



# Health Wealth & Happiness

COST-OF-LIVING  
ONE YEAR ON

THE SPRING 2023 REPORT

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# Intro

## No change, all change



**EMMA WALKER**  
CHIEF GROWTH OFFICER,  
LIFESEARCH

Welcome to another Health, Wealth & Happiness report and what is, inevitably, more bad news than good.

Nonetheless, we've refreshed and changed up the format of our report – which you can view in full across several blogs at [www.lifesearch.com/reports/hwh](http://www.lifesearch.com/reports/hwh) – and we're changing tone too. After several years reporting all-time lows, we're more determined than ever to this year find the nuggets, the slivers and the microbes of good.

We've had to look hard, but there are definite granules of joy in the ways Brits have managed to save money over the last 12 months. There's three-figure savings if you're prepared to be online-sneaky, and tidy double digits if you take your hygiene habits elsewhere.

There's also happiness pulsing in pockets up and down the UK, and improved wellbeing among women, young people and ethnic minority Brits. This is hugely welcome news given these exact three demographics felt particularly crushed through the pandemic.

And while the situation's delicately balanced, we may just be through the worst in wealth. Maybe. The economists at Cebr are very, very quietly optimistic. Fingers crossed.

This year's report focuses on friendships again, as we examine the dynamics of making, keeping, nurturing and binning relationships in 2023. We learn that huge portions of the UK reckon they have an optimal number of friends – including besties like mum and granddad – but it seems most of us aren't as close to our peers as we'd like to be.

Friendonomics circa 2023 really does make for interesting reading. For example, did you know one's friendship count increases the more money they earn? You do now.

We also hear the pros and cons of working a four-day-week and it turns out not everyone's on board. Some of the concept's most ardent sceptics are not who you think they are.

We lastly manage to put pounds-and-pence figures against the nation's financial setbacks and what the squeeze means for real people in real terms. So it's not all pleasant reading, but we can't abide only the doom and gloom ...

It's 2023 so we're going for broke for happy. At least happier.

We hope you'll join us on that path and enjoy the revamped Health, Wealth & Happiness Hub. We hope you'll read the trends, share the insights, and embrace the morsels of joy we have.

Roll on next year,

Emma



# Overview

The Health, Wealth  
& Happiness Index

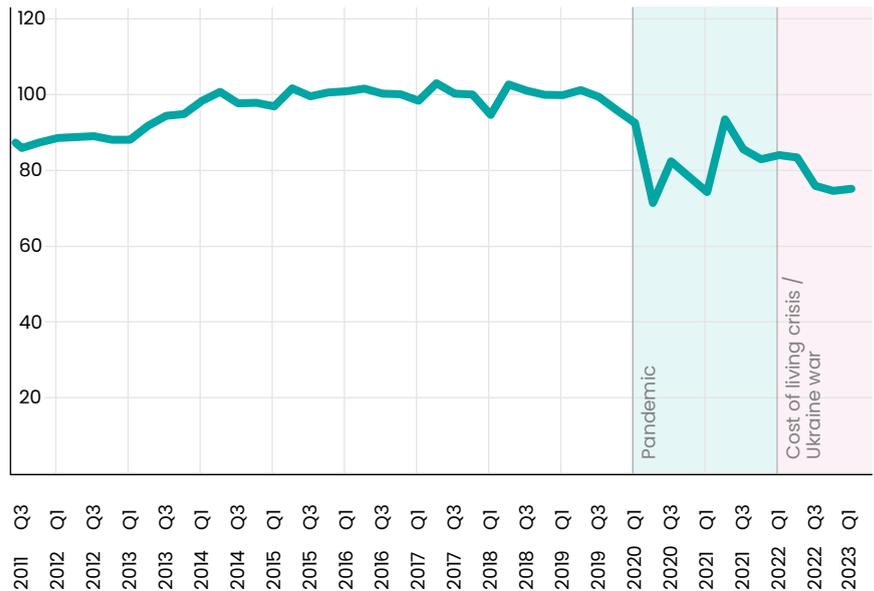
# The Health Wealth & Happiness Index 2023

## OVERVIEW

Off the bat, the news isn't great. All three domains – health, wealth and happiness – worsened through 2022 / 23, chiefly due to the cost-of-living crisis and subsequent falls in living standards.

The combined Health, Wealth & Happiness Index averaged 77.6 for the year, considerably down from 87.0 in 2021 / 22. Although 2023 has brought flickers of optimism in the Wealth and Happiness domains, the current score of 75.5 remains firmly down on historic averages.

## HEALTH, WEALTH AND HAPPINESS INDEX (2015=100)

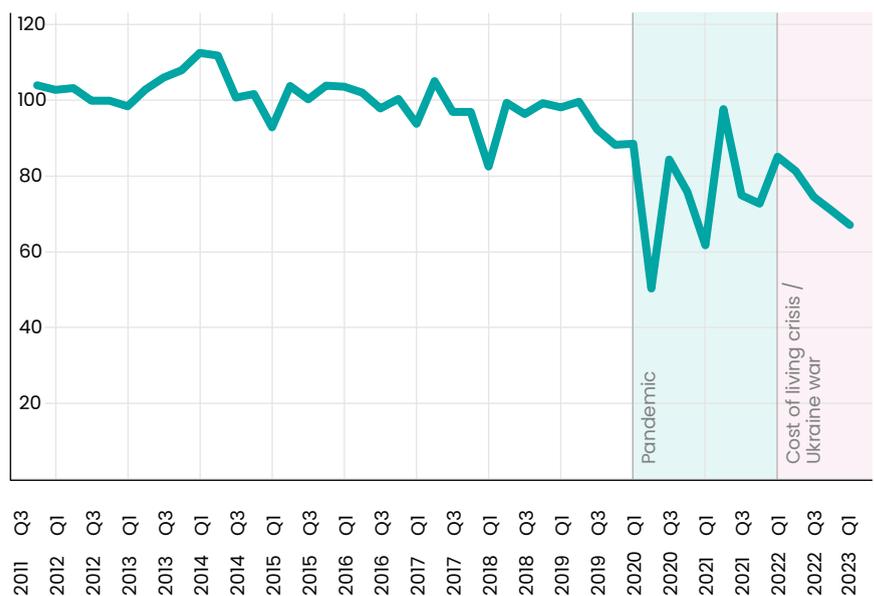


Source: Cebr analysis

## THE HEALTH INDEX

The Health Index in 2022 / 23 saw continuing declines, quarter after quarter. Although it is not any longer stuck in the low-lows of the pandemic period, Health Index values are still way down on pre-pandemic times, indicating Covid's lingering adverse health effects on the system, and in the population.

## HEALTH INDEX (2015=100)



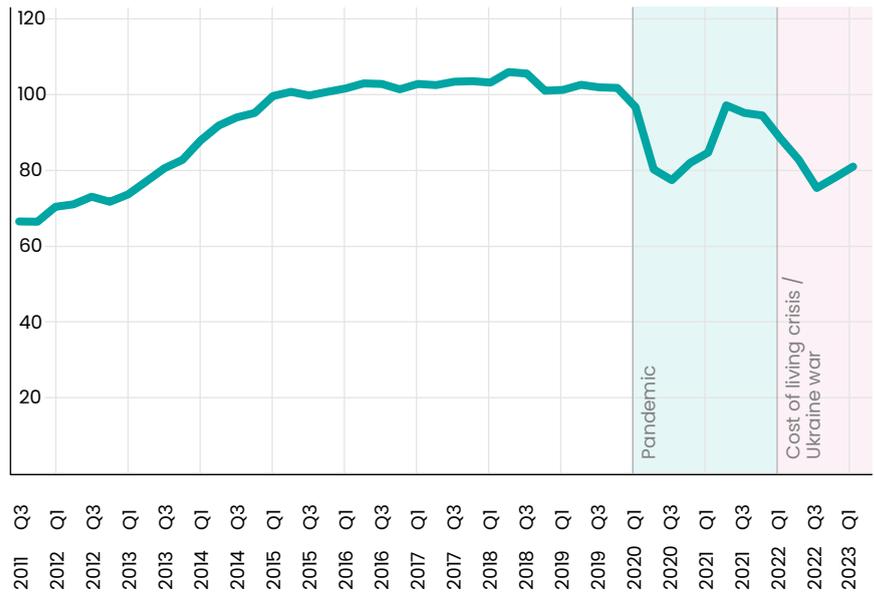
# The Health Wealth & Happiness Index 2023

## WEALTH INDEX

The Wealth Index entered 2022 / 23 already on a downward trajectory. Although things looked strong in late 2021, as Covid restrictions eased and the economy opened up, the Wealth Index nosedived from a peak of 97.0, and remained suppressed throughout the rest of 2022.

Russia's invasion of Ukraine and its far-reaching economic repercussions drove the Wealth Index down from Q2, culminating in a near-record low in Q3. Although a small recovery has recently appeared – in Q1 2023 the Wealth Index stood at 80.8 – it's very delicately balanced.

## WEALTH INDEX (2015=100)



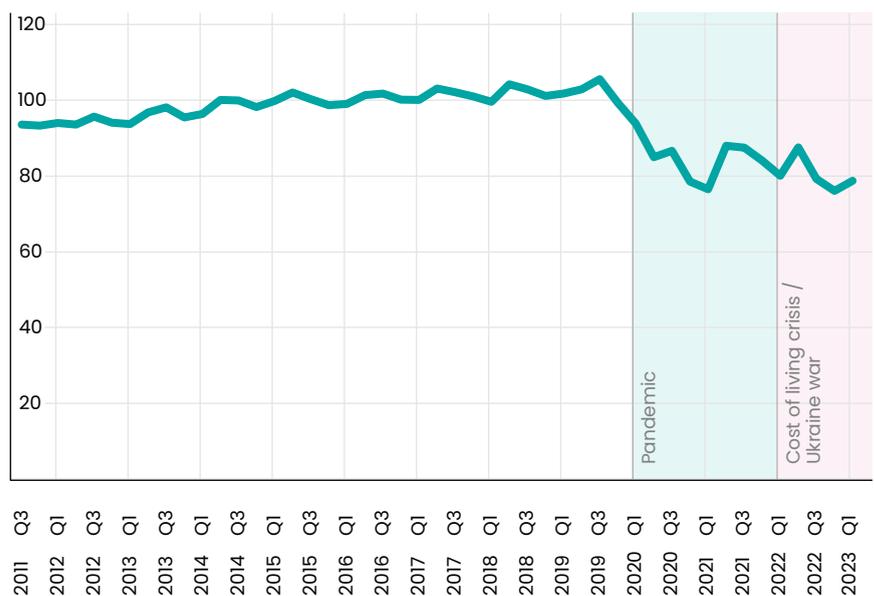
Source: Cebr analysis

## THE HAPPINESS INDEX

The Happiness Index was volatile over 2022 / 23. Notes of optimism in early 2022 soon fell sharply as inflation, high prices and economic uncertainty impacted households up and down the country. In Q3 the Queen's death triggered another dip and by year's end the Happiness Index hit a record low of 76.0.

In Q1 2023 we saw a small uptick from that record low but the lingering economic threats will likely limit any significant upswings in Happiness or, indeed, Health and Wealth.

## HAPPINESS INDEX (2015=100)



# Health, Wealth & Happiness



# Friendonomics...

How are friendship dynamics changing?

We saw a huge friendship reshuffle during the pandemic, so we again asked our 3,000-strong research audience whether or not this pattern has continued through 2022 / 23 and the cost-of-living crisis. It has ...

But we've made more friendships than we've binned.

## FRIENDSHIP CHANGES OVER THE LAST YEAR

### 1. Fallen out with (avg no. of friendships)



### 2. Lost touch with (avg no. of friendships)



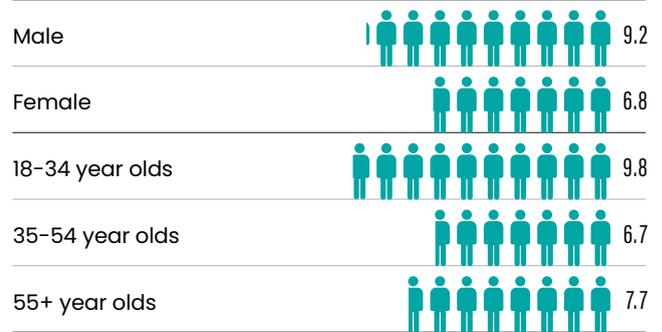
### 3. Reunited with (avg no. of friendships)



### 4. Stronger friendships (avg no. of friendships)



## WHO'S GOT MORE 'IN-PERSON' FRIENDS?



## WHO'S GOT MORE 'ONLINE' FRIENDS?



THE AVERAGE BRIT HAS...

7.9

'in-person' friends (excluding family members) who they see on a regular basis.



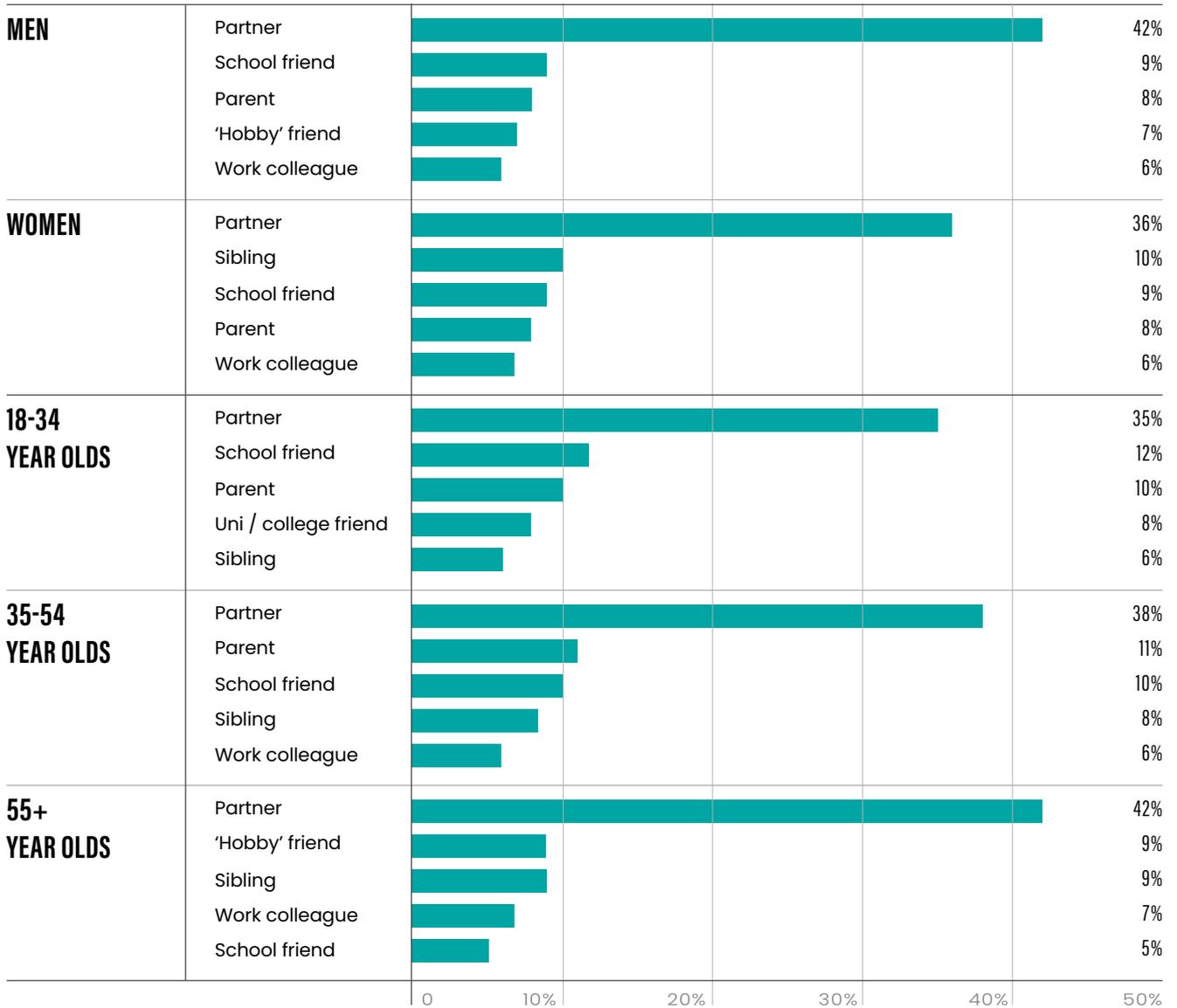
.. AND

11.3

'online / virtual' friends, who they rarely (if ever) see in person and interact with primarily online.

# Best friends forever

Just who are our best friends, mum?



**55%** of Brits have one friend they think of as their bestie.



**31%** of Brits say they're not close to one friend in particular.

**56%** of Brits would go to family / partner for support first if faced with a problem.



**28%** would first turn to a friend for a helping hand.

# Fallen friendships

Why friend relationships usually fail



**36%** of people from the East of England say they haven't fallen out with anyone.

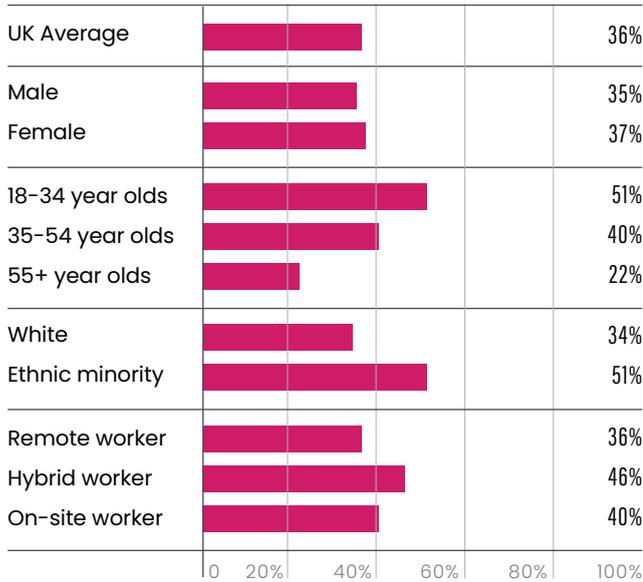
**9%** of Londoners have fallen out with friends / family due to opinions on social media.

**11%** of Brits in South West England have fallen out with friends / family over money.

**3%** in Wales have fallen out with friends / family due to opposing parenting styles or a friend's children's bad influence.

# “ I wish I was closer with my friends

## BRITS WHO AGREE WITH THIS STATEMENT ...

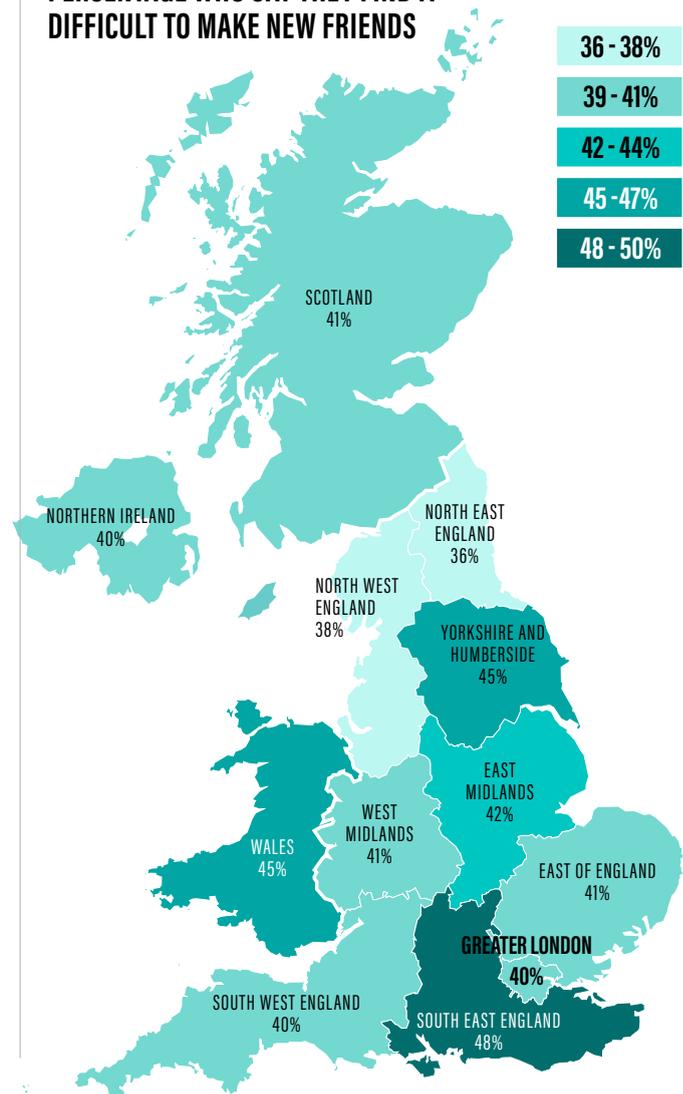


We find out in this year's Health, Wealth & Happiness data that a majority of Brits are comfortable with the number of friends they have.

But just because we're happy with our friendships' quantity, doesn't mean we're happy with their quality.

On this page we see a snapshot of people's regrets and shortcomings when it comes to friendships. UK 18-34s have the most friends ('in-person' and 'virtual') but are still most likely to say they wish they had closer friendships.

## PERCENTAGE WHO SAY THEY FIND IT DIFFICULT TO MAKE NEW FRIENDS



**28%** of Brits aged 18-34 say they prioritise seeing friends over seeing family, the most of any demographic.

**62%** of UK women say they don't see their friends as much as they would like.

**53%** of UK male respondents agree to this statement.



# Mental health

## Better or worse than last year?

The Health, Wealth & Happiness Index reported a series of new lows for the nation's happiness, with feelings of stress and anxiety peaking in 2022. Predictably, these lows primarily link to the economic situation.

The UK Happiness Index turned a small corner in Q1, 2023 and anxiety and stress have eased. But these small gains are tightly linked to our finances and any changes, for better or worse, will likely knock into mental health going forward.

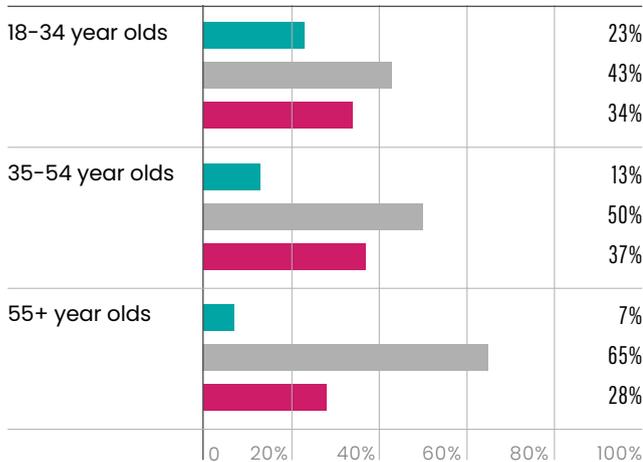


■ BETTER    ■ NO DIFFERENT    ■ WORSE

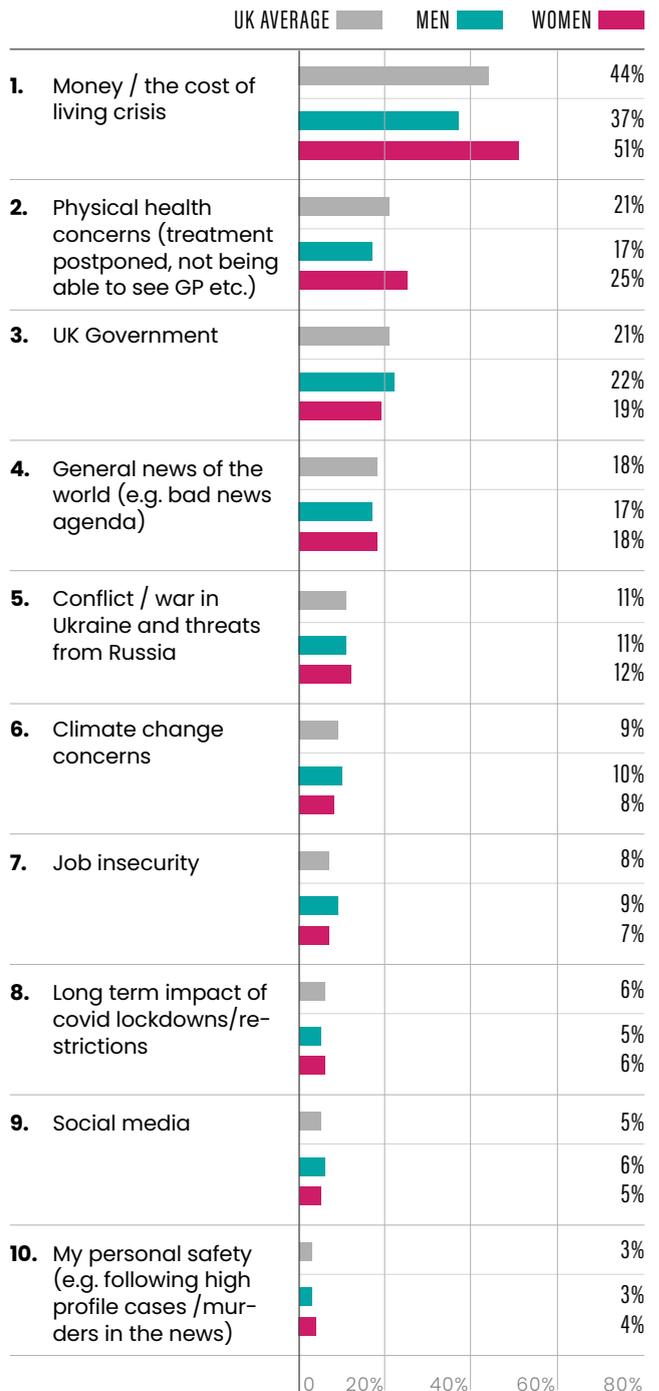
### COMPARISON BY GENDER



### COMPARISON BY AGE

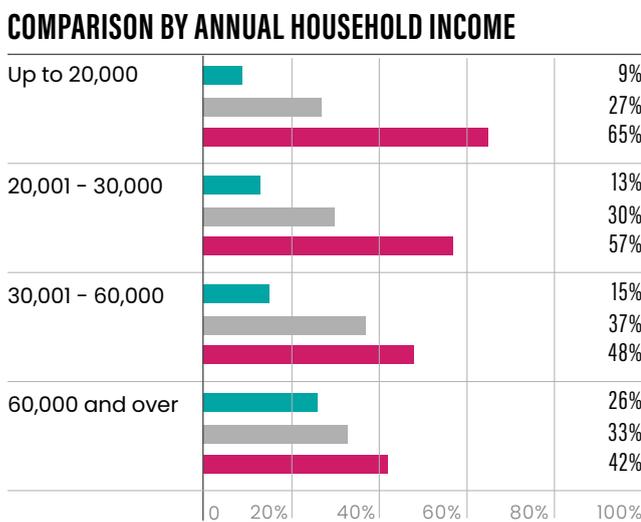
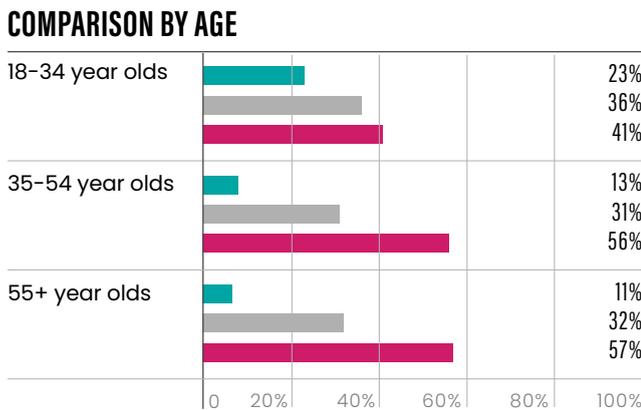
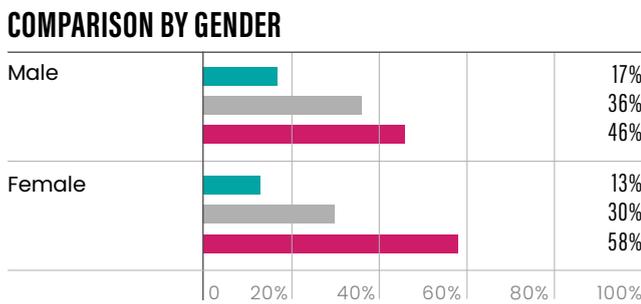
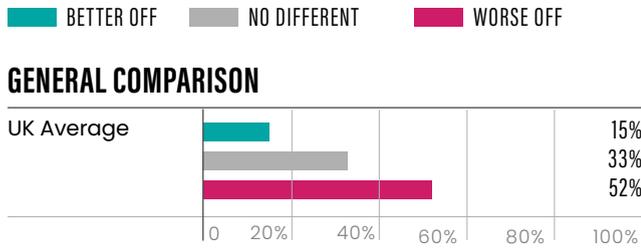


### TOP-10 THINGS MOST DETRIMENTAL TO MENTAL HEALTH AND WELLBEING



# Let's talk money

Who's financially better off than this time last year?



Over half (52%) of the UK population see themselves as worse off now versus the same period last year. It's also interesting that young people (18-34) 'feel' better off but, in real financial terms, are set to be the worst off (£367 per month) in the next few months.

Conversely, older people (55+) 'feel' worst off (£140 per month), but, in real financial terms, will be down a much smaller £141 per month.

## HOW MUCH WORSE OFF DO YOU EXPECT TO BE PER MONTH OVER THE NEXT FEW MONTHS?

Comparison by annual household income



**£546**

By far and away, Londoners expect to be worst off per month.

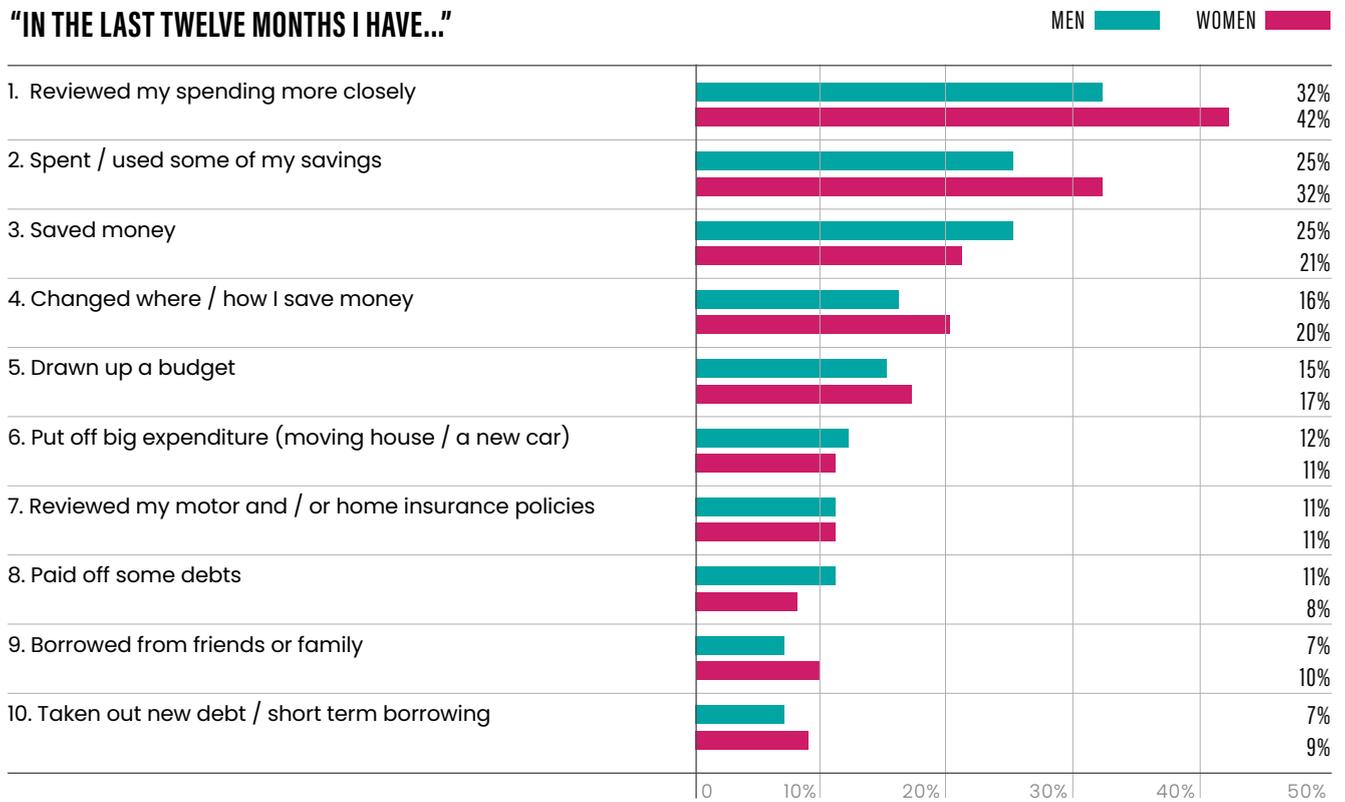
Just next door in the East of England, residents expect to be down an **extra £168** per month.



# Financial footwork

How are we adapting to make ends meet?

## "IN THE LAST TWELVE MONTHS I HAVE..."



The data on this page is a continuation of financial behaviours Brits have turned to of late, which we also saw in last year's Health, Wealth & Happiness report.

It's alarming that UK 18-34s are still the demographic most likely to have taken on more short-term debt (14%) and long-term debt (7%). They're most likely to have borrowed from friends or family (13%), stepped up their gambling (5%) and even to have sought financial help from informal lenders / loansharks.



**+£349 SAVED**

Over one in five Brits say they've actually saved money in the last 12 months, an average per month of nearly £350 apiece.

**-£292**

**SPENT FROM SAVINGS**

Conversely, more than one in four have had to dip into their savings, gouging nearly £300 per head per month over the last year.

# Spenders & savers

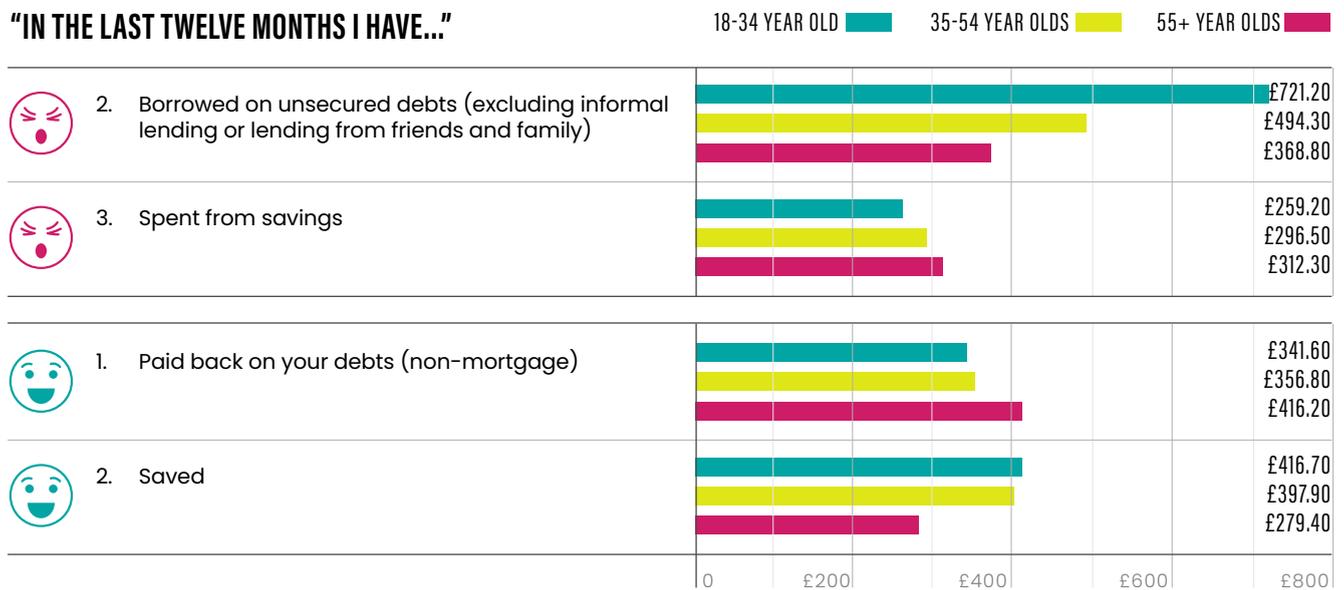
We asked respondents to list things they've done, whether by choice or by necessity, to shore up their financial health in the last 12 months.

The most common behaviours are keeping closer tabs on spending (37%), and dipping into savings (29%). Meanwhile, one in seven (16%) people have drawn up a budget and over one in ten (11%) have delayed big purchases, such as a house or a car.

Another one in ten (11%) have reviewed their home and motor insurance policies, while 8% have borrowed money from friends and family. A different 8% have turned to short-term debt and yet another 4% long-term debt.

Somehow, nearly one in four (23%) say they've managed to save money in the last 12 months. Nearly one in ten (9%) say they've paid down debt and one in 25 (4%) people in the UK have even overpaid on their mortgage.

## "IN THE LAST TWELVE MONTHS I HAVE..."



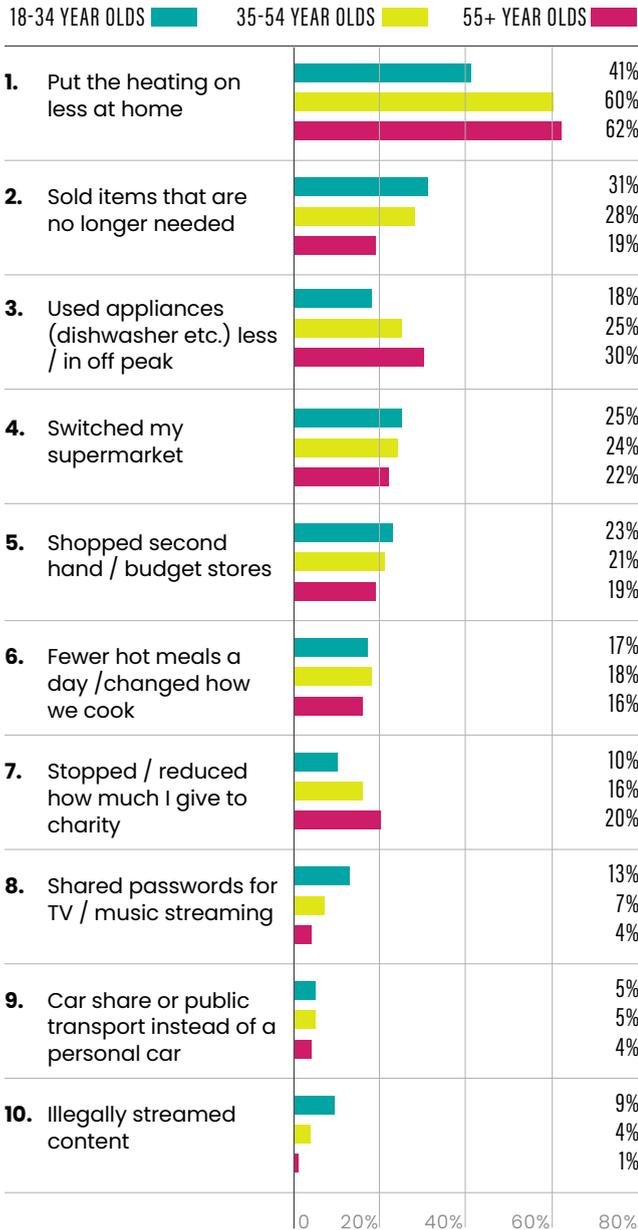
**8%** of Brits have turned to short term debt and another 4% long-term debt to make ends meet.

**11%** of UK 35-54-year-olds say they have borrowed from friends and / or family in the last 12 months.

# Thrifty ingenuity

How did we claw back cash in the last 12 months?

## "IN THE LAST TWELVE MONTHS I HAVE..."

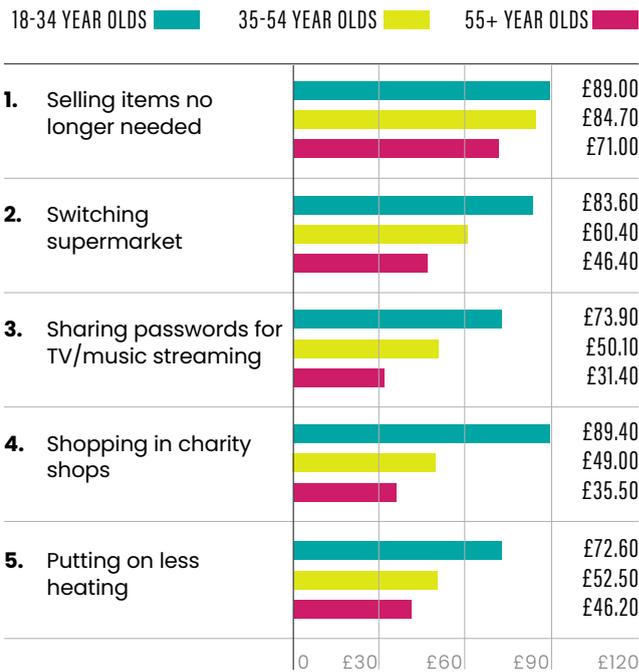


**£73.10** **SAVED**  
on average for those Brits who decided to stop or reduce their kids' pocket money.

**£ 87.90** **SAVED**  
by those Brits who illegally streamed games, music and media.

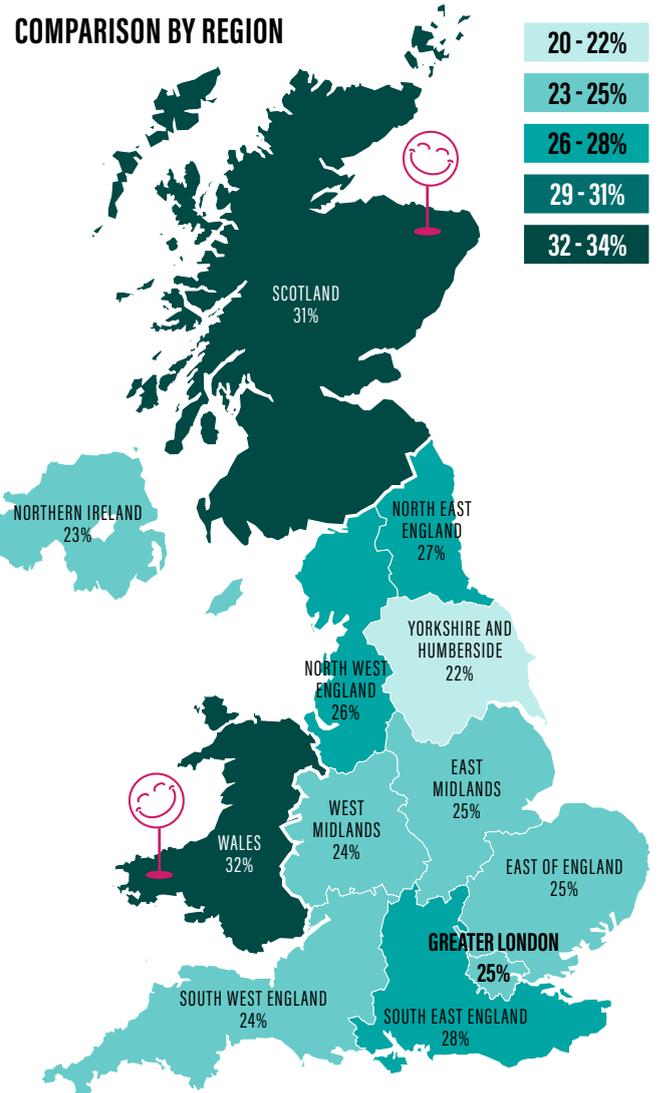
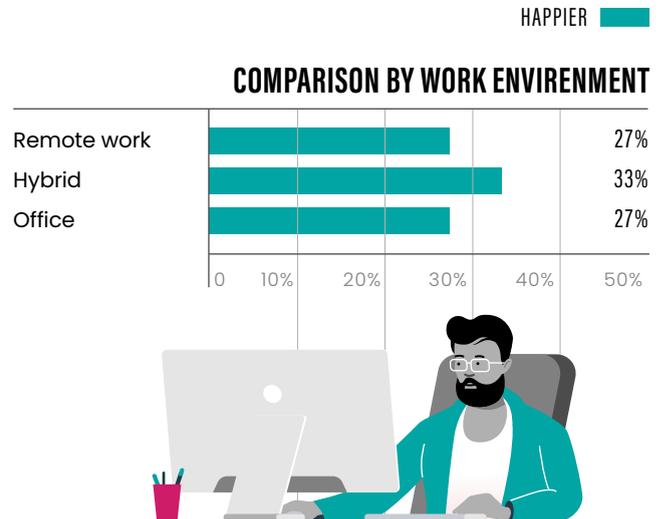
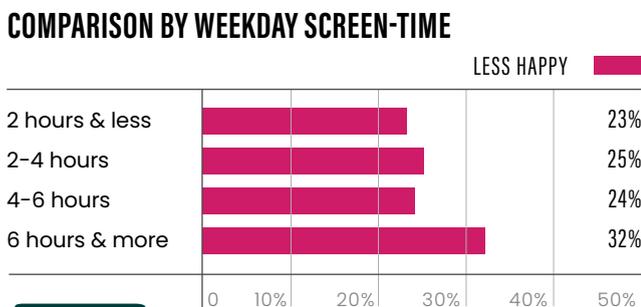
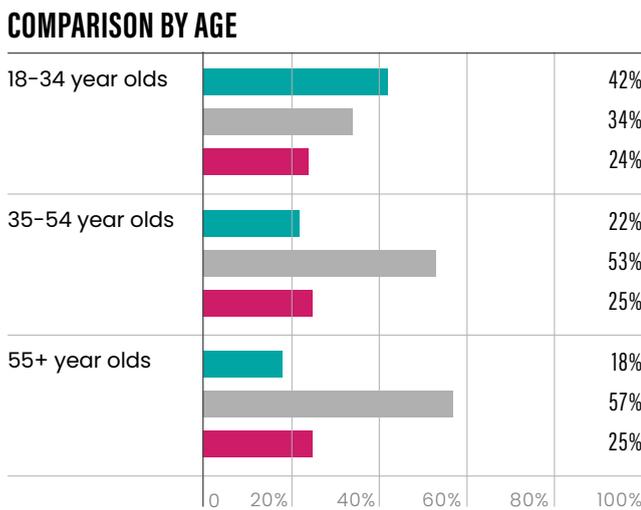
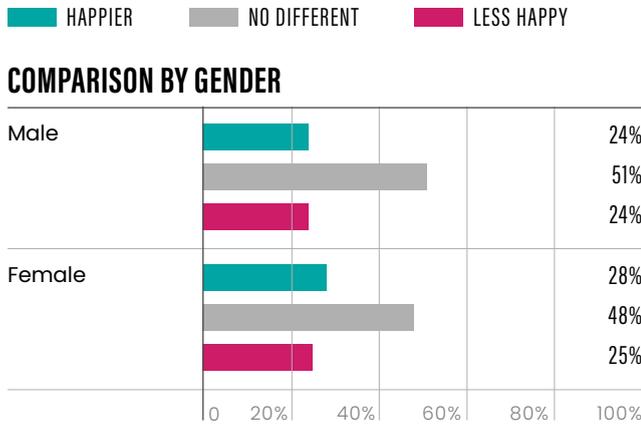
**£ 67.80** **SAVED**  
by Brits who showered at work or the gym rather than at home.

## TOP-5 BEST MONEY SAVING ACTIONS TAKEN OVER THE LAST 12 MONTHS



# How happy are we?

Comparison versus the same period last year



# What's the key to happiness ...

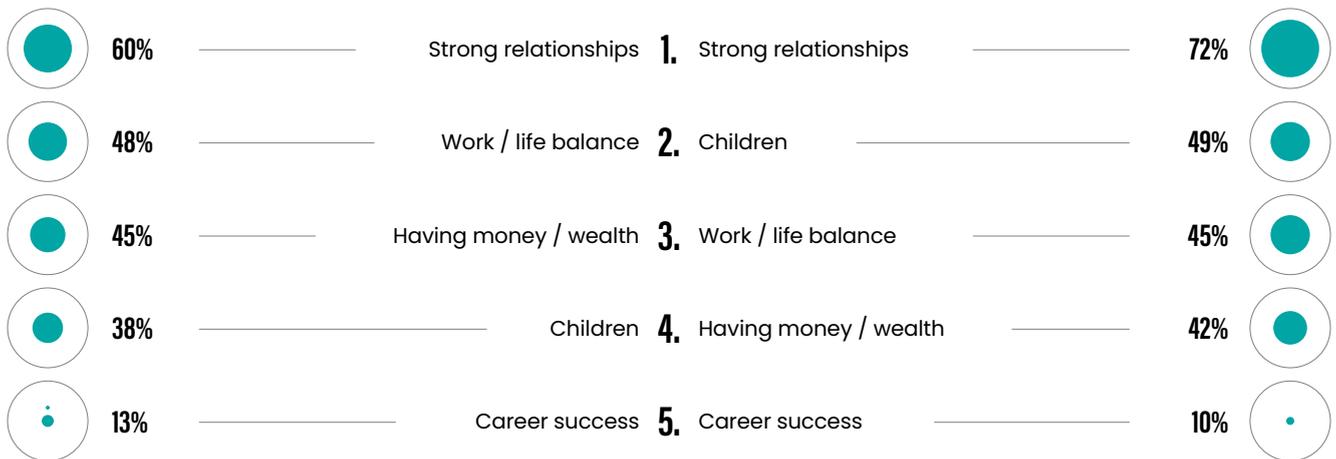
Children rank #4 on men's Top 3

It's interesting to ask this question every so often as results can be markedly different based on the wider context. For example, in the pandemic we saw a major emphasis shift onto health and family, and in the cost-of-living crisis, men have really doubled down on the desire for success, finances and fame.

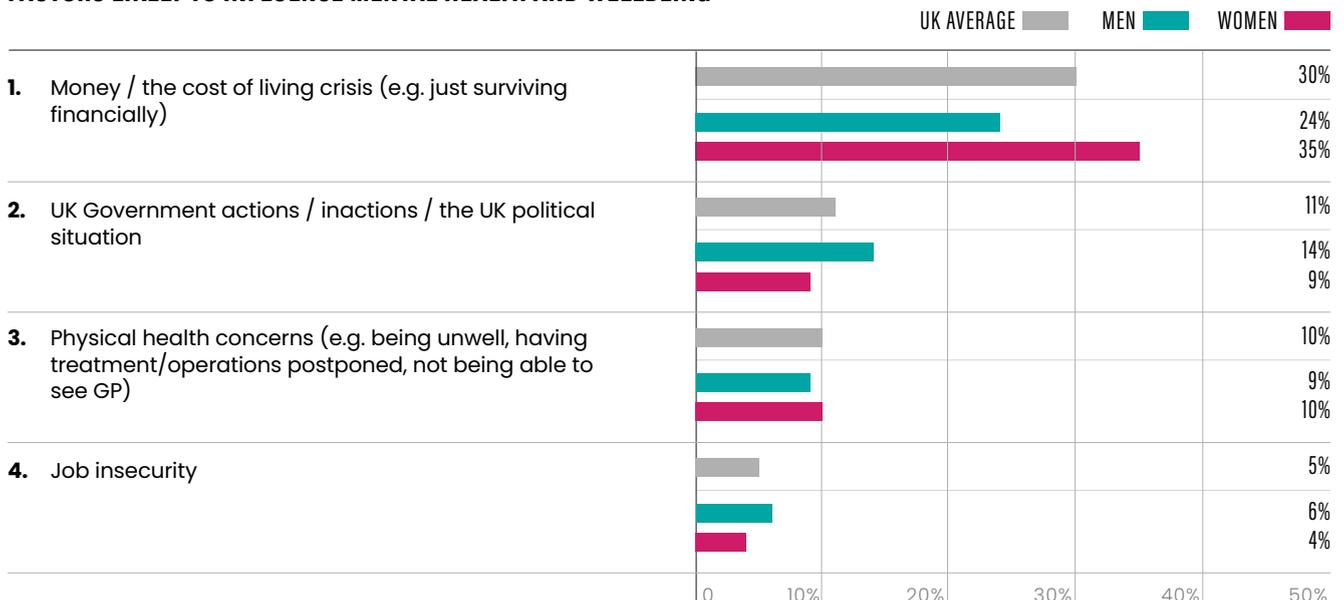
**73%**

of Brits 55+ say that strong relationships are a vital factor in their happiness. This figure drops to 57% in 18-34-year-olds.

## MALE RESPONDENTS FEMALE RESPONDENTS



## FACTORS LIKELY TO INFLUENCE MENTAL HEALTH AND WELLBEING



03

# The four day week



...and the reality of  
remote working

# The four day work week

Who wants it, why, and what are the drawbacks?

“  
A four-day week would work with my job role  
**I AGREE - 59%\***



“  
Employee wellbeing would raise if their employer implemented the four-day work week  
**I AGREE - 69%\***



“  
Businesses would be just as productive if they implement a four-day work week  
**I AGREE - 58%\***



In 2022, around 100 UK companies agreed to trial a four-day working week. By early 2023, over 2,900 employees at 70 organisations – including Marks & Spencer, several banks, breweries and even a few local chippies – were riding the four-day train, and the six-month results looked good.

In February of this year, the trial was heralded as a major breakthrough, but what do Brits really think?

“  
Technological innovation makes a four-day week more likely  
**I AGREE - 61%\***



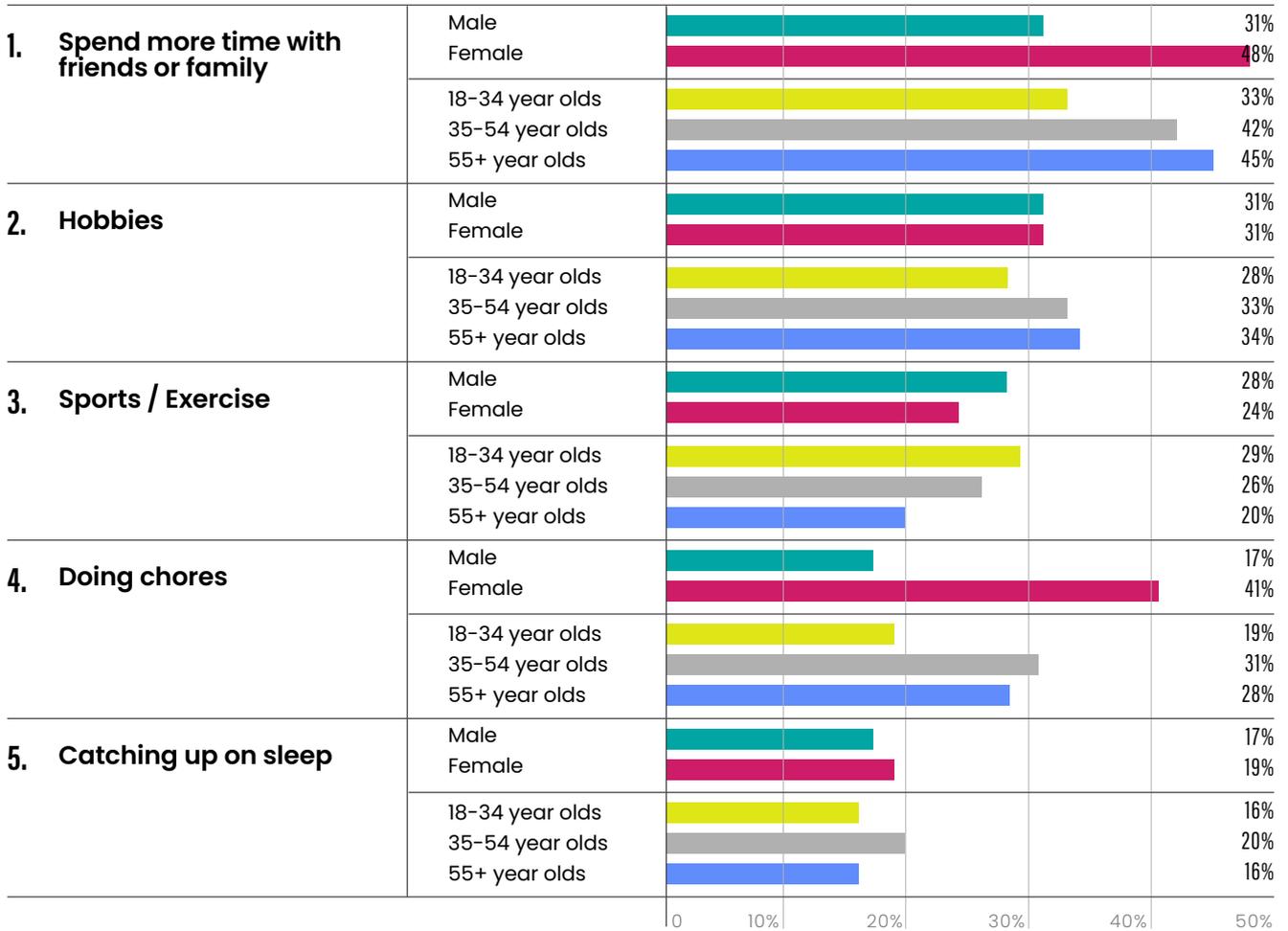
“  
I would expect to receive the same pay if a four-day week was implemented  
**I AGREE - 69%\***




\* Data reflects UK population currently in work

# All this extra time

What Brits would do with another day



Females are substantially more enthused by the idea of 4/3 than males, with three-quarters (75%) of females advocating the move would be better for employee wellbeing versus less than two-thirds (64%) of males.

Females are also more likely than males to believe business productivity would stay the same at 4/3.

Interestingly, those with a higher household income (£60,000+) are somewhat sceptical of aspects of 4/3, seemingly less convinced by the productivity and worker wellbeing arguments.

**17%**  
of Scots say they'd use the extra day to work or focus on a side hustle, while 24% of Londoners say they'd spend it watching TV.

# 'Working' from home

## What else do remote workers do all day?

Even as lockdowns and Covid rules ended, the working-from-home dynamic has stuck. Our nationally representative survey of over 3,000 UK residents found that a small majority (52%) of us continue to work remotely, whether it's a lot or a little.

And it seems we're pretty good at multitasking ...

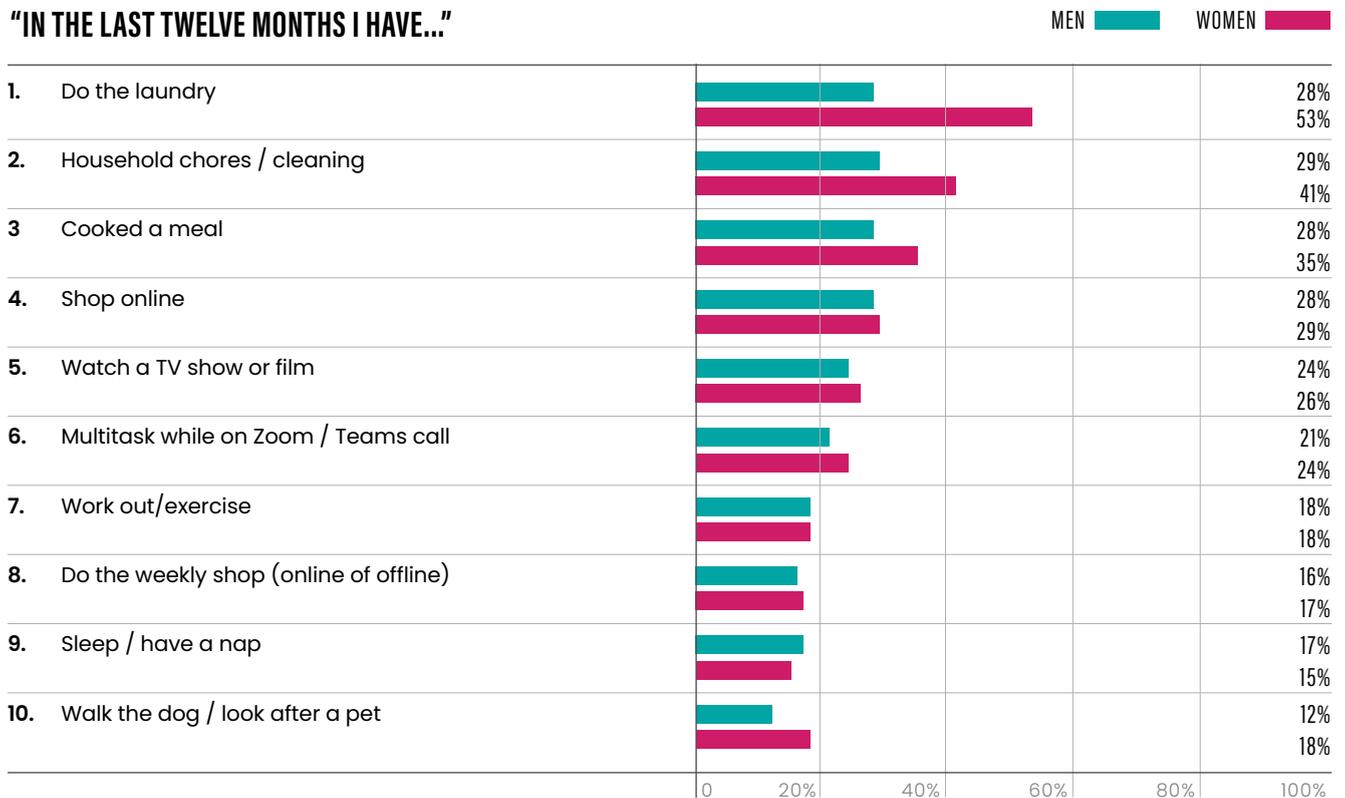
### 17%

of UK 18-34-year-olds say they've had sex while 'working' from home and nearly one in ten (9%) younger workers say they've enjoyed an adult beverage or three during business hours. But plenty (6% apiece) in the older two age categories admit to doing the same.

### 53%

of UK women said they've done or do the chores on company time. Unfortunately a raft of stereotypes hold as we see how much more likely women are than men to do the laundry, clean and cook while ostensibly on-the-clock.

### "IN THE LAST TWELVE MONTHS I HAVE..."





# Outro

# Outro

## Flying the flag as tough times continue



**DEBBIE KENNEDY**  
CHIEF EXECUTIVE OFFICER,  
LIFESEARCH

Looking back on the prior 12 months, I can't remember a time in my working life when things were so volatile. It's at least on a par with the financial crash 15 years ago.

The news that we may, and it is a may, be through the worst of the squeeze is heartening, but recovery from this period of national and international disharmony won't happen overnight.

The cost-of-living crisis has been with us for well over a year, now, and from the data on these pages, we're still having to dig deep. It's encouraging to see the way Brits have changed habits and behaviours to save cash, and the unexpected uptick in national happiness – even if it's just a percentage point or two – feels like something to build on.

But the cost-of-living impact data is troubling. Of course it is. The degree to which young people especially are getting into debt, borrowing from family, uprooting their lives, raiding savings and delaying big life decisions is hugely concerning.

Again, it's no surprise that products and services in the life insurance category are not top-of-mind at a time like this.

That said, it's our job to continue flying the flag. For protection. For resilience. For forward-planning even when the now is a struggle. What we in protection offer individuals, families and business has real merit at a time when people are gouging their savings and feeling more financially fragile than ever.

Protection is an overhead which protects a family's ability to pay other overheads. Ultimately, this is what we do. Life insurance can prove itself priceless should a bad situation take an unthinkable turn to the worse and this is a valuable piece of the financial jigsaw, still. Even now. Especially now.

At this point I risk ending on the bad and not the better. There is better this year, if only a little. There are optimistic strings dangling from this year's data and we have a chance to pull on those in the 12 months ahead.

We must continue presenting to our customers the case for protection and the lifeline it surely provides though bad times, good times, optimistic times and everything in-between.

Thanks as ever,

Debbie

# Contact

LifeSearch

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 [marketing@lifesearch.co.uk](mailto:marketing@lifesearch.co.uk)

 [www.lifesearch.com](http://www.lifesearch.com)

 401 Grafton Gate East,  
Milton Keynes, MK9 1AT

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