

## Bankruptcy viewed as an escape to young people

### News Story

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Figures from the Bank of England have revealed that borrowing costs such as overdrafts, personal loans and credit cards have increased significantly in the last few weeks. However, it is not yet evident as to whether this is irresponsible spending or that many are having to borrow money to make ends meet.

In addition, research carried out by the Personal Finance Research Centre at Bristol University and Commissioned by Standard Life Bank, said young adults seemed especially vulnerable to strong pressures to consume and are, therefore, committing financial suicide with a high-spending lifestyle they cannot possibly afford.

This young generation want the lifestyles of top celebrities on a low income which is displaying a reckless attitude to borrowing. This group of people do not see bankruptcy as shameful, but view it as means of escape from large debts amassed through buying trendy clothes, socialising and travelling to exotic destinations.

Back in the 1980's bankruptcy was a mark of shame and a demonstration of failure. However, the study showed that a core minority saw debt consolidation and insolvency as easy ways out of problem debt.

According to the study the use of credit to meet everyday expenditure was a way of life, for some the line between needs and wants was virtually indistinguishable. The study also established that parents are increasingly being forced to put their own finances on the line in order to bail out their grown-up children - this can involve borrowing against their homes.

A spokesperson for Standard Life Bank said we are not only seeing people 'trying to keep up with the Joneses' but also aspiring to a lifestyle more like top celebrities. Credit is not only freely available but considered a way of financing lifestyles rather than reflecting need.