

## RESEARCH

# Top UK earners hold wide wealth perception gap': report

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*Across every income bracket, the nation's citizens are undervaluing their earnings by an average of 30 percent. Image credit: HSBC*

By ZACH JAMES

The affluent English population often underestimates the relative worth of their fortunes, according to the latest findings from British banking group HSBC.

The company's new report breaks down the "wide wealth perception gap" present across general and prosperous citizens in the United Kingdom. Of the top 4 percent of the country's earners, those earning more than 100,000 pounds, or \$126,000 at current exchange, only 10 percent would describe themselves as "wealthy," with the group placing the threshold for affluence at nearly \$1 million per year.

"HSBC UK's findings reveal a paradox: despite having high earnings and ambitious financial goals, many mass affluent individuals still don't feel wealthy," said Vicky Reynal, freelance financial psychotherapist, in the report.

"This disconnect underscores the psychology behind people's perceptions of wealth," Ms. Reynal said. "Anxieties about rising costs, inadequate savings, and the pressure of social comparison create a sense of scarcity, even when objective wealth exists.

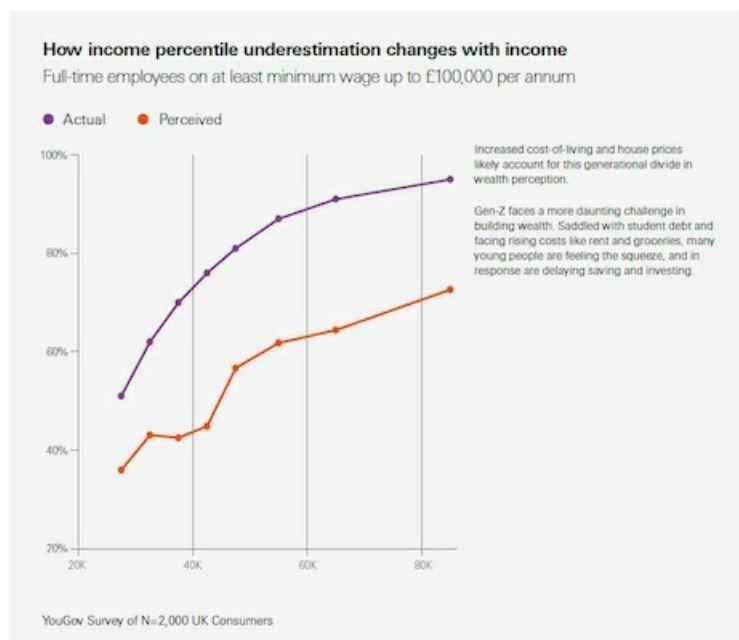
"By redefining wealth beyond the bank balance, focusing on our achievements, reducing unhelpful comparisons, and prioritizing financial actions within our control, people can move confidently toward the future they aspire to."

The report, titled "**Your Money's Worth: Defining Wealth in 2025**," analyzes the results of a commissioned study from market researcher YouGov, which surveyed more than 2,000 U.K.-based adults between Dec. 12-19, 2024. The survey received a nearly equal amount of replies from both the general public and high earners, described as those that make more than 100,000 pounds annually.

## English sensibilities

According to the findings, the average annual personal income for an individual in the U.K. to be considered wealthy is around \$270,000, a figure 6 times higher than the nation's average salary.

Only 1 percent of the country's population identifies as "wealthy," with the majority of those bringing in six figures each year viewing themselves as being in the middle of the pack in terms of earnings, specifically in the 52nd percentile. Instead, most members of the demographic self-identify as the "squeezed middle."

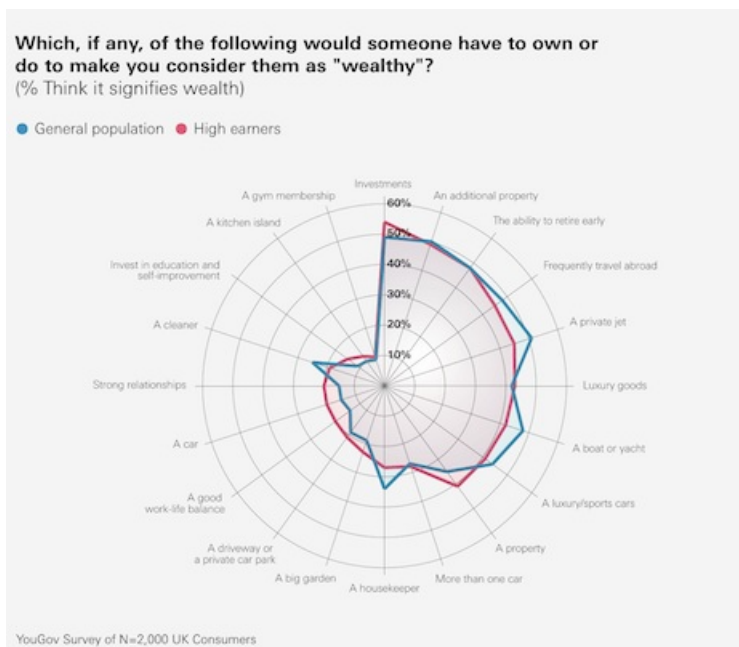


The increased cost of living, coupled with constantly rising student loans debt and home prices, is leaving everyone feeling financial pressure. Image credit: HSBC

Across different regions of the U.K., residents hold vastly different perceptions of wealth.

In the more sparsely populated North East England, citizens view affluence as earning \$100,000 annually, the lowest of in the country by far. Meanwhile, in the South East sector, which is in close proximity to London and represents the nation's most prosperous economic hub, wealth is defined as an annual personal income of more than \$462,000.

Women perceive the wealth gap to be more than men: \$292,000 vs. \$244,000, respectively. Gen Z also defines affluence much differently than those over 55 years old, with the younger group citing \$432,000 as "wealthy," compared to \$222,000 by the Gen Xers.



For the general population, a private jet is the ultimate signifier of wealth, while affluent individuals cite investments as a key indicator of a sizeable fortune. Image credit: HSBC

"Comparing our financial situation to others may be highly misleading, yet it is common," said Ms. Reynal, in the report.

"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," she said. "We often view others' spending (on yachts and private jets) as a signal of wealth, without considering that such spending may be debt-fueled and reveal little about the owner's actual wealth.

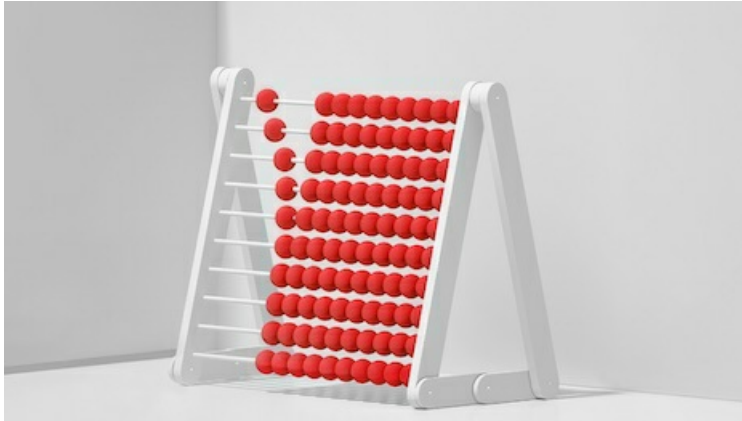
"It creates a constant pressure to do better, fueled by competitive environments and social media, which amplifies high-income

lifestyles.”

## Wealth management

The U.K.’s high earners hold ambitious monetary goals, though a majority feel they are not on track to meet them.

44 percent of the demographic think they will accomplish their financial mission this figure falls to only one in five people in the general population. Comfortable retirement and homeownership lead the affluent group’s aspirations, but in the short-term, the demographic is spending a disproportionate amount of their incomes on fashion and electronics.



*The report’s authors say that youthful members of the public will have a much harder time generating wealth than older generations. Image credit: HSBC*

In a typical month, those earning more than \$126,000 spend five times more on clothing and home decor than the average U.K. resident. Recent findings from British luxury trade association Walpole show that the high-end goods sector now accounts for nearly 4 percent of the nation’s GDP, growing greatly over the past five years ([see story](#)).

Cash is also being distributed to other areas, with high-net-worth individuals across the globe increasing investments in art ([see story](#)). London serves as a hub for these transactions, with tourists flocking to The Square Mile for its rich and rising cultural capital ([see story](#)).

Despite this, wealth remains a deeply personal and subjective aspect of people’s lives that often changes with age, with personal definitions of affluence shifting around family, relationships and experiences.



*Wealthy individuals are four times more likely to retire early and twice as likely to maintain a favorable work-life balance than the general public. Image credit: Cunard*

“The switch to valuing non-material possessions often comes as people discover that the material didn’t buy them happiness, as advertising often promises,” said Ms. Reynal, in the report.

“Neither did the incessant amassing of wealth,” she said. “As a result, I have often seen wealthier and often older - individuals decide to prioritize 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.”

In turn, HNWIs around the globe are seeking out shared experiential offerings ([see story](#)), home upgrades ([see story](#)), wellness ([see story](#)) and culinary tourism abroad ([see story](#)).

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