

## **Middle Class Britons Revealed To Be Under Financial Strain**

*Despite earning more money than the national average those with high incomes are developing financial difficulties, new research shows.*

April 5, 2008 (FPRC) -- A study carried out by Axa reveals that about three-quarters (72 per cent) of Britons earning at least 30,000 pounds a year are looking to cut back on their spending over the course of 2008. Meanwhile, 15 per cent of those surveyed state that they have been forced to get another job or coerce a non-working member of their household to find employment in a bid to bring in more income. In a further attempt to reduce pressures on their spending, just under half (44 per cent) of respondents state they will dine out less often. Meanwhile, some 21 per cent claim they will spend less time socialising with friends.

Due to such difficulties with managing money, it may be possible that consumers develop problems with making repayments on personal loans and credit cards, as well as meeting the cost of mortgages, council tax and household bills.

Steve Folkard, spokesperson for Axa, said: "It's no wonder that households with above-average incomes are struggling to cope. A typical family in middle Britain may have a higher than average income but millions are weighed down by high lifestyle costs and face tough choices as the strain on their finances takes its toll. One of the biggest issues however is that many seemingly well off households lack the motivation to tackle their problems. We've had it easy for so long and been happily spending without thinking of the consequences that now people aren't sure what to do."

He went on to report that unless such consumers take steps to sort out their money management now, they may encounter difficulties as they get older. Mr Folkard pointed out that when planning for retirement people must make sure that they will have enough money to fund their intended lifestyle.

However, in a bid to reduce their expenditure, it was revealed that a significant number of families could be placing themselves under greater financial risk. An estimated 1.1 million households are considering not renewing their life and critical illness cover this year to help them to cut back on their spending.

Meanwhile, a fifth of middle class Britons have either stopped or lowered the amount of money that they put into a pension scheme. An estimated 15 per cent of people state they are doing this due to their need to make debt repayments, with 30 per cent citing a lack of disposable income at the end of the month. Overall, the rate of inflation that middle class consumers face was placed at 5.7 per cent.

For those people who are concerned about their ability to manage their money as the year progresses, getting a debt consolidation loan might be of assistance. By applying for consolidation loans, consumers may be able to pay off various spending demands - which could range from life insurance costs and credit card debts to utility bills and existing loans - quickly and effectively. In addition, the aid with finance that such a loan provides may assist borrowers in increasing their levels of disposable income. Such money could then be placed into a retirement fund or other type of savings vehicle.

A consolidation loan could also be of assistance to Britons struggling with rising living costs. In a recent study, the Motley Fool revealed that 93 per cent of people disagree with the government's 2.2 per cent official rate of inflation. The average consumer believes in actuality such inflation stands at 8.1 per cent.

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