

MONEY MATTERS DIVIDE THE SEXES

Men continue to win the battle of the sexes when it comes to monthly disposable income levels, and the gap is widening, according to the latest findings from Alliance & Leicester's Wealth Tracker Index. Next month, women will have on average 43% (£178) less disposable income than men (women: £243 vs. men: £421), a worsening of the situation compared to a year ago (August 2001) when women had £111 (33%) less income than men (£228 versus £339).

The findings also reveal that, irrespective of income levels, there are key behavioural differences between the way men and women manage their money;

- Women spend a higher percentage of their monthly disposable income than men (women 63% vs. men: 55%), suggesting that women may be spending beyond their means every month.
- The savings gap between men and women, however is closing with men intending to save 33% (£138) and women 34% (£82) of their monthly disposable income in August, compared with Q1 2002 (men: 48% vs. women: 27%).
- Men dominate the investment league, with men intending to invest on average 12% (£50) of their monthly income next month, compared with women who intend to invest only 3% of their monthly disposable income (£8).

Aside from the marked differences between the sexes, the findings also indicate that generally around the UK, consumer spending and borrowing is steadily on the increase, with Britons intending to spend an average £196 next month, a marginal increase on the figures in Q2 this year (£186). People will also be borrowing more next month (£67 vs. £49 in Q2 2002).

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As part of Alliance & Leicester's quarterly study, the Wealth Tracker Index, a GB representative sample of 2,000 people were asked what their level of disposable income was each month, and from that figure, how much was saved, spent, invested or supplemented by borrowing.

Key findings:

Disposable income: On average, people's disposable income this month will be £337 (after household bills, mortgage and borrowing payments have been deducted). This is an increase on the May 2002 figure (£310), but down on Q1's figure (£402). The greatest difference this quarter is the discrepancy between regional disposable income levels, with the greatest gap between East Anglia (£457) and the North (£174).

Savings: Britons intend to save an average of £111 next month (58% of their monthly disposable income), up 14% from Q2 2001 (£97), but down significantly from Q1 this year (£172).

- Men will be saving more than women, £138 vs. £82, although this is around the same percentage of their monthly disposable incomes (Men 33% vs. Women 34%)
- People in the South East save the most money as a percentage of disposable income next month - £180 (40% of disposable income), compared with people in the North West who will be saving the least - £25 a month (25% of disposable income).

Spending: Britons say they will spend on average £196 next month (58% of their disposable income), around the same as the first two quarters of 2002 (Q2: £186, Q1: £197).

- As in previous quarters, men will be spending a larger amount of money, but women continue to spend a greater proportion of their monthly disposable income (women: £82 (63%) vs. men: £233 (55%)).

Investment: Of their £337 average disposable income each month, Britons intend to invest £30 next month (9% of disposable income), exactly the same percentage as in Q2 this year (9% of disposable income, £27), but more than the same period in 2001 when people were investing £23 a month (8% insert percentage).

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- Men continue to invest more than women, with men intending to invest £50 in August (12% of monthly disposable income), compared with women who will be investing £8 (3%) of their monthly disposable income).
- People living in the South East are the UK's biggest investors, intending to invest £71 in August, while people in Yorkshire and Wales are the UK's worst investors, not intending to invest any money next month.

Borrowing: Whilst interest rates remain low for another month, consumers intend to borrow more in August (£67) than they did in Q2 (£49) or the same period in 2001 (£56).

- On average men will borrow £89 next month, significantly more than the figures in August 2001 (£50). Men will be borrowing almost twice as much as women next month (men: £89 vs. Women £45)
- People in the South West are the biggest borrowers, £309 a month, followed by East Midlands, £109.

Simon Ripton, Product Manager for Investments at Alliance & Leicester said:

"Despite the fact that men appear to have a larger amount of disposable income every month, it seems that women are the most creative with how they manage and spend their money every month. Another interesting finding is that men emerge as the biggest investors, while women tend to opt for the safer haven of the savings account. It is certainly encouraging that people are aware of the need to look at their finances, the role of Alliance & Leicester is then to advise people of how to make the most of their money and explain how they could benefit from a range of savings and investment opportunities."

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For more information please contact:

Andrew Homer, Alliance & Leicester
Mobile – 07798 580 833

0116 200 3401

Alliance & Leicester Press Office

0116 200 3355

Rebecca Ellis-Owen/Caroline Long
Financial Dynamics

02072697112/7239

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Notes to Editor:

The Wealth Tracker Index research was undertaken via face to face interviews during July 2002 for Alliance & Leicester by RSGB, a division of the Taylor Nelson Sofres Group among a GB representative sample of 2,000 adults. More/...

For copies of earlier Index releases or to be added to the Wealth Tracker e-mail list for future Wealth Tracker news releases, email caroline.long@fd.com

Average figures for spending, saving, investing and borrowing per month for Britons, August 2002

National Figures

| | TOTAL | % of total income (excl borrow) | MEN | % of total income (excl borrow) | WOMEN | % of total income (excl borrow) |
|--|-------|---------------------------------|-----|---------------------------------|-------|---------------------------------|
| Spend | 196 | 58% | 233 | 55% | 153 | 63% |
| Save | 111 | 33% | 138 | 33% | 82 | 34% |
| Invest | 30 | 9% | 50 | 12% | 8 | 3% |
| Borrow | 67 | | 89 | | 45 | |
| Total disposable income (with borrowing) | 404 | | 510 | | 288 | |
| Total disposable income (excl / minus borrowing) | 337 | | 421 | | 243 | |

GUIDE TO REGIONS:

| | |
|---------------|--|
| South East | Essex, Hertfordshire, Bedfordshire, Buckinghamshire, Oxfordshire, Berkshire, Hampshire, Surrey, Sussex, Kent |
| South West | Cornwall, Devon, Somerset, Dorset, Wiltshire, Gloucestershire |
| East Midlands | Northants, Leicestershire, Lincolnshire, Nottinghamshire, Derbyshire |
| West Midlands | Hereford, Worcester, Shropshire, Staffordshire, Warwickshire |
| East Anglia | Norfolk, Suffolk, Cambridgeshire |
| North West | Cheshire, Greater Manchester, Lancashire, Merseyside |
| North | Cumbria, Durham, Northumberland, Cleveland, Tyne and Wear |
| Yorkshire | Yorkshire/Humberside |

Regional findings are on the following page.

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Regional Findings

| | London | % of total income (excl borrow) | Scotland | % of total income (excl borrow) | Wales | % of total income (excl borrow) | South East | % of total income (excl borrow) |
|--|------------|---------------------------------|---------------|---------------------------------|---------------|---------------------------------|-------------|---------------------------------|
| Spend | 216 | 53% | 262 | 70% | 162 | 66% | 202 | 45% |
| Save | 142 | 35% | 98 | 26% | 85 | 34% | 180 | 40% |
| Invest | 53 | 13% | 13 | 4% | - | - | 71 | 16% |
| Borrow | 56 | | 90 | | 21 | | 60 | |
| Total disposable income (with borrowing) | 467 | | 463 | | 268 | | 513 | |
| Total disposable income (excl borrowing) | 411 | | 373 | | 247 | | 453 | |
| | South West | | East Midlands | | West Midlands | | East Anglia | |
| Spend | 298 | 68% | 141 | 63% | 143 | 64% | 287 | 62% |
| Save | 108 | 25% | 67 | 30% | 77 | 35% | 153 | 33% |
| Invest | 30 | 7% | 16 | 7% | 3 | 1% | 17 | 4% |
| Borrow | 309 | | 109 | | 10 | | - | |
| Total disposable income (with borrowing) | 745 | | 333 | | 233 | | 457 | |
| Total disposable income (excl borrowing) | 436 | | 224 | | 223 | | 457 | |
| | North West | % of total income (excl borrow) | North | % of total income (excl borrow) | Yorkshire | % of total income (excl borrow) | | |
| Spend | 163 | 71% | 118 | 68% | 127 | 61% | | |
| Save | 57 | 25% | 48 | 28% | 73 | 35% | | |
| Invest | 9 | 4% | 8 | 5% | 7 | 3% | | |
| Borrow | 34 | | 2 | | - | | | |
| Total disposable income (with borrowing) | 263 | | 176 | | 207 | | | |
| Total disposable income (excl borrowing) | 229 | | 174 | | 207 | | | |