

# Money well spent?

Overcoming barriers  
to spending in later life



Community  
Prevention  
Finance  
Inequalities  
Life expectancy  
Economy

## Acknowledgements

This report is the outcome of a collaboration with the Design Age Institute at the Royal College of Arts (RCA). We're grateful to the Design Age Institute for funding this project and making this work possible.

We're also grateful to the Design Age Institute for carrying out the user research on which our survey and this report builds.

And we'd like to thank everyone who responded to our online survey and all the individuals who participated in the user research.

## Executive summary

Older consumers are an important part of our economy. By 2040, it's predicted that 63p in every pound spent by consumers in the UK will be spent by someone aged 50 or over: it's estimated that total spending by this group will be worth £550 billion.

But older consumers are also saving more. Research has found that, from around age 60 onwards, the proportion of people who save increases with age, as does the average amount saved. While 61% of people aged 60-64 save, this increases to 85% for people aged 80 and over, who are saving an average of £5,870 per year.

Why are older people saving more? Do their spending patterns in later life reflect what they really want to do, or do they face barriers to spending? This report sets out the reasons people aged over 60 give for underspending. It draws on our analysis of a nationally representative survey of 1,008 adults aged 60 and over in the UK, which was carried out between February and March 2023, as well as interviews and user research carried out by the Design Age Institute.

**72% of people aged 60 and over felt they weren't spending their time and money in the way they'd like to**, suggesting significant barriers to spending in later life. The number one thing most said they'd like to spend more on was holidays. They considered spending on experiences, such as: going out for food or coffee; recreation and leisure activities; and visiting friends and family, more important than spending on things.

Our research identified three key categories of barriers to spending in later life:

**Making money last:** financial concerns were the most important barrier to spending, with around 1 in 3 people citing concerns about needing money in the future as a barrier to spending today. 56% felt that rising energy bills and the cost of living made them more cautious about their spending today. Concerns about running out of money or having to pay for future care and healthcare costs were important factors for more than 1 in 4 people.

**Access and accessibility:** 52% have difficulties getting to and around places due to inaccessible design; this increases to 63% for those aged 80 and over. The main access and accessibility barriers related to: a lack of transport, or expensive/unreliable public transport; lack of facilities on our high streets, in particular toilets and places to sit and have a rest; and

bumpy pavements and lack of step-free access. Not having enough people to do things with was an important barrier to participating in more social and leisure activities for 20% of survey respondents.

**The shopping experience:** 59% were dissatisfied with some aspect of the shops, products, hospitality settings and leisure activities on offer. This included: dissatisfaction with self-service checkouts; lack of facilities, in particular toilets and places to sit and have a rest within shops; how noisy and busy places are; and how easy (or difficult) it is to maintain social distancing. Poor accessibility for people with mobility issues was also a concern. And only 50% felt they shopped online as much as they'd like, with the leading reason given being a preference for shopping in person. Other significant barriers to online shopping included the hassle of returning items; concerns about online scams and fraud; concerns about product quality; and not wanting to share card numbers and personal details online.

## How can we break down these barriers to consumption?

The reasons why spending falls with age are complex. To help tackle these barriers and support spending in later life, there are three key types of action Government, businesses, regulators and designers can take. We've identified age-inclusive design opportunities that can enable, support, and enhance each action area to encourage success.



### Making money last: supporting financial security in later life

Uncertainty about life expectancy, as well as concerns about the cost of living and potential health and care costs, mean that some people save rather than spend. But there are steps that the Government, the financial services industry, regulators and designers can take to better help people manage their finances in later life. These include acting to:

- **Ensure better access to financial advice and guidance:** the default should be that everyone is scheduled a Money and Pensions Service guidance appointment at the age of 50 and 65. We must

democratise access to financial advice, and ensure that affordable, accessible expert financial advice is available to everyone. The advice sector should make use of AI and robo-advice to increase access to services, while ensuring interfaces and information are designed to be accessible, inclusive and intuitive. The regulator should urgently review the impact of AI on advice.

- **Design innovative products:** having access to the right financial products can play a part in helping us spend in later life. Annuities have fallen out of fashion since the introduction of pension freedoms, which means people are no longer forced to annuitise their retirement savings. However, a guaranteed life-time income could help encourage consumption over savings. The financial services industry should seek to ensure that product innovation supports consumption in later life. The benefits of annuities could be better sold. Financial products and services should be designed to be accessible, inclusive and intuitive.
- **Provide certainty on future care costs:** greater certainty about the cost of care is likely to encourage increased spending in later life. The Government must set out a clear plan for social care to give us all a clearer idea of how much money we'll need to continue to live active lives when we're older.
- **Design cost awareness:** we must raise awareness of age-inclusive, futureproofed design features, options, and associated costs. Age-friendly housing guidance can help to raise awareness of the design features that should allow our homes to suit us across our lifetimes.



### **Access and accessibility: investing in age-friendly communities**

It's unsurprising that getting to and around places can be a significant barrier to consumption. Our towns and cities have failed to adapt to a growing number of older consumers. With the COVID pandemic changing the way we work, it's time to redesign our towns and cities to meet the needs of all ages:

- **Design safe, accessible, reliable and affordable public transport:** good public transport is key to ensuring increased consumption among older people. Nobody will go to the theatre if the last train leaves before the show ends. We won't get people on buses if there's a chance that there won't be enough seating or wheelchair space. Local planners should redesign transport provision and routes, and encourage better coordination between local bus operators, recognising that an increasing proportion of us are using towns and cities for fun rather than work.
- **Design better last-mile travel:** technological developments have opened up many opportunities for innovation in last-mile travel, but these have sometimes been impractical or inaccessible, particularly for people with reduced mobility. Local authorities should ensure that accessible micromobility options are part of any new services to help us travel around our towns and cities. And there needs to be better integration between last-mile travel options and public transport, to ensure a more seamless user-centred travel experience, embedding Mobility-as-a-Service (MaaS). The West Midlands Combined Authority will be launching their MaaS app in 2023, which will provide a digital one-stop-shop for travel using public, active, and shared transport. Other local authorities should follow suit.
- **Actively promote the UK's Network of Age-friendly Communities:** all towns and cities should be encouraged to join the UK's Network of Age-friendly Communities. Councils, businesses and local groups need to work together, and change their physical and social environments to reduce barriers. This could include more accessible, well-signed and conveniently located public toilets; age-inclusive places to sit and rest that range from social settings to more solitary ones; or improving the accessibility of pavement design and maintaining them to ensure they stay clutter-free. We should design age-inclusive neighbourhoods with a choice of opportunities for social interactions that foster a sense of belonging. Initiatives like the Chatty Café should be expanded and developed. All Local Business Improvement District teams should have a plan to improve footfall for all ages, recognising the demography of town populations and their visitors.



## The shopping experience: designing a more inclusive experience, off and online

Many of our respondents highlighted concerns with the quality of the shopping experience, both on and offline. New technologies are dramatically changing the way we shop: this brings challenges as well as opportunities. Steps that retailers and retail organisations could take to help include:

- **Recognise and reward accessible design:** the Equality Act 2010 and the Web Content Accessibility Guidelines (WCAG) have done a lot to encourage retailers and organisations to design with accessibility in mind. While there are accessibility regulations covering websites and mobile apps for public sector bodies, these aren't mandatory for private organisations. Making shopping more accessible will benefit retailers as well as consumers, as shoppers will stay longer and spend more. A nationally-recognised accessibility accreditation scheme would encourage retailers to go above minimum legal accessibility requirements, and celebrate good accessible design practice.
- **Use augmented reality to enhance the in-store shopping experience:** technology should be used to complement retail staff, rather than replace them. Mobile Augmented Reality (MAR) offers an opportunity to build a bridge between the physical and the digital. Customers could use their smartphones or other handheld devices to scan products for additional information, get recommendations for complementary products, or find more affordable alternatives. But as technology replaces people for transactions, retailers should ensure that there's always a human face available for more personalised advice and support.
- **Explore emerging technologies to enhance the online shopping experience:** many respondents disliked online shopping because it lacked human interaction. Virtual reality and metaverse technologies

have the potential to bring this back in, by fostering immersive online shopping experiences. People living in different cities or even different countries could come together to shop in a virtual store. For online shopping to continue to grow it must be accessible. Digital interfaces must be designed to be intuitive and age-inclusive. And Government should continue to support digital literacy programmes, to help ensure people have the confidence to shop online and know how to stay safe there, as well as increase access to affordable and reliable internet connections and devices.



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## About this report

This report is the outcome of a collaboration between the ILC and the Design Age Institute at the Royal College of Art (RCA). Our aim was to understand how and why our spending habits change in later life, and to identify solutions – from the perspective of both policy and design – to address the barriers to consumption faced by older people.

RCA researchers conducted an exploratory qualitative study to understand older people's perspectives around financial (in)security, saving and spending, using design ethnography and interviews. The findings from this qualitative work informed the design of a nationally representative survey of approximately 1,000 adults aged 60 and over in the UK, commissioned by the ILC.

Further details of the research methods are provided in the Appendix.

## Why does spending in later life matter?

Older consumers are an important part of our economy. Spending by people aged 50 and over was worth £319 billion in 2018, accounting for 54% of all consumer spending.<sup>1</sup> As the number of people in this age group is predicted to continue increasing, so too will their spending power. By 2040, 63p out of every consumer pound in the UK will be spent by someone aged 50 and over: it's estimated that this group's total spending will then be worth £550 billion.<sup>2</sup>

But older consumers are also saving more. Just over 7 million people aged 65 and over owned an ISA in 2019/20, with an average market value of £46,090 - compared with around 4 million people aged 45 to 54.<sup>3</sup> Research has found that, from around age 60 onwards, the proportion of people who save increases with age, as does the average amount saved.<sup>4</sup> Among people born between 1939-1943, almost six out of ten (59%) were saving by the age of 67; this increased to almost seven in ten (69%) by age 75; the share of income saved increased from 2% to 15%.<sup>5</sup> ILC research has estimated that individuals aged 80 and over are saving on average £5,870 per year.<sup>6</sup>

Why are older adults saving more? While part of this may be due to choice, and changes in our needs and preferences later in life, part of it may be driven by barriers that prevent us from spending our money in the way we'd like to. To answer this question, this report draws on previous research and our analysis of a nationally representative survey of 1,008 adults aged 60 and over in the UK, carried out between February and March 2023. We also draw on interviews and user research carried out by the RCA.

Household spending is the largest component of aggregate demand in the UK, accounting for 63% of GDP in 2022.<sup>7</sup> As our population ages in coming years, understanding what determines the spending patterns of older people could have a significant impact on economic growth. But the aim is not to promote consumption for the sake of it, particularly in the context of growing environmental concerns. Rather, we want to understand the barriers preventing older people from spending in the way they'd like to, especially on items and experiences that benefit their health. In this way we can identify practical ways for designers and policy makers to address these barriers, to ensure a growing consumer base isn't excluded from participating fully in the economy and in society.

## How do our spending habits change in later life?

Several studies have highlighted how spending falls sharply at the point of retirement, even after accounting for the drop in work-related spending. Evidence of what economists call the 'retirement-consumption puzzle' has been found for a number of countries and time periods.<sup>8</sup>

But it's not just at the point of retirement that our spending falls. Evidence for the UK suggests that, between the ages of 45 and 79, average spending on goods such as food and drink, as well as clothing, falls by 2.2% a year.<sup>9</sup> Work by the ILC analysing data from the Living Costs and Food Survey and the English Longitudinal Study of Ageing has also found that people spend progressively less on consumption as they get older. A household headed by someone aged 80 or over spends, on average, 43% less than a household headed by a 50-year-old.<sup>10</sup>

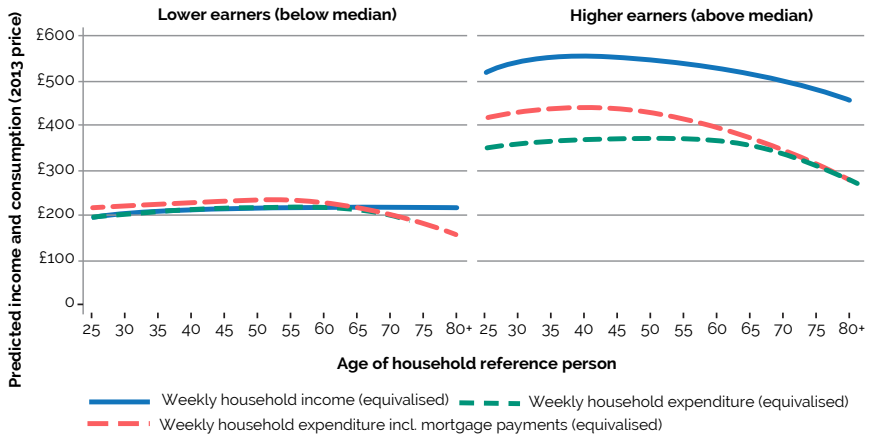
While income also tends to fall after retirement, consumption spending falls at a faster rate than income, which leads to individuals saving more later in life. The proportion of households saving on a weekly basis increases from 61% among those aged 60 to 64, to 85% among people aged 80 and over. The average amount saved each week also increases, with individuals aged 80 and over saving on average £5,870 per year.<sup>11</sup>

Research by the Institute for Fiscal Studies, based on the Living Costs and Food Survey in the UK, found a similar pattern. Among people born between 1939 and 1943, 59% were saving by the age of 67, increasing to 69% by age 75, while the share of income saved increased from 2% to 15%.<sup>12</sup> However, they found this to be mainly driven by increases in income, with retirees' spending remaining fairly constant after retirement within birth cohorts. They found the biggest differences in the average level of spending to be between cohorts: older cohorts spent less compared with younger cohorts. For example, those born between 1934 and 1938 spent almost £50 a week less in their early 70s than those born between 1939 and 1943.<sup>13</sup> So not only does spending change throughout retirement, but these changes are different for different generations of retirees.

Income also plays an important role. Higher earners, with incomes above the median, experience a faster and steeper fall in spending after

reaching 60 than those with incomes below the median.<sup>14</sup> While both high and low income households save in later life, the average higher income household saves throughout its entire life, whereas the average lower income household only starts saving after age 65 (see Figure 1) as its average spending exceeds average earnings for most of its working life.

**Figure 1: Income and consumption at different ages – higher and lower earners**



Source: ILC (2015). Understanding retirement journeys, p. 15. Based on data from the Living Costs and Food Survey / Expenditure and Food Survey (years 2003 to 2013).

Note: Consumption expenditure and household income deflated by RPI index at 2013 prices; OECD equivalence scale used to account for household composition; top and bottom 1% of the distribution of consumption expenditure and household income have been trimmed to exclude outliers; data are weighted using annual weights.

These increases in saving may not be intentional, as highlighted by one interviewee:

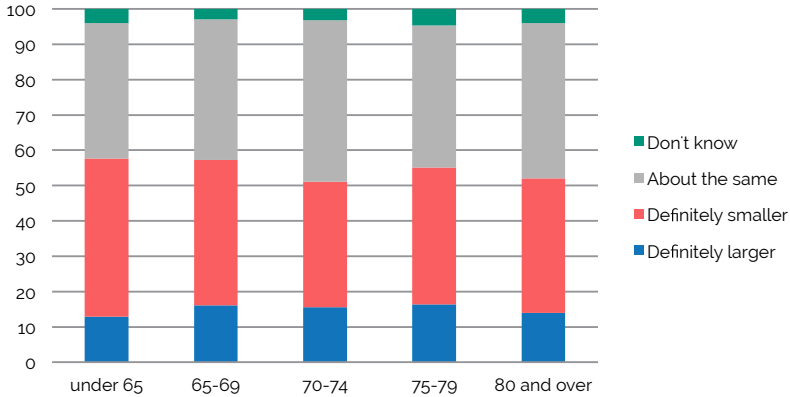
*“So, I don’t deliberately save... When I had some spare cash a while ago, I just gave it to the boys... just trying to avoid the inheritance tax. And they can use it more than I can! ...we don’t have a cashflow problem at all... We can easily run our pension as it comes in, and there’s probably something that stays. But I don’t know.”*

**Interview participant, aged 76**

In our survey, 40% of respondents felt they were saving less, as a share of their income, compared with five years ago. However, this proportion tended to decrease with age: older respondents were more likely to report they were saving more. The proportion of respondents who felt

they were saving a larger share of their income increased marginally with age, up to age 80 (see Figure 2).

**Figure 2: Do you save a larger or smaller share of your income now relative to five years ago?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Among our retired survey respondents, 45% felt their spending had decreased since retirement, compared with only 12% who felt their spending had increased. However, for over half of our respondents with grandchildren (52%), having grandchildren had led to an increase in spending.

### ***Change in the composition of spending***

In addition to total spending tending to fall as we age, the composition of spending changes. The vast majority of the decline in consumption is driven by falls in spending on non-essential items, such as recreation, eating out and holidays. Essential spending remains relatively constant throughout retirement. By age 80, over 50% of household spending is on essential goods and services.<sup>15</sup>

Table 1 summarises some of these changes. While the two studies cited here use data from the same survey (the Living Costs and Food Survey), the time periods covered differ. The ILC study uses data from 2003 to 2013, while the IFS study uses data from 2006 to 2018. The IFS study also uses data from ELSA, which may account for the differences in some of the categories covered.

**Table 1: How does the composition of spending change with age?**

	ILC (2015)	IFS (2022)
<b>Essentials</b>		
Food and non-alcoholic drinks	↓ from age 70	↓ from age 70
Clothing and footwear	↓	↓
Housing and utilities	No change	↑ household bills and costs ↓ rent and mortgage costs
Health	No change	N.D.
Transport	↓ from age 60	↓ on motoring from age 70 ↑ on fares
<b>Non-essentials</b>		
Alcohol and tobacco	↓	↓
Recreation and culture	No change from age 50-65 ↓ from age 65	↓ on leisure goods ↑ on leisure services
Holidays	N.D.	↑ until early 80s
Food outside the home	N.D.	↓ from age 80 onwards
Restaurants and hotels	↓	N.D.
Household goods (e.g. furniture)	N.D.	↑
Household services (e.g. domestic cleaning and home help)	N.D.	↑ from age 70 onwards

Note: ILC (2015) looks at spending changes from age 50 onwards, using data from the Living Costs and Food Survey from 2003 to 2013, deflated using the RPI. IFS (2022) looks at spending changes from age 60 onwards, using data from the Living Costs and Food Survey from 2006 to 2018, and data from ELSA waves 2 to 9, using the CPI to adjust for inflation. The abbreviation N.D. stands for no data.

## Why does spending change?

There are three broad reasons why spending changes in later life:

- **Changing circumstances:** our preferences and needs may change as our circumstances change
- **Choice:** we might feel we don't want or need as much, or prefer to save money to leave to our children
- **Barriers:** there may be barriers which prevent us from spending in the way we'd like

The key challenge for policy makers and designers is to understand the extent to which overall spending changes are being driven by barriers, and to identify solutions to address these.

### Our circumstances change

When we retire, **our spending needs change**. Our work-related spending on categories such as commuting and clothing falls.<sup>16</sup> The fact that we have more time once we retire means we can spend some of it looking for cheaper products and cooking at home, leading to lower spending on food.<sup>17</sup> Our spending preferences are also likely to change, as our circumstances change. As one interview participant put it:

*“More time to... do things. I don't have the constraints of work.”*

**Interview participant, aged 68**

With more free time, we might want to spend some of it visiting friends or family, which may cost less than spending on goods and services. We'll see that our **respondents consider spending on experiences**, such as going out for food or coffee, recreation and leisure activities or visiting friends and family, **more important than spending on things**. However, more leisure time could also lead to an increase in spending, for example on holidays, eating out, or going to shows.

### We make different choices

Or **we might choose to spend less** because we feel we don't want or need as much, are content with what we have, or to save more so we can pass on a larger inheritance to our children. In the words of one interview participant:



*"I don't go out and just spend money. I've got enough, I don't need anything else, really... I do go to charity shops and look for bargains if I want clothes, because I think I'll also buy from M&S, trousers and stuff... But, you know, I'm not a spender."*

**Interview participant, aged 77**

## **We run into barriers**

However, **some spending changes are driven by barriers** that prevent older people from spending in the way they'd like. Previous ILC research identified a range of potential barriers.<sup>18</sup> These include current and future financial concerns; future health fears; difficulties getting to or around the shops; lack of suitable products and services; poorly targeted advertising; and age discrimination. Our survey findings suggest that these barriers are significant:

### **72% of survey respondents felt they weren't spending their time and money in the way they'd like**

This proportion tends to fall with age – people in their early 70s were about twice as likely to say they were satisfied with how they spent their money and were doing the things they wanted to do, compared with people in their early 60s.

Barriers were more likely to affect people's ability to participate in social and leisure activities than their spending on products. Overall, 75% of respondents cited these barriers, compared to 68% mentioning barriers to buying the products they wanted to buy.

## **What we'd like to be spending on**

Most said they'd like to spend more on holidays: this was the top choice for all age groups, followed by home or garden products. Spending on experiences, such as going out for food or coffee, recreation and leisure activities and visiting friends and family, was considered more important than spending on things. This is consistent with recent ILC research, which predicts which categories will see most growth in spending among older people between 2019 and 2040: recreation and culture (expected to grow by £63 billion), transport (£62 billion), and household goods and services (£49 billion).<sup>19</sup>

**Figure 3: What sort of things would you like to do more of or buy more of than you do at the moment?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. Under 'Other' individual responses included spending on hobbies and pets.

## ***What are the main barriers to spending in later life?***

The types of barriers that affect participation in social and leisure activities as we grow older differ from the types that limit our spending on products. However, we found that in both cases **financial concerns** dominate, with around 1 in 3 respondents citing concerns about the future as a barrier to spending today. And for roughly 30%, being on a tight budget or not having enough money today was also a constraint on their ability to spend. This is no surprise given the UK's cost of living crisis, with rising energy and food bills putting financial pressure on households.

**Lack of companionship, poor health, lack of transport or transport costs, and concerns about COVID** were other important barriers to participating in more social and leisure activities, whereas lack of time or lack of information were deemed less important, with fewer than 1 in 10 people mentioning these.

### **Money worries**

Financial concerns were common among our interview participants as well: nine of our 11 interviewees think about financial worries weekly or monthly, with only two saying they never thought about them.

*"It's very hard to divide it into, 'I spend this much on that and this much on that'... I think the general overall thing was, you know what, we pay our bills and at the end of the month, then we have a look [at] how much money we've got left and then we might decide we're going out for a treat or... then we might decide, 'We've gotta save that towards this food,' or, 'We gotta save that towards the utility bills.' You know, you can't say, 'Oh, I'm gonna do that this week.' You've gotta wait and see just how much money is left in the pot"*

**Interview participant, aged 75**

*"I'll go and get myself a sandwich, a bag of crisps and a drink for £3.50 instead of spending... 10 quid on a burnt hamburger. ... And then [I might] buy a cup of tea when I'm out... but... in the past, Oh, I'd never think about taking a packed lunch. Now I would."*

**Interview participant, aged 75**

### **Lack of companionship**

Beyond these financial concerns, **not having enough people to do things with** was an important barrier to social and leisure activities for 20% of survey respondents. 11% felt it affected their spending on products. Work often plays an important role in our social networks; when we stop working, these networks start to disappear, as noted by one interview participant:

*"And also friends that I've made have mainly been through work... they're obviously getting older and... we don't live near each other [so] it becomes more and more isolated."*

**Interview participant, aged 75**

Not having enough people to do things with can also make things more expensive, as one of our interview participants pointed out:

*"...because I haven't got anyone to go on holiday with... I look at the brochure sometimes and I don't wanna pay a massive single sub. I don't really want to go."*

**Interview participant, aged 76**

### **Poor health**

Changes in our health as we get older can have a particularly big impact on our spending in later life. Poor health can reduce the amount of money we have to spend (or make us more cautious about spending too much today), but it can also affect our ability to participate in social and leisure activities, as well as the enjoyment we derive from them.<sup>20</sup>

ILC research found that difficulty walking is one of the biggest barriers to consumption among people aged 50 and over; in this case people spend on average 14.5% less, mostly cutting non-essential spending.<sup>21</sup>

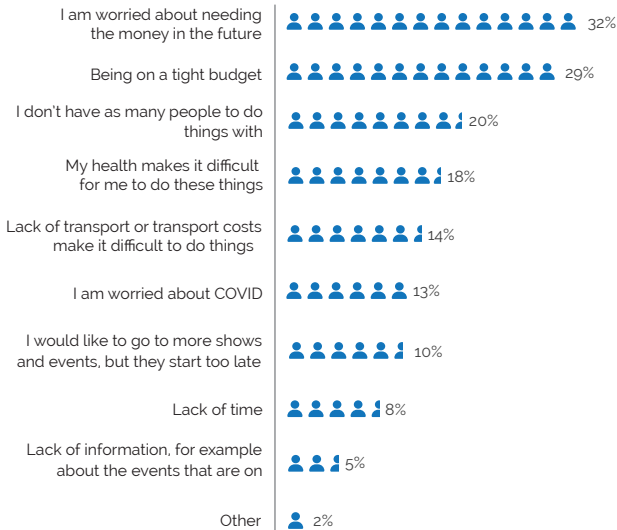
*"I was good to go up to London [for] the marathon and different things, but... I can only walk so far, it seems now... I've done two half marathons... you know, I'm not a lazy person at all... it's just, you know, access, I suppose, is what it comes to, doesn't it?"*

**Interview participant, aged 76**

Conversely, we may need to spend more on health or care-related products and services, such as help at home.<sup>22</sup> Recent research in the US found that among more healthy, wealthy households, spending in retirement changes very little.<sup>23</sup>

Poor health inhibits spending on social and leisure experiences more than spending on products, with 18% of survey respondents citing this as a barrier to social and leisure activities and 11% citing it as a barrier to spending on products.

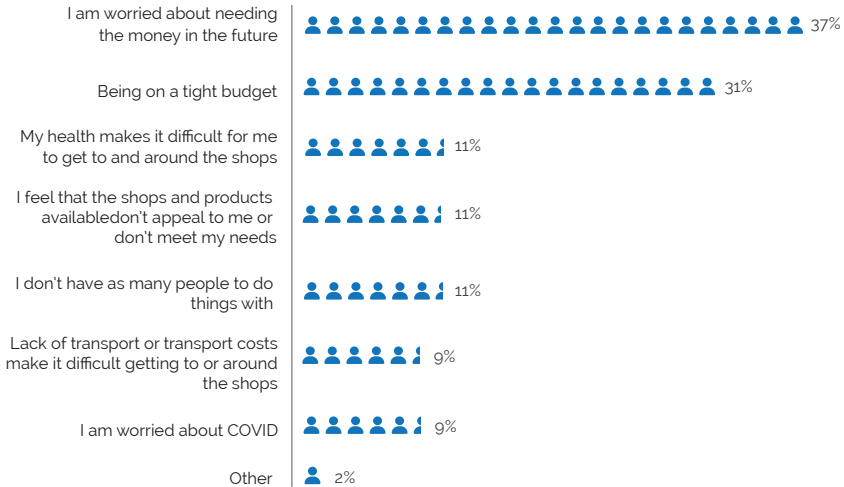
**Figure 4: Barriers to participating in social and leisure activities**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. 'Other' included (n=24): having a pet, travel restrictions following Brexit, illness in family, spouse passed away (leading to loss of interest and/or company), movies and shows don't appeal, cost, caring responsibilities, own or spouse's health.

**Figure 5: Barriers to spending on products**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. 'Other' (n=20) included: shops not taking cash, some things only available online, time, cost, no one available to help, partner can't be left alone, lack of shops.

### ***How does the importance of these barriers vary with age?***

Financial concerns – whether about a lack of money today or concerns for the future – were by far the most important concern for people in their early 60s, but were less important among older respondents. The significance of financial barriers seems to fall steadily with age. While over 40% of people under 65 felt that being on a tight budget or worrying about needing money in the future was an important barrier to spending, this was only true for about 20% of people aged 80 and over.

For people in their late 70s and 80s, the most important barriers to spending were related to poor health and lack of company. As we get older, we may find we have fewer people to do things with, as our friends either pass away or are constrained by poor health, as a couple of our interview participants highlighted:

*"... they're either not there... They're either like us, getting a bit more aged, or else they're not around anymore, which is... rather sad."*

**Interview participant, aged 81**

*"Well [laughs] people die and people move away. It's a fact of life."*

**Interview participant, aged 76**

Although health varies quite a lot among older adults, our health generally gets worse as we get older, and we're more likely to experience multiple health conditions.<sup>24</sup> This can help explain why poor health is more of a barrier to spending among people aged 75 and over. Previous ILC research showed that certain health conditions, including long-standing illness, walking difficulties, arthritis or poor eyesight, are markedly more prevalent among people aged 75 and over than among those between 50 and 74.<sup>25</sup> And this appears more of a barrier to participating in social and leisure activities than to spending on products.

Transport barriers are cited by more of our younger respondents (those aged under 65) than those in their late sixties and seventies; this rises again among those aged 80 and over. But different types of transport barriers are likely to be at play here. Driving is the most popular form of transport for most age groups, but the likelihood of driving starts to fall among people in their 60s, while those aged 70 and over are more likely to rely on local bus services than other age groups.<sup>26</sup>

**Table 2: How do barriers to social and leisure activities vary with age?**

	under 65	65-69	70-74	75-79	80 and over
Lack of time	14.92%	5.51%	6.99%	4.20%	5.00%
Being on a tight budget	45.16%	26.69%	25.27%	21.85%	22.00%
I am worried about needing the money in the future	43.95%	33.90%	30.11%	24.37%	18.00%
Lack of information	5.24%	3.81%	3.76%	6.72%	5.00%
I don't have as many people to do things with	17.74%	20.34%	16.67%	21.01%	33.00%
My health makes it difficult	14.92%	14.83%	16.67%	22.27%	30.00%
Lack of transport or transport costs	16.94%	12.71%	12.90%	9.24%	21.00%
Late start times	10.08%	9.32%	9.68%	8.40%	14.00%
I am worried about COVID	16.53%	11.86%	12.90%	11.34%	14.00%

Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response.

**Table 3: How do barriers to spending on products vary with age?**

	under 65	65-69	70-74	75-79	80 and over
Lack of transport or transport costs	10.08%	6.78%	6.99%	7.56%	17.00%
Being on a tight budget	45.56%	29.66%	27.42%	23.53%	23.00%
I am worried about needing money in the future	48.79%	41.53%	36.56%	27.31%	20.00%
The shops and products available don't appeal	10.48%	10.17%	9.68%	11.34%	17.00%
My health makes it difficult	10.89%	8.90%	10.75%	10.08%	22.00%
I don't have as many people to do things with	8.87%	7.20%	8.60%	13.87%	18.00%
I am worried about COVID	12.50%	6.36%	8.60%	8.82%	6.00%

Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response.

### ***In focus: making money last***

*"So... there's no way that... people that rely on a state pension or a small private pension can exist at the moment unless they cut right back to the bone, to be fair."*

***Interview participant, aged 75***

Financial concerns are a significant barrier to spending. This is perhaps unsurprising given recent sharp increases in the cost of living, which are placing a strain on the finances of many households.

**56% of survey respondents felt that rising energy bills and the cost of living made them more cautious about their spending today**

These concerns aren't just about a lack of money today, but also about how much money we'll need in the future, given uncertainty about how long we are going to live for, what our future health or care needs

may be, and how these will be paid for. According to the Department of Health and Social Care, around one in seven adults in England face lifetime care costs of over £100,000 under the current social care system.<sup>27</sup>

**Future health and care costs** were also seen as an important barrier to spending among our interview participants:

*"I'll put aside money for healthcare, because that's what you're gonna need with ageing."*

**Interview participant, aged 68**

*"But long-term care costs can be quite expensive around here. I might just have myself put down. (laughs)"*

**Interview participant, aged 76**

Concerns about having to pay for care (for themselves), running out of money or having to pay for future healthcare costs were important factors for more than 1 in 4 people. Paying for care was a significant concern among people aged 75 and over, but less so for people in their 60s. 41% of people aged 80 and over are so worried about having to pay for care for themselves that it makes them more cautious about their spending today, compared with only 23% of those in their early 60s. Worries about having to pay for housing repairs or adaptations were more significant among respondents in their 60s. This may be because many older respondents had already carried out any necessary adaptations.

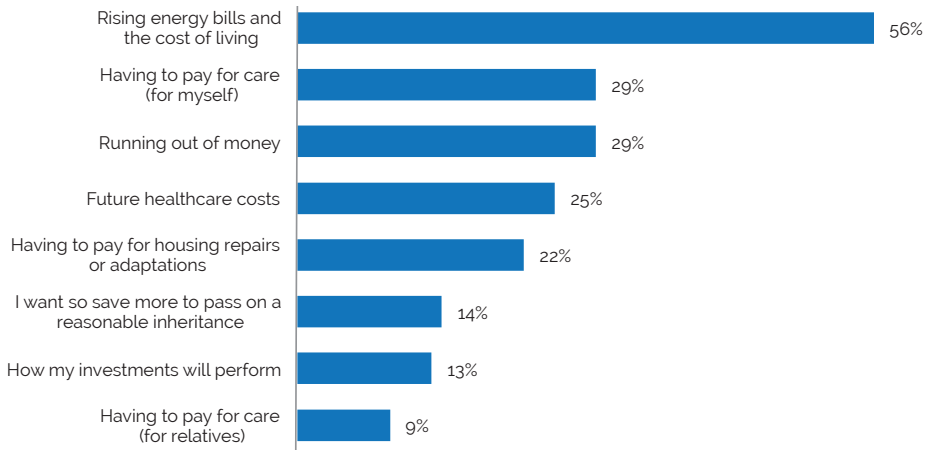
Wanting to save more to leave money to others, and concerns about the performance of their investments, were important factors for 13-14% of people, as well as for some of our interview participants:

*"...I've never had... anything given to me from family, my family weren't well off... I would like my daughter to have something... later in life, so that she can have... a bit of pleasure... It would be nice to have some money left to you."*

**Interview participant, aged 77**



**Figure 6: What factors make you worry about your future spending and make you more cautious about spending too much today?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response.

### ***In focus: access and accessibility***

Difficulty getting to and around places can be a significant barrier to spending. While the popularity of online shopping has continued to grow, shopping in person still accounts for 75% of total retail sales.<sup>28</sup> This isn't just about how easily we can buy the things we want or need - shopping in person offers a wider set of benefits, including opportunities for social interaction and staying active.

Access and accessibility barriers also affect our ability to do the things we want to do, like meeting up with friends, going out for dinner, going to a show, or travelling.

### **52% of survey respondents have difficulties getting to and around places**

This increases to 63% for people aged 80 and over. This obviously limits their ability to spend and enjoy products, services, and environments. Poor health increases the likelihood that people will experience these barriers, with over 60% of people who rated their health as 'fair' or 'poor' reporting difficulties getting to and around places, compared with only 26% of people who rated their health as 'excellent'.

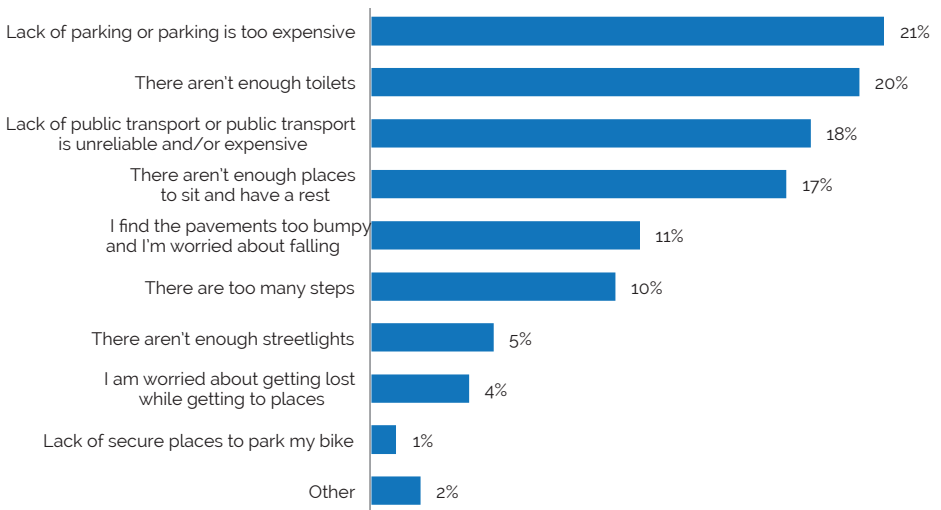
People who are older and who report poor health are more likely to experience difficulties getting to and around places. But a significant

number of younger respondents and people who rated their health as 'good' also experience these barriers: 52% of people in their 60s experience these difficulties, as do 47% of people who reported their health as 'good' (across all age groups). This means that improving access and accessibility for older adults will therefore have a wider positive impact on society as a whole.

Transport was one of the top access barriers, including lack of parking and the cost of parking, as well as the lack of, unreliability of and cost of public transport. Other barriers related to the spaces themselves, such as the lack of toilets or places to sit and rest on the high street, with 20% and 17% respectively citing these as factors. These concerns weren't restricted to our older respondents: 17% of those in their late 60s felt that the lack of places to sit and rest was a barrier, compared with 21% of those aged 80 and over; concerns about lack of toilets were equally common across all age groups.

One in 10 respondents mentioned concerns about uneven pavements and lack of step-free access: these concerns were most common among people in the oldest age group, i.e. those aged 80 and over.

**Figure 7: What factors make it difficult getting to and around places?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. 'Other' (n=25) included: specific health-related barriers, difficulty walking, disability (own or of a relative), lack of disabled parking, places not being wheelchair-accessible (including footpaths), caring responsibilities, violent youths, petrol prices.

## ***In focus: the shopping experience***

The shopping experience can play an important role in encouraging or inhibiting spending. A particularly bad shopping experience, for example not being able to find what we were looking for, or if we felt staff were rude or unhelpful, can stop us from going back. Whereas a positive shopping experience can encourage us to spend more or even help overcome certain other barriers.

This will all depend on factors such as the shopping environment, how easy it is to get around, how easy it is to find the things we're looking for, whether we feel staff are friendly and helpful, the products and services on offer and whether these meet our needs, and how these products are advertised.

### **59% of survey respondents were dissatisfied with some design aspect of the shops, products, hospitality settings and leisure activities on offer**

Interestingly, dissatisfaction with the shops, products, and services available was highest among both the youngest and oldest age groups (those aged under 65, and those aged 80 and over).

Just over a quarter (26%) of survey respondents disliked self-service check-outs; the proportion tended to increase with age: 37% of those aged 80 and over compared with 22% of those aged under 65. This was also raised in the interviews:

***"I actually like having [that] personal touch, really, from people, and I don't really like self-checkout."***

**Interview participant, aged 72**

Other features of the shopping environment, such as the availability of toilets and places to sit and have a rest within shops, how noisy and busy places are, and how easy it is to practice social distancing, were also seen as making shops, products and services less appealing. Poor accessibility for people with mobility issues was also a concern, along with cashless shopping, and staff being unsympathetic to shoppers who need more time, although these concerns were raised by fewer than 1 in 10 respondents.

Our shopping experience isn't just shaped by the physical environment, but also by the products and services on offer and how these are marketed and advertised. This is often ageist, failing to resonate with older adults, as one of the interview participants illustrated:

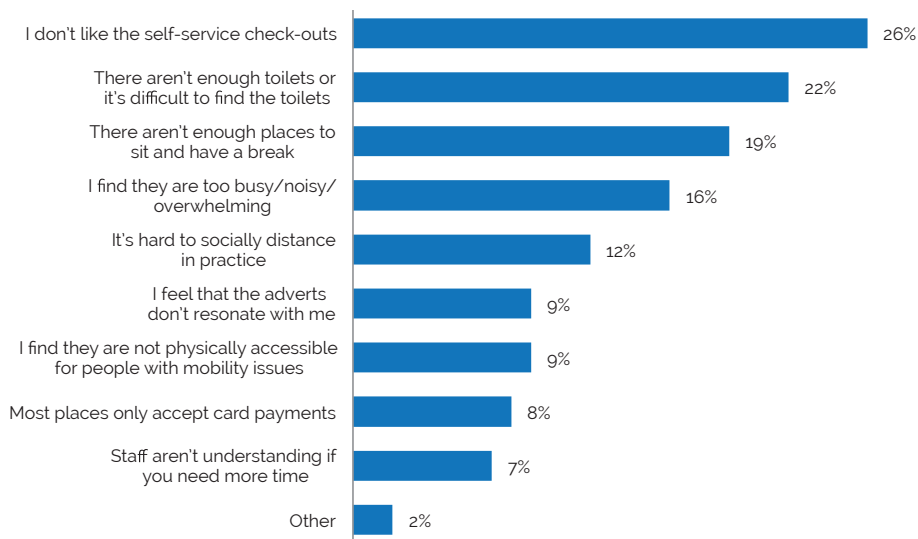
*“...you watch how some of these ads, they're either advertising... straightforward cremation (laughs) or they're offering you wonderful retirement homes. It's... a very false picture that's being given out sometimes.”*

**Interview participant, aged 75**

Older adults tend to be underrepresented in advertising – and when they do appear, they're often portrayed as stereotypes.<sup>29</sup> If people feel that adverts don't speak to them, they're less likely to spend on those brands. 9% of our survey respondents felt that the adverts they saw didn't resonate with them, and that this affected their perception of the shops, products and services available.

A small number of respondents also mentioned the decline in the quality of the shops and products available as a factor influencing their spending behaviour.

**Figure 8: What factors make the shops, products, hospitality settings and leisure activities available less appealing to you?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. 'Other' (n=23) included: not many good shops/most good shops have closed/quality of shops has declined; lack of parking, especially for disabled users; fear of crime; lack of staff to help customers.

## The digital divide

The popularity of online shopping has continued to grow, with 25% of all sales now taking place online, compared to just 10% ten years ago.<sup>30</sup> While there are many benefits to online shopping, it isn't equally accessible for all. Although virtually all those aged between 16 and 44 in the UK were recent internet users in 2020 (99%), only 54% of adults aged 75 and over were. And 6.3% of UK adults had never used the internet at all.<sup>31</sup> Previous ILC research has found that among people aged 50 and over, a lack of internet access is associated with 28% lower spending, although no causal relationship was established.<sup>32</sup>

### 50% of people felt they shopped online as much as they'd like to

This proportion was similar across all age groups. However, given that our survey was completed online, our survey respondents were more likely to be reasonably comfortable navigating online systems, and to have access to the internet. So these particular findings are unlikely to be representative of the general population, and the true number of older adults facing barriers to online shopping is undoubtedly higher.

Among our interview participants, 8 out of 11 said they preferred shopping in person, and only one said they preferred to shop online. Being able to see and feel things before buying them was one of the reasons given:

*"People complain about it... it's a shame that John [Lewis] has gone, because it's an ancient shop. We all like it [We go for a coffee or to the restaurant]... I bought my cooker and things like that from John Lewis. You can go and see, not online."*

**Interview participant, aged 79**

The leading reason given for not buying more online was a preference for shopping in person: just over a quarter of respondents missed human interaction when shopping online. This was marginally more important for people in older age groups: 31% of those aged 70 and over preferred to shop in person because of the human interaction, compared with 24% of people aged 60 to 69.

Other significant barriers to online shopping included: the hassle of returning items bought online; concerns about online scams and fraud; concerns about the quality of the products; and not wanting to share card numbers and personal details online.

Only a small number of respondents felt that difficulty remembering passwords was a factor preventing them from buying as much online as they'd like. This may reflect the popularity of password managers, that allow us to store our passwords and sync these across devices.

And only a very small proportion of respondents cited the poor design of online shops as a barrier. However, as already noted above, given that this survey was completed online, our findings here are unlikely to be representative.

**Figure 9: What factors prevent you from buying things online as much as you'd like?**



Source: Panelbase survey of 1,008 individuals aged 60 and over, February-March 2023.

Note: Individuals were able to provide more than one response. 'Other' (n=6) included: like being able to see and feel the products, and ask questions; poor product descriptions and poor search facilities; delivery issues; don't have credit or debit card.

## Recommendations

Our research has shown that people aren't spending their time and money in the way they'd like to in later life. We've identified three sets of barriers to spending in later life:

- Making money last
- Access and accessibility
- The shopping experience

Policy makers and designers have the opportunity to take practical steps to address these barriers. This could support spending in later life, helping to maximise the longevity dividend and enhance the wellbeing of older people.

### Recommendations for policy and opportunities for design

To help tackle these barriers and support spending in later life, there are three key areas for actions that Government, businesses, regulators and designers can take. To help these policy recommendations succeed, we've also identified age-inclusive design opportunities that can enable, support and enhance each area:

*"Every design decision has the potential to include or exclude customers. Inclusive design is about making informed design decisions, by better understanding user diversity, which helps to include as many people as possible. User diversity covers variation in capabilities, needs and aspirations."*

**From the Inclusive Design Toolkit, written by the Engineering Design Centre, University of Cambridge <sup>33</sup>**

### ***Making money last: supporting financial security in later life***

Our survey identified financial concerns as the leading barrier to spending, with 32% of respondents citing concerns about needing the money in the future as a barrier to participating in social and leisure activities, while 37% cited this as a barrier to spending as much as they'd like to on products and services. In addition, roughly 30% of people felt that being on a tight budget or not having enough money today was also a constraint on their ability to spend.

Concerns about needing the money in the future were primarily driven by concerns with rising energy bills and the cost of living (56%), running out of money (29%), having to pay for care (29%) or future healthcare costs (25%), and having to pay for housing repairs or adaptations (22%).

If we don't know how long we will live for, and we can't predict exactly what our health or care needs will be in later life, it becomes difficult to plan how best to make our money last. This gives us an incentive to spend a little bit less, or save a little bit more, today – just in case. This problem has been exacerbated by the current cost of living crisis, which has made it even harder for people to know how much they'll need during their retirement. According to research by the Centre for Research in Social Policy at the University of Loughborough, the minimum required to survive as a single pensioner increased to £12,800 a year in 2022, up from £10,900 in 2021; for couples, the figure was £19,900, up from £16,700.<sup>34</sup>

### **Addressing this with financial products**

Financial products such as annuities, which provide a regular guaranteed income in retirement, can help dispel fears about future income and reduce this barrier to spending. But their popularity has fallen dramatically since the introduction of pension freedoms in 2015, which gave people greater flexibility over what they do with their pensions savings in retirement. The number of annuities sold fell from 82,391 in 2015-16 (15% of policies) to 68,514 (10% of policies) in 2021-22.<sup>35</sup> Historically low interest rates during this period also contributed to this trend, so recent interest rate rises may help make annuities more attractive to retirees.

### **Addressing this by empowering people**

Supporting financial security in later life also involves providing people with the knowledge, skills, and confidence to make informed decisions about their finances. This includes knowing the level of income they're likely to receive in retirement, and how much they're likely to need, including planning for possible contingencies, such as unexpected care or healthcare costs.

The Government's planned Pensions Dashboard, which will give everyone secure online access to all their pension information, is an important step towards encouraging better retirement planning.<sup>36</sup> But the initiative's success will depend on the nature of the information, how up to date it is, and how easy it is for users to navigate the systems.



Another important component of supporting financial security in later life involves the financial guidance and advice available to, and used by, individuals. The Government-backed Pension Wise service offers free, impartial guidance on the various options for drawing money from their pension pots to those aged 50 and over. Everyone aged 50 and over with a UK-based defined contribution pension pot is eligible for a free 60 minute appointment. But take-up of this service is currently fairly low, although numbers have been increasing.<sup>37</sup>

Some large employers, including Aviva and Legal & General, offer retirement planning guidance in the form of 'mid-life MOTs'. These provide a framework for workers to assess their health, skills, and finances. The Government has expanded its own mid-life MOT programme with better online provision, along with delivery through the national Jobcentre network.<sup>38</sup> The Government also provides resources for employers to support mid-life MOTs in the workplace. However, these resources are aimed at people in their 40s, 50s and 60s; we need to think about how to reach older adults, especially those who've already left the labour market.

### **Knowledge is power**

Research by the ILC has shown that people who take financial advice are better prepared for retirement than those who don't.<sup>39</sup> This advice also has many non-financial benefits, including boosting confidence, reducing worry, and providing a greater sense of control over one's financial future.<sup>40</sup> But many people who may need advice don't seek it – 78% of people who took out a personal pension between 2012 and 2014 didn't seek financial advice.<sup>41</sup> There have been initiatives to encourage employers to provide financial advice as part of their employee benefits,<sup>42</sup> and efforts within the financial advice industry to develop cheaper, more accessible robo-advice tools. However, we still don't know enough about how older people – particularly those aged 65 and over – access financial advice, or the barriers to access they face, and how this varies among people in this age group.

### **Addressing worries about future healthcare**

29% of our survey respondents listed concerns about having to pay for care in later life as a reason to be cautious about their spending today. Demand for adult social care is predicted to continue rising, with around 57% more adults aged 65 and over predicted to require care in 2038, compared with 2018.<sup>43</sup> While demand for social care support has continued to rise in England, fewer people are receiving it,<sup>44</sup> as publicly

funded support for adult social care is reserved for those with the lowest means and highest level of need. Planned social care reforms, which would have increased the number of people eligible for publicly funded social care and introduced a cap on lifetime social care costs, have been delayed until 2025, increasing the uncertainty individuals face around their potential future care costs. And it's not just paying for care that people are worried about; a quarter of respondents were also concerned about future healthcare costs. Greater certainty over what future care and healthcare costs people are likely to face, and how to plan for these, could help boost spending today.

### **Policy recommendations and design opportunities**

- **Ensure better access to financial advice and guidance:** the default should be that everyone is scheduled a Money and Pensions Service guidance appointment at the age of 50 and 65. We must democratise access to financial advice, and ensure that affordable, accessible expert financial advice is available to everyone. The advice sector should make use of AI and robo-advice to increase access to services, while ensuring interfaces and information are designed to be accessible, inclusive and intuitive. The regulator should urgently review the impact of AI on advice.
- **Design innovative products:** having access to the right financial products can play a part in helping us spend in later life. Annuities have fallen out of fashion since the introduction of pension freedoms, which meant that people weren't forced to annuitise their retirement savings. However, a guaranteed life-time income could help encourage consumption over savings. The financial services industry should seek to ensure that product innovation supports consumption in later life. The benefits of annuities could be better sold. Financial products and services should be designed to be accessible, inclusive and intuitive.
- **Provide certainty on future care costs:** greater certainty about the cost of care is likely to support increased spending in later life. The Government must set out a clear plan for social care to give us all a clearer idea of how much money we'll need to continue to live active lives when we're older.
- **Design cost awareness:** we must raise awareness of age-inclusive, futureproofed design features, options, and associated costs. Age-friendly housing guidance<sup>45</sup> helps to raise awareness of the design features that can allow our homes to suit us across our lifetimes.

## **Access and accessibility: investing in age-friendly communities**

In spite of the growing interest in age-friendly communities, access and accessibility barriers remain in most UK towns and cities. Just over half of the people in our survey (52%) said they face difficulties getting to and around places, which limits their ability to spend and enjoy products, services, and environments that benefit their health. ILC research has shown that making our built environment more age-friendly can boost economic growth.<sup>46</sup>

### **Worries about toilet access**

Lack of access to toilets on high streets is one important barrier, with 20% of our survey respondents saying this made it harder for them to get to and around places. Between 2000 and 2020, the number of public toilets in the UK fell by 39%,<sup>47</sup> making it harder to navigate town centres for thousands of people. Providing more funding for councils to invest in public toilets could help boost spending in local communities and have a positive impact on individual wellbeing. Retailers also have a role to play in improving the signage or visibility of toilet facilities in their premises.

*“As it stands, public toilet design is failing from an inclusive design perspective by not meeting the needs of many users”.*<sup>48</sup>

### **Needing places to rest**

Other relatively simple steps that could help make our town and city centres more accessible and inclusive include investing in more places for people to sit down and rest. 19% of survey respondents felt the lack of places to sit made shopping less appealing. There have been some positive initiatives in this area. In 2018, ILC Partner Anchor Hanover launched the campaign “Standing Up 4 Sitting Down,” which aimed to improve access to local high streets by increasing the amount of seating available for those who need it. However, more remains to be done to make our higher streets and shops more age friendly.

*“With age, all of us change physically, mentally and psychologically. This can involve impairments in eyesight, hearing, dexterity and memory, all of which have significant implications for the design of the systems, services and vehicles that can help us to remain mobile for longer and so feel more connected to the world around us.”*<sup>49</sup>

## Getting there and back

Transport is another important barrier to spending. Although driving is still the most popular form of transport for most age groups, the likelihood of driving starts to fall among people in their 60s, and people aged 70 and over are more likely to rely on local bus services than other age groups (4% of all their journeys, versus 2% for people in their 50s and 60s).<sup>50</sup> Meanwhile, nearly two-thirds of public transport journeys are by bus.<sup>51</sup> However, bus services outside of London are often unreliable and expensive; this situation has only been made worse by recent funding cuts.<sup>52</sup> It is perhaps unsurprising that passenger journeys by bus outside of London have been falling steadily since the mid-1980s.<sup>53</sup> And investing more in local public transport will not only bring benefits to individuals and businesses, but will also benefit the environment.

## Addressing this with joined up thinking

We often rely on multiple systems to plan, book, and pay for travel, which can add to time and costs. Mobility-as-a-Service (MaaS) provides a system for integrating different travel options into a one-stop-shop for individuals to plan and pay for their trips. West Midlands Combined Authority has been exploring the benefits of MaaS for improving the travel experience, and will be launching their MaaS app in 2023.<sup>54</sup> Other local authorities should consider investing in or promoting similar schemes.

### The last-mile hurdle

Last-mile travel is the distance that people need to travel from their bus, train or underground stop to their final destination – this could be their place of work, the shops, a museum, gallery, or café. The 'last mile' is currently one of the biggest hurdles facing public transport systems today. These distances can vary significantly, from a short walk to a 20-30 minute trek. While the recent growth in micromobility options, like e-scooter and bike hire schemes, has helped reduce the problem, they're not yet available everywhere. And these options aren't equally accessible to everyone, particularly people with reduced mobility. But accessible micromobility options are available, including trikes and mobility scooters. It's important that these are included as part of any new services created to help us navigate our town and city centres.

## Poor health makes things worse

Poor health can exacerbate the barriers that individuals face, and in some cases create new ones. 18% of our survey respondents said their health made it harder for them to participate in social and leisure activities, while 11% said it made it more difficult for them to get to and around the shops. Changes including providing sufficient disabled parking, or ensuring pavements are kept clear and providing step-free access, can further help make our high streets more accessible and inclusive.

The Government should also prioritise investing in preventative healthcare, to increase the number of years people live in good health and improve the health and wellbeing of society.<sup>55</sup>

## Tacking loneliness

*"The built environment affords practices that prevent loneliness, but no single built-environment aspect is capable of fully preventing loneliness."<sup>56</sup>*

Not having as many people to do things with is a significant barrier to spending in later life, with 20% of our survey respondents stating this prevented them from taking part in social and leisure activities, while 11% felt it impacted on their spending on products. Good quality social connections are also vital for our mental and physical wellbeing, but social isolation and loneliness are common, particularly among older people.<sup>57</sup>

The Government Loneliness Strategy, published in 2018, included funding to support organisations working with groups most at risk of loneliness.<sup>58</sup> The Know Your Neighbourhood fund, worth £29 million, was launched to fund organisations and activities that aim to widen participation in volunteering and tackle loneliness in 27 disadvantaged areas across England.<sup>59</sup> Charities working specifically with older people, such as Age UK, organise activities to help bring people together, like classes, cafes and lunch clubs.<sup>60</sup> It's important that these activities are disseminated as widely as possible.

Policy and design need to work together to tackle loneliness and isolation. Solutions need to address some of the wider barriers that can affect access to social events and initiatives, including a lack of transport, lack of adequate facilities, or lack of information about

resources and events. Here, strategies to create more age-friendly communities have an important role to play. And it's important that we continue our efforts to better understand what interventions are effective in reducing social isolation and in what contexts.<sup>61</sup>

### **What are Age-friendly Communities?**

The UK's Network of Age-friendly Communities is based on the framework set out by the World Health Organisation. This framework consists of eight interconnected domains that should be considered when identifying and addressing barriers to the wellbeing of older people: outdoor spaces and buildings; transportation; housing; social participation; respect and social inclusion; civic participation and employment; communication and information; and community support and health services.<sup>62</sup>

The UK Network of Age-friendly Communities covers over 60 places across the country, from Belfast to Bristol and from London to Leeds. With the support of the Centre for Ageing Better, the network aims to connect communities, share best practice about what works, and provide support to places that want to become more age-friendly.

### **Policy recommendations and design opportunities**

- **Design safe, accessible, reliable, and affordable public transport:** good public transport is key to ensuring increased consumption among older adults. Nobody will go to the theatre if the last train leaves before the show ends. We won't get people on buses if there's a chance that there won't be enough seating or wheelchair space. Local planners should redesign transport provision and routes, and encourage better coordination between local bus operators, recognising that an increasing proportion of us are using towns and cities for fun rather than work.
- **Design better last-mile travel:** technological developments have opened up many opportunities for innovation in last-mile travel, but these have sometimes been impractical or inaccessible, particularly for people with reduced mobility. Local authorities should ensure that accessible micromobility options are part of new services to help us travel around our towns and cities. And there needs to be better integration between last-mile travel options and public transport, to ensure a more seamless user-centred travel

experience, embedding Mobility-as-a-Service (MaaS). The West Midlands Combined Authority will be launching their MaaS app in 2023, which will provide a digital one-stop-shop for travel using public, active, and shared transport. Other local authorities should follow suit.

- **Actively promote the UK's Network of Age-friendly Communities:**<sup>63</sup> All towns and cities should be encouraged to join the UK's Network of Age-friendly Communities. Councils, businesses, and local groups need to work together, and change their physical and social environments to reduce barriers. This could include more accessible, well-signed and conveniently located public toilets; age-inclusive places to sit and rest that range from social settings to more solitary ones; or improving the accessibility of pavement design and maintaining them to ensure they stay clutter-free. We should design age-inclusive neighbourhoods with a choice of social interactions that foster a sense of belonging. Initiatives like the Chatty Café should be expanded and developed. All Local Business Improvement District teams should have a plan to improve footfall for all ages, recognising the demography of town populations and their visitors.

### ***The shopping experience: designing a more inclusive experience, off and online***

While the Equalities Act 2010 has fostered positive changes, we can do more to encourage retailers to go beyond the minimum legal requirements, by formally recognising and celebrating retailers that invest in accessibility, and in making their shops welcoming for people of all ages. This would benefit consumers, but also retailers, as consumers stay longer and spend more in their stores.

Inside shops, small steps can also improve accessibility and help improve the shopping experience, by ensuring that toilets are accessible, well-signed and conveniently located, and providing places to sit and have a rest. Stores should be designed with accessibility in mind.

In the last few years, self-service checkouts have become widespread, but just over a quarter of our survey respondents (26%) said that dislike of self-service check-outs made shops less appealing. While they offer speed and convenience to many, for some they may be a barrier to spending. People with dementia, for example, prefer to pay at the

till with a cashier, rather than using a self-service checkout.<sup>64</sup> Retailers should ensure that staff are available to support customers who are unable to or have difficulty using self-service checkouts.

### **Can new technology help – or bring new concerns?**

Technology can be used to enhance the shopping experience – both off and online. But interfaces must be accessible and inclusive, and consumers need to feel confident navigating online systems. Just under a quarter of our survey respondents (24%) felt that concerns about online scams and fraud prevented them from shopping online as much as they'd like. Online fraud has been on the increase, particularly authorised push-payment (APP) fraud, where people are tricked into making a payment to a fraudster posing as a genuine payee. In 2021, there were 195,996 APP fraud incidents: the amount lost to APP scams was £583.2 million, a 39% increase from 2020.<sup>65</sup> Almost half (46%) of all internet users have personally experienced an online fraud or scam, with a quarter of those losing money as a result.<sup>66</sup> And it is not just the financial cost of online scams that matters, but also the emotional cost, which can be devastating. It's important to ensure that everyone's equipped with the skills and confidence to make best use of the online services available.

### **Bringing everyone along with digital advances**

Various organisations are already taking steps to promote digital inclusion. For example, UK Finance has introduced a campaign to help tackle online fraud, backed by many of the world's major technology companies,<sup>67</sup> while charities working with older people also offer practical advice on how to avoid scams and stay safe online.<sup>68</sup> The upcoming Online Safety Bill is likely to require online services to actively protect their users from fraud and scams; the scope of the bill has been expanded to include advertising on social media and search engines.<sup>69</sup> While these changes are welcome, it is important that we continue to equip individuals with the confidence and skills needed to use online services safely.

Digital inclusion isn't just about having the confidence and skills to use online services; most importantly, it requires a reliable, affordable internet connection. But a quarter of people aged 65 and over don't have home internet access,<sup>70</sup> while 14% of those aged 65-74 struggle to afford their internet bills.<sup>71</sup> This will become even more important as analogue telephone services are phased out and replaced with digital Voice over Internet Protocol (VoIP), which will require internet access for landline phone services.



## Policy recommendations and design opportunities

- **Recognise and reward accessible design:** the Equality Act 2010 and the Web Content Accessibility Guidelines (WCAG) have done a lot to encourage retailers and organisations to design with accessibility in mind. While there are accessibility regulations covering websites and mobile apps for public sector bodies, these aren't mandatory for private organisations. Making shopping more accessible will benefit retailers as well as consumers, as shoppers will stay longer and spend more. A nationally-recognised accessibility accreditation scheme would encourage retailers to go above minimum legal accessibility requirements, and celebrate good accessible design practice.
- **Use augmented reality to enhance the in-store shopping experience:** technology should be used to complement, rather than replace, retail staff. Mobile Augmented Reality offers an opportunity to build a bridge between the physical and the digital. Customers could use their smartphones or other handheld devices to scan products for additional information, get recommendations for complementary products, or find more affordable alternatives. But as technology replaces people for transactions, retailers should ensure that there's always a human face available for more personalised advice and support.
- **Explore emerging technologies to enhance the online shopping experience:** many respondents disliked online shopping because it lacked human interaction. Virtual reality and metaverse technologies have the potential to bring this back in, by fostering immersive online shopping experiences. People living in different cities or even different countries could come together to shop in a virtual store. For online shopping to continue to grow it must be accessible. Digital interfaces must be designed to be intuitive and age-inclusive. And Government should continue to support digital literacy programmes, to help ensure people have the confidence to shop online and know how to stay safe there, as well as increase access to affordable and reliable internet connections and devices.

# Appendix

## ***Qualitative research approach***

RCA researchers used design ethnography, followed by phone interviews with 11 participants aged between 68 and 81. This involved:

- Step 1: Cultural probe (designed as part of other ongoing user research)
- Step 2: Follow up phone interviews (semi structured - structured around cultural probe booklet)

## ***Quantitative research approach***

The findings from the qualitative work provided the basis for a nationally representative survey of 1,008 adults aged 60 and over in the UK, commissioned by the ILC. The survey was implemented between February and March 2023.

We acknowledge that there is no consensus on the definition of 'older adult' and, to some extent, age cut-offs are somewhat arbitrary. Since the evidence suggests spending tends to start falling when individuals are in their early 60s, approaching retirement age, for the purpose of this report we define older people as those aged 60 and over. In our analysis of the data we worked with five-year age groups.

Some sample descriptive statistics are provided below.

### **Age**

Minimum age: 60

Maximum age: 92

Age distribution:

	Frequency	Percentage
under 65	248	24.6
65-69	236	23.41
70-74	186	18.45
75-79	238	23.61
80 and over	100	9.92

## Health status (self-reported)

Over half of the individuals sampled (59%) rated their health as 'good', 'very good' or 'excellent'.

	Frequency	Percentage
Excellent	31	3.08
Very good	223	22.12
Good	343	34.03
Fair	315	31.25
Poor	96	9.52

## Financial situation (self-assessed)

65% rated their current financial situation as 'doing all right' or 'living comfortably', but almost 30% just about getting by. Only a small proportion of respondents (7%) described their financial situation as 'difficult' or 'very difficult'.

	Frequency	Percentage
Living comfortably	203	20.14
Doing all right	447	44.35
Just about getting by	289	28.67
Finding it quite difficult	41	4.07
Finding it very difficult	28	2.78

## Living situation

29% of respondents were living alone; the majority (56%) were living with a spouse or partner – more if you include respondents living with spouse/partner and kids or grandkids.

## Tenure

The vast majority (76%) owed their home outright, with 7% still paying off their mortgage. 11% were living in the social rented sector and 5% in the private rented sector.

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## About ILC

The International Longevity Centre UK (ILC) is the UK's specialist think tank on the impact of longevity on society. The ILC was established in 1997, as one of the founder members of the International Longevity Centre Global Alliance, an international network on longevity. We have unrivalled expertise in demographic change, ageing and longevity. We use this expertise to highlight the impact of ageing on society, working with experts, policy makers and practitioners to provoke conversations and pioneer solutions for a society where everyone can thrive, regardless of age.



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