

MORE THAN 16M BRITS WON'T HAVE A REGULAR HOUSEHOLD BUDGET FOR THE NEW YEAR

Millions say: it's a waste of time, I won't stick to it; I'll rely on credit cards and overdraft instead

According to new research from the **Money Advice Service**, a third of adults in the UK (33%) admit their household is not likely to set a regular budget for 2013 to help cover their everyday costs such as rent, mortgage, travel, food, clothing and other essential bills. This equates to around **16 million** people in 2013 who won't be using a household budget to plan their spending.

Budget-dodgers

The research, conducted amongst 2,175 UK adults by YouGov for the Money Advice Service, also asked people about their current budgeting habits. Some 38% of people admit their household does not currently set a regular budget to cover everyday costs. This decision affects almost **18.5m people**.

The Budget-dodgers gave a range of reasoning:

- 19% say they don't need a budget because if they spend more than they can afford they have buffers – such as credit cards and overdrafts;
- 17% said it would be a **waste of time** because they know they wouldn't stick to it;
- 16% admit they prefer to **live for the moment**, and spend what and when they like;
- And 32% of them claim to have **surplus disposable income** at the end of the month so don't need to budget.

Budget-keepers

Over half of UK adults (56%) say their household does have a regular budget to cover everyday costs, with over half of budget-keepers (52%) saying it gives them **peace of mind** about how much they are spending, and makes them **feel better about life** in general. Meanwhile, 30% of budget-keepers feel **out of control** if they don't have a household budget; and almost a third (32%) believe their budget helps them to **cope with the unexpected**.

Gender and location differences

In general, more British men who have a household budget find it easy to stick to them than women (58% vs 56%) while more women surveyed claim to be solely in charge of the household budget than men (51% vs 36%).

The research also suggests that people in Scotland and Northern Ireland are the most likely to be on top of their financial budgeting with 70% and 69% respectively, claiming that their household keeps a regular budget. Elsewhere in the UK, more budget-keepers live in the East of England (58%) than in the North East (49%). See full regional breakdown in Figure 1.

The findings come as the Money Advice Service launches a new campaign and urges the nation to **get its money into shape for 2013**. The free, impartial service – set up by government - offers a host of online tools to help everyone make the most of their money in the New Year – whether they have 5 minutes, 30 minutes, or longer to spare. Its free budget toolkit is online at www.moneyadvice.org.uk

- **The Budget Planner** will help you keep track and quickly show you what's coming in and going out;
- **The Money Stretcher** will work out how long your money could last over a particular period, such as pay day;
- **The Cutback Calculator** will show you where to make immediate savings on things that you buy regularly.

Commenting on the research findings, Jane Symonds, **Head of Service Delivery at the Money Advice Service** said:

"I'm impressed by the number of budget keepers we have in the UK, but surprised by the number of budget dodgers! These findings highlight some interesting reasons why they choose not to budget. In these tough economic times, many people don't have much money left over after the bills have been paid so it's really worrying how many households intend to live off overdrafts and credit cards.

"If you're a budget-dodger, please reconsider and let the Money Advice Service help you take control of your money. Keeping track of your money will not only help you cope with the unexpected, but also bring peace of mind. As most budget-keepers will agree - knowing you're on top of your money helps you feel a lot better about life in general".

Region/nation	Percentage of people in a household with a regular (monthly or weekly) budget
Scotland	70%
Northern Ireland	69%
East	58%
East Midlands	58%
Wales	56%
South West	56%
West Midlands	55%
North West	54%
London	54%
Yorkshire and Humber	53%
South East	51%
North East	49%

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NOTES TO EDITORS

1. The Money Advice Service website (www.moneyadviceservice.org.uk) hosts a range of tools, planners and information to help people manage their finances. Customers can also call a Money Adviser on 0300 500 5000.
2. 33% of people said their household is not likely to set a regular budget (weekly or monthly) for 2013, to cover costs such as mortgage/ rent, utility bills, food, clothing, travel. This equates to around 16m people.¹
3. 38% of people said they live in a household which does not currently have a regular budget (weekly or monthly) to cover costs such as mortgage/ rent, utility bills, food, clothing, travel. This equates to almost 18.5m people.²
4. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,175 adults. Fieldwork was undertaken between 17-19 October 2012. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

About the Money Advice Service

The Money Advice Service is an independent organisation. It gives free, unbiased money advice across the UK – online, over the phone and face-to-face. The Service was set up by Government and is paid for by a statutory levy on the financial services industry, raised through the Financial Services Authority. Its statutory objectives are to enhance the understanding and knowledge of members of the public about financial matters (including the UK financial system); and to enhance the ability of members of the public to manage their own financial affairs. The Service has an independent Chairman and board appointed by the Financial Services Authority. It was formerly the Consumer Financial Education Body.

For more information please contact:

Laura Hathway at 77 PR: 020 7492 0977; MAS@77pr.co.uk

FOOTNOTES:

¹ Calculated by using the U.K. population of 49,122,174 people aged 18 years old or over, derived from 2010 ONS Population tables. 32.75% say their household is not likely to set a regular budget for 2013 = $49,122,174 / 100 * 32.75 = 16,087,511$ people.

² Calculated by using the U.K. population of 49,122,174 people aged 18 years old or over, derived from 2010 ONS Population tables. 37.65% say their household does not have a regular budget = $49,122,174 / 100 * 37.65 = 18,494,498$ people.