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Tighten Your Belt and Lower Your BMI

Posted on Wednesday 12th March 2008

The nation's financial health is deteriorating with almost half of UK adults classified as 'financially overweight' according to the new Lloyds TSB BMI – Bank Mass Index - devised by Professor Stephen McKay at the University of Birmingham.

This new index calculates financial health using the same principle as the established Body Mass Index. And calculations based on the index developed by Professor McKay have revealed some worrying figures about the state of the people's financial health with 10% of the population facing 'financial obesity'.

A person's index is found by considering several factors such as savings, pensions, unsecured debt and home ownership status and reaching a single number indicating broad financial health.

In an assessment of the nation's purse, new research using Prof McKay's index found that women are financially less fit with an average score of 28 compared to 27 for men. The fiscally leaner regions in the UK are the South West and Wales, with scores of 25 and 26 respectively, while Scotland is revealed as the most overweight, with an average Lloyds TSB BMI of 33.

The age gap proves significant when it comes to the state of the UK's fiscal health. The 18-24 age bracket was found to have an average index of 31, compared to the over fifty-fives scoring a much fitter 24.

A score of 20-25 finds a person financially fit; a score of 26-29 means a person is financially overweight, often with the amount of debt he or she has being greater than the level of savings; and a reading of over 30 suggests a person is financially obese, indicating risks of over-indebtedness, where an individual may be spending more than 25% of their gross monthly income on unsecured repayment.

Prof McKay says: "What is most worrying is that despite the fact that almost one in five respondents thought their index was poor, or worse than expected, 27% are not planning to take any action to sort out their finances, saying that they didn't know where to start, that it was too challenging and that they had no time."

A financial health check is available at www.needtoknowaboutbanking.com where the Lloyds TSB BMI calculator provides ratings.

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Notes to Editors

Prof Steve McKay is available for interview. Please contact Anna Mitchell on 07920 593 946 / 0121 414 6029.

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