

Domestic Debt – Relationship Killer

Last summer total UK personal debt is £1 trillion, up 14.5% over the last 12 months

1 Trillion means

£1,000,000,000,000

The official Government line on debt:

- Not a problem within the economy at national level
- Not a problem in corporate Britain
- Not really a problem at personal level, but need to avoid complacency!

Total consumer credit lending to individuals
in November 2004 was £182.8bn

Total secured lending on homes
in November 2004 was £867.4bn

Average household debt in the UK is approximately £7,463 (excluding mortgages) and £42,865 including mortgages.

Average owed by every man, woman and child in the UK is approximately £17,635 (including mortgages).

Between September and November each year lenders send out at least 140m unsolicited, but pre-approved credit card application forms.

Nearly half the people who take out credit in shops, hadn't planned to do so when they left home

10 million adults have a numeracy level of less than 11 year olds!

Melanie Johnson, Former Minister of Consumer Affairs

6% of households spending more than 25% of gross household income on repaying unsecured debts (structurally over-indebted)

Money is the No. 1 cause of
relationship breakdown

Handling the money experience

The common causes of debt:

Life crises

Temptation of easy credit

Commercial pressures

Social pressures

Personal problems

Ignorance

Responses to and Impact of debt

Responses:

Ignore situations

Get mad and blame others

Despair and give up hope

Impact:

Health problems

Relationship breakdown

Social isolation

Crime

The past shapes the future

Raising the issues before problems
develop

The Money Experience Game

creditaction

Better thinking about money

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| Women tend to need more spending money | Handling the family's money is the job of the man of the house | Half of people taking out credit at the shops hadn't planned to do so before going out. |
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| I find it easy / difficult to think about planning and budgeting what I earn and spend. | I would find it difficult to tell my partner if I run up credit card debts that I cannot pay off in full each month, |
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| Was the home you grew up in a 'thrifty' or a 'splash the cash' household? |
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| "I don't need to budget, I have enough coming in" |
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| Do you consider yourself to be 'thrifty' or 'easy come, easy go' with money? |
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| How old were you when you first had a bank account and where were you living? |
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| When I want to take out a loan, my first thought is 'how much can I afford a month in repayments?' | The way I saw money handled when I was a child will affect how I handle money in the future. | I find the concept of borrowing money daunting |
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| It is difficult to 'live within one's means' today. | <p>In groups of 2-4 people, throw the die and count to the corresponding square. Share your thoughts/reactions to the statement or question. Continue around board until everyone has been around at least twice, or until all the</p> |
| When 2 people start living together they need to spend time together setting ground rules for handling money | |

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| Memories of the first wage/salary cheque? | The most romantic thing you've ever spent money on |
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| Your first awareness of money as a child? | The Money Experience Game. |
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| The tackiest thing you have ever bought? | The age at which you first were given pocket money |
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Start here →



squares have been landed on by players.

www.creditaction.org.uk

www.moneybasics.co.uk

www.parentspenniespounds.co.uk