



LifeSearch

Health, Wealth & Happiness

TWO YEARS



REPORT
2022

Intro

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Welcome to the 2022 Health, Wealth & Happiness Report, a retrospective on national behaviours and attitudes through 2021 and a look to the future. A future set to be defined by yet more shocks and struggle.

Because major 2021 progress in managing or even overcoming the pandemic barely moved the needles in UK health and happiness. We might be en route to normality but the all-time-lows recorded in 2020 largely remain.

Why? It's mostly the legacy of the pandemic. There are major backlogs in healthcare; and our mental health has been shaken. Our careers, finances, education and relationships too - many of us have had our goals and progress stunted through two years of volatility.

Sure, rebuilding was always going to be tough, but we'll now have to face it through a cost-of-living crisis not seen since the post-war era. Speaking of which, as if this decade hasn't been chaotic enough there's a new war in Europe that represents a challenge to our way of life ... while driving up the cost of it.

As part of a new theme for 2022, this report documents in some depth the pandemic pressures faced specifically by ethnic minority communities in the UK.

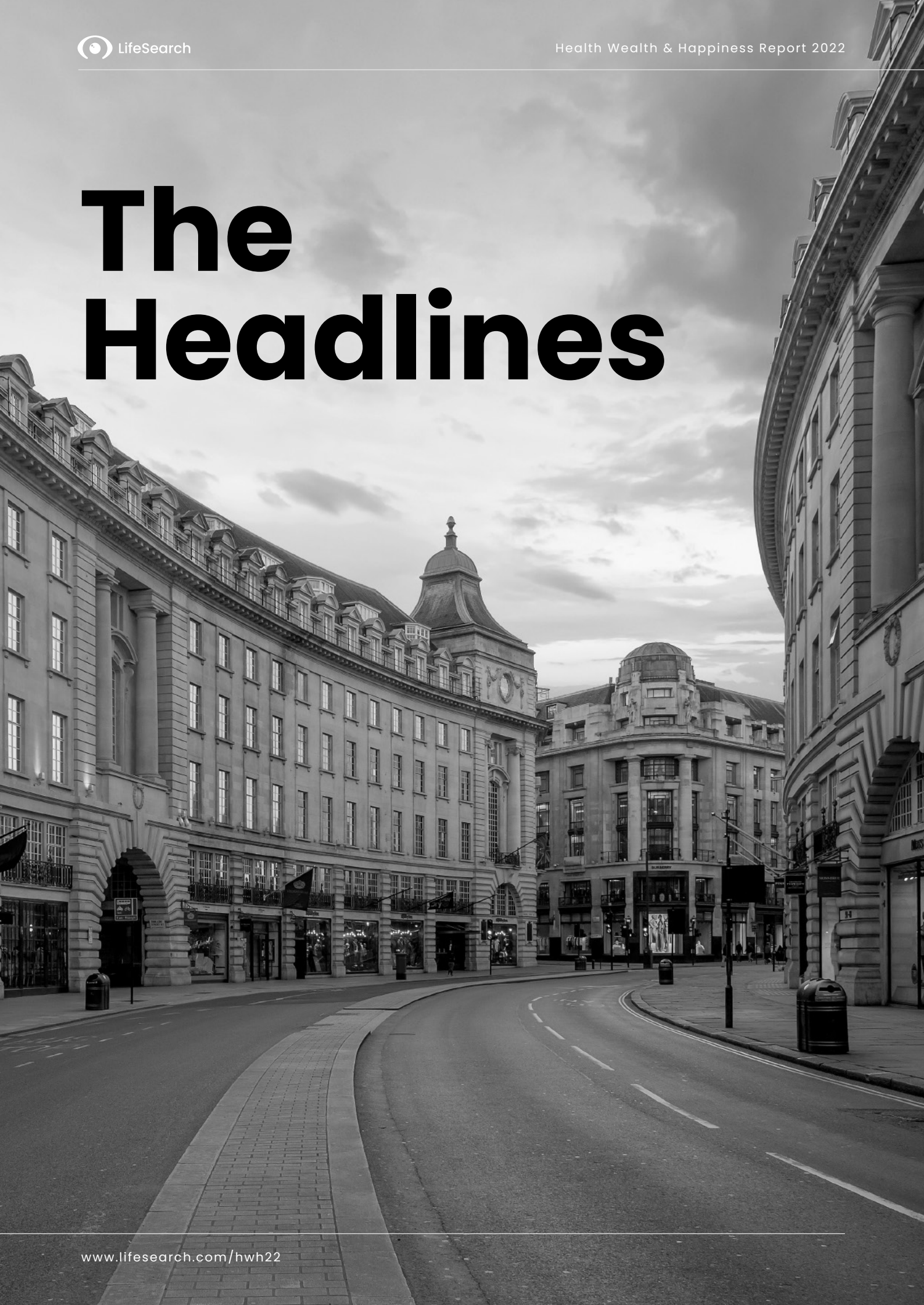
A fair amount has been written about the pandemic further exposing entrenched racial inequalities but this report can now show, in hard numbers and data, Covid's inconsistent impact across different ethnic groups. Those who feel the pandemic has cost them in social status or damaged their kids' education- they're much more likely to hail from an ethnic minority group.

So needless to say this 2022 report isn't as uplifting as I hoped it might be. Yes, there is optimism in dark corners of the data, but current events (and what may lie ahead) make it particularly challenging to find the silver lining.

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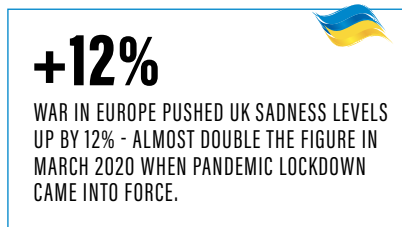
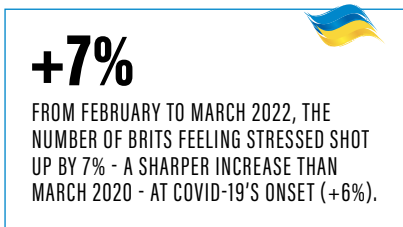
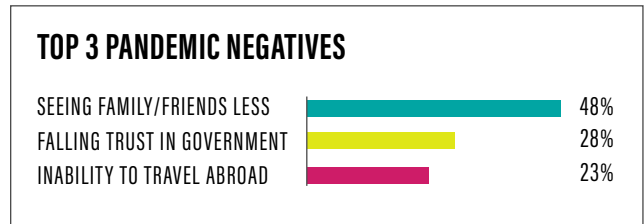
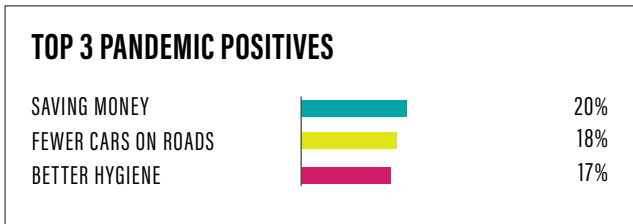
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The Headlines



The Headlines

Health, Wealth & Happiness



THE NUMBER OF FRIENDS THE AVERAGE BRIT HAS GAINED SINCE MARCH 2020



THE NUMBER OF FRIENDS THE AVERAGE BRIT HAS BINNED SINCE MARCH 2020

HEALTH

- 34%** OF UK WORKERS HAD LONG-TERM HEALTH ISSUES IN Q4, 2021.
- 35%** OF BRITS THEIR MENTAL HEALTH HAS WORSENERD IN THE PANDEMIC.
- 51%** OF PAKISTANI/BANGLADESHI BRITS SAY THEIR MENTAL HEALTH WORSENERD IN THE PANDEMIC.
- 15%** OF BRITS CONSUMED MORE ALCOHOL, RISING TO 19% AMONG ETHNIC MINORITY GROUPS.
- 26%** OF ETHNIC MINORITY BRITS SAY THEIR WORK, LIFE AND HOME SITUATION PUTS THEM AT GREATER COVID RISK.

WEALTH

- 100%** INCREASE IN SOME CONSUMER SPEND CATEGORIES VERSUS PRE-PANDEMIC LEVELS.
- 2X** ETHNIC MINORITY BRITS TWICE AS LIKELY TO SAY THE PANDEMIC HAS HURT THEIR STATUS IN SOCIETY.
- 39%** OF BRITS SAY THE PANDEMIC HAS NEGATIVELY IMPACTED THEIR HOUSEHOLD FINANCES.
- 45%** OF BRITS FEAR RISING BILLS.
- 40%** OF ETHNIC MINORITY BRITS FEEL "WORSE OFF" FINANCIALLY NOW THAN THEY DID PRE-PANDEMIC.

HAPPINESS

- 10 YEAR LOW** 2021 MARKED THE NATION'S LOWEST HAPPINESS IN A DECADE.
- 62%** OF BRITS SAY THEIR WORK/ LIFE BALANCE IS JUST RIGHT.
- +1 HOUR** THE EXTRA TIME UK WOMEN SPENT AT WORK EACH WEEK IN 2021, RISING TO 1.8 HOURS FOR BLACK BRITONS.
- 32%** OF 18-34 YEAR OLDS SAY THEIR JOBS FEEL LESS SECURE THAN BEFORE THE PANDEMIC.
- 65%** OF ETHNIC MINORITY BRITS SAY EMPLOYERS DIDN'T SUPPORT THEM THROUGH SELF ISOLATION.

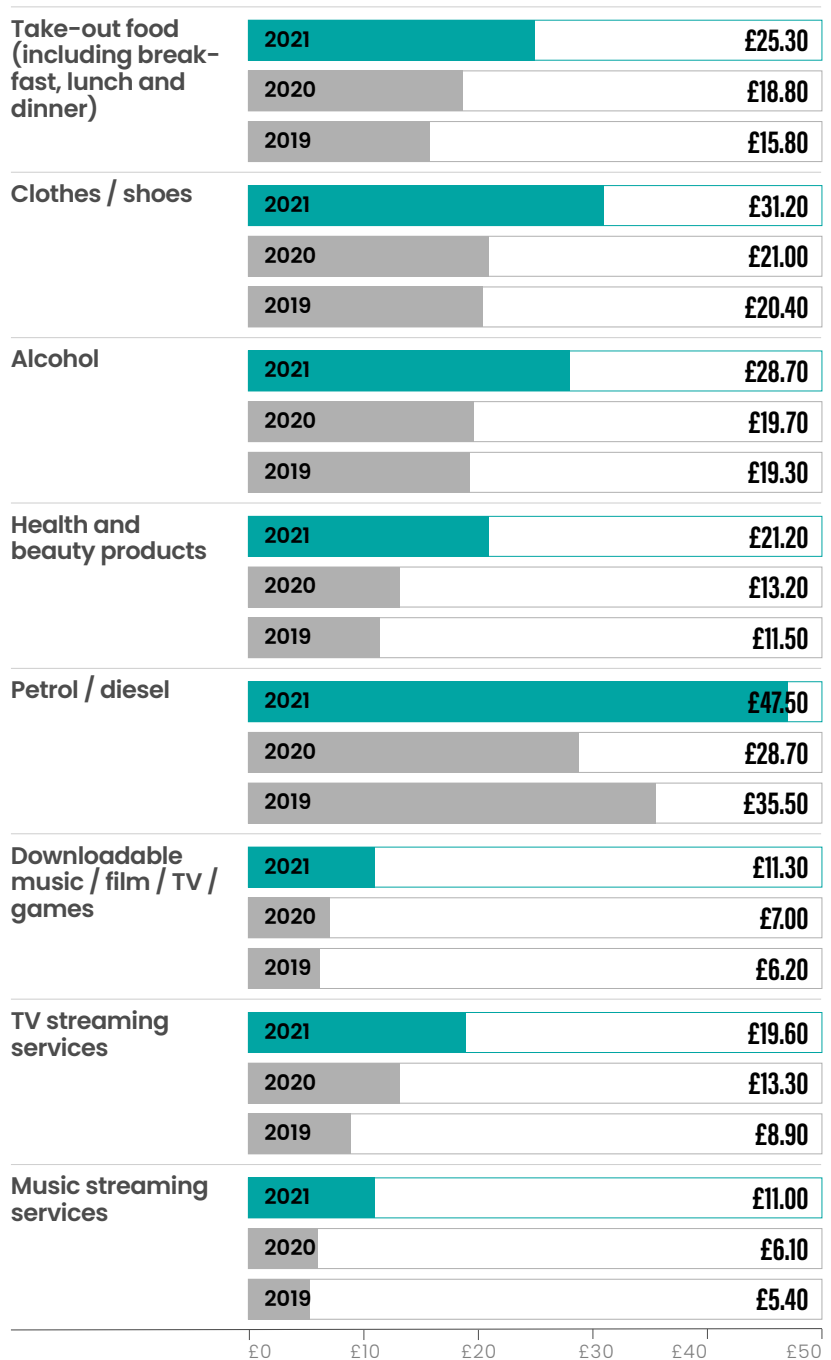
The Pandemic Pound

up to 100% more spending than pre Covid

- Coffee: £13.70 per person per month, rising to £24 for 18-34s.
- Clothes: £31.20 per person per month, up to £41.70 for 18-34s.
- Alcohol: £28.70 per person per month, rising to £35.30 for men.
- Health & beauty: £21.20 per person per month rising to £31.80 for 18-34s and £32.70 among ethnic minorities.
- Petrol: £47.50 per person per month versus £28.70 in 2020.
- TV/ music downloads: £11.30 per month up from £7 in 2020.
- TV streaming: £19.60 per person per month, rising to £28.10 for 18-34s.
- Online retail deliveries: £32.40 per person per month compared to £27.50 in 2020.
- Gambling: £13.70 per month, rising to £18.40 for men.
- 9% of Brits say they gambled more last year rising to 18% among ethnic minorities and 19% among 18-34-year-olds.

AVERAGE MONTHLY SPEND COMPARISON

What did we buy in 2021?





The Health, Wealth & Happiness Index

Overview

The Health Wealth & Happiness Index 21/22

Completed up to Q1 2022, the latest Health, Wealth & Happiness Index charts 2021 and the first full year under the cosh of the pandemic.

By late 2020, shards of light had been emerging as the first vaccine was administered to British grandmother Margaret Keenan in December. But fatigue and still-high winter case numbers forced the Index down to a reading of 74.6 at the beginning of the year.

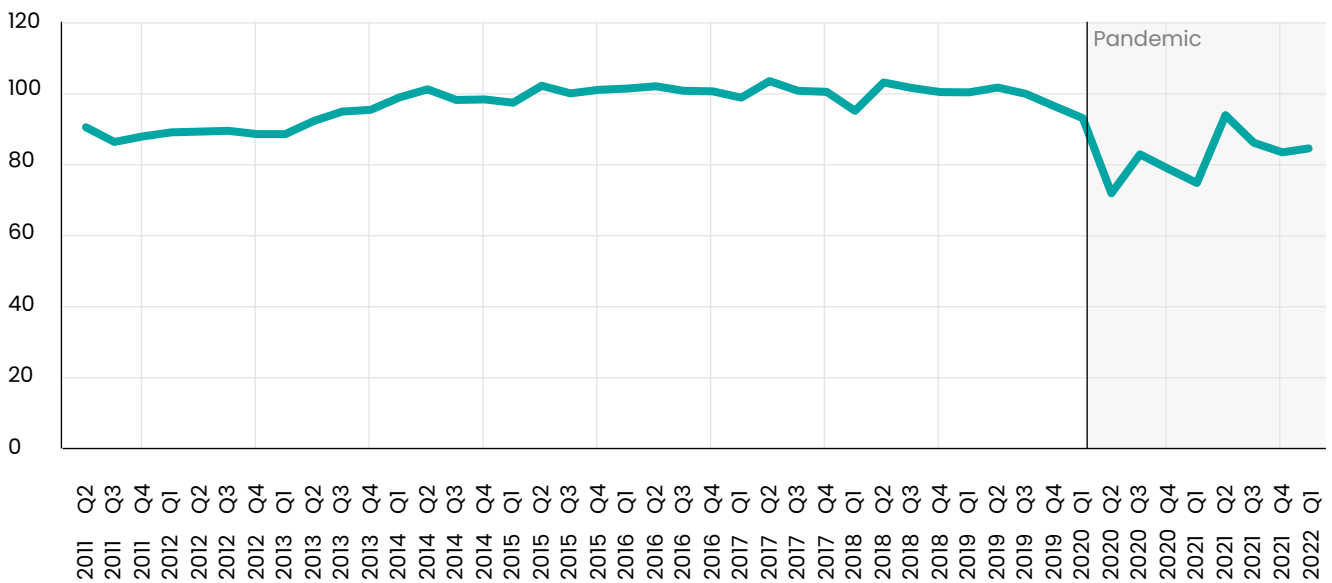
Only the initial shockwave of Q2 2020, when the gravity of the pandemic became clear, marks a lower point in UK Health, Wealth & Happiness since 2011.

From an early low in Q1 2021, the combined Health, Wealth & Happiness Index climbed to a peak of 93.8 in Q2, primarily due to falling case numbers and vaccine optimism boosting the Health Index.

But through Qs 3 and 4 we were back in decline as economic insecurity, rising inflation and a crisis in energy piled it on before the Omicron variant appeared, seemingly shattering illusions that the world was entering some kind of pandemic end-zone.

There were hints of an uptick as 2022 broke, but the sheer reality of the cost-of-living crisis, plus war in Europe pushing a bad situation into a nosedive, have suppressed any sense of recovery in recent days.

HEALTH, WEALTH AND HAPPINESS INDEX (2015=100)



Source: Cebr

For full breakdown please see Appendix

Health



The Health Index 21/22

Marginal gains

The year 2021 began in January with very high numbers of coronavirus infections and hospitalisations, reaching a peak of 39,255 on 18th January.

The situation forced an 18.6% drop in the Health Index to 61.7 - the second lowest reading of all time after Q2 2020's 50.4.

But the major low of 61.7 in Q1 2021 rebounded to 97.4 in Q2, marking the largest quarterly improvement in Index history. Vaccine rollout and strict social measures eased excess deaths to a Q2 weekly average of minus 442.

In plain English that means 442 fewer people died per week in Q2, 2021 versus the five-year average.

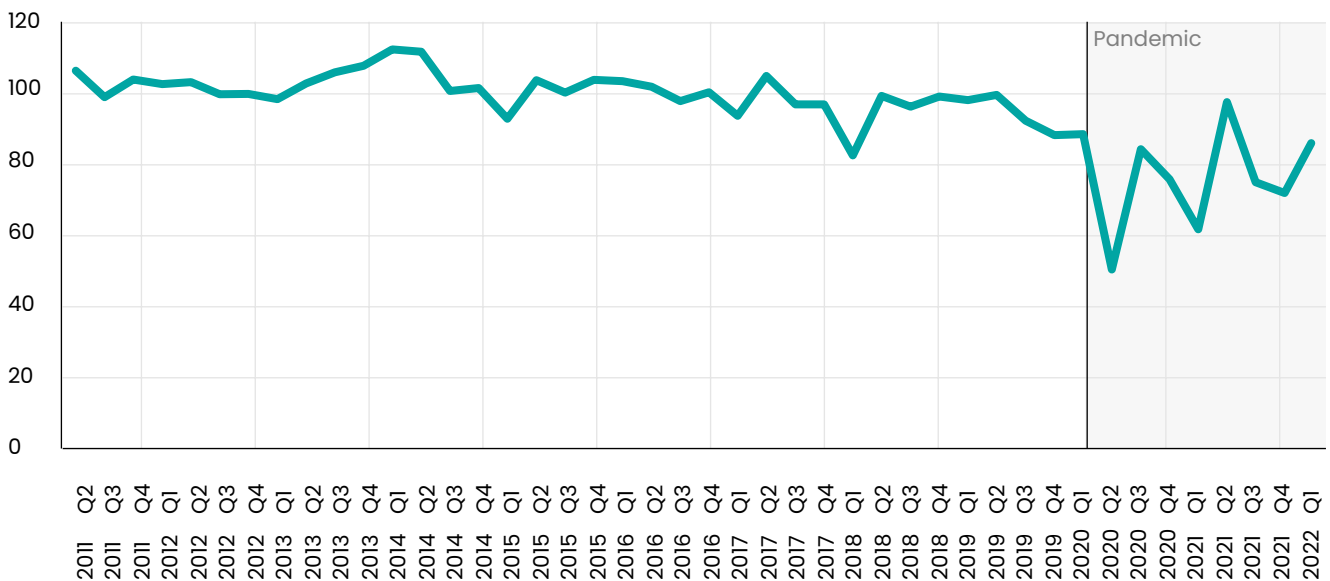
This positive trend might have continued through summer, but the more aggressive Delta variant – which was the dominant strain by June – had other plans.

So with Delta circulating the situation deteriorated. The Health Index fell to 74.9 in Q3 and 72.6 in Q4 2021.

These choppy Health Index readings over 2021 culminate in an average of 76.4, which is only a marginal improvement on 74.7, the Health Index average in 2020.

The initial reading in the Health Index in 2022 shows a little more light as Omicron, despite its faster spread, did not pack the punch that was initially feared, hence an upward trajectory in the most recent data.

HEALTH INDEX (2015=100)



Source: Cebr

For full breakdown please see Appendix

The Health Index 21/22

Glimpses of a long term impact

Owing to vaccines and otherwise greater immunity, we should see lower mortality numbers related to coronavirus henceforth. That’s obviously good news, but there’s a but.

Although some health metrics improved in 2021 (and through to 2022), others have slipped. The prevalence of sick leave increased to 0.8% in Q3 2021, when “pingdemic” entered the pandemic lexicon. And sick leave increased again to 1.3% in Q4 due to Omicron.

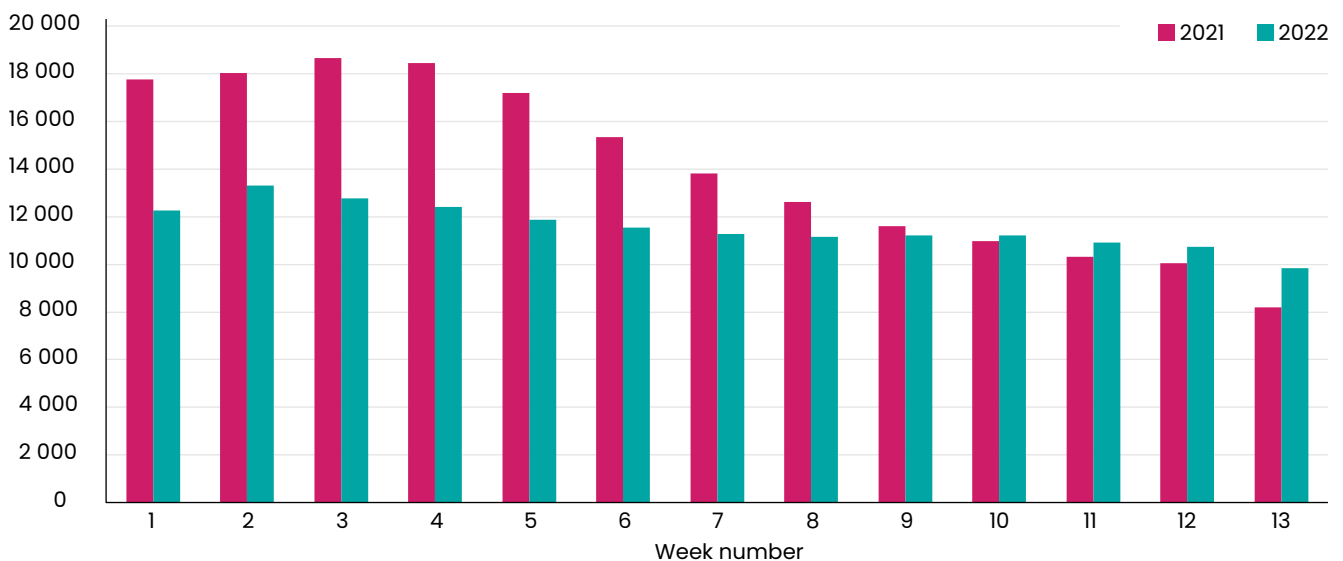
In mental health, we might have looked for improvements as lockdowns eased, social lives resumed and the initial explosion of pandemic fear, anxiety and apathy dissipated. But it wasn’t so. Mental health trends from 2020 largely carried into 2021, with the share of UK adults feeling apathetic at an all-time-high of 26% by March.

Some measures, such as the prevalence of sadness in the adult population, decreased over last year, yet most mental health measures remained somewhat consistent with 2020.

Worryingly, an estimated one third (33.6%) of the UK labour force was suffering long-term health issues in Q4 2021. That’s 3.5 percentage points higher than it was five years ago.

As such, we’re seeing the extent to which, directly and indirectly, the pandemic has disrupted and damaged the nation’s health on a longer timeline. Meanwhile the cost-of-living squeeze and fear tied up in the Russia/ Ukraine war will likely suppress our mental health recovery - and limit the Health Index - well into 2022.

WEEKLY EXCESS DEATHS, ENGLAND AND WALES, 2021 & 2022 SO FAR



Source: Cebr

For full breakdown please see Appendix

Health

Perceived risk of catching coronavirus

Evidence of greater transmission of the virus in ethnic minority communities prompted a key new question for this 2022 report. We asked survey respondents if they thought their lifestyle, household and jobs etc put them at more or less risk than average of catching the virus.

Perhaps understandably, people’s perception of their risk is more pronounced in busy London, the North West and West Midlands than it is in Scotland or Northern Ireland.

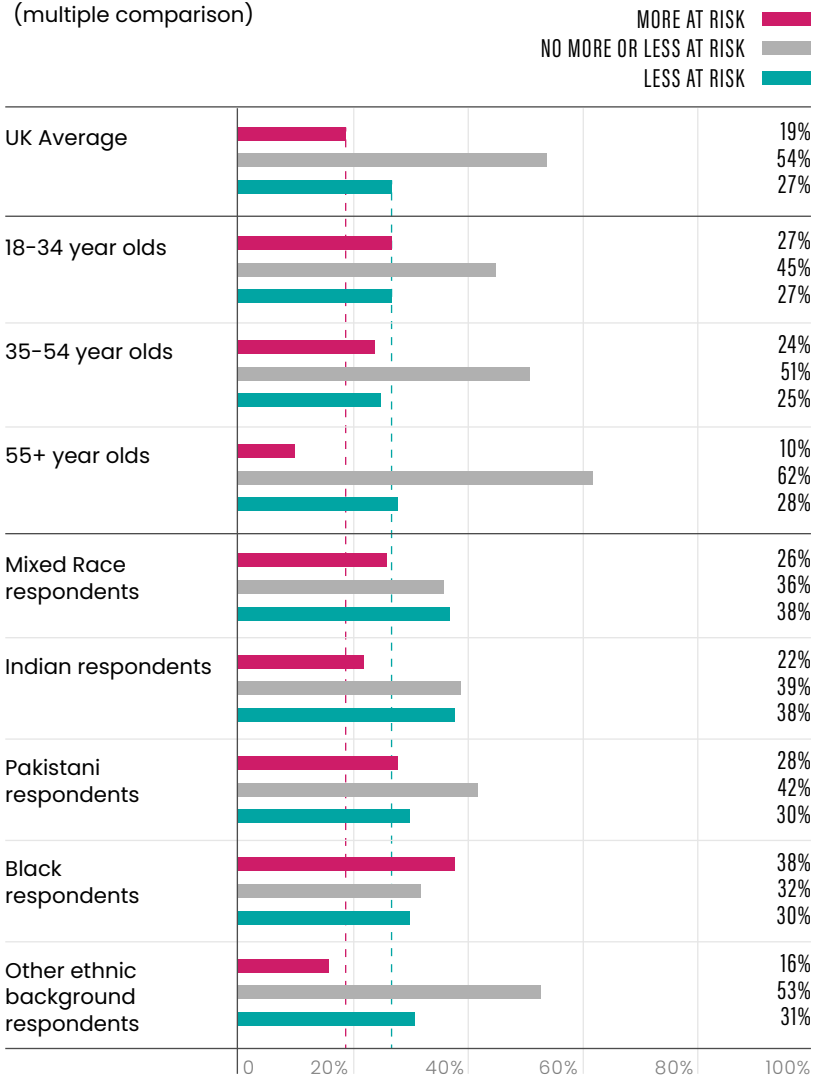
Households with kids, and those living with friends, see themselves at greater risk than single occupants or child-less couples, and lower-earning groups see themselves at higher risk than big earners.

There’s nothing earth-shattering there. What is worth calling out, however, is the perception of a greater exposure to the virus among non-white groups.

some 18% of the general UK general population say they’re “much more at risk” than average, yet for Pakistani/ Bangladeshi households this figure’s 28%, and for Black households it’s 38%.

DOES YOUR WORK / LIFE SETUP PUT YOU MORE OR LESS AT RISK OF CATCHING COVID?

(multiple comparison)



26%

of households with children say they’re at higher risk of catching coronavirus than average compared to 19% of the UK population overall.

Comfort eating

Upticks in ethnic minority households

At the height of the pandemic in 2020, 36% of all Britons said they were comfort eating more than usual.

Among the general population, this fell by about a sixth to 29% in 2021, but when we isolate the figure for ethnic minority groups, 39% say they comfort ate more in 2021, rising to 44% of ethnic minority women.

Approaching half (44%) the respondents from a Pakistani/Bangladeshi background say they comfort ate more in 2021, ditto even more (49%) Indian respondents.

29%
in the UK general population say they comfort ate more in 2021 than in 2020.

compared to
49%
of respondents from an Indian background.

HAVE YOU BEEN COMFORT EATING MORE, THE SAME OR LESS THIS YEAR IN COMPARISON TO THE LAST TWO?
(comparison by ethnicity)



Alcohol

And other vices

Where 15% of the general population say they drank more alcohol in 2021 than they did in 2020, this rises to 19% in ethnic minority groups. One in four Black (25%) respondents say they drank more alcohol this year than last, and it's even more (30%) for Indian respondents.

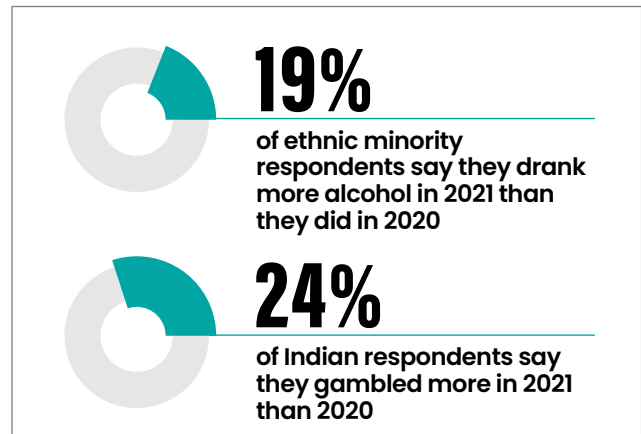
Nearly one in ten (9%) among the general population say they smoked more or took more drugs in 2021 than they have in previous years, doubling to 17% among 18-34s.

There's also a big correlation with smoking/ drug-taking and income, but perhaps not in the way one might think.

The more one earns, the more likely they were to have turned to nicotine and narcotics in 2021. Single parents too overshoot with smoking and drugs and, concerningly, so did those who struggled with their mental health last year.

Ethnic minority groups' smoking and drug use in 2021 was less pronounced than the national average. Yet 18% of those groups say they embraced gambling in 2021, double the average in the general population.

One in five (20%) Black respondents say they gambled more in 2021 than previous years, versus a general average of 9%. Indeed, nearly one quarter (24%) of Indian respondents say they gambled more in 2021 than 2020.



ALCOHOL CONSUMPTION IN 2021 (comparison by annual income)



Pandemic on reflection

The negatives

While no one would claim we're out of the pandemic woods, we saw more light in 2021 than 2020.

In our early 2022 poll, we asked respondents to reflect and rank their pandemic positives and negatives.

The positives are surprising. But first the negatives, and initially there are no shocks: unable to see friends and family (48%), inability to travel (23%), and issues accessing / delays in healthcare (15%) ranked in the top answers.

Isolating ethnic minorities' views shows small but crucial differences. "Constant fear / risk of getting Covid in my place of work" ranks seventh top in the general population but is number four on ethnic minorities' negative hitlist.

Ethnic minorities are overrepresented in frontline, key worker and customer-facing roles so it's logical they see this as more concerning than does the general population.

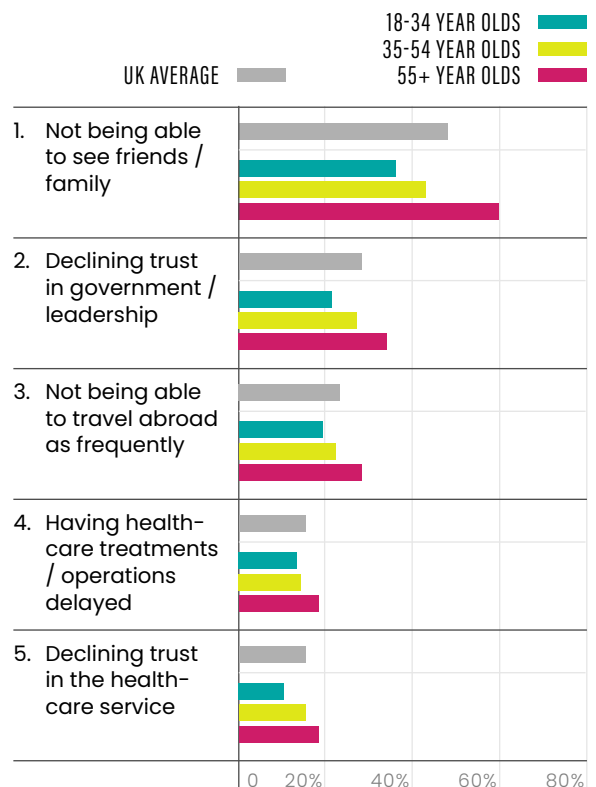
Similarly, "not being able to work as much/ lost income opportunities" is sixth on ethnic minorities' impact list, yet eleventh for the general population.

This offers another snapshot of the differences in pandemic experience and / or perception when cut along ethnicity lines.

In the general data, two other negatives catch the eye: declining trust in government (28%) isn't a revelation but seeing it rank second top of a list of all possible Covid negatives is.

There's also declining trust in the healthcare service (15%), which marks a dramatic reversal on last year's report when trust in the health service was at an all-time-high. Seems the heroism of health workers has been overshadowed by the reality of backlogs and delay.

BIGGEST NEGATIVES OF THE PANDEMIC
(comparison by age)



15%

Say "declining trust in the healthcare service" is a key pandemic negative

Pandemic on reflection

The positives

Perhaps the standout from this section came as respondents named some positives from the pandemic.

“Saved money / cut spending” (20%) is predictable, as is “fewer cars on the road / no rush hour” (18%).

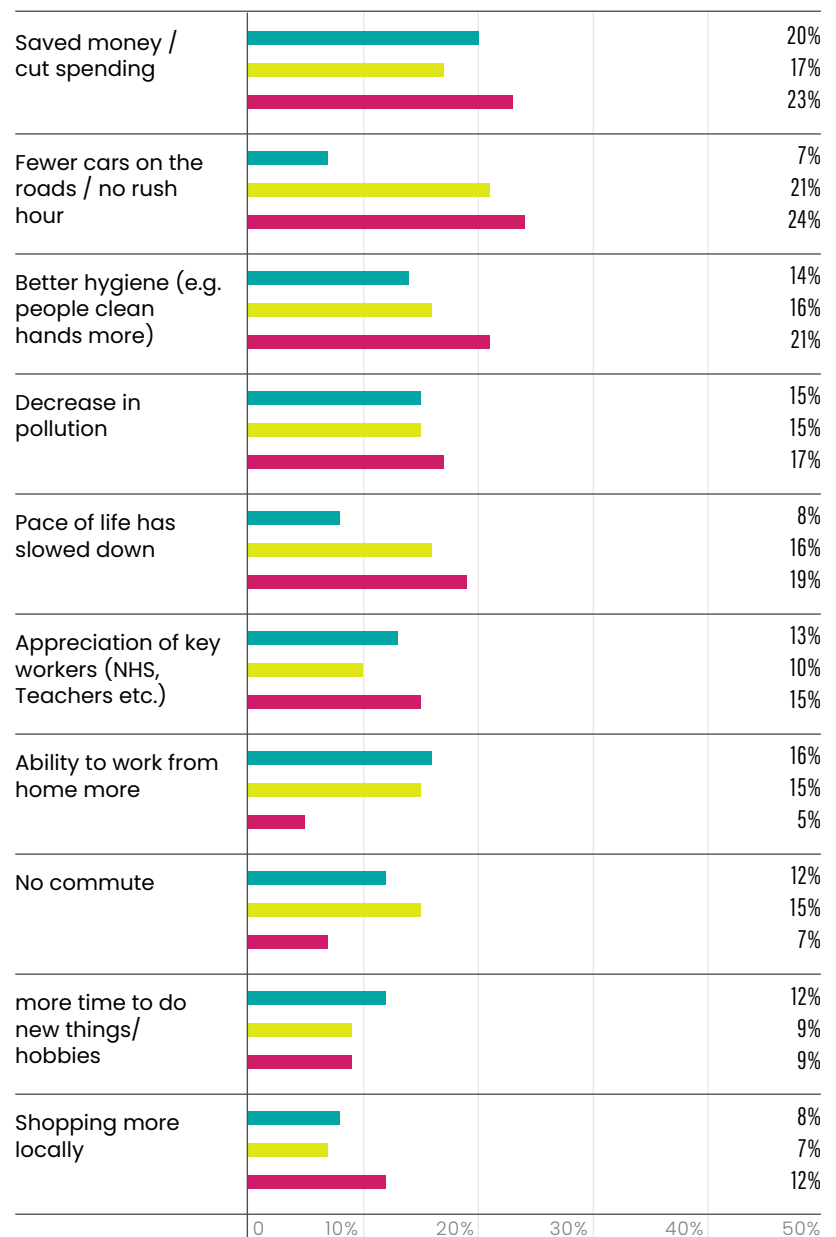
But who’d have thought “better hygiene” (17%) would be called out as the third biggest pandemic positive?

Isolate ethnic minority data, and “better hygiene” was cited not as the third top pandemic positive. Not as the second-top pandemic positive. But as the gold medal positive: the most positive thing to come out of the last two years, above saving money, above home working, above having more time for hobbies ...



BIGGEST POSITIVES OF THE PANDEMIC (comparison by age)

18-34 YEAR OLDS
35-54 YEAR OLDS
55+ YEAR OLDS



Working more hours

But a better work / life balance

Last year’s report showed the positive impact working from home had on our work/ life balance. From 2019 to 2020, we saw an increase of 4 percentage points to where 63% said their work/ life balance was “just right”.

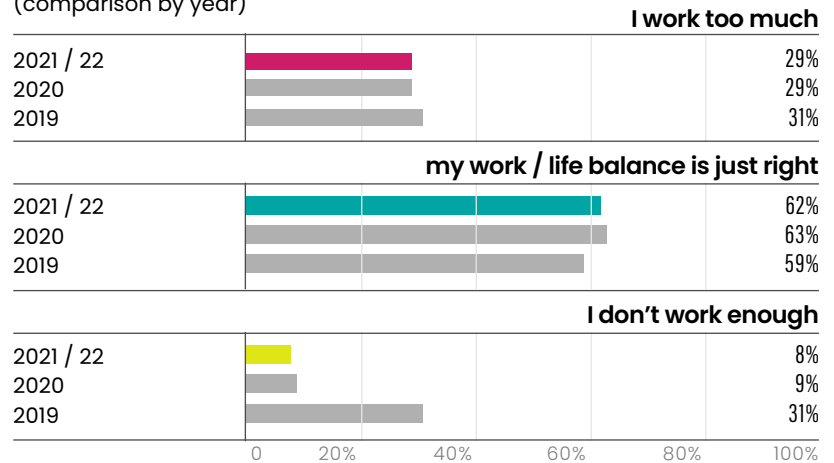
In 2021 it was almost a carbon copy: 62% claimed a solid work/ life balance, and that’s consistently felt pan age, gender and ethnic group.

Sustaining this solid work/ life balance ratio, compared to previous reports anyway, comes despite the average Brit working 36 more minutes per week in 2021 than they did in 2020.

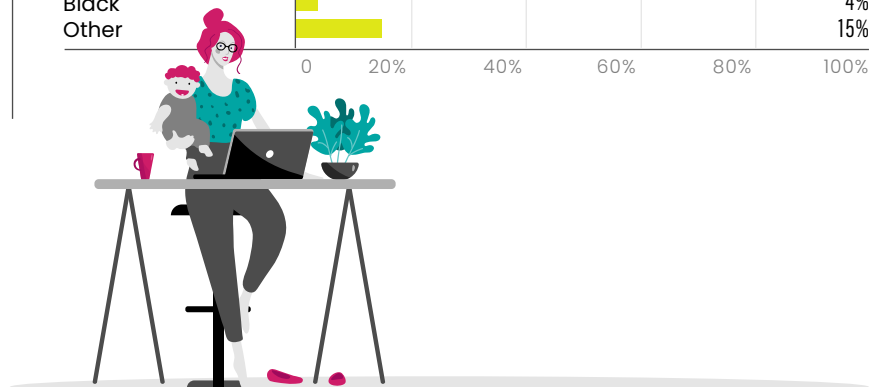
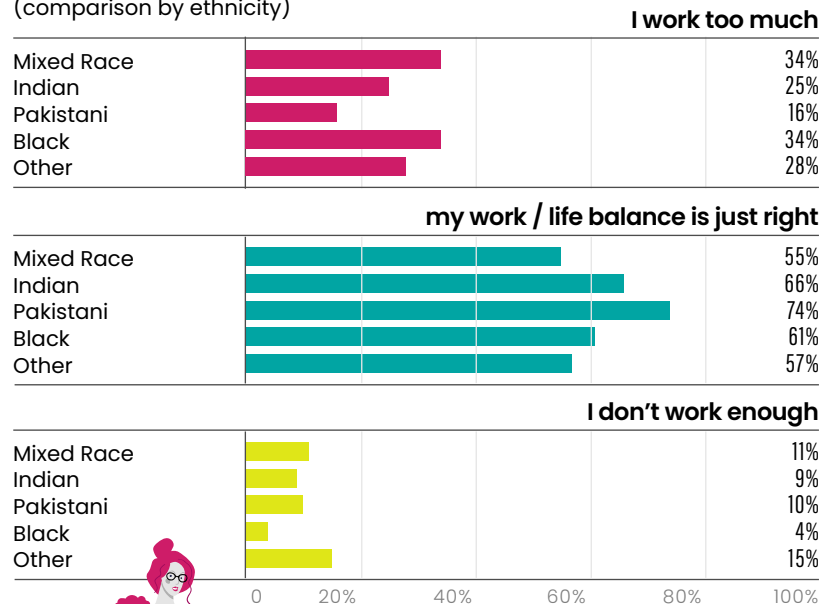
Drill into that 36 minute average and we see wild swings that tell a story: the average man worked only an extra 6 minutes versus an hour for women and non-white workers.

At nearly two more hours per week the average Black employee saw a fourfold increase in working hours versus the national average.

WORK / LIFE BALANCE (comparison by year)



WORK / LIFE BALANCE (comparison by ethnicity)



Job insecurity

More hours, less confidence

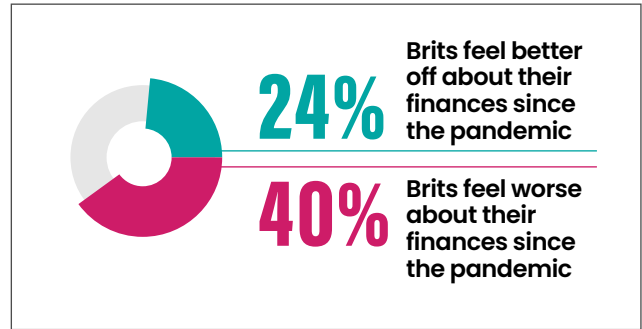
After so many workers were put on-the-shelf through 2020, the opportunity to put in extra hours might, at first, seem like a good thing. But it's not that clear cut.

Sure, most respondents say they put in extra graft in 2021 to service extra demand but there were other, more unsettling reasons too.

In the general population, of those who worked more hours 13% say they did so because employers put them under pressure. In the 18-34 age group, 17% say they worked more due to job insecurity.

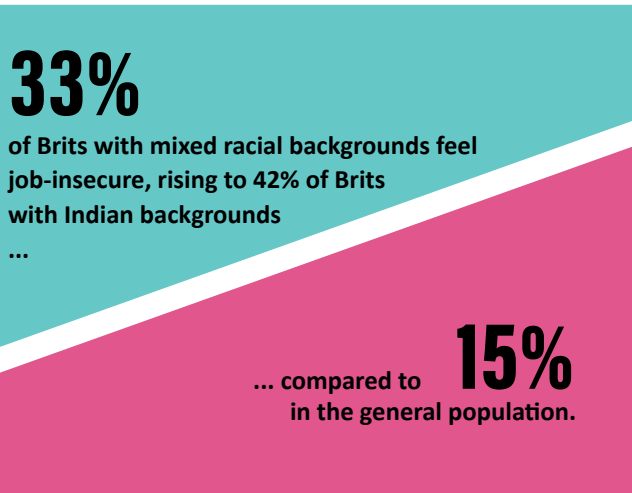
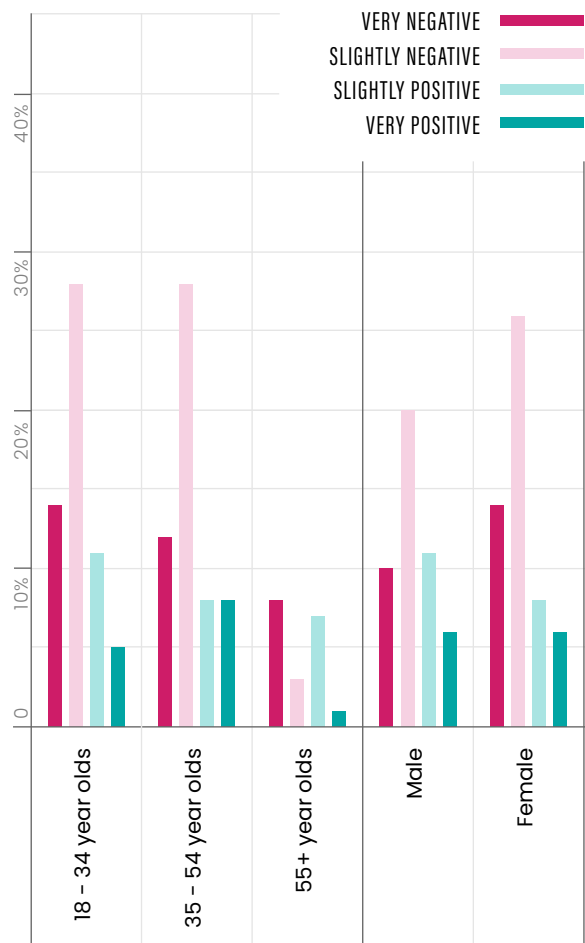
And however much pressure the general population felt to put in more hours, over one third (37%) of those in non-white groups who worked more hours say they did so because they needed extra money. A further one in four (26%) put in more hours as a response to job insecurity.

The data shows job insecurity is reality for 33% in mixed race households and 42% of Indian households, compared to 15% in the general population.



PANDEMIC IMPACT ON ETHNIC MINORITY COMMUNITIES' JOB SECURITY

(comparison by age and gender)



Covid and the workplace

How did employers respond in year two?

When March 2020 turned established working norms on their heads, many employers were caught on the back foot in a new world of social distancing, masks and high-level hygiene.

Surely one year in employers knew the drill? Not so much.

We asked survey respondents to describe how well, in 2021, employers supported them in providing kit to improve home working and in offering extra time off to deal with sickness, self-isolation, home-schooling and family care duties.

It seems few employers stepped up. Some 39% of the UK workforce said "I received no support" in employer provision of extra equipment to make home-working more comfortable.

Alarming, one in five (21%) employees say they got no support from employers in ensuring masks, hygiene standards and social distancing measures were in place.

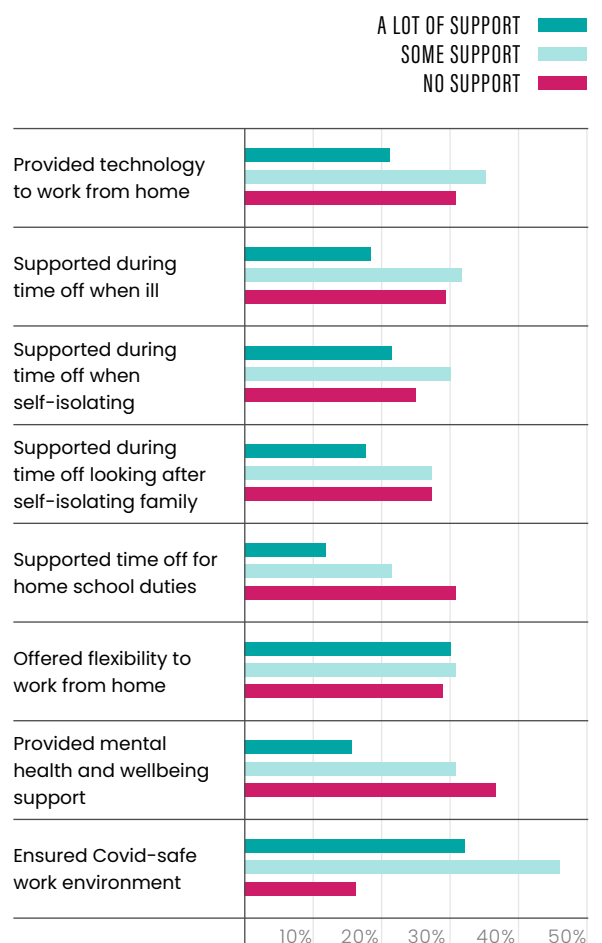
Perhaps most worryingly, 37% say they received no support in mental health and wellbeing whether via assistance programmes, outreach initiatives or simply having access to a mental health first-aider.

This 37% is particularly disappointing because more employees than ever before say they specifically asked for such kinds of mental health support. One in three (31%) 18-34s say they actively reached out to ask employers for mental health support ...

Despite pandemic emphasis on worker wellbeing, it seems many requests went unanswered.

HOW MUCH EMPLOYER SUPPORT WAS OFFERED?

(UK general population response)





Wealth

The Wealth Index 21/22

Record rises ...

Owing to a winter resurgence in Covid cases, 2021 began under renewed lockdown conditions. More stay-at-home orders, business closures and sector-wide shutdowns kept UK unemployment high at 4.9% in Q1, as GDP fell 1.3% versus Q4 2020.

But the phased exit from lockdown, starting in March and culminating with major restrictions ending in July, brought significant upticks. The economy grew 5.4% in Q2 and 1.1% in Q3 while the unemployment rate dropped to 4.7% in Q2 and to 4.3% in Q3.

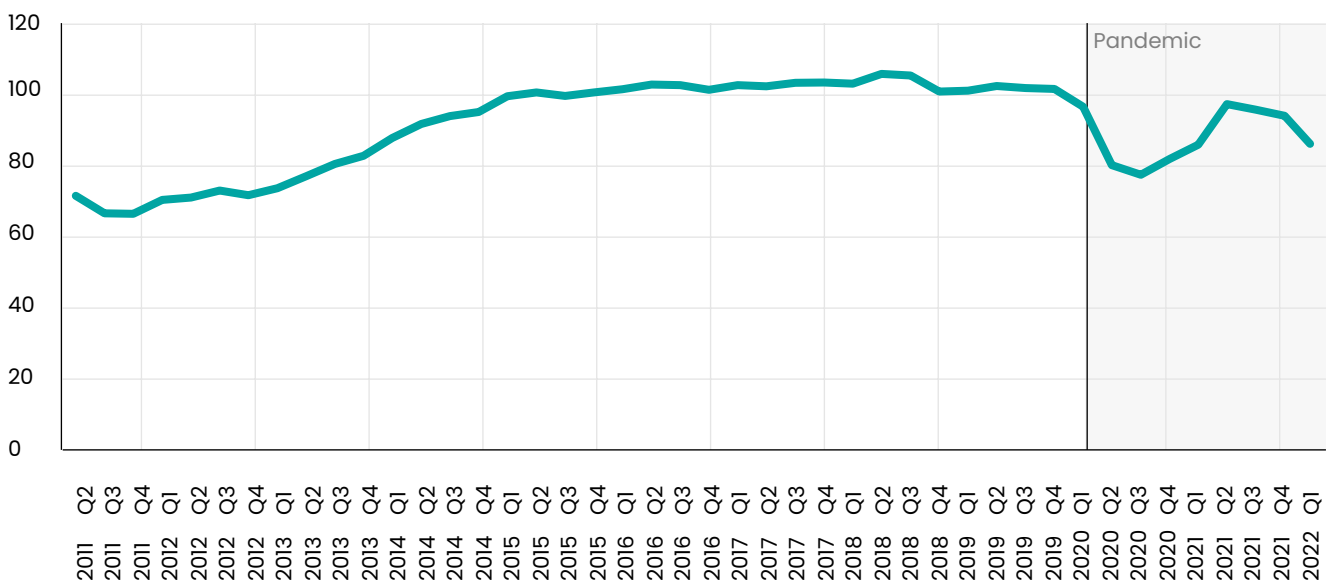
Social security claimants fell from 6.6% in Q1 to 5.7% in Q2 and 5.0% in Q3 as job vacancies increased dramatically.

In the three months to December 2021 vacancies reached a record 1.1 million, with wages rising to match. To incentivise workers, bridge labour gaps and exploit pent up demand, firms dug deeper and real average weekly earnings hit £521 in Q3 - the highest level in the history of the Health, Wealth & Happiness Index.

All that market movement, plus vaccinations protecting people's health (thus earning power) and the Wealth Index took a major turn to the good.

From Q1's 85.8, the Wealth Index shot to 97.2 in Q2, the highest reading since the pandemic began and, at 13.2%, the largest quarter-to-quarter increase in the history of the series. Night and day versus the previous record rise of 6.1% in Q1 2014.

WEALTH INDEX (2015=100)



Source: Cebr

The Wealth Index 21/22

And a looming fallout

The Wealth Index was, perhaps, the biggest winner of the three subindices in 2021, but the good news ended in the autumn and unsurprisingly we're on a downwards trajectory in 2022.

As we reported following the debut of the HWHI in May 2021, the economy has been artificially propped up through government support measures and market phenomena, especially in property, that jar with the wider situation.

As such, the termination of the Coronavirus Job Retention Scheme on 30th September was always going to bite. The scheme's end swelled unemployment and claimant figures into Q4 and, at the same time, surging price growth and rising energy bills squeezed household budgets at a time many uncontracted and casual workers had to isolate - through the "pingdemic" and the Omicron wave.

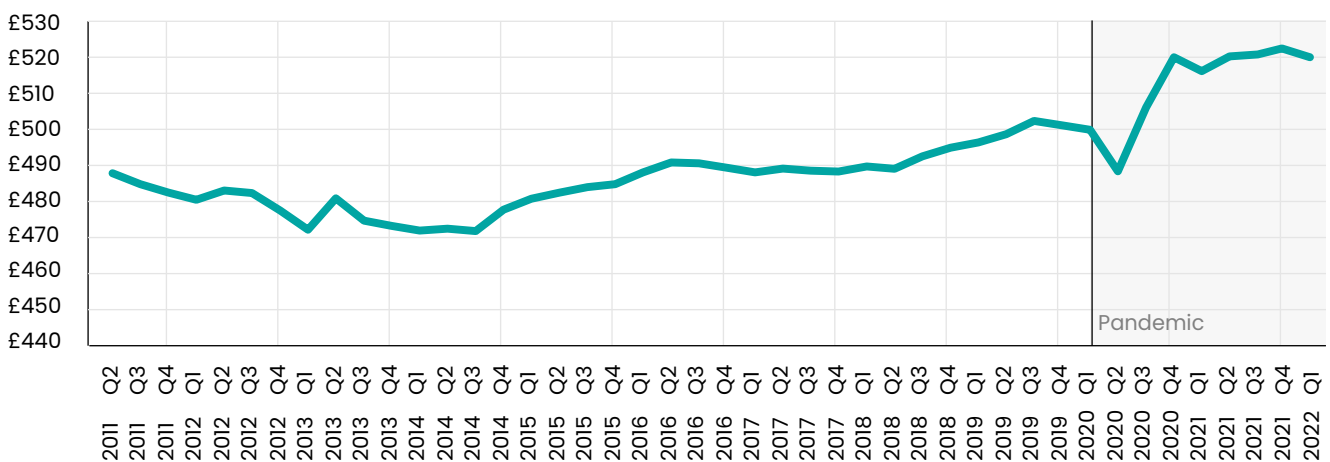
Price growth plus cost-of-living increases and the Q3 high in real average weekly earnings dropped sharply in Q4.

One constant winner through the pandemic has been the UK housing market. As people reassessed what's important in a property, combined with cuts in stamp duty, house prices rose nationally by an average of 2.8% through Qs 1-3 last year.

But the termination of the stamp duty holiday in September, plus surging inflation and rising interest rates, meant volatility in Q4.

Into Q1, 2022 and higher borrowing costs, stagnating / decreasing earnings, price hikes and rising utility costs ... a buoyant property market isn't likely to remain, nor will it be enough to sustain performance in the Wealth Index. It's no revelation to say that we're not feeling great about our wealth in 2022.

REAL AVERAGE WEEKLY EARNINGS, TOTAL PAY, SEASONALLY ADJUSTED (2011 - 2022)



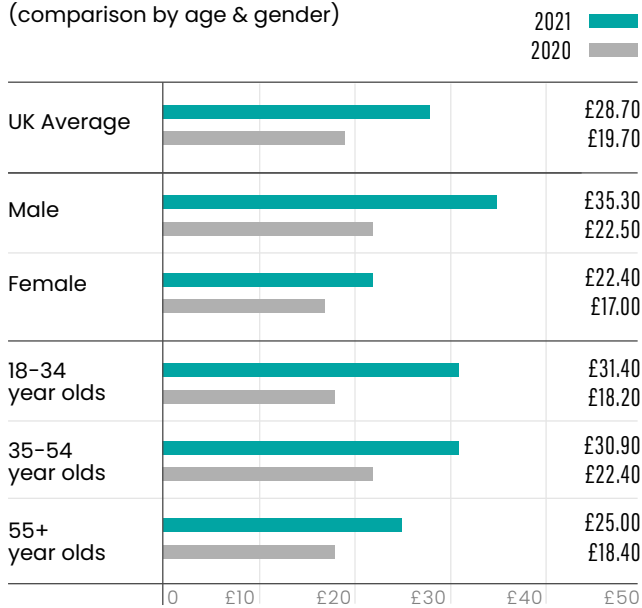
Source: Cebr

Spending habits

2021 and the release of pent-up demand

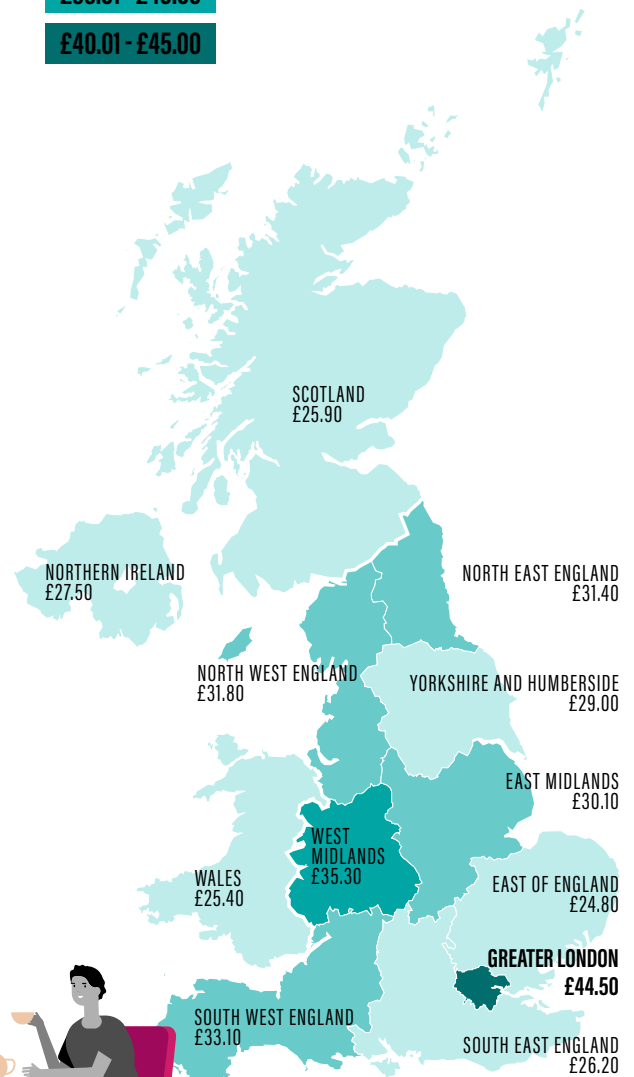
MONTHLY ALCOHOL SPEND

(comparison by age & gender)



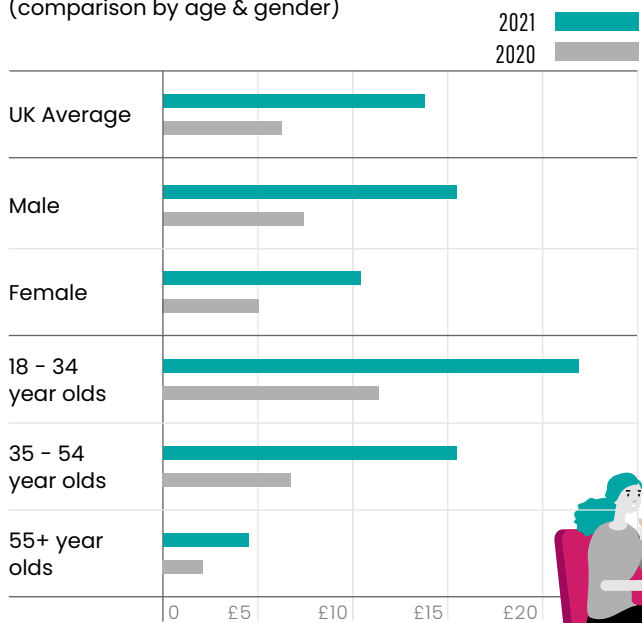
CLOTHES AND SHOES - AVERAGE MONTHLY SPEND

(comparison by region)



TEA AND COFFEE - AVERAGE MONTHLY SPEND

(comparison by age & gender)



Financial depression

Covid and the household squeeze

A glance at UK spending habits in 2021 and we see a nation that was eager to consume. But for all we were feeling bullish in mid 2021, few are still in that place.

Last year, thanks to the security of coronavirus support packages and a robust housing market, the nation’s wealth status was, in a sense, artificially frozen. In many cases, individuals’ financial positions improved as wages were underwritten and fewer spending opportunities gave us time and space to save and pay down debt.

In 2020, those whose financial positions were more precarious were budgeting and being financially proactive in ways we hadn’t seen in previous HWH reports.

The pandemic did spurn some financial positives, but the situation was always going to thaw out. Enter Q3 2021, when government support packages were retired, the energy crisis bit, and the household squeeze crept in.

In our January 2022 consumer survey, 32% of the general population, rising to 40% in ethnic minorities, said they felt “worse off” financially compared to before the pandemic.

Women were evidently struggling more than men, and 35-54s were feeling it sharpest, given their likelihood of having mortgages, debts and family spending obligations.

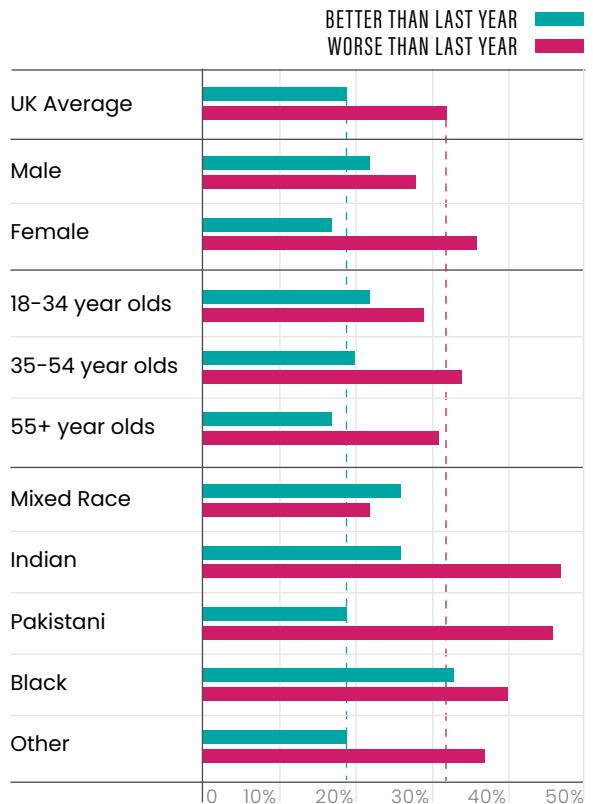
That data comes from January 2022, before a volatile financial situation was made dramatically worse by sanctions and shortages in the wake of war.

At the time of writing, the Bank of England has warned inflation may hit 9% and the average household is preparing to pay £1,000 extra to meet everyday bills.

40% | of ethnic minorities, feel “worse off” financially now than they did pre-pandemic

HOW DO BRITS FEEL ABOUT THEIR FINANCES IN 2021/2022?

(multi comparison)



Concerns

Bills, tax and a lack of savings

When asked to cite their financial concerns ahead of 2022, it's hardly surprising 45% of people fear bills rising, and one in five (19%) are concerned about new taxes coming in to cover Covid-era spending.

In the general population, 17% fear their lack of savings will expose them in a volatile economic environment, and this is particularly prevalent in young people (19%) and women (20%).

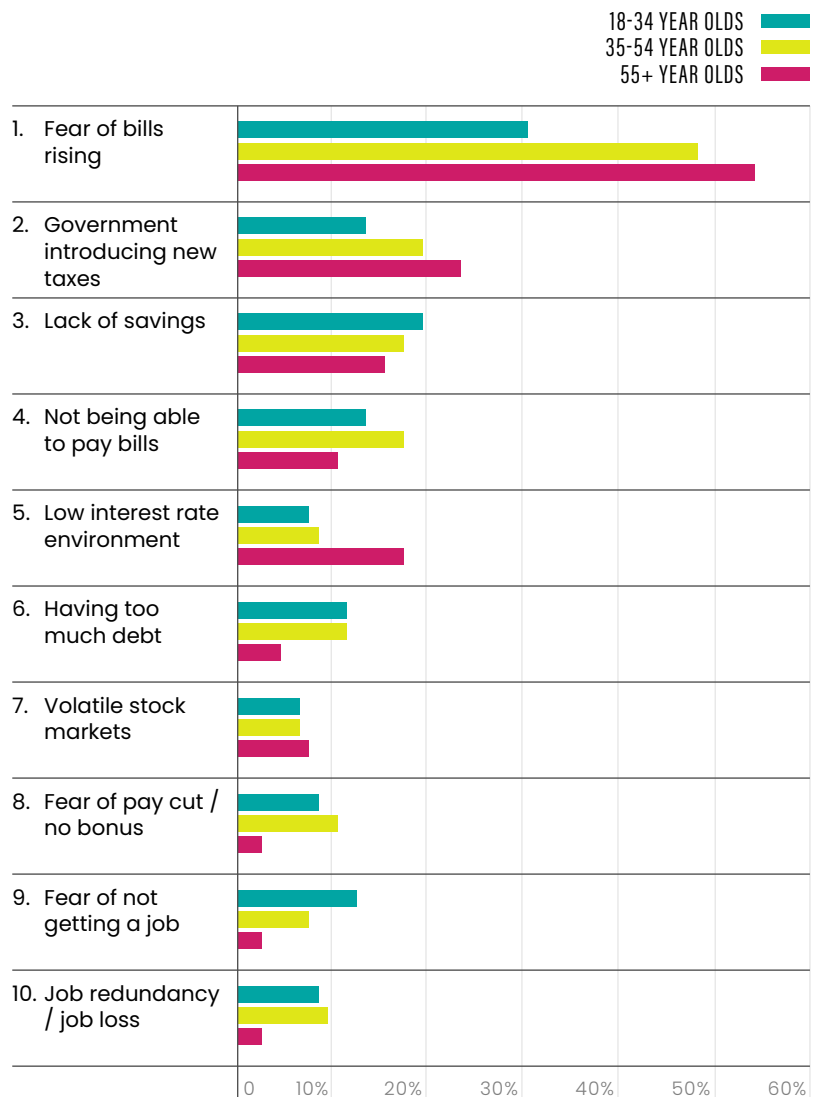
By region, Londoners are most wary of their lack of savings, which has to be in part due to rapidly rising city rents. Also fearful they haven't enough saved are single parents and house-sharers.

Where "lack of savings" is the third-top concern in the general population, it's in second spot in the ethnic minority data. One in four (24%) in ethnic minority communities fear their lack of savings will expose them in 2022, rising to 30% of ethnic minority women.

One third (33%) of Indian respondents are especially worried they haven't enough cash saved.

TOP 10 WEALTH & FINANCE CONCERNS

(comparison by age)



Lost status

The pandemic's lopsided impact

LifeSearch asked respondents to gauge the impact the pandemic has had on their position in society.

Among the general population, 15% say it has had a negative impact, and this rises to 23% among 18-34s.

Worse still, 29% in the ethnic minority population say the pandemic has set back their position in society, and that rises to 30% among 18-34s as well as 55-and-overs in those same communities.

Asked to describe the impact of the pandemic on their children's education, one in three (35%) parents in the general population say it has been a negative while in ethnic minorities, 42% say it has had/ is having a negative effect.

That same sentiment goes in 45%, 46% and 49% of Black, Indian and Mixed Race households respectively.

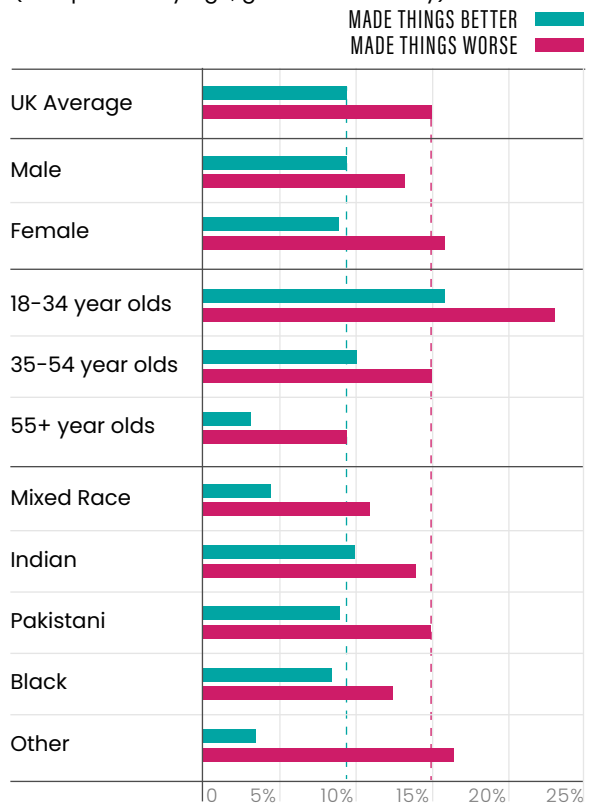
Despite frugal living and financial gains in 2020, half the country (49%) say they now don't feel any better off financially.

Worse still, one in three (32%) feel worse off financially, rising to 40% in Black households and nearly half in Pakistani / Bangladeshi (46%) and Indian households (47%).

As part of our LifeSearch Lives project, LifeSearch have chosen to once again work with our friends at the Florence Nightingale Foundation to fund a specialist community programme, training nurses to work in the UK's most disadvantaged areas.

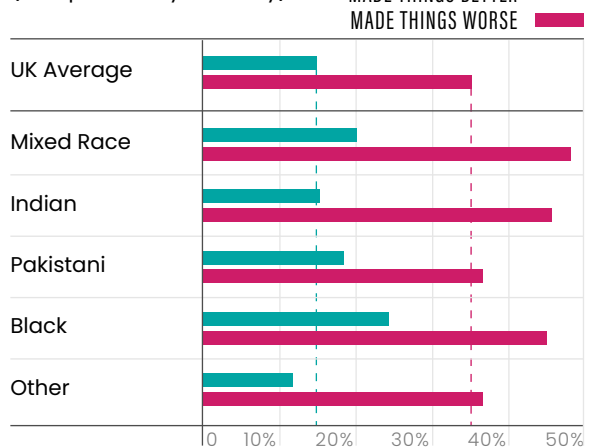
IMPACT THE PANDEMIC HAS HAD ON YOUR POSITION IN SOCIETY

(comparison by age, gender & ethnicity)



IMPACT THE PANDEMIC HAS HAD ON EDUCATION OPPORTUNITIES FOR YOUR CHILDREN

(comparison by ethnicity)



Financial manoeuvring

Savings, debt and sizing up protection

While 28% of the country say they've saved money in the last 12 months, and 10% say they've paid down extra debt, 6% have taken on more short-term debt (credit cards, store card etc), rising to 8% in 18-34s.

Some 2% say they've defaulted on mortgage payments overall, rising to 4% in 18-34s.

There's a glimmer of hope for LifeSearch as consideration of protection products (life insurance, income protection and critical illness cover) has increased among the 18-34 age group.

It's especially heartening to see that 6% of 18-34s have considered income protection, a product which replaces income when one can't work due to ill health.

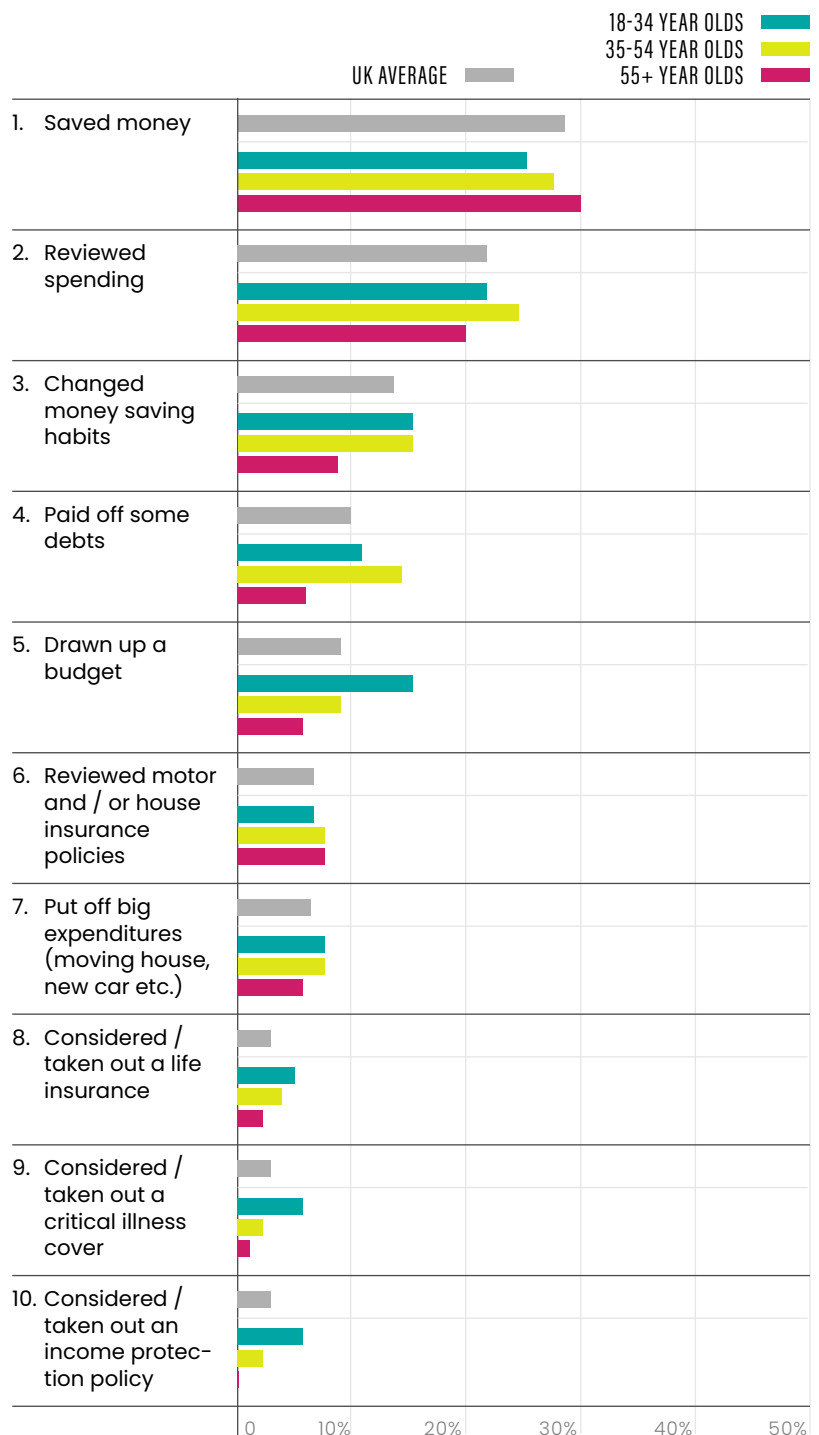


It's counter-intuitive but income protection is an intelligent financial product which exists to be utilised in uncertain times, not disregarded because of them.

Read more on our Health, Wealth & Happiness hub

Emma Walker,
LifeSearch CMO

MOST COMMON FINANCIAL BEHAVIOURS IN 2021 (comparison by age)



Financial manoeuvring

Savings, debt and sizing up protection

Isolating data for ethnic minority groups, we see proportionately more managed to save money (33%) and pay off debt (15%), but for 13% this has come via delaying big expenditure and 3% say they've defaulted on mortgage payments.

Interestingly, in the general population missing mortgage payments is most common in under 35s while in other ethnic minorities it's older folks who are struggling. A worrying 5% of ethnic minority over 55s say they defaulted on their mortgage in 2021.

The average UK household borrowed £402.90 per month in 2021- a figure comprised of £506.40 in monthly borrowing for men and £317.30 for women.

13%

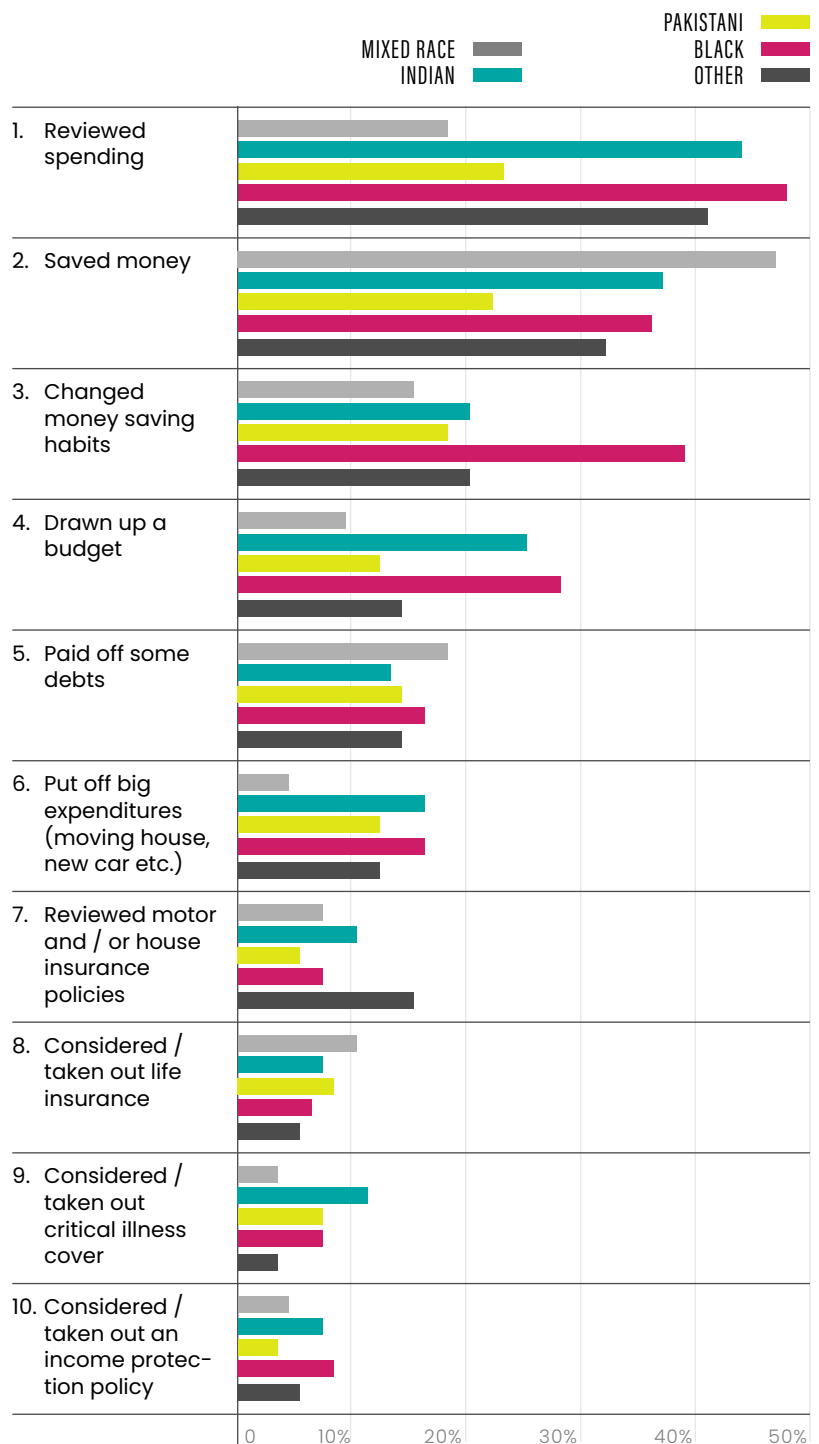
of UK households already say they're able to cover minimum payments only on their credit card bills.

6%

more say they're struggling to cover even that much.

MOST COMMON FINANCIAL BEHAVIOURS IN 2021

(comparison by ethnicity)

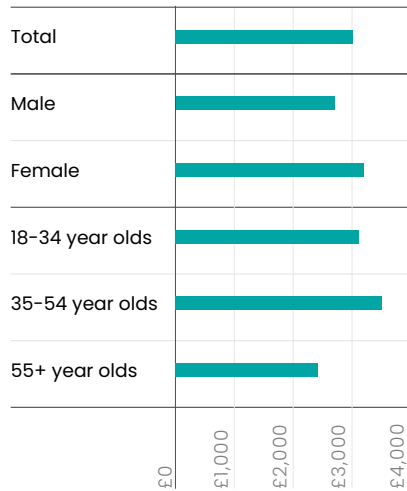


Cost of living crisis

How much will your household be down in 2022?

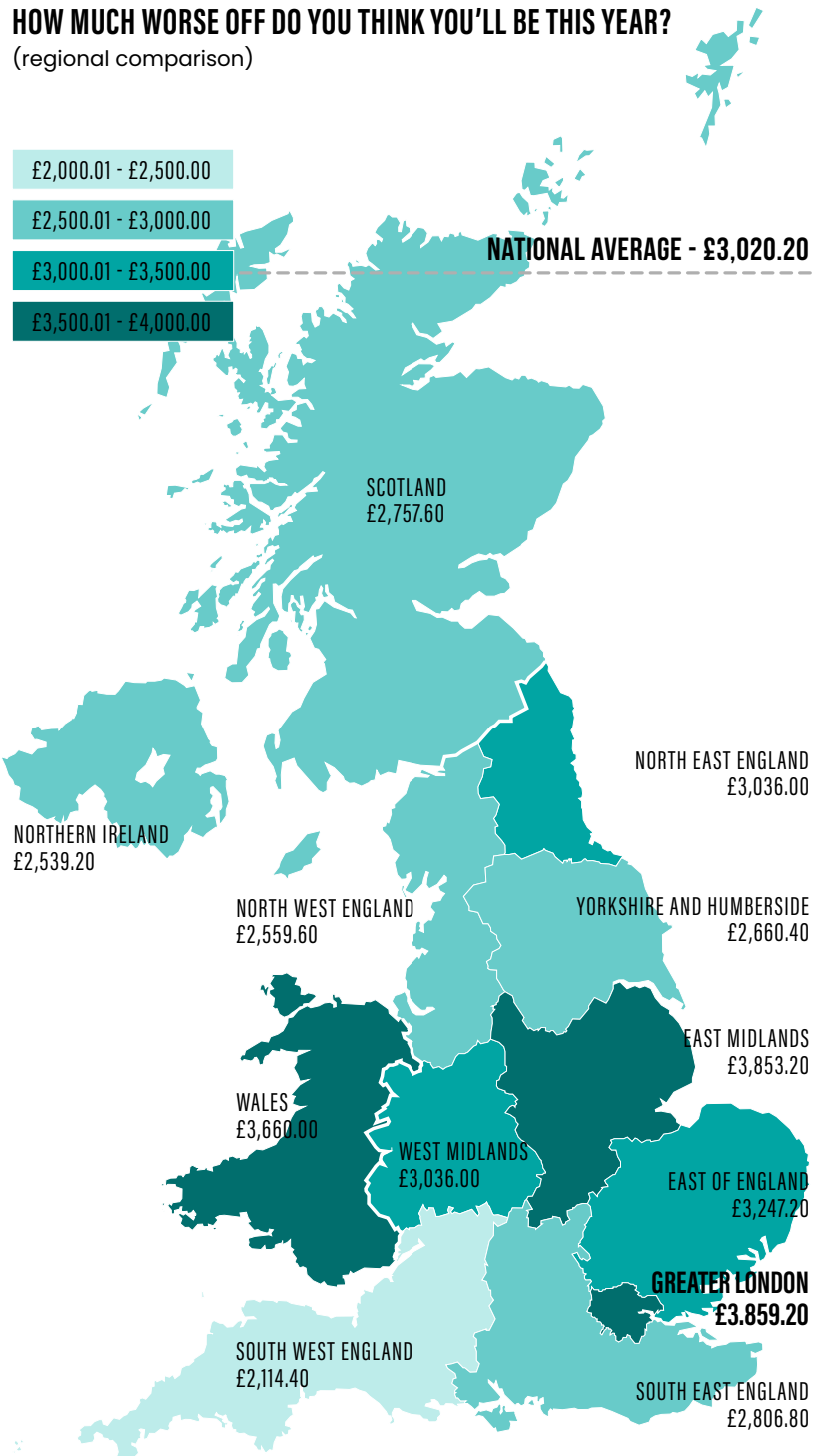
HOW MUCH WORSE OFF DO YOU THINK YOU'LL BE THIS YEAR?

(comparison by gender and age)



HOW MUCH WORSE OFF DO YOU THINK YOU'LL BE THIS YEAR?

(regional comparison)



15%

Happiness

The Happiness Index 21/22

Progress? Barely ...

Despite pockets of positivity, 2021 didn't fare much better than 2020 in the happiness stakes. In fact, in Q1 2021, the Happiness Index read 76.4 - the lowest on record: a lower bottom than March 2020 or indeed at any other time in pandemic life.

As more restrictions and a winter surge in Covid cases marked the arrival of 2021, the share of UK adults feeling stressed jumped from 32% in December to 41% in January. Fewer Britons than ever before said they felt 'content', and more than ever before said they felt 'lonely'.

We had to wait until the end of Q1 before improvements registered. In March, as Covid cases fell and the vaccine roadmap was announced, 25% of adults felt optimistic compared to just 18% in January.

The country's anxiety levels showed slight improvements in the same timeframe, as did life satisfaction rates. These slivers of hope hit the Happiness Index in Q2, pushing an 11.4-point improvement to reach 87.8. This marks the 2021 Happiness peak ... and it didn't last long.

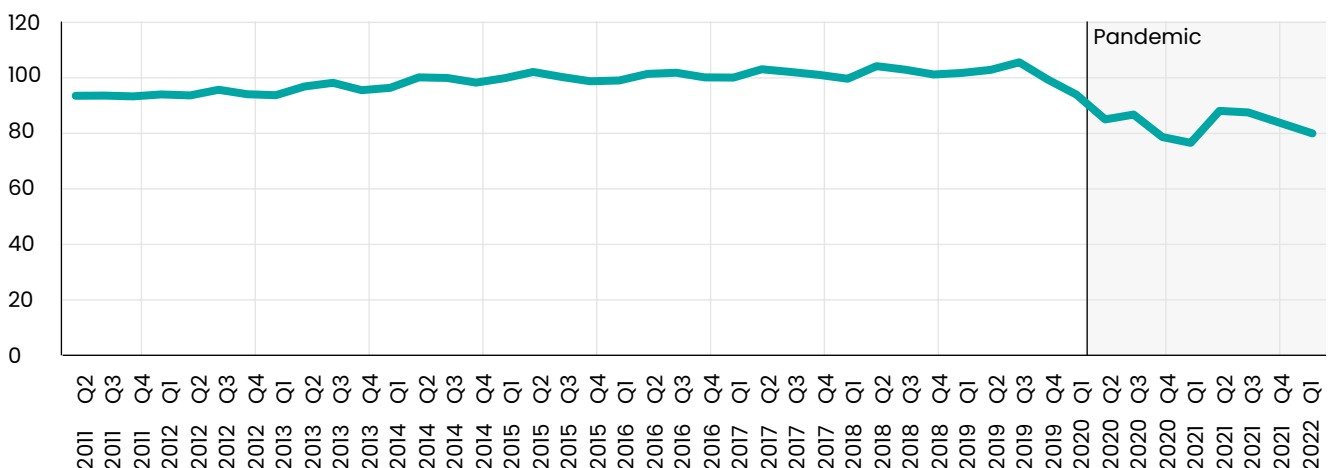
Into Q3 and any increase in national happiness measures were back in reverse. By late summer, the Delta variant stirred up concern and anxiety as optimism levels fell back to where they were in darkest January. One might assume the Euro 2020 tournament brought some joy but it made no discernible difference whatsoever to the nation's happiness.

A further downtick in the Happiness Index came in Q4 as supply chains struggled and prices rose. Inevitably, there was an increase in Brits feeling 'stressed' and 'scared' during that time. Soon Omicron had arrived and the prospect of further restrictions seemed very real. Unsurprisingly, the Index dropped to 83.9.

At the tail end of 2021, we saw signs that Omicron's comparatively mild impact pushed just a little positivity into the mix. With that, the Happiness Index looked set to nudge north into 2022. But any sense of optimism was quickly neutralised.

High inflation, political wrangling, the continuing erosion of households' purchasing power ... and war. It's hard to see the Happiness Index ticking up any time soon.

HAPPINESS INDEX (2015=100)



Source: Cebr

For full breakdown please see Appendix

Happiness

Slow progress on low pandemic lows

Given the very gradual, sometimes painfully so, emergence from the sharpest pandemic measures, the turn of the year seemed to promise more happiness.

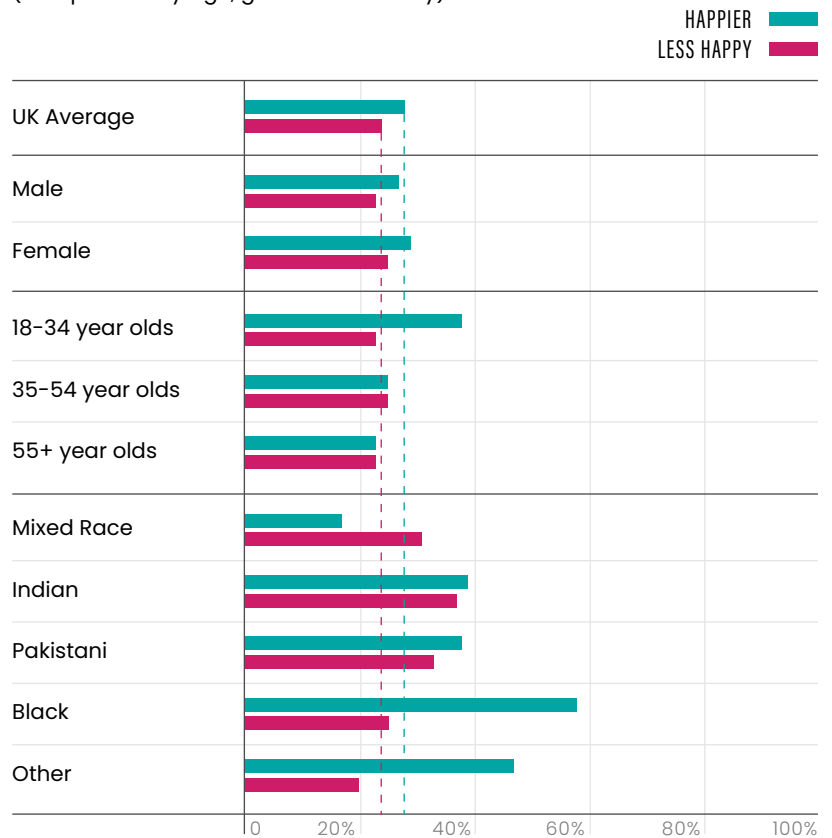
In broad brush strokes, 28% of the general population said they were happier in 2021 than 2020 and this rises significantly to 44% in ethnic minority respondents.

The turn towards happiness was most keenly felt among 18-34s, with 38% in the general population saying they felt happier in 2021 than a year prior. Look to ethnic minority 18-34-year-olds and there was even more optimism: 57% said they were happier 2021 versus 2020.

A couple of key groups stand out in registering less happiness: the over 55s weren't much happier in 2021. On the whole, neither were single occupants or single parents.

WERE YOU HAPPIER OR LESS HAPPY IN 2021 THAN 2020?

(comparison by age, gender & ethnicity)



44% Of ethnic minority Brits say their happiness improved in 2021

24% Of 35-54-year-old Brits say they're less happy than in 2020

Mental health 2021

Few major gains

Zooming out, we look at how the pandemic has affected the mental health of the nation. The news isn't good.

Some 35% of the country say their mental health is worse now than pre-pandemic, rising to 38% in 18-34s and 39% of women.

In ethnic minority groups it's worse still: 39% say their mental health is worse, rising to 40% in men and 18-34s. Two ethnic minority groups are feeling a decline in mental health more than most: 45% of Indian respondents report poorer mental health, rising to over half (51%) in Pakistani / Bangladeshi respondents.

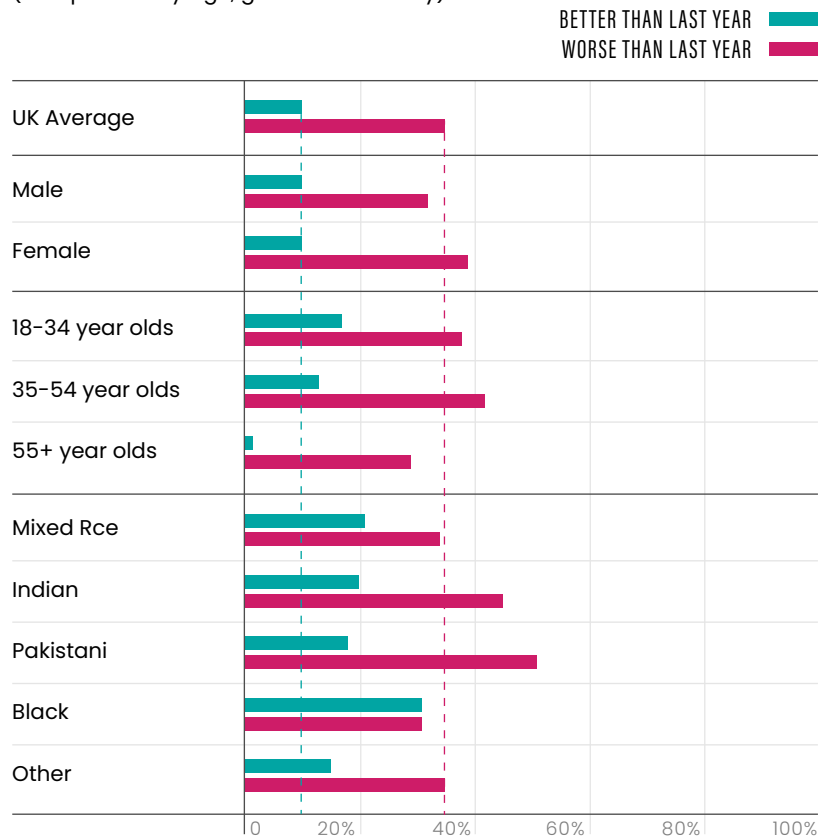
Ethnic minority respondents were much more likely to have turned to self-help apps through 2021 (21% versus 9% in the general population) and mental health charities (19% versus 11% in the general population).

The numbers seeking charity support rose to 21% among Pakistani/ Bangladeshi respondents, and to nearly one in four (23%) among both Indian and Black respondents.



IS YOUR MENTAL HEALTH BETTER OR WORSE THAN LAST YEAR?

(comparison by age, gender & ethnicity)



Mental health 2022

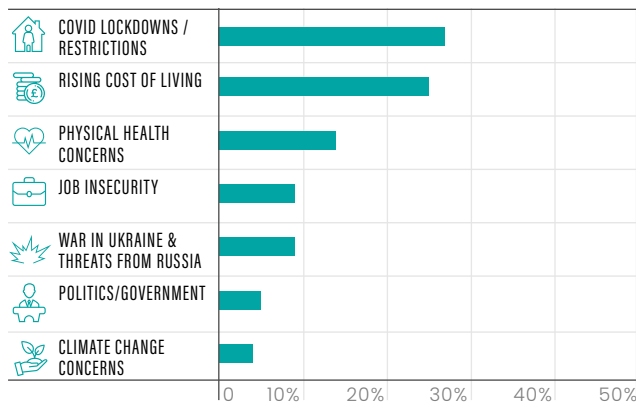
What one thing has hit hardest?

In April 2022 LifeSearch surveyed Brits to gauge the nation's mental health. We asked a representative panel to name one thing that, above all others, hit our mental health hardest these the last two years.

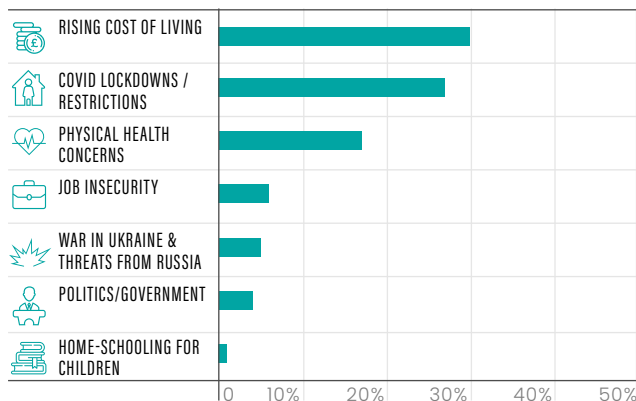
The top two answers are predictable and consistent pan demographic, but other concerns in the list show a perfect storm of legacy impacts, and threats old and new.

WHAT HAS HIT YOUR MENTAL HEALTH HARDEST IN THE LAST TWO YEARS??

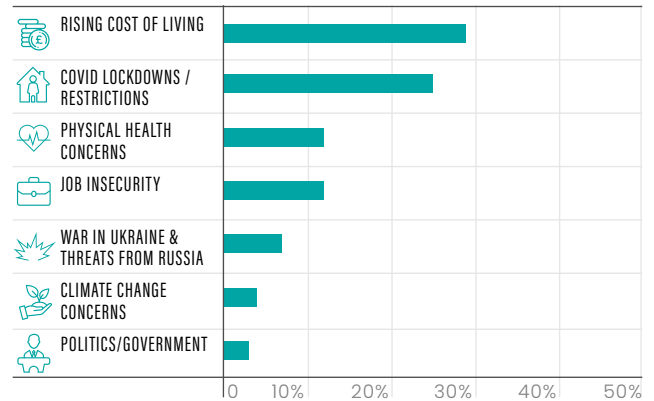
MALE



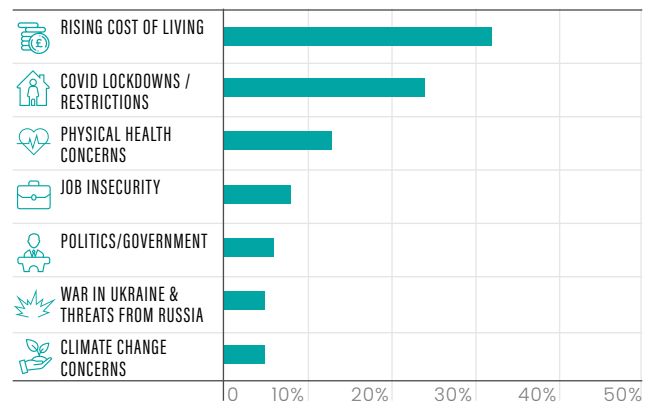
FEMALE



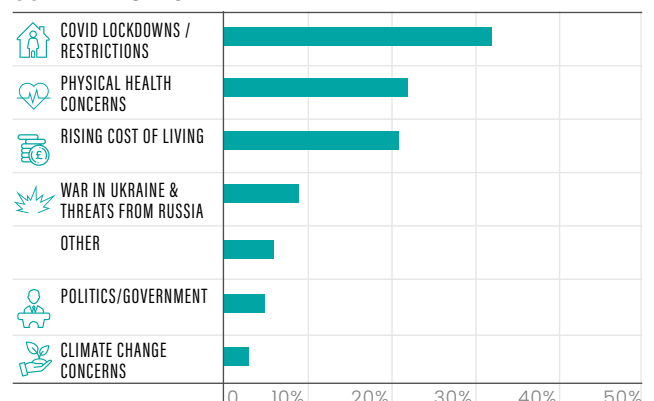
18-34 YEAR OLDS



35-54 YEAR OLDS



55+ YEAR OLDS



Dropping friends

... to improve your mental health

Social restrictions, vaccines and fractious politics - we've been through a lot these last two years and it's no secret that we're a polarised people. That was already a signature of the era and the pandemic added fuel to the fire.

With that, LifeSearch wanted to probe whether or not the pandemic — and the conflicts of opinion it prompted — led to Brits making or shedding more friendships.

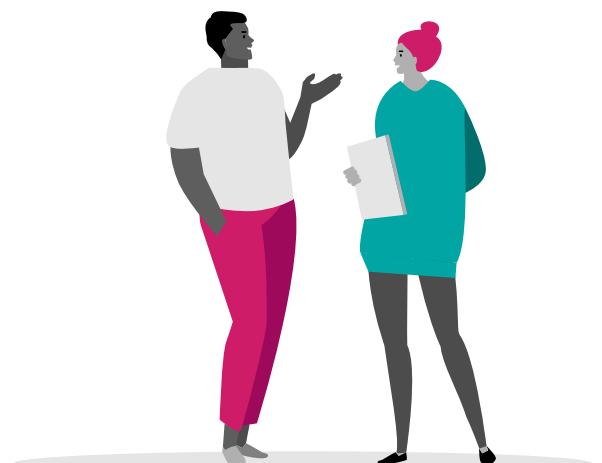
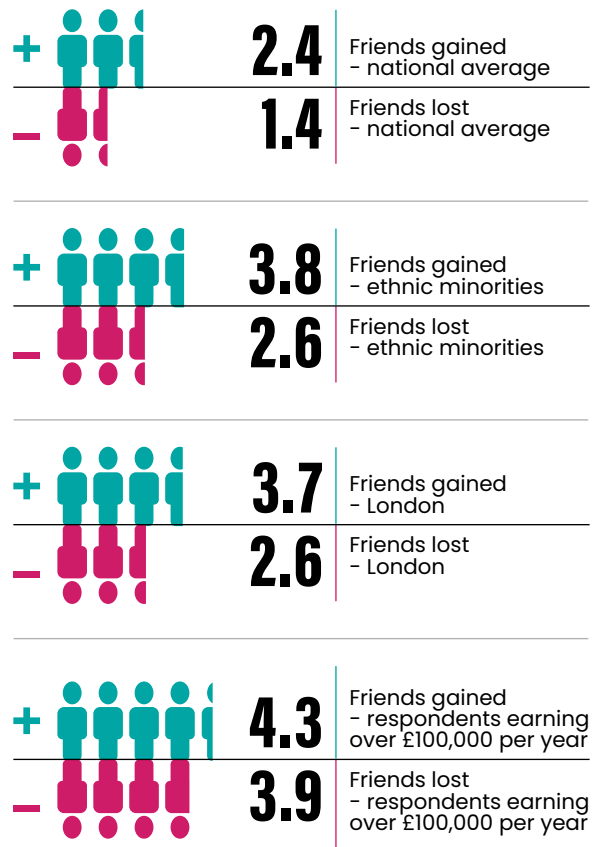
First the negatives, and the average Brit has shed 1.4 friendships in the last two years. This rises to an average of 2.5 among 18-34s. Funnily enough, London is the de-friending capital of the UK, with the average resident waving goodbye to 2.6 friendships through the pandemic.

The more money one earns, the more likely it is they've tossed friendships aside. Respondents among the survey's highest income group (£100,000+) dropped an average of 3.9 friendships each.

Interestingly, those who've seen the greatest convalescence in their mental health may have abandoning certain friendships to thank for it. Those who reported a big improvement in mental health in 2021 have ditched an average of 4.7 friendships in recent days.

The numbers are pretty sharp when cutting data by ethnicity. The average ethnic minority respondent has binned 2.6 friends and/or relationships in the last two years. And it's actually men who've been most trigger-happy, calling time on an average of 3.0 friendships.

FRIENDSHIP CHANGES DURING THE PANDEMIC



... and strengthening ties

Keep your pandemic friends close

While the data on how many friend and family relationships we've severed is interesting, there's a positive counterweight.

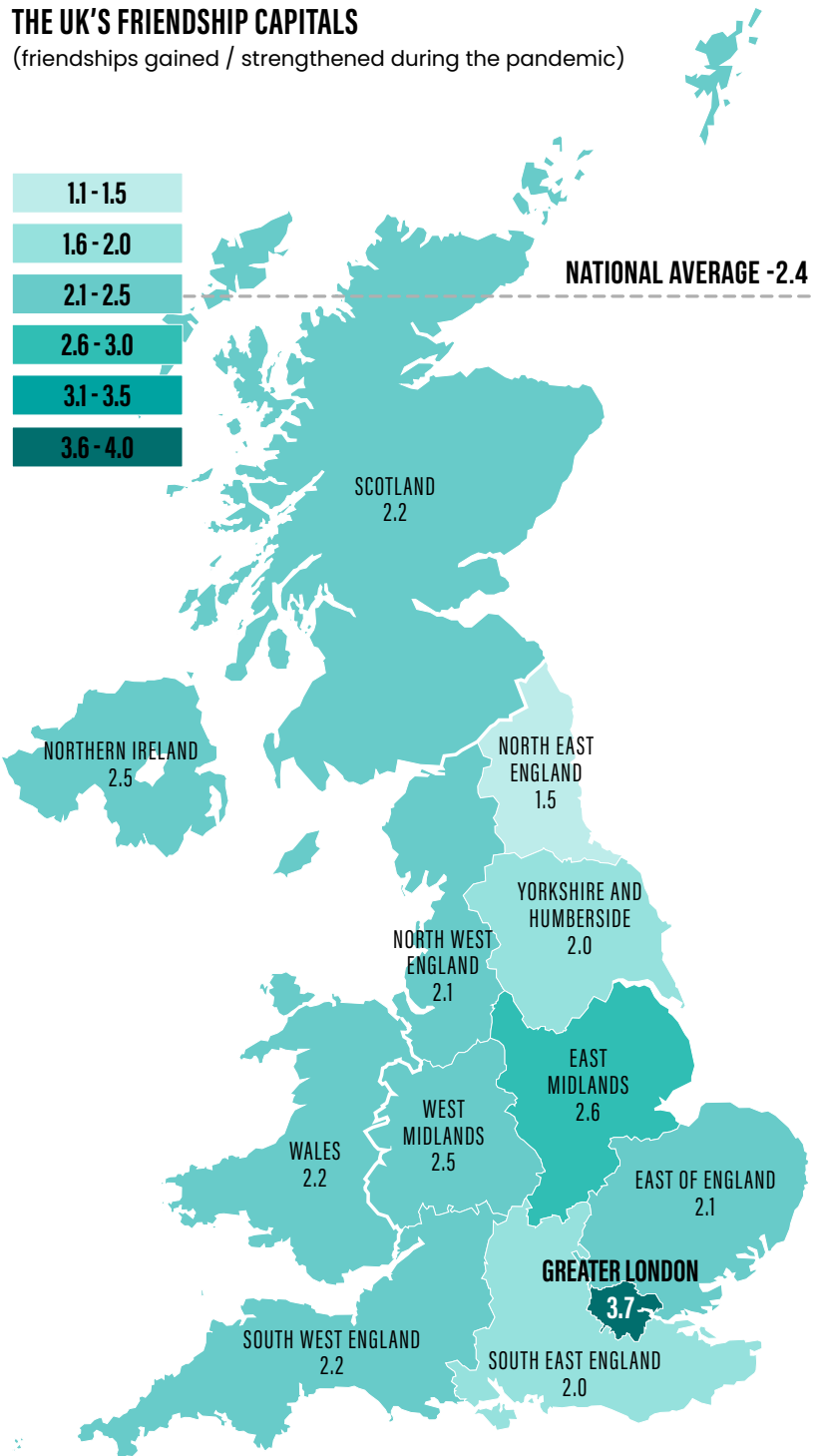
The average Brit might have shed 1.4 friendships, but they've gained and/or strengthened 2.4 friendships.

In ethnic minority groups it's the same story but bigger numbers. The average ethnic minority respondent has binned 2.6 friendships ... but they've made or strengthened 3.8 friend relationships.

Pakistani/ Bangladeshi communities may have killed off an average of 3.9 friendships, but they've more than replaced them - with 4.8 stronger friendships.

THE UK'S FRIENDSHIP CAPITALS

(friendships gained / strengthened during the pandemic)



#StandWithUkraine

A break with convention

In marketing circles, Health, Wealth & Happiness is what’s called a ‘corporate whitepaper’ and convention dictates it be written in a neutral, passive voice. Maybe let’s park that for a brief moment.

My name’s Ally Millar and I’ve written Health, Wealth & Happiness every year for the last four. In the spirit of honesty, this report was written and ready to go to press in late February ...

Then war. War in Europe. War in Europe in 2022.

If you’re anything like me you spent the first hours of the invasion in shock and disbelief. Feeling helpless, small, scared and clinging to the hope that someone, somewhere would somehow broker something ...

I live a few dozen miles from the Russian border, so things here got very real very quickly. Even as I type, in mid April 2022, Nato planes are circling the shimmering, simmering spring skies above.

Life changed here on February 24th but it’s nothing — sweet serene nothing — compared to how life has changed in Ukraine, and for the people of Ukraine.

If you want to see what the shockwave of war looks like thousands of miles from its epicentre, see below. An analysis of UK sentiment shows the conflict’s impact on British morale reached similar extremes to March 2020 - Covid’s onset.

A decent writer might try to draw parallels. They might use fashionable words like unprecedented ...

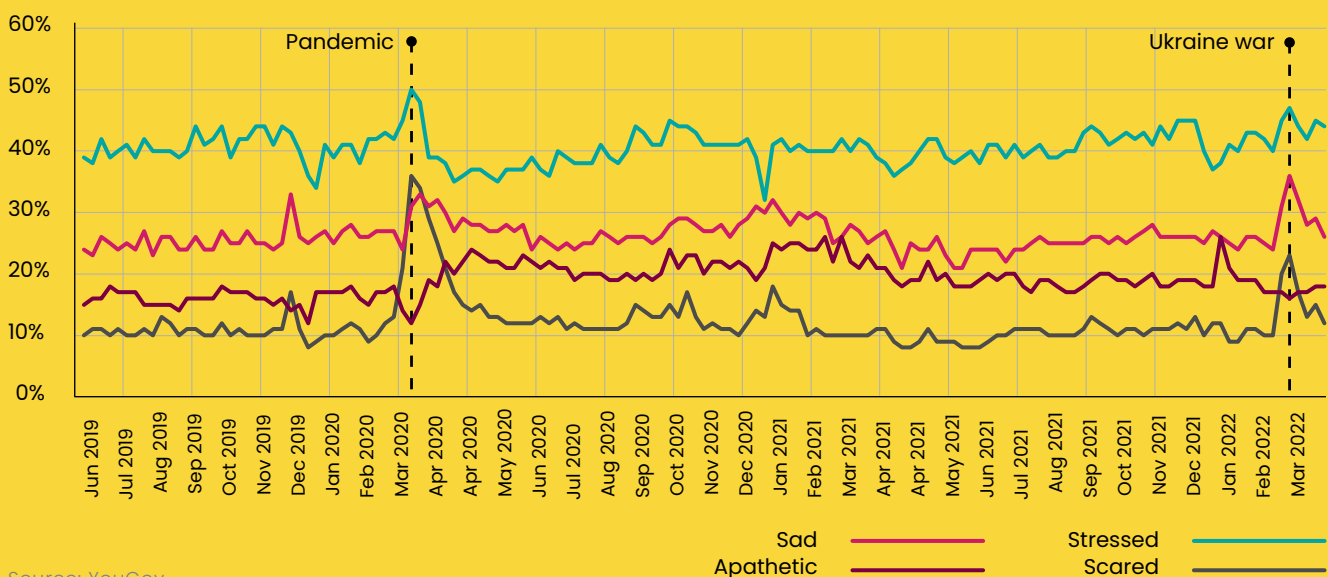
With Covid we now largely have the benefit of hindsight. We can look back. This report does that. But in the current situation we can’t. We’re in it. At the time of writing we’re very much still in it.

To get to a place where we can reflect on Ukraine and what it represents, many more people will suffer. Volatility in the macro and micro will persist. World citizens will continue to feel uneasy as a battle for way-of-life drives up the cost of it.

Covid was unprecedented, but war and the threat of nuclear war have precedent. My generation knows that precedent from books, history class, TV, Netflix documentaries ...

Who ever imagined we’d see it, feel it and fear it for ourselves?

UK ADULTS REPORTING FEELINGS OF STRESS, SADNESS, FEAR, AND APATHY (06.2019. - 12.2020.)



Source: YouGov

“Crisis within a crisis”

The 101: a rough ride ahead

The UK was facing a cost-of-living crisis before war in Ukraine put a bad situation into a nosedive.

Russia is the largest exporter of natural gas and second largest exporter of crude oil in the world. In the name of sanctions, Europe is trying to lessen its reliance on Russian oil and gas so nations are now sourcing it from elsewhere, hence greater demand that drives up prices for everyone. Cue huge fuel costs and utility bills.

Because businesses need gas to power offices and fuel to run vehicles/ freight/ factories / trade et al, extra costs get passed down the chain. To the consumer, ultimately.

On food, it’s a double whammy. Few of us appreciated or probably even knew that Ukraine’s nickname is — or at least was — the ‘breadbasket of Europe’.

The country is — or, again, it at least was — a primary producer of cereals, such as maize and wheat, as well as other grains, and sunflower oil. In basic terms, Ukraine manufactures / manufactured the base ingredients for countless food products. So does Russia, actually.

Brits might try to find solace in the fact we produce 90% of the wheat products we ourselves consume, but fertiliser costs have rocketed ... as that too is one of Russia’s biggest exports. So are many metals crucial in engineering, IT, manufacturing, mining, DIY. The list is fairly endless.

As sanctions push countries to source materials from elsewhere, swollen demand is pushing down supply and jacking up prices.

The struggle for households is taking hold.

2022: STATS AND SPECULATION

13% Food prices jumped nearly 13% in March, the highest in the history of the UN Food Prices Index.

37% The World Bank calculates that food costs could rise by 37% this year.

2008 The price of oil is at its highest level since the aftermath of the 2008 financial crash.

9% UK inflation is expected to hit as much as 9% or even 10% this year.

£850 The UK’s poorest families could lose 20% of their disposable cash this year – an average of £850 per household.

2.2m An estimated 2.2m homeowners have mortgages linked to the Bank of England’s base rate – and can expect their repayments to rise.

13% Of UK households claim they’re only managing to cover minimum payments on credit card bills. A further 6% say they’re unable to cover even that much.

34% Up to 23.5 million Brits (34% of us) will struggle to afford the cost of living this year, according to the New Economics Foundation .

Outro

Debbie Kennedy

Chief Executive Officer, LifeSearch



The choice of food on the table versus heating our homes is somehow real in 2022, so no one can register surprise that Brits' sense of our health, wealth and happiness is on a downwards trajectory.

Optimism did shine through in fits and spurts last year, but pulling hope into the next half of 2022 is an ask given the pandemic's lingering impact, war in Europe, and the prospect of more struggles ahead.

In previous Health, Wealth & Happiness reports, I've always felt energised when I see growing numbers embrace financial planning techniques. During the pandemic we saw that many — younger people especially — embraced a complement of progressive behaviours, such as saving, debt servicing, insurance-shopping, spending reviews and budgeting.

It goes to show we have capacity and appetite to build solid financial foundations and, indeed, we saw many of the same trends and behaviours through 2021. That's encouraging.

But we can't deny that the goalposts have changed again. Price hikes, job insecurity, widespread mental and physical health issues ... the environment is hardly ideal to inspire confidence and promote financial resilience and protection.

Still, we've been in similar places before. Financial collapse 15 years ago, Covid more recently. Volatile times are moments to encourage businesses, friends, colleagues and peers to build up financial protections- not scale them back.

That will be a difficult message to land as we walk a long road of uncertainty but we owe it to families to try.

There's work to do.

About our data

Research overview

The Health, Wealth and Happiness Index was compiled and updated by the Centre for Economics and Business Research (Cebr) for LifeSearch in April 2022.

The Index is based on a modelling process taking into account a range of data sources covering health, wealth, and happiness and monitoring changes over time.

Consumer research was carried out by Opinium Research between 21-25 January 2022 among 2,000 UK adults alongside bespoke research among 502 ethnic minorities in the UK, weighted to be nationally representative, between 21-26 January 2022.

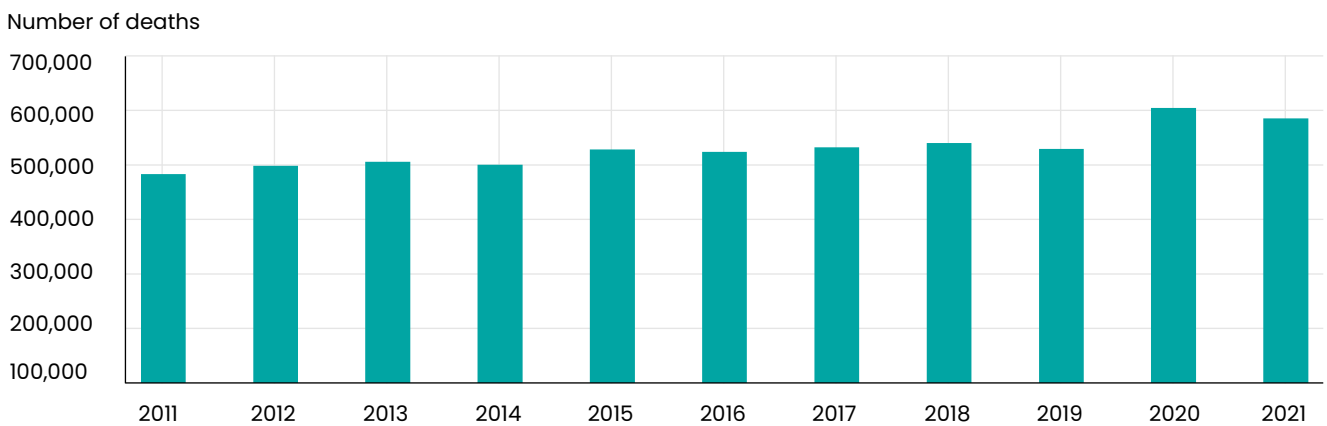
Further research was conducted between 22-25 April 2022 among 2,000 UK adults and was once again weighted to be nationally representative.

Appendix

Health, Wealth &
Happiness Index distilled

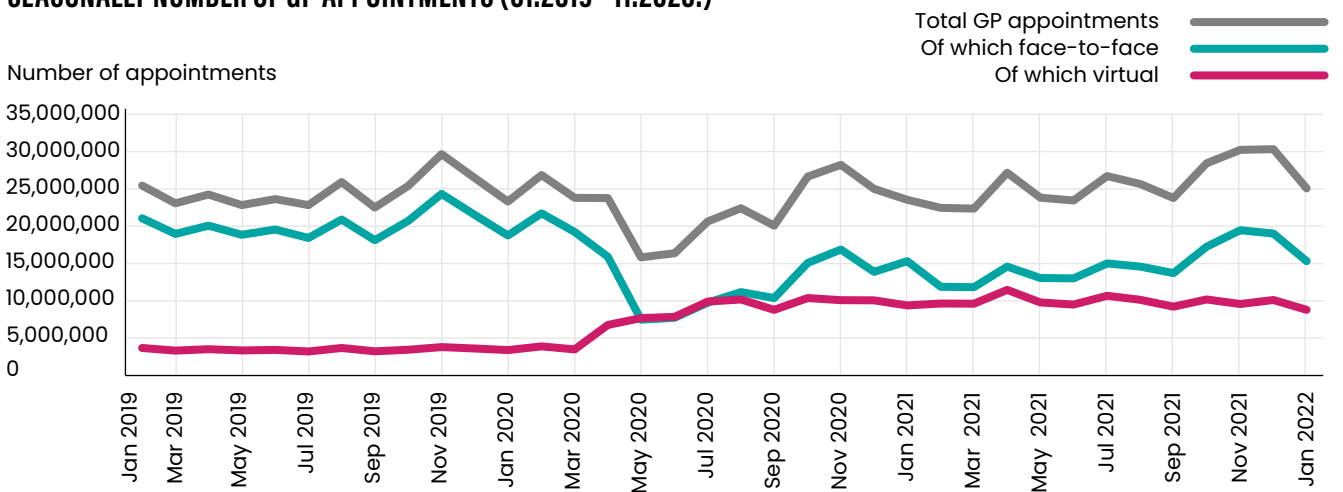
Health, Wealth & Happiness Index data sources

SEASONALLY ADJUSTED ANNUAL DEATHS, 2011 - 2021



Source: Office for National Statistics (ONS)

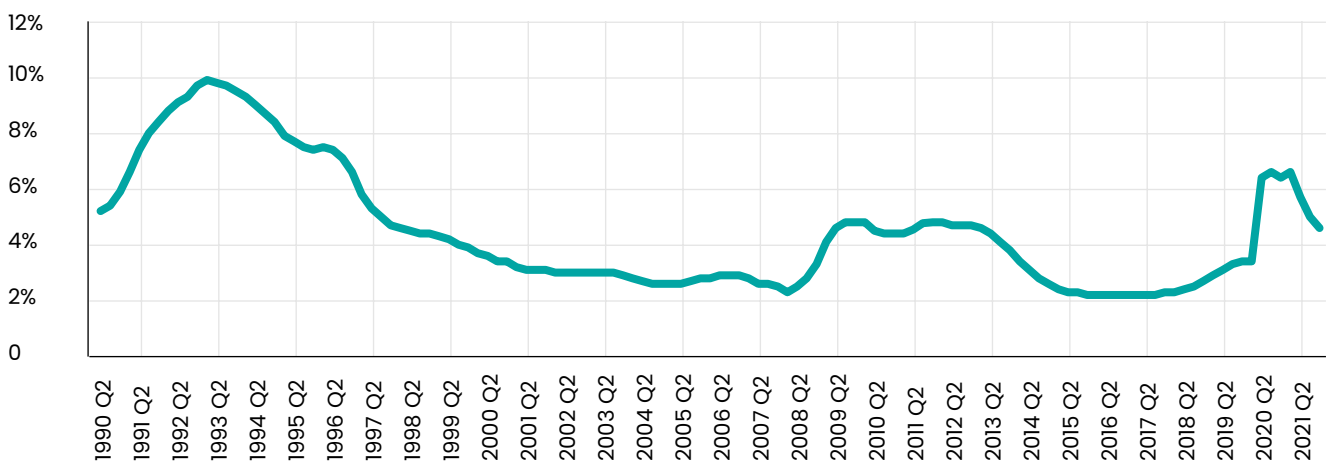
SEASONALLY NUMBER OF GP APPOINTMENTS (01.2019 - 11.2020.)



Source: NHS Digital

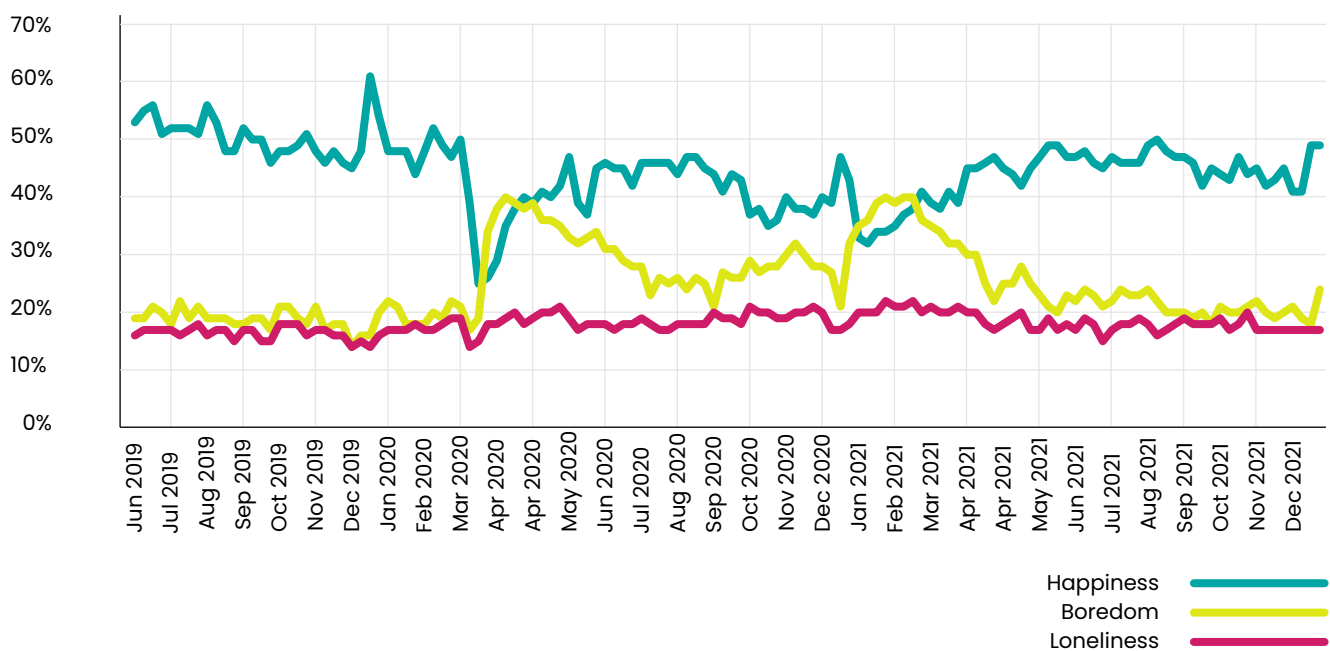
Health, Wealth & Happiness Index data sources

CLAIMANT COUNT RATE (%), SEASONALLY ADJUSTED (1990 - 2020)



Source: ONS

UK ADULTS REPORTING FEELINGS OF HAPPINESS, BOREDOM, AND LONELINESS (06.2019. - 12.2020.)



Source: YouGov, Cebr

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