

Deadline to the Breadline. By Richard Kateley, Head of Intermediary Development

Legal & General's latest research has shown that the average UK employee in the UK could maintain their lifestyle for just over a month – only thirty-two days – if their income stopped and they had to rely on savings.



We surveyed 2,000 full and part-time employees to assess their 'deadline to the breadline' and the results show a workforce worryingly close to some potentially difficult choices:

- The average UK employee has enough savings to last only 32 days, while in Wales the figure is just 26 days
- More than a quarter (26%) of UK workers said that their current savings would last just one week or less
- Even if respondents reined in their expenses, one fifth (21%) say their savings would be gone in seven days, and the average only increases to 36 days.
- [More information about this research can be found with our infographic](#), below

Every day, families across the UK face trials and tragedies that will financially affect the main breadwinner's income. Yet our research shows most have little to fall back on if the worst happens. You can use [our Deadline to the calculator](#) to work out your own personal deadline.

Average savings among those we surveyed are £6,550, yet they believed they would need a further £9,830 to feel financially secure. Two in five (39%) have less than £2,000. Nearly a quarter (23%) don't save any of their monthly income at all, and a third (33%) have less than £60 a week to spend after paying taxes, bills and housing costs.

The average level of debt among employees, meanwhile, is about £4,675, and over a quarter (26%) used a credit card for essentials last month because they did not have sufficient funds available.

This problem is exacerbated by the fact that workers are not well protected by insurance. Fewer than a third (31%) have life insurance, and fewer still cover against illness that stops them working (9%) or income protection (6%) if they lose their job.

In the absence of these often crucial policies to fall back on, families face tough choices without their wage. Most workers say that to make ends meet they'd give up life's luxuries if needed: eating out (69%), holidays (59%), the latest smart phones (58%), cinema trips (56%) and alcohol (53%). Others would make greater sacrifices, too, cutting back on children's toys and clothes (25% and 19%, respectively) and even on food shopping (10%).

Most, however, still worry about the consequences for their loved ones, on their ability to keep their home and about the effect on their lifestyle. Our survey suggests they're right to do so. Employees across the UK need support to stop this worrying and take the steps needed to secure themselves and their family – whatever the future may bring.

DEADLINE TO BREADLINE 2017.

The Deadline to Breadline is the number of days on average UK employees and their households could survive financially on their savings – if income is lost through long-term sickness, critical illness or death.

UK EMPLOYEES JUST 32 DAYS FROM THE BREADLINE



23% do not save any of their income each month, so they could be on the breadline tomorrow.

8 YEARS 4 MONTHS

Households save on average **£321** a month. It would take almost 8 years and 4 months to save one year's average UK gross salary **£27,600**.



REGIONAL HOTSPOTS



UNPREPARED BRITS

30% of employees in the UK don't have any financial back-up plans, if they were affected by long-term critical illness, disability, loss of salary, redundancy, or death.

FINANCIALLY SECURE

On average, UK employees have just over **£6,500** in savings. Yet to feel financially secure they believe they would need a further **£9,830**.



A WORRYING REALITY

Average UK household debt = **£4,674**

8% have debt of over **£20,000**



BIGGEST WORRIES IF AFFECTED BY LOSS OF SALARY OR REDUNDANCY

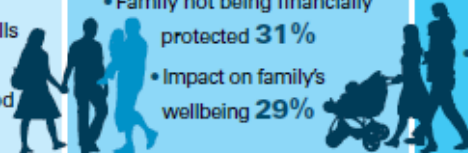
- Unable to pay rent or mortgage **48%**
- Unable to pay household bills **45%**
- Unable to afford to buy food **36%**

BIGGEST WORRIES IF AFFECTED BY CRITICAL ILLNESS OR DISABILITY

- Loss of home **33%**
- Family not being financially protected **31%**
- Impact on family's wellbeing **29%**

BIGGEST WORRIES IN THE EVENT OF DEATH

- Impact on family's wellbeing **49%**
- Family not being financially protected **34%**
- Impact on those financially dependent **22%**



TRIGGERS TO TAKE OUT PROTECTION COVER.

- Having a child **34%**
- Buying a property **25%**
- Illness **24%**

Our research, which was supported by analysts from Crosswise, draws on a survey of 2,027 employees representative of the UK adult population. Legal & General Partnership Services Limited, Registered in England and Wales No. 5045200. Authorised and regulated by the Financial Conduct Authority. Legal & General Assurance Society Limited, Registered in England and Wales No. 169055. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered office for both firms: One Coleman Street, London EC2R 5AA. Information correct as of May 2017.

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