

Saving up, a luxury that 1 in 4 simply can't afford

By **Michael Blackley**
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ONE in four Scots cannot afford to save money for a rainy day or pay into a pension, putting them at risk of financial disaster in later life.

A survey published last night shows that 28 per cent of Scottish adults are unable to save even £20 a month.

Twenty-three per cent say they are unable to make regular payments into an occupational or private pension.

Twenty-four per cent of adults cannot afford basic items such as a washing machine, phone or curtains, while 21 per cent suffer from a damp or inadequately heated home.

Eight per cent of Scottish respondents to the study said they do not have enough money to heat their home.

The figures were produced as part of the Poverty and Social Exclusion Project, a collaboration between British universities including Glasgow and Heriot-Watt. The surveys were carried out across the UK and included 2,700 responses from Scotland.

Keith Dryburgh, spokesman for Citizens Advice Scotland, said: 'These figures come as no surprise to us.'

'Citizens Advice Bureau advisers across Scotland have been reporting for some time that most of the people they see are people who have very serious financial concerns.'

'For many, the word "crisis" is not too strong. Increasing numbers of families are unable to feed themselves and their children or are unable to pay rent, gas and electricity bills.'

'For such people, the idea of being able to save or contribute to a pension is a luxury they can't afford.'

Scottish Labour health spokesman Jackie Baillie said: 'This survey shows the real pressure that many Scots families are facing, pressure which welfare reform will exacerbate with cuts to housing benefit, the bedroom tax and direct payments.'

'The focus must be on getting more people into work, especially women

who are increasingly under-employed or leaving the jobs market.'

Nick Bailey, of Glasgow University, said: 'These findings paint a very bleak picture of life for large numbers of people living in low-income households in Scotland today. The numbers are shocking.'

A Scottish Government spokesman said: 'It is imperative the most vulnerable members of society are protected during these tough economic times.'

'It is deeply frustrating that Scottish Government efforts to tackle poverty are being hindered by UK welfare

reforms that will mean people in Scotland could be hit with a cut of £4.5 billion in the five years to 2014-15 – £2 billion more than the UK Government originally claimed.'

'We are taking every step to protect households, including the introduction of a social wage, the council tax freeze, concessionary travel, free prescriptions and a modest pay increase for public sector workers.'

'However, we could do more to guarantee social justice if we had the powers to deliver it.'

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PUBLIC SECTOR PENSIONS TO COST £1,500 A FAMILY

THE cost of paying gold-plated pensions to public sector workers will double in six years to the equivalent of £1,500 per family, a report warns today.

From April 2011 to April 2012, the net cost of state pensions was £8billion.

That will hit £16.2billion in 2017-18, according to forecasts by the Office for Budget Responsibility, the Treasury watchdog.

The report by think-tank the Centre for Policy Studies (CPS) said the numbers show 'the true

scale of the public sector victory in pension negotiations'.

It comes as unions plan strike action over changes to pensions and other grievances.

State employees must now work longer and pay more for pensions and may get less at retirement.

But the figures show the cost of their pensions is still rising, while most private sector workers have no retirement pot.

The forecasts do not show the full cost to the taxpayer of such pensions, the CPS said. They deduct

money contributed by the employer from the total - but in the case of public sector workers the 'employer' is the state and so the contributions are paid for by taxpayers.

In 2017-18, the employer contribution will be around £17.5billion, making a total of £33.7billion.

Michael Johnson, author of the CPS report, predicts a total closer to £39billion.

He said: 'The annual cost of providing public service pensions will be over £1,500 per household by 2016 and rising rapidly.'

