



NOT FOR BROADCAST OR PUBLICATION BEFORE 00:01 ON 29 AUGUST 2020

UK HAS GREATER CONFIDENCE IN PERSONAL FINANCIAL RESILIENCE AFTER LOCKDOWN

- **Almost a fifth of UK adults could survive for a year on savings, up from 17% in March**
- **People with just a months' worth of 'survival' savings falls to 15%, down from 20% in March**
- **Almost half of people believe they are managing their finances well post lockdown**

People 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 Britain Lives'* research from Lloyds Bank, which surveyed over 5,000 UK adults, the number of people who could survive for less than a month has reduced, whilst the numbers of people who could survive for up to, and over, a year have all increased. (Table 1)

In March, prior to national lockdown, 20% of UK adults did not have enough money put aside to cover their outgoings for a full month if they lost their job. This figure has dropped 5 percentage points, to 15%. A third (33%) could now survive for one to six months (up from 31% in March), 15% could make ends meet for six to 12 months (up from 13%), and almost one in five (19%) could do so for over a year (up from 17%).

Income versus savings (Table 2)

For those with combined household incomes of over £70,000, fewer than 10% could survive for just a few weeks on their savings. At the other end of the income spectrum, these figures are much higher, although have shown some improvement since March. For those with a household income of £15,000 to £19,999, around a quarter (24%) could make ends meet for less than a month, down from 32% in March, and for those earning £20,000 - £24,999 this figure sits at 22%, down from 34% in March. There has been no change for those earning between £10,000 and £14,999, at 24%.

The amount of people who could support themselves from their savings for over a year is broadly flat across the spectrum of household incomes under £100,000, with the greatest improvements seen across some of the lower household income brackets - £30,000 to £34,999 (+9%), £15,000 to £19,999 (+8%) and £20,000 to £24,999 (+7%).

Chris Gowland, Customer Financial Assistance Director, Lloyds Bank, said: "We often find that during periods of economic uncertainty, people choose to put more money away or pay down their debts to try and anchor themselves financially, and during lockdown there was a concerted effort to do just this, by those who were able."

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“There is no doubt that empty social calendars and reduced travel costs gave some families an opportunity to save more money each month. However, while lower income households have improved their financial position somewhat, they are still more exposed to the impact of a financial shock.”

Across all age groups there are more people who have grown in confidence in their financial position, but 18 to 24 year olds have shown the greatest positive change, with 15% saying they would now be able to cope for less than a month, compared to almost one in four (24%) back in March. (Table 3)

More people believe they are managing their finances well than before the COVID-19 crisis. (46% vs 40%) and a quarter (25%) think they have become better at doing so.

Regional variations (Table 4)

People in Wales are the most likely to be able to cover their bills with savings for over a year than any other part of the UK, with 27% able to do so now – up from 16% in March. People in Yorkshire and Humber are the least likely to be able to survive for a year, with just 12% in this position, which has remained unchanged since March. This is followed by Northern Ireland (13%) and the North East (17%).

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Notes to editors:

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

| | March '20 | June '20 |
|--------------------------------|-----------|----------|
| Less than a month | 20% | 15% |
| One to six months | 31% | 33% |
| Six to 12 months | 13% | 15% |
| Over a year | 17% | 19% |
| Not sure/not applicable | 19% | 18% |

Table 2: Period of time the UK 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 | 24% | 24% (-) | 31% | 27% (-4%) | 11% | 9% (-2%) | 15% | 19% (+4%) |
| £15,000 - £19,999 | 32% | 24% (-6%) | 29% | 27% (-2%) | 8% | 11% (+3%) | 12% | 20% (+8%) |
| £20,000 - £24,999 | 34% | 22% (-8%) | 23% | 29% (+6%) | 10% | 9% (-1%) | 12% | 19% (+7%) |
| £25,000 - £29,999 | 25% | 16% (-9%) | 31% | 36% (+5%) | 10% | 21% (+11%) | 17% | 15% (-2%) |
| £30,000 - £34,999 | 21% | 13% (-8%) | 32% | 36% (+4%) | 17% | 16% (-1%) | 13% | 22% (+9%) |

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| £35,000 - £39,999 | 20% | 16% (-4%) | 36% | 35% (-1%) | 10% | 14% (+4%) | 20% | 16% (+4%) |
| £40,000 - £44,999 | 22% | 21% (-1%) | 36% | 34% (-2%) | 15% | 15% (-) | 15% | 18% (+3%) |
| £45,000 - £49,999 | 22% | 19% (-3%) | 37% | 40% (+3%) | 11% | 11% (-) | 19% | 17% (-2%) |
| £50,000 - £59,999 | 14% | 9% (-5%) | 38% | 47% (+9%) | 16% | 14% (-2%) | 16% | 16% (-) |
| £60,000 - £69,999 | 18% | 12% (-6%) | 36% | 39% (+3%) | 17% | 13% (-4%) | 13% | 19% (+6%) |
| £70,000 - £99,999 | 11% | 7% (-4%) | 36% | 37% (+1%) | 17% | 20% (+3%) | 19% | 18% (-1%) |
| £100,000 - £149,000 | 7% | 2% (-5%) | 31% | 38% (+7%) | 18% | 18% (-) | 28% | 28% (-) |
| UK | 20% | 15% (-5%) | 31% | 33% (+2%) | 13% | 15% (+2%) | 17% | 19% (+2%) |

Table 3: Period of time the UK 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 |
| 18-24 | 24% | 15% | 34% | 36% | 10% | 13% | 15% | 15% |
| 25-34 | 22% | 15% | 39% | 41% | 13% | 16% | 9% | 13% |
| 35-44 | 22% | 19% | 34% | 37% | 15% | 14% | 11% | 13% |
| 45-54 | 22% | 16% | 29% | 32% | 12% | 14% | 20% | 19% |
| 55+ | 11% | 8% | 21% | 23% | 14% | 14% | 29% | 32% |

Table 4: Period of time the UK 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 | 20% | 22% (+2%) | 32% | 26% (-6%) | 11% | 17% (+6%) | 17% | 16% (-1%) |
| North West | 24% | 16% (-8%) | 30% | 33% (+3%) | 12% | 13% (+1%) | 16% | 17% (+1%) |
| Yorkshire and Humber | 22% | 18% (-6%) | 30% | 30% (-) | 14% | 16% (+2%) | 12% | 12% (-) |
| East Midlands | 20% | 14% (-6%) | 30% | 39% (+9%) | 14% | 12% (-2%) | 16% | 18% (+2%) |
| West Midlands | 19% | 14% (-5%) | 30% | 33% (+3%) | 14% | 16% (+2%) | 18% | 19% (+1%) |
| East of England | 16% | 16% (-) | 38% | 31% (-7%) | 15% | 14% (-1%) | 14% | 21% (+7%) |
| London | 16% | 12% | 27% | 34% | 19% | 18% | 18% | 19% |

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| | | (-4%) | | (+7%) | | (-1%) | | (+1%) |
| South East | 19% | 11% (-8%) | 33% | 34% (+1%) | 11% | 16% (+5%) | 19% | 20% (+1%) |
| South West | 21% | 12% (-9%) | 32% | 36% (+4%) | 10% | 11% (+1%) | 17% | 23% (+6%) |
| Wales | 21% | 12% (-9%) | 33% | 26% (-6%) | 10% | 15% (+5%) | 16% | 27% (+7%) |
| Scotland | 23% | 18% (-5%) | 31% | 35% (+4%) | 14% | 12% (-2%) | 16% | 18% (+2%) |
| Northern Ireland | 22% | 24% (+2%) | 26% | 39% (+13%) | 10% | 11% (+1%) | 19% | 13% (-6%) |
| UK | 20% | 15% (-5%) | 31% | 33% (+2%) | 13% | 15% (+2%) | 17% | 19% (+2%) |

Methodology:

YouGov fielded a quantitative survey to a nationally representative sample of the UK population, interviewing 5,184 UK panellists who agreed to take part in research in March 2020 and then conducted a follow up quantitative survey in June 2020 amongst a similar sample profile in the UK, interviewing 5,160 UK panellists.

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

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