



Two thirds of British workers financially unprepared for the economic downturn

With Britain officially in a recession, the overwhelming majority of those in work have not saved enough to ride out unemployment even for a short period of time, according to research **MCR** has commissioned.

With redundancies being announced almost on a daily basis our research found:

- 70% of those in work have only enough money saved to last out two months if they lost their jobs
- 10% of the UK population felt that their jobs were under threat; most remained pretty convinced that they would ride out the recession



These figures paint a serious picture for many. Putting this into context - if 10% of the UK working population is concerned about personal bankruptcy as a result of losing their job that translates to over 2 million people. And with so few prepared financially for the economic downturn then it is no wonder that the overwhelming majority are already reviewing their personal spending habits and changing the way they live now.

UK workers are also taking steps to get prepared in the event of job loss, we found:

- 18% would be willing to talk to creditors to restructure personal debt
- 17% are already increasing savings
- 16% stated that they would be prepared to sell personal assets
- 64% are already changing spending habits
- Critically 23% of the same sample had no idea what to do in the event of being made redundant

Facts from The Insolvency Service

- In 2008 67,428 individuals were made bankrupt in the year
- 39,116 entered into Individual Voluntary Arrangements (IVAs)
- The total is therefore 106,544
- Whilst this is lower than either 2006, the highest year on record, or 2007, the underlying trend is up
- IVA numbers were down overall
- Bankruptcies were the highest ever

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Unincorporated businesses

Many UK businesses are operated by sole traders and partnerships and consequently require alternative solutions to those available to larger companies, should they find themselves in financial difficulty.

Unincorporated businesses in difficulty can have a direct impact on the principal's personal financial position and assets. Such situations require both a pro-active approach to helping the business going forward and empathic treatment of the individual's and their family's personal finances and assets.

At **MCR** Personal Financial Solutions we have a specialist, dedicated and approachable team, well experienced in helping people to get their financial health back on track. Our services are also of benefit to Company Directors who may need assistance in dealing with personal guarantee liabilities.

At MCR we can assist with:

- Negotiating with creditors
- Relieving pressure from creditors
- Re-organising finances
- Protecting businesses and preserving income
- Protecting the family home
- Advising on the right long term solution for each situation

For more information on this please contact:

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