

## **Study Says Britons Racking Up Debt To Maintain Social Standing**

*Millions of Britons are putting themselves at risk of financial difficulty in an effort to maintain middle class spending habits, a moneysupermarket study has suggested.*

April 21, 2008 (FPRC) -- According to statistics released by the price comparison firm, 15 million Britons have spent more than 35 billion pounds on a lifestyle said to be beyond their means, with 2.7 million people using personal loans to cover the costs of private education, second homes and household staff - amounting to an average personal loan of over 13,000 pounds per person being used to "keep up appearances".

Furthermore, the study revealed that of this group, many earned 15,000 pounds or less per year on average - a figure which is substantially below the minimum wage. The company says that this discrepancy between average earnings and class aspirations is putting millions of people at risk of being plunged into debt.

For those struggling with personal debt as a result of social pressures to conform to a high standard of living, taking out a consolidation loan could help to organise bill payments and cover costs of home maintenance, school fees and other costs.

In its comprehensive review of class aspirations in Britain today, moneysupermarket also found that while many people are aspiring to live middle-class lifestyles, there are also a growing number of UK residents who consider themselves to be working class even though they earn in excess of 50,000 pounds per year, with more than 5.3 million people said to be categorised in this demographic.

Figures suggest that the difference in financial expenditures of those who consider themselves middle class or working class is relatively low, with working class households said to be spending more on rent and mortgage payments than those purporting to be middle class.

Sue Hayward, a personal finance expert and consultant on the study, said: "It's amazing to see how close the earning and spending patterns of those people claiming to be working and middle class are - I know class divides have moved in recent times but this shows the gap is shrinking. This research will really drive home to people that if they want to get their hands on the luxuries the true middle class are enjoying then they need to save money where they can and look at better ways of managing their money and not relying on credit cards to get them through."

Regional results also showed that Cardiff has the highest discrepancy between class aspirations and average wages, while Leeds has the highest number of affluent households who consider themselves to be working class.

A personal loan may be of assistance to the 72 per cent of people earning 30,000 pounds or more who were recently revealed to be looking to cut back on household spending due to growing financial pressures. An Axa survey published earlier this month found that 44 per cent of respondents planned to eat out less often, while a further 21 per cent of people expected to socialise less in an effort to reduce outgoings.

For those who are keen to pursue lifestyle interests in a tightening economic environment, a

personal loan could help them to meet the costs of social events and holidays quickly and effectively.

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**Contact Information**

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