

# Family Finances Report – July 2014



## Earnings and Savings

Average family income is **£2185**, that's a **9% increase** over the last two years



And savings are up too – **70%** of families now have savings, and the average savings pot has **increased by 14%** in 6 months to **£3170**



## Spending less

Families are spending less too – **expenditure** has **fallen 13%** since Jan 2013



Average household debt has **fallen by 51%** in a single year - **now £6354**



## But UK families are still facing issues

### No savings

Nearly **1 in 3** (30%) of families have **no savings** at all



People who are divorced/separated/widowed and raising children or single parents are struggling, with **44% not saving** at all

### Rising house prices

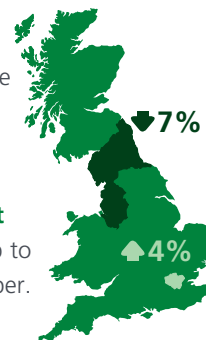
Mortgage debt has **increased 6.3%** across all families



**Couples planning to have children** have the biggest mortgage debt (**£133,333**), reflecting the high cost young couples must pay to buy a family home

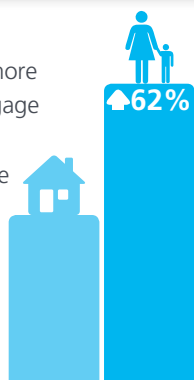


**London homes** have **risen** in price by **nearly 4%**, while homes in Yorkshire and **North East/West** have **fallen** by up to **7%** since December.

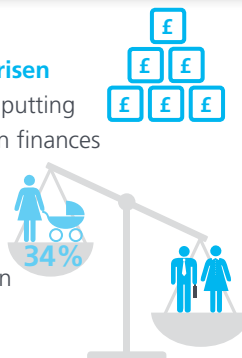


### Childcare

And childcare can be more expensive than a mortgage – a family with two children in full time care can expect to **pay £11,700 a year, 62% higher** than average **annual mortgage cost**



Childcare costs have **risen by 27%** in five years putting significant pressure on finances and more families are reliant on two incomes - **only 34%** of mums with children aged 13 and under **stay at home**



Yet research shows that only **36%** have **life insurance**, and only **7%** have **Income Protection**



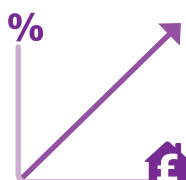
## What are these families worried about?

### No plans



1 in 4 (**24%**) families say they have made **no financial preparations** for the future

1 in 5 (**19%**) are concerned about **rising interest rates** and the affect on their mortgage



### But want to support their children

**47%** of parents who have had children since 1981 have/had savings accounts for their children, but only **29%** had **savings accounts for themselves**

