a sample, a population, or a probability distribution, from the lower half. Thus for this report, the median is the person who is the utter middle of a sample.
- An average is a single value that is meant to typify a list of values. This is derived by adding all the values on a list together and then dividing by the number of items on said list. This can be skewed by particularly high or low values.

Press office contact:
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