

The Scottish Widows Future Finances Index™ (FFI™) is compiled each quarter by S&P Global, using original monthly survey data collected by Ipsos MORI from a representative sample of 4,500 UK households.

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## ALMOST HALF OF ALL HOUSEHOLDS HAVE NEVER ACCESSED FINANCIAL ADVICE

- Two in five households have minimal financial planning knowledge
- 47% of households have never accessed professional financial advice
- Despite financial challenges, two-thirds of households have not sought financial advice this year

Two in five households reported that they have minimal financial planning knowledge according to the latest **Scottish Widows Future Finances Index**.

Despite the financial challenges people are facing, the survey showed that 67% stated that nothing this year had prompted them to seek professional financial advice.

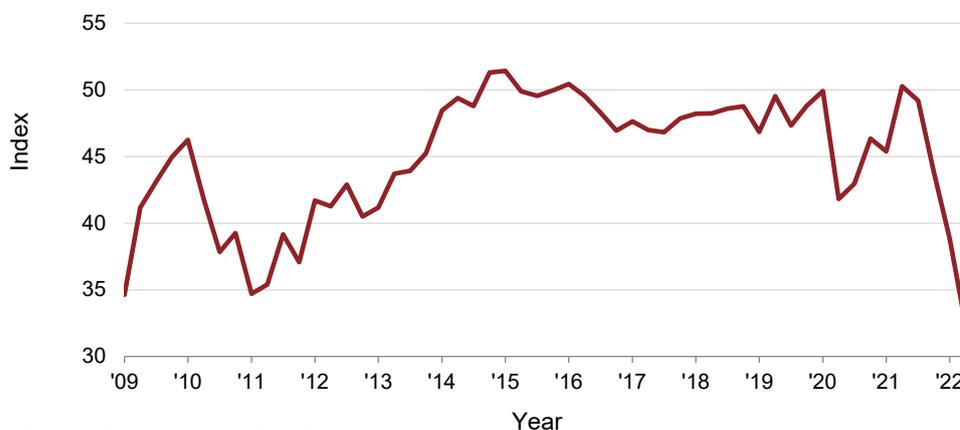
The index, which measures households' overall perceptions towards future financial wellbeing, fell to a series low of 32.4 in Q2. This is the fastest rate of decline since the survey began in Q1 2009.

Almost half of respondents (47%) stated that they had never accessed professional advice in their lifetime. Despite growing pressure on long-term finances, about two-thirds of these households do not plan to get professional advice in the future. At the same time, only 17% of those that had never sought professional financial advice said that they now plan to do so within the next 2 years.

While UK households were reluctant to access professional financial advice in Q2, there were also reservations around receiving free financial advice. The majority of respondents (58%) said they had not turned to free sources over the last two years. Those that did mostly went to family members (17%), friends (12%) and news/online sources (11%). Underlying data revealed almost a quarter (24%) of those aged between 18-24 turned to family for free financial advice compared to just 8% for people aged between 45-54.

### Scottish Widows Future Finances Index

sa, >50 = improvement since previous quarter



Sources: Scottish Widows, S&P Global

**Emma Watkins, Managing Director - Retirement, Scottish Widows said:**

*“It’s understandable that many people struggling right now would not prioritise seeking financial advice given the squeeze on their household budgets. But the risk of only focusing on the short term challenges, and potentially neglecting long term savings, could have an even greater impact on future stability. By accessing financial advice sooner rather than later, either via free resources or paid services, you can set yourself and your family up for financial security in the future.”*

**Squeeze on households**

Surging inflation, and the rising cost of living led UK households to tap into their savings to fund their activities, with the seasonally adjusted Savings Index dropping to the lowest point in just over 13 years. With savings pots shrinking in Q2, consumers report an accumulation of debt for the first time in over eight years.

The survey also revealed renewed concerns around job security in Q2, despite surging workplace activity. Additionally, current economic factors and a general squeeze on household finances continued to encourage consumers to rein in spending. The appetite for purchases of major items such as cars, holidays and large household appliances fell at the quickest rate since the height of the pandemic in Q2 2020.

Ends

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**Notes to editors****Survey methodology**

The FFI is a "diffusion index", which is calculated by adding together the percentage of respondents that reported an improvement plus half of the percentage that reported no change. The resulting index varies around the 50.0 "no-change" level, with readings above 50.0 signalling an improvement and readings below 50.0 a deterioration. The headline survey indices have been seasonally adjusted using the US Bureau of the Census X-12 programme. S&P Global do not revise underlying (unadjusted) survey data after first publication.

The Future Finances Index™ (FFI™) survey was first conducted in February 2009 and is compiled each quarter by S&P Global. The survey methodology has been designed by S&P Global to complement the Purchasing Managers' Index® (PMI®) business surveys, which are closely watched due to their timeliness and accuracy in anticipating changing business conditions. The FFI is intended to accurately anticipate changing consumer behaviour. The questionnaire is designed to be quick and easy to complete, incorporating a small number of key questions, which encourages regular participation among even high-level respondents.

The survey is based on monthly responses from approximately 1,500 individuals in the UK, with data collected by Ipsos MORI from its panel of respondents aged 18-64. The survey sample is structured according to gender, region and age to ensure the survey results accurately reflect the true composition of the population. Results are also weighted to further improve representativeness.

Prior to September 2010, the Future Finances Index was jointly compiled by YouGov and S&P Global based on monthly responses from over 2,000 UK households, with data collected online by YouGov plc from its representative panel of respondents aged 18 and above. The panel was structured according to income, region and age to ensure the survey results accurately reflected the true composition of the UK population. Results were also weighted to further improve representativeness. Prior to Q2 2022, the Future Finances Index™ (FFI™) was named the Household Finances Index™ (HFI™).

**Index numbers**

Index numbers are quarterly averages, calculated from the percentages of respondents reporting an improvement, no change or decline in each month. These indices vary between 0 and 100 with readings of exactly 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration.

**Ipsos MORI technical details (Quarter two 2022 surveys)**

Ipsos MORI interviewed 4500 adults aged 18-64 across the UK from its online panel of respondents. Interviews were conducted online between April 14th – 21st, 5th – 9th May, and 1st – 8th June 2022. A representative sample of 1500 adults were interviewed in each period, with quota controls set by gender, age and region and the resultant survey data weighted to the known UK profile of this audience by gender, age, region and household income. Ipsos MORI was responsible for the fieldwork and data collection only and not responsible for the analysis, reporting or interpretation of the survey results.

**About Scottish Widows**

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