

## **Press Release**

August 29 2012

### **Baby blues: Maternity leaving poorest families with debt problems**

Low-income families are buckling under the financial pressure of a new baby according to debt charity Consumer Credit Counselling Service (CCCS).

Almost 40,000 (37,887) parents sought help from CCCS last year and two-thirds of the 1,745 who cited pregnancy as the reason for their debt problem earn less than £20,000 a year.

#### ***Earning less than £10,000***

The charity says that those earning less than £10,000 a year are particularly vulnerable, and are earning less money each month than they need to cover basic living expenses. Last year, they had a monthly budget deficit of £54. This group also has very high debts in relation to their income, with average debts last year of £8,593.

#### ***Earning between £10,000 and £20,000***

The situation is slightly better for those earning between £10,000 and £20,000 as last year they had an average of £16 left over each month after paying for living expenses. While this means that they are able to cover the cost of their living expenses, the charity is concerned that this leaves them in a very weak position to repay their average debt of £12,384.

CCCS says that women tell them that it is the drop in income when they go on maternity leave and often only return to work part-time, if at all, that causes the problem more than the costs of feeding and clothing a baby. This is particularly acute for those on low-

incomes who might want to return to work full-time but whose wages do not cover the cost of full-time child care.

Commenting on the findings, CCCS external affairs director Delroy Corinaldi, says:

“While becoming a parent is a wonderful event, the financial impact can put a lot of pressure on new parents. This is particularly so, if they are on low incomes and struggling to make ends meet even before the new baby arrives. It is therefore crucial that new parents claim the benefits that they are entitled to such as child benefit”

Justine Roberts, Mumsnet founder and chief executive, commented:

"First-time parents can be completely flummoxed by the array of infant products on the market and find it hard to fathom exactly what their baby actually needs.

“Often there's also a drop in income to manage and/or the cost of childcare for those who return to work so all in all having a child can put a huge strain on families' finances.

“There's no one-size-fits-all solution to making sure you have money to clothe and feed your baby, but Mumsnet users find that talking to other parents - about how they budget, what kind of benefits they are entitled to and what products are value for money - is completely invaluable.”

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**Notes to editors:**

1. CCCS's ethos is to help the “can't pay”, not the “won't pay”, 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. About Mumsnet: Mumsnet is the UK's busiest network for parents, with over 40 million page views and 5.3 million visits per month. It has 200 local sites, as well as a network of 1500 bloggers. It regularly campaigns on issues such as support for families of children with SEN, improvements in miscarriage care and freedom of speech on the internet.
4. The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday.
5. CCCS *Debt Remedy* is available at [www.cccs.co.uk](http://www.cccs.co.uk)
6. Follow us on Twitter: @CCCSPressOffice

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