

ON THE BRINK.

FOCUS ON NORTHERN ENGLAND

Our Deadline to the Breadline infographic highlights how long people in Northern England, 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.

ECONOMIC STATISTICS IN NORTHERN ENGLAND

The North is seeing improving conditions, with economic output expected to increase by **2.2%** in **2014** across the three regions. Output fell sharpest in Yorkshire and the Humber in the aftermath of the financial crisis, with Gross value added¹ decreasing by **4.8%** in **2009**.

All regions in Northern England are expected to see economic output reaching pre-crisis levels, led by the North West which is expected to surpass its pre-crisis level output in early 2015.

The North East has the highest unemployment rate at **9.4%** in **June 2014**. The North West has the seen the largest fall between June 2013 and June 2014, falling from **8.2%** to **7.0%**. Yorkshire and the Humber has seen the largest increase in employment, with **68,000** more people in employment in June 2014 than a year earlier.

£389 Average WEEKLY household expenditure.



33% of households in Yorkshire, **33%** in the North West and **38%** in the North East have no financial back up plans in place to deal with an unforeseen shock to their income.



£1,017 the average (median) level of savings and investments held by households.

SACRIFICES SHOULD THE WORST HAPPEN.

44% holidays
19.2% downsizing
17.6% cut back on food
15.8% reduce heating or lighting
26% didn't know what could be cut back!

76% of households in Northern England are worried about the rising cost of living.

DEADLINE TO THE BREADLINE – REALITY VERSUS PERCEPTION.

Yorkshire and the Humber

REALITY: 34 DAYS

PERCEPTION: 109 DAYS

North West

REALITY: 24 DAYS

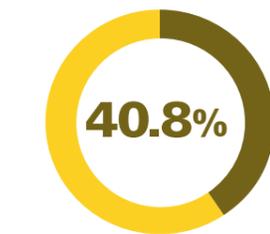
PERCEPTION: 74 DAYS

North East

REALITY: 16 DAYS

PERCEPTION: 49 DAYS

More than **1/3**, **36%** in Yorkshire and the Humber and **37%** in the North East and North West and **37%** of the North East have no savings so could potentially be on the breadline tomorrow.



40.8% of households expect to draw on their savings in times of financial hardship.

ATTITUDES TOWARDS SAVINGS AND INSURANCE

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



On average (mean) households in Northern England, reported that their monthly discretionary income left over after taxes and essential spending was **▶ £466**

HOUSEHOLD TYPE².



Owned outright



Owned with mortgage or loan



Private rented



Rented accommodation (Local Authority / Housing Association)

34% of all households in Northern England reside in property that is owned with a mortgage or loan. This suggests a large number of people living in Northern England are vulnerable to mortgage interest rate increases. The North East has a larger proportion of people living in either rented local authority housing or housing association rental property (20%). This implies that a larger proportion of households are living on the verge of the breadline.

Households in Northern England report that the amount they are able to save each month fell to **£165**.



11 YEARS 2 MONTHS.

It would take the typical household in Northern England just over 11 years 2 months to save up enough money to cover one year's average (mean) after tax earnings of £22,240³.



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¹Gross 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.

²Percentages may not add up to 100% due to rounding.

³Legal & 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.[®]

