

## MONEY WORRIES FORCING 3.5 MILLION MUMS BACK TO WORK

- Over 11 million<sup>1</sup> UK households dependent on more than one salary to cover the bills
- Of the 7.1 million<sup>2</sup> UK households with dependent children – 3.5 million are reliant on two salaries
- Levels of debt increases with children – with the average household with 2 children over £100,000 in debt – £20,000 more than those with no children
- Over half of Brits have less than two month's salary tucked away in savings for a rainy day

Research published today by Scottish Widows, reveals that the cost of running a home means that almost half (44%) of the nation's households require more than one breadwinner to maintain an acceptable standard of living. What is more when it comes to those with dependent children, the need for two incomes increases, with one in two households relying on both partners working.

### How many wage earners does your household need to maintain an acceptable standard of living for you or your family?

	One salary	Two salaries or more
National Average	45%	44%
1 Dependent Child	45%	49%
2 Dependent Children	42%	51%
3 Dependent Children	45%	50%

### Commenting on the findings, Scottish Widows' interim protection market director Richard Jones says:

"This reliance on two incomes to buy and run the family home means millions of households are effectively doubling the risk of financial hardship should one of bread winners become unable to work."

The need for both partners in a household to work may be influenced by the rise in consumer credit. The report shows almost five out of 10 (47%) Brits have a mortgage, six out of 10 (60%) have secured or unsecured loans, overdrafts or finance agreements – and a similar number (63%) have credit card or store card debt. Those with children have, as would be expected, higher levels of debt on both loans and credit cards than those without.

Type of Debt	No Children	2 Dependent Children	3 Dependent Children
Mortgage (national average £74,050)	£66,600	£83,800	£80,200
Loans/finance agreements (national average £11,030)	£10,600	£12,300	£13,500
Credit cards/store cards (national average £4,540)	£4,300	£4,500	£6,510

This means that the average household with two dependent children is £100,600 in debt – £19,100 more than the average household with no children.

**Commenting on the findings, Richard Jones says:** “Our report reveals that the mixture of relatively low interest rates and high job security means borrowing has been an attractive option in recent years. The problem is that servicing this debt eats into our take home pay and exposes us to financial hardship should we be unable to work. Low inflation also means debts are eroded more slowly over time – again increasing the need for financial protection.”

The report also shows that many do not have much in savings tucked away for a rainy day. Over one in four (27%) have no savings at all – and a further one in four (25%) have less than £3,000 – meaning that the savings pot of more than half of all households in the UK will last less than three months.

As with debt, families are in an even worse position:

	<b>No savings</b>	<b>Less than £3,000</b>
No Children	25%	27%
1 Dependent Child	27%	28%
2 Dependent Children	30%	24%
3 Dependent Children	32%	23%

**- ENDS -**

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**Notes to editors:**

The research to support the report was carried out by Brahm research during 2006. A total of 4,722 people over the age of 18 were interviewed.

1. ONS shows there to be 25,290,000 households in the UK. The Scottish Widows research reveals 44% of which (or 11.1 million) are dependent on two or more salaries to maintain an acceptable standard of living.
2. ONS shows there to be 7,099,000 non-retired households in the UK with children. The Scottish Widows research reveals 50% are dependent on more than one salary.

**Scottish Widows** was founded in 1815 as Scotland's first mutual life office. Becoming part of the Lloyds TSB Group in 2000, Scottish Widows has become one of the most recognised brands in the life, pensions and investment industry in the UK. The product range includes ordinary long term insurance, such as life assurance, pensions, annuities and permanent health insurance, and savings and investment products. Using a multi-sales network of Financial Advisers, Direct Sales, Direct Marketing, the Internet and via the branch network of Lloyds TSB, Scottish Widows currently employs about 4,000 people.

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