

# ON THE BRINK.

## FOCUS ON WALES

Our Deadline to the Breadline infographic highlights how long people in Wales, could survive financially if all they had to rely on was their savings, friends or family, or minimal state benefits such as statutory sick pay.

### WELSH ECONOMIC STATISTICS

The Welsh economy has begun to recover from the effects of the financial crisis. Economic output, in terms of Gross value added<sup>1</sup>, saw its largest decline in **2009 with -4.4%**.

Since 2009 the region's economy has begun to regain some ground with economic output expected to grow by **2.4% in 2014**. Similar to the wider UK economic picture, growth is forecasted to ease back from 2015 to 2018.

Unemployment in Wales has recently seen a steady decline, from **8.4%** in the three months to **April 2013**, to **6.7%** in the three months leading to **June 2014**.

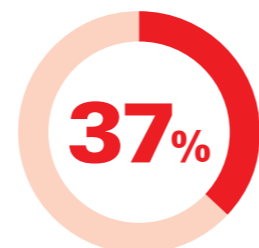
**£340** Average WEEKLY household expenditure.



**41%** of households in Wales have no financial back up plans in place to deal with an unforeseen shock to their income.



**£238** the average (median) level of savings and investments held by households.



**37%** of households expect to draw on their savings in times of financial hardship.

### ATTITUDES TOWARDS SAVINGS AND INSURANCE

Household's in Wales would **prefer to save up** for an unforeseen event **rather than take out insurance**.



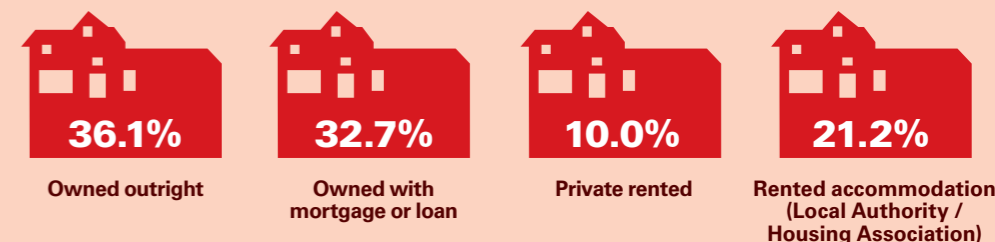
On average (mean) households in Wales, reported that their monthly discretionary income left over after taxes and essential spending was **▶ £368**

### SACRIFICES SHOULD THE WORST HAPPEN.

**42%** holidays  
**21%** downsizing  
**14%** cut back on food  
**14%** reduce heating or lighting  
**31%** didn't know what could be cut back!

**76%** of households in Wales are worried about the rising cost of living.

### HOUSEHOLD TYPE<sup>2</sup>.



Almost 1/3 (32.7%) of households own their homes with a mortgage or loan, meaning these people will be more susceptible to mortgage interest rate changes. 31% of the population rent either privately, from the local authority or housing association highlighting that potentially almost a third of all households in Wales are on the verge of the Breadline.

Welsh households report that the amount they are able to save each month fell to **£107**, a £66 reduction compared to our previous report in November 2013.



### 16 YEARS 3 MONTHS.

It would take the typical household in Wales just over 16 years 3 months to save up enough money to cover one year's average (mean) after tax earnings of £20,941<sup>3</sup>.



**DEADLINE TO THE BREADLINE FOR THE AVERAGE HOUSEHOLD.**



### REALITY vs PERCEPTION.

However households are more optimistic. Their expectations are more than five times the deadline figure.



**1/3** of Welsh households report they have no savings (32%) so could potentially be on the breadline tomorrow.

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<sup>1</sup>Gross value added (GVA) is a measure of output similar to GDP, but which excludes taxes and subsidies on products. Since these taxes and subsidies are calculated at the UK level, GVA provides a measure of output for activity occurring at a lower level than the UK as a whole, such as regions and industries.

<sup>2</sup>Percentages may not add up to 100% due to rounding.

<sup>3</sup>Legal & General Deadline to the Breadline research via TNS Global.

Our research, which has been supported by analysis from the Centre for Economics and Business Research (Cebr), draws on a survey of 4,886 people weighted to represent the UK adult population in July 2014.

**EVERY DAY MATTERS.®**

