

ON THE BRINK.

FOCUS ON NORTHERN IRELAND

Our Deadline to the Breadline infographic highlights how long people in Northern Ireland, could survive financially if all they had to rely on was their savings, friends or family, or minimal state benefits such as statutory sick pay.

NORTHERN IRISH ECONOMIC STATISTICS

The region's economy was particularly hard hit by the aftermath of the financial crisis. After peaking at **£32.4bn in 2007**, in terms of Gross value added¹ (GVA), it has subsequently declined every year up until 2013.

Northern Ireland is forecasted to experience GVA growth of **2.1% in 2014** the highest growth rate since 2008. As the rest of the UK, Northern Irish economic growth is forecasted to ease back between 2015 and 2018, to below **2%** annually.

Unemployment has fallen from **8.5% in January 2013** to **6.7% in June 2014**, adding 28,000 jobs to the region. Annual growth in employment is estimated to be 1.4% in 2014, but is expected to fall considerably next year to reach only 0.4%.

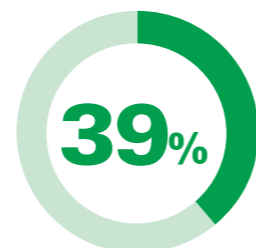
£343 Average WEEKLY household expenditure.



39% of households in Northern Ireland have no financial back up plans in place to deal with an unforeseen shock to their income.



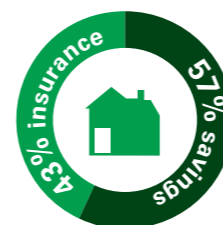
£706 the average (median) level of savings and investments held by households.



of households expect to draw on their savings in times of financial hardship.

ATTITUDES TOWARDS SAVINGS AND INSURANCE

Household's in Northern Ireland would **prefer to save up** for an unforeseen event **rather than take out insurance**.



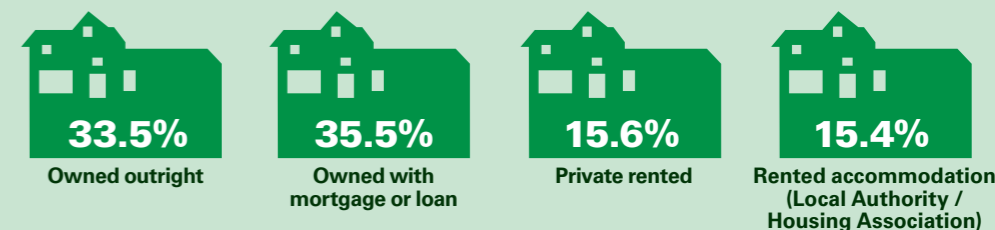
On average (mean) households in Northern Ireland, reported that their monthly discretionary income left over after taxes and essential spending was **► £461**

SACRIFICES SHOULD THE WORST HAPPEN.

53% holidays
24% downsizing
21% cut back on food
20% reduce heating or lighting
14% didn't know what could be cut back!

73% of households in Northern Ireland are worried about the rising cost of living.

HOUSEHOLD TYPE².



Northern Ireland has a high proportion of households living in housing owned with a mortgage and only 15.4% living in either local authority or housing association rented accommodation. This implies that although there are proportionally fewer people on the verge of the Breadline, there are proportionately more of the population susceptible to mortgage rate increases. As such, they would have to change their spending habits or start to chip away at their savings should this happen.

Northern Ireland households report that the amount they are able to save each month fell to **£96**, a £35 reduction compared to our previous report in November 2013.



19 YEARS 2 MONTHS.

It would take the typical household in Northern Ireland just over 19 years 2 months to save up enough money to cover one year's average (mean) after tax earnings of £22,237³.



DEADLINE TO THE BREADLINE FOR THE AVERAGE HOUSEHOLD.



REALITY vs PERCEPTION.

However households are more optimistic. Their expectations are almost four times the deadline figure.



42% of Northern Ireland households report they have no savings so could potentially be on the breadline tomorrow.

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¹Gross value added (GVA) is a measure of output similar to GDP, but which excludes taxes and subsidies on products. Since these taxes and subsidies are calculated at the UK level, GVA provides a measure of output for activity occurring at a lower level than the UK as a whole, such as regions and industries.

²Percentages may not add up to 100% due to rounding.

³Legal & General Deadline to the Breadline research via TNS Global.

Our research, which has been supported by analysis from the Centre for Economics and Business Research (Cebr), draws on a survey of 4,886 people weighted to represent the UK adult population in July 2014.

EVERY DAY MATTERS.®

