

YOUNG SCOTS REMAIN POSITIVE ABOUT FINANCES DESPITE PANDEMIC

- **Just a quarter of Scottish 18-34-year-olds feel down about money prospects**
 - **Half of young Scots (48%) are less positive because of the pandemic**
 - **Men between the ages of 18 to 24 are most financially optimistic**
 - **18-34-year-olds average savings is £2,700, but 15% have none**

Young people* are generally upbeat about their money prospects, according to the latest **How Scotland Lives** research from **Bank of Scotland**. Just over half (52%) feel optimistic about what the future has in store for them financially, while only one in four (25%) feels pessimistic.

According to the survey of over 2,100 young adults, men aged between 18 and 24 are currently the most positive about their financial futures (55%). Overall, those in the North East, South Scotland, and the Lothians (54%) are the most financially optimistic about the years ahead, while the least positive are those in West Scotland.

Pandemic affects confidence

Though the overall picture is positive, the effect of the COVID-19 pandemic has taken its toll on the financial outlook of young Scots. Almost half (48%) say their view has deteriorated because of the pandemic, while only one in 10 (11%) feels more positive about money.

The financial attitudes of respondents were most negatively affected in the Lothians and Glasgow, with a little over half (53%) feeling worse about money because of the pandemic. This ties in with the finding that more young people living in Glasgow (17%) said they lost their jobs than any other part of Scotland, and the city also saw the highest level of furlough (26%). Overall, around a quarter (23%) of those surveyed said they were furloughed during the pandemic, and one in eight (12%) lost their jobs.

However, the outlook is more positive elsewhere. Fife, Mid, and Central Scotland have the highest level of post-pandemic optimism around the country's regions. In each area, one in seven (15%) say they feel better about their financial future since lockdown.



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Pete McCarthy, Director, Bank of Scotland, said: “It’s clear that the pandemic has taken its toll on our young people with almost half saying they are less positive than they were, so it’s reassuring to see that the overall picture remains one of a positive financial outlook.

“The cost of things like saving for a first home, getting married, or starting a family could seem even more overwhelming after the difficulties of the last year. With the ability to meet major milestones some of the areas of future financial concern, it’s a good indication that young people are thinking about their financial priorities. Taking action to achieve these, such as breaking down long term aims into shorter term budgeting and saving goals, is an important step in helping people feel comfortable and confident in managing their finances.”

Planning for the future

Across the nation’s young adults, there are three main financial concerns: being able to do more than just make ends meet (60%), having enough money in retirement (58%), and being able to afford a house (50%). When considering the barriers to a secure future, the lack of affordable homes (39%) and the lack of jobs (37%) are seen as the biggest hurdles.

Two-fifths (38%) of those taking the survey think they will be less well off than their parents, with Glaswegians the most likely to hold this view (43%.) Central Scotland takes a different view, there two-fifths (40%) think they’ll be richer than the previous generation.

On average, 18 to 34-year-olds have £2,736 in savings compared to a UK average of around £8,000 (Source: ONS Wealth and Assets Survey), a third (34%) have over £5,000 tucked away, but 15% have no savings at all. Young men have roughly 10% higher average savings than women (£2,874 vs £2,612). The men of the Lothians have the biggest nest eggs: £2,982, while the women in the Highlands and Islands have the least saved: £2,092.

End

Notes to editor

*Those aged 18 to 34 years.

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3801 adults, of which 2,109 were 18-34. Fieldwork was undertaken between 17/5/21-08/06/21. The survey was carried out online. The figures have been weighted and are representative of all Scotland adults (aged 18+).

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