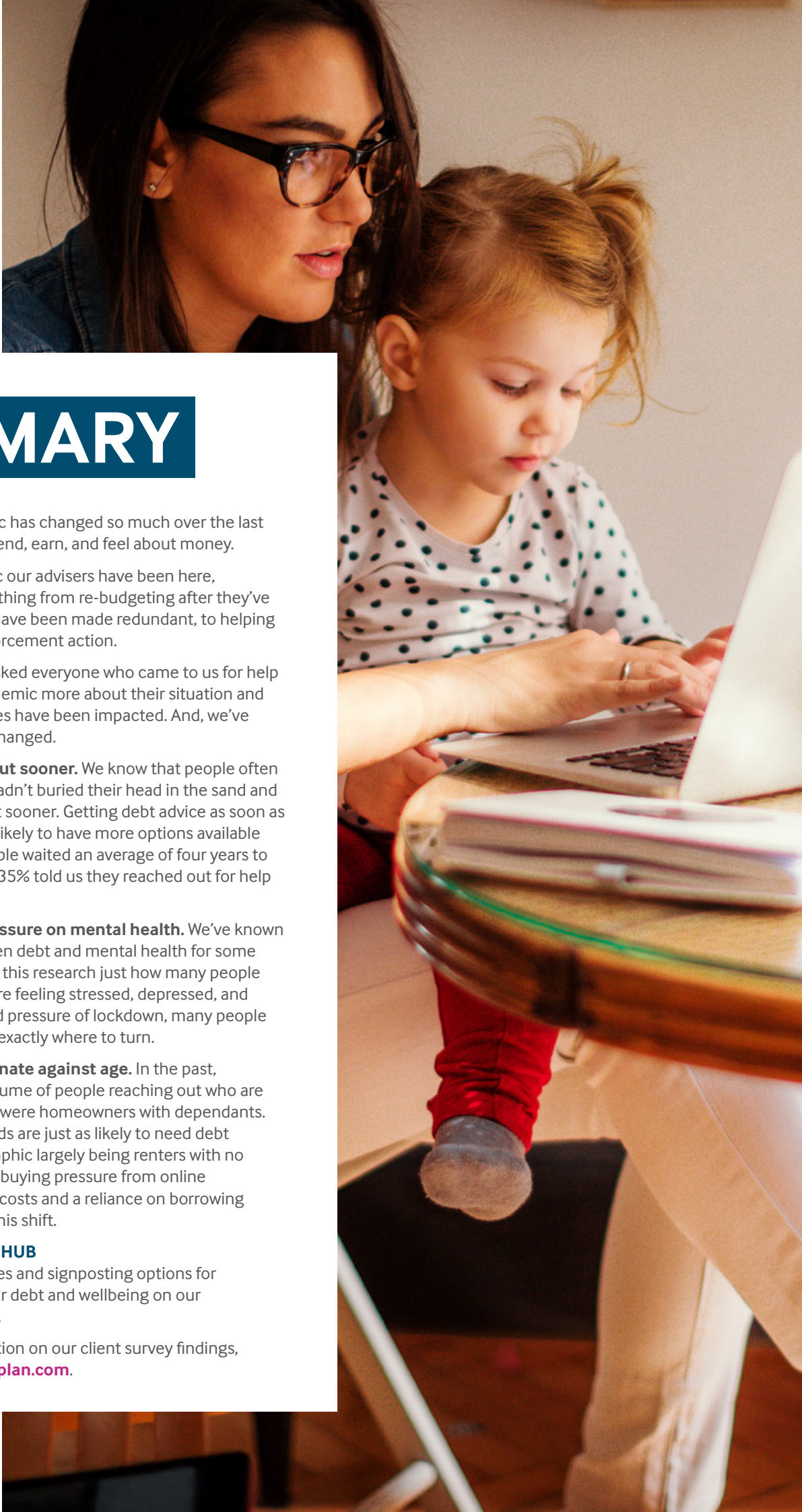


POST-COVID:

A LOOK INTO HOW THE PANDEMIC AFFECTED PERSONAL FINANCE

Results from PayPlan's 2021
client survey





SUMMARY

The Coronavirus pandemic has changed so much over the last year, including how we spend, earn, and feel about money.

Throughout the pandemic our advisers have been here, helping people with everything from re-budgeting after they've been put on furlough, or have been made redundant, to helping to deal with legal and enforcement action.

For our 2021 report, we asked everyone who came to us for help since the start of the pandemic more about their situation and how their personal finances have been impacted. And, we've learnt a lot about what's changed.

- **People are reaching out sooner.** We know that people often tell us they wish they hadn't buried their head in the sand and that they'd reached out sooner. Getting debt advice as soon as possible means you're likely to have more options available to you. In the past, people waited an average of four years to get help, whereas now 35% told us they reached out for help within the first year.
- **There's increased pressure on mental health.** We've known the relationship between debt and mental health for some time, but it's clear from this research just how many people who are reaching out are feeling stressed, depressed, and anxious. With the added pressure of lockdown, many people are struggling to know exactly where to turn.
- **Debt doesn't discriminate against age.** In the past, we've seen a higher volume of people reaching out who are in their 40s or 50s who were homeowners with dependants. Now, our 25-34-year olds are just as likely to need debt help, with this demographic largely being renters with no dependants. Increased buying pressure from online shopping, high renting costs and a reliance on borrowing are all contributing to this shift.

FINANCIAL WELLBEING HUB

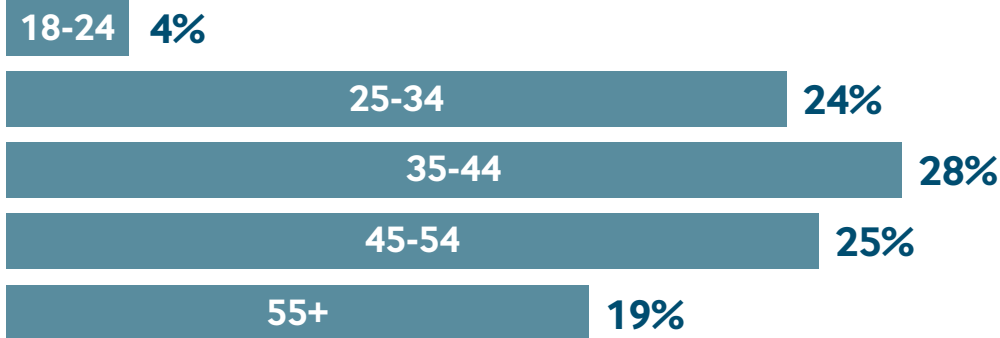
We offer a host of resources and signposting options for people to take care of their debt and wellbeing on our [Financial Wellbeing Hub](#).

If you'd like more information on our client survey findings, please email online@payplan.com.

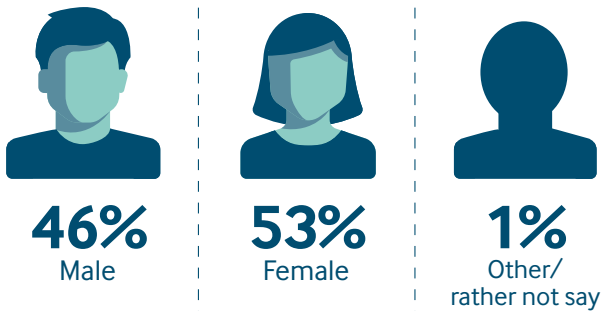
2021 CLIENT PROFILE DEMOGRAPHICS

People who accessed debt advice with PayPlan between March 2020 and February 2021 from a survey of 15,000 with 2946 respondents.

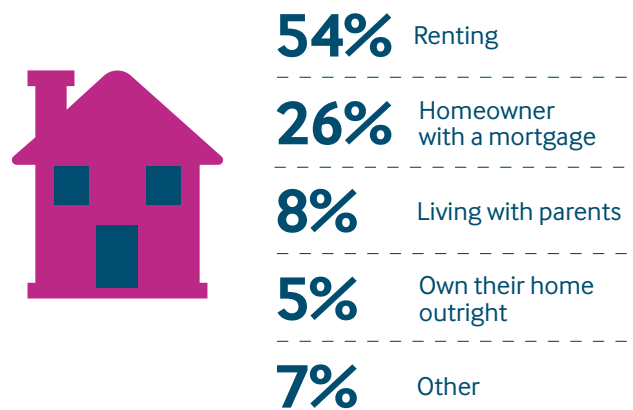
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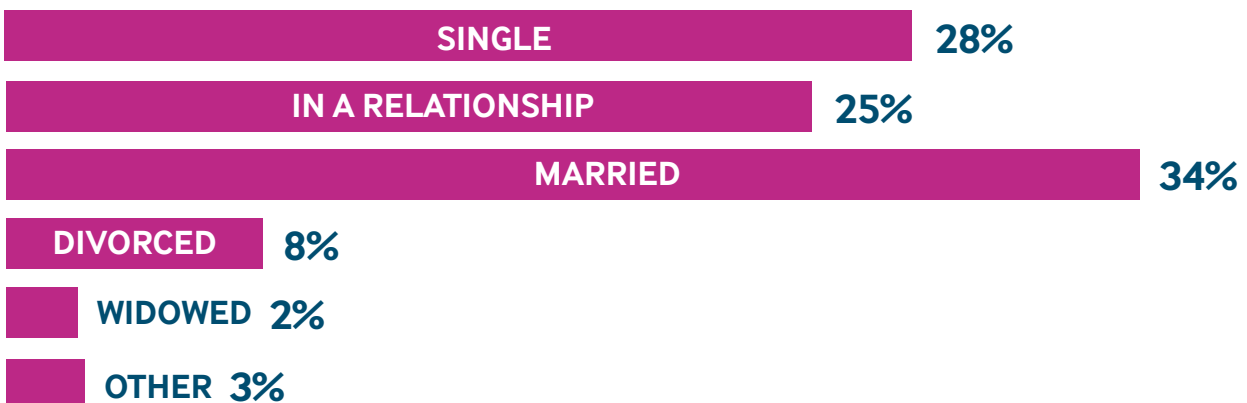
GENDER



HOUSING STATUS



RELATIONSHIP STATUS



EMPLOYMENT STATUS



2021 CLIENT PROFILE DEMOGRAPHICS

HOW MANY DEPENDANTS DO YOU HAVE LIVING WITH YOU?



52% 0
 21% 1
 17% 2
 10% 3

ANNUAL HOUSEHOLD INCOME BEFORE TAX:



34% Under £20,000
 40% £20,000 - £39,999
 18% £40,000 - £59,999
 8% Over £60,000

ANNUAL PERSONAL INCOME BEFORE TAX:



21% Under £10,000
 32% £10,000-£19,999
 28% £20,000 - £29,999
 12% £30,000 - £39,999
 7% Over £40,000

HOW LONG HAD YOU BEEN STRUGGLING WITH YOUR DEBTS BEFORE YOU CAME TO PAYPLAN?



12% A couple of months
 23% Up to a year
 28% 1-2 years
 16% 3-4 years
 21% Over four years

WHAT KEY EVENTS ARE YOU LOOKING FORWARD TO IN THE NEXT 5 YEARS? (MULTIPLE CHOICE OPTION)



30%
 Buying a house or moving



21%
 Starting a new job



21%
 Buying a car



18%
 Getting married



14%
 Having a baby



9%
 Retiring



7%
 Moving out of my parent's house



30%
 Other, including:
 Becoming Debt Free/
 Good Health/Normality

MENTAL AND PHYSICAL WELLBEING

OUR CLIENTS TOLD US THAT THEY HAVE: (MULTIPLE CHOICE OPTION)



21%

Diagnosed mental health illness



12%

Physical illness or disability



6%

Addiction



63%

Anxiety or depression



4%

Prefer not to say



27%

None of the above

82%

said money worries

were impacting their mental health

90%

Sleepless nights

90%

Anxiety

72%

Depression

33%

Suicidal thoughts

15%

Feelings of self-harm

I felt helpless, like there was no way out.

I go through stages, worrying about what letters will arrive or if a debt collector will come.

81%

of people told us their mental health is in a better place

since getting debt advice

PEOPLE IN DEBT WERE EXPERIENCING: (MULTIPLE CHOICE OPTION)

84%

Mental health concerns

58%

Falling behind on payments

40%

Impact on relationships or job

39%

Contact from creditors

22%

Contact from a debt collection agency

17%

Behind on priority bills

11%

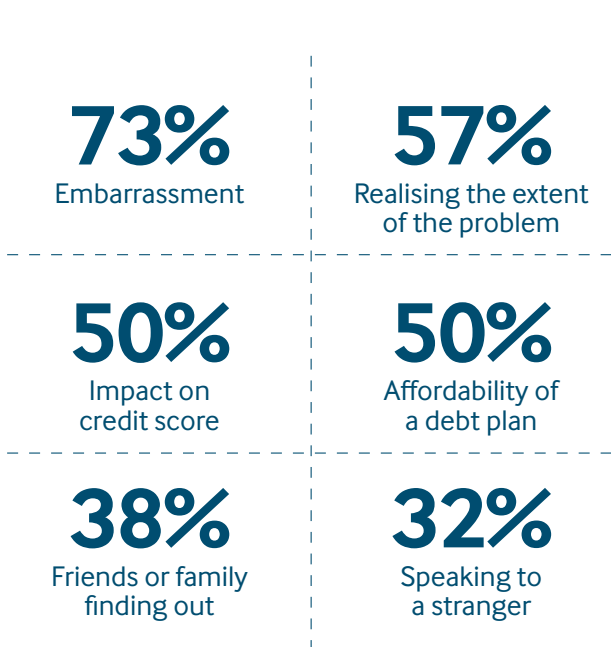
Behind on council tax

8%

Had a CCJ against them

BARRIERS TO ADVICE AND CONTRIBUTORS TO DEBT

WHAT CONCERNS DID YOU HAVE ABOUT SEEKING ADVICE? (MULTIPLE CHOICE OPTION)



I didn't realise that help existed because I had never defaulted on anything before. I felt ashamed because I didn't want to be useless and thought of as being a failure.

I suffer with terrible phone anxiety, which has improved vastly since dealing with PayPlan as I'm no longer afraid of answering the phone as nobody can contact me regarding debt.

I didn't know if it could help. I was also concerned about losing my job due to intervention.

I was terrified of facing the problem; of losing my home, my car and everything I had worked for over the years.

WHAT WAS THE BIGGEST CONTRIBUTOR TO YOUR DEBT?



45%
Reduction in income



11%
Spending on an addiction



6%
Divorce



5%
Redundancy



4%
Childcare costs



29%
Other

- Includes:
- Domestic or economic abuse
 - Mental health or medical reasons
 - Bereavement
 - Coronavirus-related

BARRIERS TO ADVICE AND CONTRIBUTORS TO DEBT

BEFORE SEEKING ADVICE, PEOPLE TRIED TO: (MULTIPLE CHOICE OPTION)

61%

Cut back on spending

58%

Borrow more money to help

46%

Take a loan or credit card payment holiday

16%

Took on an extra job

15%

Took a mortgage payment holiday

8%

Gambling

At one point, with my young daughter, I was working three jobs to stay afloat with my debt repayments and bills.

I had to do without food to try and pay my debts, but still did not have enough to pay them.

WHEN DO YOU FIND YOURSELF WORRYING MOST ABOUT MONEY?

14%

After I've been paid, and I can't cover all the costs

24%

Towards the end of the month, when I'm running out of money

4%

When my credit card bills arrive

57%

All the time

1%

Other

Including:

- When I lost my job
- Thinking about the future
- At night, trying to sleep

I used to worry all the time, having sleepless nights - it was making me ill. That was until I spoke to PayPlan, it was such a load off my shoulders, I felt so relieved.

Thankfully, because of PayPlan, we can pay our bills and afford food and the odd treat.

Before, it was all the time but now we live within our budget and I feel better. Since being with PayPlan I am not as anxious.

WHAT OTHER SUPPORT COULD HELP PEOPLE FACING DEBT PROBLEMS RIGHT NOW?

The hardest part is taking the first step to get help, once on the phone to you guys, I felt a lot better.

More understanding - it's not always your fault and feeling like a criminal when you are unable to make payments.

Sometimes just hearing a sympathetic voice is enough in helping on what is the start of a long road.

Get in touch with a service like PayPlan as soon as possible and try to stop relying on credit.

payplan.com  [@payplan](https://twitter.com/payplan)

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