

22/04/2013

UNDER EMBARGO UNTIL 00:01 ON 22nd APRIL 2013

MONEY WORRIES HIT HOME IN YOUR 40s

Half of all households (49%) say they have become worse off in the last year

Every generation has distinct spending patterns and attitudes towards money, but the tendency to gloss over worries over tighter finances is widespread, according to research from Halifax.

The research found that around half (46%) of households admit to having run out money before the end of the month over the last year, and almost one in 10 (9%) said they ran out of money every month. Despite this, three quarters of households (74%) feel they are coping well financially.

Running out of money

The accepted thinking is that money can be tight for those in their 20s, as looking for a job and moving out of home – sometimes with debts to pay – is expensive compared to income. As such 50% of this group says they ran out money before the end of the month at least once in the last year, and 11% said they ran out of money every month.

However, this figure actually increases among people in their 30s and 40s, with 58% and 57% respectively saying they ran out of money before the end of the month at least once in the last year. 10% of those in their 30s and 11% of those in their 40s say they ran out of money every month.

In the last 12 months, how often, if at all, has your household run out of money before the end of the month?								
	Total	Teens	20s	30s	40s	50s	60s	70-75
Every month	9%	9%	11%	10%	11%	8%	5%	2%
6 times or more	8%	7%	9%	12%	12%	5%	4%	3%
3-5 times	8%	6%	7%	10%	10%	9%	3%	0%
Once or twice	21%	27%	23%	26%	24%	20%	14%	5%
Never	49%	31%	38%	38%	40%	55%	72%	87%
Don't know	5%	20%	11%	4%	3%	3%	1%	3%

Anthony Warrington Director, Personal Current Accounts, Halifax, says:

"It is perhaps a symptom of the current situation that more people in their 30s and 40s are finding they run out of money before the end of the month. There is no easy solution but keeping a close eye on your finances can help with budgeting, and by monitoring your expected outgoings you can see how much you have left over the month.

For further information please contact:

Halifax Press Team:

Emma Varty: 01902 325180 / 07824 471951 emmavarty@halifax.co.uk

Lauren Jones: 01422 394360 / 07825 584900 lauren.jones@halifax.co.uk

Shella Ali: 020 7356 1217 / 07795 611154 shella.ali@lloydsbanking.com

Ben Marquand: 01422 332833 / 07881 311199 ben.marquand@halifax.co.uk

22/04/2013

"Budgeting is not an exact science and that is why it's important people choose financial products that are flexible enough to meet their needs now, next month, and in the long-term."

Feeling the pinch

A similar number to those who say they have run out of money before the end of the month say they currently feel worse off than year ago (49%). And just 13% of households say they are better off financially compared to the same time last year.

Those most likely to be feeling the pinch are in their 40s and 50s, where 54% and 60% respectively say they are now worse off. In contrast just 40% of those in their 20s, and 41% of those in their 30s say they are worse off financially.

To what extent do you feel your household is better or worse off financially compared with this time last year								
	Total	Teens	20s	30s	40s	50s	60s	70-75
Better off	13%	9%	16%	18%	11%	8%	12%	7%
About the same	37%	32%	40%	41%	34%	32%	38%	42%
Worse off	49%	47%	40%	41%	55%	60%	49%	51%
Don't know	2%	12%	4%	1%	1%	0%	1%	0%

Despite this, three quarters of British households (74%) feel they are coping well financially. Those in their 40s are less likely to say their households are coping well (68%), compared to 72% of those in their 20s and 74% of those in their 30s. Those in their 60s, feel they are managing the best, with 87% saying they are coping well financially.

Saving for a rainy day

For households with a credit balance at the end of the month the most likely use of spare money is to fund savings (65%).

More than two thirds of respondents in their 20s say they save any money left at the end of the month (68%), the most likely group to do so outside of households in their 60s (75%) and 70s (74%).

With 60% of those in their 40s and 61% of those in their 50s saying they would also save any money left at the end of the month, those in their 30s are least likely to put the money into savings (58%) – the same level as teenagers.

For further information please contact:

Halifax Press Team:

Emma Varty: 01902 325180 / 07824 471951 emmavarty@halifax.co.uk

Lauren Jones: 01422 394360 / 07825 584900 lauren.jones@halifax.co.uk

Shella Ali: 020 7356 1217 / 07795 611154 shella.ali@lloydsbanking.com

Ben Marquand: 01422 332833 / 07881 311199 ben.marquand@halifax.co.uk

Press Release



22/04/2013

Those in their 40s are most likely to use money left over at the end of the month to overpay their mortgage (12%), and those in their 70s are most likely to put the money into investments (21%)

Anthony Warrington adds:

"Ignoring money worries at any age will not make them go away, and is more likely to result in financial problems down the line.

"Households who find themselves running out of money before the end of the month or even those who feel worse off financially cannot afford to ignore this. We've got lots of tools available to help people manage their account, such as text alerts to let them know when they're getting close to overdraft limits.

"People will always have different priorities at different ages, but it is never a bad idea to put some money to one side whenever you have the chance."

Ends

Editors' notes

- Ipsos MORI interviewed a sample of 2,016 members of the British public aged 16-75
- Interviews were carried out online
- Fieldwork was conducted between 15th – 18th March 2013
- Data are weighted to be representative of the offline population
- Respondents were asked to answer the survey thinking about their household i.e. all adults aged over 16 living together permanently in their main accommodation. Those renting privately and sharing accommodation with other people/sharing bills were asked to take household to mean themselves and no-one else.

For further information please contact:

Halifax Press Team:

Emma Varty: 01902 325180 / 07824 471951 emmavarty@halifax.co.uk
Lauren Jones: 01422 394360 / 07825 584900 lauren.jones@halifax.co.uk
Shella Ali: 020 7356 1217 / 07795 611154 shella.ali@lloydsbanking.com
Ben Marquand: 01422 332833 / 07881 311199 ben.marquand@halifax.co.uk