



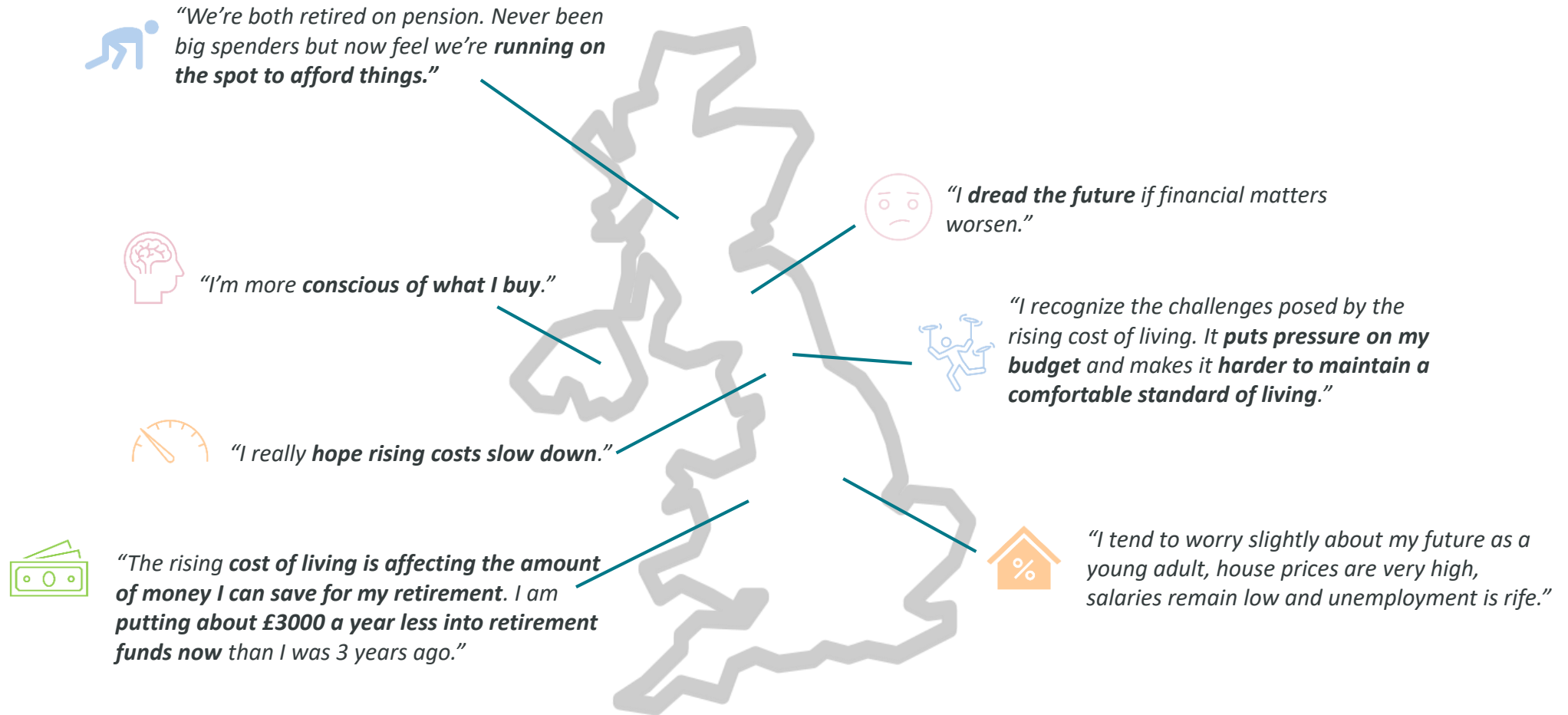
# Navigating the impacts of the rising cost of living: The AXA Customer Lifestyle Report

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# Navigating cost of living pressures

We wanted to listen to our customers and find out what it feels to live in these uncertain times



# The AXA Customer Lifestyle Report

We conducted 3 waves of research which tracks consumers' financial decisions

**3**

Waves of research since May 2023

**6,625**

Total respondents

**20+**

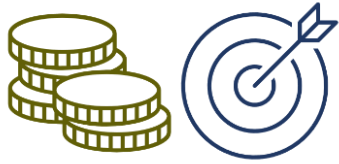
Newspapers across the UK featuring  
key stats from the report

**3 million**

People reached across the UK  
from newspaper coverage

# Key takeaways

We conducted 3 Waves of research to track consumers' financial decisions



**1) Consumers are being more intentional about their spending habits, as they don't want to sacrifice their future goals**



**2) The rising cost of living impacts mental health and overall well-being**



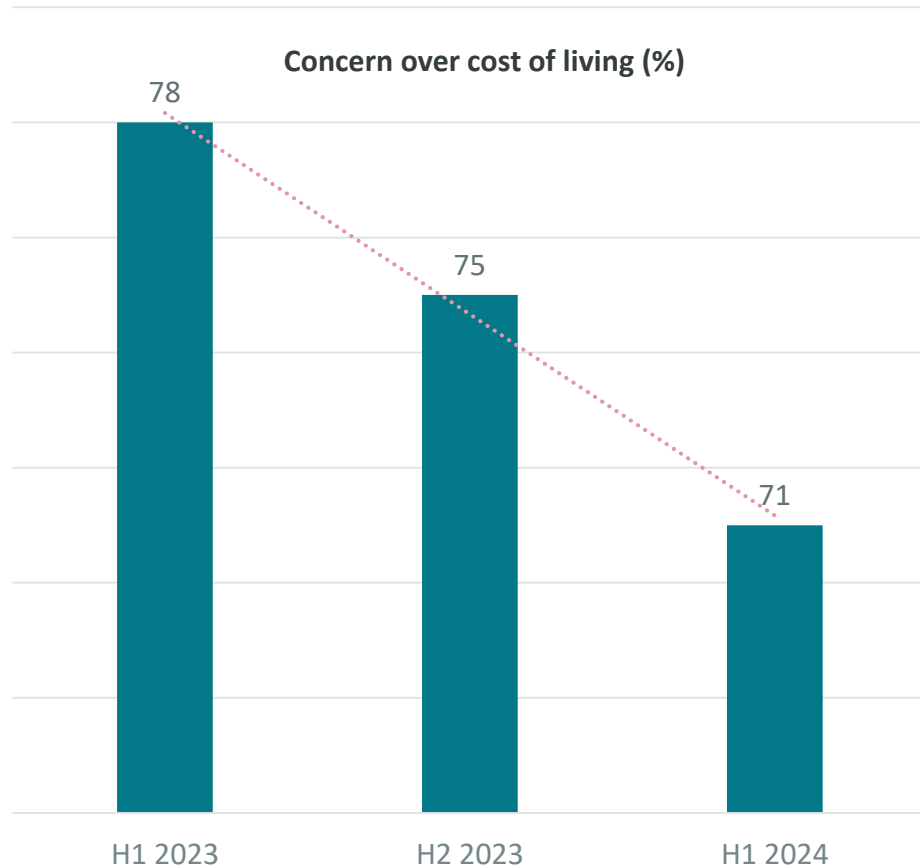
**3) There is cautious optimism as more consumers continue to take control of their finances and are increasingly aware of how they could influence their situation**



**Consumers are being more intentional about their spending habits, as they don't want to sacrifice their future goals**

# Concern over the rising costs of living

Overall concern over rising costs remain high but seems to be going down, except for 25- to 34-year-olds



**7 in 10 people (71%) are concerned over the rising cost of living, down from 78% last year**

# Spending reductions and further cuts

Consumers are being intentional with spend wherever they can

**74%**

Have reduced their spending due to rising costs

(H1 2024)

**1 in 5**

Completely stopped spending on holidays, charity donations and magazines

(H1 2024)

**8 in 10**

Cut spend on days and evenings out, food shopping and heating

(H1 2024)

**50%**

Are likely to further reduce their spending in the next 3 months

(H1 2024)

**9 in 10**

Reduced spending on clothes and shoes

(H1 2024)

**50%**

Reduced insurance spend

(H1 2024)

# Behavioural changes

People are engaging in behaviours that enable them to maximise their hard-earned cash



## Buy cheaper food products



More likely

Less likely



## Research purchases

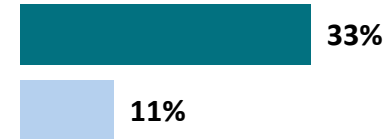


More likely

Less likely



## Buy second-hand items

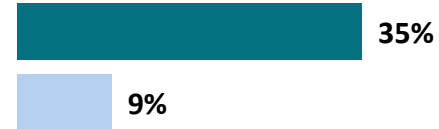


More likely

Less likely



## Tackle DIY projects yourself



More likely

Less likely



People are **engaging in recessionary behaviour**, consistent with high levels of concern with the cost of living





**The rising cost of living impacts mental health and overall well-being**

# Finances and its impact on mental health

Personal finances influence mental health, with women and poorer households more likely to feel the strain

72%

Say that their  
finances impact their  
mental health

(H1 2024)

39%

Say that this impact  
is negative

(H1 2024)

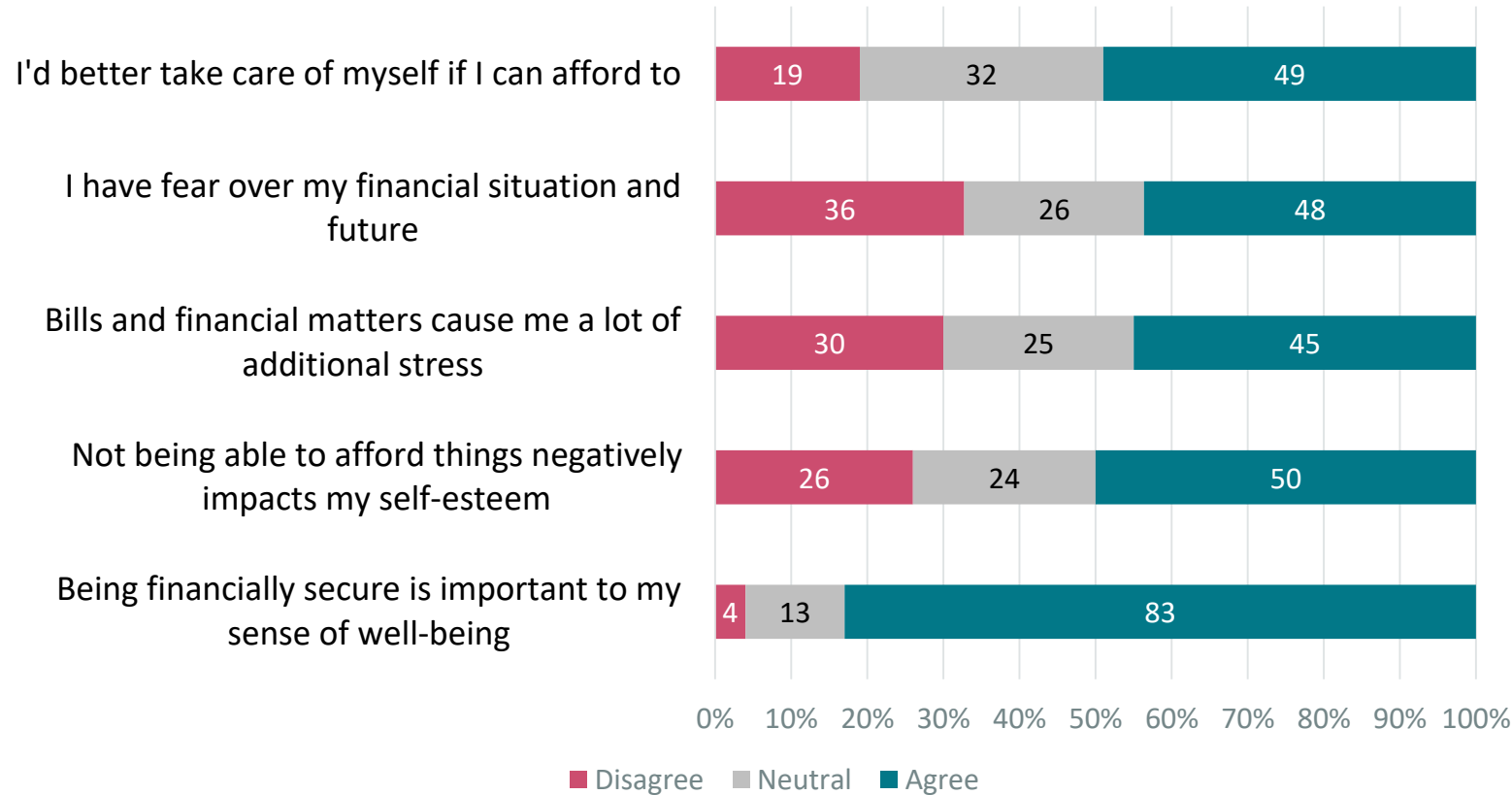


- **Women are more likely** than men to score that their financial situation impacts negatively upon their mental health
- The **larger the household income**, the **more positive impact** finances have on mental health

# Finances and overall well-being

Financial security is important to well-being and finances can place additional burdens on mental health

Statements linking finances and well-being



Many are **still understandably concerned over their future**, despite being **more intentional** with their finances



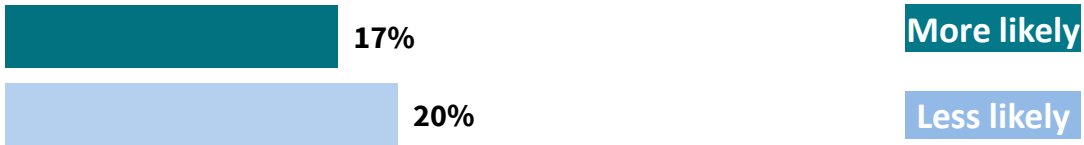
**There is cautious optimism as more consumers continue to take control of their finances and are increasingly aware of how they could influence their situation**

# Managing money

Many are engaging in more positive behaviours which help manage daily spend better



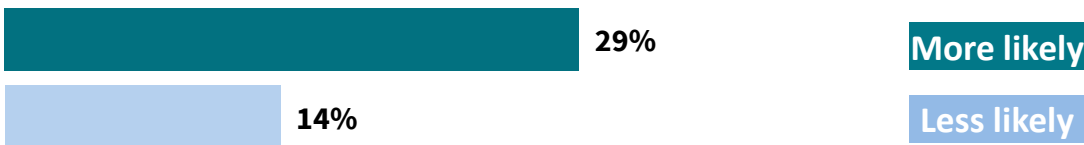
Talking to my partner or loved ones about my financial situation



Ignoring or avoiding thinking about my financial situation



Researching financial or money saving advice



Consumers are being **more proactive** about their personal finances

# Perceptions of insurance

Many buy insurance to achieve peace of mind but are open to flexible payments and policy changes to reduce their premiums, helping manage costs

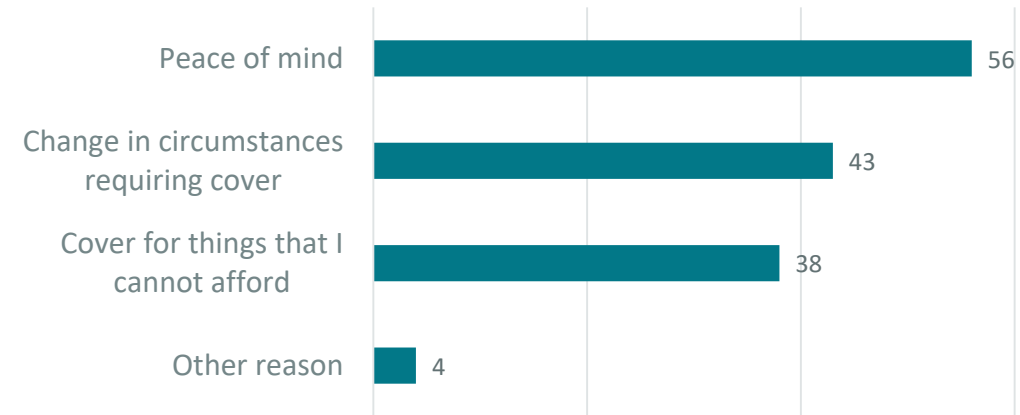
**65%**

Have bought at least one kind of insurance product

(H1 2024)



Reasons for buying insurance in the next 3 months

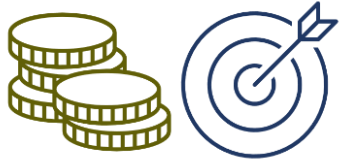


Many buy insurance to manage risks, with 2 in 3 people buying at least 1 product



# Reiterating key takeaways

# Key takeaways



**1) Consumers are being more intentional about their spending habits, as they don't want to sacrifice their future goals**



**2) The rising cost of living impacts mental health and overall well-being**



**3) There is cautious optimism as more consumers continue to take control of their finances and are increasingly aware of how they could influence their situation**





**Thank you!**