



GENERATION ANXIETY

Half of mortgage-laden Gen X struggling to clear loans before retirement

- More than a quarter of Gen X with a mortgage unsure if they'll pay off home loan before 67
- Gen X with a mortgage in London twice as likely as national average to believe they won't have paid off mortgage before they reach State Pension Age
- 45% of those who have a mortgage say it's taking longer to pay off than hoped

The third data release in a new research series on Gen X from retirement specialist Just Group throws a spotlight on the mortgage repayment struggles fuelling **Generation Anxiety**.

This data reveals the proportion of Gen X who are struggling to pay off their mortgages, with many expecting not to have cleared their loans by the time they reach 67, the age at which most of this cohort become eligible to receive the State Pension.

Over a quarter (27%) of those born between 1965-1980 are not confident they would pay off their mortgage before age 67 with 13% firmly believing they wouldn't and a further 14% unsure if they could.

The research also highlights a sharp divide between those who live in London and those in the rest of the UK, indicating the impact that paying higher house prices can make to mortgage repayment expectations. Double the number of Gen X (26%) London residents with a mortgage said they didn't expect to repay their mortgage before 67 compared to the national average of 13%.

The growing cost of borrowing appears to be contributing to these repayment fears: nearly half (45%) of Gen X – identified as those between 42 and 58 years of age – who have a mortgage said that it was taking them longer to pay it off than they had hoped. When asked why, the most common reason (34%) was that they had needed to extend the mortgage term to reduce monthly payments.

A further third (32%) said that they had to extend the term to pay for home improvements, and more than a fifth (23%) said it was because they extended the term due to increased interest payments.

Stephen Lowe, group communications director at retirement specialist, Just Group, said: "About three-quarters of the Gen X cohort own their own homes but many are struggling to clear their mortgage within the expected time frame. This group find their finances stretched and are faced with the unenviable choice of either clearing the mortgage or saving for a pension.

"People's budgets are being squeezed as they juggle competing pressures. As a result, we are seeing growing anxiety among this demographic that many will approach retirement still carrying the burden of making their mortgage repayments.

“This is felt more acutely among those in London, where property prices are higher and nearly double the national average of Gen X homeowners with a mortgage worry that they will still be saddled with a mortgage as they enter retirement.”

ENDS

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Notes to Editors

1 – Just Group, Survey of 1,057 Gen X workers conducted via an Opinium survey, 16th-23rd August 2023

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