

**NOT FOR BROADCAST OR PUBLICATION UNTIL 00:01 29 AUGUST 2020**

## **SCOTLAND HAS GREATER CONFIDENCE IN PERSONAL FINANCIAL RESILIENCE AFTER LOCKDOWN**

- **One in five Scots could use savings to cover outgoings for more than a year**
- **People with just a month of ‘survival’ savings falls to 15%, down from 21% in March**
- **People in the Highlands and Islands are most likely to be able to live off savings for over a year**

**Scots are more confident about the length of time they could make ends meet on just their savings, if faced with unemployment, than they were pre-lockdown.**

According to the latest ‘How Scotland Lives’ research from Bank of Scotland, the number of people who could live off their savings for less than a month has reduced, whilst the number of people who could survive for up to a year has increased. (Table 1)

In March, prior to national lockdown, 21% of Scots did not have enough money put aside to cover their outgoings for a full month if they lost their job. This figure has dropped 6 percentage points, to 15%. Over a third (36%) could now survive for one to six months (up from 31% in March), and 16% could make ends meet for six to 12 months (up from 13%). Almost one in five (19%) could do so for over a year, up 5 percentage points over the period of lockdown.

### **Survival savings**

Those with household incomes between £15,000 and £19,999 are most likely to say they could survive for just a number of weeks from their savings (28%), followed by those earning between £10,000 and £14,999, and £40,000 to £45,000 (both 20%). (Table 2)

People on lower incomes appear to have taken greater steps to increase their financial stability, during lockdown. Of those with a household income between £10,000 and £14,999, there has been a fall of 10% of people who could make ends for just a few weeks (20% vs 10%, March to June.) Similarly, 10% more people in in this wage bracket, could survive for over a year (6% vs 16%, March to June.)

**Ricky Diggins, Director, Bank of Scotland, said:** “We often find that during periods of economic uncertainty, people choose to put more money away, pay down their debts, to try and anchor themselves financially. During lockdown there has been a concerted effort to do just this by many Scots who have been able to.

“There is no doubt that empty social calendars and reduced travel costs gave some families an opportunity to save more money each month, but it is also clear that while low income households

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have improved their financial position somewhat, they are still more exposed to the impact of a financial shock.”

Following lockdown, there has been an increase in the number of people saving money each month, with the exception of those aged 45 to 54, for whom this has become more difficult. In fact, people in this age group are saving significantly less than they were in 2019, the only age group to see a backwards trend.

### Financial stability by age group

More people aged 18 to 24, 25 to 34, and over 55 are now able to live from savings for over a year, whilst there has been a decrease across those aged 35 to 44, and 45 to 54. (Table 3) The greatest progress has been seen across those aged 18 to 24, which has increased 8 percentage points, from 1% to 9%. Conversely, the biggest drop was across those aged 45 to 54, with a reduction of 5 percentage points. (18% to 13%).

### Regional variations

More people in the Highlands and Islands could survive on their savings for over a year than any other part of Scotland (17%), with the Lothians home to the lowest proportion of people who could do so (11%). (Table 4)

## ENDS

### Notes to editors:

Table 1: Period of time the Scottish population could survive financially if faced with unemployment

	March '20	June '20
<b>Less than a month</b>	21%	15%
<b>One to six months</b>	31%	36%
<b>Six to 12 months</b>	13%	16%
<b>Over a year</b>	14%	19%
<b>Not sure/not applicable</b>	21%	14%

Table 2: Period of time the Scottish population (split by annual household income) could survive financially if faced with unemployment

	Less than a month		One to six months		Six to 12 months		Over a year	
	March '20	June '20	March '20	June '20	March '20	June '20	March '20	June '20
£10,000 - £14,999	30%	20% (-10%)	27%	33% (+6%)	12%	8% (-4%)	6%	16% (+10%)
£15,000 - £19,999	30%	26% (-4%)	38%	25% (-13%)	7%	11% (+4%)	6%	15% (+9%)
£20,000 - £24,999	29%	20% (-9%)	26%	36% (+10%)	11%	17% (+6%)	14%	9% (-5%)
£25,000 - £29,999	22%	14% (-8%)	30%	37% (+7%)	6%	23% (+17%)	18%	14% (-4%)
£30,000 - £34,999	26%	18%	31%	36%	19%	17%	8%	11%

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		(-8%)		(+5%)		(-2%)		(+3%)
£35,000 - £39,999	18%	19% (+1%)	40%	39% (-1%)	15%	18% (+3%)	13%	11% (-2%)
£40,000 - £44,999	24%	17% (-7%)	41%	46% (+5%)	13%	13% (-)	10%	13% (+3%)
£45,000 - £49,999	17%	20% (+3%)	36%	39% (+3%)	17%	17% (-)	15%	10% (-5%)
£50,000 - £59,999	20%	13% (-7%)	39%	44% (+5%)	15%	18% (+3%)	14%	9% (-5%)
£60,000 - £69,999	16%	13% (-3%)	38%	35% (-3%)	20%	16% (-4%)	17%	16% (-1%)
£70,000 - £99,000	12%	7% (-5%)	39%	41% (+2%)	12%	19% (+7%)	16%	18% (+2%)
£100,000 - £149,999	7%	2% (-5%)	20%	28% (+8%)	23%	22% (-1%)	19%	37% (+18%)

Table 3: Period of time the Scottish population (split by age) could survive financially if faced with unemployment

	Less than a month		One to six months		Six to 12 months		Over a year	
	March '20	June '20	March '20	June '20	March '20	June '20	March '20	June '20
<b>18-24</b>	23%	11%	37%	39%	20%	24%	1%	9%
<b>25-34</b>	23%	19%	39%	44%	12%	17%	6%	7%
<b>35-44</b>	26%	21%	32%	41%	12%	14%	9%	8%
<b>45-54</b>	21%	13%	30%	36%	13%	16%	18%	13%
<b>55+</b>	11%	9%	22%	18%	14%	15%	27%	30%

Table 4: Period of time the Scottish population (split by region) could survive financially if faced with unemployment

	Less than a month		One to six months		Six to 12 months		Over a year	
	March '20	June '20	March '20	June '20	March '20	June '20	March '20	June '20
North East	18%	14%	31%	40%	15%	19%	17%	12%
Highlands and Islands	18%	12%	24%	29%	14%	18%	18%	17%
South	24%	15%	35%	29%	9%	16%	10%	16%
West	21%	20%	30%	38%	15%	7%	10%	15%
Central	22%	17%	32%	32%	10%	14%	14%	14%
Mid-Scotland and Fife	19%	15%	27%	38%	16%	15%	14%	12%
Lothians	23%	17%	31%	38%	16%	19%	15%	11%

## Methodology

YouGov fielded a quantitative survey to a nationally representative sample of the Scotland population, interviewing 3,048 Scottish panellists who agreed to take part in research in March 2020 and then conducted

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# Press Release



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a follow up quantitative survey in June 2020 amongst a similar sample profile in the Scotland, interviewing 3,038 Scottish panellists

This research is part of a wider series from Bank of Scotland called 'How Scotland Lives', a major study looking into the issues that Scottish people face in today's modern world including insight on their lives, attitudes and daily pressures.

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