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## **MATERNITY MISERY AS THE COST OF MOTHERHOOD PUSHES MORE THAN A QUARTER OF NEW MUMS INTO THE RED**

- **Nearly three in ten new mums (28%) end up in the red because of maternity leave<sup>[1]</sup>, racking up an average of almost £2,500 of debt<sup>[1]</sup> – just a quarter (25%) feel financially prepared<sup>[2]</sup>**
- **While one in ten (10%) resort to borrowing money from their family<sup>[3]</sup>, 14% of new mums are forced to rely on credit cards, loans or overdrafts to make ends meet<sup>[3]</sup>**
- **Almost a quarter (23%) delay having their first child because they can't afford it<sup>[4]</sup> and four in ten (39%) of those who don't want any more children are put off by the cost<sup>[5]</sup>**
- **New mums see their monthly household income nearly halve from almost £3,000 (£2,866) to just £1,654 when they go on maternity leave<sup>[6]</sup> but more than four in ten (43%) don't save any money to cover their time off<sup>[7]</sup>**
- **More than one in ten mums (11%) cut short their maternity leave because of financial pressures<sup>[3]</sup>, while 9% re-think their plans about not returning to work<sup>[3]</sup>.**

Almost three in ten first time mums (28%) have been forced into the red, racking up an average of almost £2,500 because of maternity leave<sup>[1]</sup>, according to a new study by [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service. The financial burden of maternity leave forces one in ten (10%) to borrow from their nearest and dearest<sup>[3]</sup>, but 14% resort to credit cards, loans and overdrafts<sup>[1]</sup>. In fact, just one in four (25%)<sup>[2]</sup> new mums feel financially prepared.

However, new mums aren't necessarily unprepared because they are rushing to start a family – in fact almost one in four couples (23%) delay starting a family because of the cost<sup>[4]</sup>. And more worryingly, four in ten (39%) first time mums that don't want anymore children said they were put off by the cost<sup>[5]</sup>, while a further 9% have been left feeling guilty because they couldn't afford to give their baby everything they wanted to<sup>[12]</sup>.

The rising cost of living, including a 21% hike in energy bills<sup>[8]</sup> and an almost 6% rise in travel fares<sup>[9]</sup> has put pressure on consumers. But the fall in income for mums-to-be during maternity leave could push many over the edge. Those going on maternity leave see their

monthly household income nearly halve from almost £3,000 (£2,866) to just £1,654<sup>[6]</sup>. Yet more than four in ten (43%) don't save any money to cover their time off<sup>[7]</sup>.

To make things worse, at the same time as experiencing a drop in income, first-time mums are spending money preparing for their new arrival. They are splashing out more than £1,400 on average during their maternity leave<sup>[10]</sup>, but more than one in ten (13%) spend at least £2,500 feathering their nest<sup>[10]</sup>. This is on top of an average spend of over £1,500 before going on maternity leave<sup>[11]</sup>.

While the recent change to child benefit announced in the Budget is good news for some middle income families, it's unlikely to be enough. In fact, the financial strain is so great that one in ten (11%) are forced to cut their maternity leave short and return to work to make ends meet<sup>[3]</sup>, while 9% have to re-think their plans to return to work<sup>[3]</sup>.

**Ann Robinson, Director of Consumer Policy at uSwitch.com says:** "Planning for a baby is tough at the best of times, but in the face of the soaring cost of living there is even more pressure on family finances. For some families this can mean some very difficult decisions. It's heartbreaking that so many mums are being forced into debt or having to cut short their maternity leave just to make ends meet.

"Sadly, very few mums have the luxury of being able to stay at home for the whole of their maternity leave and even fewer have the choice to be a stay at home mum. It's clear that more needs to be done by the Government to help families cope with the financial burden of parenthood, but in the meantime families can help their situation by reviewing household budgets and looking at where they can cut costs to save a bit of extra cash."

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 0607**

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**Notes to editors**

Research carried out online by EasyInsites in March 2012 amongst a sample of 1,008 mums.

1. When asked 'If you found yourself in debt, how much debt did you get in to?' the average amount was £2,500; 71.7% said 'We didn't get in to debt – therefore 28.3% found themselves in debt.
2. When asked 'To what extent were you financially prepared to survive on a reduced income whilst meeting the additional costs that a baby brings?' 25.2% said 'we were 100% prepared to fund my maternity leave and made sure I / we saved enough money in advance'.
3. When asked to 'Think about the financial impact of taking maternity leave' 13.8% said 'we had to take out a loan / use an overdraft / use credit cards to make ends meet'; 9.8% said 'I had to borrow money from family members to make ends meet'; 11.3% said 'I had to cut my maternity leave short and return to work earlier than I wanted in order to make ends meet'; 8.9% said 'I had to re-think my plans about not returning to work'.
4. When asked to 'Thinking about why you delayed having children, which of the following best describes why?' 23% said 'I couldn't afford to have children any sooner'.

5. When asked 'Would you like to have more children?' 31.6% said 'no' and of those, 38.6% said they 'could not afford another child'.
6. When asked 'What was your household's average monthly net income before going on maternity leave?' the average amount was £2866.12 and when asked 'While on maternity leave what was your household's average monthly net income decreased to?' the average amount was £1654.41.
7. When asked to think about 'How much did you save specifically to see you through maternity leave?' 42.9% said they didn't save.
8. Sourced: <http://www.bbc.co.uk/news/uk-16380479>
9. Sourced: [www.uSwitch.com](http://www.uSwitch.com)
10. When asked to 'Think about the additional costs associated with a newborn baby and how much you think you spent in total during your maternity leave?' the average amount spent was £1,423.12. 13% spent more than £2,501.
11. When asked to 'Think about the additional costs associated with a newborn baby and how much you think you spent in total prior to your maternity leave?' the average amount spent was £1,526.41.
12. When asked to 'Think about the financial impact of taking maternity leave' 9.1% said; 'I simply couldn't afford to give my baby what I wanted to be able to give him/her'.

#### **About us**

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uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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