



# Retirement living standards in the UK in 2023

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# 1 Introduction

*When you retire you still are hopefully fit and healthy for 10 or 15 years whereas years ago I mean you go 40-50 years ago, a guy would work down the pit, retire at 65, drop dead at 66.*

**Man, Nottingham, 2023**

*One of the things that we're all going to take away from this is that there's a minimum standard and that anything else once you get above a minimum standard ... you've got options, you decide what you're going to do with it.*

**Woman, Nottingham, 2023**

When the retirement living standards were first established and published in 2019, few would have anticipated the significant global shocks and events of the past four years. The Covid-19 pandemic, the political upheaval and uncertainty in the UK and globally, conflict in the Ukraine, the cost of living crisis, growing strains on the NHS, have all left their mark on society and on shared norms and expectations. Living standards in the UK have stagnated (OBR, 2023) and a growing proportion of pensioners have incomes that fall short of the level needed for a minimum socially acceptable standard of living, the income they need to live with dignity in the UK (see Padley and Stone, 2024). In this context, the retirement living standards have been 'rebased' in 2023 – that is, groups of members of the public have been tasked with agreeing afresh what is needed for a moderate, and a comfortable, standard of living in retirement in contemporary UK.

This report details what the public agree is needed for a minimum, moderate and comfortable retirement living standard in 2023. It begins by outlining the approach taken to establishing public consensus about what is required in order to reach each of the standards. It then goes on to highlight and describe the changes that have occurred in the standards since they were first set out in 2019, as well as exploring, in detail, what emerged through the many hours of discussions about both the moderate and the comfortable retirement living standards. The report ends by setting out the implications of this new research for the expenditure needed to reach a minimum, moderate or a comfortable standard of living in retirement.

## **What are the Retirement Living Standards?**

The Retirement Living Standards (RLS) set out three budgets for single and partnered retirees, detailing the expenditure needed to reach three different levels of living standard: minimum, moderate and comfortable. Each living standard specifies baskets of goods and services required by retirees **in London** and **in Urban UK outside London** in order to meet these levels. The RLS have been developed in order to help people understand how much money they will need to live the lifestyle they want in retirement.

The three different levels are described as:

*A **minimum** standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

*A **moderate** standard of living in retirement in the UK is about more than just meeting your basic needs. It means being able to access a range of opportunities and choices, having a sense of security and the option to do some of the things that you would like to do.*

*A **comfortable** standard of living in retirement in the UK is about more than just meeting your basic needs; it is about having a broad range of opportunities and choices, peace of mind and the flexibility to do a lot of the things that you would like to do.*

## **How are they arrived at?**

The minimum RLS is produced through ongoing research, funded by the Joseph Rowntree Foundation, on Minimum Income Standards (MIS).

The moderate and comfortable RLS are arrived at through a sequence of groups of members of the public, who have detailed discussions about the things a household would need in order to achieve a given living standard. Groups discuss all aspects of the budget, in terms of what goods and services would be needed, of what quality, how long they would last and where they would be bought. Groups usually comprise eight to ten people from a mixture of socio-economic backgrounds, both of retirement age and approaching retirement (over 50). Following the approach developed through MIS, RLS groups are aimed at developing a negotiated consensus among these socially mixed groups. The groups use a method of projection, where participants are asked not to think of their own needs and tastes but of those of hypothetical individuals (or 'case studies'). Participants are asked to imagine walking round the home of the individuals under discussion, to develop a picture of how they would live, in order to reach the living standards defined above.

## **What do they represent?**

The RLS represent the *expenditure* that individuals and couples would need in order to be able to retire at either a minimum, moderate or comfortable retirement living standard. The three levels represent three points on a continuum, with the minimum setting a line below which *we would not want anyone in society to fall*. Above this level, the moderate and comfortable act as a guide to picturing and planning for retirement.

## **Who produced them?**

The RLS are produced by the Centre for Research in Social Policy at Loughborough University, for the Pensions and Lifetime Savings Association.

## **How are they being used?**

The Retirement Living Standards are being used across the pensions industry in the UK, helping savers to understand what they'll need in retirement and how this compares to projected pensions income.

For more information visit <https://www.retirementlivingstandards.org.uk>

## 2 Revisiting Retirement Living Standards: the research process

- 135 participants took part in 14 discussion groups between January and May 2023
- These 14 groups were focused on rebasing the Retirement Living Standards, starting from scratch as in 2019: this included 11 groups with participants from across England, Wales, Scotland and Northern Ireland and 3 groups with participants from across Inner and Outer London, focusing on Retirement Living Standards in the capital.
- Groups were held in: Belfast, Bristol, Edinburgh, Liverpool, Manchester, Milton Keynes, Newcastle, Norwich, Nottingham, Sheffield and Swansea
- All groups included participants who were retired and non-retired individuals over the age of 50.
- In total, 54 hours of discussions were undertaken with groups of members of the public, reviewing what is needed for both a Moderate and a Comfortable Retirement Living Standard, in the UK and in London.

The initial Retirement Living Standards (RLS) research undertaken in 2018-19 (Padley and Shepherd, 2019) set out, for the first time, how much the public agree is needed for different standards of living in retirement in the UK. Building on the established Minimum Income Standard (MIS) approach (see Davis et al, 2022), the research - based on extensive discussion groups with members of the public – detailed the goods, services and activities that combine to describe a moderate and a comfortable standard of living in retirement, and crucially set out the expenditure needed to reach these different levels for single and partnered retirees.

The RLS capture shared public expectations about what retirement at a moderate and a comfortable standard could look like and establish the budget needed to live at this level, without being prescriptive about how such a budget might be used across the period of retirement. These detailed descriptions provide a starting point for individuals and couples to think about what they want in retirement, and their planning and saving to provide this.

These initial RLS were updated in 2020, based on changes in prices as captured through CPI for the year April 2019 to April 2020. In 2021, the standards were reviewed and updated (Padley and Shepherd, 2021a). The regular review and updating of the ‘baskets of goods and services’ which describe this publicly determined living standard *and* establish the expenditure needed to provide this, is a key element of both the MIS and RLS approaches. Explicit here is an acknowledgement that the world changes over time, that social norms and expectations about what represents and describes a given living standard are not fixed, but change as the world changes. Technological developments, shifts in public services, national and/or global ‘shocks’ can and do shape and affect shared views and expectations about living standards. Instead of relying on public descriptions of living standards from a *single, fixed point in time*, updated by inflation indices on an annual basis, it is therefore crucial to build in regular research with groups of members of the public. This helps to

capture the impact of social, economic, political and technological change, and the resulting RLS budgets therefore reflect the world as it is now, rather than as it was at a fixed point in the past.

The review of the moderate and comfortable RLS in 2021 involved groups of members of the public going through the baskets of goods, services and activities established in 2019, focused on two key questions: is what is needed for a moderate or comfortable standard of living in retirement in 2021 the same as in 2019? If not, what has changed and why? The review explicitly focused on changes outside of those relating to Covid-19 – separate research in 2021 explored the impact of Covid-19 on people’s thinking about and planning for retirement (Padley and Shepherd, 2021b). Some small changes in what the public agreed was needed at each level were introduced as a consequence of the review process. In 2022, these amended budgets for single and partnered retirees were once again updated, based on changes in prices captured through CPI in the year April 2021 to April 2022. The updates and review undertaken since 2019 represent one ‘cycle’ of the RLS updating sequence set out in Table 1.

**Table 1 RLS updating sequence 2019-2023**

Year 1 (2019) and Year 5 (2023)	Year 2 (2020)	Year 3 (2021)	Year 4 (2022)
RLS established (or ‘rebased’): research with groups of members of the public, detailing and describing living standards ‘from scratch’	Inflation uprating	RLS review: new research with groups of members of the public, reviewing living standards	Inflation uprating

Having completed a cycle, 2023 sees the first **rebase** of the RLS, with new research undertaken with groups of members of the public to detail what is needed for a moderate and a comfortable standard of living in retirement ‘from scratch’. In essence, this is repeating the research undertaken in 2019, informed by all of the preceding discussions with members of the public.

### Recruitment

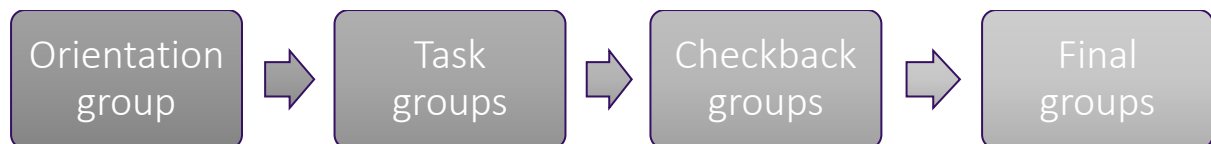
Participants were principally recruited face-to-face, and in general were living in or nearby the locations where groups were undertaken. In total, 135 people participated in the discussion groups, across eleven different locations in the UK (including groups in Northern Ireland, Scotland and Wales), as well as in London. As in the previous research in 2019 and 2021, groups were recruited to include participants from a range of socio-economic backgrounds. This is a critically important feature of the MIS and RLS approach. Recruiting participants from across different socio-economic backgrounds helps to ensure that the baskets of goods and services described by groups reflect and capture consensus across the population, rather than reflecting a specific set of experiences of the world. The RLS

research is not, for example, about participants from higher income groups discussing what people ‘like them’ need for a comfortable standard of living in retirement, but instead is people from across different income groups discussing and agreeing what is needed for this standard. The RLS groups also involved participants who were already retired *and* those aged 50+ who were not-yet-retired. This mix of participants helps to ensure that discussions are informed both by lived experience of being retired *and* by expectations about retirement by those not yet retired. Participants were also recruited to include a reasonable balance of gender and ethnicity.

## The research process

As discussed more fully in the initial RLS report (Padley and Shepherd, 2019), the MIS (and therefore, RLS) approach entails a series of groups who discuss and reach agreement about what is needed in order to be able to have a particular, defined living standard. The aim within this approach is to build consensus both within and across groups, so that the description of a given living standard does not rely on a single group, but is a product of many hours of deliberation and discussion by multiple participants, across a sequence of groups. What this means in practice is that the lists of goods and services put together in one group is fed-forward to the subsequent group who review, discuss and revise as necessary, with these decisions being taken to a further group who repeat this process. Figure 1 sets out the sequence of groups undertaken in this latest RLS research.

**Figure 1** The sequence of groups within the RLS approach



### ***The Orientation group***

This first group in the RLS rebase focused on reviewing the definitions of a moderate and comfortable retirement living standard, reviewing the ‘case studies’ that provide a basis for discussion in subsequent groups, and checking the assumptions about housing currently built into the RLS. The definitions of the different RLS (moderate and comfortable) were put together by groups in the original research in 2018-19 and were used as the basis for discussion and deliberation in the initial research and in all subsequent groups.

*A moderate standard of living in retirement in the UK is about more than just meeting your basic needs. It means being able to access a range of opportunities and choices, having a sense of security and the option to do some of the things that you would like to do.*

*A comfortable standard of living in retirement in the UK is about more than just meeting your basic needs; it is about having a broad range of opportunities and choices, peace of mind and the flexibility to do a lot of the things that you would like to do.*



The definitions were shared with the orientation group and participants were asked to reflect on these: do these remain reasonable and intelligible definitions of a moderate and a comfortable standard of living in retirement in 2023? Are the names of each standard appropriate? Is there anything you would change in either definition? Participants discussed these questions at length within the group, considering in particular whether the moderate 'label' was an appropriate and useful one. Initially participants noted that moderate was not as useful a descriptor as either minimum or comfortable: doing something in 'moderation' implied restraint or constraint of some kind, and more generally moderate was not a word that people would use to describe their living standards to others. The group suggested and considered 'acceptable' and 'reasonable' as labels for the moderate RLS, but after discussion agreed that labelling in this way could be taken to mean that the minimum RLS was *unacceptable* or *unreasonable*. One participant suggested 'reasonably comfortable' and 'very comfortable', but the group agreed that a single word label was preferable. Participants concluded that the labels for the RLS were never going to be perfect and that moderate and comfortable did communicate different levels of living standards.

### **Task groups**

The 'task' group phase of this rebase used the agreed retirement living standard definitions as the basis for detailed discussions about what is needed to reach these standards of living. In this stage of groups, participants are walked through an imagined 'home' of single and partnered pensioners, stopping within each room or space to discuss what is needed within each in order to provide the living standard under discussion; so, for example, what is needed in the living area for a moderate retirement living standard? What do partnered pensioners need to be able to do outside of their homes in order to have a comfortable standard of living in retirement? This stage of the research produces detailed lists – or baskets – of goods and services that combine to describe the living standard being discussed.

This stage of groups began with task groups for the comfortable retirement living standard. Groups took as their starting point the 'baskets' of goods and services constructed by participants in MIS research with single and partnered pensioners in 2022 (see Davis et al., 2022). Two groups – one made up of single people and one made up of partnered participants – considered the goods and services needed in order to reach a minimum standard of living, and discussed what needed to be changed in these baskets – if anything – in order to provide people with a comfortable standard of living in retirement in contemporary UK. What emerged from these groups is explored in the Chapter 3.

The task groups for the moderate retirement living standard took as their starting point the baskets of goods and services put together by groups at both the minimum and comfortable levels. As at the comfortable level, two groups (one made up of single people and one of partnered individuals) reviewed and reflected on what groups agreed was needed for a minimum and a comfortable standard of living in retirement, and discussed what was needed for a retirement living standard level between these two. For the most part, groups specified the same needs, and consequently the same goods and services, for single and partnered retirees. Any differences in what is needed by singles and couples are outlined in the next Chapter.

The baskets of goods and services produced through these task groups were taken forward to the next stage of groups – checkback groups.

### ***Checkback groups***

Checkback groups provide an opportunity for participants to review, amend and add to the detailed baskets of goods and services compiled at the task group stage. At both the comfortable and moderate retirement living standards, mixed groups of retired and non-retired participants – both single and partnered – scrutinised the goods and services described in the task group stage. These were either ‘validated’ by groups or participants made changes where there was a shared view that what had been described did not align with the way in which each retirement living standard is defined. These reviewed and agreed, publicly-determined definitions of a moderate and comfortable standard of living providing a consistent reference point against which the detailed baskets are judged, assessed and adjusted where, and if necessary, by groups. Participants in checkback groups often question why a good or service has been included and whether this is really needed in order to reach the living standard under discussion. Through this process, everything that ends up in the ‘checked’ basket has been carefully discussed and participants carefully consider whether a described good or service meets or exceeds an agreed and defined need. This process is critically important in arriving at a ‘final’ basket of goods and services that the public agree provides a particular retirement living standard.

### ***Final groups***

The final stage of groups task participants with reviewing and confirming the baskets of goods and services needed to reach a moderate and a comfortable retirement living standard in the UK today. As in the checkback stage, these groups bring together retired and non-retired participants, and provide an opportunity to review the baskets initially put together by task groups and subsequently reviewed by checkback groups. These final groups were asked to reflect on the detailed descriptions of what the previous groups agreed is needed for a comfortable and moderate retirement living standards *alongside each other*. This gave groups the chance to look at the goods and services participants agreed were needed for a comfortable living standard relative to those described at the moderate standard, and the opportunity for any ‘inconsistencies’ to be identified, discussed and revisions made if groups agreed this was necessary. Presenting the two different living standards to groups in parallel was valuable in ‘sense-checking’ the ‘progression’ from the minimum retirement living standard, through the moderate, to the comfortable retirement living standard.

### ***Establishing retirement living standards in London***

The finalised baskets of goods and services needed for a moderate and a comfortable retirement living standard agreed by groups in urban areas of the UK outside London, were taken to a series of three groups in London. Groups in London – comprising retired and non-retired participants – were tasked with reviewing the baskets put together by groups in urban areas outside London. This review process focused on two key questions: ‘are there different and/or additional needs that result from living in the capital?’ and ‘do these different and/or additional needs result in differences in the goods and services required at the moderate and comfortable retirement living standard?’. This review is required because, as ongoing research on minimum living standards has repeatedly highlighted,

there are differences in expectations, needs and costs within the capital, compared to other urban areas of the UK (see Padley et al. 2023, 2021, 2019; Padley 2020). The first review group worked through the moderate and comfortable baskets, identifying any areas where living in London results in differences. As in the research in urban UK, the decisions made at the first group stage were fed forward to a second group who reviewed and amended where required. A final group 'finalised' the baskets of goods and services needed for a moderate and a comfortable retirement living standard in London.

### 3 Retirement Living Standards in the UK in 2023

This chapter sets out in detail what groups of members of the public in 2023 agreed is needed for a moderate and a comfortable standard of living in retirement. As outlined in the previous chapter, this is the first time that the Retirement Living Standards have been ‘rebased’ since they were established in 2019. The discussions about what is needed were informed by the existing Minimum Income Standard, but focused on reaching consensus within and between groups about the goods, services and activities needed at each living standard *in the UK today*. This means that the Retirement Living Standards detailed and described in 2023 reflect contemporary expectations and norms about what retirement could look like at these three points on a continuum. The chapter does not exhaustively list or describe *everything* that has been included for a single or partnered retiree; rather the chapter gives an account of the ways in which the public described the moderate and the comfortable living standards, providing illustrations which demonstrate the differences between the three standards. The chapter also highlights where there have been significant changes in what was specified as required in 2019 and what is needed in 2023, particularly where these changes have had a substantial impact on the amount required to reach each standard.

The structure of the chapter mirrors the way in which the discussions within groups are generally structured, with participants being ‘walked through’ a home, carefully considering what is needed within each ‘budget’ area for a moderate or a comfortable standard of living in retirement (listed in the box below).

#### Box 1 Budget areas covered in discussion groups

Food and alcohol (including eating out)  
Household goods and services  
Clothing  
Holidays

Housing and related costs  
Personal goods and services  
Social and cultural participation  
Transport

## Food and drink

### **A minimum retirement living standard**

Food shop: Tesco, mainly Tesco brands

Alcohol: 4 cans of beer or 1 bottle of £5 wine per week, per person

Eating out and takeaway: *Couple*: £30 per couple once a month for takeaway, £50 per couple per month for eating out; *Single*: £15 a fortnight for takeaway, £25 a month for eating out

Celebration food and drink: £50 per household

### **A moderate retirement living standard**

Food shop: Tesco, 50% branded goods

Alcohol: 3 cans of beer e.g. Beavertown Neck Oil, £8 bottle of wine per week

Eating out and takeaway: £30 per person per week for eating out, £10 per person per week for takeaway. **PLUS** £100 per household per month to take others out for a meal

Celebration food and drink: £50 per household

### **A comfortable retirement living standard**

Food shop: Sainsburys, 75% branded goods

Alcohol: 3 cans of beer e.g. Punk IPA, £10 bottle of wine

Eating out and takeaway: *Couple*: £40 per person per week for eating out, £30 per couple per week for takeaway; *Single*: £40 a week for eating out, £20 a week for takeaway. **PLUS** £100 per household per month to take others out for a meal

Celebration food and drink: *Couple*: £250 per year; *Single*: £150 per year.

The starting point for putting together the weekly shopping basket of food and drink is discussions with groups in which they describe a ‘typical day’ in terms of the types of meals, snacks and drinks consumed. In this latest research, as in previous group deliberations in 2021 and 2019, groups agreed that the moderate and comfortable retirement living standard would mirror the pattern set out in MIS research – three meals a day, plus snacks and drinks, with an occasional alcoholic drink. Groups were clear that the ways in which people shop and the kinds of food people eat within the home, are no different now to previous years. At a minimum living standard, groups include a variety of sorts of food eaten, with some meals being made from scratch while others make use of more ‘convenience’ food (Davis et al, 2022). As in previous research, groups noted that there would be differences in the quality of food purchased at each living standard, but that the inclusion of convenience options – such as jars of sauce or pizza – would be similar at each level. Groups used the proportion of branded goods as a marker of difference: at the minimum, there are some branded goods, but most are Tesco brands; at the moderate, around half of the weekly shopping basket would be made up of branded goods; at the comfortable, where shopping would be done at Sainsburys rather than Tesco, three-quarters of the shopping basket would be branded. All groups agreed that individuals should be able to drink alcohol within the home, but as with food, distinguished between the quality of alcohol purchased at each level – at the minimum, the bottle of wine included is around £5, while at the comfortable groups included a £10 bottle.

There was a recognition within groups of the increasing cost of a weekly food shop, with a participant in Swansea noting that in recent months “food has gone through the roof”. This perception of increasing prices is supported by the change in the cost of a weekly basket: for example, the cost of the weekly shop at the moderate level for a single retiree has increased by 24% between 2022 and 2023; for a retired couple at the comfortable level, a weekly food shop has increased by 32%.

As at the minimum retirement living standard, groups considered an annual budget to cover the cost of additional food and drink for celebrations as something also needed at the moderate and comfortable living standard. At the minimum, £50 is included annually to meet this additional cost, an amount that groups considering the moderate retirement living standard agreed would enable households to contribute food and drink to a celebration rather than necessarily hosting these get-togethers. This is a reduction in the amount included at the moderate level over time – in both, 2019 and 2021, groups included £150 to meet this need. At the comfortable level, the amount included to cover the cost of additional food and drink for celebrations each year has also reduced since 2019. While groups agreed that at the comfortable level, households would be more likely to be hosting for example, Christmas or Boxing day gatherings, it was not seen as necessary that the full cost of this be borne by the hosts. As a consequence, groups included £250 for retired couples and £150 for single retirees to meet these costs each year, with couples seen to be more likely to host than single retirees.

Since the RLS were first established in 2018-19, the amounts included for eating out and takeaway have been a key marker of difference between the living standards described at the three levels: while the description of many household goods does not vary across the continuum between minimum, through moderate to a comfortable living standard, the level of resource included to enable households to eat out is a clear distinction. At the minimum, groups agree that eating out and takeaways should be included, but they are clear that this is something that is done relatively infrequently as a ‘treat’ or to mark a special occasion. At the moderate level, eating out and takeaway are an important element of accessing ‘a range of opportunities and choices’ and of having the ‘option to do some of the things that you would like to do’. At the comfortable level, eating out and takeaway are a key part of a living standard that builds in flexibility, a ‘broad range of opportunities and choices’ and a degree of financial freedom.

These activities remain an important marker of difference in 2023 and groups distinguished between what was seen as a very modest amount at the minimum, and more reasonable amounts at the moderate and comfortable levels. In general, groups noted that post-Covid the cost of eating out had increased: according to the Consumer Prices Index, the cost of eating out in restaurants and cafes has increased by 24.7% between October 2019 and October 2023, and by 8.6% over the past year. Table 2 below sets out how the amounts included for eating out and takeaway at each retirement living standard have changed over time.

In spite of the increased cost of eating out, it is clear that at both the minimum and the comfortable levels, the amounts included for eating out and takeaway have remained relatively stable over time. However, at the moderate retirement living standard, groups have gradually increased the overall budget for eating out from £75 per person per month in 2019 to around £170 per person, per month in 2023. This is still considerably less than the £260 per person, per month included to cover the cost of eating out at the comfortable level in 2023. At both levels above the minimum, groups were clear that eating out would be a weekly activity – rather than monthly as at the minimum – and that this was a crucially important element of picturing retirement at these living standards.

*When you retire, it's different because you have more time to do these things, so you spend more money on leisure and eating out when you're of a certain age.*

**Man, Swansea, 2023**

**Table 2 Changes in eating out and takeaway amounts 2019 to 2023**

		<b>2019</b>	<b>2021</b>	<b>2023</b>
Minimum	Single	£15 a fortnight for eating out; £10 a month for takeaway	£15 a fortnight for eating out; £10 a month for takeaway	£12.50 a fortnight for eating out; £15 a fortnight for takeaway
	Partnered	£15 per person, per month for eating out; £15 per couple, once a month for takeaway	£15 per person, per month for eating out; £15 per couple, once a month for takeaway	£25 per person, per month for eating out; £15 per person, per fortnight for takeaway
Moderate	Single	£75 a month for eating out and takeaway	£100 a month for eating out and takeaway	£130 a month for eating out; £10 a week for takeaway
	Partnered	£75 per person, per months for eating out and takeaway	£100 per person, per month for eating out and takeaway	£130 per person, per month for eating out; £10 per person, per week for takeaway.
Comfortable	Single	£50 a week for eating out and takeaway	£50 a week for eating out and takeaway	£60 a week for eating out and takeaway
	Partnered	£50 per person, per week for eating out and takeaway	£50 per person, per week for eating out and takeaway	£55 per person, per week for eating out and takeaway



For the first time in 2023, groups considering a moderate retirement living standard included £100 a month to take family or friends out to eat. This echoes the inclusion of this amount at the comfortable level to fulfil the same purpose. Groups emphasised the growing importance of this kind of financial support in the context of the sustained and substantial pressures on the incomes of working-age households and the value of being able to step-in and cover the cost of this element of social participation for family members and friends. Sometimes this is about taking people out to eat, but the same resource could also be used to have people round to eat.

*Man: ... you get enjoyment out of it and maybe the kids can't afford to pay.*

*Woman 1: You get a tremendous amount of joy you know feeding your grandchildren, the love which goes with it*

*Woman 2: I don't think it's just so much taking people out, but it is having people to the house to cook for them which you are spending quite a lot of money to then invite people round to you know feed five or six people which I would probably do once a month.*

**Bristol, 2023**

## Housing and related costs

### **A minimum retirement living standard**

Contents insurance only

£100 per year to maintain property and for minor repairs

### **A moderate retirement living standard**

Building and contents insurance: £80K cover for contents, accidental damage, emergency cover, replacement locks, and £2k personal possessions cover

Boiler and annual boiler servicing cover

£500 a year (labour and materials) for decorating and maintenance

Pre-paid Funeral plan: Co-Op Silver cremation plan

### **A comfortable retirement living standard**

Building and contents insurance: £80K cover for contents, accidental damage, emergency cover, replacement locks, and £2k personal possessions cover

Boiler and annual boiler servicing cover

£600 a year (labour and materials) for decorating and maintenance

Pre-paid Funeral plan: Co-Op Silver cremation plan

Throughout the research, within each group, housing and the assumptions around this that are included in the moderate and comfortable retirement living standards, were discussed with groups. As in the previous research, groups agreed that it was a reasonable expectation that at a living standard above the minimum, at the point of retirement, people would not have ongoing housing costs such as rent or mortgage. However, groups were also clear that this was not an expectation that would necessarily remain in the future, and there was a shared view that over time an increasing proportion of people at both a moderate and comfortable level would face these ongoing housing costs.

- Woman 1: I was just thinking there is a trend towards renting now so it is questionable whether they would [own] actually, it could be either or ...*
- Man 1: I think that it is probably reasonable now that they would own it but in ten years' time perhaps they would be more likely to rent?*
- Man 2: I think it is more the norm now. I mean I, I am a pensioner but I pay rent and I am going to pay rent for ever more.*
- Woman 2: Yes so do I.*
- Man 3: I would imagine if you're paying rent when you retire you're not likely to stop paying rent.*

**Nottingham, 2023**

Having to meet the cost of mortgage or rent throughout retirement – or even just for the first few years of retirement – could substantially add to what is needed to reach both a moderate and a comfortable standard of living. Renting through retirement would also have an impact on the 'sense of security' and 'peace of mind' so central to the moderate and comfortable retirement living standards respectively.

The increased levels of uncertainty around housing and housing costs can be further exacerbated by relationship breakdown. There was a clear view across groups that divorce or long-term relationships ending can have direct consequences for housing costs. This could mean having to start again on the housing ladder, taking on a mortgage later in life, it could impact on and contribute to wealth inequalities, or could mean that home ownership ceases to be a viable and realistic option for many.

- Woman: Lifestyles nowadays, people like myself got divorced a couple of times, ended up on my own and I have got ... I live in rented. But I have had houses and owned them in the past, but because of circumstances and stuff I don't.*
- Man: ... like this lady, I used to own property when I was married but I am not married anymore and I own nothing.*

**Nottingham, 2023**

Although the housing assumptions underpinning the retirement living standards have not changed since the first research in 2018-19, it is clear that there are a range of factors that can and do effect home ownership, and that over time, economic and social change feeds through into shared expectations around housing.

As in previous research, groups agreed that adequate insurance was important at both the moderate and comfortable living standards. In particular, this includes cover for the cost of repairs to and/or replacement of all elements of the heating system within a home.

### **Funerals**

Ensuring that the cost of your funeral is adequately covered continues to be a key concern at the moderate and comfortable level. This is in the context of rising funeral costs. Sunlife, in their *Cost of Dying* report (Sunlife, 2024) note that the average cost of a basic funeral in

2023 was just over £4,000, up around 5% on the previous year. They also highlight the impact that covering the cost of a funeral can have on meeting other essential costs, and in particular what this can mean for those who are 'left behind'. The principle that the 'cost of death' should not be left to families continues to be an important one, with considerable discussion of funerals and funeral costs across all groups.

- Man:* So it is making sure you have got enough money.
- Woman 1:* I think if I was going to do it, it would simply be to save my children from having to think about it.
- Woman 2:* I think I just wouldn't want my... any of my family, not just my children but anybody to have to think about all of that.
- Woman 3:* It is like leaving your financial burden on someone else, you don't want to leave it on your children.

**Edinburgh, 2023**

- Man:* I think it is important to have funeral cover because erm to make sure the children aren't worrying about it and people like that you know.
- Woman:* It is so expensive isn't it? And it is an extra concern you know when you have died, and they are already ... you know that they have to then stump up the money for your funeral.

**Milton Keynes, 2023**

- Man 1:* You could die with a million pound but have your family got access to that million pound to bury you? Probably not because it has got to go through probate and solicitors so they might not have the £3K, £4K, £5K to bury you next week or in a fortnights time.
- Man 2:* Yes but you need five grand tomorrow to pay for the funeral. Where are your kids going to get the funds?
- Man 3:* Well it has just made me think because I haven't got anything in place, but I think I will do. Seriously because you know if someone has got to do it there and then, where are they getting...?
- Woman:* That is why I did it, I didn't want them left with the problem of knowing what I would want and not want, and I thought well if it is all paid for, it is much easier for my family you know?

**Bristol, 2023**

Across groups there was a shared view that at a moderate and a comfortable living standard, funerals should not be a financial burden to others, and the cost should be fully covered by a pre-paid funeral plan. As previously, groups agreed that this cost should remain in the basket of goods and services, representing a resource that could be used flexibly.

## Household goods and services

### **A minimum retirement living standard**

No gardening or cleaning services

### **A moderate retirement living standard**

No gardening or cleaning services

### **A comfortable retirement living standard**

Gardener: 2 days per year (half a day per season to help with heavier jobs), plus lawn cutting every week for 6 months of the year

Cleaner: 2 days per year to allow for help with spring/deep clean or to clean carpets

Window cleaner: to clean outside windows every 4 weeks

Within all three retirement living standards, the category of household goods and services includes a substantial number of items that groups agree are needed in the home. As in 2019 and 2021, the household items included across all three standards – such as towels, doormats, cutlery and crockery – remain broadly similar, but there continue to be some differences in the quality of goods across the three standards. However, in the context of a real squeeze on household incomes, and substantial increases in the cost of living, there was an acknowledgement and greater awareness within groups of the cost of many of these items and of the need to ensure people are getting value for money.

*Choices like picture frames and things, you have got a choice to go out and buy I don't know maybe a £20 picture frame where this day and age people are being more thrifty and they want go to a charity shop and pick up a picture frame for a fiver. I think people are thinking about what they are spending.*

**Woman, Sheffield, 2023**

One consequence of this is the reduction in what groups agreed was needed in this spending category at the comfortable level: groups agreed that for many **everyday items** – such as the contents of kitchen cupboards – there was no reason why what was included at the minimum and moderate would not also suffice at the comfortable. For example, where previously groups specified the need for a substantially more expensive iron at the comfortable level than at the moderate and minimum, in 2023 groups agree that the same iron meets the need at all retirement living standards.

However, for other items within this category there was variation in the quality of goods and the retailers agreed by groups. This is particularly the case for larger furniture items such as sofas and chairs or beds, and larger appliances. At the minimum, the sofas are reasonably inexpensive fabric ones from DFS; at the moderate, the sofas are still from DFS, but are priced higher up the range; at the comfortable, groups specified leather sofas from nearer the top of the range at DFS. For larger appliances, the minimum and moderate are very similar – groups agreed, for example, that it was not necessary to include a different, more expensive fridge freezer at the moderate standard; at the comfortable standard however, groups specified the cheapest A rated fridge freezer, resulting in a more expensive appliance being included in the basket.

As well as differences in quality, the moderate and comfortable standards do also include some additional items in this budget area, compared to the minimum. For example, at both the moderate and comfortable retirement living standards, groups included a tumble dryer, dishwasher and air fryer; these items are not included in a pensioner budget at the minimum level.

## Personal goods and services

### **A minimum retirement living standard**

Female hairdressing: £40 for a cut and blow dry every 6 weeks

Male hairdressing: £8 a month

£50 per person, per year for perfume/aftershave

### **A moderate retirement living standard**

Female hairdressing: £100 every 6 weeks for cut and colour

Male hairdressing: £10 a month

Female: £50 every 6 weeks a for beauty treatments

Male: £25 every 6 weeks for treatments

£100 per person, per year for perfume/aftershave

### **A comfortable retirement living standard**

Female hairdressing: £100 every 6 weeks for cut and colour

Male hairdressing: £10 a month

Female: £60 every 6 weeks for beauty treatments

Male: £50 every 6 weeks for treatments

£160 per person, per year for perfume/aftershave

Groups were clear that, in 2023, there was no reason why what was needed at each retirement living standard for dentistry, optometry and podiatry should be any different. This means that for dentistry, each of the living standards includes the cost of a check-up every six months and one treatment per year, such as a filling, as well as including the cost of replacing dentures every five years. Each standard also includes around £200 for replacement glasses every two years, if these are needed, and £30 to visit the podiatrist every two months. In London, groups agreed that the cost of podiatry was greater than in urban areas outside London, and so included £45 to cover this cost every two months.

The continued difficulty of accessing an NHS dentist was noted within some groups, although this was not a universal experience across the UK. This did not result in the cost of private dentistry being included, as this was considered an individual choice rather than a need. However, within groups this often led on to a discussion of whether or not the cost of private healthcare should be included at the moderate or comfortable standard. While this has been discussed previously in this research, it was far more prominent in discussions in 2023. The ultimate conclusion of these deliberations was agreement that the current publicly provided, free-at-the-point-of-need healthcare was still sufficient to meet needs

across retirement living standards. But concerns about the capacity of the NHS and the waiting times for treatment were very apparent in groups.

- Man 1: Nowadays you have to have loads of money for private health care.*  
*Researcher: So far no one has included private health care at any of these levels.*  
*No groups have said ...*  
*Man 2: But you have to. You can't rely on the state nowadays.*  
*Woman 1: Some people have to.*  
*Researcher: None of the groups have included it so far.*  
*Woman 2: Well you do need private health care.*  
*Man 2: No I am saying you need erm a policy but you need to be able to have money available in case you need to because you can't rely on the NHS well unless you want to wait in pain for ten years or something.*  
*Researcher: What do other people think?*  
*Man 3: And I would have thought that definitely needs to be.*  
*Man 4: Yes definitely.*  
*Woman 3: I think [name] has got a point yes.*  
*Man 4: It might not be private health, but they might have to pay up front for...*  
*Man 2: Yes that is what I mean, you have to do that.*  
*Man 4: About £3000 or £4000 or whatever.*

**Edinburgh, 2023**

- Woman: I think especially with the way we are now and the NHS and everything, if I was in a comfortable position I would definitely have private health care, if I could afford it.*  
*Man: I think... I don't think anyone should need private health care. I am not saying that people don't need it, but we shouldn't need it and it is a very emotive subject that you know for me ... I just think it is a very emotive that, I don't think anyone, no matter what your financial circumstances, should need private health care. Some people will take it if they can afford it, I don't think anyone at all should need it.*

**Liverpool, 2023**

Hairdressing is a cost that, according to groups, has increased substantially over recent years – this is particularly the case for the cost of women's hairdressing. Consequently, over time the amount included at each of the retirement living standards to meet this need has increased. In 2019, the minimum standard included £15 every 6 weeks for women; in 2023 this had increased to £40 every 6 weeks. Increases have also been apparent at the moderate and comfortable levels, and groups were clear in 2023 that being able to 'treat yourself' to a good haircut was a need at each of these levels for women. As a result, groups agreed that the same amount should be included for women at the moderate and comfortable levels to meet this need. In London, the budget for women's hairdressing increased to £150 at the comfortable level to reflect the perception of higher costs in the capital; the budget for hairdressing for men also increased from £10 to £20 a month at the comfortable level in London.

For the first time, groups included a budget for treatments for men at both the moderate and comfortable level, echoing the budget included for beauty treatments for women at each of these standards. Groups noted that there had been a shift in social norms and expectations and that, as one participant put it, ‘they like it all these men nowadays, they are all grooming themselves aren’t they?’. While the budget included for women was explicitly included to cover the cost of beauty treatments, such as manicures and eyebrow threading, groups said that the budget for men could cover the cost of ‘grooming’ such as a shave at the barber or a facial massage, as well as, for example, occasional physiotherapy appointments or sports massages. In general, groups talked about retirement now being a far more active period and as a consequence there should be a budget to cover these sorts of treatments.

## Clothing and footwear

### **A minimum retirement living standard**

Female: Around £640 a year

Male: Around £360 a year

### **A moderate retirement living standard**

Female: £1000 for clothing per year, £500 for footwear per year

Male: £500 for clothing and £500 for footwear each year

### **A comfortable retirement living standard**

Female: £1000 for clothing per year, £500 for footwear per year

Male: £500 for clothing and £500 for footwear each year

Previous retirement living standard research has established a principle for discussing clothing needs in retirement, based on the reality that ‘no one arrives at retirement naked’. Working from this principle, groups agreed that it was more meaningful to include an annual budget to cover the cost of replacing and updating clothing and footwear, rather than detailing what clothing was needed and how frequently this would be replaced. It was noted that clothing and footwear were not just functional; that they played a key role in well-being and self-confidence, enabling people to participate in the world around them.

*Man 2: But also I think clothing it plays a greater role, it is how people see themselves and you know like some people if they wear the same things and they just wear them out you know and they are not looking after themselves and it makes them go in to that cycle of not you know not caring as much about themselves and that is a basic thing that people really need to do for themselves so you would... you might choose to spend a bit more on the clothing because it would make you feel better ... So I think like that is a bit more essential for mental health.*

**Liverpool, 2023**

There was a clear perception across groups discussing the moderate retirement living standard in particular, that clothing and footwear has increased in price over time, and that

increasingly fashion is 'throwaway' – that is, bought relatively cheap and replaced frequently. As a consequence, groups agreed that there needed to be more included at this level to meet this need than previously, and increased the budgets for clothing and footwear at the moderate to match that included at the comfortable living standard. It was acknowledged, as with many items included in a moderate and comfortable 'basket', that some years would bring with them a more substantial outlay on clothing and footwear, but over time the amount included would enable people to renew and refresh.

*Man 1: I think the two figures being the same is about right for me because you still want to buy clothes, but you might only want to buy them for special occasions. They seem about right to me but...*

*Woman: But it depends on lifestyle as well, if you're very active and in to going out and walking and a very active kind of pensioner then you're going to spend more.*

**Liverpool, 2023**

*We live in a throwaway society as far as clothes is concerned anyway compared to what they used to where people don't stand and iron for hours they just wash it and wear it again and then they throw it away and buy new.*

**Woman, Swansea, 2023**

Just as the budget included at the moderate retirement living standard has increased since 2019, the amount included to meet this need at a minimum has also increased substantially. In 2019, the minimum clothing and footwear budget for women was £350 a year; in 2023 the minimum was £640. Over the same period, the men's clothing and footwear minimum budget increased from £230 to £360 a year.



## Social and cultural participation

### **A minimum retirement living standard**

Weekly leisure activities: £20 per person per week for two activities

Mobile phone: Entry level smartphone (3GB data, unlimited minutes and texts), £10 a month per person, 24 month contract

Smart TV and basic broadband, plus a smart speaker and £6.99 a month for a streaming service

### **A moderate retirement living standard**

Weekly leisure activities: £40 per person per week for two or three weekly activities

Mobile phone: Entry level smartphone (6GB, unlimited minutes and texts) £13 a month per person, 24 month contract

£28 monthly broadband subscription, plus two smart speakers and £16 a month for a streaming service/s

### **A comfortable retirement living standard**

Weekly leisure activities: £50 per person per week for up to three weekly activities

Mobile phone: Samsung Galaxy smartphone (3GB data, unlimited calls and unlimited texts), £29.99 a month per person, 24 month contract

£78 monthly TV and broadband subscription, plus three smart speakers and a £8.99 a month for a streaming service

£10.99 a month for music streaming subscription

Across all of the group discussions in 2023, there was a reiteration of the importance of being able to participate in activities and socialise outside the home. The post-Covid need for a return to 'normality' in terms of 'doing things' with others and outside of the home has persisted – there was a general view across groups that 'doing things' was more important than 'having things' in retirement, reflected in the fact that many everyday household items included in the detailed baskets are the same at each living standard in 2023, and in the increase in the budgets included for eating out and takeaway this year. Groups spoke of having more time to take part in activities while continuing to emphasise the benefit of shared social activities for mental health and well-being.

*Man: I think in retirement you would need more of this stuff than when you're actually working and got kids. So you probably pay more as you get older than what you would as your... you know you're younger raising a family.*

*Woman: Yes it is really important for mental health and everything as well isn't it? So you know even day classes or evening classes are everything. You don't get much... I don't think you get much less if you're retired.*

**Belfast, 2023**

The budgets included for social activities at a moderate and a comfortable retirement living standard were seen as a flexible resource that would enable people to do two or three activities each week, either individually or as a couple, but which could also be 'rolled-over' to cover the cost of more expensive, less frequent activities. The amounts included have not changed very much over time. In 2023, groups included £40 per person, per week, at the moderate living standard, compared to £35 in 2019; and the comfortable, groups included £50 per person each week, the same as in 2019.

In the home, all groups agreed that a TV was required at each living standard – this enables people to feel part of the world, and also to stay informed. At the minimum the television specified is a 43-inch smart TV, while at the moderate retirement living standard and at the comfortable level, groups included a 50-inch smart TV, although this is a higher specification model at the comfortable level. One of the most important reasons for regularly revisiting the detailed descriptions of living standards is to capture and reflect changing expectations and norms around technology, and the use of and need for this within the home. In the initial retirement living standards research in 2018-19, streaming was only included at the comfortable level; in 2021 a one-screen monthly subscription to Netflix was included at both a minimum and moderate living standard (see Davis et al., 2020). Groups were clear then that access to a streaming service was key in helping individuals to feel included and to participate in the world around them.

*I was going to say it is for your mental health well-being as well, socially included because if you're not able to watch Netflix you know a small series like that, I just feel that is you socially excluded as well.*

**Woman, Edinburgh, 2023**

In 2023, access to streaming services was included at all levels, but access to content via the TV was distinct at the minimum, moderate and comfortable living standards. At the minimum, the streaming subscription included is the most basic package, and this is used alongside the smart TV for entertainment. At the moderate, groups included a budget sufficient to cover two streaming subscriptions, but unlike in previous research, groups agreed that a TV subscription – such as Virgin, Sky or BT – was not needed – the streaming services and smart TV meet the need for entertainment within the home. At the comfortable, groups included a TV package, a streaming subscription and a music streaming subscription.

Smart speakers are included at each retirement living standard. This is an item that was included at the minimum living standard for the first time in 2022, and groups agreed that this is something that would also be needed at a moderate and comfortable standard. Groups were clear about the benefits of a smart speaker.

*It works as a timer, a radio, information, phone. A clock. There is so many uses you can get out of Alexa speaker and that is... you can do your shopping on it, everything.*

**Man, Bristol, 2023**

However, groups also highlighted their value in being able to stay in contact with, and 'keep an eye on', family.

*Woman: With the Amazon Echo though there is a drop in feature. Like my dad ... he's not in great health, he's got one and I can drop in from mine to see if he's OK so they are a good feature.*

*Researcher: So you can talk to each other?*

*Woman: Yes he can answer back. So a couple of months ago he did fall and had we set that up in time he would have been able to call one of us because he couldn't reach his mobile phone. You can ask Alexa to phone so they are a good feature on that so they're well worth the money to be honest.*

**Swansea, 2023**

There is one smart speaker included at the minimum retirement living standard; groups included two at the moderate and three at the comfortable level.

## Holidays

### **A minimum retirement living standard**

Summer holiday: 1 week off peak UK coach package holiday, including half board accommodation, some outings and entertainment, PLUS £100 per person spending money

### **A moderate retirement living standard**

Summer holiday: 14 days in Mediterranean June or Sept, all inclusive, 3\*  
Weekend trip: 3 night city break, B&B accommodation off peak, e.g. in spring/autumn travelling by car to Bath, PLUS £300 spending money

### **A comfortable retirement living standard**

Summer holiday: 14 days in the Mediterranean (i.e. Italy, Spain, Greece) June or September (outside school holidays) 3\* or 4\* half board, PLUS £100 per person, per day spending money (excluding travelling days)  
Three weekend trips: 3 night city breaks, B&B accommodation off peak, travelling by car, PLUS £400 spending money each trip

In all previous and current research on minimum, moderate and comfortable living standards in retirement, groups have agreed that everyone should be able to take an annual holiday, but acknowledge that expectations and norms would be different at each standard. The minimum includes a one week, coach holiday in the UK, as groups agreed that this met the need 'to get away' as a minimum. Above this level, groups agreed it was reasonable to expect – and therefore include a budget for – a holiday abroad each year. However, at the comfortable standard, there is no longer an expectation of two foreign holidays each year, with the 'winter sun' being seen as a 'nice to have', and the need to 'get away' being met through three UK weekend city breaks each year. In reality, this budget could be used flexibly to meet a range of preferences.

## Transport

### **A minimum retirement living standard**

Bus: Free bus pass

Rail: £100 per person per year, **PLUS** £70 for three year senior railcard

Taxi: *Couple*: £15 per week, per couple; *Single*: £10 per week

### **A moderate retirement living standard**

Rail: £100 per person per year, **PLUS** £70 for three year senior railcard

Car: 3 year old Ford Fiesta, replaced every 7 years

Taxi: £20 per household, per month

### **A comfortable retirement living standard**

Rail: £200 per year per person, **PLUS** £70 for three year senior railcard

Car: 3 year old Ford Fiesta, replaced every 5 years

Taxi: £20 a month per household

At the minimum retirement living standard, groups agree that the majority of travel needs can be met through public transport, making use of the free bus pass, and since the research on minimum living standards began, a car has never been included as a requirement at this level. Throughout the retirement living standards research, groups *have* included a car at both the moderate and comfortable living standards as both a need and a reasonable expectation. In 2019, the moderate standard included a three-year old Ford Focus, replaced every 10 years, while the comfortable living standards included a five year old mid-range SUV, such as a Nissan Qashqai, replaced every 5 years, with an additional older second car for a couple at this level. In 2023, the description of the car needed at each living standard represents a change from the original research. Groups included one smaller car in the latest research, and specified the same size and make of car at the moderate and comfortable living standard. In considering the need for a car and what this would be used for in retirement, there was some discussion about the usefulness of having a 'higher' car as this was easier to get into and out of, but the ultimate decision across groups was that this was the 'nice to have'.

*I think most people tend to drop to a smaller car as they get older. Because obviously you haven't got all of the kids and things going out...*

**Woman, Milton Keynes, 2023**

*If it was just them two, I would say a fiesta because if you're not intending to go out much, if you have got a bus pass and you can use that, you wouldn't be driving about many places...*

**Woman, Manchester, 2023**

Groups also noted that the cost of used cars and insurance had increased in recent years, with the average cost of car insurance now nearing £1000 a year (Brignall, 2024). In this context, smaller and cheaper cars were seen as meeting this need.

Man 1: *I think people are keeping cars a lot longer now.*  
 Woman: *Yes.*  
 Researcher: *Why is that?*  
 Man 2: *Financial reasons.*  
 Man 1: *Even second-hand cars now are holding their price so replacing a seven-year-old car now is a lot more expensive than it would have been you know five years ago.*

**Nottingham, 2023**

A budget for taxis was included at each of the living standards. At the minimum, groups have included £10 per week for single retirees and £15 a week for a retired couple. This would enable them to, for example, travel to an early hospital appointment, where bus passes may not be valid until after 9:30am. At the moderate and comfortable living standards, groups acknowledged that the car would meet the majority of their transport needs, but that there would be occasions when it was more practical to use a taxi. However, the amount included at these living standards is less than that included at the minimum.

Woman: *It will be to do with where they are going and the parking arrangements and all of that, sometimes it is just easier to get a taxi. Get your shopping, go back home rather than pay for parking, find the parking, you know so it is practical, it is more practical.*  
 Man: *It is for social evening as well, you're not going to use your car because if you're going to have a drink, and you would use a taxi then.*

**Liverpool, 2023**

In London, groups noted that people were increasingly likely to face additional costs associated with motoring, such as the Ultra-Low Emission Zone and congestion charges. In recognition of this, groups increased the amount included each month for taxis to £40 per household – it was agreed that this would meet the cost of taxis and any other motoring-related charges.

## Helping Others

### **A minimum retirement living standard**

Charity donations: £50 per person, per year

### **A moderate retirement living standard**

Charity donations: £200 per household, per year

Help for family and friends: £1000 per household, per year

### **A comfortable retirement living standard**

Charity donations: £200 per household, per year

Help for family and friends: £1000 per household, per year

The retirement living standards have been ‘rebased’ – or put together ‘from scratch’ again – in 2023 against a backdrop of significant challenges to living standards and incomes: in a recent *Economic and Fiscal Outlook*, the Office for Budget Responsibility noted that ‘[l]iving

standards, as measured by real household disposable income (RHDI) per person, are forecast to be 3.5 per cent lower in 2024/25 than their pre-pandemic level' representing 'the largest reduction in real living standards since ONS records began in the 1950s' (p 8). It seems likely that the full impact of this living standards 'shock' on expectations around retirement is yet to be seen, and future iterations of this research offer an opportunity to track the impact on norms and expectations over the coming years. What is clear from this latest research is that the cost of living pressures have had an impact on the level of support that people retiring at a moderate level think they should be able to offer to family and friends. This is particularly in relation to younger family members, facing pressures on their incomes from increased costs. It was seen as being crucial that as a retired individual or couple, you should be able to offer financial help and support to others.

- Woman:* Yes I would be devastated if I couldn't help my daughter out with my grandchildren, I get pleasure from it. I would do without some of the other things to be able to do that.
- Man:* I think the way that erm life is going as well that I certainly expect my children to need more help and if they had children, those grandchildren and whatever erm things are going up all the time and there is different things that.. activities that they want to do, maybe things that aren't around now but become so in the future and they get left out if you don't get that help to do them.

**Liverpool, 2023**

- Man 1:* I think it is more likely that the less that you have yourself so being the difference between moderate and comfortable would mean you appreciate erm helping people, how you would feel if you needed the help. I think it is more likely if you were on the moderate that you would be given more.
- Man 2:* More need for it yes.
- Man 1:* You're more aware of what people need and you're more likely to give what little you've got...
- Woman 1:* Probably been there yourself at some point and someone has helped you.
- Woman 2:* More than just...
- Man 1:* Like being there you know, I have been there so I know what it is like so I will try and help. I think you're more likely, the harder times you have had in the past, the more likely you are to give what little you've got.
- Woman 2:* You know how you feel yourself when you get treated it is lovely isn't it? You know so it is a nice thing to do.

**Liverpool, 2023**

Groups discussed the level of resource needed to support families at comfortable and moderate levels, and agreed that this should be the same at each standard. There was a clear view in comfortable groups that the budget to help others would be 'at least' £1000 each year, that setting it at this level 'should be enough' and would provide sufficient resource to support family with, for example, swimming lessons, school uniform, the weekly

food shop and so on. At the moderate level, there was a very strong view that the resource included for helping others should be the same as at the comfortable standard. There was a clear expectation in these groups that this support and help was more needed, possibly because of and informed by one's own financial experiences earlier in life.

*Man 1: I think. I think £1000 ...*

*Man 2: Especially nowadays yes because... a lot of young'uns can't afford to buy their houses, they are struggling.*

*Researcher: So is it more important now?*

*Man 3: I think it is yes, I think it is more important now, I mean I have got 3 kids who are all grown up and the two oldest girls have got children, I mean they are lucky because they are graduates, but my oldest daughter I still go out and buy her food. I buy her food most weeks you know... help her with her shopping so that she doesn't have, she can afford to spend that money on the kids.*

*Woman 1: I have got three and... two are in better jobs, but my middle one she needs that little bit more help financially, so yes I do her food shop sometimes, I will help her with some bills.*

*Man 2: We all do don't we.*

*Woman 2: They are your kids, and they never stop being your kids.*

*Man 2: Sometimes fuel for the car.*

**Sheffield, 2023**

## **4 The cost of Retirement Living Standards in 2023**

The previous chapter outlines what the public agree is needed for a moderate and a comfortable standard of living in retirement in 2023, highlighting areas of the basket of goods and services which have seen changes since this research first established the standards in 2018-19. Changes in the composition of the moderate and comfortable baskets arising from the latest research with groups of members of the public have had an impact on the amount both single and partnered retirees need to spend in order to reach each of the retirement living standards.

### **The minimum retirement living standard**

While the moderate and comfortable retirement living standard have been updated through new research, the minimum retirement living standard is established through the ongoing Minimum Income Standard (MIS) research and follows a different cycle of updating. In 2023, the MIS budgets for single and partnered retirees were updated, for the most part, based on price changes captured through the Consumer Prices Index (CPI). Domestic fuel costs were recalculated for 2023, rather than using CPI to update these categories (see Padley and Stone, 2023). The Minimum Income Standard for pensioners is being rebased in 2024, and therefore the minimum retirement living standard for 2024 will be based on a 'new' basket of goods and services.

### **Retirement living standards in 2023**

The amount single and partnered retirees would need to spend to reach the retirement living standards has increased substantially in 2023. In the year to April 2023, CPI rose by 8.7%, but as Table 2 below shows, with the exception of retired couples at the comfortable RLS, the minimum, moderate and comfortable RLS increased by substantially more than the headline CPI rate between April 2022 and April 2023. Between 2021 and 2022, the sizeable increase in the expenditure needed to reach the RLS was largely driven by increases in the price of particular goods and services at the moderate and comfortable level, and by a combination of price inflation and changes in the composition of the budget at a minimum level (Padley, 2023). Between 2022 and 2023, the increase in expenditure needed to reach each RLS is driven both by changes in the composition of the baskets of goods and services, and by substantial increases in some areas of cost. Table 3 sets out the annual increase in expenditure needed to reach each of the three levels, in pounds per week.



**Table 2 Annual % increase in retirement living standards**

Annual % increase					
<b>Single retiree</b>	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	<b>2019 to 2023</b>
Minimum RLS	2.4%	1.0%	17.8%	12.7%	<b>37.2%</b>
Moderate RLS	1.1%	3.7%	12.0%	34.3%	<b>57.7%</b>
Comfortable RLS	1.9%	1.9%	11.2%	15.5%	<b>33.5%</b>
<b>Retired couple</b>					
Minimum RLS	2.5%	1.0%	19.0%	12.3%	<b>38.3%</b>
Moderate RLS	1.2%	3.8%	10.9%	26.7%	<b>47.6%</b>
Comfortable RLS	2.1%	2.1%	9.6%	8.2%	<b>23.7%</b>

**Table 3 Increase in retirement living standards (£ per week)**

Increase (£ per week)					
<b>Single retiree</b>	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	<b>2019 to 2023</b>
Minimum RLS	£4.76	£2.08	£37.03	£31.04	<b>£74.91</b>
Moderate RLS	£4.06	£14.27	£48.05	£153.60	<b>£219.98</b>
Comfortable RLS	£12.06	£12.09	£72.11	£110.90	<b>£207.16</b>
<b>Retired couple</b>					
Minimum RLS	£7.76	£3.21	£61.04	£46.79	<b>£118.80</b>
Moderate RLS	£6.63	£21.43	£64.28	£174.23	<b>£266.57</b>
Comfortable RLS	£19.34	£19.37	£91.81	£85.78	<b>£216.30</b>

In 2023, the moderate RLS has increased most, by just over a third for a single retiree and just over a quarter for a retired couple. As noted above, some of the increase is a result of changes in the basket of goods and services that make up this moderate budget – such as the increase in the amount included for helping others – and some is a consequence of increases in prices, such as the increase in the cost of second hand cars and insurance. Increases in the food category account for a third of the overall increase in the moderate RLS for singles and 44% of the increase for couples; increases in the cost of owning and running a car account for 21% of the overall increases for singles and 18% for couples; the increased cost of domestic fuel accounts for 16% of the increase for singles.

The contribution of food consumed inside *and* outside the home to the overall moderate RLS has increased for both singles and couples in 2023. For singles, the weekly food budget has increased by £51.09 between 2022 and 2023. The inclusion of £100 each month to take others out for a meal, discussed in the previous chapter, accounts for nearly half (45%) of this increase; the rest of the increase is driven by the rising price of the weekly food shop, up by 24% over the last year, and the increase in what groups specified was needed to meet the cost of eating out and takeaways each week. As outlined in the previous chapter, one of the ways in which the greater focus on ‘doing’ rather than ‘having’ emerges at this moderate level is through an increased budget for eating out.

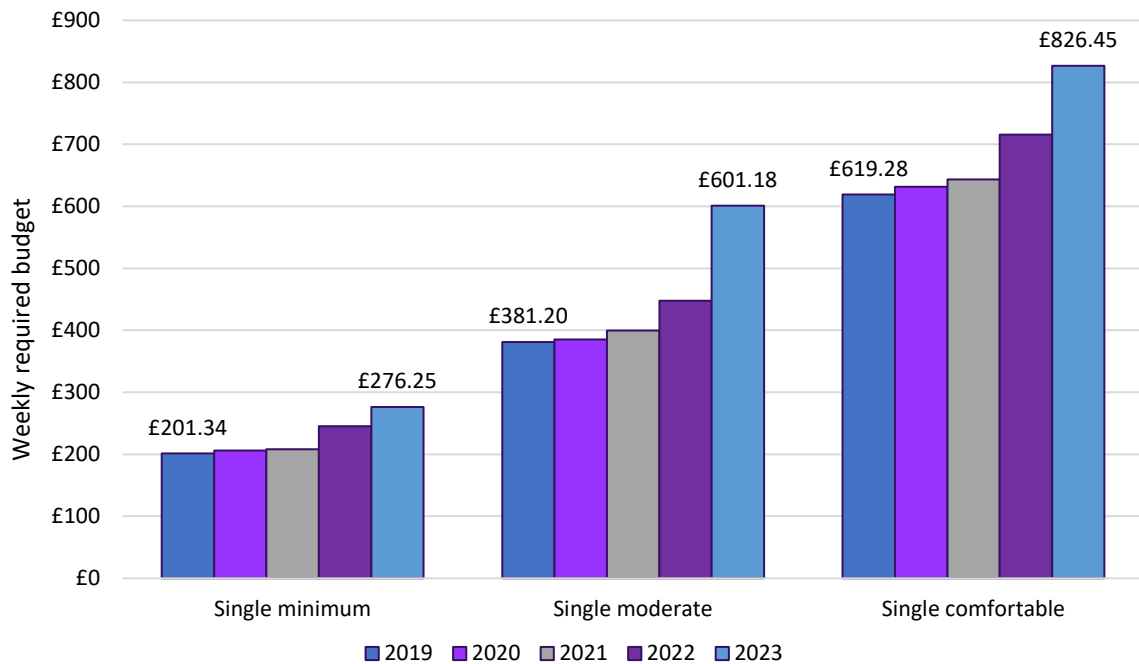
The cost of owning and running a car has increased by 68% (£32.29) for a single retiree at the moderate level between 2022 and 2023, and by 101% since the RLS were first established; for couples, the cost of motoring has gone up by 66% (£30.97) in the past year and by 98% since 2019.

The price of domestic fuel has also contributed to the increase in what is needed at the moderate level. This has increased by 75% (£24.32) for a single retiree at the moderate level between 2022 and 2023, and by 290% (£42.20) since the RLS were first established in 2019; for couples, the price of domestic fuel has increased by 29% (£13.75) in the past year and by 190% (£40.44) since 2019.

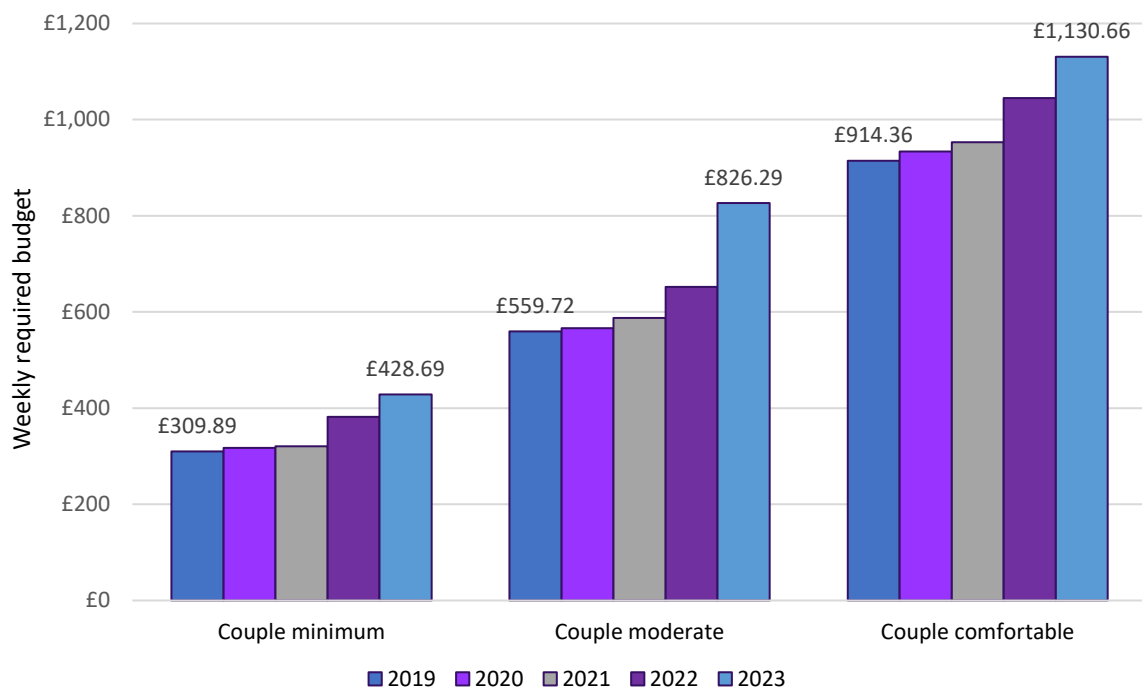
These increases mean that the overall weekly expenditure needed to reach a moderate RLS for a single retiree in 2023 is similar to that needed for a comfortable RLS for a single retiree in 2019; the same is true for a retired couple as Figures 1 and 2 show.

Tables 4 and 5 set out in detail the Retirement Living Standard budgets for 2019 to 2023 for the UK for a single retiree and retired couple.

**Figure 1 Weekly Retirement Living Standard budgets for single retiree, 2019-2023**



**Figure 2 Weekly Retirement Living Standard budgets for retired couple, 2019-2023**



Overall, the increases in prices and changes in composition across the baskets of goods and services needed at each retirement living standard mean that the annual expenditure needed to cover a minimum RLS (excluding rent) has increased by around £1000 each year for a single retiree and around £1700 each year for a retired couple since 2019; at the moderate RLS, this has increased by an average of around £2800 each year for a single

retiree and by £3500 for a retired couple since 2019 ; at the comfortable RLS, this has increased by around £2500 each year for a single retiree and around £2900 each year for a retired couple since 2019.

**Table 4 Single RLS budgets 2019-2023**

	Minimum					Moderate					Comfortable				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Food	46.57	47.26	47.10	58.14	67.65	64.17	65.28	70.29	74.28	125.37	131.07	135.74	136.85	146.23	159.79
Alcohol	7.80	8.00	8.05	6.17	6.63	9.50	9.72	9.79	9.91	13.55	12.70	12.96	13.07	13.22	16.35
Clothing	7.50	7.62	7.91	8.68	9.52	14.38	13.94	13.99	15.17	23.97	23.97	22.88	22.74	24.59	23.97
Water rates	6.19	5.98	6.09	7.44	8.06	4.27	4.13	4.20	7.44	8.24	4.27	4.26	4.34	7.44	8.24
Council tax	17.28	17.96	18.68	16.55	20.68	23.35	24.27	25.24	25.24	27.63	23.35	25.41	26.43	26.43	27.63
Household insurances	1.51	1.58	1.48	1.47	1.73	2.70	2.84	2.66	2.97	4.12	2.70	2.86	2.68	2.99	4.12
Fuel	11.54	10.75	11.01	25.71	32.77	14.54	13.54	13.87	32.42	56.74	19.25	18.42	18.86	43.58	56.74
Other housing costs	2.91	2.95	2.99	1.92	2.01	16.03	16.26	16.46	17.71	22.99	23.70	24.08	24.39	26.23	24.90
Household goods	14.75	14.84	15.39	19.65	21.21	24.91	24.98	25.88	28.89	43.97	78.59	79.05	82.06	91.63	70.77
Household services	8.24	8.58	8.84	10.02	10.76	7.77	8.05	7.95	8.34	14.98	36.72	38.18	37.47	38.36	41.40
Personal goods and services	16.75	18.20	18.52	28.35	30.68	27.18	27.91	28.51	29.44	41.74	34.72	35.96	37.95	39.26	47.15
Motoring	0.00	0.00	0.00	0.00	0.00	39.72	38.38	40.67	47.37	79.76	46.75	44.67	47.32	55.12	92.33
Other travel costs	14.58	14.69	15.42	12.37	12.93	13.20	13.22	14.43	15.00	6.97	4.60	5.02	5.21	5.45	8.89
Social and cultural participation	45.71	47.68	48.20	48.74	51.62	119.47	122.74	125.57	133.40	131.15	176.87	181.86	184.07	195.01	244.17
<b>Total (excluding rent)</b>	201.34	206.09	209.68	245.21	276.25	381.20	385.25	399.53	447.58	601.18	619.28	631.34	643.43	715.55	826.45

**Table 5 Couple RLS budgets 2019-2022**

Couple	Minimum					Moderate					Comfortable				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Food	74.45	75.53	75.25	96.35	113.36	108.26	110.22	120.34	126.97	203.92	213.72	221.41	222.69	238.20	263.67
Alcohol	11.99	12.28	12.37	12.07	12.99	19.00	19.44	19.59	19.82	21.55	25.40	25.93	26.13	26.44	26.85
Clothing	14.73	15.23	15.82	17.36	19.03	28.77	27.88	27.99	30.35	47.95	47.95	45.76	45.48	49.17	47.95
Water rates	7.30	7.06	7.18	8.78	9.51	7.41	7.16	7.29	8.78	9.71	7.41	7.39	7.51	9.18	9.71
Council tax	23.06	23.96	24.93	23.05	27.58	31.14	32.36	33.65	33.65	36.84	31.14	33.88	35.24	35.24	36.84
Household insurances	1.57	1.65	1.55	1.69	1.99	2.55	2.68	2.51	2.80	4.15	2.55	2.69	2.53	2.82	4.15
Fuel	15.80	14.72	15.07	34.18	43.44	21.31	19.85	20.33	48.00	61.75	21.31	20.38	20.87	48.00	61.75
Other housing costs	2.91	2.95	2.99	1.92	2.01	16.03	16.26	16.46	17.71	22.99	23.70	24.08	24.39	26.23	24.90
Household goods	16.79	16.90	17.55	22.61	24.43	28.61	28.70	29.79	33.33	43.97	78.59	79.05	82.06	91.65	70.77
Household services	10.04	10.46	10.77	12.32	13.24	14.25	14.74	14.47	15.19	21.15	45.96	47.89	49.13	50.32	51.49
Personal goods and services	35.08	38.02	38.67	53.60	57.77	55.12	56.61	57.83	59.70	80.13	67.69	70.10	74.07	76.64	90.76
Motoring	0.00	0.00	0.00	0.00	0.00	39.45	38.12	40.39	47.04	78.02	70.76	67.60	71.62	83.42	90.89
Other travel costs	18.12	18.25	19.16	19.73	20.64	16.41	16.50	17.83	18.55	9.33	9.01	9.84	10.20	10.66	13.17
Social and cultural participation	78.04	80.64	81.56	78.24	82.7	171.42	175.84	179.32	190.16	184.84	269.19	277.69	281.13	296.89	337.77
<b>Total (excluding rent)</b>	<b>309.89</b>	<b>317.65</b>	<b>322.87</b>	<b>381.90</b>	<b>428.69</b>	<b>559.72</b>	<b>566.35</b>	<b>587.78</b>	<b>652.06</b>	<b>826.29</b>	<b>914.36</b>	<b>933.70</b>	<b>953.07</b>	<b>1044.87</b>	<b>1130.66</b>

## 5 Conclusion

This report has set out the key findings from the first rebase of the retirement living standards since they were initially established and released in 2019. Overall, much of what was included at each level in 2023 is very similar to the basket of goods and services described in 2019 – the ‘core’ of the baskets at each living standard, made up of everyday items such as towels and crockery and furniture has not altered dramatically over the past four years. There have been changes in expectations about the quality of items needed in retirement, particularly at the comfortable retirement standard, where experiences have been privileged and promoted over, for example, having a much more expensive set of towels. Spending money on ‘doing things’ rather than ‘having things’ has also become more of a focus of the moderate living standard – this has had a substantial impact on the amounts included for eating out each month in particular.

It is difficult to ignore the context in which the latest research was undertaken. The cost of living pressures which began in 2022 have continued throughout 2023 and it is likely that this will have had some short term effects on norms and expectations, as well as potentially longer term impacts on the ways in which people thinking about what retirement at different living standards could or should look like. In the short term, the increased amount included at the moderate retirement living standard for helping others, can be seen as an immediate response to the financial strains and burdens being felt by many households – the desire to help and support friends and family, both with what could be seen as discretionary spending (such as eating out) and with more everyday spending (such as weekly food shopping or school uniform), can be understood as an attempt to mitigate some of the consequences of rapidly increasing costs. The next review of the retirement living standards in 2025 will reveal whether this is a permanent change or a short-term response to a very challenging economic environment.

Having established a baseline in 2019, the past four years have provided an opportunity to track what is happening to public expectations about retirement and how these might be shaped and change in response to prevailing social norms and the economic, political and social context more broadly. While the expenditure needed to reach each of the retirement living standards has increased since 2019, it is possible that future research could see changes in the baskets of goods and services which result in a reduction or stabilisation in the standards. Critically, the retirement living standards explored here reflect public consensus and shared expectations in contemporary UK, and they continue to provide a key reference point for people in thinking about and planning for their own retirement. It is important to not lose sight of the intended purpose of the retirement living standards – to enable people to think in concrete ways about the retirement that they want – but it is also crucial that as a society we work to find ways to ensure that **all** who are retired are able to meet their minimum needs, and are not having to make difficult decisions about what to prioritise as they move through retirement.

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