



## Over 65s almost £7000 worse off a year than GB young adults



Older may mean wiser but certainly not wealthier according to new research released today by Bacs Payment Schemes Limited (Bacs), the not-for-profit industry body behind Direct Debit in the UK.

The information taken from the Consumer Payments Survey (CPS), an annual survey sponsored by Bacs suggests that Brits just starting out are an average of £6,670 a year better off than those old enough to draw a pension.<sup>1</sup>

On top of that, the over 65s are paying out more for regular individual and household bills than 16-24 year olds<sup>2</sup>. The survey also revealed that 50% of over 65s prefer to pay regular bills by Direct Debit compared to 27% of 16-24s.

As well as information on income and bill payments, the survey provides an insight into the general financial attitudes of today's over 65s. Latest data indicates that 96% like to know where they stand financially, 86% pride themselves on being careful with money and 63% claim they try and save money each month.

Jayne Stuart spokesperson for Direct Debit said: "There has been speculation recently<sup>3</sup> regarding how financially well off those of pension age are. We wanted to look at this in context to those who are just starting out in their adult lives where there is an expectation for a financial struggle. Not only do the over 65s have a lower household income but they seemingly also have higher household and individual bill expenditure which would suggest that they have less disposable income."

<sup>1</sup> CPS 2006 data, where the respondent is not necessarily the head of the household, the average household income is £25, 070 for 16-24 years vs £18, 400 where the respondent is over 65.

<sup>2</sup> Over 65s average spend per bill is £59.09 vs £54.86 for 16-24 year olds.

<sup>3</sup> Daily Mail, *Why the pensioners of 1950 were better off than today's*, 15.11.07

Bacs has recently launched a new consumer website. For further information on how Direct Debit can help spread the cost of winter bills, manage monthly income such as pensions and save up to £200 a year on household bills please visit [www.thesmarterwaytopay.co.uk](http://www.thesmarterwaytopay.co.uk).

The information has been produced as part of the Consumer Payments Survey (CPS), ongoing research sponsored by Bacs. The survey, which began in 1988, provides a consumer based measure of financial behaviour and includes attitudes to money, banking behaviour, and Direct Debit. The fieldwork, which is representative of the GB population, is carried out by Ipsos-MORI.

**About Bacs:**

Selected as a 2007 Business Superbrand, Bacs is a not-for-profit, membership-based industry body, owned by 13 of the leading banks and building societies in the UK and Europe. For almost 40 years, Bacs has been at the heart of the payments industry. It is responsible for the schemes behind the clearing and settlement of automated payments in the UK and maintaining the integrity of payment related services.

More than 5.5 billion payments a year are made through Bacs' principle schemes, Direct Debit and Bacs Direct Credit. At the end of November 2007, the number of transactions processed in one day through Bacs increased by 8.4% resulting in a new daily processing peak of more than 90.3 million items.

For further information please visit [www.bacs.co.uk](http://www.bacs.co.uk) or go to [www.thesmartwaytopay.co.uk](http://www.thesmartwaytopay.co.uk), the home of The Smarts, an animated family who use automated payments to help improve financial management and control.

**More about Direct Debit:**

A Direct Debit is an instruction from a customer to their bank or building society authorising an organisation to collect varying amounts from their account. This can be used to ensure regular, safe and efficient payments of anything from household bills to charitable donations. Almost three billion Direct Debit payments are processed by Bacs a year and 75 per cent of adults now have at least one Direct Debit commitment. For further information on how to set up a Direct Debit to help keep accounts in order, please contact your bank or building society.

**More about Bacs Direct Credit:**

Bacs Direct Credit is mainly used for paying wages and salaries - in fact over 90 per cent of the UK workforce is paid via Bacs Direct Credit. In total, Bacs Direct Credit is used for paying four million wages every week and nearly 25 million salaries a month.

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