



12th August 2008

Really Worried About Debt

Executive Summary

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Background

This data has been captured from 9,600 people who were really worried about their debts; collated from a comprehensive, financial survey on the ClearDebt debt resolution website from respondents concerned enough about their debt situation to be seeking debt advice.

The statistics look only at unsecured debt; meaning balances, credit cards and loans. Not loans secured on a person's home, mortgages or second charges on property.

We have used ClearDebt's standard that debt exceeding more than 1.5 times annual take home income, will be extremely difficult to repay in full. 23% of the respondents to The ReallyWorried About Debt survey have debts of less than 50% of their net take home income.



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1. Women - Average debt as % of take home income

Average of Debt/Income ratio	Gender	Age			
	F				F Total
Region	1 - Under 25	2 - Under 35	3 - Under 45	4 - Over 45	
East	76%	119%	99%	174%	117%
East Midlands	86%	109%	125%	138%	117%
London	63%	98%	141%	211%	120%
North east	88%	120%	104%	80%	106%
North West	76%	110%	131%	133%	114%
Northern Ireland	131%	81%	89%	99%	92%
Scotland	68%	94%	131%	120%	102%
South East	90%	108%	131%	155%	118%
South West	61%	119%	140%	133%	119%
Wales	66%	101%	111%	132%	105%
West Midlands	76%	103%	107%	145%	106%
Yorkshire & Humberside	71%	116%	114%	177%	116%
Grand Total	76%	107%	126%	156%	115%



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- The average female respondent would need 115% of her annual, take-home wage in order to pay her debt off in a year, having borrowed 15% more than her annual take home income - and this is before any interest charges.
- Women living in London, over the age of 45, have the highest debt as a percentage of income. They need to earn 111% more than their current take-home pay in order to pay off their debts in a year.
- The lowest debt/income ratio is amongst women living in the south west, under the age of 25, their unsecured debts would take up 61% of their current take home annual income if they decided to pay them off in a year.



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2. Men - Average debt as % of take home income

Region	1 - Under 25	2 - Under 35	3 - Under 45	4 - Over 45	Men Total
East	83%	114%	172%	174%	143%
East Midlands	84%	133%	136%	179%	139%
London	106%	107%	135%	176%	125%
North east	74%	99%	151%	152%	123%
North West	92%	149%	138%	181%	147%
Northern Ireland	88%	102%	90%	112%	101%
Scotland	319%	101%	118%	149%	134%
South East	109%	128%	152%	180%	143%
South West	93%	112%	169%	170%	139%
Wales	83%	144%	128%	211%	150%
West Midlands	100%	134%	134%	196%	142%
Yorkshire & Humberside	98%	117%	137%	167%	130%
Grand Total	109%	122%	142%	177%	137%

- The average male respondent needs to increase his annual take home pay by 37% in order to pay his debt off in a year.
- Highest percentage of income needed to cover debt is from men living in Scotland under the age of 25. They would need to need to triple their take-home pay and earn 219% more than their current income in order to pay off their debts in a year.
- The lowest debt/income ratio is found in men living in the north east under the age of 25: Their unsecured debts would take up 74% of their current take home annual income if they wanted to pay them off in a year.



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3. Regional income v. debt

Average Debt/Income ratio of	Age		Gender		1 - Under 25		2 - Under 35		3 - Under 45		4 - Over 45		Grand Total
	F	M	F	M	F	M	F	M	F	M	F	M	
East	76%	83%	78%	119%	114%	117%	99%	172%	139%	174%	174%	174%	130%
East Midlands	86%	84%	85%	109%	133%	122%	125%	136%	131%	138%	179%	161%	129%
London	63%	106%	82%	98%	107%	102%	141%	135%	138%	211%	176%	191%	123%
North east	88%	74%	84%	120%	99%	110%	104%	151%	129%	80%	152%	121%	114%
North West	76%	92%	83%	110%	149%	130%	131%	138%	135%	133%	181%	163%	132%
Northern Ireland	131%	88%	115%	81%	102%	93%	89%	90%	89%	99%	112%	107%	97%
Scotland	68%	319%	162%	94%	101%	98%	131%	118%	123%	120%	149%	137%	119%
South East	90%	109%	98%	108%	128%	119%	131%	152%	143%	155%	180%	171%	132%
South West	61%	93%	76%	119%	112%	115%	140%	169%	157%	133%	170%	156%	130%
Wales	66%	83%	73%	101%	144%	122%	111%	128%	120%	132%	211%	178%	128%
West Midlands	76%	100%	87%	103%	134%	118%	107%	134%	123%	145%	196%	177%	125%
Yorkshire & Humberside	71%	98%	81%	116%	117%	117%	114%	137%	126%	177%	167%	171%	123%
Grand Total	76%	109%	90%	107%	122%	115%	126%	142%	135%	156%	177%	169%	127%

- Across all ages and regions the respondents who need the largest increase in their income to cover their debt are men over the age of 45 with 177%. Female respondents (under 25) owe the least amount of debt in proportion to their take home income, at 76%.
- Across gender and age, the regions that jointly have to pay the most from their incomes to pay their debts are the southeast and the northwest at 132%. The region with the least to pay out of their monthly income is Northern Ireland, where worried debtors still need 97% out of their annual wage packet to pay back their debts.



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4. Average of men's creditors total value

Average of creditors total value	M				M Total	Grand Total
Region	1 - Under 25	2 - Under 35	3 - Under 45	4 - Over 45		
East	£11,900	£23,067	£35,288	£41,297	£30,012	£26,443
East Midlands	£11,805	£21,759	£31,853	£44,671	£28,356	£25,773
London	£11,313	£20,737	£33,857	£40,064	£26,969	£25,200
North east	£9,220	£15,112	£29,099	£32,022	£21,976	£19,576
North West	£11,904	£24,183	£37,186	£39,720	£30,514	£25,759
Northern Ireland	£9,413	£18,007	£22,735	£28,802	£20,628	£17,350
Scotland	£8,765	£17,100	£24,687	£28,622	£20,315	£18,306
South East	£10,812	£23,400	£34,868	£46,231	£30,056	£26,525
South West	£14,819	£20,404	£34,092	£46,294	£29,397	£25,944
Wales	£10,422	£23,457	£28,418	£35,619	£26,603	£22,365
West Midlands	£12,455	£21,044	£29,762	£41,513	£26,799	£23,106
Yorkshire & Humberside	£13,449	£19,897	£29,627	£38,793	£25,370	£22,632
Grand Total	11,834	£21,557	£33,012	£41,249	£27,851	£24,617

- The region with the highest average amount of debt for men is the South East at £26,525.
- The male age group with the largest amount of debt is the over 45s at £41,249. The male age group with the lowest amount of debt is the under 25s with an average total of £11,834.
- The most indebted men in the country, who participated in the survey, are over 45 and living in the south west at £46,294.



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5. Average of Women’s Creditors total value

Average of women’s creditors total value	Gender	Age			
	F				F Total
Region	1 - Under 25	2 - Under 35	3 - Under 45	4 - Over 45	
East	£9,388	£ 20,130	£24,763	£37,209	£22,652
East Midlands	£9,913	£17,141	£30,818	£28,651	£22,680
London	£8,476	£18,138	£32,915	£33,409	£23,274
North east	£9,281	£19,435	£18,658	£20,022	£17,476
North West	£9,507	£18,262	£26,155	£25,148	£20,132
Northern Ireland	£7,063	£12,537	£17,532	£14,363	£13,506
Scotland	£6,976	£13,722	£23,221	£23,687	£16,115
South East	£12,066	£19,475	£26,785	£30,606	£21,881
South West	£8,374	£19,067	£30,801	£23,550	£21,411
Wales	£7,946	£15,852	£21,902	£23,877	£17,944
West Midlands	£8,516	£16,565	£22,627	£29,701	£18,857
Yorkshire & Humberside	£8,591	£18,899	£22,422	£29,476	£19,554
Grand Total	£9,338	£18,093	£26,932	£28,764	£20,857

- The region with the average highest debt amongst women is London at £23,274. The region, from the women surveyed, with the lowest debt is Northern Ireland (£13,506).
- The female age group with the largest amount of debt is the over 45s at £28,764. The female age group with the lowest amount of debt is the under 25s with an average total of £9,338.
- The most indebted women surveyed are over 45 and living in East Anglia, with average unsecured debts of £37,209.



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6. Total Debts, Year by Year

Average of creditors total value	Year				
Region	2005	2006	2007	2008	Grand Total
East	£24,219	£28,466	£23,500	£27,651	£26,264
East Midlands	£23,257	£26,088	£28,939	£27,438	£26,060
London	£23,976	£24,663	£26,723	£28,123	£25,141
North east	£14,569	£20,388	£19,286	£25,011	£19,666
North West	£25,458	£22,388	£34,629	£26,448	£25,896
Northern Ireland	£16,289	£19,231	£17,741	£14,011	£17,148
Scotland	£17,923	£17,535	£21,538	£18,626	£18,537
South East	£26,622	£25,769	£28,392	£27,254	£26,576
South West	£30,006	£22,482	£25,013	£27,469	£25,998
Wales	£17,294	£22,064	£26,269	£26,689	£22,705
West Midlands	£21,329	£23,572	£23,664	£27,738	£23,697
Yorkshire & Humberside	£20,751	£21,468	£23,181	£27,042	£22,596
Grand Total	£23,553	£23,866	£26,703	£26,644	£24,705

- The average debt, amongst surveyed, has risen by £3150 over three years, from £23,553 in 2005 to £26,644 in 2008.
- Debt in the northeast has risen from £14,569 in 2005 to £25,011 in 2008, a rise of £10,442. Wales has seen a rise from £17,294 to £26,689, a rise of £9,395.
- Debt in Northern Ireland has dropped from £16,289 in 2005 to £14,011 in 2008.



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7. Towns with most and least levels of debt

Most Debt

London (East Central)	£ 41,002
Salisbury	£ 39,474
Isle of Man	£ 36,538
Dorchester	£ 35,939
Manchester	£ 32,932
St Albans	£ 32,650
Stevenage	£ 31,533
Watford	£ 30,748
Exeter	£ 30,407
London (South West)	£ 30,251

Least Debt

Teesside (Middlesbrough)	£17,737
Kilmarnock	£17,566
Paisley	£17,563
Belfast	£17,350
Truro	£17,317
Motherwell	£17,204
Tweed (Galashiels)	£13,523
Shetland Isles (Lerwick)	£11,500
Inverness	£11,002
Orkney Isles (Kirkwall)	£4,188

- All of Britain's top ten towns for highly indebted individuals are in England¹.
- Only two of the ten least indebted towns are in England.
- The most indebted town in Britain (London EC postcodes) contains the City of London.

¹ A full list of most/least indebted towns in the UK is available on request.



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8. Impact of children on debt

Average of creditors total value	None	Dependants	Average debt	Difference
Region	25,855	27,128	26,109	1,273
Channel islands	26,088	25,262	26,264	-826
East	25,652	26,047	26,060	395
East Midlands	47,650	3,200	36,538	- 44,450
Isle of Man	24,068	51,471	25,127	27,403
London	20,054	18,918	19,666	-1,136
North east	23,809	23,870	25,896	61
North West	15,980	16,591	17,148	612
Northern Ireland	16,903	18,601	18,537	1,698
Scotland	25,611	30,923	26,576	5,311
South East	23,131	34,674	25,998	11,543
South West	22,280	23,915	22,705	1,635
Wales	24,298	18,158	23,697	-6,140
West Midlands	22,778	28,188	22,596	5,410
Yorkshire & Humberside	27,205	18,705	24,428	-8,500
Grand Total	£23,786	£ 31,737	£24,708	£ 7,029

- On average the survey showed that having children increases unsecured debt by £7,029. Having dependants means that debt on average increases by almost a quarter.



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8. Debt to Income ratio

Debt to income ratio	Count of respondents	% of respondents	
50%	2213	23%	
60%	568	6%	
70%	591	6%	
80%	523	5%	
90%	522	5%	
100%	530	6%	
110%	451	5%	
120%	414	4%	
130%	393	4%	
140%	385	4%	
150%	345	4%	
160%	274	3%	
170%	250	3%	
180%	236	2%	
190%	224	2%	
200%	168	2%	
More	1512	16%	31%
TOTAL	9599	100%	

- 23% of respondents have borrowed 50% or less of their annual take home pay - and therefore are worried about their debt, even though it is relatively manageable.
- 31% owed more than 150% of annual take home pay, meaning that they will find it very difficult to pay back all they owe.
- 16% owed, in unsecured loans and credit card balances more than double what they take home in a year on unsecured loans.