



Thursday 17th April 2008

Downgrade Britain

- Brits brace themselves for credit crunch -

Over half (54%) the population admit that fears of an impending recession has led to a radical shift in financial priorities, new research out today by classifieds site, Gumtree.com reveals.

Gumtree's investigation into consumer spending habits shows that three quarters of the nation (72%) are now planning to make financial changes in a bid to return to a more affordable lifestyle. Home grown holidays, dinner parties and an online second hand revolution are set to become commonplace as we end an era of living on borrowed credit and way beyond our means.

The current cocktail of economic pressures is made up of concerns over spiraling household costs (60%), fuel prices (57%) mortgage rates (33%) and even unemployment (24%). As a result, Britons have identified four key spending areas in need of an audit – socialising, foreign holidays, car/fuel usage and shopping.

Top of the cutbacks is eating out and socialising away from home (35%). A quarter of people (23%) are going to replace restaurants and bars with having friends over for dinner parties, book groups and afternoon tea. Fourteen percent are even going to ditch their morning coffee for a homemade alternative.

With a weak pound against the Euro sending the cost of foreign holidays rocketing, the UK is set to be this year's destination of choice with 44% veering away from the traditional overseas holiday. While a third (30%) of Brits are looking to experience what the UK has to offer, 10% are opting to visit friends rather than shell out on hotels and 7% will be pitching their tents as a means of alternative accommodation.

When it comes to motoring, a third (31%) are planning to cut down on fuel costs by using the car less and one in ten (10%) are looking at rideshare as a viable option to get to work and school. What's more 16% are planning on downgrading – or trading in – their current model for a more efficient one as the struggle to beat the rising cost of fuel begins.

And it's not just forecourts that will see less custom. Brits are also heading away from the high street and staging a second hand revolution online. Retro-chic looks set to stay with a quarter (26%) of us in favour of buying second hand alternatives to help save the pennies while a third of people questioned were planning on selling anything spare in a bid to bolster cashflow.

Recession 2008 Your Personal Financial Survival Guide author, Ken Langdon says: "The current climate means that we're all feeling the pinch but there are smart ways to ensure we are living within our means and avoiding sliding into a negative financial situation. Firstly, see where you can make savings in your day to day budget - could you cut the cost of your childcare with a nanny sharing scheme, or perhaps earn some extra cash selling old clothes on-line?"

"Put any savings made towards paying off outstanding debts - just make sure you're paying off the ones with the highest interest rate first."

29 year old Mariel Thomas from Cardiff has radically cut back on her socialising budget and is instead hosting jointly financed dinner parties at home. She says: "As well as the obligatory bottle of wine, we all throw in £5 for the kitty and I host a three course dinner. We're all feeling the pinch at the moment and can't justify the cost of a meal at a fancy restaurant."

Nikki Goldberg from North London has also made a significant cutback to her budget this year and has bought a tent for £10 on Gumtree instead of an airline ticket abroad. She says: "I love a beach holiday, and while you can't guarantee the weather camping in the UK, sunning myself on a beach just doesn't seem so important right now."

Gumtree spokesperson Sophy Silver comments: "There's no doubt we're all feeling

the pressure to make savings where we can and reassess what's important when it comes to saving. But cutting back doesn't have to mean missing out especially as there's so many ways to be financially smart through the site. Whether that's by taking in a lodger to help towards mortgage repayments, arranging a nanny share or even by making money selling on second hand clothes, the site's a goldmine for helping you rein it in."

But apparently, there are some perks we just can't live without. We're not yet ready to give up on the body beautiful with just 4.6% about to relinquish their gym membership and only 2.6% are prepared to go it alone without the hired help!

-Ends-

Top tips for downgrading spending

Socialising

We all like to go out on the town but with the price of alcohol and tobacco being increased in this year's Budget, not could be the time to cut down. Why not have a dinner party instead or perhaps start a book group with friends so you take it in turns to visit each others' houses
<http://www.gumtree.com/london/64/22631364.html>

Holidays

Ride sharing is an economical way to get to your desired destination, and if you're the one driving, can help save you pennies on the petrol. But if you've got your heart set on that holiday in the Maldives, you could try renting your home out for the two weeks you're away to help towards the air fare
<http://www.gumtree.com/london/12/20957012.html>

Home

- If you have a spare room – or sofa – you could be throwing away money. Why not take in a lodger to help pay the bills or the mortgage. What's more, an unused driveway or spare corner in your loft can be rented out for additional income – and you can even advertise it for free on Gumtree
<http://www.gumtree.com/london/21/22505821.html>
<http://www.gumtree.com/london/17/22481617.html>

Childcare

Cut the costs of childcare by sharing the load. Is your nanny brilliant? Why not cut her costs in half and share her excellence with another family
<http://www.gumtree.com/london/02/22703102.html>

Freebie Fitness

Personal trainers aren't simply reserved for those with money. Use your skills to get the fitness inspiration you need, for instance could you teach a foreign language in return for expert personal training?
<http://www.gumtree.com/london/27/22751027.html>

Transport

- There are many ways you can cut down on your car use. Why not try to rideshare with people going the same way to work, school or home from uni. It's easy, cheap and if you're not sure where to start, why not look on the rideshare section of Gumtree
<http://www.gumtree.com/london/84/22503084.html>

- Cycling is an easy, cheap and environmental way to get around... it also keeps you fit. So why not get on your bike this summer and save vital cash. Haven't got a bike? Log onto Gumtree.com and you're bound to find one in your price range!

<http://www.gumtree.com/london/19/22542219.html>

Cash Flow

- Have a good think about all the surplus things you've got lying around the house. Do you really need the playstation, four pairs of jeans and two kettles? Gather together everything you want to get rid of and rather than binning it, why not sell it online at Gumtree.com

<http://www.gumtree.com/london/60/22667360.html>

Cash-free purchasing

Are you fluent in another language, a skilled musician or are you learning to become a personal trainer? If so, why not swap them for things you'd like to learn but can't afford on Gumtree or better still, advertise to teach them to others?

<http://www.gumtree.com/london/52/21567252.html>

For more information or case studies please contact the Gumtree press office at Lexis Public Relations on 020 7908 6589 or email gumtree@lexispr.com

Notes to Editor

- Research carried out among 1,145 adults by Tickbox, April 2008

About Gumtree.com

- Gumtree.com was created in London in March 2000 and now covers 60 cities across 6 countries - the UK, and US Ireland, Poland, Australia, New Zealand and South Africa
- It is the UK's biggest website for local community classifieds including flat share, flat rentals and jobs
- Some Fast Facts
 - 20,000 new ads in a day
 - 100,000 new ads in a week
 - Half a million new ads in a month
 - One million ads live on the site at any one time
 - 150 million page impressions every month
 - Around 6 million visitors a month
 - Gumtree.com users spend 5,360,000 minutes on the website each month
- Gumtree is your local community online. Home to all the things you'd expect from your local community; a place to find and advertise rooms, flats and houses, a notice board for selling and buying stuff, somewhere to find job or a date even just to chat with friends