

Press Release

May 18 2011

Benefits crucial to debt-burdened households warns charity

As the Office for National Statistics (ONS) report, *The effects of taxes and benefits on household income*, is published (May 19), a leading debt charity is highlighting the importance of benefits to debt-burdened low-to-middle income households. Consumer Credit Counselling Service (CCCS) says benefits are key to keeping low-to-middle income households struggling with debt afloat with 55 percent of the people it helps receiving some benefit or tax credit.

The charity says that there are income variations for those claiming different types of benefits with the average monthly income for CCCS clients claiming Child Benefit at £1,824.52 and £1,691.68 for Child Tax Credits recipients compared to £965.11 for Income Support and £607.91 for Jobseeker's Allowance.

Underlining the importance of benefits to those seeking the charity's help, benefits accounted for, on average, one third of these clients' income. This differed between benefits as the average share of income for those claiming Jobseeker's Allowance was 46 percent and Incapacity Benefit 37 percent. Child Benefit only made up an average of seven percent of the income of those receiving it and Working Tax Credit 17 percent.

Delroy Corinaldi, CCCS External Affairs Director, commented: "The ONS report highlights the importance of benefits to household incomes. This importance is heightened when a household, whatever its income, is weighed down by debt.

"While I understand the focus of the government's benefit changes is on those receiving them in the long-term, they need to understand the impact on those who, often as a result of a life change such as redundancy or relationship breakdown, depend on them

in the short term. This is particularly the case for low-to-middle earners who are vulnerable to income shocks.”

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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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