

Retirement Living Standards in the UK: 2025 update

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Introduction

The period since the Retirement Living Standards (RLS) were first published in 2019 (Padley and Shepherd, 2019) has been one of prolonged challenges to living standards, both in people's working lives and in retirement. Cost of living pressures persist, and the impact of global political uncertainty on key areas of costs, such as domestic energy, has yet to be fully felt. Despite commitments to improving living standards for all, a growing proportion of UK pensioners have incomes that fall short of what they need for a minimum socially acceptable standard of living, the income they need to live with dignity in the UK – in 2023/24, 23% of pensioners (2.8 million) had incomes below an acceptable minimum (Robinson, Stone and Padley, 2026). Looking forward, analysis by the DWP suggests that 1 in 8 are not on track to meet a minimum living standard – as defined through the RLS – in retirement (DWP, 2025a). The adequacy of incomes in retirement both now, for those already retired, and in the future, remains a key policy challenge, and one that the new Pensions Commission is confronting directly, alongside key questions around fairness and sustainability (DWP, 2025b). Against this backdrop, the RLS can continue to provide individuals with evidence-based, detailed descriptions of living standards that provide a starting point for thinking about, planning and saving for retirement. But critically, they also provide a regularly updated indicator of the adequacy of retirement incomes that can inform and advance policy decisions and change.

This short report updates the Retirement Living Standards, setting out what is needed in 2025 for a minimum, moderate and comfortable standard of living. It looks at the impact of updating the retirement living standards based on changes in prices between April 2024 and April 2025, captured through the Consumer Prices Index (CPI). It also outlines a substantial change in the housing assumptions within the minimum living standard in London, and looks at the implications of this change for the expenditure required at this living standard level.

Background and approach

The Retirement Living Standards (RLS) were first published in 2019 (Padley and Shepherd, 2019) and set out what the public agree is needed to retire at two living standards *above* a minimum standard of living, based on extensive research with members of the public. The RLS research uses the established Minimum Income Standard (MIS) approach to defining minimum living standards and describes in detail what the public think single and partnered retirees need to retire at a moderate and a comfortable living standard. The RLS capture public expectations about what retirement could look like at different living standards, establishing what people would need to spend to live at these levels in retirement, offering concrete examples of how this level of resource could be used.

The RLS published in 2019 reported what was needed *at that point in time* for a minimum, moderate and comfortable standard of living in retirement. In 2020, 2022 and 2024 we updated the moderate and comfortable RLS budgets, based on changes in prices (captured through CPI) between April 2019 and April 2020, between April 2021 and April 2022, and between April 2023 and April 2024. In 2021 we reviewed the RLS (Padley and Shepherd, 2021), updating these to reflect changes in public views and consensus around expectations for living standards in retirement. These regular updates, particularly those involving new research with members of the public, are critical in ensuring that the RLS capture changes in

society and any changes in shared conceptions of living standards. In 2023, the RLS were 'rebased' – starting from scratch with groups of members of the public, to establish what the public agree is needed for a moderate and a comfortable standard of living in retirement (Padley et al, 2024).

This report updates the RLS to 2025. For each of the RLS, uprating follows an established method used in previous inflation-based updates in both RLS and ongoing MIS research. Individual goods and services that make up the RLS budgets are assigned to the appropriate division, group and class within the Consumer Prices Index (CPI). For most items within budgets this is a straightforward process of matching budget items to CPI categories: for example, 'Food' within the RLS budgets comprises 'food' (1.1) and 'catering services' (11.1), which applies to food bought and consumed outside the home. When budget items have been matched, the inflation rate from April 2024 to April 2025 can be applied to individual goods and services. These updated prices are then aggregated into the broad RLS budget categories (such as food, clothing, household goods), giving the weekly expenditure needed to reach each living standard level.

Retirement living standards in 2025

Overall, the amount single and partnered retirees need to spend to reach each of the retirement living standards has increased between 2024 and 2025. The increase in living standards is broadly in line with inflation, as measured through CPI. In the year to April 2025 overall CPI inflation rose by 3.5%, the same as the average increase across all retirement living standards in 2025. Table 1 sets out the annual percentage change in retirement living standards since they were first calculated in 2019.

In cash terms, the budget areas that increased the most at the moderate and comfortable RLS were food, both in and outside of the home, and social and cultural participation. At the minimum, the budget areas that increased the most were food, social and cultural participation, domestic fuel and water rates. Table 2 sets out, in cash terms, how much the weekly expenditure needed for a minimum, moderate and comfortable RLS has changed, year on year, since 2019. In combination, the increases in prices across the baskets of goods and services mean that the annual amount needed to cover expenditure at a minimum RLS (excluding rent) has increased by around £480 for singles and £820 for couples between 2024 and 2025; by £1040 for singles and £1470 for couples at the moderate level over the same period; and by £1460 for singles and £2080 for couples at the comfortable level.

Table 1: Annual % change in retirement living standards

Single retiree	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2024 to 2025	2019 to 2025
Minimum	2.4%	1.0%	17.8%	12.7%	-6.8%	3.6%	32.4%
Moderate	1.1%	3.7%	12.0%	34.3%	1.0%	3.3%	64.5%
Comfortable	1.9%	1.9%	11.2%	15.5%	1.9%	3.3%	40.6%
Retired couple							
Minimum	2.5%	1.0%	19.0%	12.3%	-3.2%	3.8%	39.0%
Moderate	1.2%	3.8%	10.9%	26.7%	1.9%	3.3%	55.5%
Comfortable	2.1%	2.1%	9.6%	8.2%	2.7%	3.4%	31.4%

Table 2: Changes in retirement living standards (£ per week)

Single retiree	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2024 to 2025	2019 to 2025
Minimum	£4.76	£2.08	£37.03	£31.04	-£18.89	£9.26	£65.28
Moderate	£4.06	£14.27	£48.05	£153.60	£6.07	£19.89	£245.94
Comfortable	£12.06	£12.09	£72.11	£110.90	£16.10	£27.96	£251.23
Retired couple							
Minimum RLS	£7.76	£3.21	£61.04	£46.79	-£13.89	£15.86	£120.77
Moderate RLS	£6.63	£21.43	£64.28	£174.23	£15.69	£28.12	£310.38
Comfortable	£19.34	£19.37	£91.81	£85.78	£30.95	£39.91	£287.16

Figures 1 and 2 set out the total weekly retirement living standards for single and partnered retirees for 2019 to 2025. Tables 3 and 4 provide a breakdown by budget area of the single and couple RLS budgets for 2021 to 2025.

Figure 1: Weekly Retirement Living Standard budgets for single retiree, 2019-2025 (£ per week)

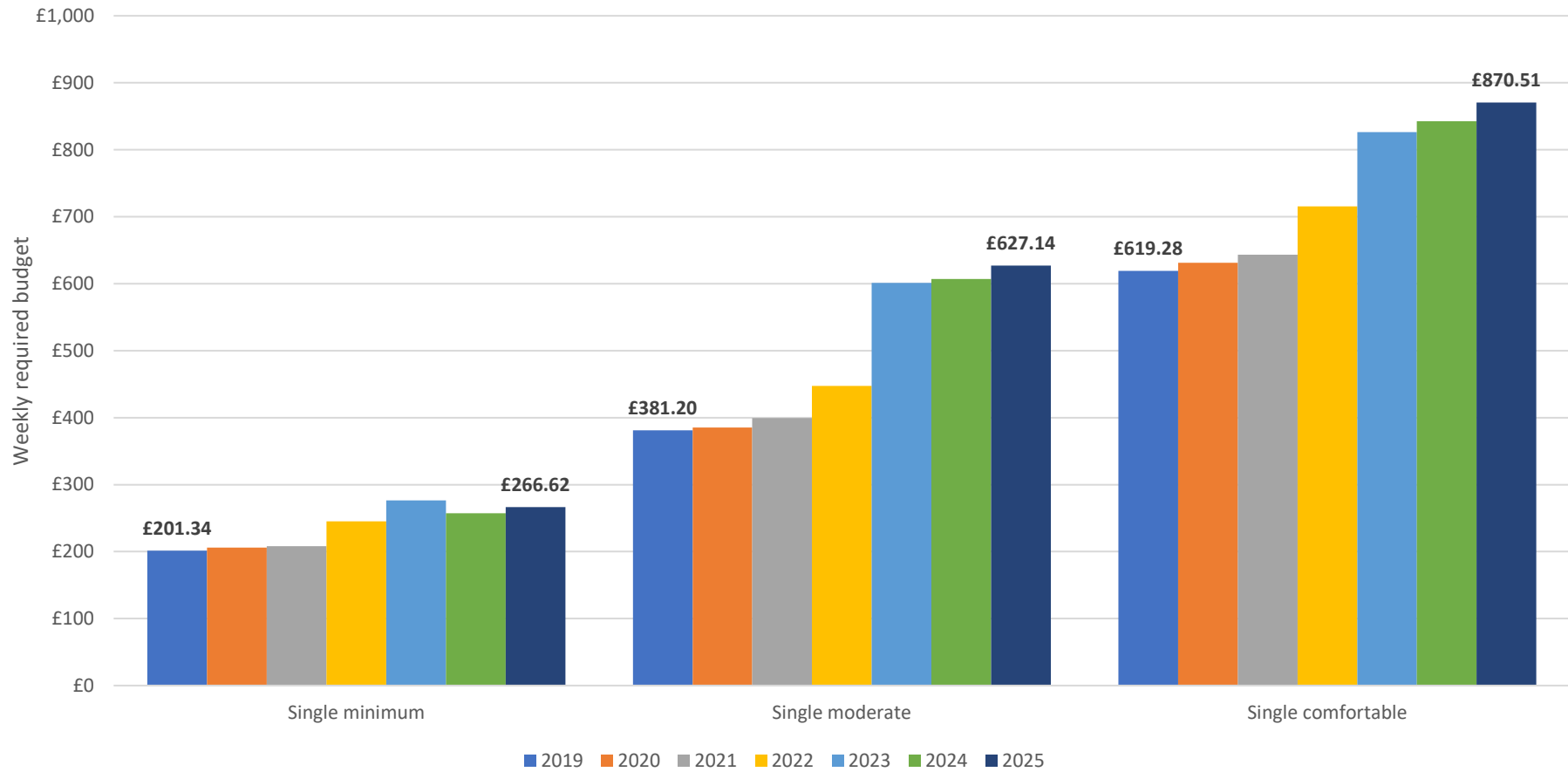


Figure 2: Weekly Retirement Living Standard budgets for retired couple, 2019-2025 (£ per week)

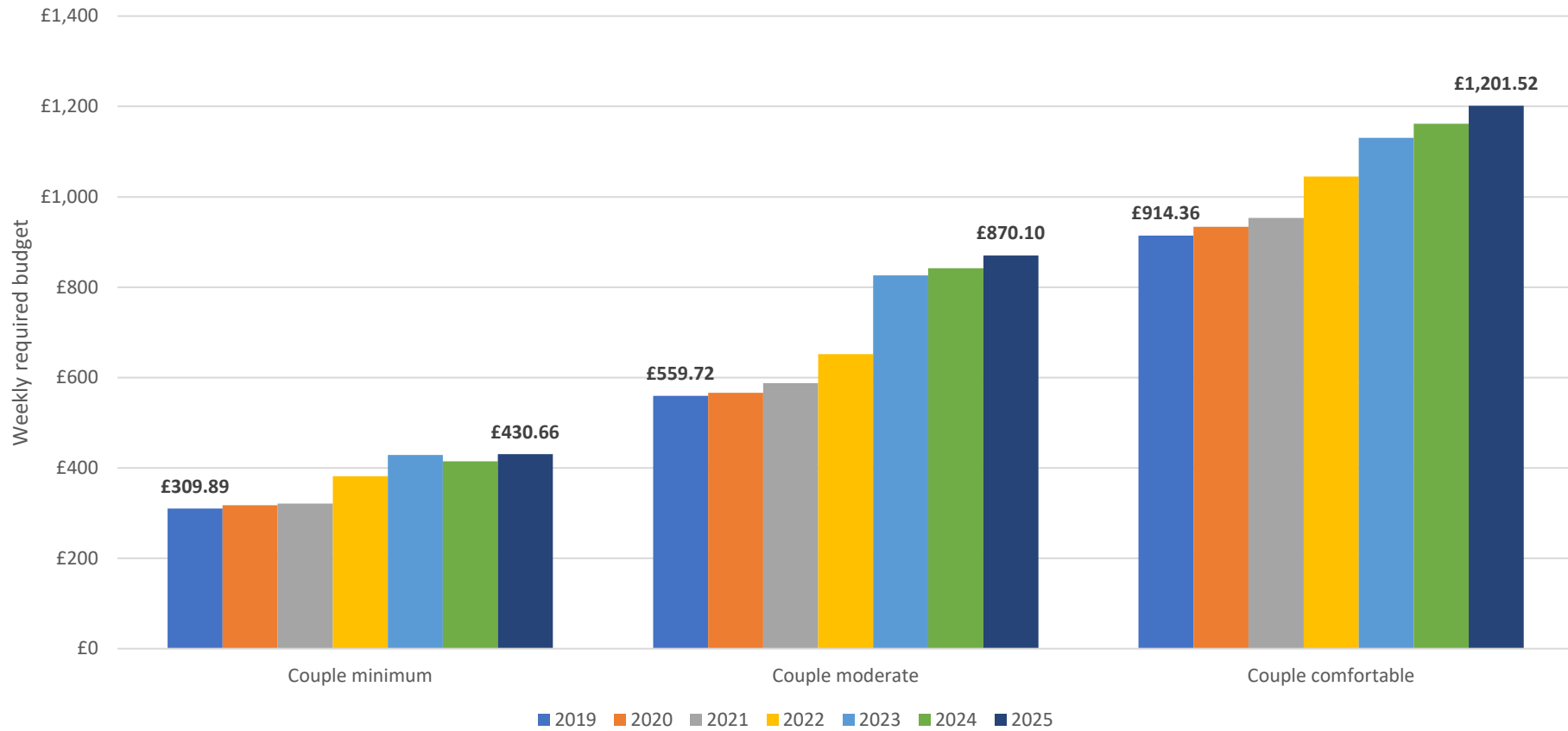


Table 3: Single RLS budgets 2021-2025 (£ per week)

	Minimum					Moderate					Comfortable				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Food	47.10	58.14	67.65	62.29	62.17	70.29	74.28	125.37	130.79	135.32	136.85	146.23	159.79	166.77	172.56
Alcohol	8.05	6.17	6.63	6.84	6.88	9.79	9.91	13.55	14.37	14.89	13.07	13.22	16.35	17.34	17.97
Clothing	7.91	8.68	9.52	8.27	8.49	13.99	15.17	23.97	24.70	24.41	22.74	24.59	23.97	24.70	24.41
Water rates	6.09	7.44	8.06	9.24	11.37	4.20	7.44	8.24	8.91	11.23	4.34	7.44	8.24	8.91	11.23
Council tax	18.68	16.55	20.68	21.38	22.42	25.24	25.24	27.63	28.99	30.92	26.43	26.43	27.63	28.99	30.92
Household insurances	1.48	1.47	1.73	1.07	1.04	2.66	2.97	4.12	4.72	4.59	2.68	2.99	4.12	4.72	4.59
Fuel	11.01	25.71	32.77	23.95	25.54	13.87	32.42	56.74	41.36	44.10	18.86	43.58	56.74	41.36	44.10
Other housing costs	2.99	1.92	2.01	3.84	3.81	16.46	17.71	22.99	23.12	22.95	24.39	26.23	24.90	25.05	24.86
Household goods	15.39	19.65	21.21	20.00	20.04	25.88	28.89	43.97	43.37	43.27	82.06	91.63	70.77	69.96	69.71
Household services	8.84	10.02	10.76	5.40	6.70	7.95	8.34	14.98	15.80	16.69	37.47	38.36	41.40	43.69	46.04
Personal goods and services	18.52	28.35	30.68	29.81	30.61	28.51	29.44	41.74	43.35	44.27	37.95	39.26	47.15	48.93	49.94
Motoring	0.00	0.00	0.00	0.00	0.00	40.67	47.37	79.76	82.23	83.65	47.32	55.12	92.33	95.19	96.83
Other travel costs	15.42	12.37	12.93	10.36	11.05	14.43	15.00	6.97	7.44	7.93	5.21	5.45	8.89	9.43	10.07
Social and cultural participation	48.20	48.74	51.62	54.91	56.51	125.57	133.40	131.15	138.10	142.92	184.07	195.01	244.17	257.50	267.28
Total (excluding rent)	209.68	245.21	276.25	257.36	266.62	399.53	447.58	601.18	607.25	627.14	643.43	715.55	826.45	842.55	870.51

Table 4: Couple RLS budgets 2021-2025 (£ per week)

	Minimum					Moderate					Comfortable				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Food	75.25	96.35	113.36	124.66	127.46	120.34	126.97	203.92	212.74	220.11	222.69	238.20	263.67	275.07	284.60
Alcohol	12.37	12.07	12.99	12.03	12.47	19.59	19.82	21.55	22.86	23.69	26.13	26.44	26.85	28.48	29.51
Clothing	15.82	17.36	19.03	16.53	16.98	27.99	30.35	47.95	49.40	48.82	45.48	49.17	47.95	49.40	48.82
Water rates	7.18	8.78	9.51	10.91	13.42	7.29	8.78	9.71	10.50	13.24	7.51	9.18	9.71	10.50	13.24
Council tax	24.93	23.05	27.58	28.51	29.89	33.65	33.65	36.84	38.66	41.22	35.24	35.24	36.84	38.66	41.22
Household insurances	1.55	1.69	1.99	1.10	1.07	2.51	2.80	4.15	4.76	4.62	2.53	2.82	4.15	4.76	4.62
Fuel	15.07	34.18	43.44	31.00	33.05	20.33	48.00	61.75	45.01	47.99	20.87	48.00	61.75	45.01	47.99
Other housing costs	2.99	1.92	2.01	3.84	3.81	16.46	17.71	22.99	23.12	22.95	24.39	26.23	24.90	25.05	24.86
Household goods	17.55	22.61	24.43	22.95	23.01	29.79	33.33	43.97	43.37	43.27	82.06	91.65	70.77	69.96	69.71
Household services	10.77	12.32	13.24	7.48	8.65	14.47	15.19	21.15	22.13	23.35	49.13	50.32	51.49	54.07	56.97
Personal goods and services	38.67	53.60	57.77	59.62	61.22	57.83	59.70	80.13	83.14	84.87	74.07	76.64	90.76	94.11	96.01
Motoring	0.00	0.00	0.00	0.00	0.00	40.39	47.04	78.02	80.44	81.82	71.62	83.42	90.89	93.71	95.32
Other travel costs	19.16	19.73	20.64	13.81	14.75	17.83	18.55	9.33	9.90	10.57	10.20	10.66	13.17	13.89	14.85
Social and cultural participation	81.56	78.24	82.70	82.38	84.90	179.32	190.16	184.84	195.96	203.58	281.13	296.89	337.77	358.95	373.78
Total (excluding rent)	322.87	381.90	428.69	414.80	430.66	587.78	652.06	826.29	841.98	870.10	953.07	1044.87	1130.66	1161.61	1201.52

Housing and retirement living standards

Since the retirement living standards research began, the housing assumptions at each level have remained the same. At the minimum, both in urban UK outside London and in the capital, discussion groups have been clear that it was reasonable to assume that both single and partnered retired households would be able to access social housing. At both of the moderate and comfortable living standards, groups have agreed that it remains a reasonable assumption that people at this level are entering retirement mortgage or rent free – that is, without ongoing, direct housing costs. However, across the many hours of discussions and deliberations that ultimately produce the RLS, the individual experiences of housing amongst participants have always been varied, and there has been an explicit acknowledgement that while housing is critical in providing security in retirement, not all retired households have this assurance and assumptions about housing need to be regularly revisited. There has also been an acknowledgement that where retired households *do* face ongoing, direct housing costs – such as rent or mortgage payments – this has a dramatic impact on both the adequacy of existing incomes and on the amount that households could require over the whole period of retirement for a given living standard.

In the latest research on minimum living standards in London undertaken in 2025 (Blackwell et al, 2026), discussions around housing highlighted the limited availability of social housing in the capital, and the difficulties in accessing this for all household types. This resulted in groups in London agreeing, for the first time, that the budget for a minimum living standard should include the cost of private rather than social rents for retired households. This is the first time that private rented housing has been included in minimum budgets for pensioners since MIS research began in the UK in 2006. This change in assumptions about housing within the capital has consequences for both the expenditure required to meet a minimum, and the income needed to cover this level of expenditure. While some older households would be eligible for support with the cost of renting privately through housing benefit, the gap between private rents and the level of support available – set through Local Housing Allowance (LHA) rates – can be significant. Recent Independent Age research (2026) found that just over 260,000 older private renters have a shortfall between their private rent and LHA rate, meaning that these households would need to find the resources to cover this gap.

Table 5 below sets out the difference that including rent in the minimum retirement living standards makes to required weekly expenditure, in urban UK outside London and in London. The rental values used here are intended to be indicative and *this does not build in any support with rents* as this will vary across households. London figures are based on an average of Inner and Outer London, while urban UK is an East Midlands average. Table 6 sets out the difference that including rent makes to annual required expenditure. Together these tables highlight the impact of including any ongoing direct housing costs on required expenditure. Including a social rent for households living in urban UK outside London adds £4900 a year for a single person and £6000 for a retired couple; in London, covering the cost of a social rent would add around £7200 for a single retiree and £8600 for a couple. If, as identified in the latest London research, accessing social housing is increasingly challenging, having to cover a private rent could add between around £7000-8000 a year for retired

households living in urban UK outside London, and between £17500-19500 a year for retired households living in London. Even if households were to receive support with the costs of renting privately, analysis of the adequacy of LHA in the capital (Blackwell et al, 2026) suggests that this would cover, on average, 81% of a lower quartile private rent in Inner London, and 87% in Outer London. This leaves a sizeable shortfall and would therefore substantially increase the expenditure and income needed to reach a minimum retirement living standard in London.

Table 5: Weekly required expenditure to reach minimum retirement living standard (£ per week)

	UK		London	
	Single retiree	Retired couple	Single retiree	Retired couple
No rent	266.62	430.66	280.58	461.67
Social rent	360.71	545.69	419.21	626.99
Private rent	397.58	582.78	615.41	838.30

Table 6: Annual required expenditure to reach minimum retirement living standard (£ per year)

	UK		London	
	Single retiree	Retired couple	Single retiree	Retired couple
No rent	13,902	22,456	14,630	24,073
Social rent	18,808	28,454	21,859	32,693
Private rent	20,731	30,388	32,089	43,711

Given the potential impact of these unavoidable costs on required expenditure and income adequacy in retirement (and before), it is important to highlight housing as a key part of both individual retirement planning *and* as central to policy decisions and proposals aimed at building a more adequate, fairer and sustainable pensions system in the UK. Within the RLS research, the review being undertaken in 2026 is the first new research with members of the public since 2023, and presents a key opportunity to discuss housing challenges in the UK as well as looking at the impact of continued costs of living pressures, and global political and economic uncertainty, on people’s expectations about what constitutes a minimum, moderate and comfortable standard of living in retirement in the UK today.

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