

THE VALUE OF LIFETIME ISAs:

Fiscal, economic and social impacts



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Contents

Foreword	Page 4
Executive summary	Page 6
Introduction	Page 8
The economic, fiscal and social value of LISAs today	Page 11
The policy debate and saver perspectives	Page 20
Conclusion	Page 24
Appendix	Page 25

Foreword (Moneybox)

In 2016, then Chancellor George Osborne, stepped up to the despatch box and delivered what he called “a budget that puts the next generation first”¹. Against a backdrop of too many people in their 20s and 30s without a pension, the chronic failure to build enough housing, and average house prices exceeding 7.5 times the average salary², he announced a new kind of individual savings account (ISA).

The aim was ambitious but clear, to incentivise young people to start saving earlier in life and help them navigate the dilemma between buying a first home and preparing for retirement. The result was the Lifetime ISA (LISA), a long-term saving product to help the under 40s build towards their first home or retirement.

Since its launch, the LISA has delivered on that promise. It has helped hundreds of thousands of people buy their first home and plan for retirement earlier. Its benefits are spread evenly across regions and genders, embedding positive saving behaviours, boosting financial confidence, and enabling long-term financial planning at an earlier stage in life. Every day, more young people are using LISAs to take control of their financial future.

As the UK’s leading provider of LISAs, we have seen first-hand how transformative the scheme can be. We’ve long campaigned on behalf of aspiring first time buyers knowing how critical it is to incentivise early saving and make long-term financial planning achievable and rewarding.

Moneybox data highlights this impact. Since its launch in 2017, around 1 million young people have chosen a Moneybox LISA, with the average age of opening dropping from 29 to 26 today. Around 80% of savers earn £40k or less, showing how the scheme reaches those who need support most. Nearly 30% of holders maximise their contributions each year, unlocking the full government bonus, and two-thirds report it is the first product they have used to save toward a significant financial goal.

Despite its success, some have questioned whether the LISA delivers sufficient value to the government, or argued it adds complexity to an already crowded ISA landscape. Drawing on real-world insights and rigorous economic analysis, this report shows that the LISA delivers distinct and tangible benefits to individuals, allowing those on lower-to-middle-incomes to put more away, buy sooner and plan future ahead, while also generating a net fiscal return of around £1bn since 2021/22. It highlights opportunities to make the scheme even more

¹ [Budget 2016: George Osborne's speech - GOV.UK](#)

² [Annual Survey of Hours and Earnings - Office for National Statistics](#)

effective, as well as reforms that could strengthen its ability to support savers while delivering fiscal returns.

Looking ahead, there is a clear opportunity to build on the LISA's success. By working collaboratively between policymakers, providers, and savers alike, we can ensure that the scheme evolves to meet the needs of the next generation. With targeted reforms, the LISA can continue to unlock financial opportunity, empower young people to achieve long-term goals, and strengthen the nation's financial resilience.



Cecilia Mourain

Chief Homebuying & Savings Officer, Moneybox



Executive summary

The evidence presented in this report shows that the Lifetime ISA (LISA) is already delivering clear and measurable value: for households, for the economy, and for the Exchequer. Since its launch in 2017, the scheme has supported thousands of first-time buyers into homeownership while also generating positive fiscal and economic returns.

For government, LISAs have more than paid for themselves. Since 2021/22, fiscal revenues from SDLT, mortgage interest taxation and wider housing-related activity have consistently outweighed the cost of government bonuses, leaving the Exchequer £1.0 billion better off to date. At the same time, LISAs have acted as a catalyst for growth, contributing £9.4 billion in additional gross value added (GVA) and supporting over 110,000 jobs since 2019/20.

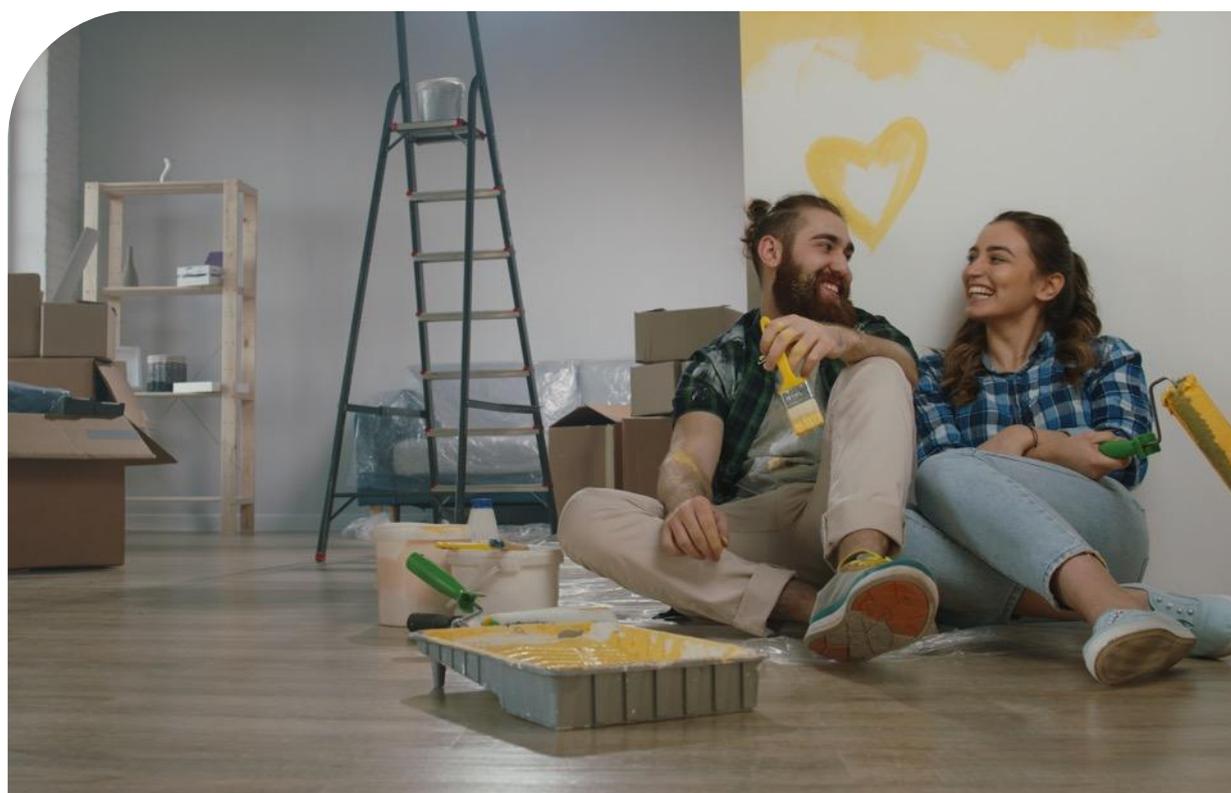
For households, LISAs are helping younger and lower- to middle-income savers build meaningful deposits and get on the property ladder earlier than they otherwise could. The average age of a LISA homebuyer is 29, compared with 34 for the national average, with more than half of users saying the scheme enabled them to buy between one and five years sooner. Importantly, Moneybox's administrative data shows that these benefits are not limited to higher earners. Many savers earning under £50,000 a year, including those in the £20,000-£30,000 income band, are building deposits of around £1,500 on average and purchasing homes at values broadly in line with the national averages. This shows that LISAs are helping those on modest incomes access the mainstream housing market, not just entry-level properties.

LISAs are also fostering broader financial resilience. Survey evidence shows that they encourage lasting saving habits and boost confidence in the future: 79% of users report improved saving behaviour since opening their account, and more than four in five say they feel more financially secure. For the self-employed in particular, LISAs provide not only a first-home savings vehicle but also a valuable tool for retirement saving outside traditional workplace pensions.

Looking ahead, saver perspectives provide important context for the wider policy debate. Survey results suggest that **many would save more if the property price cap were updated or if the withdrawal penalty were reduced**, although some also recognise the importance of maintaining incentives to keep funds invested. These views highlight the trade-offs policymakers must weigh, but they also underline the strength of LISAs as a stable and trusted savings product that is already working well for a broad cross-section of households.

Key findings

- Since fiscal year 2019/20, the LISA scheme has generated **£9.4 billion in additional GVA** and supported over **110,000 jobs** over the period across the UK, demonstrating its strong contribution to growth and employment.
- For the Exchequer, LISAs have delivered a **net positive return of £1.0 billion to-date**, with fiscal revenues outweighing the cost of government bonuses.
- The scheme is also helping savers directly: over half of users said they were able to buy a home earlier, typically **advancing their purchase by around 2 years**, with many by as much as 3-5 years.
- Survey evidence highlights LISAs' role in **supporting younger and lower- to middle-income households**, with users building meaningful deposits and purchasing homes at or above the UK average house price.
- Savers also report wider benefits: over **79% said their saving behaviour improved since opening a LISA**, and **84% feel more financially secure**, showing the scheme is strengthening financial resilience as well as supporting homeownership.
- Looking ahead, saver perspectives provide useful context for the policy debate. Many said they would **save more if the house price cap were updated or if the withdrawal penalty were reduced**.



1. Introduction

1.1 Purpose

The aim of this report is to evaluate the **fiscal, economic and social impacts of the LISA scheme**, with a particular focus on Moneybox users. The analysis provides an independent, evidence-based evaluation of whether LISAs offer sufficient public value to justify their continuation, and highlights how the scheme is being used today by different groups of savers.

Drawing on Moneybox's administrative data, large-scale customer surveys, and modelling by CBI Economics, this report presents a comprehensive picture of how the scheme is performing. By combining user-level evidence with macroeconomic forecasts, the report seeks to:

- **Demonstrate the fiscal returns of LISAs**, including whether the scheme generates more revenue for HM Treasury.
- **Quantify the economic and employment impacts** LISAs have generated through housing market activity, consumer spending, and supply chain effects.
- **Provide demographic insights into how LISAs are used** across the UK, including which groups are saving, how much they are contributing, and how the product supports both homeownership and financial resilience.
- Explore **saver perspectives on potential changes** to the scheme, helping to inform the wider policy debate without making recommendations.



1.2 Context

Introduced in 2017, the LISA was designed to help young people save for their first home or for retirement. The scheme allows annual contributions of up to £4,000, which are supplemented by a 25% government bonus. This makes it a valuable tool for a wide range of groups, particularly young people, the self-employed, and those without workplace pensions.

The scheme has been widely taken up: in 2023/24, around **56,000 homes were bought using a LISA**. However, certain design features have attracted increasing attention. The £450,000 property price cap has remained unchanged since launch, despite substantial increases in house prices. Nationally, the average house price has risen from around £206,000 in 2017 to £263,000 in 2025, while in London and the South East the average price increased from around £325,000 to £382,000 over the same period³. In addition, the 25% withdrawal penalty means some savers risk being worse off if they access funds early. These issues raise questions about **fairness, accessibility, and confidence** in the scheme.

At the same time, wider fiscal pressures on HM Treasury and volatility in the housing market have sharpened the debate on whether LISAs represent the most effective use of public resources. These developments underscore the importance of evidence-based analysis to assess whether LISAs continue to provide value for money.

This report is especially relevant in the run-up to the Autumn Budget. It highlights LISAs as an effective instrument for promoting homeownership, enhancing financial resilience, and contributing to fiscal sustainability. The findings are intended to support constructive policy debate and illustrate the benefits of LISAs for both savers and the Exchequer.

³ [HM Land Registry Open Data- House Price Statistics](#)

1.3 Approach

In August 2025, CBI Economics and Moneybox conducted a **survey** of LISA users to understand how the product is supporting individuals to save for their first home or for later life, and how it could be improved. This received **4,553** validated responses.

As a first step, CBI Economics undertook a **baseline assessment** of the LISA's current economic, social and fiscal impacts using Moneybox's proprietary data which was extrapolated to make an estimate for the entire product market.

The survey also **tested the response to two potential LISA reforms** by primarily seeking to ascertain the behavioural response of current LISA users.

Further details on this are provided in the Appendix and separate methodology document.



2. The economic, fiscal and social value of LISAs today

Key findings

Fiscal position

- **LISAs have been fiscally positive in every year since 2021/22.** Annual revenues grew from £480 million in 2021/22 to £1.2 billion in 2024/25, consistently exceeding annual costs (which rose from £451 million to £730 million over the same period). This gives us a **fiscal multiplier of 1.45**.
- Revenues are drawn from SDLT, mortgage interest taxation, housing expenditure, new build activity, land registry fees and withdrawal penalties.

Economic impact

- Since 2019/20, LISAs have generated **£9.4 billion in additional GVA** and supported over **110,000 jobs** across the UK.
- Impacts are growing year-on-year, reaching almost £3 billion in GVA and 34,000 jobs in 2024/25.
- Benefits flow not just from direct spending, but also supply chain and induced effects.

Social value

- LISAs enable younger and lower- to middle-income households to build meaningful deposits and access homes **at or above UK average prices**, not just entry-level properties.
- They help **savers buy earlier than they otherwise could**, most by 1-2 years, and some by as much as 3-5 years.
- The scheme is inclusive, supporting a wide range of groups for both homeownership and retirement saving.

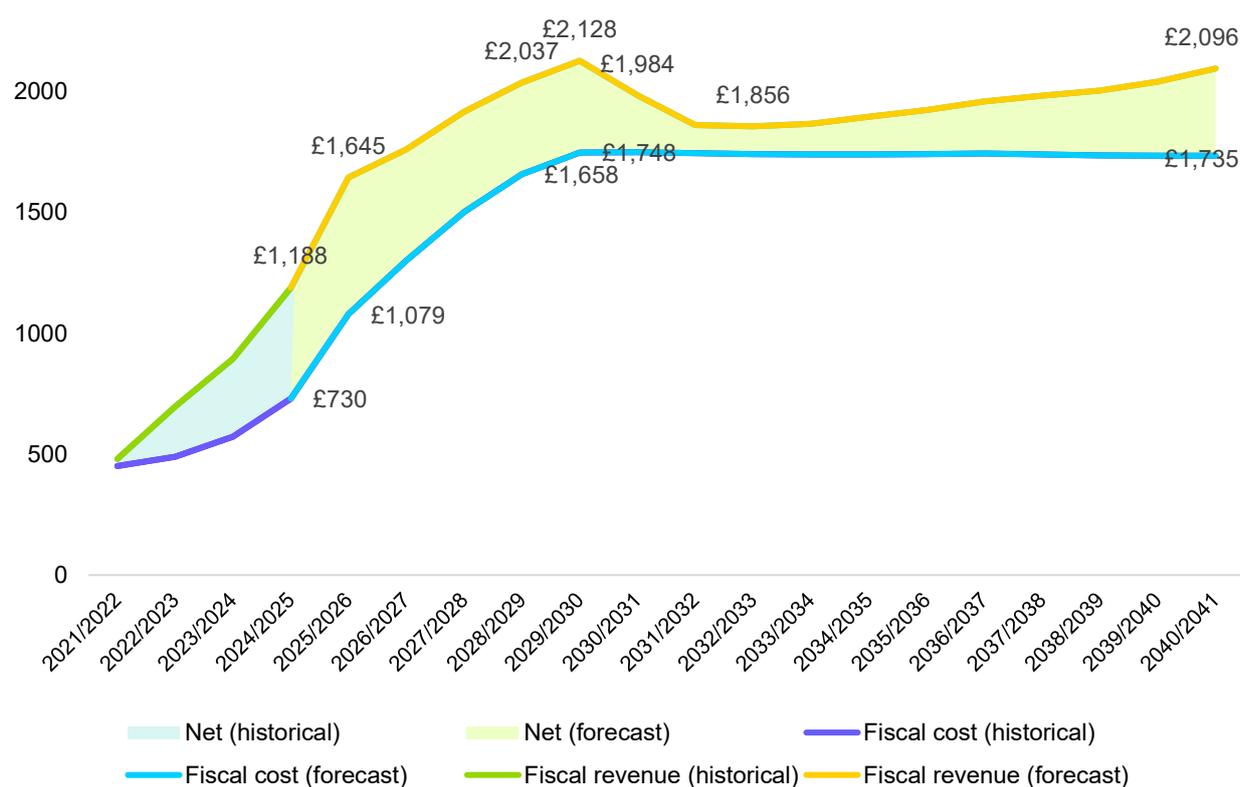
2.1 LISA’s current fiscal position

A central question for policymakers is whether LISAs represent value for money – whether public spending generates social benefits that boost economic activity and return revenue to the Exchequer. The evidence shows that, even without reform, the scheme has already delivered a net fiscal surplus and continues to provide a positive return for HM Treasury. This underlines that LISAs are not only a tool for savers, but also a fiscally credible policy instrument.

Figure 1 shows the net fiscal impact of the LISA scheme since fiscal year (FY) 2021/22, alongside baseline forecasts, without any intervention, to FY 2040/41.

Between April 2021 and April 2025, the total fiscal cost of the scheme has been estimated at £2.25 billion. Over the same period, the government has been estimated to have raised £3.26 billion in additional revenues. This results in a **net positive fiscal contribution of £1.0 billion** between FY 2021/22 and FY 2024/25.

Figure 1: Net fiscal impact of the LISA scheme as it is today, FY 2021/22 – FY 2040/41



Source: CBI Economics modelling (2025)

On an annual basis, revenues have increased from **£480 million in 2021/22 to £1.2 billion** in 2024/25, while annual costs have risen from **£451 million to £730 million⁴** over the same period. **The fiscal multiplier over this period was 1.45**, meaning that for every £1 spent, the government recouped £1.45 in fiscal revenue. Crucially, in every year since 2021/22, **revenues have exceeded costs**, meaning the scheme has remained fiscally positive throughout.

Looking forward, the fiscal cost is projected to rise sharply in the early years as take-up increases, peaking at around **£1.7 billion** in 2028/29. Revenues also grow rapidly, reaching **£2.1 billion** in the same year. Thereafter, revenues moderate slightly as uptake slows and house price inflation limits eligibility, declining to around **£1.9 billion** by 2031/32. Even so, the scheme remains in surplus; in the final year of the forecast period, it continues to deliver a **net positive fiscal position of £361 million**.

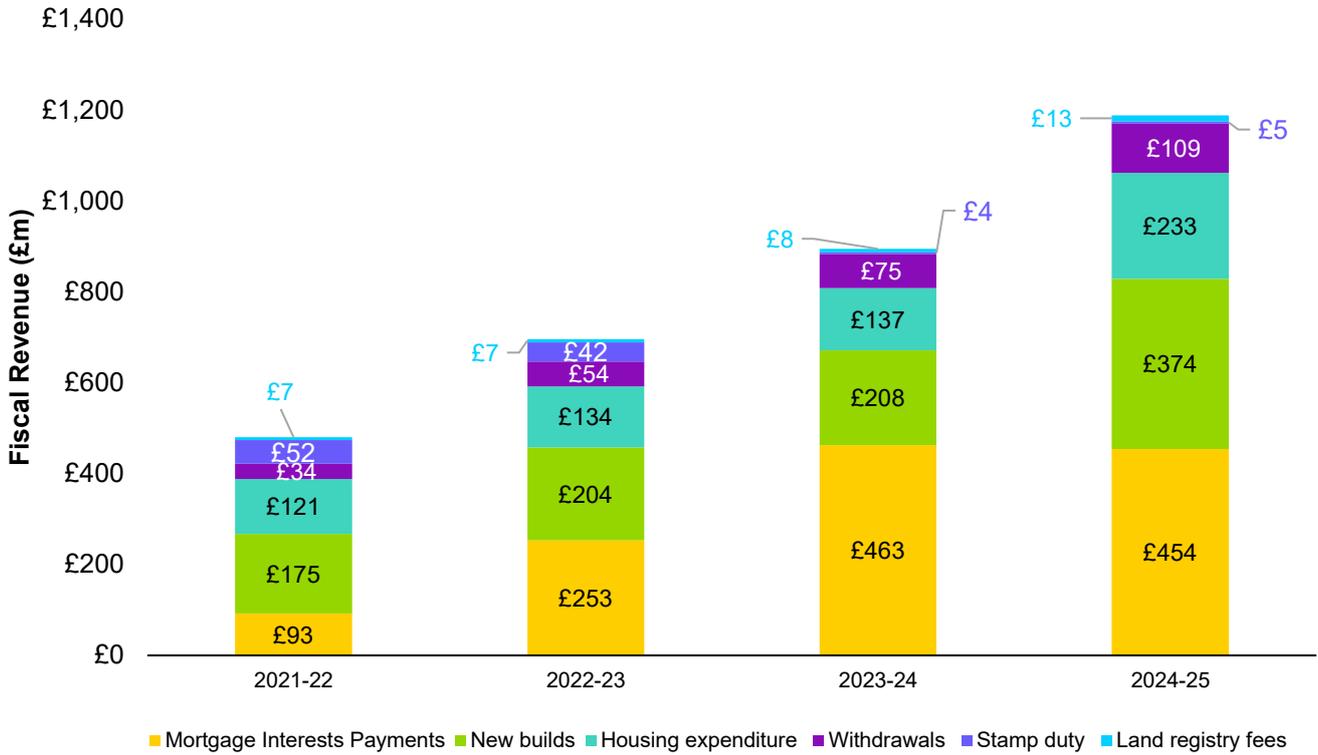
Cumulatively, over the period to 2040/41, the LISA is estimated to generate a **net fiscal contribution of £4.0 billion**.

Fiscal revenues arise through several channels. **Figure 2** displays the revenues received to-date, broken down by impact channel. These are outlined briefly below and are discussed in more detail in the **Appendix** and methodology document:

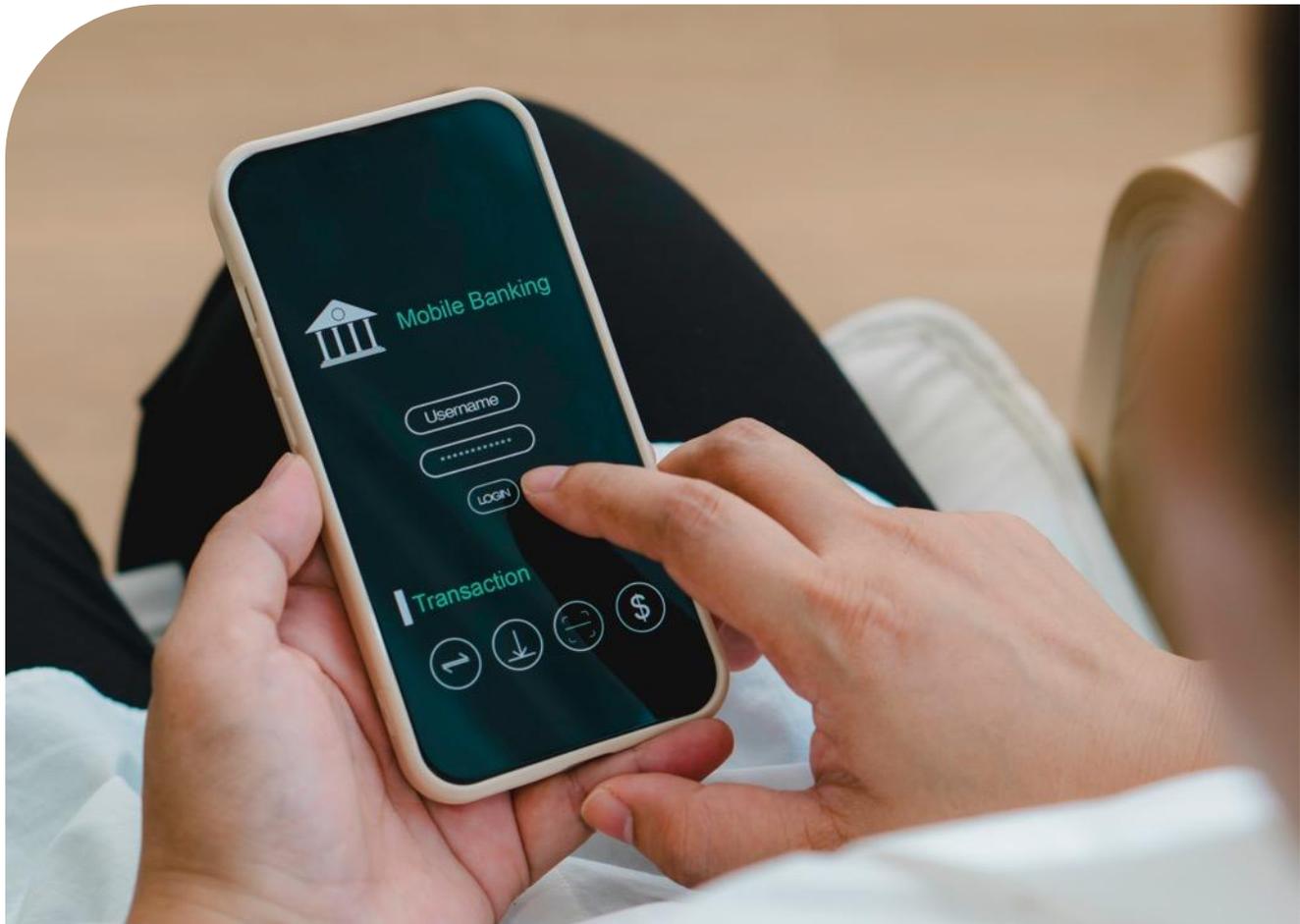
- **Stamp Duty Land Tax (SDLT):** Tax receipts from house purchases funded with LISA savings.
- **Land registry fees:** Fees associated with the registration of properties purchased with LISA savings.
- **Withdrawals:** Revenue from unauthorised withdrawals, currently subject to a 25% penalty.
- **Mortgage interest payments:** Tax receipts on mortgage interest payments made by LISA users, based on the average LISA house purchase.
- **New builds:** Taxes generated from increased construction activity to meet higher demand for new-build properties from LISA users.
- **Housing expenditure:** Taxes on renovation, redecoration, and other ancillary spending triggered by LISA-related house purchases.

⁴ Total spend per year is calculated by adding withdrawal penalty revenue to expenditure from HMRC's annual report and accounts which is presented net of withdrawal penalties. As of writing, withdrawal penalty revenue for 2024/25 is not available, it is therefore estimated based on Moneybox data and added to the expenditure reported in [HMRC Annual Report and Accounts 2024-25](#).

Figure 2: Fiscal revenues generated by the LISA scheme since fiscal year 2021/22



Source: CBI Economics modelling (2025), HMRC (2025), Moneybox (2025)



2.2 The economic impacts of LISAs

LISA-funded home purchases also stimulate wider economic activity through multiple channels, generating additional Gross Value Added (GVA) and supporting employment across the UK. Our modelling captures impacts from expenditure on home renovations and redecorations linked to LISA purchases, shifts in consumer spending patterns, financial services activity associated with mortgage payments, and construction sector activity arising from greater demand for new builds.

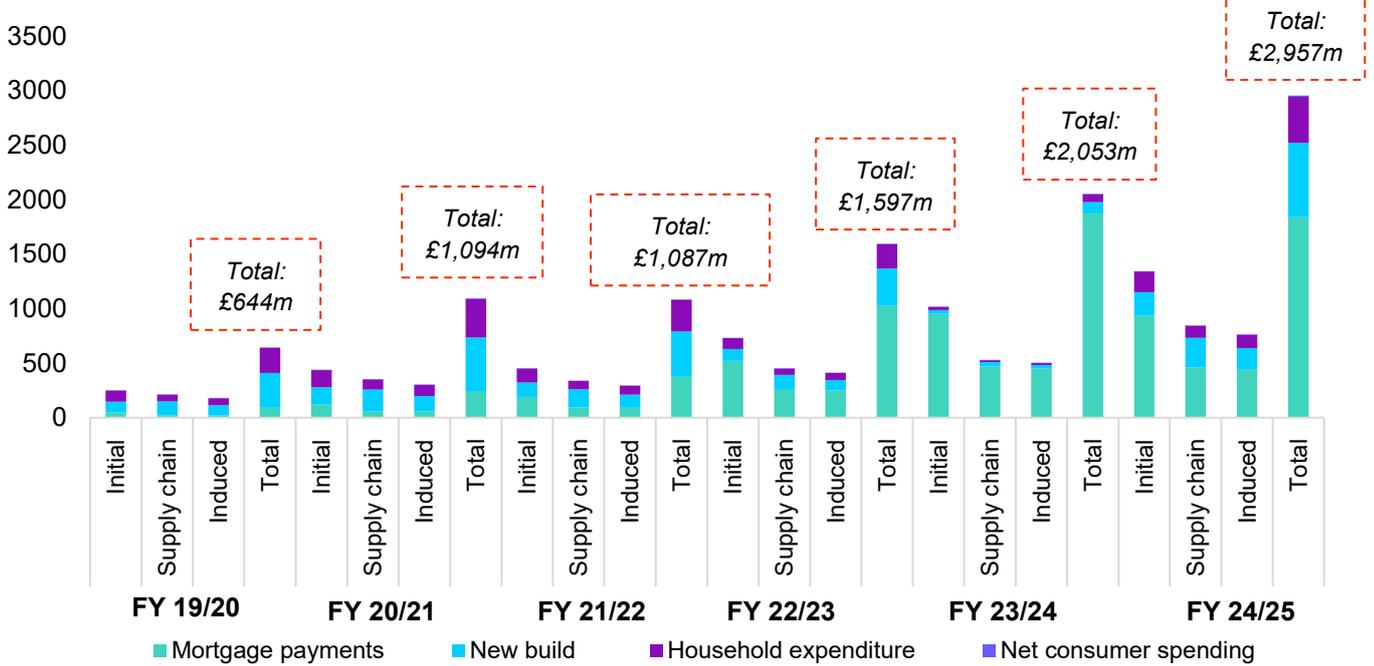
Since 2019/20, the LISA scheme is estimated to have **contributed £9.4 billion in additional economic value (GVA)**. Annual impacts have risen steadily as the scheme has matured, increasing from around **£640 million in 2019/20 to almost £3 billion by 2024/25**. The economic contribution has therefore more than quadrupled in five years, with benefits spread across **direct household spending, supply chain linkages, and wider induced effects**.

Over the same period, the scheme has supported over **110,000 jobs**, underlining its importance not only in enabling homeownership but also in sustaining employment across key sectors. These jobs span a wide range of activities: approximately 35,600 jobs are supported directly through activity linked to first-time buyer spending (such as construction trades, legal services, and financial services), 38,300 through supply chain activity, and a further 36,400 through induced effects as wages are re-spent in the wider economy.

Looking ahead, these impacts are expected to grow year on year as more accounts mature and an increasing number of savers transition into homeownership.

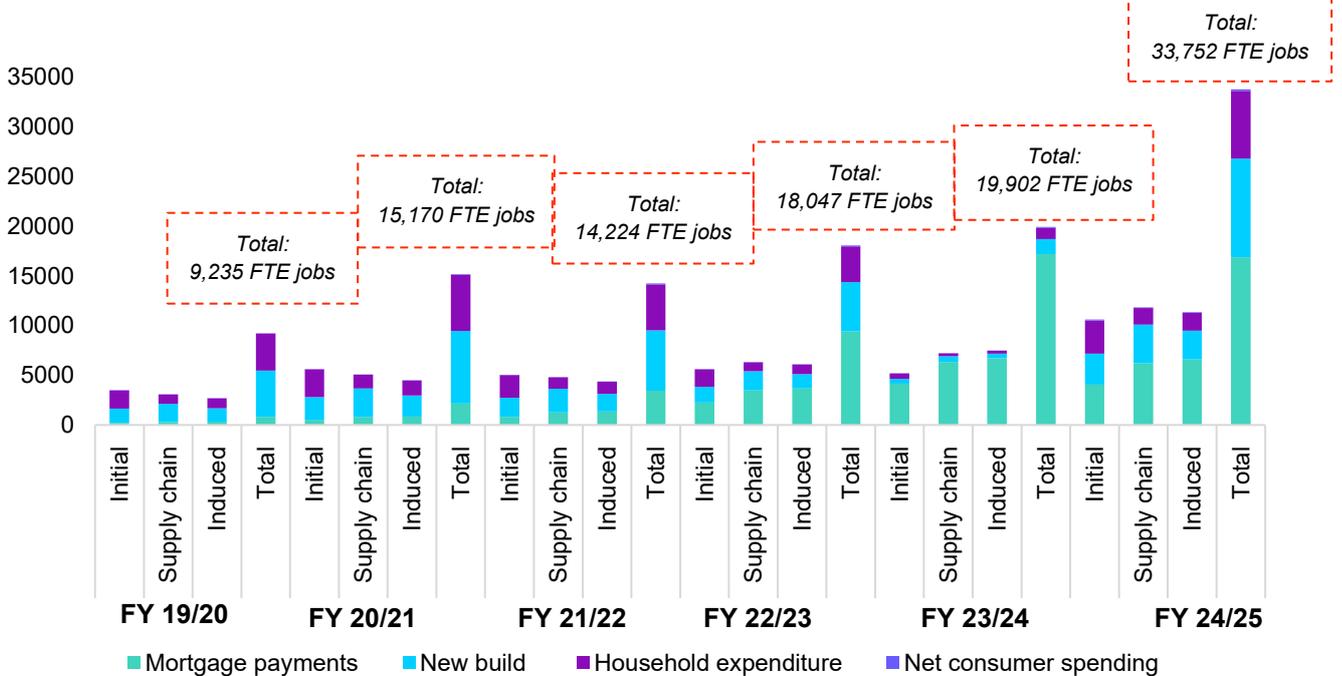


Figure 3: Estimated GVA supported by the LISA scheme FY 2019/20 – FY 2024/25



Source: CBI Economics modelling (2025)

Figure 4: Estimated employment supported by the LISA scheme since FY 2019/20 – FY 2024/25

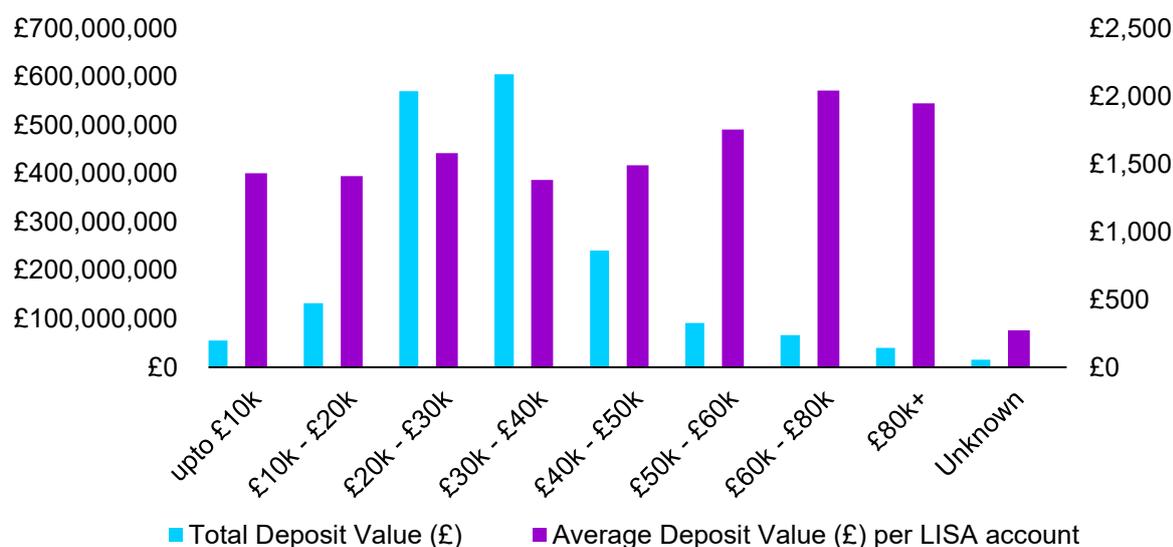


2.3 Social value

LISA is delivering clear social value by helping younger, lower-to-middle-income households take meaningful steps towards homeownership. LISA users are typically in their 20s and 30s, often earning below the UK median income, underlining the scheme’s reach into groups facing the greatest affordability barriers.⁵ Moreover, drawing on Moneybox’s administrative account data and a survey of over 4,500 users, we find that LISAs are widely used by lower- and middle-income households and are directly shaping saving behaviour

Among young savers aged 21-30, more than **£550 million was saved through LISAs in 2024/25**, with an average deposit of around **£1,500**. When adjusted for income, individuals earning between **£30,000 and £40,000** contribute the largest share of LISA savings, at around **£600 million** in financial year 2024/25. Importantly, the majority of savers earning under **£50,000 per year** are still able to save meaningful sums, typically up to **£1,500 on average**, demonstrating the scheme’s accessibility. Those earning between £20,000 and £30,000 save more on average than peers in the £30,000-£40,000 brackets, underlining LISA’s broad appeal across income levels.

Figure 5: Total and average deposit value per LISA accounts across different income bands

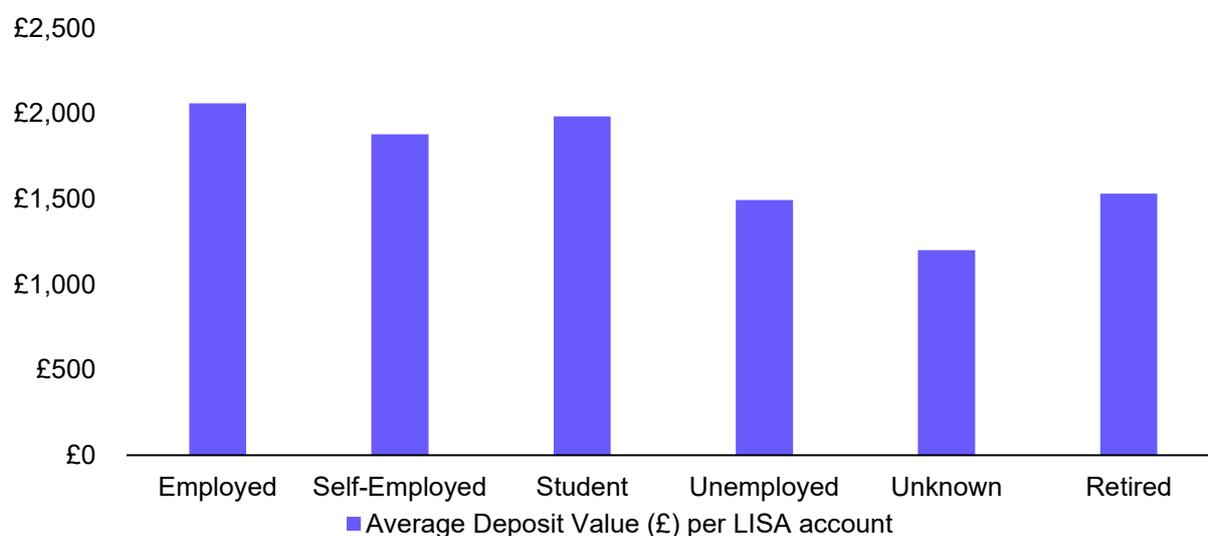


Source: Moneybox (2025)

⁵ [Office for National Statistics: Earnings and employment from Pay as you earn real time information UK: August 2025](#)

Saving behaviour also cuts across employment types. Moneybox data shows that employment status has relatively little impact on people’s ability to save: full-time employees, students, and the self-employed each save close to **£2,000 on average**, while even unemployed savers typically manage deposits of around **£1,500**. For the self-employed in particular, LISAs provide a valuable vehicle not only for building a first-home deposit but also for long-term retirement savings outside traditional workplace pensions. This highlights the scheme’s flexibility and reinforces its role in enabling people from a wide range of backgrounds and circumstances to make meaningful progress towards their financial goals.

Figure 6: Average Deposit Value (£) per LISA account by employment status



Source: Moneybox (2025)

For those using LISAs, the scheme is clearly enabling access to properties that might otherwise be out of reach. Analysis of Moneybox data shows that **the average purchase price of homes bought with a LISA is close to the UK average house price** (around £263,800 in 2024/25). This demonstrates that LISA savers are not confined to lower-value homes but are able to compete in the mainstream market.

Breakdowns by **age** show that buyers in their late 20s and early 30s, the core LISA demographic, are purchasing homes at values very close to, or slightly above, the national average. By **income band**, even households earning £20,000-£30,000 are using LISAs to access homes in line with UK averages. This highlights how the government bonus and structured savings approach can effectively bridge the gap between modest incomes and typical market prices.

The impact on timing is equally significant. The average age of a LISA buyer is **29**, compared with **34** for the national average first-time buyer. Consistent with the CBI Economics/Moneybox survey, over half of users reported that the scheme allowed them to buy sooner than they otherwise could, with the average purchase brought forward by **2 years**, and in some cases by as much as **3-5 years**.

Beyond supporting homeownership, LISAs also **strengthen financial resilience** by encouraging lasting saving habits and boosting confidence in the future. A Moneybox survey conducted in January 2025 with 2,480 respondents found that **79% reported improved saving behaviour since opening a LISA** (47% indicating significant improvements), while **84% indicated feeling more financially secure** as a result. This demonstrates that the scheme is not only helping people buy sooner but is also providing users with greater stability and confidence in managing their finances.

Taken together, this evidence shows that LISAs are not just helping people save – they are enabling younger and lower- to middle-income households to **buy earlier and access homes at mainstream market values**, while also **building lasting saving habits and greater financial confidence**. This reinforces LISA's role as a powerful tool for broadening access to homeownership and improving financial resilience across a wide range of savers.



3. The policy debate and saver perspectives

Key findings

- Survey evidence shows LISAs remain **a stable and trusted savings vehicle**, with most savers using them as intended.
- Around **three-quarters of savers said reforms would not alter the main purpose of their account**, highlighting the product's resilience.
- When asked about potential changes, more than a third said they would contribute more if the **house price cap were raised**, and a similar share said they would save more if the **withdrawal penalty were reduced**.
- At the same time, **one in four savers said a lower penalty could make them more likely to withdraw early**, illustrating the trade-off between flexibility and long-term saving incentives.

3.1 Why this debate matters

Since its introduction in 2017, the LISA has provided a valuable and popular route for young people to save towards a first home or for retirement. Over time, however, some features of the scheme have been raised by the Treasury Select Committee and others as areas where refinements could be considered.

The £450,000 property price cap has remained unchanged since launch, despite significant increases in house prices in some regions. Meanwhile, the 25% withdrawal charge is effective in deterring early access but can also mean that savers forfeit part of their own contributions as well as the government bonus. These points have contributed to a wider debate about whether LISAs should be adjusted to keep pace with the housing market and saver needs.

This report does not make policy recommendations. Instead, it presents evidence from savers themselves on how they would respond if certain rules were adjusted, offering insight into the potential behavioural effects of such changes.

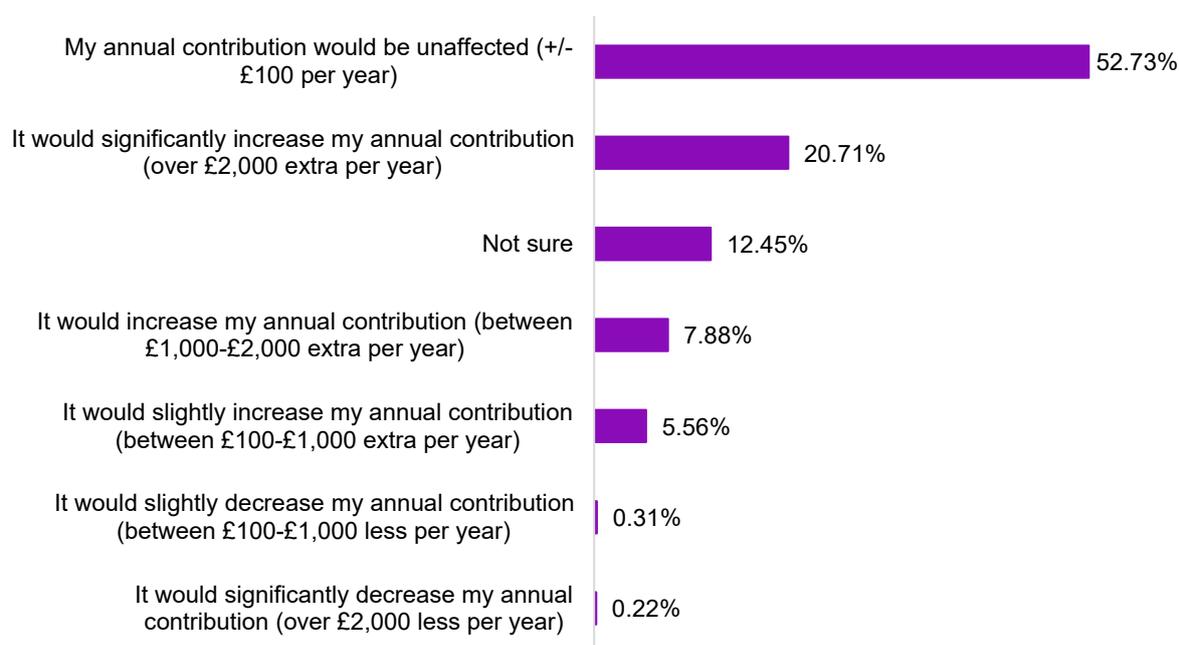
3.2 Saver perspectives on potential changes

CBI Economics and Moneybox conducted a survey to better understand how customers might respond to the potential reforms to the LISA scheme. The survey reached Moneybox users who currently hold a LISA and those who have already used their LISA to purchase their first home, with an average response count of **4,461**.

Survey evidence suggests that LISAs remain a **stable and trusted savings vehicle**. Around three-quarters of respondents said changes to the scheme would not alter the primary purpose of their account, underlining its resilience as a long-term savings tool.

At the same time, the survey highlights how targeted reforms could unlock stronger saving behaviour and improve outcomes for households. More than a third said they would increase their contributions if the cap were raised, and on average workers estimated they would **save an additional £555 annually** if the limit rose in line with house price inflation.

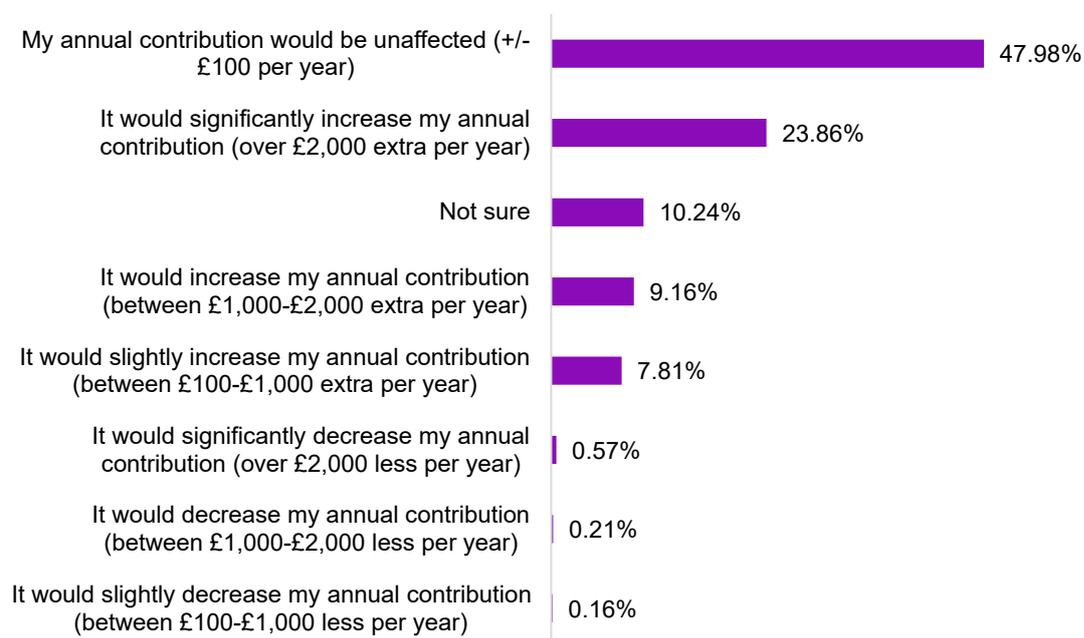
Figure 7: Responses to annual cap adjustment in line with house price inflation (N = 4,553)



Source: CBI Economics survey (2025)

Similarly, changes to the withdrawal penalty were viewed as potentially supportive of greater saving. While most respondents said their contributions would remain unchanged, around **a third reported that they would save more if the penalty were reduced**.

Figure 8: Responses to reduced withdrawal penalty on LISA contributions (N = 4,354)



Source: CBI Economics survey (2025)

The survey also revealed some potential downsides. Around one in four respondents said they might be more likely to withdraw funds early if the penalty were reduced. This highlights the balance between providing flexibility for households facing unexpected financial needs and maintaining the deterrent effect that encourages long-term saving. At the same time, greater flexibility could help some households manage financial shocks more effectively, thereby supporting overall financial resilience.



3.3 Implications

The survey evidence shows that LISAs are already delivering strong value for users, helping them build deposits, save more, and buy homes sooner than they otherwise could. At the same time, it provides insight into how savers might respond to adjustments in the scheme's design, and where the trade-offs may lie.

On the house price cap, the results suggest that savers are concerned about the current threshold becoming less aligned with market realities, particularly in higher-cost regions such as London and the South East. While many users would continue to save regardless, a significant minority indicated that a higher cap would encourage them to contribute more each year.

On the withdrawal penalty, the survey shows a more mixed picture. While many savers would welcome the reassurance of not losing their own contributions, and some would be encouraged to save more, the results also suggest that a lower penalty could reduce the deterrent to early withdrawals. This illustrates the challenge of balancing accessibility and fairness on one hand with fiscal discipline and long-term saving incentives on the other.

Taken together, these findings show that LISAs are a stable and trusted product that already works well for households across a range of circumstances. They also highlight the importance of understanding saver perspectives in the ongoing policy debate. While this report does not take a position on reform, the evidence helps clarify how savers are using LISAs today, and how they might respond if certain rules were to change in the future.



Conclusion

This report has shown that the Lifetime ISA is already making a **measurable difference to households, the economy and the public finances**.

Since its introduction, the scheme has delivered **positive fiscal returns**, with revenues from stamp duty, mortgage interest taxation, and wider housing-related activity consistently outweighing the cost of government bonuses. The LISA has also acted as a catalyst for growth, **generating £9.4 billion in additional GVA and supporting over 110,000 jobs since 2019/20**. Beyond these measurable impacts, it has helped thousands of savers, particularly younger people and those on lower to middle incomes, to build deposits and access homeownership earlier than would otherwise have been possible.

Survey evidence reinforces the LISA's **social value**. Most users view the account as a stable long-term savings tool, while many report that it has enabled them to buy a home 1-5 years earlier as a result. Savers also highlight the role of LISAs in strengthening financial resilience: nearly half report improved saving habits since opening an account, and more than four in five say they feel more financially secure.

While this report does not make policy recommendations, it has also highlighted areas of ongoing debate. Savers themselves recognise the balance between fairness and deterrence in the current withdrawal penalty, and some point to the risk of the property price cap becoming misaligned with regional market conditions. Understanding these perspectives is important in framing the wider discussion about how LISAs can continue to meet the needs of households in the future.

Taken together, the evidence demonstrates that the Lifetime ISA is a **policy worth sustaining**. It has already proven to be a valuable tool for supporting first-time buyers and encouraging long-term saving, while also delivering wider economic and fiscal returns. Ensuring the scheme continues to evolve in line with saver needs and market realities will help it remain effective in broadening access to homeownership and supporting financial resilience across the UK.

Appendix – Our approach

Overview of the economic impact channels

LISAs generate widespread economic impacts by enabling more first-time buyers to enter the housing market earlier. When households use their LISA savings to purchase a property, this stimulates **spending on a range of upfront costs** such as legal and mortgage fees, removals, and furnishings, as well as **longer-term renovation and redecorating activity**. This spending feeds into the economy, supporting growth in sectors closely tied to housing.

These purchases and associated expenditures ripple through the economy by **stimulating demand in supply chains** – from construction materials to retail goods, and professional services. Firms respond to this demand, employing more workers and purchasing more inputs to create additional rounds of economic activity. The wages earned by these workers generate further **induced effects** as they are spent across the economy, multiplying the impact of the scheme.

Further, LISAs play a role in **supporting new housebuilding** by increasing demand for properties, which encourages construction sector activity. Beyond housebuilding, **mortgage payments and related financial flows** generate ongoing fiscal revenues, while **land registry fees and stamp duty payments** provide direct contributions to the Exchequer.

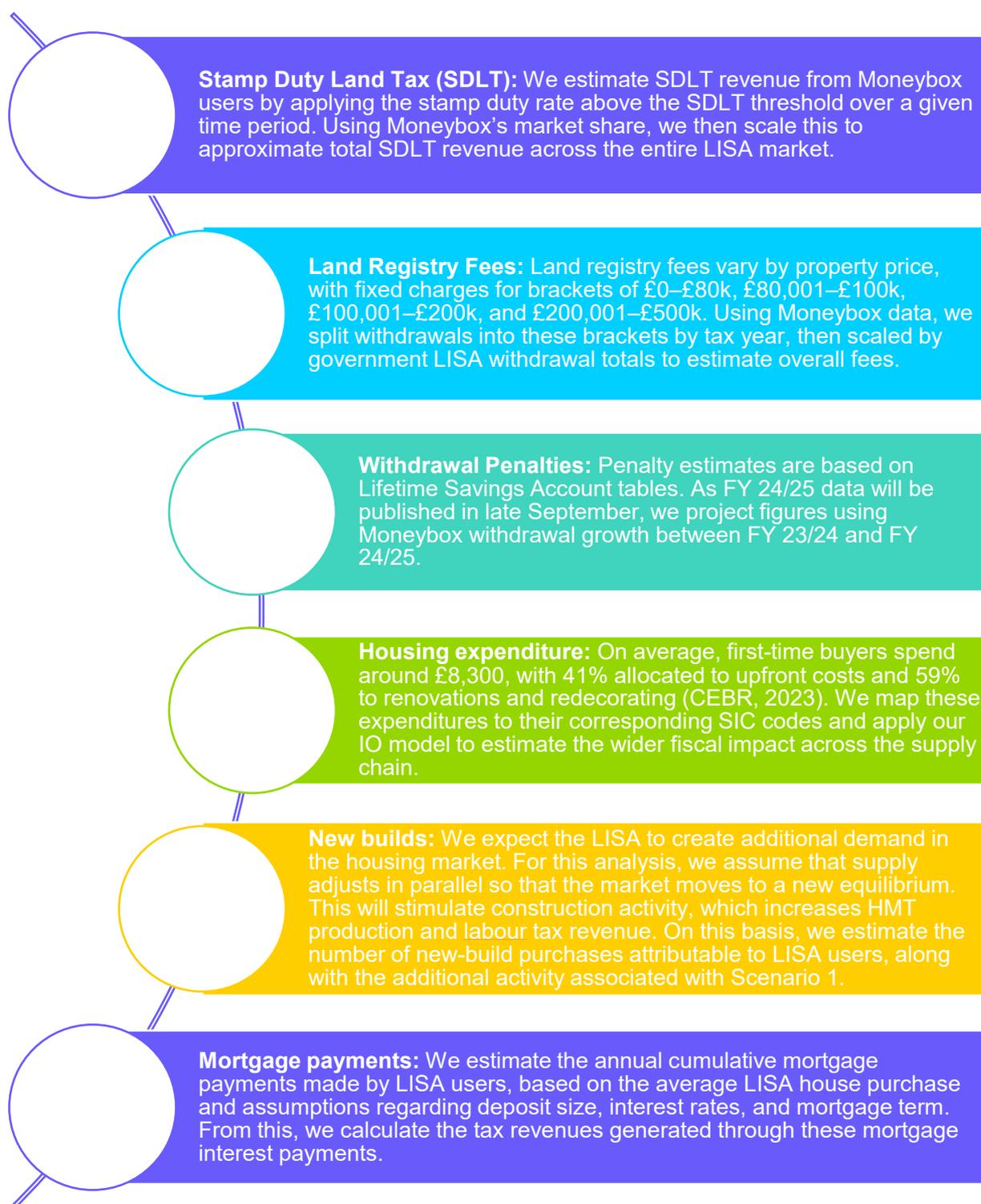
Taken together, these channels explain how **LISAs create measurable value for the economy, both in terms of gross value added and jobs**. They illustrate that the scheme's impact goes beyond individual savers - helping to sustain employment, support supply chains, and stimulate growth across multiple industries.

Overview of the fiscal impact channels

To establish the baseline fiscal assessment, we first considered government expenditure on the LISA scheme and compared this against the revenues generated, both directly and indirectly. The following outlines our methodology and data sources.

- **Government expenditure:** Figures are taken from HMRC's annual report and accounts. Reported LISA expenditure is already net of revenue from unauthorised withdrawal penalties. To capture the full picture, we add back withdrawals using data from the Lifetime Savings Account tables.
- **Government revenues:** Revenues are estimated from SDLT on LISA property purchases, land registry fees, and withdrawal penalties, alongside housing-related expenditure, new build demand, and tax receipts from mortgage interest payments.

Figure 9: Deriving fiscal revenues



September 2025

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