

ON THE BRINK.

FOCUS ON SCOTLAND



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

SCOTTISH ECONOMIC STATISTICS

Economic growth in Scotland, in terms of Gross value added¹ is expected to reach **3.2% in 2014**, the highest in seven years. The Scottish services sector has been a large and growing contributor to the Scottish economy.

The unemployment rate in Scotland is expected to average **6.2% in 2014** and is forecasted to fall to **5.9% in 2015**.

Consumer spending has bounced back both in Scotland and the rest of the UK, with **real terms increases of around 2% in 2013** and similar growth expected for 2014.

£363 Average WEEKLY household expenditure.



33% of households in Scotland have no financial back up plans in place to deal with an unforeseen shock to their income.

£670 the average (median) level of savings and investments held by households.



DEADLINE TO THE BREADLINE FOR THE AVERAGE HOUSEHOLD.



REALITY vs PERCEPTION.

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



1/3 of Scottish households report they have no savings (34%) so could potentially be on the breadline tomorrow.

39% of households expect to draw on their savings in times of financial hardship.

ATTITUDES TOWARDS SAVINGS AND INSURANCE

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



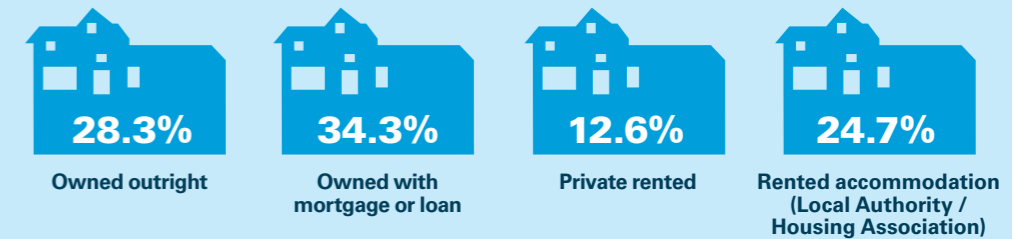
On average (mean) households in Scotland, reported that their monthly discretionary income left over after taxes and essential spending was **▶ £500**

SACRIFICES SHOULD THE WORST HAPPEN.

- 44% holidays
- 19% downsizing
- 17% cut back on food
- 14% reduce heating or lighting
- 26% didn't know what could be cut back!

73% of households in Scotland are worried about the rising cost of living.

HOUSEHOLD TYPE².



On the whole, households in Scotland expect interest rates to rise in 2015. With a third of households with a mortgage or loan, many could be vulnerable to interest rate fluctuations. For those households living in rented accommodation, our findings reveal they have the lowest levels of savings and are therefore associated with the shortest deadlines.

Scottish households report that the amount they are able to save each month fell to **£132**, a £27 reduction compared to our previous report in November 2013.



14 YEARS 8 MONTHS.

It would take the typical household in Scotland just over 14 years 8 months to save up enough money to cover one year's average (mean) after tax earnings of £23,330³.

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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.®

