

Press Release

May 23 2012

From boomer to bust: Young branded 'baby-busters' as they feel the sharp edge of the economic downturn

Young people, those in their twenties who were born in the 1980s to baby-boomers, have been branded 'baby-busters'. This is according to research commissioned for debt charity Consumer Credit Counselling Service (CCCS) which found that young people are being disproportionately affected by the deteriorating state of the economy. The *CCCS Consumer Debt and Money Report Q1 2012*, produced by the Centre for Economics and Business Research (Cebr), identified a range of problems limiting the financial chances of young people.

Unemployment

- Under 25s now make up the largest group of unemployed people in the UK. One in four men, and one in five women, aged under 25 are unemployed. The situation is even more dire for 16 and 17 year olds where 44 percent of males and one in three women have no jobs. For all those aged 18 to 24, one in four have been out of work for a year and one in ten for over two.

Stagnating incomes

- Even when employed, the young no longer have the same expectations as previous generations that their incomes will rise, while their spending power will be considerably reduced by increases in the cost of living.

Struggling with debt

- Every day CCCS helps about 40 people under the age of 25. Unsecured debt levels are relatively low averaging £5,800, but because of low incomes and high

unemployment, the average take home pay for clients under 25 is £980 compared with £1,380 for the average client.

- Tuition fees: with two out of five young people aged 18-22 attending university, tuition fees will add roughly £9,500 to the debt burden of the average British citizen of future generations, meaning less money available for savings.
- Regional variations: those parts of the UK which are struggling financially show a higher ratio of young people contacting CCCS per 100,000 of population with Yorkshire & the Humber, the North West and the West Midlands generating significantly more calls from young people.

Commenting on the findings, CCCS external affairs director Delroy Corinaldi said: “While people of all ages are struggling, young people are at the sharp edge of this downturn. High youth unemployment and stagnating incomes mean that we can expect an increasing number to fall into problem debt.

“We must ensure that young people do not fall prey to fee-charging debt management companies that exist solely to make a profit out of their debt problems. Only free debt advice charities offer impartial, independent and non-judgmental advice – and have the capacity to help many more young people deal with their debts.”

The CCCS Consumer Debt and Money Report Q1 2012 is available at <http://bit.ly/Lf2d0r>

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Notes to editors:

1. CCCS's ethos is to help the “can't pays”, not the “won't pays”, and does not condone debt avoidance. CCCS always aims to help its clients pay back what they owe, in a realistic timescale and manner that is suited to each individual's situation.
2. CCCS is self-funding. Lenders share with the charity the benefit they receive from its operation, making a donation from the money repaid to them. This allows CCCS to retain its independence and ensure that its advice is always in the best interest of the client.
3. The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday.
4. CCCS *Debt Remedy* is available at www.cccs.co.uk
5. Follow us on Twitter: @CCCSPressOffice

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