Your Money's Worth: Defining Wealth in 2025

A thought leadership report from HSBC UK

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Welcome to **Your Money's Worth: Defining Wealth in 2025**, a thought leadership report from HSBC UK.

As a nation, it seems like we have never had a better understanding of our wealth. Reams have been written on the topic of personal finances, report after report has tracked the impact of the rising cost of living, and the Office of National Statistics has recently published its latest household wealth survey. All this data centres on material indicators of what makes one wealthy. But what about how we feel about the concept? What about our aspirations, our self-perceptions and all the non-material forms?

We believe that better understanding the complex psychology of wealth can help us navigate the intricacies of managing our money today. So, we decided to take a closer look and examine what wealth really looks like in 2025.

To do this, we conducted extensive research, combining analysis from multiple sources. This included reviewing publicly available data, as well as our own customers'. We also collaborated with YouGov, a leading research company, to survey over 2,000 UK adults.[1]

As you'll see, the results offer an insightful snapshot into the perceptions and realities of wealth in the UK today. We've paid particular attention to UK residents who are eligible for HSBC Premier or already have an account – those earning over £100,000 per year – and it's fair to say that there is much more to the story than meets the eye.

We're proud to be working with Vicky Reynal, a renowned financial psychotherapist, to better understand how and why we think about our wealth in psychological terms. This insight is crucial to helping us shape the solutions that can best help our customers in 2025.

As Reynal notes,

> **"Concerns about money stem from primal fears of survival, while concerns about wealth stem from aspirations and social standing."**

We believe that this new research underlines the importance of open financial discussions, the value of seeking credible advice and the need for tailored financial strategies that align with personal values and goals. By exploring these themes, we aim to empower individuals wherever they are on their wealth journey, offering actionable insights that can help bridge the gap between perception and reality.

I hope you find these insights interesting and thought-provoking, and I look forward to working with you in 2025 and beyond.

Xian Chan
Head of Premier Wealth at HSBC UK

1 1,010 nationally representative adults and 1,003 high earners with a gross personal income of £100,000+ in the UK.

Dating back to the thirteenth century, 'wealth' has long been associated with financial abundance and material possessions[2]. This new report shows how that is now changing.

By offering a comprehensive analysis of wealth perceptions and behaviours in the UK, our inaugural **Your Money's Worth** report tracks how perceptions of wealth are evolving. In fact, in many ways we show that the modern understanding of wealth is returning to its etymological, Old English roots of 'well' – the same root as 'wellbeing', 'welfare' and 'wellness'.

Today, wealth is increasingly perceived alongside these more health and lifestyle-focused dimensions. We also illustrate how different demographic groups perceive and experience wealth, providing insights that can guide individuals across the financial landscape.

2 Source: OED https://www.oed.com/dictionary/wealth_n?tl=true

The report centres on four key themes: the wealth perception gap; spending, saving & investing patterns; redefining wealth in 2025; and pathways to wealth.

Let's consider each of them briefly:

01

The wealth perception gap:

The report's findings reveal a 'wealth perception gap', where even those with a six-figure income often do not view themselves as wealthy. Nine out of ten of those earning £100,000 or more do not identify as wealthy, a figure perhaps made less surprising by the fact that the research also highlights £213,000 as the average annual personal income threshold for being 'wealthy' in the UK.

02

Spending, saving & investing patterns:

Trends in saving, spending and investing reveal that those earning £100,000 or more tend to allocate significantly more resources towards lifestyle and experiences. For the general population, savings vary hugely by region, and those earning over £100,000 have investments that look very different to those of the general public.

03

Redefining wealth in 2025:

The redefinition of wealth is another key insight from our research. No longer tethered to luxury goods, today's affluent prioritise lifestyle, health and wellness. Investments have emerged as critical markers of wealth, with a notable pivot towards valuing experiences and wellbeing over material possessions. This trend is especially pronounced among the young, who increasingly view lifestyle as 'the new luxury'.

04

Pathways to wealth:

Building wealth is, of course, a journey. Our research shows that less than half of high earners feel they are on track to meet their financial goals, with immediate costs and insufficient earnings and savings cited as significant challenges.

With so many shifts taking place in the world, and many out of our control, it's a great time to identify the things that we can do to help put us on the best possible path.

We hope that our exploration and analysis of these four interconnected themes can empower individuals on their wealth management journey in 2025. Ready to get going?

We've uncovered a wealth paradox. Despite earning six-figure incomes, most high earners do not consider themselves wealthy. We've delved into the nation's psyche to find out why.

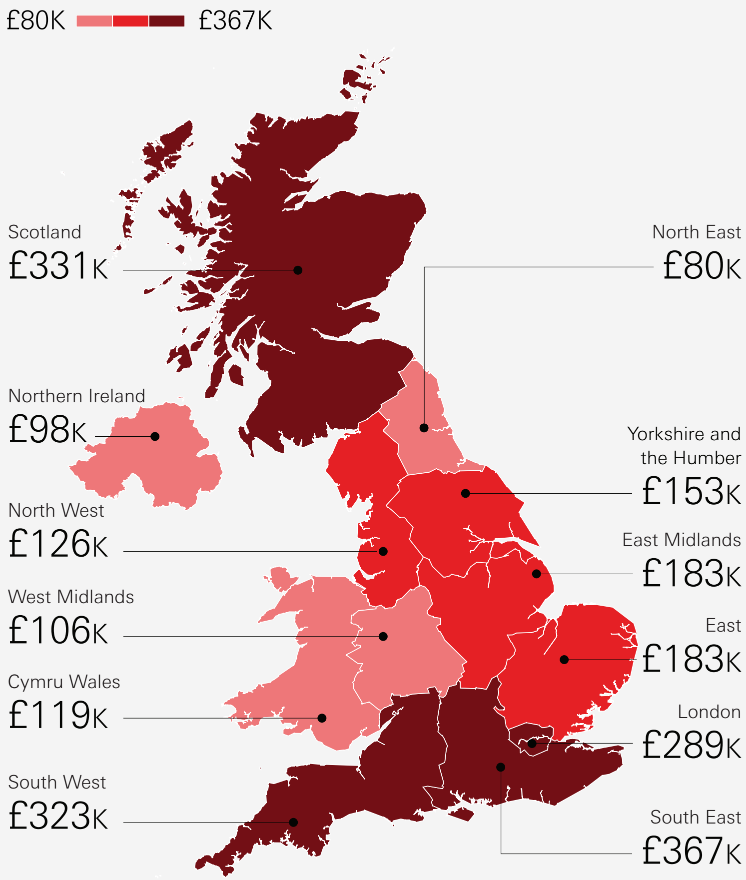
Our research finds that, on average, a nationally representative sample of adults aged 18+ in the UK believe that a gross personal income of £213,000 is necessary to be considered wealthy. That is over six times the national average salary, according to the UK Office for National Statistics (ONS)[3]. Even among those in the top 4% of UK earners[4] – those earning over £100,000 – around nine out of ten do not identify as wealthy themselves.

Only around

1 in 10

people earning over £100,000 see themselves as wealthy

Wealth threshold by UK region



YouGov Nationally Representative Survey of 1,000 UK adults

Amongst the nationally representative sample, the wealth threshold is higher among Londoners and those in the South-East (£367,000), and lowest for those in Northern Ireland and the North-East (£80,000).[5]

Mapping these to ONS household wealth[6] data shows that regions where wealth thresholds are higher, household wealth is higher.

Similarly, comparing our data to ONS income percentiles[7], we reveal that those among the top 4% earners in the UK see themselves as just above average earners (in the top 48%). This trend occurs right across the income spectrum. Individuals from every income bracket consistently underestimate their earnings relative to others by approximately 30 percentage points on average. We call this the 'wealth perception gap.'

3 Source: ONS Annual Survey of Hours & Earnings https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2024
4 Source: ONS Household total wealth in Great Britain: April 2020 to March 2022 https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2020tomarch2022
5 Respondent sizes are below 50 for Northern Ireland and the North-East.
6 ONS Household total wealth in Great Britain: April 2020 to March 2022 https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2020tomarch2022
7 Source: ONS https://www.gov.uk/government/statistics/percentile-points-from-1-to-99-for-total-income-before-and-after-tax

Individuals from every income bracket consistently underestimate their earnings relative to others by approximately 30 percentage points

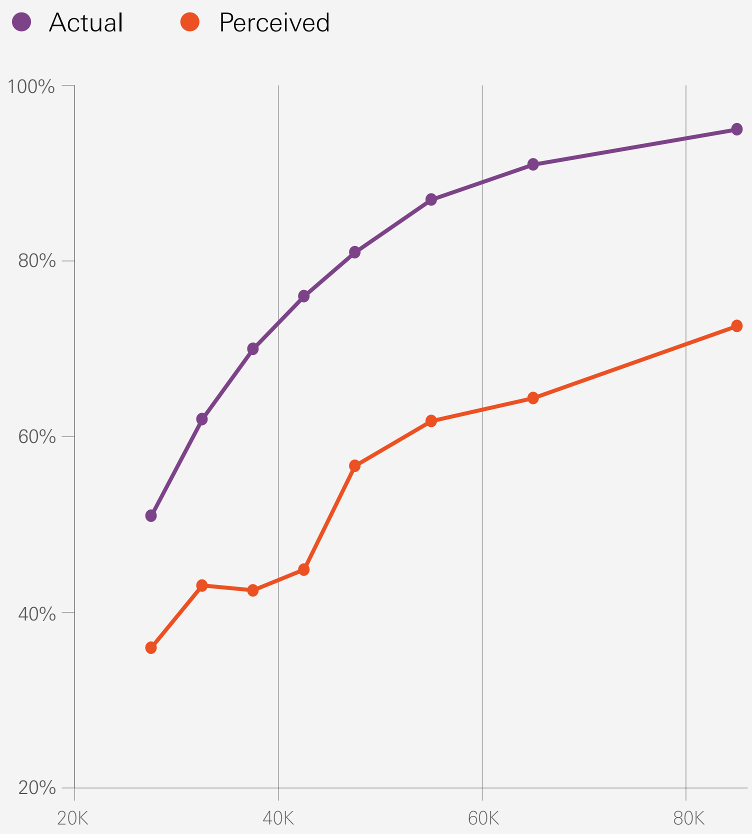
Reynal explores the psychology behind this:

> **"Comparing our financial situation to others may be highly misleading, yet it is common. Many people live with a certain amount of shame about their finances, feeling they have fallen short of their own aspirations. This distorts our perception by placing our focus on what we lack, and what others have.**
>
> **"We often view others' spending (on yachts and private jets) as a signal of wealth, without considering that such spending may be debt-fuelled and reveal little about the owner's actual wealth. It creates a constant pressure to do better, fuelled by competitive environments and social media, which amplifies high-income lifestyles."**

When looking at demographic splits we find an important nuance. Women perceive the wealth threshold to be higher than men (£232,000 vs £194,000), as do younger consumers, with Gen Z (18–24-year-olds) perceiving the threshold to be double that of over 55s (£343,000 vs £176,000). This is despite ONS household data showing that overall wealth peaks between 65-74.[8]

How income percentile underestimation changes with income

Full-time employees on at least minimum wage up to £100,000 per annum



Increased cost-of-living and house prices likely account for this generational divide in wealth perception.

Gen-Z faces a more daunting challenge in building wealth. Saddled with student debt and facing rising costs like rent and groceries, many young people are feeling the squeeze, and in response are delaying saving and investing.

YouGov Survey of N=2,000 UK Consumers

8 Source: ONS Household total wealth in Great Britain: April 2020 to March 2022 https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2020tomarch2022

Many high earners aspire to retire comfortably, own a home or make significant home improvements.

Yet, we find that less than half feel they are on track to meet these goals. The main hurdles include immediate costs, insufficient savings and unpredictable income.

Among HSBC UK Premier customers, it's millennials, aged 26-45, who show the slowest growth in their savings balances, when many are experiencing costly new life stages like house buying or starting a family. These extra constraints all contribute to the feeling of not being wealthy, despite high earnings.

Xian Chan, Head of Premier Wealth, notes:

> **"In recent years, we've seen interest rates and mortgages increasing, as well as living expenditures rising, for everything from food to childcare. Income is just one element of wealth. How secure one feels about their position, and how they perceive this position relative to others, also contributes to building this perception.**
>
> **"Increased costs, due to factors outside of our control, can be discouraging and hurt our ability to save for the future. So, it's important to focus on the things that we can do ourselves to get on the best possible financial path. This might mean speaking to a wealth expert, or it could be as simple as starting and maintaining a regular savings and investment habit."**

By addressing the disconnect between perception and reality, individuals can make more informed decisions and enhance their financial wellbeing. But how are the wealthy spending and saving? The next chapter explores just that.

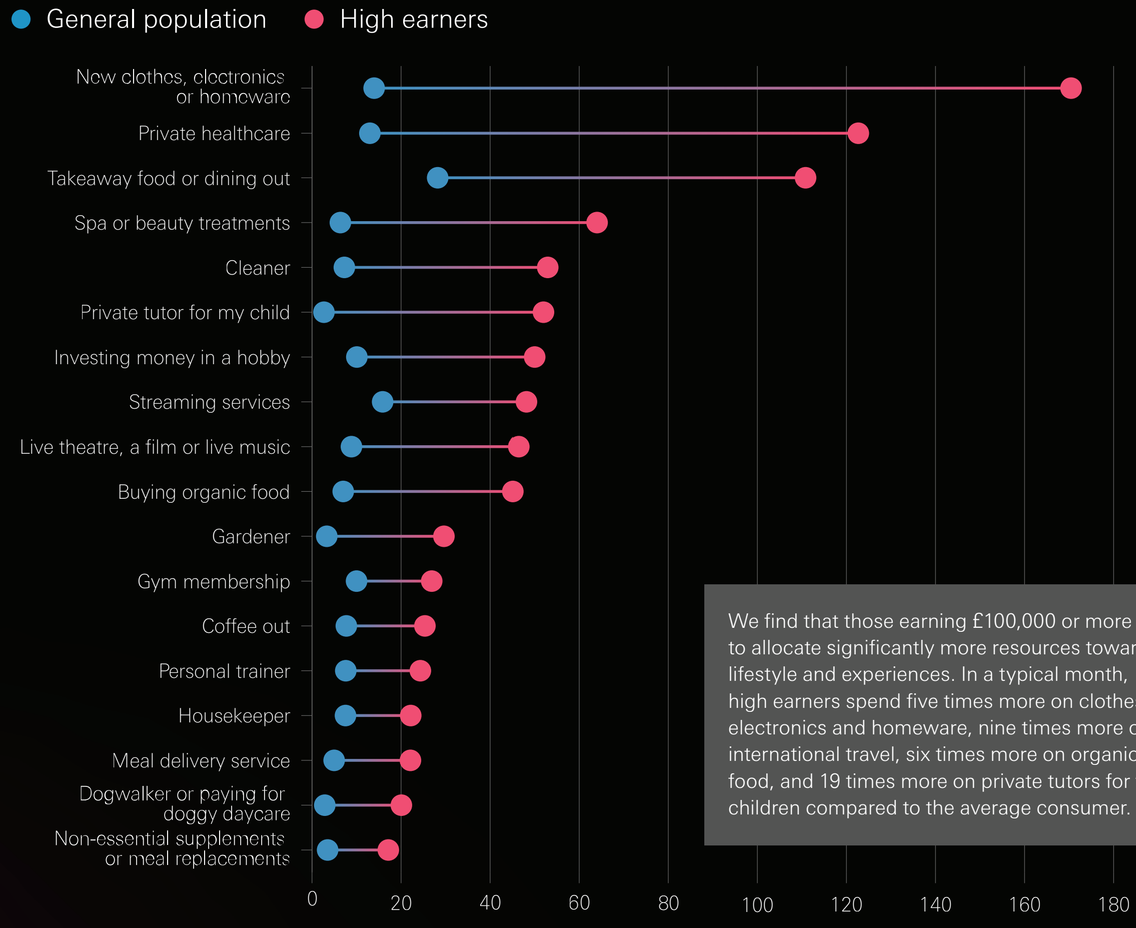
Despite significant salary differences, our financial habits as a nation don't vary dramatically. We examine trends in saving, spending and investing, and the habits that define affluent lifestyles across the UK.

HSBC UK data reveals that Premier customers are nearly twice as likely than most other HSBC customers to also hold a HSBC UK credit card. However, there are varied reasons for using credit beyond 'helping ends meet', including point benefits, making the most of interest-free periods, and enhanced protection from fraud on credit cards.

HSBC UK data shows that the average credit card balance for Premier customers is only a few hundred pounds higher than for most customers Similarly, those who don't qualify for HSBC UK Premier accounts (excluding Private Bank) are only six percentage points more likely to be using their overdrafts regularly than customers that do qualify.[9]

However, we do see differences in saving reflected on the balance sheet. Among HSBC UK Premier customers, three quarters also have a savings account with HSBC, with an average savings balance more than £40,000 higher than the average for those who don't qualify for Premier. Among this group, only just over half have savings accounts with HSBC.

Monthly spend (£)



We find that those earning £100,000 or more tend to allocate significantly more resources towards lifestyle and experiences. In a typical month, high earners spend five times more on clothes, electronics and homeware, nine times more on international travel, six times more on organic food, and 19 times more on private tutors for their children compared to the average consumer.

YouGov Survey of N=2,000 UK Consumers

9 General HSBC UK Premier customers (incorporating ex Jade and no lending); HSBC UK 'Mass' customer base (Advance + 'banking' customers (lending + no lending))

We also see differences between demographic groups. Replicating findings from the Money and Pensions Service,[10] women report having lower savings –

with

1 in 4

women having less than £1,000 saved

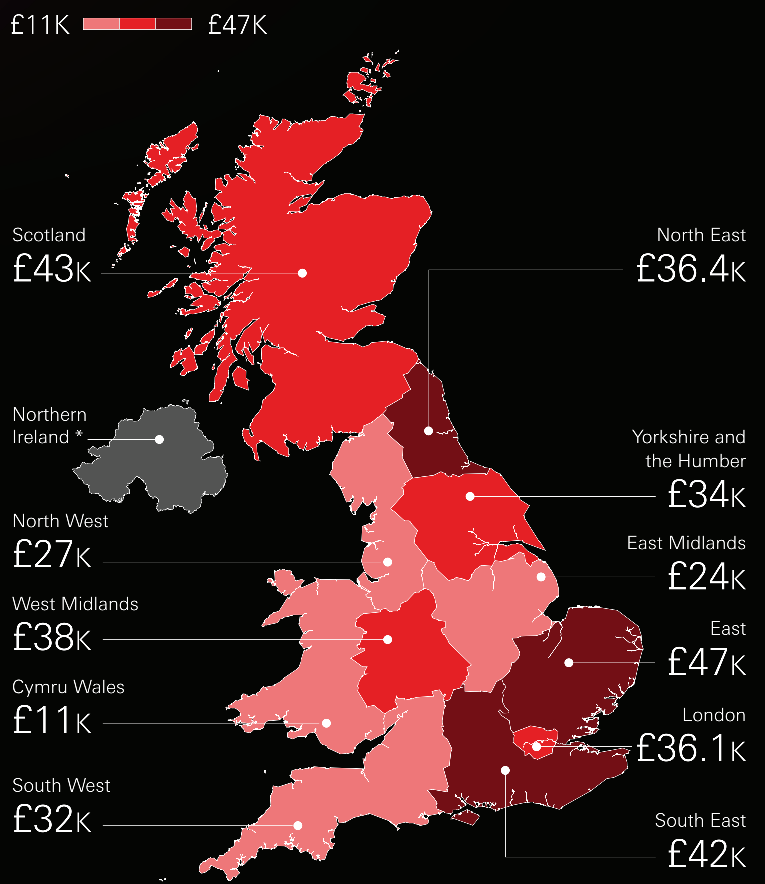
But we see this trend reversing amongst the highest earners, where women save more each month, compared to men at the same income level.

For the general population, savings also differ region to region, with 39% of Welsh respondents having less than £1,000 in savings, compared to a national average of 23% and only 19% of Londoners. Over one third in the North East save nothing per month compared to one in five Londoners.

Investments are where the wealthy are differentiated. Among all the potential signifiers of wealth we tested, from lifestyle factors to property ownership, we found the investment gap to be by far the largest.

Whilst the majority (55%) of those earning over £100,000 have investments, this figure drops dramatically to just 16% of the general public.

Average savings by UK region



YouGov Nationally Representative Survey of 1,000 UK adults *Insufficient data

Analysing the ONS household wealth statistics[11], we find that the top 1% of UK households have 15 times more property-based wealth than average, 19 times more private pension-based wealth, but 84 times more financial wealth (savings and investments).

10 Money and Pensions Service UK Adult Financial Wellbeing Survey 2021 https://maps.org.uk/content/dam/maps-corporate/en/our-work/uk-strategy-for-financial-wellbeing/maps-uk-adult-financial-wellbeing-2021-gender-2023.pdf
11 ONS Household total wealth in Great Britain: April 2020 to March 2022 https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/totalwealthingreatbritain/april2020tomarch2022

Xian Chan comments:

> **"Wealth building is a slow-burn process, which is best done over the long term. But wherever you are on the income spectrum, early planning is critical for financial success.**
>
> **"Starting early, holding the course and maintaining a regular habit are measures anyone can adopt – but it will look different for all of us. Whether you're someone who can save £10 a month or £1,000, everyone can benefit from some kind of regular saving and investment habit. Whether that is easy access or longer-term investments depends on the access you need to your money, and your overall financial goals, but a mixture of both is a good idea if you're looking to plan for your long-term future.**
>
> **"As a general rule of thumb, the longer you hold an investment, the higher the probability that it will grow. You should aim to invest for the long-term to see results. It's also important for customers to consider their risk appetite when making investment decisions, as returns are not guaranteed the way they are with a fixed savings rate."**

In the next section, we dig deeper into these habits to reveal how signifiers of wealth are shifting in 2025, from financial to lifestyle.

As societal values shift, so too do the markers of affluence. In the 17th Century, owning a single pineapple was the ultimate measure of wealth, costing a hefty £60, which converts to around £11,000 today.[12]

In this chapter we track how perceptions of wealth are increasingly shifting away from associations with income, and more towards lifestyle and wellbeing.

Among those earning £100,000 or more, this group is four times more likely to retire early or own a holiday home, three times more likely to have taken more than three trips abroad, and twice as likely to maintain a good work-life balance compared to the general population.

Vicky Reynal comments:

> **"The switch to valuing non-material possessions often comes as people discover that the material didn't buy them happiness, as advertising often promises.**
>
> **"Neither did the incessant amassing of wealth. As a result, I have often seen wealthier – and often older - individuals decide to prioritise what truly enhances happiness: meaningful experiences with loved ones, quality time with family instead of work, and a greater focus on health and psychological well-being."**

12 Source : BBC https://www.bbc.co.uk/news/uk-england-53432877

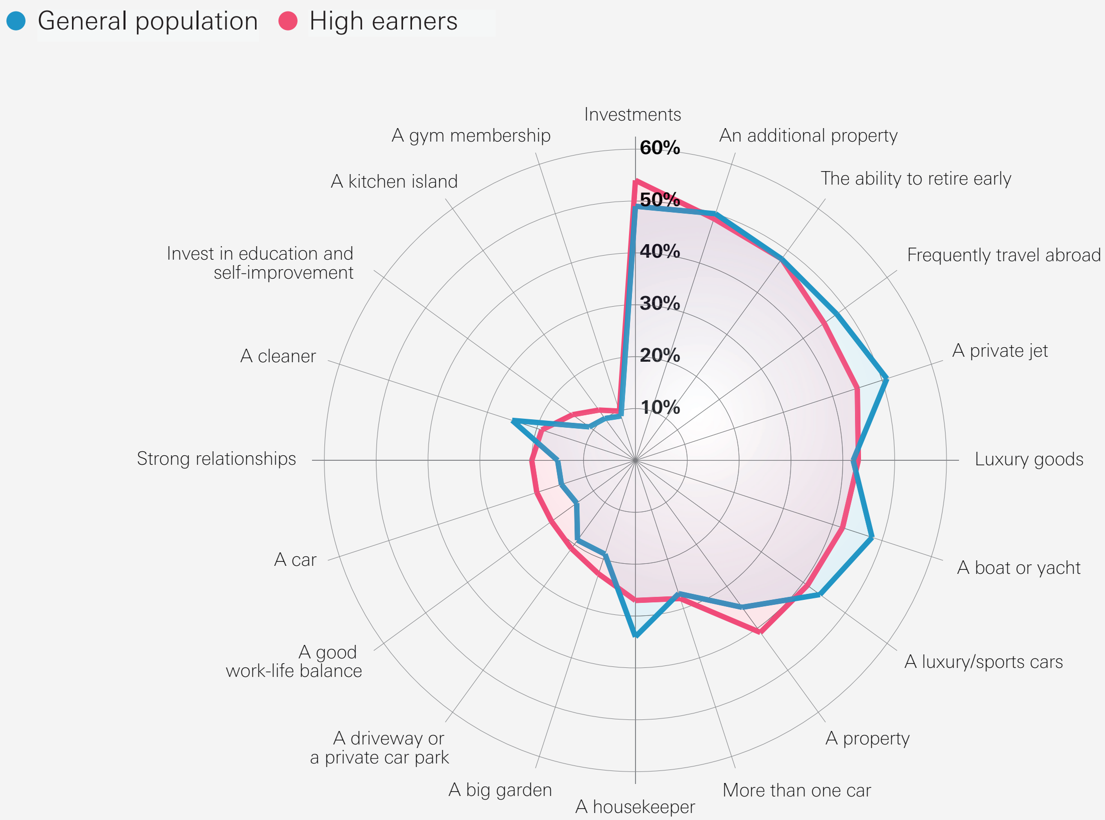
We find that the top signifier associated with wealth among the general population are private jets. This is perhaps not surprising given how conspicuous jets are and how the market has doubled since 2000 to over 5 million flights annually.[13] Meanwhile, a quarter of the general public think that having a cleaner makes someone wealthy, and for 10%, it's a kitchen island.

But for those earning over £100,000, investments are actually the top signifier of wealth. This includes financial investments, but also property and investing in education or self-improvement. High earners are also more likely to say that retiring early or frequently travelling aboard are bigger signifiers of wealth than traditional symbols of wealth like luxury goods or cars.

The trend towards post-material wealth is particularly pronounced among younger demographics. Whilst almost half (49%) of Gen-Z see wealth as best understood in non-material terms, this perception drops dramatically to just 35% of those aged 35-44. One third of 18–24-year-old high earners believe that having a strong work-life balance signifies you are wealthy, and 41% are aspiring to achieve this in the next two years.

Whilst investments and lifestyle choices are clearly becoming more central to wealth perception, there remains a strong desire for financial security and stability. In the next chapter we discuss pathways to building and sustaining wealth.

Which, if any, of the following would someone have to own or do to make you consider them as "wealthy"?
(% Think it signifies wealth)



YouGov Survey of N=2,000 UK Consumers

13 Institute for Policy Studies, High Flyers 2023 report https://ips-dc.org/report-high-flyers-2023/

Given that most people think extraordinary incomes are required to be wealthy, it would be understandable if the majority thought that wealth was out of reach.

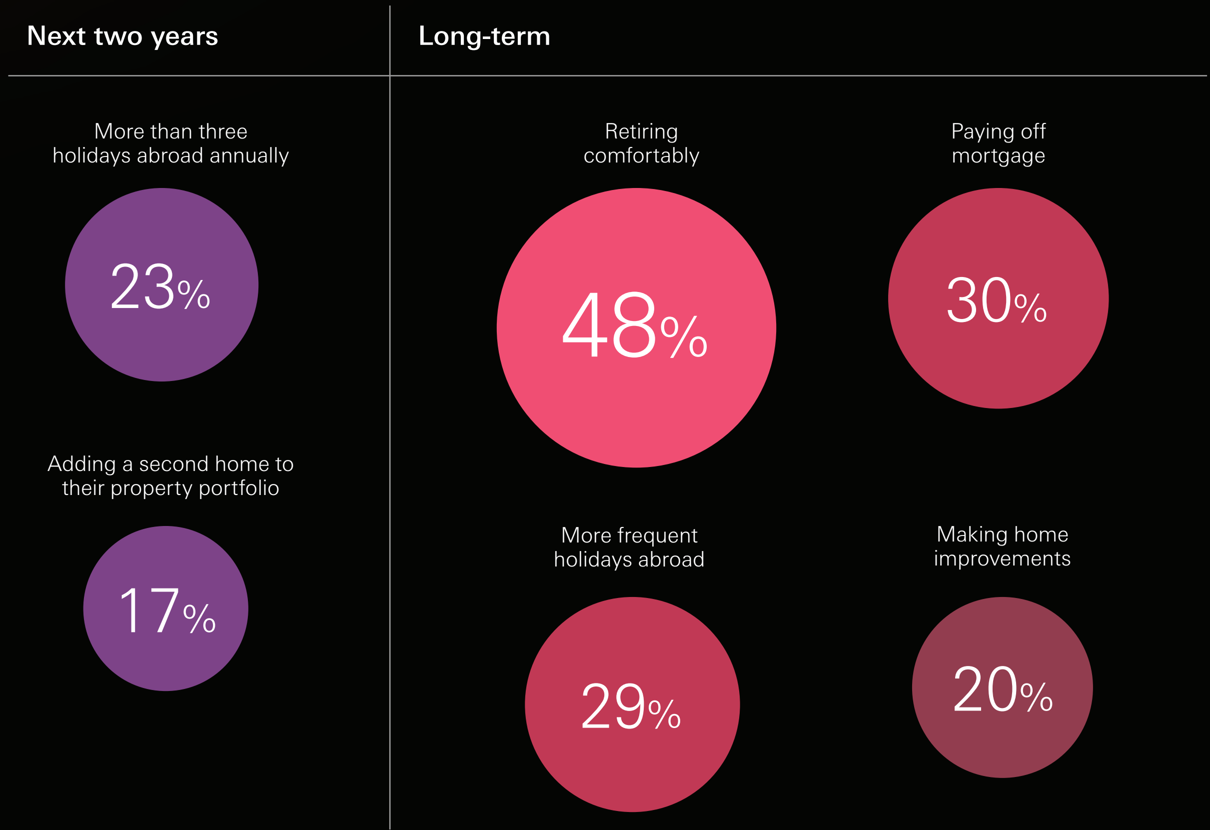
However, the data indicates otherwise. This final chapter outlines the common aspirations and steps individuals are taking to build and sustain wealth in 2025.

For those earning over £100,000, lifestyle features heavily among their financial goals. This group's most common aspirations over the next two years include adding a second home to their property portfolio (17%) and aiming for more than three holidays abroad annually (23%). Over the long-term, their aspirations centre more on savings. The most common long-term goals are retiring comfortably (48%), paying off the mortgage (30%), more frequent holidays abroad (29%), and making home improvements (20%).

Despite these aims, less than half of high earners (44%), feel they are on track to meet their wealth goals. This figure drops dramatically to only one in five (21%) of the general population.

Common aspirations

For those earning over £100,000



YouGov Survey of N=2,000 UK Consumers (from N=1,000 High Earner UK consumers)

Xian Chan comments:

> **"In recent years, we've seen consumer attitudes towards financial advice shift. Some people may not be able to afford to pay for financial advice or may not feel that they should have to pay for it. Others may not see the value of it and feel very confident in managing their money.**
>
> **"As your wealth grows, and particularly as your needs become more complex, financial advice could help you to better plan for the future you want. This might be driven by key life events, such as getting married, or by having children. But it's important to understand the difference between financial advice and the guidance available from influencers or social media, which is not regulated and should be considered carefully."**

Explaining these gaps, we find that the biggest barriers to achieving financial goals among higher earners are prioritising present costs right now (27%), not earning or saving enough (11%) and having unpredictable income (14%). Indeed, HSBC UK account data shows that one in 10 HSBC UK Premier qualified customers are using their overdrafts regularly (vs one in six general population customers).

Despite this, there is healthy optimism among all consumers, with only 5% of high earners and 15% of the general population not believing that their financial goals are achievable.

Reynal describes how this positive perception towards money can boost wellbeing and recommends,

> **"Shifting from focusing on what we cannot change to recognising opportunities**

> **"Concentrating on taking actionable steps within your sphere of influence**

> **"Instigating a cycle that builds your sense of agency by setting small objectives, building gradually, and celebrating successes**

> **"Seeking advice, identifying knowledge gaps and addressing them through reliable financial education material and avoid anxiety-inducing content."**

This appetite to learn was reflected by many who participated in our study:

> **"I have made the most of lots of free courses from my pension provider, and my investment company."**
>
> **"I have a financial advisor who helps me organise my finances"**

For others, international experience is the path to wealth. We find that high earners are nearly double as likely to have spent at least six months living abroad (42%) than general UK consumers (23%).

With one in five amongst the nationally representative sample believing that talking about money is crass or taboo, facilitating more open discussion on finances will also likely help consumers reach their goals. Indeed, over half of high earners are comfortable talking about money, compared to just over one third of the general public.

Younger generations are increasingly comfortable discussing finances, with nearly half of 18–24-year-olds saying they like talking about money, compared to just 3% of over 55s. This proactive approach is reflected in their behaviour.

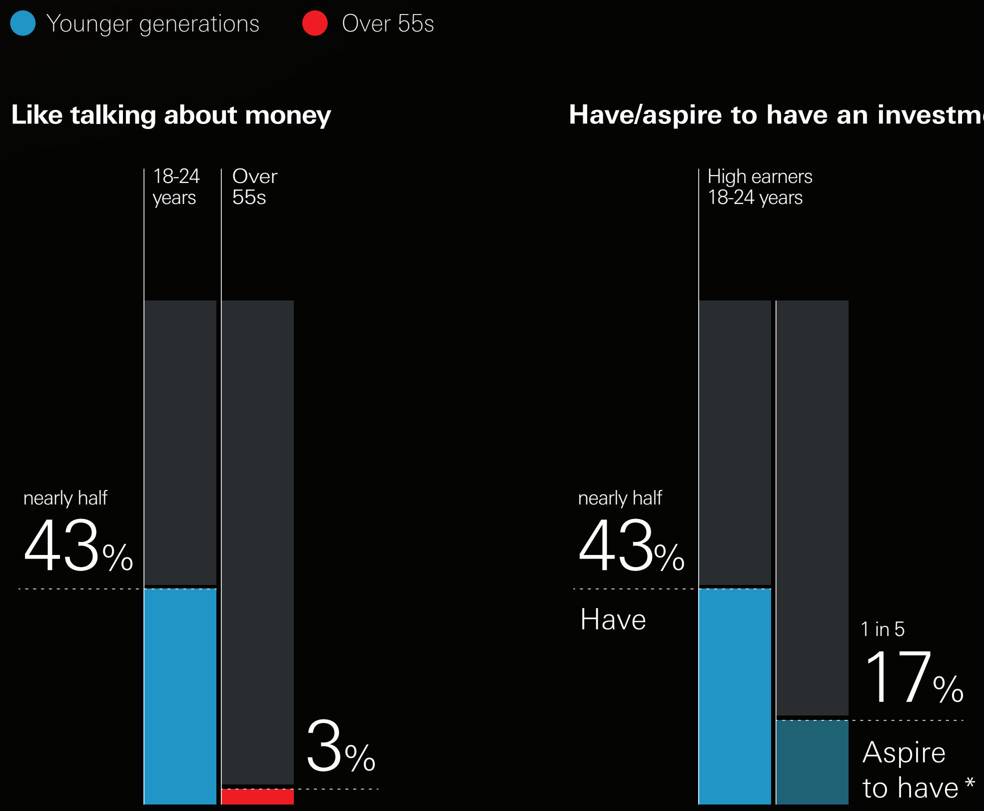
As one individual from our research says:

> **"I have to rely on my money and investments working for me. This requires patience and thinking more in terms of decades."**

At HSBC UK we agree. The longer path to wealth is the most fruitful. Pineapples included.

Younger generations are increasingly comfortable discussing finances

(% of respondents)



YouGov Survey of N=2,000 UK Consumers, *in the next two years

Building your wealth – a view from Xian Chan, Head of Premier Wealth at HSBC UK

01

Start early and think long term.

A regular savings habit is the best place to start if you're just setting out on your wealth journey. Start early, hold the course and consider which longer-term products might best help your money to grow over time.

02

Regularly review your savings and investments.

Shop around to identify the best type of easy access or fixed term product that suits your need – allowing a balance between money that will be invested for the long term, and cash you can access at short notice should you need to.

03

Try different tools.

While there are some differences in priorities and barriers among those at different stages in their wealth journey, it is clear that everyone can benefit from better wealth management tools – whether they're well on that path or just beginning. We offer a range of financial wellbeing support and tools to help you build and grow your wealth.

04

Consider seeking financial advice.

Talk to us at HSBC UK to find out how we can help you plan for the life you want:

https://www.hsbc.co.uk/investments/advice/financial-advice/

Our ambition with this report is to present a different outlook on wealth – one that goes beyond material metrics and explores how we really feel about our wealth.

With an uncertain economic future ahead of us, we believe that this level of understanding can help us navigate the challenges and intricacies of wealth management today and help everyone feel more Premier.

By highlighting four practical themes and gathering insight from multiple and complementary sources, we have endeavoured to provide a clear, detailed and holistic perspective that can act as a guide on your wealth journey. Good luck with the road ahead.

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